

MARCH 2022

THE FOCUS

SPECTRUM AUCTION 2022

Radio frequency
spectrum auction
– A first for
South Africa



INDEPENDENT COMMUNICATIONS
AUTHORITY OF SOUTH AFRICA

www.icasa.org.za

ICASA recently concluded the radio frequency (RF) spectrum auction, collecting more than R14.4 billion in proceeds

The 6 bidders were Cell C, Liquid Intelligent Technologies, MTN, Rain Networks, Telkom and Vodacom



Here's the WHATs, WHOs, WHYs, WHENs, WHEREs, HOWs and more...

WHAT IS RF SPECTRUM?

- It is the technical term for the section of the airwaves that mobile network operators use to send signals and information between their towers and our mobile devices.

TO WHOM DOES THE RF SPECTRUM BELONG?

- Radio frequency spectrum belongs to all South Africans and ICASA is mandated to regulate the use of this radio frequency spectrum in the public interest.

WHY SELL THE RF SPECTRUM?

- ICASA auctioned the radio spectrum in order to give network operators the opportunity to buy additional space on South Africa's airwaves. This enables operators to satisfy the growing demand for mobile communication services.
- The licensing of spectrum is one of the major reforms that government is implementing to modernise and transform key network industries such as energy, telecommunications, transport and water provision.

WHY SELL THE SPECTRUM VIA AN AUCTION?

- An auction is internationally accepted as the best method of licensing spectrum because network operators are able to only bid for what they need. In the past, ICASA licensed spectrum administratively. This resulted in some network operators returning spectrum to the Authority as they could not use it.



'This is a significant milestone in our reform agenda, which will, as we have said before, drive growth and transformation in our economy.'

Pres Cyril Ramaphosa

DID YOU KNOW

ICASA conducted its first spectrum auction ever in 2022 following three previous attempts i.e. 2011, 2016 and 2020, due to various litigation initiatives by telecommunications operators.

WHAT IS THE RF SPECTRUM GOING TO BE USED FOR?

- Some of the auctioned spectrum is good for coverage, while the other is good for additional capacity and Internet speed, which means that the network operators will be able to improve the services they offer to all in South Africa.

WHY DOES THE AUCTION MATTER TO SOUTH AFRICA?

- The RF spectrum auction provides a critical stimulus for economic recovery and has the potential to stimulate employment by leveraging on ICT networks and digital platforms to deliver economic value for the South African society. It will further attract broadband infrastructure investment into the country.

WHAT'S IN IT FOR YOU AND ME?

- Improved faster upload and download speeds on your smart phone, tablet and other Internet-enabled devices.
- Cheaper data, and less or no dropped calls. Yes, you will have good signal no matter where you are ... in Johannesburg, or in Laingsburg...Waterkloof or Gamkaskloof!
- Connect with those who have been 'unconnected' till now, especially in far-flung rural areas.
- The 'unconnected' living in rural areas will gain access to broadband communication and to the world of opportunities that connectivity opens up.
- Better quality of communication services.

WHEN DID THE AUCTION TAKE PLACE?

- The RF spectrum auction took place from 8 to 17 March 2022. The opt-in stage was held on 8 March 2022, while the main auction stage started on 10 March 2022 and concluded on 17 March 2022. The main auction stage comprised 58 rounds of bidding between the six bidders.



'We look forward to seeing the proceeds of the auction being put to good use for the benefit of all South Africans.'

**Chairperson of
ICASA Dr Keabetswe
Modimoeng**

WHAT WAS SOLD TO WHOM AND FOR HOW MUCH?

Total spectrum lots acquired per bidder and associated financial commitment

Bidder	700	800	2 600	3 500	Total
Telkom		20		22	R2 113 615 407.10
LIQUID TELECOM				4	R111 000 000.00
Cell C				10	R288 200 000.00
rain	20		20		R1 431 374 105.50
MTN		20	40	40	R5 152 100 000
vodacom	20		80	10	R5 381 600 000.00
Total revenue generated					R14 477 889 512.60

WHERE DID THE MONEY GO?

- The revenue collected from this auction totals more than R14.4 billion, which goes to the national fiscus.

WAS EVERYTHING SOLD?

- There was one unsold spectrum lot of 2x10MHz in the IMT800 Band. This lot will still be licensed by ICASA in future.

WHAT HAPPENS NEXT?

- The licensing of this new spectrum will be accompanied by agreed social obligations to connect to connect, among others, public schools, health facilities and police stations over the next three years. Like the mineral wealth that lies beneath our soil, radio spectrum is a valuable national resource that needs to be used for the benefit of all South Africans.

South Africa takes a massive digital leap forward with radio spectrum auction

'The licensing of spectrum is one of the major reforms that we are implementing to modernise and transform key network industries such as energy, telecommunications, transport and water provision. Already much progress has been made in creating new opportunities for investment in electricity generation, freight rail and ports, and in improving the management and quality of the country's water resources.'

President Cyril Ramaphosa
22 March 2022,
The Daily Maverick

