

[TELECOMS - BUSINESS]

Huge eschews VOIP

Neither a threat nor an opportunity, says group

BY IAIN SCOTT

MANAGED TELECOMS company Huge Group sees voice over internet protocol (VOIP) as neither a threat nor an opportunity, says CEO Anton Potgieter.

Writing in the group's latest annual report, Potgieter says that the group has seriously considered VOIP and "the importance placed by certain commentators on the inclusion of a 'VOIP product' in the product suite of a telecommunications company".

"Huge [is] of the view that VOIP is not a substitute for the current incumbent (being Telkom), but merely a transmission protocol used by a network operator (which includes Telkom) to carry voice and data in a far more cost-effective and efficient manner than the traditional time division multiplexing used by traditional public switched telephone networks (which also includes Telkom)."

He says that as Huge is not a network operator and does not own its own network, VOIP presents neither a potential threat nor a potential opportunity.

Potgieter remains bullish about the group's prospects in the coming year, despite the current economic climate.

"The outlook for next year shows every sign of being a lot tougher for South Africans," he says. "The trading



environment is expected to be challenging as the South African consumer continues to come under pressure."

He says an increase in local inflation will highlight the need for corporations to tighten their control over telephone and communications usage and effectiveness.

"Companies delivering managed telecommunications will therefore benefit from this cost consciousness," Potgieter says.

He notes that Huge Telecom normally benefits during tighter economic periods as such conditions traditionally spur adoption of more aggressive cost-saving measures.