

**REPUBLIC OF MALAWI**

**COMMUNICATIONS  
SECTOR POLICY  
STATEMENT**

**MINISTRY OF INFORMATION**

**1<sup>st</sup> August, 1998**

## FOREWORD

Some reforms are underway world-wide in the communications sector driven by rapid technological innovation, increasing globalisation, stiffer competition and huge capital requirements. For any country to achieve rapid economic development, it is imperative to improve communication services.

In order to meet the aspirations of the general public and accelerate improvement of communication services in Malawi, the Government has decided to deregulate both the telecommunications and broadcasting sectors and provide a framework for the liberalisation of the whole communications sector.

I am pleased to state that this document, the Communications Sector Policy Statement, forms and constitutes Government policy on communication for the country. The Policy Statement represents the culmination of an extensive process of consultations within and outside the country and is a product of multisectoral interaction among several players from the Government, the private sector and the general public. In a democracy, such consultations are of fundamental importance in order to ensure that the policy enjoys the widest possible support of, and acceptance by, the people and stakeholders on whom it is envisaged will make an appropriate impact.

The policy has taken into account full recognition of the dynamic changes, which radically affect the roles of communication in the social and economic development of Malawi. It will be necessary to review the policy periodically in order to take into account and accommodate unpredictable rapid changes in technology, trade liberalisation, globalisation and social attitude.

In the meantime, Government is putting in place a full range of modern services, which should be accessible by all the population of Malawi. Those living in the rural areas should at least have access to basic communication services. The situation at the moment is that 80% of the telephone lines are available to only 20% of the population of Malawi living in urban areas. The majority of the rural population is left without adequate telephone lines. This situation will be improved.

Lastly, I would like to thank all the people who, in one way or another, contributed towards the formulation and development of this policy statement. There are too many to list all of them by name. However, my special thanks go to stakeholders for their invaluable contribution towards the formulation of the policy, members of the Task Force for their assistance in drafting the policy statement, the Royal Danish Government for funding the project and a British Consultant, and officials of the Ministry of Information for their administrative and technical support during the preparation of the Policy Statement.

**1<sup>st</sup> August, 1998**  
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## EXECUTIVE SUMMARY

The Communications Policy Statement outlines the national policy for the development of the country's Communications Sector, covering broadcasting (both radio and television), telecommunications and postal services.

The policy aim is to ensure that a full range of modern services is accessible by all the population of Malawi. To achieve this aim, the policy focuses on the efforts of service providers more closely and need to restructure existing institutions in the sector in order to meet challenges that lie ahead.

To harmonise operations in the sector, The Malawi Government will establish an independent regulatory authority to regulate telecommunications, posts, broadcasting and the radio frequency spectrum. To that end, the Policy Statement has set the following performance targets and strategies towards the goal of offering the best service to match the best in Africa-

### TELECOMMUNICATIONS-

- a) To increase the number of working telephone lines from the present 35,000 to 150,000 by the year 20003;
- b) To ensure that the quality of service meets acceptable international standards;
- c) To liberalise the market in respect of the provision of service such as Internet, E-mail, Data and Paging;
- d) To reduce the price of telecommunication services in real terms;
- e) To ensure extension of modern telecommunication services to rural areas; and
- f) To allow private sector participation in the provision of telecommunication services.

#### POSTAL SERVICES-

- a) To separate posts from telecommunications;
- b) To re-orient the sector into a viable and sustainable venture so that it is able to cover its operational costs after an initial transitional period of two years; and
- c) To create a postal service which will be reliable and efficient and which will provide services at affordable rates to the majority of the people.

#### BROADCASTING-

- a) To ensure that a full range of broadcasting services (both radio and television) are made available to the people of Malawi; and
- b) To reconstitute the Malawi Broadcasting Corporation so that it meets the aspirations of the people under the new political dispensation.

#### REFORM OF REGULATORY ARRANGEMENTS-

To establish a regulatory institution, to be known as the Malawi Communications Regulatory Authority (MACRA) to be charged with the responsibility of regulating broadcasting, telecommunications and postal services and management of the radio frequency spectrum.

