



CRAN

Communications Regulatory Authority of Namibia

ICT Sector Market Report 2022

Publishing date: December 2023

Table of Contents

Introduction	1
Telecommunication Sector	1
Financial Performance of Sector	1
Subscribers	6
Revenue trends	7
Traffic Trends	8
Network Infrastructure	9
Mobile Price Benchmarking	12
<i>Ranking countries based on monthly usage baskets</i>	<i>13</i>
<i>Ranking Namibia's Mobile Operators</i>	<i>14</i>
<i>Ranking Namibia's products</i>	<i>14</i>
Broadcasting Sector	18
Conclusion	24

Introduction

The ICT Sector Market report examines the ICT sector's performance for 2022. It encompasses an evaluation of Namibian operators' financial stability and performance, consumer price dynamics within the telecommunications industry, shifts in the competitive environment, and overarching trends in 2022. The first chapter analyses the financial performance of licensees based on audited financial statements (AFS). The subsequent chapters analyse key performance indicators for subscribers, traffic, network infrastructure and pricing. This edition of the market report includes a chapter on the broadcasting sector.

Telecommunication Sector

Financial Performance of Sector

The telecommunications sector revenues grew by 16% between 2017 and 2022 and declined by 5% when expressed in USD. The USD perspective takes inflation into account and also sheds light on the ability of the ICT sector to re-invest, since most hardware has to be sourced from abroad. Net profits fell by 21% in USD terms while assets and shareholder's equity both increased. The increased asset values are the result of investments and as such a vote of confidence in the prospects of the ICT sector, despite the somewhat stagnant revenues and profits.

Table 1: Aggregated Financials from the ICT sector based on AFS

		2017	2018	2019	2020	2021	2022	Change
Revenue	NAD million	4,499	4,821	4,902	5,102	5,090	5,237	16%
	USD million	338	364	339	310	294	320	-5%
Net Profit	NAD million	775	787	556	823	795	753	-3%
	USD million	58	59	38	50	46	46	-21%
Assets	NAD million	4,856	5,306	5,555	6,582	7,079	6,828	41%
	USD million	365	401	384	400	409	417	14%
Liabilities	NAD million	2,966	3,322	3,003	4,113	4,438	4,118	39%
	USD million	223	251	208	250	257	251	13%
Shareholder Equity	NAD million	1,891	1,984	2,552	2,469	2,641	2,710	43%
	USD million	142	150	177	150	153	166	17%
Profit Margin		17%	16%	11%	16%	16%	14%	
Return on Equity		41%	40%	22%	33%	30%	28%	
Financial Leverage		1.6	1.7	1.2	1.7	1.7	1.5	
Asset turnover ratio		0.9	0.9	0.9	0.8	0.7	0.8	
USD exchange rate		13.3	13.2	14.5	16.5	17.3	16.4	
FX		FX from Nedbank						

The shareholders' equity in Namibia's ICT sector continued to grow in USD terms but at a slow pace and has not yet reached the 2019 level.¹ This may be of concern for potential international investors. Expanding, fast-growing sectors are naturally more attractive for foreign direct investment (FDI).

The state exerts influence over 87% of telecommunication assets and controls 83% of the sector's revenue. In contrast, the private sector, with 13% ownership of sector assets, contributed 17% of the sector's revenue in the year 2022. The revenue share of the private sector has grown from 12% in 2017 to 17% in 2022 (Table 2).

Table 2: Public Enterprises Market Share

		2017	2018	2019	2020	2021	2022
Public Enterprises	Additions to Property Plant & Equipment	89%	85%	88%	83%	76%	63%
	Assets	93%	91%	91%	92%	89%	87%
	Shareholder Equity	97%	93%	95%	92%	91%	96%
	Revenue	88%	84%	86%	82%	85%	83%
Private Sector	Additions to Property Plant & Equipment	11%	15%	12%	17%	24%	37%
	Assets	7%	9%	9%	8%	11%	13%
	Shareholder Equity	3%	7%	5%	8%	9%	4%
	Revenue	12%	16%	14%	18%	15%	17%

Paratus, the third largest licensee by revenue, and the largest private sector licensee but only made up only 7.4% of revenues in 2022. At the same time, its assets made up 10.5% of ICT sector assets. It accounted for 36% of ICT sector investment and its CAPEX-to-revenue ratio stood at a record 72.3%.

Table 3: Paratus compared to the remainder of the private sector

		2017	2018	2019	2020	2021	2022
Paratus	Revenue market share	5.5%	5.8%	5.8%	8.5%	6.6%	7.4%
	Asset market share	4.3%	5.4%	5.4%	6.0%	8.6%	10.5%
	CAPEX Market Share	5.9%	13.0%	10.6%	15.8%	22.8%	36.0%
	CAPEX as % of Revenue	7.2%	22.3%	23.5%	23.1%	51.8%	72.3%
	Asset turnover	119%	97%	94%	110%	55%	54%
Other private sector	Revenue market share	6.2%	9.7%	8.3%	9.1%	8.8%	9.7%
	Asset market share	2.5%	3.6%	3.2%	2.3%	2.2%	2.3%
	CAPEX Market Share	5.4%	2.3%	1.3%	1.2%	1.4%	1.0%
	CAPEX as % of Revenue	5.7%	2.4%	1.9%	1.7%	2.5%	1.6%
	Asset turnover	229%	245%	227%	312%	289%	330%

Paratus's asset turnover is only 53% compared to the rest of the private sector of 330% (Table 3), indicating its strategy of competing using its own infrastructure. The difference in asset turnover between Paratus and the rest of the private sector is a reflection of the move from

¹ The exchange rate for N\$ to USD continued its downward trend. In some instances, companies reported NAD profits but USD losses. USD continues to be an important metric because telecom equipment is purchased in US dollars and investors are also interested in their returns in USD. For these reasons, USD conversions continue to be used in this report.

a reseller to an infrastructure provider. Paratus' CAPEX as a percent of revenue of 72.3% shows that Paratus sees growth potential in the sector.

Table 4: Shareholder's equity (excluding Nampower) in NAD million

Shareholder's equity	2017	2018	2019	2020	2021	2022
MTC	1,507	1,940	2,310	2,126	2,267	2,540
TN Company	840	408	581	561	562	596
Powercom	-521	-494	-454	-415	-415	-529
Paratus	28	87	97	169	192	66
Other	36	43	22	27	35	37
Total	1,890	1,984	2,556	2,468	2,641	2,710
MTC's market share	79.7%	97.8%	90.4%	86.1%	85.8%	93.7%

MTC is responsible for nearly 94% of the ICT sector's shareholder equity. Shareholders equity of Powercom has been negative for the past six years and stood at negative NAD 529 million in 2022. The shareholder's equity of Paratus declined to NAD 66 million in 2022 from NAD 192 million in 2021, an indication of a debt driven investment strategy.

Table 5: Telecom Namibia group's financials based on AFS

	Group		2017	2018	2019	2020	2021	2022	Change
Revenue	Total	NAD million	1,518	1,540	1,574	1,495	1,469	1,403	-8%
		USD million	114	116	109	91	85	86	-25%
	Mobile	NAD million	106	138	241	221	243	234	122%
		USD million	8	10	17	13	14	14	80%
	Fixed voice incl. interconnection	NAD million	348	337	326	294	262	280	-20%
		USD million	26	25	23	18	15	17	-35%
	Data and IP services	NAD million	905	913	824	836	830	791	-13%
		USD million	68	69	57	51	48	48	-29%
Net profit/loss after tax		NAD million	249	-26	13	15	43	47	-81%
		USD million	18.7	-1.9	0.9	0.9	2.5	2.9	-85%
Total assets		NAD million	2,081	2,012	1,904	2,630	2,617	2,093	1%
		USD million	156	152	132	160	151	128	-18%
Total liabilities		NAD million	1,648	1,603	1,282	1,990	1,940	1,368	-17%
		USD million	124	121	89	121	112	84	-32%
Shareholder's Equity		NAD million	433	409	622	640	677	725	67%
		USD million	33	31	43	39	39	44	36%
Additions to property Plant and Equipment		NAD million	60	121	154	172	179	127	112%
		USD million	4	9	11	10	10	8	73%
Return on Equity			57.6%	-6.3%	2.0%	2.4%	6.3%	6.5%	
Financial Leverage			3.8	3.9	2.1	3.1	2.9	1.9	
Asset turnover ratio			0.7	0.8	0.8	0.6	0.6	0.7	
USD exchange rate			13	13	14	16	17	16	
Source:			Annual reports, 2017-22						

At a group level, Telecom Namibia's revenues declined by 8% over the period 2017 to 2022. Mobile revenues grew by 122% but are still lower than fixed-line revenues. Data connectivity remains the primary income source for Telecom Namibia, albeit a 13% decline since 2017. At the same time the shareholder's equity increased by 67%, surging from NAD 433 million in 2017 to NAD 725 million in 2022. Telecom Namibia maintained a modest profit at the group level and its modest return on equity stood at 6.5% in 2022.

