

REDUCTION OF DATA PRICES FOR VODACOM CONSUMERS: IS IT ENOUGH?

Category: Media and OTT, Privacy Law, Infosec, and POPIA, Technology Law
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On 10 March, the Competition Commission announced that Vodacom has agreed to reduce their data prices by at least 30% from 1 April 2020. This announcement comes as a result of a data services market inquiry performed by the Competition Commission which focused particularly on the high prices of data provided by telecommunications giants MTN and Vodacom. The report highlighted how poorly South Africa performs in respect of data prices in comparison to other countries worldwide, especially other African countries.

Vodacom further announced that, in the coming months, several zero-rated services will be made available on a platform called ConnectU. This platform will provide access to educational material, job portals, healthcare information, emergency services, social media, and safety and security controls. For example, the entire Wikipedia database will be made available to customers through a free internet search and uploading CV's to certain job portals will be available to Vodacom customers free of charge.

The negotiations between Vodacom and the Competition Commission focused on enabling rural communities to develop through digital means. The panel highlighted digital inclusion, where even the most rural communities will be able to access such services. The reduction in data prices means it will be more affordable for individuals to access the internet regularly, bringing more South Africans into the digital economy.

While this reduction in data prices is definitely a step in the right direction, the question remains as to whether it is enough for an average South African. Many journalists believe that a 30% reduction is still not nearly as affordable as data should be to allow for country wide online access. Vodacom has argued that further reductions are not possible, as price is just one aspect of providing data services. According to CEO, Shameel Joosub, the company has taken into account various factors, including other networks pricing structures when considering data price reductions. He says that further governmental delays, such as the allocation of spectrum, has driven up the cost of producing a gig of data. He maintains that in order for data prices to be further reduced, more spectrum needs to be allocated.

So, what does this mean for the ordinary consumer? As we move towards becoming increasingly reliant on digital devices, the issue of affordability of data services continues to grow. We hope that because Vodacom, the largest data service provider in the country, has taken steps towards ensuring affordable data prices for South Africans, other networks follow their lead and create competition against their offerings. For the first time since the #DataMustFall campaign, these concessions might even enable the struggling South African economy to bounce back from the grips of a recession.