



**OPENING REMARKS BY**

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**AT THE COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA'S  
(CRAN) STAKEHOLDER ENGAGEMENT EVENT ON REACHING  
UNIVERSAL ACCESS TO TELECOMMUNICATIONS SERVICES THROUGH  
THE ALLOCATION OF 700MHZ AND 800MHZ SPECTRUM BANDS, AND  
DRAFT STUDY ON PRESCRIBING LIMITS ON VOICE AND DATA TARIFFS**

**Date:** Friday, 18 November 2022

**Venue:** Sossusvlei, Avani Hotel & Casino

**Time:** 09h00

- Captains of the Industry,
- Esteemed ICT Stakeholders,
- CRAN Executive Management and team,
- Director of Ceremonies,
- Ladies and Gentlemen,

Good morning and a very warm welcome to this important stakeholder engagement meeting on reaching Universal Access to Telecommunications Services through the allocation of the 700MHz and 800MHz Spectrum Bands, and Draft Pricing Study for Voice, SMS and Data Tariffs.

As you might all be aware, the Universal Access and Service (UAS) Study Report explores ways to use the 700MHz and 800MHz spectrum bands to achieve UAS objectives, which will enable licensees to increase coverage for people, clinics and schools. This could be done by using reasonable reserve prices for spectrum auctions and/or use clear and transparent defined auction beauty contests. The aim is to ensure that there is a proportional balance between the cost of spectrum and infrastructure investment money.

In the absence of a universal service levy, the Authority must adopt innovative and collaborative regulatory approaches that places emphasis on increased connectivity, and at the same time allows effective and efficient use of the available spectrum resources. This

approach is driven by incentive, and evidence-based regulation rather than by command-and-control. The approach reflects the Authority's drive to use new tools to tackle the issues related to digital transformation and universal access. The proposed concepts are presented for inclusive dialogue within the sector and the results will be implemented as per the framework created by the Communications Act (No. 8 of 2009).

### **Director of Ceremonies,**

To this end, CRAN proposes three (3) possible assignment concepts that would increase 4G population coverage and give operators an opportunity to obtain 700MHz and 800MHz spectrum. The difference between the concepts lies in the way each concept delivers on the objectives of the Communications Act. The concepts were primarily designed to increase coverage, private investment, local participation and competition and to facilitate market entry and expansion.

### **Director of Ceremonies,**

The Draft Pricing Study on Voice, SMS and Data Tariffs is an expansion of the study that was discussed with industry in March 2022. The study investigates the affordability of broadband, voice and SMS prices in Namibia. Regulatory best practices shows that benchmarking that

fast, high-quality and affordable broadband internet is the foundation of the digital economy.

It contributes to enhancing productivity, facilitating information exchange, and improving service delivery across the economy. Lower prices and subsequently higher broadband penetration would translate into productivity gains and economic growth. An additional 10% broadband penetration is likely to increase Gross Domestic Product (GDP) by an additional NAD 8.6 billion and taxes by NAD 2.6 billion over a five-year period.

Namibia's ICT sector is characterised by state ownership and insufficient competition. This has meant insufficient investment in last-mile connectivity, most notably mobile 4G broadband, low quality of service and high end-user prices. While Africa has seen rapidly declining mobile broadband prices, in Namibia, prices have increased. Namibia slipped in the African Affordability ranking from 4<sup>th</sup> cheapest in Quarter one (Q1) in 2016 to the 27<sup>th</sup> cheapest country in Quarter two (Q2) in 2022 for 5GB per month. At the same time, Namibia's ranking in Africa for voice and SMS usage declined from 15<sup>th</sup> in 2016 to 25<sup>th</sup> cheapest country in 2022.

To this end, CRAN is also considering prescribing lower voice and SMS prices especially since many Namibians do not have access to smart devices to enable them to utilise broadband services. Reducing voice

and SMS tariffs would allow all Namibians to have access to telecommunication services at more affordable prices. The Authority appreciates that any reduction in tariffs must be preceded by a RMP. And this process is a build up to the RMP as envisaged in section 53 of the Communications Act.

**Director of Ceremonies,**

To conclude, the purpose of this consultation today is therefore to share the methodology of the high-level cost study and results with you and agree on the way forward to ensure that all Namibians have access to Information and Communication Technology (ICT) services at affordable prices. This will not only benefit consumers but the economy. The Authority appreciates that any reduction or a price cap in tariffs must be preceded by a RMP. And this process is a build up to the RMP as envisaged in section 53 of the Communications Act.

Additionally, the concepts proposed in UAS discussion paper are for consideration by licensees to reach consensus on the best approach to assign spectrum in the digital dividend. Once agreed, the Authority will follow the procedure as set out in the licensing procedure regulations and the Communications Act to assign the spectrum.

Allow me to therefore welcome everyone again and may our conversation today bear fruit towards fostering long and lasting and positive relations for the benefit of our industry and all ICT consumers.

**I thank you!**