



GHANA CHAMBER OF TELECOMMUNICATIONS

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CHAMBER OF TELECOMMUNICATIONS REACTS TO NCA PENALTIES

The Ghana Chamber of Telecommunications wishes to respond to the publication “5 TELCOS PUNISHED” in the Daily Graphic (Tuesday, November 8, 2011) and subsequently carried widely in the electronic media. The story focused on a total GhC1.2 million penalty imposed on mobile phone operators by the National Communications Authority (NCA), the industry regulator, for “poor services.”

First, the robust competition in the mobile industry in Ghana leaves operators little room for “poor services” by any telecom operator who expects to survive and justify its huge investments.

Second, however, mobile operators in Ghana have consistently raised concerns over the key Quality of Service indicators used by the NCA. We are currently in discussions with the regulator for a review. Those discussions are on-going, and therefore the Chamber is surprised by the decision of the NCA to go public on this subject.

Third, whereas Telecom Operators share the NCA’s desire to ensure that subscribers in Ghana have the same quality of service as pertains in developed countries, there are many external factors within the Ghanaian environment which make such a desire difficult to attain, despite consistent committed efforts by operators. These factors include electric power outages, theft of diesel from back-up generators, and cable cuts. The problem of fibre cuts is of major concern and the Telecoms Chamber is currently working with the Ghana Highways Authority, Department of Urban Roads and road contractors to minimize the occurrence.

Fourth, concerns about radiation from telecom masts, though not borne out by scientific facts, have also affected the roll out of cell sites in some communities.

Fifth, Metropolitan, Municipal and District Assemblies (MMDAs) levy astronomical charges on telecom infrastructure, with massively discriminatory disparities compared to those imposed on other industries. These charges inhibit the roll-out of infrastructure and have an impact on quality of service.

Sixth, the Telecoms Chamber and its members have persistently drawn the attention of the NCA and other responsible authorities to the effect that these problems have on quality of service. We had, over the past several months, chosen the path of dialogue with the institutions and agencies concerned and we look forward to a speedy resolution.

Finally, we wish to emphasise the socio-economic importance of the telecoms industry in which operators have invested more than five billion US dollars in Ghana since the mid-90s. In 2010, telecommunications alone was responsible for a third of GDP growth. Nearly 40 per cent of telecom operators' revenues go to government in taxes. A further 40 per cent of revenues are re-invested in Ghana. Even so, tariffs have dropped consistently unlike any other sector in Ghana, even as the cost of inputs have kept on rising.

The telecoms industry alone employs more than 1.5 million Ghanaians directly and indirectly, with many other industries such as banking, trade and commerce, media and advertising being dependent on it for revenues and efficiency.

Not least, telecom operators have carried out some of the most impactful social responsibility projects to the joy of thousands of grateful communities throughout Ghana.

On the basis of the importance and impact of the telecoms industry on all sectors of the economy and on social life, we implore the NCA to reconsider its rigid posture towards the telecoms operators with a view to supporting it towards further growth in order to lead the industry to even greater economic and social benefits for the Ghanaian people.

We take this opportunity to assure all subscribers that operators will continue to work with the relevant agencies and institutions to provide reliable services.

SIGNED:



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CHIEF EXECUTIVE