



INTERNATIONAL TELECOMMUNICATION UNION

**TELECOMMUNICATION
DEVELOPMENT BUREAU**

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FOR INFORMATION

SOURCE: Malawi Communications Regulatory Authority, Malawi

TITLE: Telecommunications Sector Status in Malawi

TELECOMMUNICATIONS SECTOR STATUS IN MALAWI

Telecommunications Operations

- Malawi has two fixed telecommunications operators namely Malawi Telecommunications Ltd (MTL) and Access Communications Limited which has been recently awarded a licence a second national operator (SNO) and is yet to roll out;
- MTL is owned 20% by the government and 80% by Telecoms Holding Ltd., which is a consortium of several investment companies plus Detecon of Germany as the management partner for running the company. The privatization of the formerly fully government owned operators was concluded in February 2006;
- Malawi has two mobile operators namely TNM Limited and Celtel Malawi Limited and we are in the process of awarding a third mobile operator licence;
- TNM was one of the first GSM operators in Africa when it launched its services in 1995 and was previously owned by Telekom Malaysia (60%) and MTL (40%). Telekom Malaysia recently sold its shares to the Press Corporation Ltd of Malawi (PLC). Since PLC is also the major share holder of MTL, it holds a controlling interest in both companies;
- Celtel was launched in 1999 and is part of Celtel International, recently acquired by MTC of Kuwait. Celtel has been gaining market share since its launch and is at present the leading operator with a market share of about 60 percent.
- The Electricity Supply Corporation of Malawi (ESCOM), has advanced plans to enter the telecom sector with carrier services based on their fiber optic network installed on its electricity grid. We are in the process of finalizing its Carrier of Carriers Licence which shall enable it to lease excess capacity to ICT operators;
- As of August 2007, fixed penetration levels stood at 175,209 subscribers (MTL only) while mobile penetration was at 884,115 subscribers (534,115 for Celtel and 350,000 for TNM) for a Malawian population of about 13.5 million people representing a teledensity of 8.15.

(i) Internet

- There are ten active commercial Internet Service Providers (ISPs) in Malawi out of the licensed 22 ISPs, offering a wide range of Internet services. The total number of customers is around 55,000 making Internet penetration to be at 0.4 in Malawi.
- Services are mostly delivered through dial-up connections but some ISPs are moving towards broadband wireless Internet connectivity. The fixed line operator MTL is now providing Internet Services on a free registered mode to all its post paid as well as pre paid subscribers.

(ii) Policy Development

- Malawi is currently developing two policies in the ICT sector namely the ICT for Development Policy (ICT4D) and the Universal Access Policy;
- The ICT4D Policy is aimed at catalysing the socio-economic development using ICTs while the Universal Access Policy is a deliberate Government Policy to improve and extend communications services to the rural and underserved communities;

(iii) Regional Initiatives

- Malawi is a signatory to the NEPAD Protocol on the ICT Broadband Infrastructure Network which is aimed at developing both submarine and terrestrial broadband networks across African countries to ensure that there is cheap and quality communication services.

(iv) Expected Benefits

The following are some of the benefits Malawi should expect from the Connect Africa Summit:

- (a) Increased political will for the cause of ICT;
- (b) Accessibility to financial resources for infrastructure development;
- (c) Availability of relevant technology to be used in Malawi;
- (d) Network on best practices for the improvement of the ICT sector;
- (e) Improved coordination with international partners in terms of ICT development;
- (f) Establishment of a business friendly legal and regulatory environment for ICT development;
- (g) Benefit from available opportunities for rural access.

(v) Recommendations for ICT Development in Malawi

We need to do the following among others for the improvement of the ICT sector in Malawi:

- (a) Complete the development of the ICT for Development Policy;
- (b) Develop ICT Implementation Plans and adhere to them;
- (c) Increased political will at the highest possible level for the development of the ICT industry;
- (d) Increase literacy levels;
- (e) Develop ICT infrastructure backbone for carriage of traffic throughout Malawi and beyond;
- (f) Improve accessibility to ICT services by the majority Malawians;
- (g) Development of sufficient local content to be carried on the ICT backbone;
- (h) Enhance working relationships between the key ICT stakeholders in Malawi;

- (i) Provide for conducive environment for the development of the ICT sector; and
- (j) Identify and utilise to the maximum the available ICT expertise.

