

The Minister of Trade and Industry  
Councilors of ICASA led by the Chairperson  
DG of Department of Telecommunications and Postal Services  
The Deputy Commissioner  
Management and staff of the Commission  
The CEO Vodacom and his entire team  
Members of the Press  
Ladies and Gentlemen,

Nelson Mandela, addressing the South African Chamber of Business dinner on 23 October 2001 said; “The long-term stability of our democratic order is also dependent upon all sectors of the population participating meaningfully at all levels of the economy.” As Madiba made the address, the world was at a grip of what was referred to ‘the dotcom’ implosion. Little did we know then that, in the century that was beginning, the global economy would be so much dominated by the digital economy. The digital economy is not just changing the means of communication but transforming how we live and work, widening the gap between digitally empowered citizens and pushing further into the periphery the digitally marginalized. Nelson Mandela’s vision of a stable democratic society underpinned by economic inclusion is not realizable without digital inclusion. Internet is the fuel of the digital economy.

Ladies and gentlemen, you’ve already been reminded of the background to this historic announcement. The Commission is delighted to announce that it has reached a significant agreement with Vodacom to reduce the costs of data and promote digital inclusion. The agreement we are announcing today is subject to confirmation by the Competition Tribunal. I also need to point out that certain specific details of the agreement are confidential to protect competition in the market. We were careful in crafting and announcing the agreement that it should unleash and not chill, competition.

The notable features of the agreement are as follows:

### **1. Retail Pricing Reduction**

Vodacom has agreed to a multi-year substantial reduction of monthly data bundles across the board. Effective from 01 April 2020 price will come down by over 30% across

all channels. For an example, the key 1GB monthly data bundle will drop from **R149 per 1 Gigabyte** to no more than **R99 (including VAT)**. This represents a 34% price decrease.

Customers that buy the lowest volumes of data, which are typically the poorest customers, will see the greatest benefit of these price decreases.

## **2. Lifeline Data and Zero Rating of Data**

From the 01 April 2020, Vodacom shall, except for the zero-rated Government websites, make available all of its current zero-rated services on one platform, with increased focus on consumers in poorer communities through “ConnectU”. ConnectU will address seven key areas:

**Education** – Vodacom shall expand their current zero rating offering to all public universities, Technical and Vocational Educational Training (TVET) colleges as well as all public schools across the country. These educational institutions will be able to apply to get their portals zero-rated through a clear and transparent process.

**Internet Search** – Vodacom shall provide a full zero-rated Internet search function powered by Wikipedia, which will enable customers to search for any topic online. This functionality will allow consumers to search the entire domain of knowledge captured within Wikipedia, absolutely free of charge.

**Jobs** – Vodacom shall allow customers to view and apply for job opportunities as advertised on seven zero-rated South African job portals. Vodacom’s “Future jobs finder” services provides career guidance and access to training content to provide new skills with the aim to enhance opportunities for the youth of South Africa in the digital economy.

**Social and essential Internet access** – to provide a free basic means of communication, Vodacom has undertaken to provide customers with free access to Facebook Flex. Consumers can also access local and international news headlines, trends, as well as weather free of charge.

**Health and Wellness** – Vodacom shall expand its health information portal from the current Mum & Baby offering to provide holistic health information across all life-stages in the third quarter of 2020.

**Safety & Security** – Vodacom shall assist with protecting families through measures such as Secure Net Parental Control, a protective measure to shield children from exposure to illegal and inappropriate adult content.

### **Pro-Poor Personalized discounting and Free Communication**

Vodacom shall extend current zero-rating to essential state and emergency specified sites. These will enable citizens to access emergency services and allow citizens to access crucial government information and services. The list extends to more than twenty sites and includes sites of the Department of Health, Education and Home Affairs.

This Vodacom undertaking will be phased in within two months from 01 April to allow time for the necessary technical testing and implementation.

Vodacom shall extend personalised discounts to prepaid customers in all suburbs and villages where most of the population have income levels below the upper bound food poverty line. This will cover more than 2000 localities as defined in the agreement.

Vodacom shall extend two free SMSs daily to all prepaid customers who had at least one revenue generating activity in the preceding 30-day period.

Vodacom shall launch ConnectU platform officially with the necessary marketing campaigns to drive awareness and education.

### **Transparency**

Effective from 01 April, Vodacom shall:

Improve customer awareness of the personalised price promotions and guaranteeing that there will always be better value on the personalised price promotion platforms when compared to headline offers. This will include information on the savings that consumers can make from taking up the promotional offers. It will also be easier for consumers to find these promotional offers by creating a single landing page for all promotional offers on the Vodacom app and website.

Display the cents/MB for all data bundles offered in relevant channels. This will greatly improve the ability of consumers to compare the value offered across the different packages and make more informed decisions.

Enable Prepaid consumers to access detailed information on their historic purchases and what their data was used on, which will also greatly improve transparency and more informed decision making.

In conclusion, somebody reminded me of Madiba's quote in the morning, that it all seems impossible until it's done. I now want to thank all those we have made this possible.

I thank Vodacom for their appreciation of the concerns of the people of South Africa, and the matured and progressive manner in which they have conducted the engagements with the Commission in this regard.

I would like to thank the Minister, Ebrahim Patel who together with the Minister of Telecommunications and Postal Services really started all this by calling upon the Competition Authorities to look into the matter, culminating into a formal request by the Minister to the Commission to initiate the Inquiry.

I also wish to thank the staff who conducted the Market Inquiry as well as negotiations with Mobile Operators. I hope one day we will have time to reflect and remember the anxiety, exhilaration, exasperation, excitement but also a sense of collective pride involved in an undertaking of this exercise.

I also wish to thank the sector Regulator, ICASA, for their professionalism and collegiality throughout this process.

Once again, on behalf of the Commission we thank the teams profoundly for the constructive engagements.

I thank you.