Table 6: MTC's financials based on AFS (Group)

		2017	2018	2019	2020	2021	2022	Change
Revenue	NAD million	2,421	2,498	2,614	2,683	2,799	2,839	17%
	USD Million	182	189	181	163	162	173	-5%
Net Profit	NAD million	712	802	797	772	743	793	11%
	USD Million	53	61	55	47	43	48	-9%
Assets	NAD million	2,331	2,694	3,058	3,263	3,429	3,727	60%
	USD Million	175	203	212	198	198	228	30%
Liabilities	NAD million	824	754	748	1,137	1,160	1,184	44%
Shareholder Equity	NAD million	1,507	1,940	2,310	2,126	2,269	2,543	69%
	USD Million	113	146	160	129	131	155	37%
Addition to Property, Plant & Equipment (PPE)	NAD million	204	290	399	315	400	366	80%
	USD Million	15	22	28	19	23	22	46%
	% of revenue	8.4%	11.6%	15.2%	11.7%	14.3%	12.9%	53%
Addition to Network Equipment	NAD million	164	176	161	121	246	71	-57%
	USD Million	12.3	13.3	11.1	7.4	14.2	4.3	-65%
	% of revenue	7%	7%	6%	5%	9%	3%	-63%
Profit Margin	%	29%	32%	30%	29%	27%	28%	
Return on Equity	%	47%	41%	35%	36%	33%	31%	
Financial leverage	#	0.55	0.39	0.32	0.53	0.51	0.47	
Asset turnover ratio	#	1.0	0.9	0.9	0.8	0.8	0.8	
EBITDA margin	%	57.9%	59.9%	51.5%	52.0%	51.3%	51.2%	
USD exchange rate		13.3	13.2	14.5	16.5	17.3	16.4	

MTC is consistently growing its revenue. Although when expressed in USD, there has been a marginal decline since 2017. In the same period, MTC has seen a significant 69% increase in shareholders' equity and a 11% rise in net profit since 2017. The profit margin in 2022 is slightly lower at 28% compared to the 29% in 2017, but it sustained a high EBITDA margin of 51% and an impressive return on equity of 31%, rendering MTC an attractive prospect for potential investors. MTC's investment stood that 12.9% in 2022.

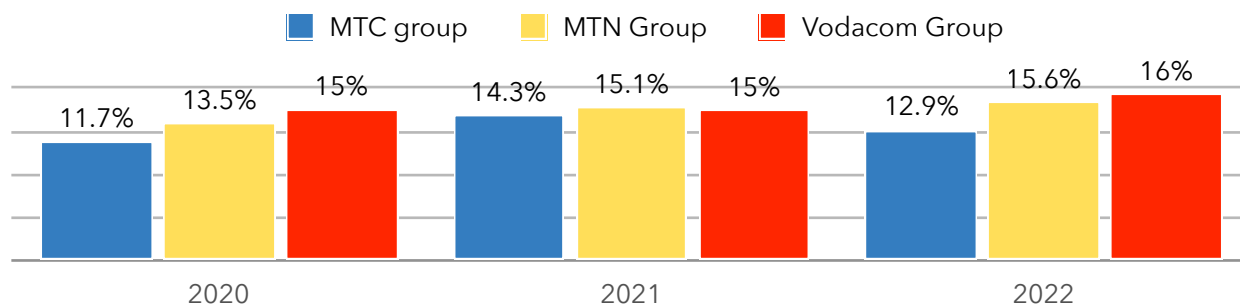


Figure 1: Additions to PPE as share of revenue (Source AFS)

MTC invested 57% less in 2022 in its network equipment additions compared to 2017. The additions to network infrastructure and equipment in 2022 amounted to 3% of revenue. Specifically, MTC's investment in this regard totalled USD 4.3 million in FY 2022, significantly lower than the USD 12.3 million invested in 2017. This decrease in investment activity can be attributed to the completion of key projects, such as the MTC - 081Everyone project and WACS, leaving the company in a phase of maintenance rather than extensive expansion. Table 7: Industry averages for wireless telecommunication for Return of Equity in 2023

	Number of companies	Return on Equity	EBITDA margin
Global	99	5.97%	33.33%
Europe	13	5.73%	31.59%
US	16	2.97%	31.48%
Emerging Markets	59	12.18%	33.79%
MTC 2022		31%	51.20%
Source:	https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datacurrent.html		

MTC is under-leveraged, with a 0.5 financial leverage ratio. Generally, debt is cheaper than equity and MTC could increase its profitability by replacing equity with debt. At a ROE of fivefold of the global average and an EBITDA margin of 51.2% compared to the global average of 33.3%, MTC has the option to expand its current business model considerably.

Paratus increased its revenue by 58% and net profit by 210% since 2017. Paratus has also significantly increased its assets and shareholder's equity. Paratus' return on equity and profit margins remain modest.

Table 8: Paratus' financials based on AFS

		2017	2018	2019	2020	2021	2022	Change
Revenue	NAD million	246	281	284	324	336	387	58%
	USD Million	18	21	20	20	19	24	28%
Net Profit	NAD million	10	1	10	19	29	31	210%
Assets	NAD million	207	289	302	394	608	718	247%
Liabilities	NAD million	178	201	205	224	416	652	265%
Shareholder Equity	NAD million	28.5	87.3	97.3	169.4	192.3	279.7	882%
	USD Million	2.1	6.6	6.7	10.3	11.1	17.1	698%
Profit Margin	%	4%	0%	4%	6%	9%	8%	
Return on Equity	%	35%	1%	10%	11%	15%	11%	
Asset turnover ratio		1.19	0.97	0.94	0.82	0.55	0.54	
USD exchange rate		13.3	13.2	14.5	16.5	17.3	16.4	
Notes		Paratus Telecom annual reports, 2017-2022						

Subscribers

Landline subscribers continue to decline while FTTh and xDSL subscriber increased. At the end of 2022, FTTh made up 20% of fixed broadband subscribers. Also, satellite subscribers increased from 541 to 1,333 subscribers, which is small in the overall picture.

Table 9: Fixed subscribers

		2017 Dec	2018 Dec	2019 Dec	2020 Dec	2021 Dec	2022 Dec	Change
Landlines		193,045	141,771	139,698	140,370	91,869	85,814	-56%
VoIP		3,233	3,901	4,054	3,046	3,269	3,884	20%
Satellite		542	960	881	882	849	1,333	146%
FTTh		252	498	829	2,832	7,052	17,169	6,713%
xDSL up to 10Mbps		53,439	52,897	58,586	65,930	66,326	63,467	19%
xDSL 10Mbps or more		1,085	1,117	2,090	2,494	6,010	7,322	575%
Fixed broadband (xDSL+		54,776	54,512	61,505	71,256	79,388	87,958	61%
% of fixed broadband	FTTh	0.5%	0.9%	1.3%	4.0%	8.9%	19.5%	
	xDSL up to 10Mbps	97.6%	97.0%	95.3%	92.5%	83.5%	72.2%	
	xDSL 10Mbps or	2.0%	2.0%	3.4%	3.5%	7.6%	8.3%	

Out of the 2.9 million mobile SIM cards in circulation, approximately 2.0 million, or 69%, have been actively used for accessing the Internet. Notably, the proportion of mobile broadband SIM cards has grown from 53% in 2017 to 69% in 2022. Telecom Namibia managed to increase its market share in terms of active SIM cards from 7% to 13% during this period. The stagnant postpaid subscriber numbers may be the result of attractive prepaid bundles and stringent requirements to obtain a post paid contract.

