

# Malawi

*Technology purchases and telecommunications subscriptions remain prohibitively expensive for most Malawians, resulting in low access rates across the country. Though no connectivity restrictions were reported during the coverage period, a network disruption of state-owned service providers in May 2019 raised suspicions that the government had orchestrated the blockage.*

A1 1.00-6.00 pts 0-6 pts

Do infrastructural limitations restrict access to the internet or the speed and quality of internet connections?	1.001 6.006
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*Score Change: The score improved to 0 to 1 because of an increase in internet penetration, according to some measurements.*

Landlocked Malawi—with a population of more than 17.6 million<sup>1</sup> people—has one of the lowest and slowest-growing rates of internet access in the world, in contrast to the exponential growth in access among its neighbors on the continent. According to the latest data from the International Telecommunication Union (ITU), internet penetration stood at 13.8 percent in 2018, the same standing as 2017.<sup>2</sup> DataReportal, in contrast, reports an internet penetration rate of 15 percent as of January 2020, a four percent increase from the previous year.<sup>3</sup> According to ITU statistics from 2018, fixed broadband subscriptions are extremely rare, at less than 1 percent. Mobile phone penetration is also low, at 39 percent,<sup>4</sup> with the subscription rate down from 44 percent in 2018. The decline in mobile phone subscriptions may be the result of the removal of unregistered SIM cards during the implementation of SIM card registration in 2018. The number of mobile money users has also decreased, by 13.0 percent in the last quarter of 2019.<sup>5</sup>

The few users who have internet access experience slow internet speeds. According to the Inclusive Internet Index 2020 report,<sup>6</sup> average fixed broadband upload speed in Malawi is 7.4 Mbps, while download speed is 7.7 Mbps. Mobile upload speed is 8.7 Mbps, with download speed of 5.4 Mbps. The report ranks Malawi as very poor on all four of its indicators: internet availability, affordability, relevance, and readiness. This is a reflection of the rising costs of the internet as a result of poor infrastructure management and lack of investment. Malawi's flagging economy over the past few years has reinforced its status as a least developed country, with soaring inflation having had a negative impact on the information and communication technologies (ICT) sector.

Unreliable electricity and the high cost of fuel-generator power strain ICT use. Just 12.7 percent of the country has access to electricity, giving Malawi one of the lowest electrification rates in the world, according to the World Bank.<sup>7</sup> Frequent electricity blackouts remain one of the country's biggest problems, with slight improvement seen during the rainy season as increased water levels enhance hydroelectric generation. Inconsistent rainfall and droughts, which are expected to be increasingly frequent problems because of climate change, have a negative effect on power production.<sup>8</sup> The sporadic and infrequent power supply adversely affects the delivery of internet and mobile services in the country.<sup>9</sup> Half of Malawi's private-

sector enterprises rely on backup generators.

As a result of Malawi's landlocked location, it is connected to the international fiber network in Mozambique, Zambia, South Africa, and Tanzania through the SEACOM and EASSy (Eastern African Submarine Cable System) networks. The fiber-optic network SimbaNET was launched in May 2016, establishing a connection between the capital, Lilongwe, and Tanzania.<sup>10</sup> In April 2018, the Malawi National Optic Fibre Backbone Project was completed by the Chinese company Huawei, with the promise of faster internet service<sup>11</sup>; as of June 2020, the project does not appear to have produced faster speeds.

The country's ICT backbone is entirely national in nature, with no regional integration yet in place. The scarcity of regional internet exchange points forces telecoms to rely on upstream service providers that are usually based outside the country, in Europe or North America. Data that should be exchanged locally within Malawi or regionally must pass outside Africa, resulting in an unnecessary and expensive use of upstream bandwidth.

A2 1.00-3.00 pts 0-3 pts

Is access to the internet prohibitively expensive or beyond the reach of certain segments of the population for geographical, social, or other reasons?	1.001 3.003
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Access to the internet is prohibitively expensive for the majority of people in the country, due to high data tariffs and expensive devices.

Low growth rates of internet and mobile phone access are largely the result of high service costs for consumers, which include a 17.5 percent value-added tax (VAT) on mobile phones and services, a 16.5 percent VAT on internet services,<sup>12</sup> and an additional 10.0 percent excise duty on mobile phone text messages and internet data transfers.<sup>13</sup> Consequently, access to the internet is extremely expensive for average Malawians. As of February 2020, a monthly data bundle for 10GB cost \$22 with both Airtel Malawi<sup>14</sup> and Telekom Networks Malawi (TNM).<sup>15</sup>

The country's average monthly income is the equivalent of less than \$900,<sup>16</sup> which means that the price of the internet hits the country's poor the hardest, as those without access are effectively shut out of an increasingly digital world of important services, such as mobile banking and money services, which could help lift them out of poverty, as well as access to essential communications platforms. In September 2017, the Consumers Association of Malawi (CAMA) criticized the failure of the Malawi Communications Regulatory Authority (MACRA) to address concerns about affordability and access.<sup>17</sup> The situation remained the same during the coverage period.

