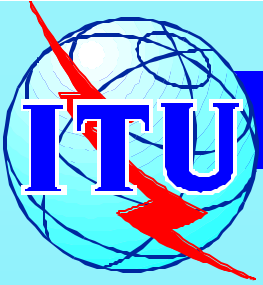


Exercise 4: Develop a Universal Access strategy for Zimbabwe

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Wits. University,
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Note: The views expressed in this presentation are those of the author and do not necessarily reflect the opinions of the ITU or its membership. Dr Tim Kelly can be contacted by e-mail at Tim.Kelly@itu.int.

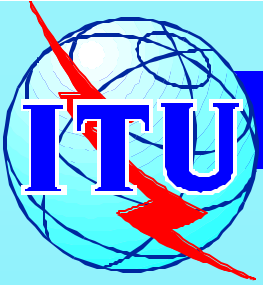


Objective

- You have been asked by the regulator in Zimbabwe to help design a strategy for achieving Universal Service in the country within 20 years. How do you respond?

Inputs

- Background lecture on Universal Service
- Chapter four from 1998 World Telecom Development Report
- Experience from Universal Services Agency in South Africa



Description of Zimswana

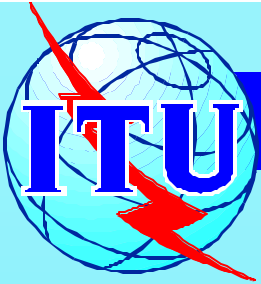
- Zimswana is a hypothetical Southern African state and Member of SADC
- It has 10 million inhabitants, a population density of 10 inhabs per square km, and a GDP per capita of US\$1'000
- It has a teledensity of 1.3 per 100
- The main Public Telecommunication Operator (ZimTel) is fully state-owned
- Cellular service is operated by a subsidiary of ZimTel. There are plans to introduce a second operator.
- A regulatory agency is planned

ZimTel's Tariff Structure

- Local calls are free of charge
- Installation is Z\$100
- Monthly subscription is Z\$3 per month
- Long distance & Int'l call charges per minute:

5-50 km	Z\$0.30	South Africa	Z\$4.00
50-100 km	Z\$1.00	USA	Z\$7.00
>200 km	Z\$2.00	UK	Z\$8.00

- One Zimswana Dollar (Z\$) equals 1 US\$



Issues to consider

- What rate of growth and what growth targets would you set?
- Would you invite in external investors?
- How would you fund the Universal Service Obligation (USO)?
- Would ZimTel alone bear the USO or would all licensed operators bear obligations?
- What tariff strategies would you adopt?