Table 10: Mobile subscriber numbers in 1000s

Statistics as per December		2017	2018	2019	2020	2021	2022	Change
Postpaid Active SIM cards	MTC	161	159	155	154	158	163	1%
	TN Mobile	35	34	39	41	41	35	1%
	Total	195	193	194	196	199	198	1%
Prepaid Active SIM cards	MTC	2,329	2,372	2,420	2,440	2,346	2,361	1%
	TN Mobile	156	194	208	262	370	339	117%
	Total	2,485	2,566	2,628	2,702	2,716	2,700	9%
Combined Active SIM cards	MTC	2,489	2,531	2,576	2,594	2,504	2,524	1%
	TN Mobile	191	228	247	303	411	374	96%
	Total	2,680	2,759	2,823	2,897	2,915	2,898	8%
Mobile broadband	Total	1,413	1,670	1,652	1,765	1,921	1,986	41%
	% of total SIM	53%	61%	59%	61%	66%	69%	
TN Mobile Market Share	Postpaid Active SIM cards	18%	18%	20%	21%	21%	18%	
	Prepaid Active SIM cards	6%	8%	8%	10%	14%	13%	
	Combined Active SIM cards	7%	8%	9%	10%	14%	13%	

Revenue trends

Revenues from mobile voice and SMS services show a consistent decline while data revenue continues to grow. The proportion of revenue derived from data has surged from 35% in 2017 to 63% in 2022. In the same period, overall service revenues expanded by 11%. It's worth noting that when assessed in USD, these revenues registered a decrease of 10%.

Table 11: Mobile service revenues (Source: CRAN portal)

			2017	2018	2019	2020	2021	2022	Change since 2017
Voice	Domestic	NAD million	1,127.0	951.3	767.3	691.2	766.7	696.3	-38%
	International	NAD million	69.6	60.4	56.7	53.9	35.1	31.4	-55%
SMS	Domestic	NAD million	234.9	198.0	186.5	174.1	150.4	153.9	-34%
	International	NAD million	6.8	4.5	5.6	4.6	4.0	6.6	-3%
Mobile Data		NAD million	760	1,012	1,156	1,384	1,446	1,544	103%
Total Service Revenues		NAD million	2,199	2,226	2,172	2,308	2,403	2,432	11%
		USD million	165	168	150	140	139	148	-10%
Mobile Data as % of service revenues			35%	45%	53%	60%	60%	63%	29%
USD FX			13.3	13.2	14.5	16.5	17.3	16.4	

In 2022, mobile data revenue accounted for 74% of all data revenues. The ADSL share of total data revenue declined from 23% to a mere 11%, while FTTh rose to 8% from 5% in 2017. Collectively, data revenue demonstrated an impressive 72% growth over the past five years. Universal broadband access in Namibia is clearly mobile with wired broadband serving as a supplementary service tailored to a limited segment of the Namibian population.

Table 12: Data revenues

		2017	2018	2019	2020	2021	2022	Change since 2017
ADSL	NAD million	274	272	267	275	265	225	-18%
FTTX	NAD million	59	81	97	118	139	174	194%
Other fixed	NAD million	116	125	117	120	113	141	22%
Mobile	NAD million	760	1,012	1,156	1,384	1,446	1,544	103%
Total	NAD million	1,209	1,490	1,637	1,898	1,964	2,085	72%
	USD million	91	112	113	115	114	127	40%
Mobile data as % of total		63%	68%	71%	73%	74%	74%	
ADSL as % of total		23%	18%	16%	15%	14%	11%	
FTTh		5%	5%	6%	6%	7%	8%	
USD FX		13.3	13.2	14.5	16.5	17.3	16.4	

Traffic Trends

MTC's market share in outgoing mobile traffic is approaching 100% for both voice and SMS services. MTC's market share of outgoing minutes was 98% and for outgoing SMS 99.9%.

Table 13: Mobile domestic outgoing minutes and SMS

	Outgoing minutes (million)			MTC's Share	Outgoing SMS (million)			MTC's Share
	MTC	TN	Combined		MTC	TN	Combined	
2021_Q1	1,936	36	1,972	98.2%	2,386	1.04	2,387	100.0%
2021_Q2	2,005	41	2,045	98.0%	2,437	1.12	2,438	100.0%
2021_Q3	2,123	105	2,228	95.3%	2,390	1.32	2,392	99.9%
2021_Q4	2,145	35	2,180	98.4%	2,349	1.19	2,350	99.9%
2022_Q1	2,027	39	2,066	98.1%	2,307	4.07	2,311	99.8%
2022_Q2	2,045	40	2,085	98.1%	2,287	2.91	2,290	99.9%
2022_Q3	2,197	45	2,242	98.0%	2,313	1.31	2,314	99.9%
2022_Q4	2,214	46	2,260	98.0%	2,347	1.46	2,348	99.9%

Over the five-year period from 2017 to 2022, there was a noteworthy 60% increase in outgoing mobile minutes. Simultaneously, the utilisation of SMS and traditional landline services experienced a decline. These patterns indicate the diminishing importance of landline services among consumers and the gradual substitution of SMS by Over-The-Top (OTT) applications. Furthermore, the effects of these shifts are also evident in the declining volumes of international incoming and outgoing voice traffic.

Table 14: Domestic traffic in millions

			2017	2018	2019	2020	2021	2022	Change since 2017
Mobile	Outgoing minutes	million	5,404	5,574	6,150	7,570	8,433	8,661	60%
	Outgoing SMS	million	9,968	9,533	9,809	10,181	9,567	9,264	-7%

			2017	2018	2019	2020	2021	2022	Change since 2017
Landlines	Outgoing minutes landline to mobile	million	64	66	65	61	59	57	-11%
	Outgoing minutes landline to landline	million	81	68	59	45	35	31	-62%

Table 15: Fixed and mobile International incoming and outgoing minutes in millions

		2017	2018	2019	2020	2021	2022	Change since 2017
International outgoing million minutes	from mobile	20	19	17	13	11	11	-45%
	from landline	26	21	15	10	8	6	-77%
	total	46	40	32	22	19	17	-63%
International incoming million minutes	to mobile	40	36	38	32	47	24	-39%
	to landline	20	17	10	5	3	3	-85%
	total	59	53	48	38	51	27	-54%

Network Infrastructure

The population coverage for 4G services in Namibia currently stands at 85% in 2022. Six out of Namibia's 14 regions exhibit 4G population coverage below 80%, signalling a slight improvement from the seven regions reported in 2021. Notably, the Oshikoto region has recently met the policy objective of achieving a minimum of 80% 4G population coverage. The Kunene region lags behind the most with 41% 4G population coverage.

Table 16: Population coverage based on HRSL² population mapping

	Population	4G coverage	Policy objective of 80%	People not covered by 4G
Oshikoto	214,012	80%	Above	42,687
!Karas	88,477	81%	Above	17,194
Erongo	216,727	94%	Above	12,630
Kavango East	163,061	83%	Above	28,330
Khomas	472,107	97%	Above	12,346
Ohangwena	273,209	93%	Above	20,378
Omusati	268,337	95%	Above	12,964
Oshana	200,565	98%	Above	3,468
Hardap	96,016	77%	Below	22,157
Kavango West	91,834	59%	Below	38,005
Kunene	109,021	41%	Below	64,320
Omaheke	79,370	57%	Below	34,020
Otjozondjupa	163,536	75%	Below	41,515
Zambezi	107,692	78%	Below	23,508
Namibia	2,543,965	85%	Above	373,524

The majority of schools and health facilities across Namibia are within 3G or 4G network coverage. Among 1,380 schools, 456 schools (33%) lack 4G coverage. Similarly, out of 452 health facilities, 84 facilities (19%) do not have 4G coverage.

