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**BI-ANNUAL REPORT ON THE ANALYSIS OF TARIFF NOTIFICATIONS
SUBMITTED TO ICASA FOR THE PERIOD 01 JULY 2023 TO 31 DECEMBER
2023 – ABRIDGED REPORT**

1. Introduction

- This is an abridged report of Bi-annual Report on the analysis of Tariff Notifications submitted to ICASA for the Period 01 July 2023 to 31 December 2023. This report is produced for the benefit of those consumers that may not have time to read the full report.
- Section 2 highlights the aim of the tariff analysis report. Section 3 indicates the number of tariff notifications received by ICASA. Section 4 provides key findings from ICASA's tariff notification analysis. Section 5 gives the conclusion.

2. What is the aim of the Tariff Analysis Report?

- ICASA produces two (2) Bi-annual reports on the Analysis of tariff notifications submitted to ICASA by various telecommunications licensees on an annual basis. The first Bi-annual report covered the period 01 January 2023 to 30 June 2023. The second Bi-annual report covers the period 01 July 2023 to 31 December 2023.

- The Tariff Analysis Report gives an overview of the Bi-annual Tariff Notifications as well as an update on tariffs that were filed by various telecommunications licensees during the period under review.
- The aim of the Tariff Analysis Report is to ensure that there is retail price transparency in line with object 2(n) of the Electronic Communications Act, 2005 which is to “promote the interests of consumers with regard to the price, quality and the variety of electronic communication services”.

3. How many tariff notifications were received?

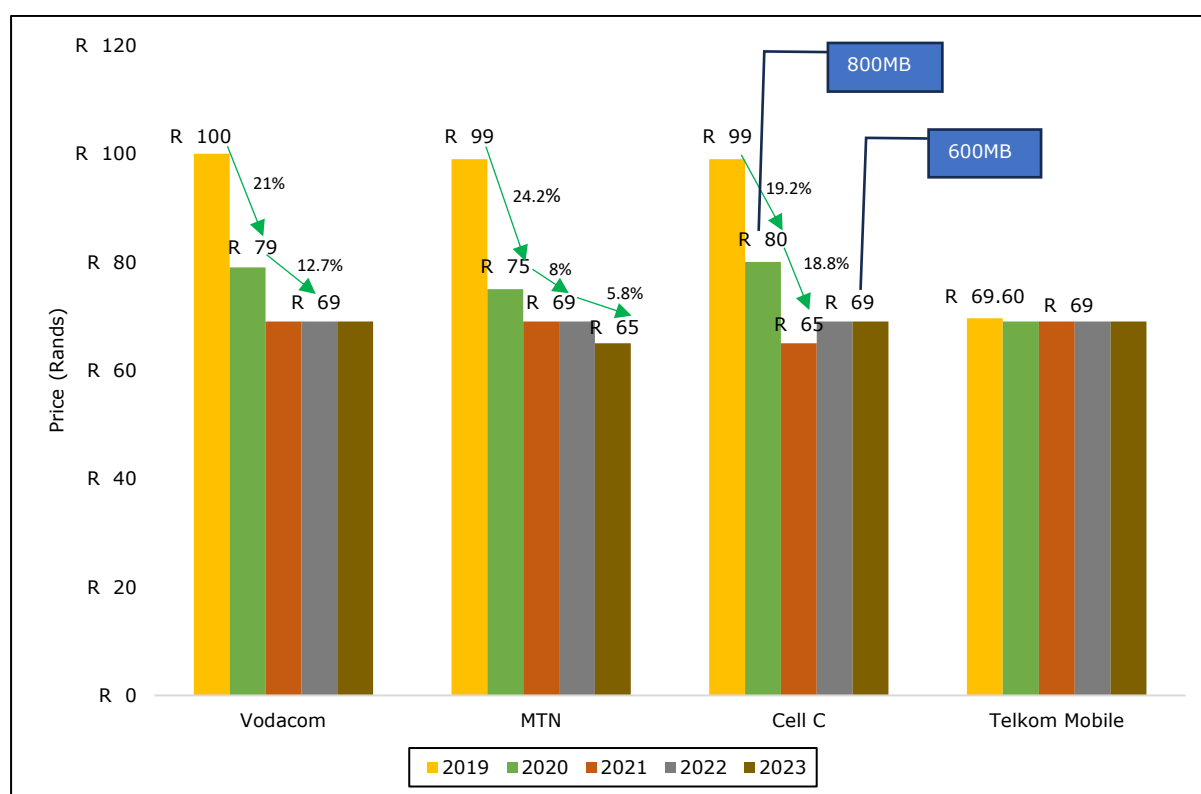
- ICASA received a total of 362 tariff notifications, which consisted of 134 new promotions, 111 amendments, 65 extensions, 10 terminations and 42 new products from the period 01 July 2023 to 31 December 2023.