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## **1.0 POLICY AIMS**

This statement sets out a National Policy for the development of communications services, covering telecommunications, postal and broadcasting services. Central to this policy will be the growing contribution of communications to the social and economic development of Malawi and to the reduction of disparities between urban and rural areas. In relation to all these forms of communications, the fundamental aim of the Malawi Government, through the Ministry of Information, which is responsible for the Communications Sector, is to ensure that the full range of modern services is accessible by all the population of Malawi.

To achieve this aim, it is necessary to accelerate the rate of investment in infrastructure, to focus the efforts of service providers more closely on the needs of users and to re-organise the existing institutions in the sector so that they are better equipped to meet the challenges that lie ahead.

To harmonise operations in the sector, the Malawi Government will establish a regulatory authority - Malawi Communications Regulatory Authority (MACRA) - to regulate telecommunications, posts, broadcasting and the radio frequency spectrum.

### **1.1 TELECOMMUNICATIONS**

Telecommunications is expected to make a leading contribution to national development, and is also of increasing importance to business.

Accordingly, the Ministry will make sure that telecommunication services are provided efficiently and in sufficient quantity, and are of a quality and variety that meet the economic and social needs of the country at affordable prices.

The Ministry expects the standards of service to match the best in Africa.

To achieve these objectives, the Ministry has set the following **targets-**

- (a) *to increase the number of working telephone lines to not less than 150,000 by the end of year 2003 and to reach two lines for every one hundred people as soon as possible after that date.***

Many more people want to use the telephone network than can do so at present. Many areas of the country are also not well serviced. A five year programme of expansion will be agreed with MPTC. MPTC will be enabled to raise finance and to seek technical assistance from whatever sources are available, private as well as public, in order to expand the provision of basic telephone service to the level justified by demand. In future other operators will be authorised to install and operate public networks with such conditions as shall be imposed under licence.

- (b) *to raise quality of service to international standards.***

At present, the telephone network suffers from congestion and a high level of faults. Investment in modern facilities will do much to improve quality of services. But a more business-like management of the network is also essential to maintain high standards.

In addition, the new regulatory arrangements set out below will include specific targets for the key aspects of quality of service, which will be rigorously monitored and enforced.

**(c) to stimulate the provision of new services within Malawi.**

Access to the Internet and to the growing variety of data and other value added services has become vital for business services and the community at large. The provision of these non-basic telephone services (presently – Internet, e-mail, data, paging, etc.) will be liberalised immediately so that the people of Malawi can take full advantage of these new opportunities without restriction.

**(d) to reduce the price of telecommunication services in real terms.**

Expansion and modernisation of the network with new technology will make it possible for the prices charged for basic telephone services to be lower in real terms.

If MPTC is successful in improving its efficiency, this will ensure that its services are competitively priced while allowing a reasonable return on investment.

**(e) to extend access to modern telecommunication services throughout the country according to a defined programme covering rural areas.**

The National Operator has an obligation to extend access to the network and to services into rural areas. Because of the cost, this cannot be achieved overnight.

To make progress, a programme will be prepared and targets agreed with MPTC for the provision of public telecommunication

facilities in rural areas, through payphones, community phones and other means. In addition, community information centres bringing together public telecommunications and other means of access to information will be developed in rural areas.

***(f) to open up the provision of telecommunication services to the private sector.***

The National Operator will continue to be primarily responsible for the infrastructure required to support public telecommunications. But the services themselves will be liberalised. In addition to other non-basic telephone services, it is envisaged that a second cellular mobile radio service and local telephone network operators will be licensed. Consideration will be given to a second national fixed network operator in due course.

To promote these objectives, the Ministry has already embarked on the restructuring of the telecommunications sector. The principal elements of the restructuring strategy in terms of priority are -

- (i) the establishment of an independent regulatory body which will license operators and service providers ;
- (ii) the re-organisation of the existing network operations along commercial lines ;
- (iii) the separation of posts from telecommunications ;

- (iv) the introduction of private capital, management and technical expertise with the objective of eventual privatisation of the National Operator.