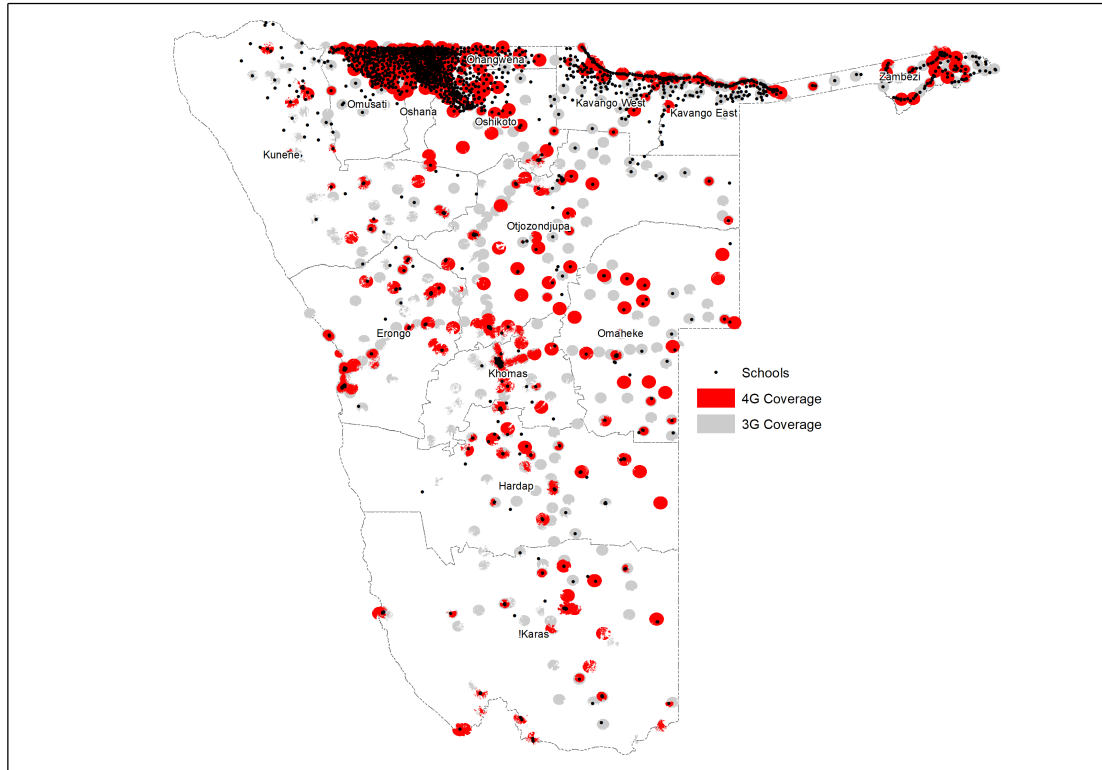


Figure 2: Namibian Schools Network Coverage 2022 (Source: CRAN)

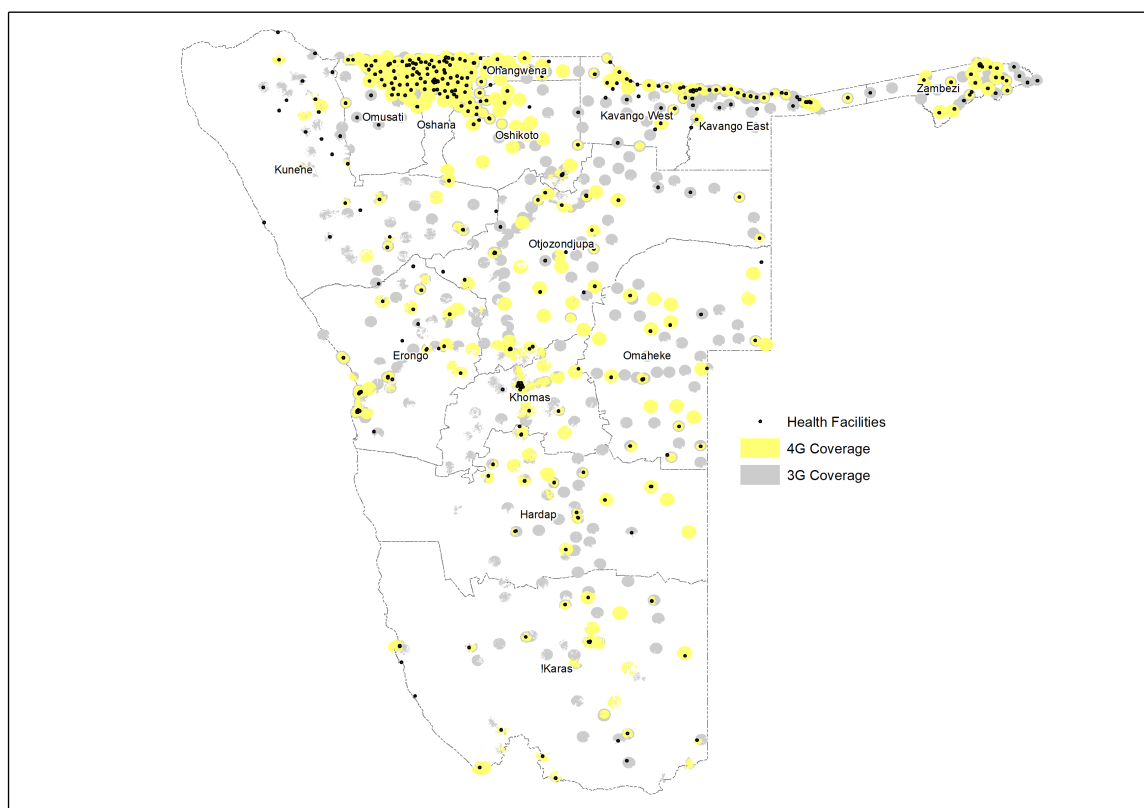


Figure 3: Namibian Health Facilities Network Coverage 2022 (Source: CRAN)

MTC has the majority of RAN (Radio Access Network) sites, accounting for 73%, while Telecom Namibia holds 24% and Paratus 3%. Paratus only maintains RAN sites in Erongo, Hardap, Khomas, and Otjozondjupa, while MTC and Telecom Namibia operate RAN sites across all 14 regions of the country.

Table 17: RAN sites in 2022

	RAN Sites						
	MTC		Telecom Namibia		Paratus		All
	#	market share	#	market share	#	market share	#
Ikaras	71	72%	27	28%			98
Erongo	105	67%	42	27%	10	6%	157
Hardap	52	67%	24	31%	2	3%	78
Kavango East	41	79%	11	21%			52
Kavango West	29	81%	7	19%			36
Khomas	208	70%	66	22%	25	8%	299
Kunene	60	78%	17	22%			77
Ohangwena	54	74%	19	26%			73
Omaheke	54	78%	15	22%			69
Omusati	59	72%	23	28%			82
Oshana	66	80%	17	20%			83
Oshikoto	56	71%	23	29%			79

	RAN Sites						
	MTC		Telecom Namibia		Paratus		All
	#	market share	#	market share	#	market share	#
Otjozondjupa	96	74%	30	23%	3	2%	129
Zambezi	38	81%	9	19%			47
Namibia	989	73%	330	24%	40	3%	1,359

Namibia holds the 20th position in Sub-Saharan Africa in terms of broadband speeds. This reflects an improvement from its 2020 ranking of 27th. On a global scale, Namibia holds the 169th position, showing progress from its 2020 ranking of 176th. Seven SADC countries performed better than Namibia.

