



REQUEST FOR EXPRESSION OF INTEREST (EOI)

Provision of Consultancy Services for Market Definition and Competition Assessment for the Communications Services Sector in Malawi

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1. INTRODUCTION

The Malawi Communication Regulatory Authority (MACRA) was established under section 4 of the Communications Act; Cap 68:01 of the Laws of Malawi to regulate and monitor the provision of communications services and ensure that, as far as it is practicable, reliable and affordable, communications services are provided throughout Malawi and are sufficient to meet the demand for such services in accordance with the principles of transparency, certainty, market orientation, efficiency, and consumer satisfaction.

Among other functions the Authority performs the following:

- a) Regulating the communication sector and holding the responsibility to protect the interest of consumers and other users of communication services in respect of prices charged for the quality and variety of services provided.
- b) Promote efficiency and competition among individuals and firms engaged in the provision of communications services or supply of communication services.

More specifically, the Communications Act has a number of objectives including:

- a) To remove unnecessary barriers to entry, and to attract investment in the communications sector;
- b) To facilitate the provision of affordable communications services; and
- c) To ensure consumer protection.

2. BACKGROUND

The communications industry is one of the key sectors in the socio-economic development of Malawi. The communications sub-sector (telecommunications, broadcasting and postal sectors) is characterized by several operators/licensees offering a variety of products and services on the market, which has seen rapid growth since the early 2000s. For instance, the mobile and fixed telecommunications sector has 6 licensed operators with 4 operational, the broadcasting sector has over 78 broadcasters on the market, and the postal and courier sector has 33 operational licensees out of 39 licensed entities (i.e. 1 designated public operator and 32 courier operators).

Over the years, the regulatory environment has evolved with the Authority responding in various aspects including proposed amendment of the Communications Act and drafting and development of regulations in areas of tariffs, interconnection, spectrum management/pricing and infrastructure sharing/facility leasing among others to effectively improve its regulatory oversight with regards to competition and economic regulation. The core focus of the Authority with regards to competition promotion and economic regulations is on four areas of promotion: assess competition and making determination of dominance; supervising markets and competition; and fashioning effective remedies for weak or failed competition.

The challenges that have been encountered over the period can somewhat be attributed to the lack of a clear and precise framework of market definition. As such, the main purpose of defining a market both in product and geographic dimensions is to systematically identify the competitive constraints that undertakings in a given market segment face as a way of improving regulatory interventions.

3. JUSTIFICATION OF THE STUDY

Section 57(1)(a) directs MACRA to conduct annual market assessments. Section 57(1)(b) requires MACRA, after each market assessment, to determine for the following year, and publish in the *Gazette* by 31 December: (i) all retail and wholesale communications services markets that require *ex-ante* regulatory control; and (ii) all licensees holding a dominant position for each identified communications service market.

These market assessments and dominance determinations are fundamental to MACRA's competition promotion and economic regulation. The Act limits some self-implementing regulatory obligations to licensees that are dominant in a relevant market. For example, Section 58 imposes various regulatory obligations only on dominant licensees. At the same time, MACRA's discretionary market interventions to

regulate economic behaviour are generally reserved for occasions deemed necessary based on the market assessments.

The Act expands MACRA's role in supervising competition and ensuring fair play and a level playing field. Section 55(1) directs MACRA to *develop and enforce fair competition* in the communications service sector. The term *fair competition* emphasizes that MACRA should, in its supervision of communications services markets, ensure that rival firms compete on legitimate factors such as coverage, quality and price and not by employing predatory or other illegitimate behaviour.

MACRA has overseen three market assessments; initially conducted in 2014/15 FY, then in 2018/19 FY, and the last one conducted in 2021/22 FY. The first market analysis focused on the electronic communications sector while the second one was more inclusive of all three sub-sectors, which facilitated the definition of the different markets as well as determining the dominant position with the provision of remedial actions.

To effectively deliver and remove any regulatory bias, it is against this background that the Authority intends to hire a qualified consulting firm to undertake the assignment with a focus and deliberate effort to build MACRA's competition and economic regulation capacity.

4. OBJECTIVE OF THE ASSIGNMENT

The overall objective of the exercise is to define the product and service market and assess the level of competition in the telecommunications and the broadcasting sectors through market power assessments.

Specifically, the study aims to;

- a) Develop criteria for market definition and identify relevant markets for electronic communications segments as a basis for market power assessment in line with the Act and guidelines.
- b) Review the current legal and regulatory environment to ensure that the competition and market assessments are within the stipulated laws and make detailed recommendations.
- c) Provide guidance on the execution of structural – conduct – performance analyses in developing a competition framework.
- d) Undertake a market power assessment (defining the methodology/approach used) and define a criterion for designating a dominant operator and/or operators with Significant Market Power (SMP).
- e) Propose/prescribe remedies and approaches for the regulatory treatment for SMP including complementary, asymmetric as well as markets with many dispersed alternatives.

