



MINISTRY
COMMUNICATIONS AND DIGITAL TECHNOLOGIES
REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

To : All media

Date : 04 October 2024

MINISTER MALATSI ON MAKING BROADBAND CONNECTIVITY SOUTH AFRICA'S TOP EMPOWERMENT GOAL

It is my intention to issue a policy direction to ICASA in terms of section 3(2) of the Electronic Communications Act, to clarify the DCDT's position on the recognition of equity equivalent programs, for urgent consideration.

This is part of an initiative to significantly expand access to broadband connectivity to poor South Africans and people living in remote parts of the country.

World Bank research shows that, on average, every 10% increase in broadband penetration results in 1.21% GDP growth in middle income countries such as South Africa.

Broadband access makes it easier for people to start businesses, grow businesses, seek employment, work remotely, and market goods and services.

Giving millions of South Africans access to broadband would therefore constitute one of the biggest empowerment programmes the South African government has ever undertaken.

There are two parts to the initiative. First, we need to lower regulatory hurdles to investment in cheap, reliable broadband. Second, we need to lower the price of the smart devices needed to use 4G and 5G data.

Today I am focused on the first part. Announcements on the second part will follow in due course.

After consultation with ICASA, the proposed policy direction will be published for comment as per section 3(5) of the Act.

This is in line with the Codes of Good Practice which recognise that the global nature of their operations may constrain multinationals in their ability to comply with equity ownership requirements. Equity equivalents, recognised in other sectors, provide an avenue for factoring in alternative ways for companies to make an impact on South Africa's socioeconomic development.

Policy clarity on the recognition of equity equivalence schemes has long been sought by players in the ICT industry. This will provide the certainty necessary to attract increased investment in ICT and accelerate universal internet access.

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Issued by the Ministry of Communications and Digital Technologies