Geographic location creates a divide in internet access. The high cost of infrastructure development in rural areas makes companies unwilling to invest in the country's remote regions. MACRA has so far failed to implement the Universal Service Fund, which aims at increasing infrastructure in rural and hard-to-reach areas of the country. The electricity grid is concentrated in urban centers, giving 62 percent of urban households access to electricity, compared with a mere 5 percent of rural households.<sup>18</sup> A low literacy rate of 62 percent<sup>19</sup> also remains a barrier to accessing ICTs, and there is a significant digital divide along gender lines.<sup>20</sup>

## A3 1.00-6.00 pts0-6 pts

Does the government exercise technical or legal control over internet infrastructure for the purposes of restricting connectivity?	5.005 6.006
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*Score change: The score improved from 4 to 5 to reflect a lack of connectivity restrictions imposed by the government.*

There were no connectivity restrictions imposed during the coverage period, though outages during political events such as elections have been reported in the past.

On the night of May 21, 2019, a few hours after polling stations for Malawi's 2019 tripartite elections had closed, NetBlocks reported a network outage "spanning several hours" in which nationwide connectivity fell to 80 percent of normal levels. According to the report, the affected networks were Malawi Telecommunications Limited (MTL), which is 20 percent owned by the government, the fiber-optic network SimbaNET, and the ICT infrastructure operator Malswitch (now called Nitel).<sup>21</sup> The report noted that connectivity via privately owned internet providers generally remained available.<sup>22</sup> The network outage was not noticed locally, perhaps because of the sporadic internet service supply, which generally has moments of outages. Adding to concerns that communications were intentionally disrupted, on the same evening, private radio broadcasters experienced disruptions for several hours. It was reported that only Malawi Broadcasting Corporation Radio 1, which is state-run, was unaffected.<sup>23</sup>

According to a report by the Southern African Litigation Centre (SALC) and the Media Institute of Southern Africa (MISA), the government denied that there was a network disruption and said that vandals had damaged infrastructure, causing a temporary shutdown. However, the report also noted that MACRA resisted the government's attempts to shut down the internet, but that the government allegedly applied direct pressure on internet service providers (ISPs) to shut down their networks.<sup>24</sup>

There were no restrictions on connectivity imposed during the coverage period. The government of Malawi does not have centralized control over the international gateway, which the ITU characterizes as competitive.<sup>25</sup>

Malawi has a total of six fiber gateways to the SEACOM and EASSy cable landings, three each through MTL and the Electricity Supply Corporation of Malawi Limited (ESCOM). The state-owned Malawi Sustainable Development Network Programme (SDNP), a licensed ISP, oversees the local traffic hub that connects the country's ISPs, but it does not have the capacity to block content or restrict connectivity.<sup>26</sup>

Article 24(2)(e) of the 2016 Electronic Transactions and Cyber Security Act provides that online public communication may be restricted in order to "protect order and national security," while article 24(2)(f) provides that online public communication may be restricted in order to "facilitate technical restriction to conditional access to online communication."<sup>27</sup> These provisions are vulnerable to state abuse and could be used by the government to implement full or partial internet shutdowns.

## A4 1.00-6.00 pts0-6 pts

Are there legal, regulatory, or economic obstacles that restrict the	3.003
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diversity of service providers?	6.006
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There are no legal or regulatory barriers that restrict the diversity of service providers. However, there is a lack of diversity among mobile service providers in the country. Mobile phone services are offered by three providers—Airtel Malawi, TNM, and Access Communications. The industry is dominated by a de facto duopoly of Airtel Malawi and TNM, whose internet prices are almost the same, eliminating competition between them. Access Communications offers no serious competition to the two main operators.<sup>28</sup>

Malawi's ICT market is reasonably competitive with 50 licensed ISPs, the majority of which are privately owned, with the exception of SDNP.<sup>29</sup> Political connections are often necessary to obtain licenses from MACRA (see A5).

MTL operates the country's telecommunications backbone, leasing its infrastructure to most ISPs and mobile phone service providers in the country.<sup>30</sup> Previously a government-owned entity, MTL was privatized in 2005; at present, the government retains 20 percent of MTL shares while Telecomm Holdings Limited holds the other 80 percent. MTL decommissioned its mobile phone service in December 2017.<sup>31</sup>

A5 1.00-4.00 pts0-4 pts

Do national regulatory bodies that oversee service providers and digital technology fail to operate in a free, fair, and independent manner?	1.001 4.004
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The telecommunications regulator, MACRA, lacks political independence because the regulatory body's board is appointed by the president. Also, the regulator has strong links to the Ministry of Information, and the minister acts as one "advisor" of the regulator.

MACRA remains the country's sole communications regulator, established under the 1998 Communications Act, to ensure reliable and affordable ICT service provision throughout Malawi. Its mandate is to regulate the entire telecommunications sector and issue operating licenses for mobile and fixed-line phone service providers, ISPs, and cybercafés. In practice, political connections are often necessary to obtain such licenses.

The institutional structure of MACRA is subject to political interference, with its board composed of a chair and six other members appointed by the president, and two ex-officio members—the secretary to the Office of the President and Cabinet, and the secretary of the Ministry of Information.<sup>32</sup> The director general of MACRA, whose appointment is also overseen by the president, heads the authority's management and supports the board of directors in the execution of its mandate.

Moreover, article 5(1) of the Communications Act<sup>33</sup> stipulates that "the authority may, where necessary, seek the general direction of the minister as to the manner in which it is to carry out its duties." It is then not surprising that by its own admission, MACRA has a checkered public reputation. In its 2015–20 Strategic Plan, the regulator states that one of its weaknesses is a perceived bias in regulation by operators.<sup>34</sup>