**PUBLIC INFORMATION: DECLARATION OF SMP AND WHAT IT MEANS**

The NCA notes with concern some issues on its declaration of MTN as a Significant Market Power (SMP) in Ghana’s telecommunication industry.

The classification of MTN as an SMP is not a decision taken lightly or without careful consideration. It was based on extensive market research, analysis, and consultations. The NCA, as the regulatory authority, is entrusted with the responsibility of upholding fair competition and safeguarding consumer interests within the telecommunications industry. The classification of MTN as an SMP aligns with the NCA's mission and fulfills its mandate.

The SMP classification is not intended to punish or stifle MTN's operations but rather to ensure a level playing field in the market and protect consumer choice. When an operator attains a significant market share and dominance, it has the potential to impact competition negatively, resulting in higher prices, lower quality of service, and reduced innovation. The SMP designation allows the NCA to impose certain regulations and measures on MTN to prevent abuse of its market power and ensure fair competition.

By implementing measures such as asymmetric interconnection rates, tariff parity, and technology neutrality, the NCA aims to promote competition, encourage innovation, and protect consumers' interests. These measures enable other operators to compete effectively, offer sustainable pricing, and invest in improving service quality.

It is important to note that the SMP classification does not prevent MTN from expanding or growing its business. The regulations imposed are designed to ensure a healthy and competitive market environment that benefits both consumers and industry players in the long run.

For any further questions or concerns, please reach out to the Authority via info@nca.org.gh.

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***Issued by the National Communications Authority:***

*No. 6 Airport City, Accra  
Tel: (0)30 – 2776621/2771701 or 050-145-1522/3  
E-mail:* [*info@nca.org.gh*](about:blank) *Date – 19th June, 2023*

***About NCA***

*The National Communications Authority, (NCA), was established by an Act of Parliament, Act 524 in December 1996, which has been repealed and replaced by the National Communications Authority Act, 2008, Act 769.*

***What is SMP?***

*Any operator with 40% or more market share in voice, data, SMS and value added services like Mobile Money, is considered a Significant Market Power (SMP) in the National Telecommunications Policy 2005.*

***Which Laws back SMP declaration in Ghana?***

*Two laws back SMP in Ghana. The first is the National Telecommunications Policy 2005. The Policy states in part under ‘Significant Market Power’ that;*

*National Telecommunications Policy 2005*

*The NCA will define regulations to establish what constitutes Significant Market Power, but in general SMP will be determined to exist for an organization providing telecommunications services that controls at least 40% of a relevant market segment in the absence of an NCA determination of a different standard in specific cases. The NCA will determine the methodology to determine SMP which may include analysis of market shares, control of infrastructure, technological advantages, absence of competition, privileged access to financial resources, bundling of services/products, economies of scale, scope, vertical and/or horizontal integration, distribution of networks, links with other markets and collusion issues.*

*The Electronic Communications Act 2008, Act 755*

*The Electronic Communications Act 2008, Act 755 in Section 10 (10 &11) further affirms this by stating that:*

*(10) The Authority may classify a network operator or service provider as dominant if individually or jointly with others, that network operator or service provider enjoys a position of economic strength that enables it to behave to an appreciable extent independently of competitors and users.*

*(11) In making the classification under subsection (10), the Authority shall take into consideration*

*(a) the relevant market,*

*(b) technology and market trend,*

*(c) the market share of the operator or service provider,*

*(d) the power of the operator or service provider to introduce and sustain a material price increase independently of competitors,*

*(e) the degree of differentiation among networks and services in the market,*

*(I) any other matter that the Authority considers relevant.*

***What measures has the NCA taken with regards to declaring MTN as an SMP?***

*Following the declaration of MTN as an SMP, NCA has undertaken the following measures as a result:*

1. *With immediate effect, there will be an application of a 30% Asymmetrical Interconnect rates for two (2) years subject to market response, in favour of the disadvantaged operators, in accordance with the law.*
2. *Set floor/ceiling pricing on Voice, Data, SMS, Mobile Money, etc.*
3. *Review and approve all pricing by MTN as required by law.*
4. *Require MTN not to have differential prices for on-net and off-net transactions.*
5. *Ensure various operator vendors are not subject to exclusionary pricing or behaviour.*
6. *Ensure that MTN’s access to information does not disadvantage any Value Added Service of non-SMP operators.*
7. *Require MTN to present implementation plans on National Roaming Services within the next 30 days for execution on or before the next 90 days.*

***Publication of SMP Declaration***

*The NCA declared MTN as an SMP in a release published June 9, 2020. The release can be accessed via* [*https://nca.org.gh/wp-content/uploads/2023/04/NCA-Declares-MTN-as-a-SMP.pdf*](about:blank)