

Zimbabwe's cellular operators increase tariffs

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Zimbabwe's major cellular phone operators have increased their tariffs with immediate effect, saying the previous rates were too low and their businesses were running at a loss.

According to the operators, the country's low tariffs have severely affected connectivity as Zimbabweans struggle to call one another or to send SMSes to each other.

Cellphone handsets had become useless gadgets as it was hard to get through due to network congestion.

As a result of the congestion, callers spend longer minutes in trying to make the connection. The result is that most customers make use of SMSes or make their calls during the early hours of the morning or late hours of the night to be able to connect.

Furthermore, users have been compelled to subscribe to both networks to beat the congestion.

The country's leading operator Econet Wirelss Holdings Zimbabwe Limited (Econet), which is listed on the Zimbabwe Stock Exchange (ZSE) has increased its tariffs to Z\$45,000 per minute with immediate effect. Econet messaging services now cost Z\$11,500 each.

Econet has its headquarters in South Africa from where the chief executive officer, Strive Masiyiwa operates from.

Meanwhile, the government controlled NetOne, which was given an operating licence in 1996, increased its own rates to Z\$35,000 per minute for all calls. The bad news is that the increases are coinciding with Zimbabwe's badly managed economy. One US Dollar for example fetches two million Zimbabwean dollars.

It is not yet clear whether Telecel Zimbabwe International (Telecel), another cellular operator in the country, has increased its own tariffs.

Telecel is currently the cheapest operator but its service is considered rather poor and not widespread enough, especially for business entrepreneurs.

Telecel is also awaiting its fate after being threatened with closure by government due to a shareholding structure problem which needs to be rectified.

One of its major shareholders, businessman James Makamba, is apparently a fugitive who is wanted in Zimbabwe to answer charges of flouting foreign currency regulations.

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