



competition commission
south africa

**Media Statement
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COMMISSION WELCOMES THE POLICY DIRECTIVE ON SPECTRUM LICENSING

The Commission welcomes the announcement by the Minister of Communications, Ms Stella Ndabeni-Abrahams, on the gazetting of the policy on high demand spectrum and directive on the licensing of the Wireless Open Access Network (WOAN).

The Commission particularly welcomes the prioritisation which has been afforded the licensing of spectrum by the new administration given that the current lack of spectrum raises network costs and is one factor which contributes to high data prices.

The Commission also welcomes the announcement that the spectrum licensing process will include measures to promote competition, transformation, inclusive growth of the sector and universal access. At a time when public finances are under such pressure, it is tempting to try to maximise revenues by simply auctioning spectrum to the highest bidder.

However, as the Data Market Inquiry provisional recommendations counselled, such short-term thinking would deny South Africa a unique opportunity to bring about lower data costs both now and in the future. High demand spectrum is a scarce national resource and its allocation should be done in a manner which ultimately benefits the citizens of the country.

The Commission will continue to be engaged with the spectrum licensing process as this now moves to ICASA in terms of the design and execution of spectrum licensing in line with the policy directive. The Commission will specifically engage around how a spectrum licensing process may ensure not only universal coverage but also access, which requires a level of universal affordability and not just technical availability.

This may include obligations to ensure affordable data prices immediately, but also how relative allocations between operators may shape competition going forward into new generation networks such as 5G. It will also include measures to ensure the commercial and competitive success of the WOAN, avoiding some of the difficulties faced by other late entrants, as well as appropriate regulatory oversight of that entity.

[ENDS]

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