

Keynote address by the Minister of ICT, and Cyber Security – on Long Run Incremental Cost (LRIC) results.

Salutation

Distinguished Ladies and Gentlemen,

Good Morning,

I have great pleasure and honour to welcome you all, to this important media announcement on the review of charges for the telecommunication services. I believe this is an important step in line with our *“Zimbabwe is open for Business”* philosophy that is being spearheaded by the Head of State, His Excellency President E.D. Mnangagwa.

Ladies and gentlemen, as the information revolution gathers more pace and strikes deeper roots, it is already redefining our understanding of the world. I am sure that most of us in this room, have come to realise that ICT services, in particular the internet, is the anchor technology for the Fourth Industrial revolution. It is actually a General Purpose Technology, just like

the steam engine and electricity. However I believe that the internet will surpass electricity and the steam engine as a General Purpose Technology because of its pervasive impact across the social strata, sectors of the economy and aspects of life in general.

I have heard of predictions that by 2020, more people will have mobile phones than will have electricity or running water in their homes or villages. I have also heard that Children born in 2017 may never drive a car and might direct robots in everyday tasks. This sounds like a dream, but we are moving in that direction. With widespread connectivity, the transformation is happening more quickly beyond our expectations and faster than in any of the previous industrial revolutions. It is exciting but also intimidating.

Ladies and gentleman, I am saying this not to scare you or excite you, but to make you see the importance of ICTs in our lives. What this means is that it is equally important for us to ensure that the sector is well developed and innovation thrives.

This can only happen if the sector is attractive to investment. But, investment attractiveness is not the end of the story as it only addresses the supply push side of things. The supply push side of the equation deals with the universalization of ICT services and the provision of high quality services. There is also the demand-pull aspects of the equation. The demand-pull side covers issues to do with service affordability and the provision of high quality relevant services that make life easier for the people. Hence the need to strike a fine balance between operators viability and service affordability and quality. This is the essence of my being here with you. POTRAZ has already given you the background to the costing exercise for ICT services and my duty today is to announce the outcome of the cost studies.

Accordingly, Ladies and gentlemen, I am happy to announce that, with effect from 1 July 2018, the following shall be the applicable threshold charges for telecommunication services **exclusive of all taxes:**

- i. The Out of bundle mobile data charges threshold shall be reduced from the current 12.5 cents per Megabyte to 5 cents per Megabyte.** This applies to internet/data that is used outside the WhatsApp, Facebook and Twitter bundles among others.
- ii. The USSD charges threshold shall be reduced from the current 12.5 cents per session to 5 cents per session.** This is meant to address the high transaction cost of e-payments and increase financial inclusion. To ensure that this reduction benefits the transacting public, the Authority has engaged the Reserve Bank of Zimbabwe (RBZ) who will engage Financial Service Providers so that the reduction is passed on to the transacting public.
- iii. The National interconnection rate shall be reduced from the current 4 cents per minute to 2 cents per minute.** This applies across all interconnecting operators.
- iv. The thresholds for mobile voice and SMS shall be reviewed in due course.**

- v. Fixed Voice charges shall be left to market forces subject to regulatory approval.**
- vi. Internet/Data charges for Internet Access Providers (IAPs) services shall be left to market forces subject to regulatory approval.**

I THANK YOU.