



Malawi Communications Regulatory Authority (MACRA)



Tariff & Costing Malawi Scenario
ITU/BDT Workshop Congo Brazzaville – February 2014

MALAWI



COUNTRY PROFILE

INDICATOR	DATA
<i>Population</i>	14.2 million (expected to reach 20 million in 2020)
<i>Density</i>	110/ km ²
<i>Country size</i>	118,484 km ² (20.6 % water)
<i>GDP (per capita)</i>	900
<i>% in rural areas</i>	80 %
<i>Capital City</i>	Lilongwe
<i>Currency</i>	Malawi Kwacha (1 USD = MK 450)
<i>Climate</i>	Sub-tropical (dry and strongly seasonal)
<i>Neighbours</i>	Mozambique, Zambia and Tanzania

VISION & MISSION

Vision

To be a world class ICT regulator ensuring universal access to ICT services.

Mission

We are an ICT regulator promoting the development of the ICT sector through, investment, monitoring, research and training to professionally deliver reliable and affordable communications services throughout Malawi.

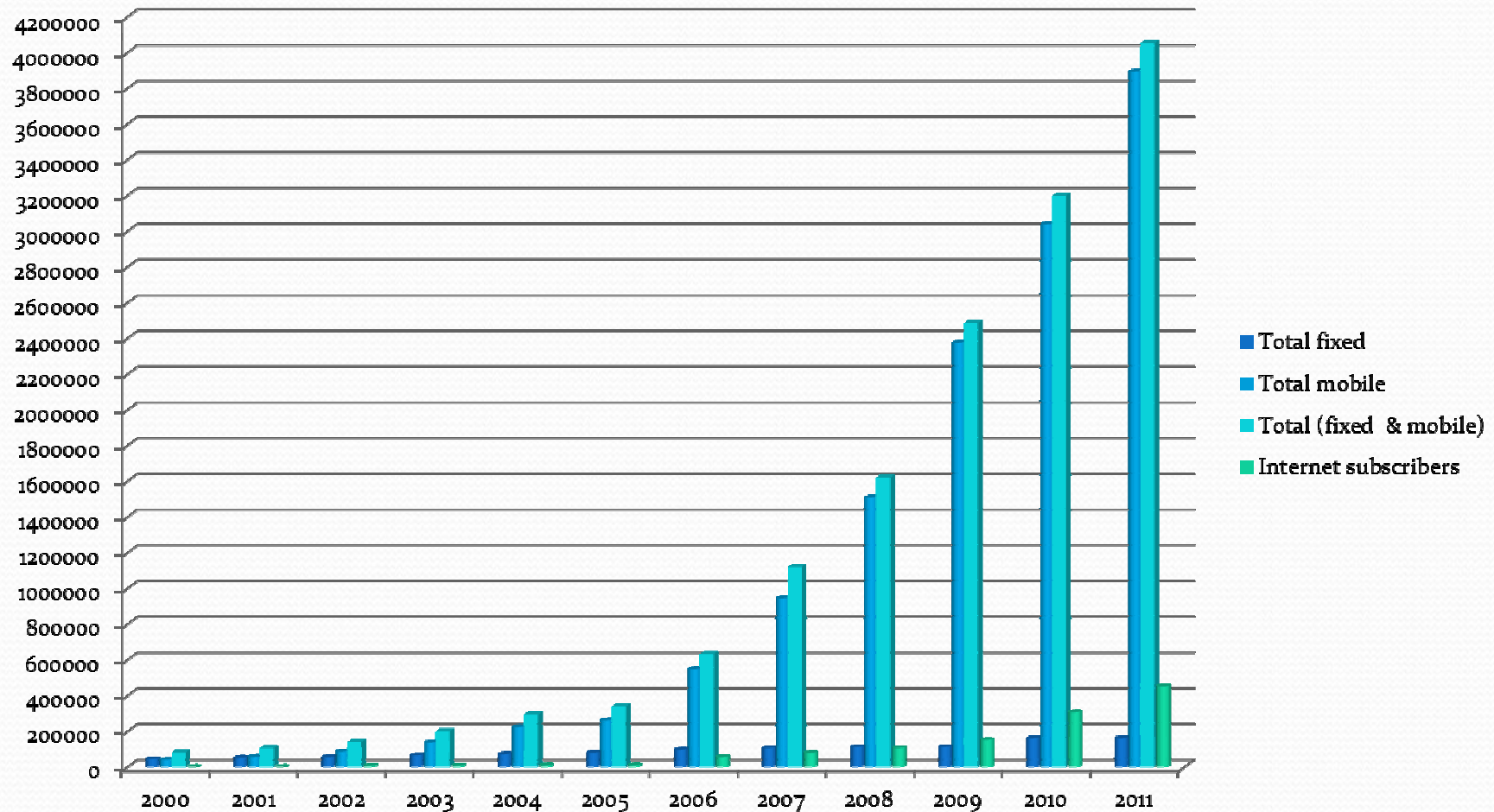
ICT Indicators

#	STATISTICS	INDICATOR	YEAR COLLECTED
1	Telephone Operators	6 (4 Operational)	2013
2	TV/Radio Broadcasters	48	2013
3	Internet/ Data Operators	46	2013
4	International Gateways	4	2013
5	Fixed Wireless Broadband	16	2013
6	General Spectrum Licences	554	2013
7	Subscribers (Mobile/Fixed)	4,646,894	2012
8	Teledensity (Mobile/Fixed)	34.6 %	2012
9	Mobile Signal Coverage (pop)	99.55 %	2012
10	Subscribers (Internet)	568,584	2012
11	Teledensity (Internet)	4.5 %	2012

ESTABLISHMENT

- The Authority was established under section 3 of the Communications Act (1998); cap 68:01 of the Laws of Malawi. Operations commenced in 2000 with mandate covering the four basic communication sectors namely;
 - Telecommunications;
 - Broadcasting;
 - Postal services; and
 - Management of radio frequencies (spectrum).
- MACRA is an independent regulator, reporting to Parliament through the Ministry of Information. However the ultimate authority in terms of decision making rests with the Board of Directors appointed by the President .

Sector Performance Subscriber Growth



Malawi Tariff Regulations 2013

- ***Malawi is moving ahead in ensuring that the Telecommunication industry tariff should be fully regulated. The draft regulations once approved will give MACRA the powers to review if the tariffs of the operators are set according to the set tariff structure.***

Tariff Determination in the Draft Regulations

- Every licensee shall set tariffs that are cost oriented and set in accordance with the tariff structure proposed by the operator and approved by MACRA.
- Selected cost models will be chosen by the Regulator in consultation with the operators to be the criteria for assessing tariffs in Malawi.
- Tariffs shall be unbundled, so that end users do not pay for facilities which are not part of the service package.

Filling & Publication of Tariff

- Currently individual operators just notify the regulator that their prices are changing.
- The draft tariff regulations and their licence obligation will require that the licensees submit the proposed tariff adjustment which is in accordance with the tariff structure approved by the regulator.
- The regulator will review based on the models set and act accordingly to ensure that there are no mathematical errors.



Challenges

- The licensee are likely to resist the introduction of tariff regulations, as price adjustment will no longer be voluntary but when it is necessary to do so.
- Wide consultation with the operators and other stakeholders will be done to ensure that all concerned stakeholders have the relevant information concerning tariff regulations.

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