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# ICT policy - the impact of liberalisation

**A presentation to the Stakeholders' Forum on further liberalisation**

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# The challenge

To create in Botswana  
“...a globally competitive knowledge  
and information society...through the  
effective use of information and  
communications technology”

- To enable an environment for the growth of ICT
- To provide universal access to information and communications - with an Internet point in every village
- To make Botswana into a regional ICT hub

- How can we ensure that liberalisation of the telecommunications industry will help Botswana achieve this goal?

## The impact of further liberalisation - downside

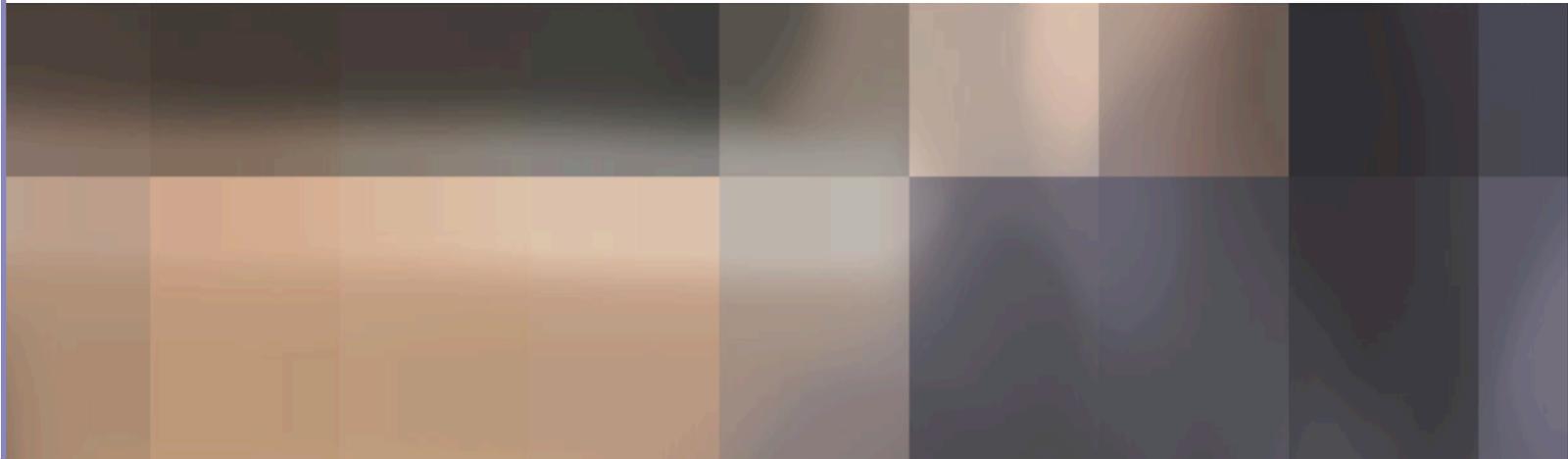
- Universal access requires telecoms operators to provide service:
  - in the areas which are high cost to serve
  - to the people who are least able to pay
- Competitive, profit maximising, operators and service providers will not do this voluntarily
- Liberalisation requires BTC to rebalance its line rentals to cost. This means significant price increases

## The impact of further liberalisation - upside

- Other countries in Latin America (eg Peru and Mexico) have faced these problems and found that liberalisation:
  - leads to lower prices and better price packages for those on low incomes
  - stimulates and grows the market - so there are more revenues from which to fund universal access
  - means that operators compete to provide services in rural areas and so provide it more cost effectively
- Entry by new fixed wireless access operators should lead to more cost effective provision of Internet access (combined with voice) in the towns of Botswana
- On balance we believe that liberalisation helps make progress towards universal access

# Our proposal for meeting this challenge

- The Government should adopt recent BTA proposals to:
  - establish a USF to which all service providers contribute equitably
  - set universal access goals and to define projects to meet these goals
  - invite competitive bids for each project at lowest subsidy
- The Government and BTA should set target and define funding mechanisms
- The Government should provide safeguards to limit contributions to the USF so as not to deter would be investors in the industry



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Comments please