MPTC's telecommunications business will be transferred to a new company, Malawi Telecom, to be set up under the Companies Act as an autonomous commercial entity. Malawi Telecom will initially be 100% owned by the Government, but consideration will be given to how best to allow the private sector to participate in its activities.

Postal services will continue to be provided by a statutory corporation, to be called Malawi Posts.

To enable this strategy to be implemented, Parliament will be asked to enact fresh legislation. Under its provisions, MPTC will divest itself of direct responsibility for the regulation of telecommunications. This responsibility will be assumed by an autonomous entity, the Malawi Communications Regulatory Authority (MACRA). In future, all telecommunication services will be provided on a commercial basis, by businesses which will be accountable to their owners and to MACRA through the licensing process. The effective separation of regulation from operations should offer a strong reassurance for users, staff, potential investors and the general public that the improvement of the provision of services will have overriding priority.

## **1.2 POSTAL SERVICES**

The national postal network should play a major role in improving communications in Malawi and serve to bind the country together. The postal network has a particular economic and social significance in rural areas in ensuring access to a wide range of public services.

The separation of posts from telecommunications and the strategy of commercialisation will be of particular benefit to Malawi Posts. To date, Posts has been the Cinderella service of MPTC, given a lower priority and regarded as uncommercial. Yet, in other countries (e.g. Botswana and Tanzania) where the postal service has been given autonomy, it has been conclusively shown that it is possible to provide an efficient national postal service serving all the people without it being a permanent drain on public funds. That must be the aim for Malawi as well.

It will be necessary to ensure that Malawi Posts can cover its costs. Work has already begun on identifying the true scale of the losses of the postal service. Once this has been done and a true extent of deficit has been identified, it may be necessary for the Malawi Government to provide a subvention to Malawi Posts for a transitional period. By the end of that period, Malawi Posts should have taken the necessary steps to balance its books.

The new policy of Malawi Posts shall be to provide postal services which are characterised by speed, security, reliability and efficiency and should also be affordable to the majority of the people with a reasonable return on investment.

In order to achieve these policy aims, the Ministry will ensure that Malawi Posts offers postal services compared to the best in the industry by -

- 1.2.1 institutional restructuring ;
- 1.2.2 focussing on customer needs and commercial strategies;
- 1.2.3 improving quality of services and operations;
- 1.2.4 increasing productivity and achieving customer driven postal services, and also devising quality of services according to international standards.
- 1.2.5 extending the financial services provided in Post Offices, e.g. by introducing Post Office Savings throughout Malawi.

This initiative will help achieve certain targets, among them -

- (a) The delivery of 80% of mail on the following day after date of posting.
- (b) The extension of express mail service to rural areas.
- (c) The facilitation of easy tracking and tracing of mail items through improved access by Malawi Posts to national and international mail networks.
- (d) The increase in the number of private boxes throughout the country and according to demand from the present 45,000 to 100,000 by the year 2002.
- (e) The increase in the number of outlets providing postal services in order to achieve the objective of "not to travel more than 10 Kilometres to the nearest postal service".

- (f) The introduction of new services including agency services.
- (g) The introduction of cost-related tariffs within 5 years.

### **1.3 BROADCASTING**

The fundamental aim of the Malawi Government, acting through the Ministry of Information which is responsible for Broadcasting, is to ensure that the full range of broadcasting services are available to the population of Malawi.

To achieve this aim, the Ministry has set itself the following objectives –

- (a) MBC should act as the national public broadcaster, embracing radio and television;
- (b) a diverse range of sound and television broadcasting services should be provided in the new democratic Malawi;
- (c) coverage of FM radio broadcasting will be ensured by the issue of separate licences in relation to every centre of population in Malawi, but only to local operators;
- (d) broadcasting services should be regulated in the best interest of the public.

MBC will be reconstituted with new arrangements for its management and operations to meet these objectives.

MACRA will be responsible for regulating broadcasting.

## **1.4 RADIO FREQUENCY SPECTRUM**

The radio frequency spectrum is a vital national asset and a scarce resource that should be utilised in the interest of the Malawi nation in conformity with the international treaties and conventions to which Malawi subscribes.