Table 18: June 2023 Broadband Speed Ranking for Africa

Position (Sub-Saharan Africa)	Position (World)	Country	Mean download speed (Mbps)	Unique IPs tested	Total tests	How long it takes to download a 5GB movie (HH:MM:SS)
3	104	South Africa	36.46	2,046,338	17,623,221	0:18:44
5	117	Mauritius	29.78	8,652	36,715	0:22:56
7	134	Madagascar	20.43	34,608	221,824	0:33:25
8	138	Seychelles	18.75	1,500	7,796	0:36:24
15	162	Tanzania	11.92	46,650	479,395	0:57:15
16	163	Lesotho	11.75	345	781	0:58:06
19	167	Mozambique	11.06	45,615	232,367	1:01:43
20	169	Namibia	10.80	3661	13869	1:03:11
Source			https://www.cable.co.uk/broadband/speed/worldwide-speed-league/			

Mobile Price Benchmarking

The price analysis is mostly based on prepaid prices because many Namibians use prepaid products. Prepaid products with varying validities are made comparable by calculating the monthly cost. Unlimited data packages are capped at 200GB per month. Three different methods are used to benchmark Namibia's broadband prices against other African countries

- **Ranking countries based on monthly usage baskets:** This metric is used to analyse price developments by comparing the cheapest products available for a 1GB usage over the period of 30 days. All products for an operator are priced for monthly usage. A product with 7 days of validity is divided by seven and multiplied by 30 to get to a monthly price and monthly bundled SMS, minutes and data. The product with the cheapest monthly cost for a given usage, 1GB in this case, is used for the comparison.
- **Ranking Namibia's mobile operators:** The 1GB and the 20GB per month usage baskets are used to rank all mobile operators in Africa. The cheapest product from an operator for the respective baskets is used for this comparison.
- **Ranking Namibia's products:** The ranking by product is not based on usage baskets but on the implied price per GB. The product price is converted into US Dollars and then divided by

the bundled unconditional GBs. Conditional data dedicated to specific applications such as WhatsApp or streaming was included in a separate calculation, where the product price is converted into US dollars and then divided by the combined bundled conditional and unconditional GBs. Any bundled minutes or SMS is ignored in this calculation.

Ranking countries based on monthly usage baskets

Namibia's broadband prices have finally come down in the first quarter of 2023. Figure 4 displays the price of the cheapest product for 1GB of data per month from MTC and TN Mobile. MTC and Telecom Namibia released new products and promotions dropping the lowest price for a 1GB monthly usage basket considerably. MTC's cheapest product for the 1GB basket is now the Yo Data S, which costs NAD 15 per week and comes with 500MB. Per month, users get 2GB for about NAD 74 including VAT. Telecom Namibia reduced its prepaid top-up rates. 1GB per month costs NAD 15 excluding VAT, or NAD 17.25 including VAT. The price drop was a result of the public consultation held by CRAN at the beginning of 2023..

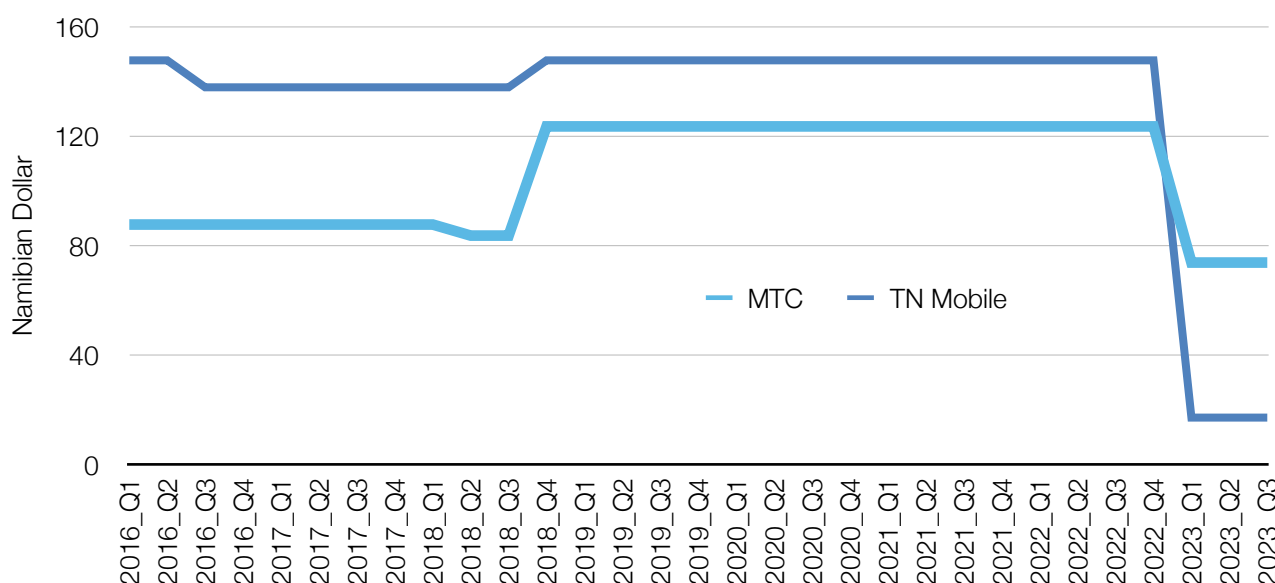


Figure 4: Lowest price for 1GB prepaid per month prepaid in NAD

Namibia jumped in the African Affordability ranking from 46th cheapest in Q1 2022 to the 8th cheapest country in Q1 2023 for 1GB per month. Namibia is again in the competitive field, the top one-third of African countries. Fourteen countries were cheaper in Africa than Namibia for the 20GB month usage and 23 countries for the 10GB basket. Namibia ranked 11th for the 500MB per month in Africa.

Table 19: Namibia's Ranking for cheapest mobile prepaid data product in Africa

	100MB	500MB	1GB	2GB	5GB	10GB	20GB
2016_Q1	8	16	14	8	4	6	6
2017_Q1	15	24	23	18	14	15	16
2018_Q1	20	37	31	26	19	23	25
2019_Q1	24	44	44	34	24	28	32
2020_Q1	26	44	45	37	27	21	17
2021_Q1	29	44	47	41	33	27	20
2022_Q1	31	47	46	43	34	26	18
2023_Q1	20	11	8	14	20	24	15
Source	Research ICT Solutions						

Ranking Namibia's Mobile Operators

TN Mobile's rank in Africa has improved considerably as of Q1 2023 for a 1GB basket. In comparison, in Q2 2022, TN Mobile ranked 145th and MTC was ranked 136th in Africa. By Q1 2023, MTC was 97th and TN Mobile was 12th. For the 20GB basket, MTC ranked 97th in Q2 2022 and 91st in Q1 2023. TN Mobile's ranking for the 20GB monthly usage improved from 46th to 28th position in Q1 2023.

Table 20: Ranking of MTC and TN mobile out of 160 Mobile operators for the cheapest product

Usage Basket		2022 Q2		2023 Q1	
		USD	MNO Ranking	USD	MNO Ranking
MTC	1GB per month	7.95	136	4.17	97
	20 GB per month	22.65	97	19.88	91
TN Mobile	1GB per month	9.64	145	0.97	13
	20 GB per month	13.25	46	9.02	28
Source		Research ICT Solutions			

Ranking Namibia's products

Ranking Namibia's prepaid and postpaid products in Africa is another way to understand how Namibia compares. Table 23 examines the prices of MTC based on the price per GB for each of its products and the ranking of MTC's products among 2,975 products that Research ICT Solutions tracks for Africa. MTC's cheapest product in terms of USD per GB is the postpaid 125GB per month. At a cost of USD 0.43 per GB, it was ranked as the 297th cheapest product in Africa as of Q1 2023. In terms of prepaid, 2,461 products were cheaper than MTC's Aweh Oka. The ranking changes slightly when bundled conditional data such as social media data are taken into account.

