

Ispa calls on new Minister of Communications to address cost to communicate in SA

The government's concern about the cost to communicate in South Africa must take into account the impact of the energy supply constraint national disaster on the cost of providing connectivity and internet access services, says the Internet Service Providers' Association of South Africa (Ispa).



Source: [Unsplash](#)

Lowering voice and data costs is challenging with the continued implementation of the upper stages of load shedding. An erratic electricity supply is anathema to running state-of-the-art communications networks,” says Dominic Cull of Ispa.

“If the new Minister of Communications would like voice and data costs to drop faster, the country’s communications infrastructure providers should not be spending millions of rands a day on generator fuel, alternative power sources and base station security,” added Cull.

Ispa wished the new Minister of Communications and Digital Technologies, Mondli Gungubele, well but the non-profit industry association is concerned about the previous incumbent’s pronouncements regarding the ministry’s intention to issue a policy direction to Icasa. This is to conduct a study on other jurisdictions regarding lowering the cost to communicate, independently of market forces.

Market forces have, in fact, substantially reduced South Africa's cost to communicate since the days of the government-sanctioned Telkom monopoly. The country's privately-run ICT sector is doing remarkably well even while being constrained by the publicly-run energy sector.

In particular, Ispa points to the fact that the successful March 2022 spectrum auction resulted in an obligation on successful bidders to provide a platform to accommodate mobile virtual network operators (MVNOs). Winners are required to launch at least three majority black-owned MVNOs helping to boost competition and participation in the ICT economy.

One year on from the auction, it is no longer just Cell C offering an MVNO platform but also MTN, Telkom and Vodacom. Competition in the provision of mobile voice and data services is exploding, which will certainly reduce costs in the short term and in line with Ispa's legal, regulatory and other pro-competition interventions over the years.

"This is the most material intervention towards reducing the cost to communicate in over a decade," concluded Cull.

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