



26 May 2016

Public Workshop: Encouraging entry and rivalry in the telecommunications sector

Prices of voice communication have come down significantly in the last few years, saving consumers billions of rands. This was a direct consequence of ICASA's decision to reduce mobile termination rates and introduce asymmetry between the incumbents and the challengers. Given the changes in this dynamic sector it is important to evaluate progress on regulating for competition and removing bottlenecks to meaningful participation in the sector by firms.

The telecommunications industry has inherent characteristics that raise barriers to entry such as network effects which make it difficult for new entrants to reach scale. Infrastructure competition is limited by the prohibitive cost of duplicating infrastructure while services competition can be constrained by strategic behaviour of incumbents who control infrastructure networks. The playing field is therefore far from level. National champions and first-movers tend to capture the market and the policy agenda to the detriment of competition. Numerous examples show that plurality of rivals delivers better outcomes. For example, ICASA's 2010 mobile termination rates decision illustrated the value of regulating for competition, with the reduction in rates leading to more rivalry.

This public platform evaluates the role of competition, entry and effective rivalry in stimulating innovation, expanding services, and lowering prices in the telecommunication sector. It is based on a CCRED study and draws on three case studies (firm case studies in fibre and mobile) to understand the challenges faced by new entrants and the impact of entry on outcomes.

VENUE: CCRED SEMINAR ROOM, 2ND floor, 5 Sturdee Avenue, Rosebank, Johannesburg [Click here for map](#)

TIME: 16:00-18:00

RSVP by email to infoccred@uj.ac.za



Barriers to entry project

The telecoms case study is part of a wider programme of research focused on barriers to entry and inclusive growth. The research involves detailed firm-level case studies and sector studies to understand the reality of competitive interaction and the process of building productive capabilities, in concrete terms with the intention of formulating policy recommendations to assist in facilitating greater levels of entry and competition to drive growth.

OTHER BTE STUDIES:

Sector studies:
Agro-processing

Case studies:
[Liquid Fuel Distribution](#)
[Soweto Gold](#)
[Capitec Airlines](#)
[Fruit and Veg City](#)