It is therefore necessary to have an efficient mechanism for regulating, administering, controlling, monitoring and enforcing proper use of the radio frequency spectrum in order to maximise spectrum usage and prevent interference.

To achieve these aims, MACRA will –

- (a) manage the radio frequency spectrum;
- (b) allocate the radio frequency spectrum among alternative users;
- (c) co-ordinate the radio frequencies locally and internationally;
- (d) set rules and regulations governing the radio frequencies;
- (e) license, assign and administer the radio frequencies;
- (f) monitor the radio frequency spectrum; and
- (g) set and collect fees for the use of radio frequencies.

## **2.0 SECTOR STRATEGY**

### **2.1 TELECOMMUNICATIONS**

#### ***2.1.1 Malawi Telecom as National Operator***

MPTC was established as a state owned enterprise with responsibility as a national operator for the provision of postal and telecommunication services. MPTC is already a joint venture partner in providing the GSM cellular radio service.

Malawi Telecom when established will continue to have the task of modernising the telephone service and making basic services available to all under licence. Malawi Telecom will have to meet annual roll-out targets for the installation of new telephone lines. These targets will ensure priority for public services, schools and commercial enterprises.

Malawi Telecom will also be encouraged to participate in the introduction of new services.

The GSM cellular service provided by Telekom Networks Ltd. will operate in future under its own licence.

### ***2.1.2 Commercialisation of MPTC***

At both national and local levels, it is necessary for MPTC to re-organise its operations and to bring managerial methods up to date. This process has already begun. The main theme for the changes required is the commercialisation of operations – an increased autonomy for the telecommunications and postal businesses, enabling them to be run on commercial principles and in accordance with the wishes of their customers. But in turn for greater autonomy, there will also be improved accountability for performance, both in terms of the quality of service provided to customers and in terms of the financial results achieved.

Specific steps that are necessary as part of the commercialisation process include -

- (a) introducing commercial accounting systems which will permit financial reports to be produced to international standards and provide a solid basis for accountability, and for improved internal reporting and control;
- (b) training of staff in commercial aspects of their work, such as marketing and customer services ;
- (c) separating the postal and telecommunications business ;
- (d) clarifying the financial targets that Telecommunication and Posts have to meet.

Licences will be issued by MACRA to both Malawi Telecom and Malawi Posts, setting standards for service.

For its part, the Government as owner will exercise supervision of Malawi Telecom and Malawi Posts through operational planning agreements. These agreements will contain the financial targets set for the enterprises and will ensure their commitment to the restructuring of the sector.

The Board of Directors of Malawi Telecom will be constituted in accordance with the Companies Act and its Articles of Association, and, as applicable, with the shareholders agreement.

### ***2.1.3 Strategic Partner for Malawi Telecom***

The development of telecommunications will proceed more quickly if Malawi Telecom is permitted access to a wider range of financial and technical resources than can be found within the business or within Government.

Capital markets are greatly interested in financing investment in the sector, and some African countries, notably Ghana and South Africa have already demonstrated the benefits from tapping into the resources of world class telecommunication companies.

The Government has therefore decided to seek a strategic partner for Malawi Telecom through an international competitive tender.

The chosen partner will work with Malawi Telecom to expand the national network and meet the demand for telephone connections, to plan and implement the modernisation of network infrastructure, to introduce modern systems of management accounting and customer service and to develop the skills and knowledge of employees.

The specific contributions that the strategic partner is expected to make include –

- an initial financial investment in the business and a continuing commitment to the investment programme in order to accelerate substantially the rate of expansion and modernisation of the national network ;
- the transfer of technology, systems and software, and commercial know-how ; and
- a staff training programme.

#### ***2.1.4 Flotation of Malawi Telecom***

Dependent on the advice of its advisors the Government may sell a minority interest in Malawi Telecom through an initial public offering of shares. The proceeds from the sale will be used primarily to finance investment in network expansion and modernisation.

#### ***2.1.5 Finance and Tariffs***

The planned improvements in service will only be sustained in the long term if operators can raise sufficient revenues to cover the costs of providing the services. At the same time, the ability of most households to pay more in real terms for telephone services is limited.

