



**Media Statement**

**For Immediate Release**

**26 June 2020**

**COMPETITION TRIBUNAL CONFIRMS MTN/COMPETITION COMMISSION  
SETTLEMENT TO DROP DATA PRICES**

The Competition Commission (Commission) welcomes the decision of the Competition Tribunal on 24 June 2020, to confirm as an order the consent agreement between the Commission and Mobile Telephone Networks (Pty) Ltd (MTN) on reduction of data prices.

The agreement follows the discussion between the Commission and MTN after the Commission initiated the Data Services Market Inquiry (DSMI) and published its final report with findings and recommendations in December 2019.

The consent agreement is entered into in full and final settlement of the findings in the final report of the DSMI that MTN charged high prepaid data prices in South Africa.

In terms of the agreement, MTN has agreed on the following:

**Retail price reductions**

- a) MTN shall reduce the price of 30-day prepaid bundles up to 1GB, with the 1GB monthly bundle being reduced to R99;
- b) From 1 May 2020, MTN shall implement the retail price reductions across all its retail channels;  
and
- c) MTN shall communicate these reductions to all channel partners and will endeavour to apply these price reductions across all MTN channels.

## Daily lifeline package

- a) MTN shall offer all its customers a daily free Data bundle to use in Ayoba, which shall be capped and
- b) The Commission noted that MTN revealed that it implemented the daily lifeline package in respect of the Ayoba chat, media and channels functionalities and it will implement the Ayoba browser functionality.

## Zero-Rated Access

MTN shall offer all its customers Zero-Rated Access to certain PBOs and other websites, subject to a maximum of 500 websites, focussing on education, healthcare and job recruitment via MTN's own website, which shall be capped at 500MB per month per customer and be subjected to terms and conditions listed in the settlement. These websites include Health Institutions, Public Universities, TVET Colleges, Educational Resources, Educational Institutions and Employment Portals.

## Transparency

MTN shall enable all its customers, and at no charge, to manage their data usage through an MTN USSD and on the MTNApp.co.za website.

The Commission will institute ongoing monitoring of pricing levels and profitability into the future until the market becomes more competitive.

**[ENDS]**

### Issued by:

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## **BACKGROUND**

In August 2017 The Commission initiated the DSMI on 18 August 2017 following a submission of concern from the Minister and persistent concerns by the public about the apparent high level of data prices in the Republic, and the importance of data affordability for consumers and the economy in general.

The DSMI commenced on 18 September 2017 and on 20 September 2017 the Commission published a call for submissions. The Commission held public hearings from 17 to 19 October 2018, and on 24 April 2019 published a provisional report for comment. The Commission thereafter received further submissions and conducted further consultations.

On 2 December 2019, the Commission published its final report setting out its findings and recommendations in the DSMI. With regards to MTN the report recommended the following:

1. MTN must independently reach agreement with the Commission, within two months of its publication on substantial and immediate reductions on tariff levels, especially prepaid monthly bundles.
2. MTN must independently reach agreement with the Commission, within two months on a reduction in the headline prices of all sub-500MB 30-day prepaid data bundles to reflect the same cost per MB as the 500MB 30-day bundle, or cost-based differences where such cost differences have been quantified.
3. MTN must independently reach agreement with the Commission to cease ongoing partitioning and price discrimination strategies that might adversely affect lower income consumers.
4. MTN must reach agreement with the Commission, within three months, to offer all prepaid subscribers a lifeline package of daily free data to ensure all citizens have data access on a continual basis, regardless of income levels.

5. MTN must reach agreement with the Commission, within three months on the Zero-Rating of certain content for PBOs and educational institutions.
6. MTN must reach agreement with the Commission, within three months to inform a subscriber, on a monthly basis, of the effective price for all data consumed that subscriber.