

Vodacom cuts international call rates

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Shameel Joosub, the chief executive of Vodacom, announced international price reductions, the launch of high speed fourth generation (4G) network, and the possible extension of its financial services products as well as other value added services.



Speaking to the media on Friday last week, Joosub who has been at the helm for a month, said from this October Vodacom's customers would be able to call 51 countries for 89c per minute, on per second billing. Customers will be charged by the second and for what they have used meaning that a call will not be billed for a full amount if it lasts less than a minute.

The new international voice calls price is in reaction to a similar reduction from Cell C, which allows its customers to pay 99c per minute, also on per second billing, to some international countries.

"There will be times when competitors do things before you do and you react to it. The point is not just matching it, but giving customers even better value," said Joosub. He confirmed that Vodacom would launch its fourth generation (4G) network before the end of the year joining rival MTN.

MTN and Vodacom customers will be able to upload pictures, download music and stream high-definition video at optimal quality and speed.

Joosub said the 4G network would be available in Pretoria, Durban and Johannesburg. Vodacom also seeks to grow its data business through, among other things, selling more low-cost smartphones to increase usage on the 3G network. He said Vodacom was pushing feature phones and low-end mobile phones, which have some computing abilities but fewer features.

Joosub said data usage "is a key opportunity for us. An important revenue stream."

James Munn, vice-president for Qualcomm in sub-Saharan Africa, told *Business Day* recently that as voice revenues started to plateau, operators would need to increase their focus towards driving data usage through smartphones in order to make up for the shortfall in voice revenues.

The company was working with operators to encourage them to drive data through smartphones. He says network operators need to work closely with manufacturers to come up with entry-level smartphones that cost below \$80. "There is no point in rolling out 3G networks but still selling non-3G phones.

Regarding black economic empowerment, Joosub said that the company was still considering whether to do another equity deal or not.

But before any decision could be taken, it needed to harmonise the requirements of the Electronic Communications Act and the information and communications technology (ICT) transformation charter and also achieve some clarity on how the two would be aligned.

Vodacom sold shares worth R7.5bn in Vodacom SA to a consortium of black investors about four years ago.

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