The Ministry will agree with Malawi Telecom on an annual financial target that is consistent with its investment plans and service obligations. The financial target, together with increased revenues from expansion and improvements in efficiency, will also enable Malawi Telecom to reduce the level of telephone tariffs in real terms.

Recognising the need to balance the remuneration of investment in the sector with the protection of potentially vulnerable groups of customers, MACRA will develop and agree with Malawi Telecom a medium term strategy for telephone tariffs. The main focus of this strategy will be to link the level of revenue that can be raised from users through tariffs to the scale of investment being made in expanding and modernising the network.

At present, installation and rental charges for telephone are based on unit cost per unit distance from the nearest exchange. This means that since telephone exchanges are located in urban or district centres, the further away from the centre, the higher the installation and rental charges. This in turn means that installation and rental charges are higher in rural areas than they are in urban centres. To reverse this situation MACRA will ensure uniform installation and rental charges regardless of the distance from the telephone exchange.

### ***2.1.6 Telecommunications Liberalisation***

Consistent with the policy aims set out, the provision of telecommunication services will be liberalised. Under the new Communications Law, the activities of providers of public telecommunications services will be regulated primarily by licences issued by MACRA. Licences will be issued for specific types of network and service as outlined below -

#### ***2.1.6.1 National Network Operation***

National operators are those telecommunication enterprises who are obliged to provide basic telecommunication services to the public throughout the country. Telephone and telex services will be classified as basic services under the Act.

Malawi Telecom will be designated as a national operator for basic services. No other operator will be designated as a national operator for a period of five (5) years from the date of its incorporation to allow time for Malawi Telecom's operations to be modernised and commercialised. The Government may consider an extension of this exclusivity initially up to one year upon the operator's satisfactory performance of its licence obligations.

It will be the responsibility of Government in consultation with MACRA to decide whether or not to issue a licence to a second national fixed network operator.

Malawi Telecom will be issued a licence for basic services that will –

- (a) authorise the installation and operation of network equipment, and convey rights of access to land and premises for this purpose;
- (b) set out the obligations to provide basic services placed upon it and the standards of service expected of it ;
- (c) guarantee non-discriminatory access to services and regulate the relationship of the operator with customers;
- (d) regulate the terms of interconnection with other operators;
- (e) ensure open and efficient access to its network for other operators; and
- (f) be valid for fifteen (15) years from the date of award with provision for amendment and for renewal subject to conditions.

Performance of Malawi Telecom under its licence will be monitored annually or at more frequent intervals, as MACRA considers appropriate.

### **2.1.6.2 Local Operators**

Local operators are telecommunication enterprises permitted to provide telephone services to the public within a district and to connect to the network of a national operator.

MACRA will issue a local operator licence to provide service in any district of the country; provided that the operator accepts obligations for that district that are equivalent to those imposed on Malawi Telecom. Local operators will connect their network to Malawi Telecom's network for traffic outside the district.

### **2.1.6.3 Cable TV Networks**

Cable TV Networks are already a significant private initiative to improve communications. Telecommunication licences will be issued to existing Cable TV operators and to others, principally to ensure that they treat their customers fairly and conform to general rules governing the installation of equipment on public and private land. Cable TV operators willing to accept appropriate service obligations will also be allowed to provide local telephone services connected to the national network.

Under the new Communications Act, Cable TV networks will be required to adhere to the code of conduct of broadcasters.

### **2.1.6.4 Non Basic Telecommunications Service Providers**

***(Data, Internet and other Value Added Services, Service Providers)***

Licences for data communication, Internet, and other value added services will be made available without restriction as to number.

Providers of these services, or their customers, will normally lease the transmission capacity they require from national and local operators. In exceptional circumstances where the transmission capacity required is not available from an operator, they will be permitted to provide the capacity themselves under the guidance of MACRA.

#### ***2.1.6.5 Mobile Radio Service Providers***

Telecom Networks Limited has already been authorised to provide cellular mobile services. Demand has exceeded expectations and the service is now profitable. For the future, the priorities should be to improve cellular coverage, to liberalise the sale of handsets, and to lower the cost of service to users.

A further cellular mobile licence will be issued in the near future.

