

# Costing and Tariffs Policies- Ghana Experience

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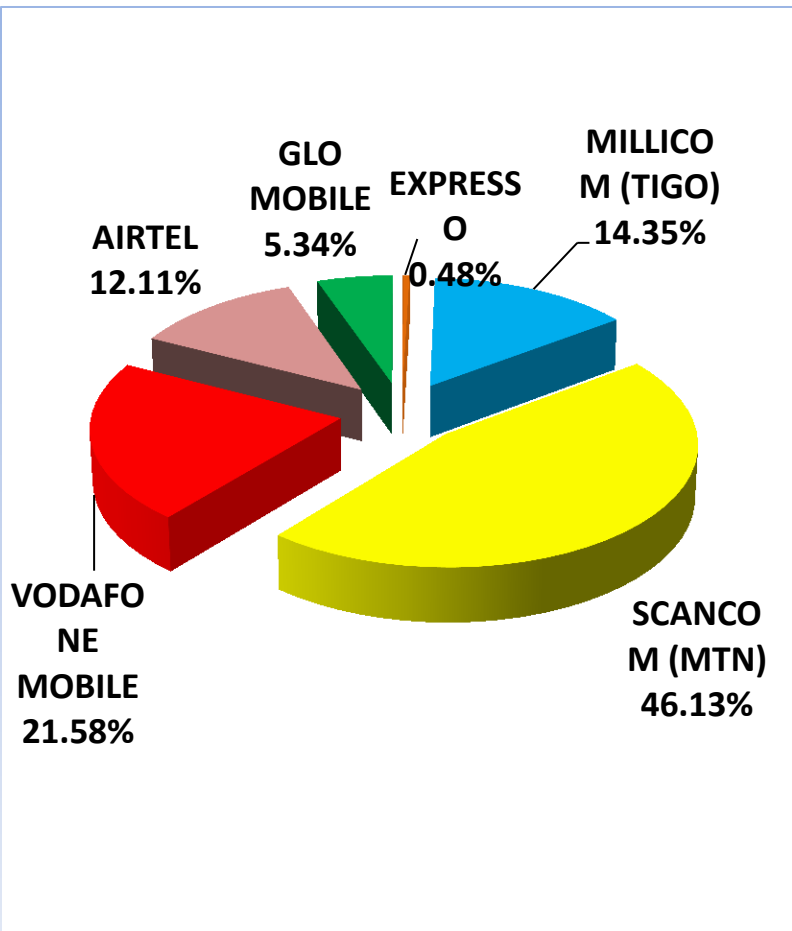
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# Ghana Telecom Market-2013

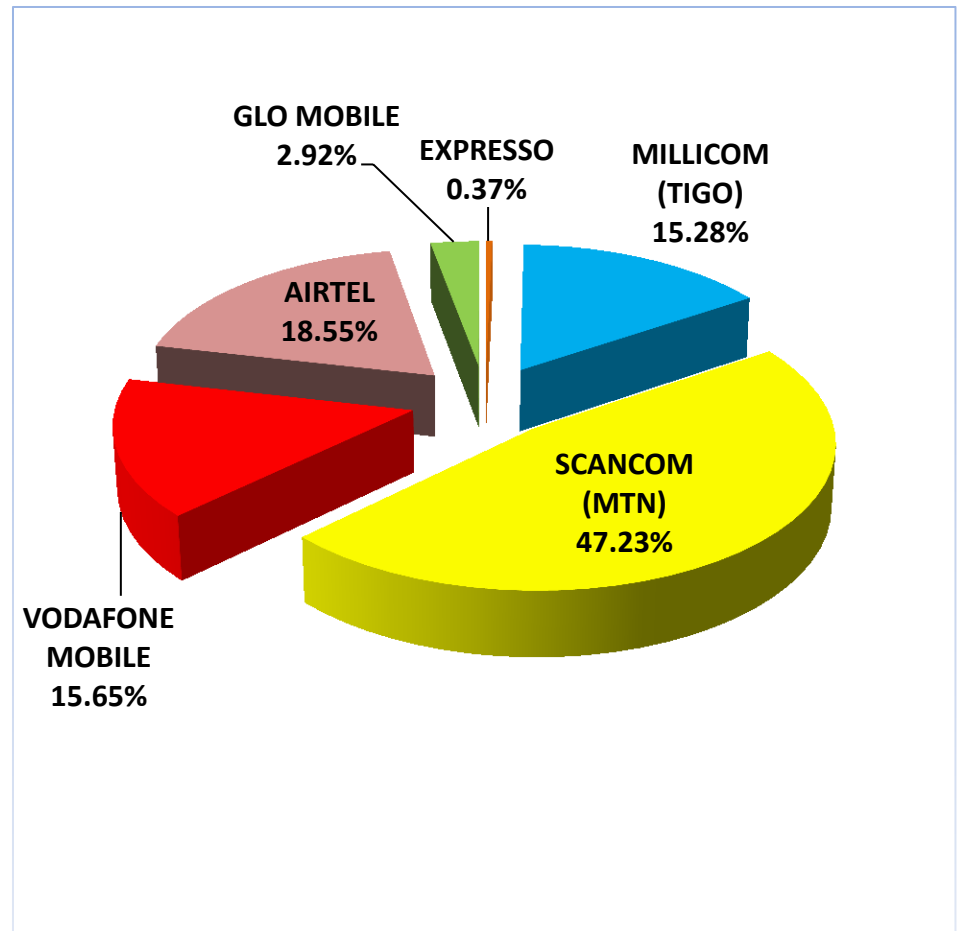
- There are six (6) mobile operators of which one is a CDMA Operator.
- Mobile Voice Subscription is currently at 28 million , which account for 107% Penetration rate.
- Mobile Broadband subscription is currently at 10.3 million ,accounting for 39.5% penetration rate.
- Fixed Voice is currently 1% penetration.