4. Key Findings from ICASA’s Tariff Notification Analysis

4.1. Mobile Data Services Market

This section provides a price trend analysis of the 30-day standard prepaid data bundles from 2019 to 2023. Figures 1, 2 and 3 below show the prices of the 500MB to 800MB, 1GB and 2GB data bundles offered by the operators, respectively.

Figure 1: 500MB-800MB Data Bundles Price Trend

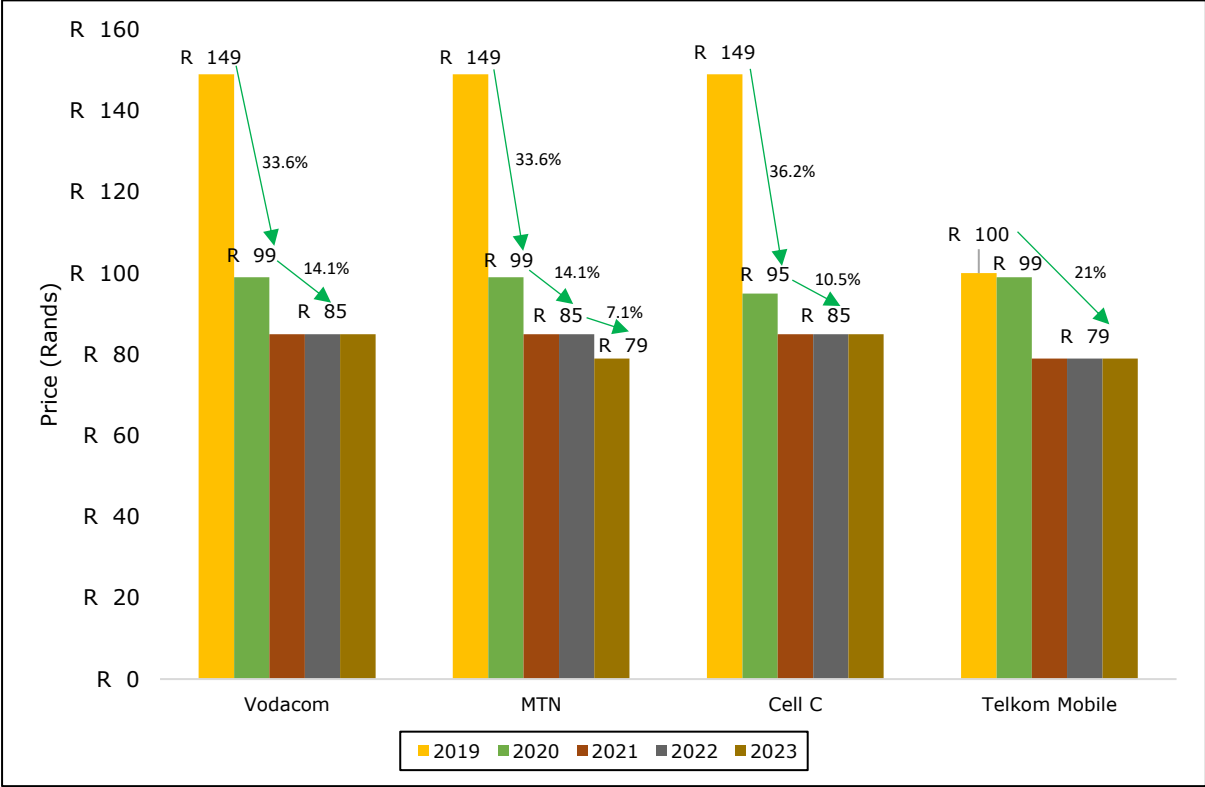


Source: ICASA Database based on Filed Tariff Notifications

Figure 1 above shows prices of the 30-day standard prepaid 500MB to 800MB data bundle(s) and their year-on-year price changes over a five-year period from 2019 to 2023. MTN has had the largest price reduction over the years, reducing the price by 34.3% from R 99 in the year 2019 to R 65 in 2023. Vodacom had the second largest price reduction on the 500MB data bundle, which has had a 31% decrease from R 100 to R 69. The effects of competitive pricing can be observed from the figure above, where Vodacom and MTN reduced their prices over the period, matching Telkom Mobile's 500MB data bundle price at R 69. MTN further reduced the price of its 500MB to R 65, making it the lowest priced among the MNOs that offer the 500MB data bundle. Cell C on the other hand offered different data volumes over the years, for example in the years 2020 and 2021, it offered 800MB for R 80 and R 65, respectively, which meant it offered more value for money to customers, with the lowest in-bundle rates among the operators. Currently, Cell C offers its 600MB for R 69 which translates to a R 0.12 per MB in-bundle rate. MTN's

