

What the spectrum auction means for your phone bill

By [Nic Laschinger](#)

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The telecommunications landscape here in South Africa is being opened by a number of recent moves on the regulatory front, which should prove good news for businesses and consumers.



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The most significant of these is the recently-concluded auction of the so-called 'high-demand' frequency spectrum which is suited for 4G and 5G. Six local telecoms businesses bid a collective R14.47bn for the spectrum, which is now going to be allocated to the successful bidders - MTN, Vodacom, Cell C, Rain, Liquid and Telkom.

What difference is this likely to make to your telephone bill? The operators have been forced to roll out more towers than they would have had they had access to a higher bandwidth spectrum. This means they have incurred capital and/or operational expenditure costs and this is, in turn, passed down to their users. Now that they have more spectrum, in higher bands, prices should theoretically come down.

Beyond cost reductions, call quality should improve as high-speed bandwidth becomes more widely available. This will be particularly significant outside the major centres, where it will enable people in those areas to do things that require high-speed internet - like online learning and collaboration.



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This will have social and economic implications, especially for smaller towns that can benefit from providing remote services and - now that they're connected - attract visitors and professionals looking to semigrate from the big cities.

Beyond the spectrum auction, non-geographic number portability came into effect on 7 March, enabling businesses with 0800; 0860; 0861; 0862 and 087 numbers to port their number away from Telkom to any other telecommunications provider of their choice.

The long-awaited digital migration of broadcasting services off analogue frequency spectrum (in the 700MHz and 800MHz bands) on digital channels will free these bands up to be assigned to telecommunications operators who can use them to provide mobile broadband services. Set to happen on 30 June, the move will also help improve coverage (particularly in rural areas) and reduce costs (as this type of frequency spectrum is well-suited to covering long-distances).

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