

PRESS RELEASE



'creating a level playing field'

REVIEW OF TELECOMMUNICATION SERVICES TARIFFS 2018

The Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ) has concluded a cost modelling exercise for telecommunication network services in Zimbabwe covering mobile, fixed and Internet Access networks. The costing exercise was done by Detecon and was premised on the Long Run Incremental Costing (LRIC) models that were built in 2014 by Detecon. The Authority re – engaged Detecon in 2017 to update the LRIC cost models on account of emerging market trends in terms of changing consumer behaviour which is moving from being voice-centric to being data-centric as well as technological evolution, in particular the impact of Over -The -Top services on voice traffic as well as the roll out of new technologies like Long Term Evolution (LTE).

Pursuant to the extensive consultations that were done with telecommunication operators and other stakeholders on the implementation of the 2017 LRIC models results, the Authority has formulated an implementation roadmap for the results. In doing so, the

Authority took into account the prevailing economic environment as well as the competing needs of ensuring operator viability and service affordability for the consumers. These need to be balanced to ensure the delivery of high quality innovative services and applications which are critical in enhancing consumer welfare, business continuity and the country's overall business competitiveness.

Accordingly, the Authority hereby notifies the public of the following outcomes of the 2017 LRIC exercise which shall apply with effect from 1 July 2018:

- i. The Out of bundle mobile data charges threshold shall be reduced from the current average rate of 12.5 cents per Megabyte to 5 cents per Megabyte exclusive of all taxes.** 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 exclusive of all taxes.** 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 exclusive of all taxes.** 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.**

POTRAZ shall review the thresholds for charges for telecommunication services on an annual basis in line with market developments.

ENDS ///

**MINISTRY OF INFORMATION COMMUNICATION TECHNOLOGY
AND CYBER SECURITY**

