



Indigo Tajikistan

In the late 1990's, telephone service in Tajikistan was in a poor state: it was delivered using a single, out-of-date, radio system; headsets were heavy, expensive and short on battery life, and coverage outside urban areas was almost non-existent, forcing residents in rural districts to line up for hours at scattered land-line stations in order to communicate with others.

In such cases of pressing infrastructure need, the Aga Khan Fund for Economic Development (AKFED) looks to make bold but calculated steps to make investments towards a solution.

In 2001, AKFED partnered with MCT to launch the Indigo mobile telephony company in Tajikistan as part of an effort to improve service and spur competition in the country's mobile services industry. The company is now the second largest of the eight Tajik mobile providers by

subscriber base, with revenues of nearly US \$50 million in 2007, and it has become an exemplar in the country for its corporate practices and customer service.

AKFED's Approach

In situations where attracting investment can be challenging, AKFED often provides essential support and seed capital to launch much-needed private sector projects. AKFED takes a long-term view in building viable, self-sustaining companies, whose profits in due course can be reinvested in similar future endeavours.

The Fund's approach emphasizes the development of local economies and human resources in the countries in which it invests. Its companies also seek to operate with the

highest ethical standards and best practices, including setting examples for other companies in integrity and social corporate responsibility in their countries of operation.

Putting this philosophy into practice, Indigo's work force of 700 is entirely made up of local citizens as part of AKFED's aim to create more employment opportunities in higher-skilled segments of Tajikistan's economy and to build local management ability.

Indigo also seeks to welcome rather than discourage mobile service competitors in the country and to expand telecommunications coverage into Tajikistan's rural areas even if these regions are not profitable in the short term.

To launch Indigo in Tajikistan, AKFED partnered with MCT, a company with

Indigo is a customer service leader amongst Tajik mobile service providers, with five walk-in facilities in Dushanbe. The company has gained renown for its customer-oriented culture.



holdings in 25 major mobile operators in Central Asia including Russia's Indigo and Tajikistan's Somoncom - the only provider in the northern reaches of Tajikistan. The joint venture leveraged AKFED's resources and approach to economic development with MCT's expertise in telecommunications.

MCT's stake in Indigo has since been acquired by TeliaSonera, one of the largest mobile operators in Central Asia, giving Indigo further resources and global expertise to draw upon in promoting further development in Tajikistan.

Results

Today, Indigo is the largest mobile operator in Tajikistan by revenue, with annual figures of close to US \$50 million, and the second largest by subscriber base, with a 28 percent market share in 2007. It became the first 3rd generation (3G) mobile operator in Central Asia, making Tajikistan the

first 3G-enabled country amongst the five Central Asian republics. Indigo offers international roaming service in 90 countries and a wide range of GSM services including Video telephony and Multimedia Messaging Service.

Indigo is the first mobile provider in Tajikistan to offer coverage in the remote mountainous regions of the country, including the cities of Khorog, Ishkashim and Darvaz. It is also one of the few Tajik companies to conduct an internationally-accredited annual audit, performed by PricewaterhouseCoopers, thereby promoting transparency and international corporate practices amongst other companies operating in the country.

Impact

Indigo's successful entrance into mobile services has spurred competition in the market, with eight companies now operating in Tajikistan. Stiff competition has benefited consumers as tariff prices continue to fall while the number of

services offered continues to increase.

The company now provides coverage to over 90 percent of Tajikistan's population, which has given the country an economic and social boost, especially in rural areas. Among Tajik telecom companies, Indigo is widely recognized as the leading provider of customer service, with a 24-hour service hotline, five walk-in customer service facilities in Dushanbe as well as regional offices to serve the rural areas of the country.

Looking Forward

As part of its drive to constantly improve the service it provides to its customers, Indigo plans to continue expanding its coverage area until it reaches the entire Tajik population while enhancing the services it offers. It also is looking to increase capacity in the mountainous Badakhshan region, where in many remote communities it is the only carrier.

The Aga Khan Development Network (AKDN) is a group of private development agencies working to empower communities and individuals, often in disadvantaged circumstances, to improve living conditions and opportunities, especially in Africa and Asia. Its agencies work in over 30 countries for the common good of all citizens, regardless of their gender, origin or religion. Its underlying impulse is the ethic of compassion for the vulnerable in society.