(vi) **Tables**

Table 1: Growth of the telecoms sector in terms of subscribers for fixed, mobile and Internet

	1999	2000	2001	2002	2003	2004	2005	2006	2007
Population (millions)	10.1	10.3	10.4	10.4	10.5	12.3	12.5	13.0	13.0
Mobile subscribers	22500	38202	55730	86047	135114	222135	260000	547433	944,503
Fixed subscribers	41500	43200	50000	54000	63296	70574	78494	95,100	175,209
Subscribers (fixed & mobile)	64000	81402	105730	140047	198410	292709	338494	621778	1,059,324
Teledensity (fixed & mobile)	0.63	0.79	1.02	1.34	1.89	2.4	2.7	4.78	8.15
Mobile density	0.22	0.37	0.54	0.83	1.29	1.81	2.08	4.21	6.53
Fixed line penetration	0.41	0.42	0.48	0.51	0.6	0.59	0.62	0.57	1.35
Internet subscribers	-	-	-	5717	6055	8051	8197	55029	
Internet penetration	-	-	-	0.05	0.06	0.07	0.07	0.4	

Table 2: Subscriber Base per Operator

Subscriber base			
Network	Jun 07	Jul-07	Aug-07
Celtel	468743	500,094	534,115
TNM	315790	323,183	410,388
Total Mobile	784533		944,503
MTL	163500	170,000	175,209
Mobile density	6.53		
Teledensity			8.15
Total	948033	993,277	1,119,712

Table 3: Telecommunication Services		
International Gateway Licences	Celtel TNM MML	3
VSAT Terminals		98
PMR Operators		143
Aeronautical Licences		29
Active ISPs		11
Paging Licence		1
Centralised Alarm System Licences		5
Radio Dealers		9
AMR licences		64

Table 4: Broadcasting Stations

Public TV station	TVM	1
Private Religious TV Station	TV Luntha	1
Community Radio Stations	ABC, Dzimwe Nkhota kota Mudzi Wathu	4
Public Radio broadcasting services	MBC Radio 1 MBC Radio 2FM	2
Private Radio broadcasting services (Commercial)	Power 101 Capital Radio Joy Radio Star FM MIJ Zodiac	6
Private Radio broadcasting services (Religious)	Radio Islam, Cavalry Family, Trans world, Radio Maria, Radio Alinafe, Channel for All Nations, SDA Radio, Tigawane	8

Table 5: Teledensity (fixed & mobile) and Internet penetration

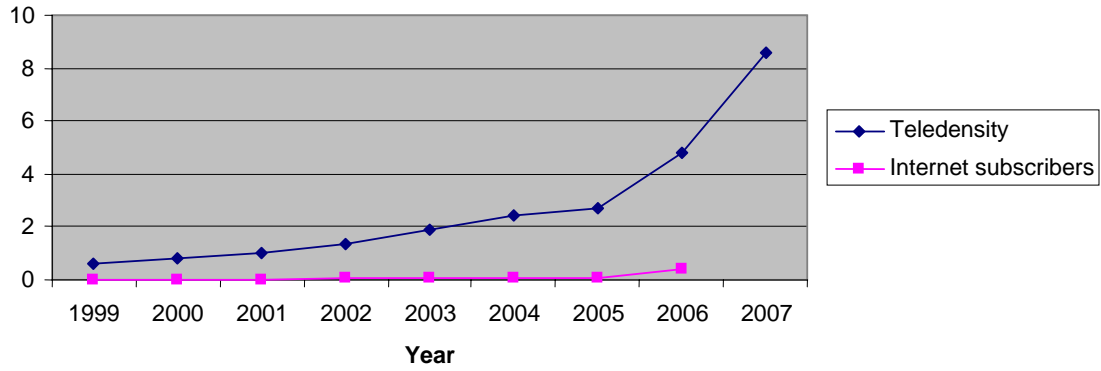


Table 6: Growth of fixed, mobile and Internet subscribers (1999 -2007)

