

Minister of communications must finalise policy directions - ISPA

The Internet Service Providers' Association of SA (ISPA) says it is imperative that the minister of communications finalises her policy directions on high demand frequency and the exploitation of the digital dividend at the soonest possible opportunity. According to ISPA such action is vital if we are to jumpstart competition at all levels in the telecommunications market in South Africa.

Dominic Cull, ISPA regulatory advisor says that it is critical to address the licensing of available high-demand frequency in the short term. This is the best possible way to increase competition in the market and to deepen broadband penetration. "Competition in the provision of wireless wholesale and retail services will undoubtedly help address the existing affordability gap. It is this gap which is currently preventing many South Africans from taking up broadband services. Moreover, ISPA's members have already proved how competition results in price reductions, as evidenced by the current state of the ADSL market," says Cull.

Last chance to enter the market

The sooner the assignment process for the 800MHz and 2.6GHz frequencies is resumed, the better for all South Africans. ISPA is of the opinion that we are possibly witnessing the last realistic chance for new entrants to get into the market and compete at an infrastructure level.

Cull does state that ISPA welcomes the focus the minister placed on mobile data pricing during her speech at the recent ICT Indaba, when she emphasised the need for an intervention in this area. This was important as it would help to empower small and large ISPs to compete with the incumbent providers. In so doing, it would make a significant short-term contribution to bringing affordable wireless broadband to all parts of the nation.

"ISPA's members already have a track record of service innovation and pricing decreases, we need look no further than uncapped broadband as an example, in the fixed line broadband market. This has clearly been recognised by the minister, who has obviously noted that at present, there are only limited opportunities to compete with the mobile network operators (MNOs) in the provision of mobile data services. This can be addressed on an infrastructure level by the licensing of available high-demand frequency."

Cell C clients are already benefiting

Cull states that the minister's stance in this regard is clearly a positive one, but that ISPA further urges her to prioritise competition at the retail level. He indicates that we can already see the immediate benefits to consumers that are flowing from Cell C's strategy of competing on price. There is no reason that a similar strategy around mobile data will not yield similar results.

"The MNOs do not offer any resale opportunities and, Cell C aside, do not appear to be interested in competing with each other, except on a marketing level. ISPA therefore believes that introducing genuine competition into the retail market will have a dramatic impact. This will be felt both in terms of service innovation and the affordability of mobile data services," concludes Cull.

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