



CEOs SPEECH AT THE THOUGHT LEADERSHIP BREAKFAST FORUM, AS PART OF THE TELECOMS CHAMBER 5YEAR ANNIVERSARY CELEBRATION ACTIVITIES.

Distinguished ladies & gentlemen:

It's my pleasure to welcome you to this event commemorating five years of the Chamber of Telecommunications. What's more significant though is that this is an opportunity to look back five years; see where we've come from, and how we and our key industry stakeholders, can bring what we we've learnt to bear on our services over the next five years and beyond.

The Chamber comprises Airtel, Espresso, MTN, Tigo, Vodafone (mobile networks) and ATC, Eaton and Helios (tower companies). The Chamber was established out of a recognition that competition is great; however on matters of incontrovertible common interest, it's more efficient and effective to engage policy-makers, lawmakers, regulators and other key stakeholders as a collective for the primary purpose of serving all customers better. Based on that logic, the Chamber was officially launched on Nov 29, 2011 by then Vice President John Mahama at this same venue.

A lot has happened in five years; and in an industry that's as dynamic as telecommunications, five years is a very long time. Just take a look at your handset, and try and recall what kind of device you carried in 2011. I had a Blackberry. Blackberry messenger was the chat application of choice. Whatsapp was yet to breakthrough. A friend of mine came from the US and tried introducing a videophone device that came with miles of cable and an instruction manual the size of two Bibles. Today we can videochat via Facetime, Duo or Whatsapp without any complications whatsoever. And there are productive professional purposes to which these applications can be, and are, deployed.

In these five years, the number of sim cards has grown nearly 70% to a penetration rate of 134%, and data connections have more than doubled. Five years ago, Mobile Money was just getting started. The value of Ghana's annual transaction was around GHC400 per annum. In 2015 that figure had grown to GHc35 billion, and for the first half of 2016, it had reached GHC30 billion. But think of the job opportunities this has spawned for the 80,000 people who now make a living as agents. And these impressive numbers notwithstanding, only one out of four adults has signed up for Mobile Money.

Over the past 5 years, mobile operators have invested over GHC3.8 bn in capital expenditure and paid nearly GHC4.92 billion in taxes and various other fees to the government.

Currently some 6,200 people are employed directly by members of the Chamber, but 1.6 million are able to take care of themselves and their families because they depend on the telecoms industry for their livelihood. Citizens are more productive today, working more efficiently – doing more with less and impacting the gross domestic product.

But make no mistake, the path of the telecoms industry has not been cushioned with roses. We've been buffeted by a less-than-ideal macro-economic environment just like our customers and everyone else. We're taking a big hit from high energy tariffs which are taking



up around 60% of operating costs. But we cannot ration our services. Tower companies cannot operate part time.

Operators have invested in 3G technology throughout district capitals, but in many of these places, the monthly revenue is a tiny fraction of the running cost, never mind the capital investment. Our revenues are in cedis but our investments involve foreign exchange; so no doubt the depreciation of the cedi over the past years has hurt the industry.

Throughout the five years, inflation in Communication services has been the lowest in the non-food category. Whereas the cost of our inputs rose, the structure of the market and the nature of competition held us back from sharing those costs. That's great for our customers in the short-term but such a situation raises serious risk for business sustainability in the long-term and for the industry as a whole ultimately --- it doesn't matter whether you're wholly or partly foreign or locally-owned.

It was a surprise to many on the sidelines of the industry when only one operator put in a bid for a 4G license when the expectation of those out looking in was that there was going to be a mad scramble with operators out-bidding each other.

So there have been hurdles and obstacles along the way. That notwithstanding, we are hopeful about the prospects for the next five years and beyond. Opportunities exist for growth, for example in mobile financial services and electronic payments. There are opportunities for government to make strategic policy decisions that will enable mobile money to be utilized across sectors for citizens to make payments to government and vice-versa. The possibilities for the future of telecommunications are immense. But it is not automatic that those possibilities will be realized for the maximum benefit of all. Policy and regulatory clarity, transparency and predictability are fundamental to teasing out the creative juices of innovators, and the appetite of investors.

As a Chamber, we're keen, willing, available and eager to think through policies with government and its subsidiary institutions, to share knowledge and experiences from across markets in Africa, Asia, Europe and the Americas where our members operate; so that all of us can do even better in the next five years than we have in the past five; so that Ghana can do even better than others have.

There's talent. There's capacity. There's desire. There's goodwill. With the right environment, we can, we will – together - make the telecoms industry and Ghana Great!

Thank you.

Kwaku Sakyi-Addo