

Day 3 - “Stakeholders’ Forum on further liberalisation of the telecommunications industry of Botswana”.

On the third day of the stakeholders’ forum on further liberalisation of the telecommunications industry of Botswana participants heard from players in the telecommunications industry including a consumer representative on the impact of liberalisation on the telecommunications market. Discussants represented Botswana Telecommunications Corporation (BTC), Mascom and Orange.

Mr. Vincent Seretse, Chief Executive Officer for BTC started the discussion by stating that price control must be removed and BTC must be free to use wireless technology prior to liberalisation. He also wished for BTC to be licensed to provide 3G Data and other technologies for free and efficient competition in a fully liberalised market. BTC asks for fairness and freedom to have the same requirements as for the mobile operators he further stated. The timetable given for liberalisation is very ambitious and may well be not achievable as viewed by BTC. Based on the peculiarities of Botswana and the conditions under BTC was operating, he stated that it was imperative for technology neutrality to guide licensing. Further, BTC is governed by an Act of Parliament and is obliged to operate within the law. The Government of Botswana owns Botswana Telecommunications Corporation and its decision-making processes have been developed around this reality. It is on such a basis that BTC held the view that full liberalisation would be detrimental to its existence. The strong view that privatisation of BTC must precede liberalisation was expressed by its CEO. Mr. Seretse went further to state that BTC was a national asset owned by every citizen. He pointed out that he would not agree to the devaluation of the BTC so long as he presided over it. He expressed the view that BTC was facing competition from privately owned companies that were not even listed on the stock exchange. Participants were informed that BTC had trained a lot of Botswana and that the success of the mobile operators should not be seen in isolation as they relied in BTC’s infrastructure.

The Mascom Chief Executive Officer Mr. Jose Ferere described the ownership of Mascom and underscored the fact that it was a majority Botswana owned company. He asked ‘who are we?’ rhetorically, and pointed out that Mascom is a 100% privately owned company: 80% owned by people in Botswana and 40% owned by Botswana Public Officers Pension Fund. So it is a Botswana owned company. He asked again why are we here. Mr. Ferreira pointed out that Mascom was here to provide an essential service while adding value through improved return on shares to owners of the company. It was pointed out that Mascom wanted liberalisation to take account of the need to liberate service providers from reliance on another for the provision of their service. In this regard, Mascom would be comfortable if it did not have to rely on a competitor for the provision of an essential service as is the case with BTC providing the backbone infrastructure. Competition would provide consumers with a choice based on quality of service provision and overall cost. Competition would further lead to increased efficiency as service providers strive to attract customers. He further asked how we do this and suggested that it be done with community partners and curiosity for improved performance. Mr. Ferreria pointed out that this should be done through development and innovation. Creativity and improved partnerships would result from the proposed strategy. He added that

adding value was also another means as the mission was really to maximise customer satisfaction as measured against international standards and increased return on investment. Thanks BTA for bringing Ovum Consultants who are internationally reputed. This is indicative of the transparency and

Mr. Pierrer Bordeau from Orange Regulatory Group based in London highlighted the regulatory principles that Orange wants to promote. These were identified as:

- Fair competition & non discrimination
- Infrastructure-based competition
- Transparency of the regulatory process
 - Consultation of the stakeholders (eg competition policy paper – it is important that Orange and other investors should know where regulation is going based on an open and transparent system. We commend BTC for this open consultative forum which promotes confidence and fairness)

The Orange representative expressed conviction that monopolies lead to inefficiencies and create artificial constraints in the market. He indicated that Orange wanted to be fully responsible for all the services they provide and as such supports full liberalisation which would allow them to build their own support infrastructure network. ‘Under that we would be allowed to develop our network and not rely on BTCs as is the case right now’ stated Mr. Bordeau. Orange expressed agreement with Ovum that liberalisation is essential. Agreed with BTC that a third operator should be licensed to provide the infrastructure network. The view that there is need to ensure that there is real competition emerged. ‘A third operator should be a full operator and not a virtual operator. In the case of the UK the fixed line operator BT has no mobile license and is doing well’ said the Orange representative. Orange further expressed the strong view that the regulator should only step in when the market was distorted. In summation, Orange expressed full confidence in the decision and plans to liberalise further.

The consumers were not without representation in the person of Dr. Sefapaano Gaborone. He expressed the clear expectations, rights and privileges of the consumer by indicating that consumers wanted price affordable services and thus support liberalisation. ‘We want safe and user-friendly gadgets. We want to see social responsibility issues addresses under an environment of liberalisation’ stated the representative. It was pointed out that in the experience of many consumers there are several areas in Botswana that are not served by all the operators. Numerous instances, particularly on Fridays when a particular network does not operate were highlighted. Representative expressed gratitude at seeing some legislators because there were a few issues with the amended Telecommunications Act, which seem to have been done in a hurry. Dr. Gaborone stated categorically that the amendment was an exercise in political expediency and not in the interest of liberalisation. Legislators were implored go back and review it. Reiterating the demand for a reconsideration, Dr. Gaborone stated that ‘as consumers we want an independent, strong and dynamic regulator. Strong language was used to express opposition to the amended Act. Solace could be found in the confidence consumers have in Botswana’s vibrant democracy to facilitate its redrawing. Consumers want a price list to be published by

