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PRESS STATEMENT FOR IMMEDIATE RELEASE

Single Telecoms Gateway Proposal Must be Ditched

The Namibia Media Trust (NMT) urges the Namibian Government and the Minister of Information, Mr Tjekero Tweya in particular, to abandon the initiative currently underway to launch a Single Telecoms Gateway (also known as Single Internet Gateway, SIG) in Namibia.

In the view of the NMT, Government has failed to motivate any good or transparent reasons for a step which would, if implemented, have negative consequences in a number of sectors.

1. LEGAL CONCERNS

The proposal for SIG is both unconstitutional and in conflict with the Communications Act. The step would conceivably deal a death blow to a competitive environment with regard to telecoms access, negatively impacting both the rights of telecoms operators as well as their existing contractual obligations.

The Communications Act No 8 of 2009 mentions as its objectives:

- 2a: “to establish the general framework governing the opening of the telecommunication sector in Namibia to competition;”
- 2i: “to encourage private investment in the telecommunications sector;”
- 2k: “to ensure fair competition and consumer protection in the telecommunications sector; ”

A single Telecoms gateway would take rights away that licensees currently have and create an artificial monopoly.

2. ECONOMIC/TECHNICAL CONCERNS

The consumer will have to foot the bill through higher prices. Making more money off international calls than is currently the case implies higher prices for incoming and outgoing calls. Namibian households and businesses as a consequence are likely to receive less calls and would also be making fewer international calls due to the higher price.

This reduces Namibia’s competitiveness and would hurt, in particular, the tourism industry.

Higher international calling prices may also increase the shift to Over The Top services (OTTs) such as Skype, Whatsapp, Facetime and Facebook Messengers. A monopoly trying to extract substantial “extra” profits would need to suppress OTTs and further damage Namibia’s competitiveness.

To monopolize international data connectivity (international leased lines to Zambia, South Africa, Angola and Botswana; Satellite, and submarine cable access) would push up wholesale and retail prices for data and reduce GDP growth and employment. The resulting lower taxes outweigh any speculative rewards that are being promised to state institutions for stripping rights of current operators (MTC, Telecom Namibia, Paratus, MTN Business etc.) and handing it to a single foreign entity.

The economic benefits of increased connectivity and lower prices for telecommunication services are well established. Creating an artificial monopoly not only goes against international trends but flies in the face of common sense.

3. SURVEILLANCE/MONITORING CONCERNS

The NMT is of the opinion that a single gateway would serve the main purpose of enabling surveillance and monitoring of communications of citizens, and in the wrong hands, could lead to potentially draconian moves such as internet shutdowns. This in turn would rob Namibians of their rights to free expression and access to information and communications.

Lest we forget the main reason why the internet was developed was to ensure that there was no single point of failure which would cause a total communication black out.

4. QUESTIONABLE DEAL

The proposed decision to award the contract to a French technology company, outlined in a news reports published in *The Namibian* on Friday, August 4 and 11, making reference to the deal, is also clearly opaque and even questionable as far as a lack of tendering processes is concerned.

It appears from said reports that the Ministry of Information and Communication Technology (MICT) is putting undue pressure on the Communications Regulatory Authority of Namibia (CRAN) to force through the proposal.

Although Minister Tweya has denied applying coercive tactics, he has confirmed that the single internet gateway (SIG) is also part of his five-year performance agreement with President Hage Geingob.

The NMT calls on Government to abandon this single telecoms gateway proposal in its entirety, as it will entail higher costs for consumers and enables undue surveillance. In all, it seems to hold no tangible benefits for the country. The result will instead be economic decline and counterproductive to Namibia's development.

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