500MB has an in-bundle rate of R 0.13 per MB, while Telkom Mobile and Vodacom’s have in-bundle rates of R 0.14 per MB, respectively.

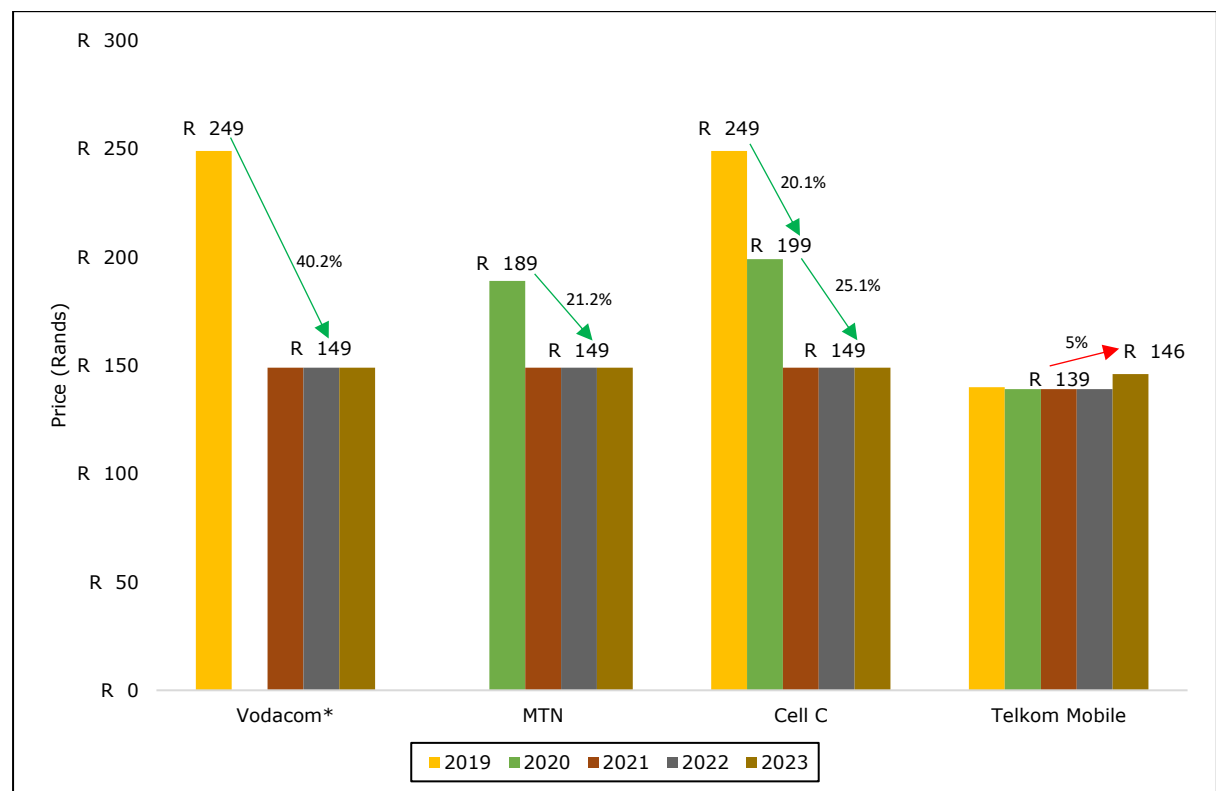
Figure 2: 1GB Data Bundle Price Trend



Source: ICASA Database based on Filed Tariff Notifications

The figure 2 above shows prices of the 30-day standard prepaid 1GB data bundle and their year-on-year price changes over a five-year period from 2019 to 2023. MTN has had the largest price reduction over the years, reducing the price by 47% from R 149 in the year 2019 to R 79 in 2023. Cell C and Vodacom reduced their prices by 43% over the 5-year period, from R 149 to R 85, respectively. It can be seen from the figure above that operators reduced their 1GB data bundle prices in 2021, with Cell C, MTN and Vodacom pricing the bundles at R 85, respectively, and Telkom Mobile at R 79. In the year 2023, MTN further reduced its 1GB bundle price to R 79, matching Telkom Mobile’s price and indicating competitive pricing convergence.