New interconnection arrangements will be made which will eliminate congestion and permit international calls to be made by users of the cellular network.

Licences for radio paging and other mobile radio services will be available without restriction as to number, subject only to any limitations on the availability of appropriate radio frequencies.

#### ***2.1.6.6 Private Networks***

Operators of private networks to which the public does not have access will not need to have a telecommunications licence, although a radio licence may be necessary.

#### ***2.1.6.7 VSAT Networks***

Private communication links by satellite (often called VSAT networks where VSAT means Very Small Aperture Terminal) will not require a telecommunications licence if they are not connected to the public switched telephone network. This exemption will apply, for example, to television receive only terminals (TVROs). Of course, all VSATs that transmit radio signals will require a radio licence.

In accordance with the policy in other SADC countries, where connection with the public network takes place, whether within or outside Malawi, VSAT networks will require a telecommunications licence. Such licences will be granted provided that the main purpose of the VSAT network is not to bypass the national operator.

This will mean that VSAT licences will be limited to organisations that have a legitimate business interest in operating a VSAT network and that are not providing a telecommunication service to others.

#### ***2.1.6.8 Telephone Service Providers***

Telephone service providers will be licensed to offer to the public payphone services, bureaux and telephone houses.

Licences for voice telephony will be awarded individually to service providers, who will have to comply with the terms and conditions set by MACRA.

In licensing each telephone service provider, MACRA will take into account the views of the local community.

## **2.2 POSTAL SERVICES**

Malawi Posts and all other regular mail service providers shall be subject to licensing by MACRA. Malawi Posts will have exclusivity in the delivery of letters, in order to help it sustain a nation-wide service. In accordance with international practice, licensing will not extend to courier services.

The Board of Directors of the Malawi Posts will be appointed by the Minister responsible for Posts in accordance with the provisions of the Communications Act, 1998. A postal development plan will be produced within the first year of operation of the new corporation. This plan will focus on strategic activities and will emphasise the training of staff in all aspects of postal services. The development plan will be reviewed periodically to assess its efficiency.

## **BROADCASTING**

### ***2.3.1 Regulation of Broadcasting***

MBC will give up its regulatory functions in order to concentrate on its operational function as a public broadcaster. Like Malawi Telecom, MBC will in future be expected to conduct its operations commercially under a licence to be issued by MACRA and containing service obligations.

The regulation of broadcasting in Malawi should make provision for the development of public, private and community broadcasting services, which are responsive to the needs of the public.

***Public Broadcasting Services*** are those provided by MBC on the basis of statute, or by others if they also accept comparable service obligations.

***Private Broadcasting Services*** are other broadcasting services provided for profit.

***Community Broadcasting Services*** are broadcasting services which serve a particular community and are not for profit. A community includes a geographically founded community and a group of people in Malawi who have a specific common interest.

All sound and TV broadcasting licences will be issued by MACRA.

### ***2.3.2 Code of Conduct for Broadcasters***

The regulation of broadcasting will include the application of rules and regulations to which all broadcasting service providers have to comply.

These rules will -

- ensure that broadcasting licensees adhere to a statutory code of conduct;
- ensure that broadcasting programming content serves the common good of society and enhances the development of the people;
- ensure no one entity other than a public broadcaster, is issued with more than two licences;
- in accordance with the doctrine of fairness :
  - ensure the equitable treatment of political parties by all broadcasting licensees ;
  - ensure that there will be no foreign control, no political party control and no monopoly of broadcasting services;
  - ensure no undue influence over broadcasting services by any commercial company or business ;
- establish a mechanism for disposing of complaints ;
- establish enforcement procedures for any violation of the rules and regulations.

### ***2.3.3 MBC's Role As National Public Broadcasting Service***

The objective is that the broadcasting services provided by MBC should be accessible to the whole population of Malawi.

MBC should provide broadcasting services that inform, educate and entertain, and which represent Malawi to the World and to observe the principles and norms of a democratic society.

To guarantee its character as the national public broadcaster, MBC's Board of Directors will be appointed by the President in accordance with the provisions of the Communications Act, 1998.