- f) Define the relevant markets by undertaking products and geographical supply and demand side substitutability analyses, hypothetical monopolistic tests and appraisal of prevalent market conduct and performance.

5. SCOPE OF THE ASSIGNMENT

The following activities are expected to be executed to deliver the study objectives:

- a) Inception Report detailing methodology and scheduling key study outputs.
- b) Develop a framework for Market definition (i.e. the market identification and competition assessment framework for the electronic communications sector).
- c) Conduct a structural market analysis.
- d) Demand side substitutability assessment.
- e) Small but Significant Non transitory Increase in Price (SSNIP) Test (based on findings from activity 3 and 4).
- f) Market Power Assessment
- g) Training/transfer of knowledge of the whole process to the key staff of MACRA who will be involved in the assignment.

5.1 Expected Deliverables

The following are the expected deliverables.

- a) A market analysis report for the communications market including the designation of dominant/SMP operators for the year 2025;
- b) Advisory recommendations for the current framework for the definition of relevant communications markets.
- c) A proposed framework for the assessment of market power in the respective markets as well as an assessment of market power by the different providers in the respective markets.
- d) Advice on regulatory remedies against identified and probable market failures in the identified markets.

6. QUALIFICATION AND EXPERIENCE OF THE CONSULTANTS

6.1 Profile Required (*Education*):

The successful Consulting Firm shall be required to undertake the assignment as a multi-disciplinary team comprising a Lead Consultant and two Key Experts with diverse expertise in Economics, ICT/Telecommunication. Law, Finance or other related disciplines.

The Lead Consultant should have relevant qualifications with a minimum of master's degree in economics, telecommunications or finance from a recognized institution with extensive experience in the ICT sector of not less than 10 years working as team leader in multiple projects. The Lead Consultant must fully be conversant and knowledgeable in market research and competition analysis. The Lead Consultant must have good communication, written, presentation and graphical skills.

The two Key Experts should have relevant qualifications with a minimum of master's degree in the following fields: Economics, ICT/Telecommunication, Law, Finance, Public Policy Studies, Regulation, and legislation from a recognized institution with extensive experience in the ICT Sector of not less than 5 years working on similar projects.

Interested consultants must possess and submit the following:

- a) Previous experience in similar assignment.
- b) At least 10 years of experience for the Lead Consultant and 5 years for the key experts in telecommunications/ICTs regulation, including issues such as strong research and analytical skills and experiences in the areas of market research, competition analysis and ICT and development.
- c) Clear demonstrated knowledge and experience in the ICT regulatory sector in general.
- d) Comprehensive background and understanding in subjects related to economics, market dynamics, public policy studies, ICT/telecommunication policy, regulation, and legislation.
- e) Good knowledge and experience of the Local/Regional Communications Market.
- f) Excellent writing and communication in English language.

6.2 Working Language

The working language for the consultancy service shall be English.

7. SHORTLISTING OF FIRMS

Expressions of interest will be evaluated in accordance with the Public Procurement and Disposal of Public Assets Act of 2025 and its subsidiary legal framework. Participation is open to all eligible bidders both local and international.

A shortlist of a maximum of shortlisted six (6) consultancy firms shall be invited to submit technical and financial proposals to the Authority. The successful firm will be selected through a **Quality & Cost Based (QCBS)** selection method using Lumpsum Request for Proposal (RFP) Document.

8. EXPRESSION OF INTEREST (EOI) SUBMISSION

Interested eligible consultants may submit Expressions of Interest (EOI) in sealed envelopes clearly marked **“Provision of Consultancy Services for Market Definition and Competition Assessment for the Communications Services Sector in Malawi”** to the address highlighted below. The submission **MUST** include;

- a) Company Registration Certificate or Certificate of Incorporation.
- b) Power of the Attorney
- c) Consultant(s) profile including description and details relevant similar assignment conducted for other previous clients.
- d) Team composition and qualifications of the Lead Consultant and the Key Experts proposed for the assignment proven through inclusion of Certified Curriculum Vitae (CV); and
- e) At least (2) letters of recommendation from previous clients addressed to MACRA

THE CHAIRPERSON,
Internal Procurement and Disposal Committee (IPDC),
Malawi Communications Regulatory Authority (MACRA)
Area 13
Green Heritage House
P.O. Box 30214
Capital City
LILONGWE 3
Attention: Head of Procurement & Supply Chain
E-mail: procurement@macra.mw

8. SUBMISSION AND CLOSING DATE FOR EXPRESSION OF INTEREST (EOI)

Closing date for submission of EOI's is on **1st July 2025 at 10:00 hours** and opening shall commence at the same time. Bidder's representatives and the public who wish to attend the opening ceremony are most welcome.

Interested consultants are encouraged to include a soft copy with their EOI