operators. They also want safe gadgets as there are some gadgets that get dumped in Third World markets once they become obsolete. Consumers demanded a reliable service that does not break frequently particularly that there is one from among the two mobile operators that often breaks on Fridays. Dr. Gaborone expressed satisfaction in leaving the fighting and rivalry to the operators, following which they must still deliver a fair and reliable service. Consumers expect nothing short of genuine independence of BTA, which independence must be protected. It was noted that 'BTA is one institution that has stood up to the political whims of my government'. A spirited discussion ensued covering areas of optimisation of ICT for investment, benefit to rural communities and essentiality of acting quickly to make up for lost opportunities and time.

To allay the fears of liberalisation expressed by participants, examples of similar anxieties in France when they liberalised in 1996 were provided. It was indicated that while the French worried then, they are now happy with the impacts liberalisation has had on their lives.

The forum broke into groups for detailed discussion of the recommendations. The groups focused on discussing Ovum's proposals on: international and mobile market liberalisation. ISP & VOIP and best Practice in Regulation. Groups presented their recommendations to the plenary for further consideration by Ovum.

Mr. L. Motlathledi of the Ministry of Communication Science and Technology made a presentation on the ICT Policy branded 'Maitlamo'. He indicated that the policy was generated out of extensive consultation and focused on transforming Botswana into a Regional ICT hub in tandem with the ideals of Vision 2016. The ICT policy was identified to be a reform initiative to be headed by the Permanent Secretary to the President. An investment of approximately P950 Million is envisaged for its implementation shared between government and the private sector through 'win-win' strategies. Universalising access, improving governance and social service delivery are some of the highlights of the policy. It was stated that the single biggest threat to the realisation of the ICT policy was the low levels of understanding of the benefits/implications of the policy by decision makers more so than the lack of electricity in some parts of Botswana. Questions and answers were exchanged with general comfort expressed by all.

Phil Harris made a presentation on spectrum management. He pointed out that this entailed managing a limited resource for competing users. Among the competing users were those in government, private and quasi-government organisations. These ranged from security companies, various departments to private operators such as mobile service providers. Regulations of spectrum required balancing needs and wants as well as ensuring that those who invest are not crowded out. A demonstration in two vehicles was made outside the chamber.

Statements of appreciation were heard from Mr. Joe Sekete representing the industry and Mr. K.M. Masogo representing civil society. Both representatives expressed profound gratitude to BTA for organising an informing, open and engaging forum on an important initiative by government. Mr. Sekete thanked the consultants for producing a good report as measured by the intensity of debate it generated. He further commended all participants for the open and frank manner of discussions. The

forum was identified as a model to be replicated by others particularly as the ICT policy is being rolled out to stakeholders. Mr. Sekete suggested strongly that the Ovum consultants should clearly point out what opportunities were lost by government by taking so long to act on liberalisation so that the threat of the policy not being implemented because decision makers did not understand it is obviated. Mr. Masogo likewise expressed appreciation for the forum and commended BTA CEO and his staff for a job well done. He pointed out that the discussions were free, fair, transparent and educating to lay persons like him. He asked the Minister to consider including ordinary people in the BTA Board as it is made up of ‘experts’ only. He asked that for a such as the one on liberalisation be undertaken and challenged other Ministries to sustain the standard set by the BTA organised one.

The CEO for BTA Mr. C.M Lekaukau was awarded a certificate of appreciation by the International Telecommunications Union represented by Ms. Walda Roseman. She showered Mr. Lekaukau with praise for being the first chairman of the Global Symposium for Regulators. This was the second such award for Mr. Lekaukau for his untiring commitment to the promotion of regulation of the highest standard internationally. Mr. Lekaukau commended his award to the Botswana Government, its people and the staff at BTA. He stated that without their facilitation BTA would not be what it is and he would certainly not have gotten the award.

Mrs. Pelonomi Venson, the Minister of Communications Science and technology closed the forum. She thanked all who came from far and near. She confirmed that the forum was a ‘resounding success’ as evidenced by the large turnout even to the last minute. The Minister pointed out that the government takes this transparent process very seriously and informed the gathering that she expected the BTA CEO to finalise the consultancy and submit firm proposals to her by May so she can prepare her submission to Cabinet by end of June 2005. This timetable is an expression of how seriously and anxiously government is taking the process of further liberalisation of the telecommunications industry in Botswana. She noted that government was in the unenviable position of owning an operator and at the same time having to make tough decisions about the future of the industry as a whole. She expressed confidence that whatever path will be chosen will be in the best interests of all Botswana, to unlock the national economic potential. Minister Venson closed the forum on the optimistic note that everyone’s views will always be welcome during and beyond the implementation phase of the Liberalisation Plan.
