**PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NO: 1402**

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**QUESTION PAPER NO.: 23**

**Mr L Mphithi (DA) to ask the Minister of Communications:**

Whether, in light of the fact that the Republic faces some of the highest data and internet costs in the world and taking into account the role that the high data costs play in youth unemployment, her department has any plans or strategies to lower data costs; if not, what is the position in this regard; if so, what are the details of the plans or strategies?

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**REPLY:**

**I have been advised by the Department as follows:**

**The Department has the following plans or strategies to lower data costs:**

1. End User and Subscriber Service Charter Regulations (EUSSC): In response to the Minister’s Policy Direction on Price Transparency

The EUSSC regulations were first published by ICASA in August 2017, and the final regulations in February 2019.

The Regulations provide for:

1. Notifications of service depletion to be sent to the end-user at set intervals (50%, 80% and 100%). All licensees to provide options to consumers to rollover unused data. This is to ensure that consumers do not lose unused data as is the current practice.
2. All licensees are required to provide an option to consumers to transfer data to other users on the same network. All licensees are no longer allowed to charge consumers out-of-bundle rates for data when their data has run out without consumers’ specific prior consent.
3. Priority Markets in the Electronic Communications Sector: In response to the Minister’s Policy Direction on Lack of effective competition in the broadband market

Pursuant to the above policy direction, ICASA has since undertaken the following:

1. Released a discussion document on the list of markets that are prone to ex ante regulation and recommendation on priority markets.
2. Released a Findings Report which identified a list of markets that would require a market review process. The report specified, the wholesale fixed access, upstream infrastructure markets and mobile services as markets to be prioritised for market review.
3. Competition Commission’s Data Services Market Enquiry

Following consultation with the Minister of Economic Development, the Competition Commission has since undertaken a market enquiry on data services:

1. The Data Services Market Inquiry was initiated by the Competition Commission in terms of Section 43B (2) of the Competition Act No. 89 of 1998 (as amended) in August 2017. The Competition Commission held public hearings on the data inquiry on 1 October 2018.
2. The data market enquiry provisional findings released in April 2019, identified recommendations that provide immediate relief to high prices, especially for low income consumers, combined with initiatives to improve mobile price competition and greater alternatives to consumers over the medium term.
3. The Competition Commission will release the final findings and recommendations towards the end of the 2019/2020 financial year.

**MS STELLA NDABENI-ABRAHAMS**

**MINISTER**