#### ***2.3.4 TV Malawi***

As MBC is the national public broadcasting service provider, it is desirable that both radio and television public broadcasting services fall under its responsibility.

Accordingly, as part of the restructuring process of the MPTC, the TV project will be transferred to MBC.

MBC will seek all possible forms of finance for the TV Malawi, including both debt and equity. In addition, provision is made in the Communications Bill, 1998 for levying television licence fees to help finance TV Malawi.

While radio broadcasting will be liberalised immediately, MBC will be allowed a period of exclusivity for seven years for terrestrial Television Broadcasting, to permit a return on capital investment.

#### ***2.3.5 External Broadcast Services***

Where external broadcasting signals are-

- (a) received and re-broadcast from Malawi; or
- (b) broadcast from Malawi;

such services shall be offered under licence issued by MACRA.

## **2.4 RADIO FREQUENCY SPECTRUM**

### ***2.4.1 National Frequency Spectrum Plan***

MACRA shall review the current allocation of frequencies and establish a co-ordinated national radio frequency spectrum plan.

### ***2.4.2 Allocation of Radio Frequency Spectrum***

Radio technology is advancing rapidly, making it more and more feasible for use in providing communication services. So it is essential to have the closest linkage between the licensing of telecommunication and broadcasting services and the management of the frequency spectrum to be used by these services.

MACRA will ensure proper co-ordination of spectrum allocation between the civilian and military sectors to avoid interference. MACRA will also ensure that the allocation adheres to international treaties and conventions to which Malawi subscribes.

### ***2.4.3 Assignment of Radio Frequencies***

Based on the National Radio Frequency Spectrum Plan, MACRA will assign frequencies to broadcasting and telecommunication services and to other specific systems.

MACRA will undertake international frequency co-ordination procedures as described in the ITU Radio Regulations (RR) Articles. Also, MACRA will administer regional agreements on frequency co-ordination with other SADC countries.

#### ***2.4.4 Rules and Regulations***

Taking into account the Radio Regulations of the ITU, Malawi will create its own legislation and relevant rules and regulations to accommodate its national radio communication infrastructure and goals which will provide a necessary structure for administration and enforcement of the spectrum management process.

#### ***2.4.5 Database Management of the Spectrum***

An integral component of spectrum management is the ability to store, maintain and access information about each individual communication system.

Therefore, it is essential that MACRA establishes a computerised database so that accurate records can be kept and the integrity of the spectrum management process maintained.

#### ***2.4.6. Licensing, Assignment and Administration***

The licensing and administration functions of an effective spectrum management system have benefits that go beyond creating and maintaining a database of technical parameters.

Licensing, assignment and administration are the processes involved in granting rights to use radio frequencies to individual users. The steps of the processes shall be defined in the rules and regulations of MACRA.

Licensing will be a source of revenue for MACRA, principally in the form of fees upon issue of licence and annually thereafter. In addition, fines and penalties will be imposed on any person operating in defiance of the established rules and regulations.

#### **2.4.7 Spectrum Monitoring**

MACRA will monitor the frequency spectrum and enforce the licence conditions using appropriate equipment and other resources.

Data collected through the monitoring process are needed by spectrum management. Also, spectrum monitoring and enforcement are required to safeguard the rights granted in radio licences.

### **3.0 REFORM OF REGULATORY ARRANGEMENTS**

The Malawi Communications Regulatory Authority (MACRA) will be established to regulate telecommunications, posts and broadcasting and will be responsible for the management and monitoring of the radio frequency spectrum.

The members of MACRA will be appointed by the President in accordance with the provisions of the Communications Act, 1998.

MACRA will act under policy direction from the Government through the Ministry of Information which is responsible for the Communications Sector, but will in all other respects be autonomous.

MACRA will be responsible for issuing licences. The procedure for securing any of the licences referred to in this statement will be open, transparent and non-discriminatory. Regulations will be published setting out the procedure to be followed by applicants for each type of licence.

As regards international representation, MACRA will, as required by the Government, represent the Republic of Malawi at international and regional forums concerned with communications and will supervise the international activities of licensees. Malawi Telecom, Malawi Posts and MBC will continue to have direct access to international organisations on operational matters.