Figure 3: 2GB Data Bundle Price Trend



*In the year 2020, Vodacom discontinued its 30-day standard prepaid 2GB data bundle, which was reintroduced in the market in 2021.

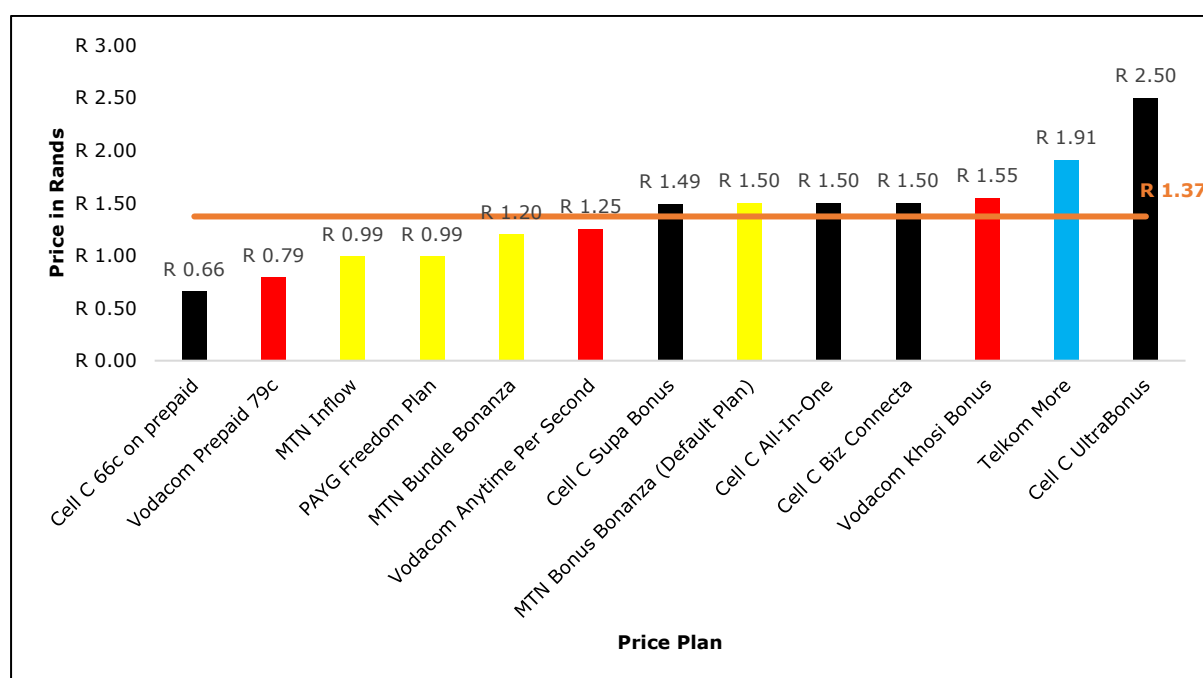
Source: ICASA Database based on Filed Tariff Notifications

Figure 3 above shows prices of the 30-day standard prepaid 2GB data bundle(s) and their respective year-on-year price changes over a five-year period from 2019 to 2023. Cell C and Vodacom have since reduced their 2GB data prices, both by 40.2% from R 249 to R 149. It is worth noting that MTN did not offer 2GB in 2019, however, the bundle has reduced by 21.2% since 2020 from R 189 to R 149. The effects of competitive pricing can be observed from the figure above, where Vodacom, MTN and Cell C reduced their prices over the period, converging to Telkom Mobile's 2GB data bundle price at R 139. In 2023, Telkom Mobile increased its 2GB by 5% from R 139 to R 146, however, it still offers the least priced 2GB data bundle among the four operators.

