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MOZAMBIQUE | SPECTRUM AUCTION

The Mozambique Government has recently published in the Official Gazette Resolution no. 12/2018, of April 25, determining the authorisation for the launch of an auction procedure for the grant of rights of use of radiofrequencies in the 800MHz, 1800MHz and 2600MHz bands. The base bidding prices shall be set by a Joint Order to be issued by the Ministers of Finances and Communications. The rules and procedures governing the auction shall be determined by INCM, the communications national regulatory authority.

This is the second attempt at a spectrum auction in Mozambique. The first attempt was not successful, the government having tried to auction five lots of 2x5MHz (a total of 50MHz) of 800MHz spectrum with a reserve price of 30 million USD per lot. The price was considered too high and it did not attract any bids, after which it was withdrawn.

The Mozambique mobile market has currently 3 operators (Vodacom, Mcel and Movitel) and according to the latest regulation report issued by INCM, in 2016 this market comprised a total of 13,086,554 subscribers, versus 11,850,227 in the previous year, thus having experienced, percentage wise, a growth of 11.1% in the number of subscribers.

It is not yet known if, for example similarly to Angola, the goal of the Government is to allow for a new operator to enter the market or if this auction is only aimed, on the one side, at allowing more revenues stemming from allocation of spectrum and, on the other, to enable existing operators to optimize spectrum usage and improve coverage and service offerings in the country, namely the widespread roll-out of LTE/4G services, taking into account, as is the trend in other sub-Saharan African countries, that there is an increase in demand of data by end-users due to rise of OTT services in the region.

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