

Spectrum crunch blamed for data costs

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A "spectrum crunch" is behind SA's high cost of data, a Vodacom official has told Parliament. Parliament's telecoms and postal service committee is holding public hearings on the high cost of mobile and data services in SA.



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Telecoms Minister Siyabonga Cwele is embroiled in a legal battle with the Independent Communications Authority of SA in which he is challenging the regulator's decision to open up bids for spectrum lots even though a white paper on information and communications technology is going through a Cabinet process.

SA's stalled digital migration process has delayed the release of spectrum in the 800Mhz band, which cellphone network operators have said they need to roll out faster wireless infrastructure.

Hennie Jacobs, head of regulatory affairs at Vodacom, told parliamentarians on Wednesday that the "spectrum crunch" was one of the major reasons data costs remained high in SA. "Spectrum availability plays a significant role with regards to the cost to communicate," he said. Jacobs also said rand weakness, a rise in energy prices and extending network coverage created upward cost pressure.

Graham de Vries, corporate service-executive at MTN, agreed with Jacobs's point about a "spectrum crunch", and told MPs that more spectrum would lead to a reduction in data costs. "It means that we will not have to roll out further base station structures...and this could reduce input costs," said De Vries.

EFF MP Fana Mokoena said operators were "hiding behind jargon" and not explaining why the tariffs were so high in SA.

In its submission, the Right2Know Campaign said that "the ruthless profiteering of the major telecoms companies, particularly MTN and Vodacom, has helped entrench inequality in one of the most unequal countries in the world".

Onica Makwakwa, Africa regional coordinator at the Alliance for Affordable Internet, said income inequality meant internet access remained unaffordable for most South Africans.

Source: Business Day

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