

CRAN REDUCES MOBILE & FIXED TERMINATION RATES IN NAMIBIA

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“The Communications Regulatory Authority of Namibia (CRAN) **herewith announces the reduction of termination rates for Namibia effective 01 October 2022.** The reduced mobile termination rates will be N\$ 0.05c/minute (reduced from N\$ 0.10c/min), fixed termination rate N\$ 0.05c/minute (reduced from N\$ 0.10c/minute) and SMS remains at N\$ 0.01c per SMS” said Emilia Nghikembua Chief Executive Officer, CRAN.

CRAN conducted a study in 2021 to determine the impact of lowering termination rates on the industry. Termination rates are interconnection payments/charges made between operators to compensate one another for traffic exchanged between their networks. Nghikembua adds *“this decision is important as one of the largest cost components for operators (providing voice services is that of interconnection, and this reduction shall therefore enable more competition in the sector”*.

Nghikembua explained the practical effect of the reduction in termination rate as follows: *“Namibia has approximately 2.9 million subscribers, of which 90% are Mobile Telecommunications Limited (MTC) subscriber’s and the other 10% is made-up jointly of subscribers from Telecom Namibia, Paratus Telecommunications (Pty) Ltd and MTN Business Namibia (Pty) (“other operators”). This means that the MTC network carries most of the outgoing traffic calls and SMS volumes. This results in “other operators” paying more to MTC for calls made to the MTC network, in comparison to calls made from MTC to other networks. Therefore, reducing the termination rate will assist “other operator” to reduce their operational costs and compete more effectively.”*

“For now, consumers will not directly benefit from this reduction in terms of paying less for voice calls but may indirectly benefit from increased competition in the industry which will increase the variety of services and products. CRAN is however, investigating other possibilities to reduce voice call rates, to give consumers relief over the medium term and a decision will be communicated in due course.” added Nghikembua.

CRAN's focus is to reform the regulatory landscape to yield tangible results for consumers in the form of affordable prices and increased product and service choice, while ensuring a competitive landscape for our licensees to thrive. The reduction in termination rates, is therefore one of several interventions that we will be implementing to realise this commitment.

“ENDS”

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