Table 21: MTC Prices divided by bundled GB - Ranking out of 2975 products for Q1 2023

Products	Bundled unconditional data in GB per month	Bundled conditional data (social media eg) in GB per month	Unconditional data		All data (incl. SM)	
			Cost per GB in USD	African Ranking	Cost per GB in USD	African Ranking
125GB per month	125.0	-	0.43	297	0.43	366
Aweh YoData 30	18.0	-	0.78	654	0.78	757
Aweh o Yeah	12.9	-	0.79	660	0.79	764
Aweh o Yeah	12.9	4.3	0.88	770	0.66	649
Aweh YoData L	21.4	-	0.89	773	0.89	862
Aweh YoData ultra	15.0	-	0.94	833	0.94	919
Aweh Super	12.9	3.0	1.00	899	0.81	787
Aweh o Yeah	12.9	12.9	1.00	901	0.50	441
Aweh YoData M	8.6	-	1.10	998	1.10	1,066
Aweh o Yeah	4.3	-	1.42	1,243	1.42	1,307
Aweh o Yeah	12.9	-	1.49	1,301	1.49	1,362
20GB per month	20.0	-	1.49	1,302	1.49	1,363
Aweh YoData S	2.1	-	1.69	1,465	1.69	1,533
Aweh Gig	4.3	2.1	1.80	1,512	1.20	1,135
15GB per month	15.0	-	4.02	2,177	4.02	2,224
Select Premium	10.0	2.0	5.07	2,320	4.23	2,270
3GB per month	3.0	-	6.64	2,462	6.64	2,504
Select Pro	5.0	1.0	7.88	2,569	6.57	2,502
1.5GB per month	1.5	-	8.84	2,622	8.84	2,649
Aweh Prime	0.9	0.9	9.02	2,625	4.51	2,308
Select Super	3.0	0.5	9.38	2,638	8.01	2,611
800MB per month	0.8	-	9.80	2,651	9.80	2,670
Select Go	0.5	0.1	10.91	2,688	9.12	2,654
Select Up	1.5	0.3	11.24	2,694	9.37	2,661
400MB per month	0.4	-	11.99	2,708	11.99	2,719
Aweh YoVoice L	1.5	-	12.73	2,718	12.73	2,729
Aweh YoVoice 30	1.0	-	14.04	2,741	14.04	2,752
80MB per month	0.1	-	14.10	2,743	14.10	2,754
Aweh Go	0.2	0.2	14.66	2,756	7.33	2,564
Aweh YoVoice M	0.6	-	14.66	2,757	14.66	2,765
Aweh YoVoice S	0.21	-	16.92	2,795	16.92	2,801
40MB per month	0.04	-	18.33	2,805	18.33	2,810
Aweh Oka	0.20	0.2	19.74	2,825	9.87	2,675

Products	Bundled unconditional data in GB per month	Bundled conditional data (social media eg) in GB per month	Unconditional data		All data (incl. SM)	
			Cost per GB in USD	African Ranking	Cost per GB in USD	African Ranking
Note	MTC's prepaid products include five Aweh O'Yeah baskets using minimum SMS and voice allocations and vary by selected data that is being bundled.					
Source	Research ICT Solutions					

The unlimited lite postpaid product of Telecom Namibia is ranked 60th in Africa. The cheapest prepaid package, unlimited data for 14 days is ranked 82nd in Africa and the 14-Day Jiva Explore is ranked 99th in Africa, as of Q1 2023. Telecom Namibia prices are therefore more competitive than MTC's prices in Africa.

Table 22: TN Prices divided by bundled GB - Ranking out of 2975 products for Q1 2023

Products	Bundled unconditional data in GB per month	Bundled conditional data (social media eg) in GB per month	Unconditional data		All data (incl. SM)	
			Cost per GB in USD	African Ranking	Cost per GB in USD	African Ranking
Unlimited lite	200	-	0.15	60	0.15	116
Unlimited for 14 days	200	-	0.19	82	0.19	139
14 Day Jiva Explore	64	6.43	0.21	99	0.19	147
80GB lite	80	-	0.22	108	0.22	166
Unlimited per month	200	-	0.23	110	0.23	168
31 Day Jiva	48	-	0.24	118	0.24	176
40GB lite	40	-	0.25	126	0.25	184
Smartphone Gold Lite	200	-	0.28	153	0.28	215
Unlimited per week	200	-	0.29	158	0.29	220
Jiva supreme	43	8.57	0.33	195	0.27	203
Unlimited per day	200	-	0.34	209	0.34	275
20GB lite	20	-	0.39	254	0.39	324
Jiva plus	21	4.29	0.46	324	0.39	315
100GB per month	100	-	0.54	394	0.54	480
Smartphone Elite Lite	50	-	0.67	559	0.67	661
Smartphone Plus Lite	30	-	0.69	570	0.69	671
30GB per month	30	-	0.71	591	0.71	692
20GB per month	20	-	0.76	637	0.76	738
Smartphone Flex Lite	20	-	0.78	649	0.78	751
5GB per month	5	-	0.78	653	0.78	755
10GB per month	10	-	0.78	656	0.78	759
30 Day Jiva streaming	10	40.00	0.85	731	0.17	130
1GB per month	1.0	-	0.85	733	0.85	826

Products	Bundled unconditional data in GB per month	Bundled conditional data (social media eg) in GB per month	Unconditional data		All data (incl. SM)	
			Cost per GB in USD	African Ranking	Cost per GB in USD	African Ranking
Jiva lite	4.3	-	1.02	919	1.02	1,001
Jiva surf	8.6	2.14	1.30	1,136	1.04	1,009
Jiva	6.4	-	1.32	1,161	1.32	1,225
Smartphone Entry Lite	5.0	-	1.57	1,344	1.57	1,407
Note	Unlimited Night surfer (00H00-05H59) is not included in the calculation					
Source	Research ICT Solutions					

Broadcasting Sector

Radio is still used more regularly than TV despite a 10% drop compared to 2019. In 2022, 82% of respondents had listened to radio in the past 4 weeks compared to 73% that watched TV. Radio is also the main source of news for Namibians with 40.7% identifying it as the main source of news. Unexpectedly, the Internet (23.6%) is the second most used source for news. TV (21.2%) and Newspapers (12%) are used less than radio or the Internet. Radios are much cheaper to operate, and the cost is mainly the purchase price and then occasionally some batteries. It is also prevalent in most modes of transport, such as cars, taxis or public buses.

Table 23: Media Metrics for Radio and TV for 2022

		2019	2022	Change
Watched TV past 4 weeks		74.5%	73.2%	-1.3%
Listed to Radio past 4 weeks		91.8%	81.9%	-9.9%
Type of decoder	DStv Decoder	99.30%	59.2%	-40.1%
	GOtv Decoder	0.48%	36.2%	35.7%
	NBC Decoder	0.22%	10.3%	10.1%
	Other	0.00%	1.2%	1.2%
Source: Media Metric 2019 and 2022		Notes Decoder type calculated for 2019 since original data had a mistake		

TV is mostly watched using a decoder (92%), of which DStv decoders were the most often used in 2022 with 59%. The GOtv³ decoder was the second most popular decoder with 36%. Both decoders are from MultiChoice.

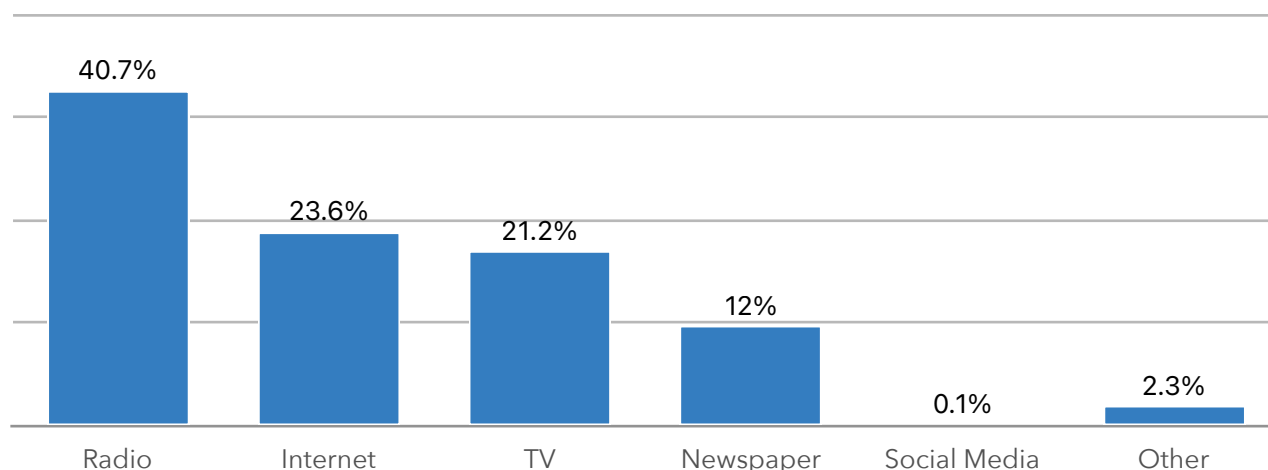


Figure 5: Main Source of News (Media Metric 2022)