# Ghana Telecom Market-2013

Voice Market Share 2013



Data Market Share 2013



# GHANA WHOLESAL COST MODEL APPROACH

LONG RUN AVERAGE INCREMENTAL COSTING  
PLUS MARK UP COST [LRIC+]-Since 2009

☐ Which takes into consideration 3G  
technology and its associated data services

# Cost Model Objective

**Objective of the model:** To establish fair and equitable interconnection rates base on cost to be used by network operators in Ghana.

The objective is design to meet the following:

- ❖ provide adequate revenue for investment
- ❖ allow stable and predictable revenues for network operators;
- ❖ allow stable and predictable interconnection rates
- ❖ encourage efficient use of services
- ❖ fairly apportion the total cost of services
- ❖ meet any relevant local legislation
- ❖ avoid undue discrimination.

# Policy Regulation

# LEGAL ENACTMENTS

- Section 3(e) of the NCA Act of 2008, Act 769: the Authority shall ensure fair competition amongst licensees, operators of communications networks and service providers of public communications;
  - *Section 20 of the Electronic Communications Act of 2008, Act 775 [Interconnection]*
- \*\*Ghana Does Not Regulated Retail Prices of all ICT/Telecom products and Services.**

# LICENCE CONDITION FOR END-USER TARIFF

- Part 5, Section 14.2 of the Licence for Mobile Cellular Operations in Ghana states that, “if any changes are to be made to the Licensee’s applicable rates, the Licensee shall notify the Authority and within five (5) days publish the changes in two domestic newspapers.



# WHOLESALE TARIFF TRENDS

## Historical Trends of Interconnect Rates

	2005	2006	2007	2008	2009-2011
From Mobile	6.75p	6p	6p	6p	5p
From Fixed	7.5p	6p	6p	6p	5p

The rates are in GH Pesewa per min

## Current Wholesale Rate-USD per Min

	2012	2013	2014
From Mobile	0.03	0.025	0.017
From Fixed	0.03	0.025	0.017

# ASYMMETRIC INTERCONNECT

- The Authority implemented its first Asymmetric interconnect in 2012 as a catalyst to deepen competition.
- This apply to New Entrants as well as companies with less than 5% Subscriber market share.
- Rate was USD 0.017

Conditions:(1) it was for a period of 24 months or achieving 5% market share , whichever comes first.

# Retail Tariff

- Current Industry Average Retail Rate.

Voice/Mins

- On-Net USD 0.04
- Off-Net USD 0.052

SMS RATE

On-Net USD 0.019

Off-Net USD 0.023

@ Exchange rate of \$1=GHc 2.4

# Retail Tariff

- Current Industry Average Retail Rate.

Voice/Mins

- UK-mobile USD 0.16
- USA USD 0.06
- Canada USD 0.06
- China USD 0.06
- Nigeria USD 0.09

@ Exchange rate of \$1=GHC 2.4

**THANK YOU**