

Can Argentina pull it off?



The main limitation is not really the availability of capital to deploy, rather it is the volume of new deployments that MNOs commit to, the difficulties in the permitting process and the availability of high quality suppliers.

With regards to this last point, I actually think that there is an opportunity for equipment and service providers from across the region to enter Argentina as the demand for new sites increases.

TowerXchange: What do you think is needed to improve the competition against MNOs and their level of investment?

Miguel Angel Arrigoni, Chairman and Chief Executive Officer, First Corporate Finance Advisors: It's going to be very hard to modify the status quo as MNOs show resistance to invest and the government isn't really demanding an improvement in the QoS.

To date it's not clear whether the new telecom law is going to address the most pressing issues in the short term and it seems to me that a long term plan allowing the industry to fully bloom is not really shaping up.

In my opinion, deregulation in the telecom sector, for example allowing MNOs and cable companies to compete, creates a more dynamic and competitive environment. As the economy keeps stabilising, long term financing options should become more easily available and facilitate investments ■



Miguel Angel Arrigoni, Chairman and Chief Executive Officer, First Corporate Finance Advisors

called shot clock rule). In fact, the handling of permits will continue to fall under the individual municipalities, with the government looking to exert indirect pressure via alternative ways such as educational campaigns.

With regards to the details of the new law, we don't see the government really working to set targets to reduce the ratio of subscribers per tower, which would eventually improve the Quality of Service (QoS) across Argentina. As a result, the telecom infrastructure industry should consider the creation of a chamber to lobby towards a favourable set of norms and regulations.

TowerXchange: Where do you see the level of investment by towercos in the country going? How many towers are being built by independent towercos in 2017?

Miguel Angel Arrigoni, Chairman and Chief Executive Officer, First Corporate Finance Advisors: Out of the many towercos with a presence in Argentina, only a few have active build-to-suit contracts with MNOs.

In fact I believe that MNOs are still testing the efficiency and opportunity of working with towercos; my estimate is that towercos will be responsible for around 400-500 new sites by the end of 2017, but this number is likely to increase next year.

TowerXchange: What are the expectations with regards to the approval of the new telecom law? And how effective is the law likely to be in speeding the permitting process for new sites?

Miguel Angel Arrigoni, Chairman and Chief Executive Officer, First Corporate Finance Advisors: The approval process on the new telecom law could be extended into 2018 due to political reasons.

Although being discussed, it won't be easy for the new law to incorporate a nationwide system allowing a fast-track municipal approval (the so