4.2. Voice Services Market

- A number of notifications were filed related to voice bundles and integrated bundles. For example, for example, in the voice services market, MTN launched its new PAYG Freedom Plan wherein it charges customers R 0.99 per minute, R 0.25 per SMS, and R 0.07 per MB of OOB rates, with exclusive affordable prepaid data bundles offered in the plan.
- Vodacom introduced its new affordable integrated bundles which comprise of voice minutes and data bundles with 1-day, 7-day and 30-day validity periods. For example, customers can purchase 60 on-net voice minutes and 60MB valid for 1 day at retail price of R 10.
- Figure 4 shows flat-rate voice tariffs offered by Vodacom, MTN, Cell C and Telkom.
- Cell C's 66c On Prepaid tariff plan is still the lowest or least expensive flat-rate offered by the MNOs, followed by Vodacom 79c which charges R 0.79 per minute. Cell C's Ultra Bonus tariff plan is still the highest or most expensive on the depicted flat-rate tariffs.
- On average, customers are charged R 1.37 per minute on OOB rate voice calls.
- MTN's new PAYG Freedom Plan flat-rate ranks 3rd (from the least expensive to the most expensive) among the depicted tariffs, which is 28% below the average rate.
- Six of the thirteen flat rates shown in the figure below, charge flat rates below the average of R 1.37 per minute.

Figure 4: Flat-rates per minute



Source: ICASA Database based on Filed Tariff Notifications

4.3. Fibre Services Market

- The Authority continues to provide a comparative analysis of Fibre-to-the-Home (FTTH) packages provided on 3rd party FNOs to show how different Internet Service Providers (ISPs) price their packages of the same line speeds versus the average market price.
- The analysis shows that during the period under review, the approximated average prices for the 25/25Mbps, 50/50Mbps and 100/100Mbps decreased by 6.7%, 2.5% and 3.4% to R 571.13, R 783.28, and R 941 from the previous reporting period, respectively. The reduction in the average subscription fee can be explained by the reduction of subscription fees and/or an addition of new fibre packages that are priced below the average subscription fee in the previous reporting period.
- On the 25/25Mbps line speed, Cool Ideas' 25/25Mbps FTTH on Vumatel's network had the lowest subscription fee of R 399 which translates to the largest below average price deviation of 30%. Among the sampled fibre

plans, Cell C's 25/25Mbps package on Purple Forest has the highest subscription fee of R 749, which translates to the largest deviation above the average price of 31%.

- On the sampled 50/50Mbps line speed, Cybersmart's 50/50Mbps on Openserve (Uncapped Lite) FTTH has the lowest subscription fee of R 559 which translates to the largest below average price deviation of 28.6%. Cell C's 50/50Mbps package on Netstream has the highest subscription fee of R 1 049, which translates to the largest deviation above the average price of 33.9%.
- The average price of the sampled 100/100Mbps line speeds was R 941 per month, with Cybersmart's 100/100Mbps FTTH on Openserve Fibre having the lowest subscription fee of R 560 which translates to the largest below average price deviation of 40%. Cell C's 100/100Mbps package on Netstream has the highest subscription fee of R 1 249, which translates to the largest deviation above the average price of 33%.

4.4 Over-the-Top (OTT) Service Offerings

- In order to capitalise on the growth in uptake of OTT services, licensed operators continue to launch various product offerings so as to maximise their data revenues.
- During the period under review, MTN filed its Free 100MB for 1 Day on MTN Momo Motherland App. Motherland is a third-party MOMO product, which enables SA citizens and foreign nationals to send remittances to friends and family to over 15 countries in Africa. The operator rewards customers with 100MB valid for 1 day to registered customers.
- MTN also filed its Disney Plus Prepaid Bundle with the Authority, wherein it offers customers a URL-specific data bundle for streaming Disney Plus content. The data bundle is a 30-day 5GB which is priced at R 149.

4.5 Fixed Wireless Access Services (LTE, 5G and Wireless fibre Internet services)

- The Authority observed a continued competitiveness in the provision of LTE, 5G and Wireless Internet services, with 20 notifications received during the period under review.
- For instance, Cell C introduced new packages under the SmartData tariff plan wherein it offers data bundles ranging from 10GB to 200GB which are available to customers on a post-paid, Top-up and/or month-to-month basis.
- On the other hand, MTN introduced its Mobile Broadband (MBB) Deal on Super Data Price Plan wherein a new SIM card, router and a 10GB data bundle valid for 30 days, at a price of R 399.

5. Conclusion

- ICASA observes efforts by operators to charge competitive data with price reductions from various tariff notifications filed by licensees. ICASA will continue to monitor and publish its reports with retail market prices to ensure that subscribers have information on the competitive rates which are prevailing in the market.
- The full Bi-annual Report on the analysis of Tariff Notifications submitted to ICASA for the Period 01 July 2023 to 31 December 2023 is available on ICASA's website.