LESSONS FROM IMPLEMENTATION OF MARKET REFORM AND COMPETITION

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MARKET REFORM AND THE ROLE OF THE REGULATOR

- To be successful, the Regulator’s function should be based on a well defined set of objectives which typically would include:
  - Attracting investment,
  - infrastructure planning and development,
  - sector efficiency improvement,
  - quality of service improvement,
  - encouragement of competition,
  - eliminating barriers to market entry for new operators,
  - protection and empowerment of the consumers and promotion of the general socio-economic well being
Without adequate funding a regulatory body cannot be effective. Some NRA’s are starved of basic funds essential for operational effectiveness, training and manpower development.

The NRA must be well funded and financially strong to be effective.

NRA’s must be operationally and financially independent of network operators and service providers and must never depend on such entities for favors or handouts.
Licensing criteria must be well articulated and publicly available.

Terms and conditions of individual licenses must be investor friendly and also ensure consumer rights.

Licensing Processes must be transparent and timely.

Exclusivity, where considered necessary, must be for a determined optimum number of operators and must ensure adequate competition and availability of choice.

Anticipation and Prevention of anti-competitive conduct by dominant operators is crucial.
The regulatory environment should be such that new entrants are guaranteed seamless interconnection with the incumbents and dominant operators.

Regulatory institutions must be strong enough to be able to enforce interconnection.

Interconnection must be on non-discriminatory basis with respect to technical standard and specifications, rates and quality.

Interconnection must be assured on a timely, transparent and reasonable manner;

Interconnecting parties must have access to quick and independent dispute resolution process.
ICT equipment and systems are highly capital intensive. Duty rates for a developing country, therefore, must be such that will encourage fast roll out of networks and services that are generally affordable.

Countries with high import duty regimes should therefore review such duty rates on ICT goods.

Government should depend on other sources of revenue such as company tax, value added tax and other taxes rather than import duty on equipment that could limit rate of expansion of ICT infrastructure.

Simplification of procedures for importation of ICT equipment and development of related software is essential.

Granting of incentives such as pioneer status to qualified investors especially those involved in local manufacture or local software development is desirable.
Most major investors around the world especially financial institutions take the independence of the National Regulatory Authority very seriously because it is seen as a guarantee for regulatory transparency and consistency.

Technology Neutrality and level playing ground for all Operators must be maintained.

Allocation of scarce resources such as frequency, numbering plan and rights of way must be objective, timely, transparent and non-discriminatory.

NRA must be fair and firm in the enforcement of rules and regulations.
There must be conscious effort made towards skills development intervention through training and re-training of technical and managerial personnel of the NRA.

Also for the sector generally, the expansion of a nation’s telecommunications facilities must go side by side with a plan for the development of the human resource skills to support the industry.

Establishment of national or regional training institutions is therefore essential.
Establishing a good investment climate ultimately provides the platform for attraction skilled manpower as well as repatriation of the knowledge and expertise of indigenous ICT professionals who are excelling overseas.
Critical success factors for implementing market reform include:

- A well articulated National Sector Policy for market liberalization and competition
- Government unwavering commitment to reform at the highest level
- Enactment of good Enabling Laws, regulations and guidelines
- The establishment of strong, well funded and independent National Regulatory Authority.
THANKS

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