

## Malawi: Telecom companies question Celcom licence

Malawi's four telephone companies have challenged the Malawi Communication Regulatory Authority (MACRA) for creating an unlevelled playing field by giving a newly licenced company Celcom Limited, soft conditions.

 By [Gregory Gondwe](#) 17 May 2011

The companies; Malawi Telecoms Limited (MTL) and Access Communication Limited (ACL), which operate fixed telephone lines, as well as mobile phone operators; Telekom Networks Malawi (TNM) and Airtel Malawi Limited, have said that they were denied the very conditions that MACRA has offered Celcom Limited last year.

A letter that has been published in the *Sunday Times*, purportedly written by the four, has said it looks forward to being granted the same terms and conditions as those of Celcom to level the playing field. The leaked letter has been signed by TNM CEO Willem Swart, Airtel MD Saulosi Chilima, MTL CEO Charles Chuka and ACL head Faizal Okhai.

### Lengthier roll-out period

Among other things, the letter faults the roll-out period of 18 months given to the new kid on the block which smacks of favouritism, considering that G-Mobile was given a 10-month roll-out period, while ACL was given 12 months to roll out or risk revocation of its licence.

Celcom is 100%-owned by one of Malawi's business conglomerates, the Mulli Brothers, which partners President Bingu wa Mutharika in other business firms. MACRA has however insisted that any new entrant to the market is entitled to incentives.

In the letter the four companies start by observing that although the call was for a mobile phone service, Celcom has been offered a unified licence allowing it to start with both mobile and fixed radio networks. The companies observed further that this change in the actual licence that has been awarded should have followed established procedure and all current operators should have jointly advised and been involved in the step-by-step process.

The four companies also faulted the allocation of levy fees that Celcom would be liable to pay to MACRA annually.

The Celcom licence says the company will be expected to pay annual levies of 2% in the first two years, 3% in the third year, 4% in the fourth year and 5% thereafter of the Net Operating Revenue (NOR).

### Companies demand equal benefits

Considering that the companies have not been paying 5% of NOR since their first year of operation, the companies say the favourable terms go far beyond what the operators requested MACRA to consider in December 2010.

"We had jointly proposed a reduction in the levy to 3% of the Net Operating Revenue due to the advent of more players into the market and/or an escalation of levy over passage of time for MTL and ACL as they a

migrating to full mobility," reads the letter in part.

Celcom will also only pay US\$356 for the microwave radio link transmitter assignment and other fees while the four companies pay between US\$2,670 and US\$1,335 respectively. The companies demand that they also benefit from these charges saying this will in turn benefit customers and all Malawians.

MACRA Communications Officer Clara Mulonya told the *Sunday Times* that the type of licence given to Celcom is one known as Individual Category of Telecoms Licence and is therefore negotiable.

"They are not being treated differently, what has happened is in fact to the advantage of the customer," Mulonya is quoted by the weekly as saying.

#### ABOUT GREGORY GONDWE

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