NBC remains the most popular radio station with Kati FM (NBC Oshiwambo) being the most popular radio station. The second most popular station is also NBC, Kaisames FM (NBC Nama Damara) with 12.5%. In total, NBC is the most popular radio station for 56% of radio

³ GOtv is a digital terrestrial television platform that broadcasts in 11 African countries, including Namibia. It belongs to MultiChoice group. <https://en.wikipedia.org/wiki/MultiChoice#:~:text=In October 2011, MultiChoice Nigeria,11 Sub-Saharan African countries.>

listeners. The most popular commercial radio stations were Shipi FM and Omulunga, with 12% and 6.5% of the votes respectively.

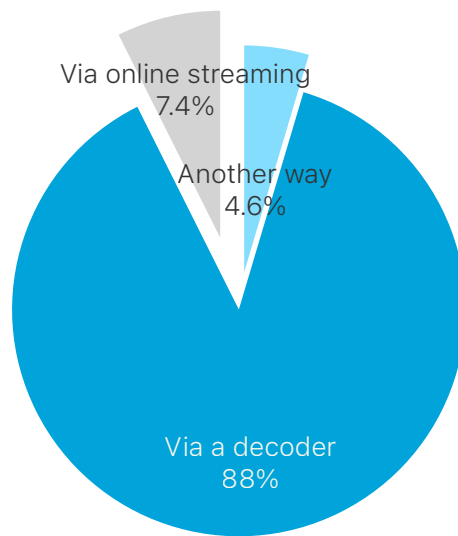


Figure 6: How to watch TV (Media Metric 2022⁴)

Mobile TV subscriptions exceeded in 2022 those of digital terrestrial and satellite TV subscriptions combined. Digital mobile subscribers are those that use mobile apps on their smartphones or tablets such as MyDSTV and MyGoTV. A subscriber may have a satellite or terrestrial TV subscription while also using mobile apps. The TV subscriber numbers in Figure 8 do not include subscribers to streaming platforms such as Netflix.

⁴ One respondent challenged the validity of the data from Media Metrics stating that methodology, sampling and weighting was not transparent.

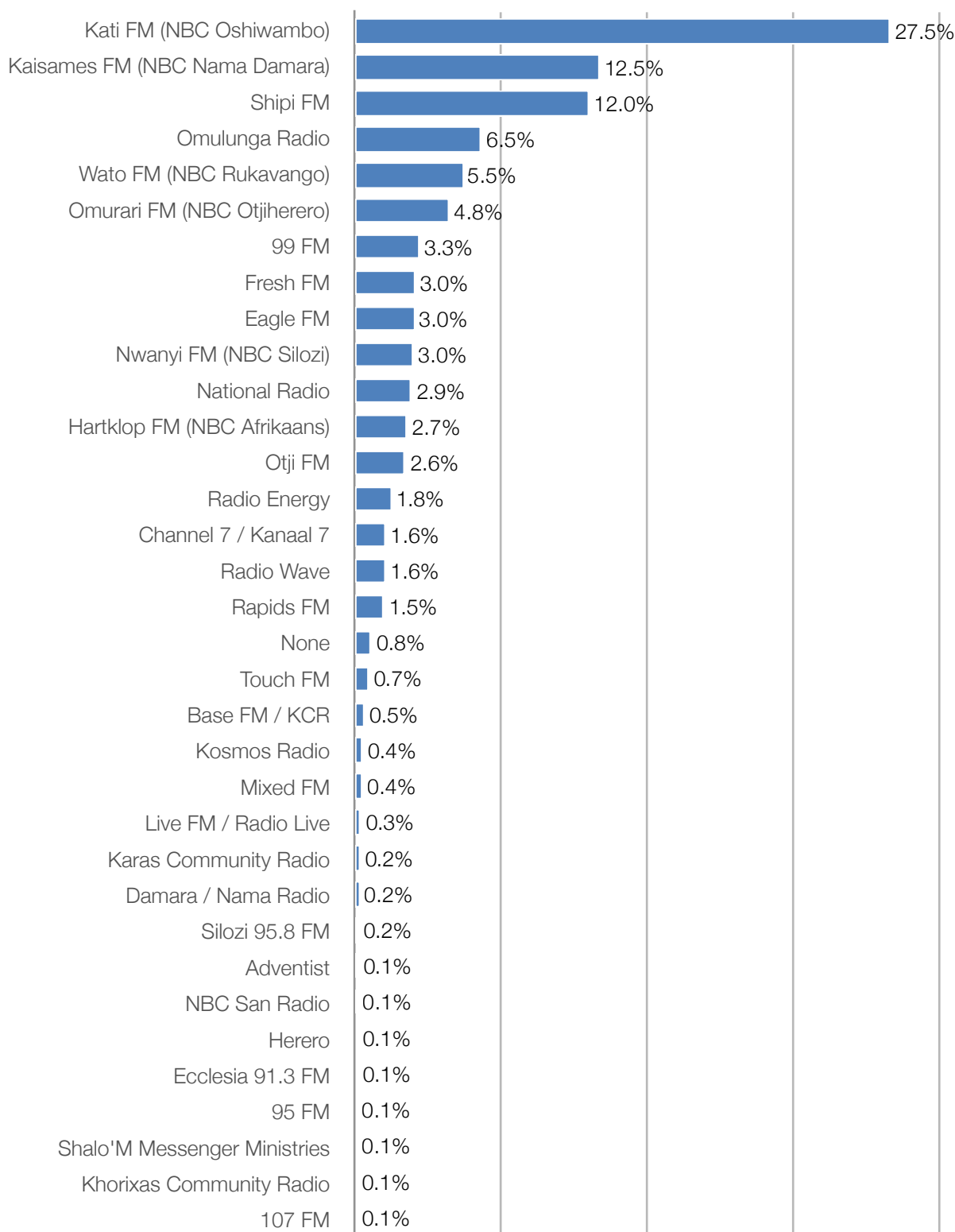


Figure 7: Favourite Radio Stations (Media Metrics 2022)

The broadcasting sector is dominated by the state-owned Namibian Broadcasting Corporation (NBC) and MultiChoice. The revenues of NBC declined in 2021 and 2022, while the shareholder's equity moved in the right direction despite still being negative. NBC's revenue drop affected all revenue categories: TV license fees, advertisement, rental and other income. However, in 2022, the NBC managed to generate a profit of NAD 14 million.

