



Argentina: Speeding up the internet



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Larry Schwartz, President and CEO, Seaborn

Photo: Courtesy of Seaborn



Larry Schwartz, CEO of Seaborn

When Jack Ma, the founder of Alibaba, the biggest online retailer in China, visited Argentina in May, he lamented the poor internet connections. “The speed of the internet is so slow and so expensive,” he told entrepreneurs in Buenos Aires after signing a deal for Argentine companies to sell some products on his site.

Argentina had an average connection speed of 6.3 megabytes per second (mbps) in the first quarter of 2017, three times slower than the 18.7 mbps in the US, according to Akamai Technologies, a US-based provider of cloud computing services. In terms of cost of living, Argentina is one of the most expensive countries on the globe, ranking with Australia and the UK despite paying lower salaries.

These factors restrict the potential for online businesses, in particular those using a lot of bandwidth such as music and video streaming services like Hulu and Spotify. “The slower and the more expensive a connection is, the harder it is for businesses because there are fewer people who can shop online,” said Martín González, an entrepreneur in the insurance technology market.

A THIRD SUBMARINE CABLE

One drawback is that there are only two submarine fiber-optic cables for international bandwidth in and out of Argentina. “That’s not enough,” said Alan

Mauldin, research director at Telegeography, a market research firm. “At some point, the capacity is going to be running out on these cables, and so you are going to need more capacity.”

Demand for international bandwidth is growing at 40% a year, he said.

A third line is planned. Seaborn Networks, a US developer and operator of such systems, teamed up with the Argentine conglomerate Grupo Werthein to lay a subsea line between Argentina and Brazil, due to start operations in the second half of 2018. It will connect to Seabras-1, a line that will go live in August to link Brazil and the US. The two projects together represent more than US\$575 million in investment.

SUBSEA LINE BETWEEN ARGENTINA AND BRAZIL



“This is good for Argentina. We see real need for it, real demand,” said Larry Schwartz, Seaborn’s chairman and CEO. The benefits will be faster connections, more reliability, and better performance for users.

There will be more options for sending and receiving data, easing concerns of downtime if a ship anchor cuts a line or equipment breaks at a landing station.

Schwartz believes the new line, dubbed ARBR, will also encourage further expansion of home internet connections, terrestrial fiber lines, and mobile towers in Argentina. “They are all critical pieces of the puzzle, and as some pieces are added, this accelerates the growth of the other parts of that puzzle,” he said. “All of that together helps to address, and also helps to drive, additional demand.” **LT**

CHARLES NEWBERY REPORTED FROM BUENOS AIRES



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