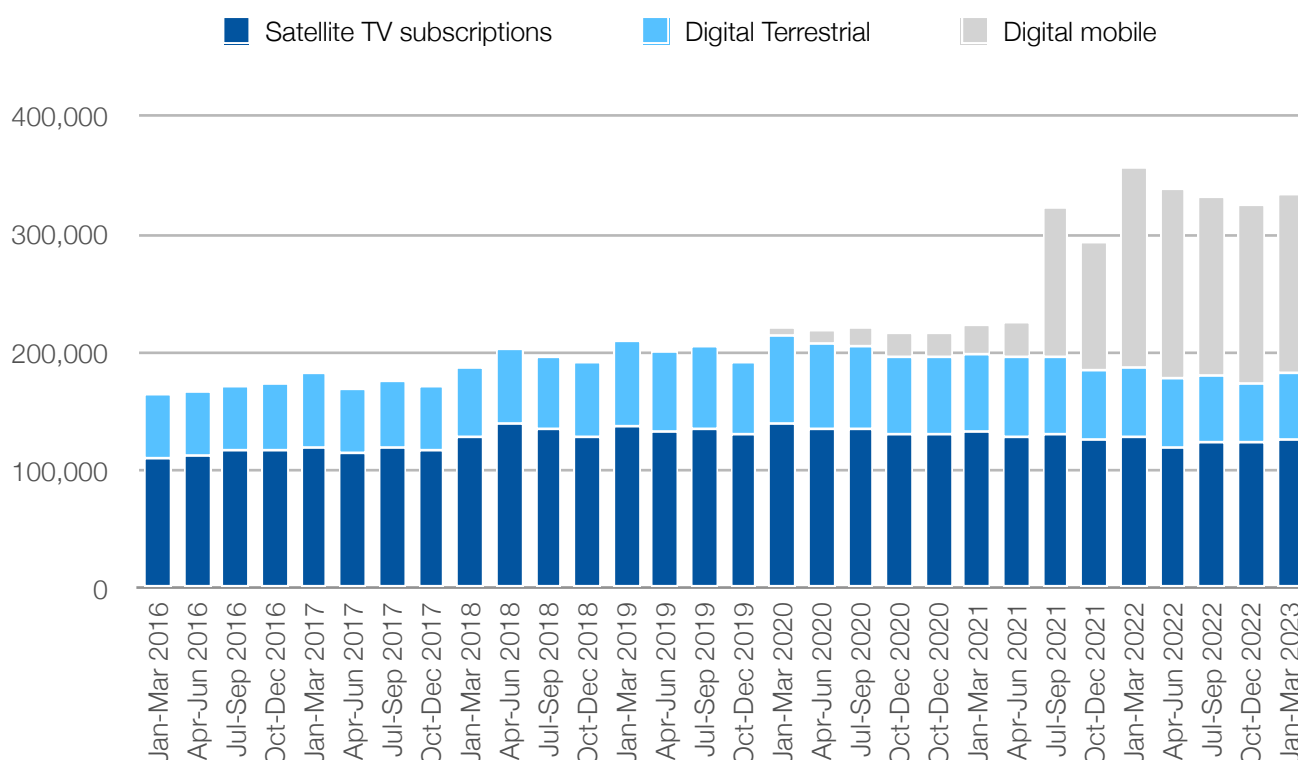


Figure 8: TV subscriptions (excluding NBC)

MultiChoice has a different business model compared to NBC, which is based on subscriptions and linked decoder sales and repairs. NBC relies on advertisements for nearly half of its revenues. Both have in common that revenues declined over the past three to four years while profitability improved. Where they differ is the asset turnover ratio. MultiChoice managed to generate 10 times more revenues in 2022 with only a quarter of the assets the NBC had. MultiChoice generated NAD 5.2 for every Namibia dollar in assets compared to Namibian cents 12 for the NBC.

Table 24: NBC in NAD million

	NAD million	2020	2021	2022	
Revenues		112.08	100.54	80.78	-27.9%
Net Profit		-158.03	-13.61	14.06	
Assets		682.78	619.98	646.72	-5.3%
Liabilities		841.93	718.72	730.63	-13.2%
Shareholders Equity		-159.15	-98.74	-83.91	-47.3%
Asset Turnover Ratio		0.16	0.16	0.12	-23.9%
Revenue	Licenses	19.22	14.72	13.63	-29.1%
	Advertising	53.30	47.36	37.99	-28.7%
	Program Sponsorship	0.75			
	Other income	9.44	8.21	5.29	-44.0%
	Rental income	29.36	30.25	23.86	-18.7%
Share in advertisement of total revenue		48%	47%	47%	-1.1%
Source:		AFS			Calculation

Table 25: MultiChoice in NAD million

NAD million		2019	2020	2021	2022	Change
Revenues		841.8	859.3	846.41	818.62	-2.8%
Net Profit		152.5	162.5	188.39	229.70	50.7%
Assets		162.3	162.6	169.57	157.62	-2.9%
Liabilities		129.1	156.2	153.86	126.81	-1.8%
Shareholders Equity		33.2	6.4	15.71	30.81	-7.1%
Asset Turnover Ratio		5.19	5.28	4.99	5.19	0.1%
Revenue	Subscription fees	816.4	834.0	818.3	793.1	-2.8%
	Decoder Sales	25.1	25.0	27.9	25.3	0.9%
	Decoder Repairs	0.4	0.3	0.3	0.2	-56.7%
Source:		AFS				Calculation

Looking at the other broadcasters, excluding NBC and MultiChoice, broadcasting revenues increased between 2020 and 2022. Total revenues increased by 39% and advertisement revenues by 40%. Advertisements made up nearly 70% of revenues in the sector.

Table 26: Broadcasting revenues excluding NBC and MultiChoice in NAD million

NAD million	2020	2021	2022	Change
Advertisement	58.9	70.6	82.6	40%
infrastructure sharing	-	-	0.2	
Other broadcasting	3.7	8.8	8.1	122%
other not related to broadcasting	0.8	0.5	3.3	322%
SMS short codes	0.2	0.2	0.3	81%
Sponsorships	6.4	7.9	10.4	62%
Subscriptions	16.8	15.8	15.5	-8%
Total	86.8	103.9	120.4	39%
Advertisement as share of total	67.9%	67.9%	68.6%	
Source	CRAN Portal			

MultiChoice earns 80% of the revenues of the Namibian broadcasting sector. The market share of sector revenues of NBC was a mere 8% in 2022. Other broadcasters managed to increase their combined market share from 8% in 2020 to 12% in 2022.

Table 27: Market share in broadcasting revenues in NAD million

	2020	2021	2022	Sources
NBC	112.08	100.54	80.78	AFS
MultiChoice	859.3	846.4	818.6	AFS
Others	86.8	103.9	120.4	CRAN Portal
Total	1,058.2	1,050.8	1,019.8	
MultiChoice market share	81%	81%	80%	
NBC market share	11%	10%	8%	
Others market share	8%	10%	12%	

The market share for subscriptions including TV license fees stood at 96% in 2022. The audited financial statements of MultiChoice (AFS) do not list any advertisement revenues. This could be if the parent company is accounting for the advertisement revenues from Namibia. In terms of advertisement revenues, the market share of NBC was 32%, whereas other broadcasters made up 68%.

Table 28: Market share in subscriptions and TV license revenues in NAD million

	2020	2021	2022	Sources
NBC	19.2	14.7	13.6	AFS
MultiChoice	818.4	807.0	776.5	AFS
Others	16.84	15.78	15.50	CRAN Portal
Total	854	837	806	
MultiChoice market share	96%	96%	96%	
NBC market share	2%	2%	2%	
Others market share	2%	2%	2%	

Table 29: Market share in advertisement revenues in NAD million

	2020	2021	2022	Sources
NBC (AFS)	53.3	47.4	38.0	AFS
MultiChoice (AFS)	0	0	0	AFS
Others (CRAN Portal)	58.9	70.6	82.6	CRAN Portal
Total	112.2	118.0	120.6	
MultiChoice market share	0%	0%	0%	
NBC market share	48%	40%	32%	
Others market share	52%	60%	68%	

Conclusion

During the period under review the telecommunications sector has seen some improvements especially with regards to pricing.

- Namibia African affordability ranking improved from 46th cheapest in Q1 2022 to the 8th cheapest country in Q1 2023 for 1GB per month usage basket. This is a substantial improvement that has a positive effect on consumers. The lower retail prices were the result of CRAN's public consultation on broadband prices held at the beginning of 2023.
- Coverage for 4G services improved over the last period and 85% of the population now has 4G coverage and 69% of the mobile SIM cards are being used to access the Internet.
- Internet speeds have improved in absolute terms and in companion to other African countries.
- The investments undertaken by Paratus over the last five years is a clear vote of confidence for the profitability of Namibia's ICT sector.

The broadcasting sector remains limited in size despite the growth in national advertisement revenues. Radio continues to stay the main source for information sharing in Namibia.