

TAX REFORMS COULD BRING MILLIONS ONLINE

By Laura Nagaba

At a high-level gathering in Kinshasa, DR Congo, a clear message echoed across the room: Africa's digital future depends not just on innovation, but on policy.

Speaking at the inaugural États Généraux du Secteur des Postes et Télécommunications, Daddy Mukadi, the chief regulatory officer of Airtel Africa and chair of the GSMA Africa Policy Group, called on governments across the continent to rethink how they tax and regulate the telecommunications sector.

The event was designed to shape a strategic roadmap for the DR Congo's digital future. But Mukadi's remarks stretched far beyond one country. He framed telecommunications not as a supporting industry, but as the backbone of Africa's economic transformation.

"The telecoms sector can no longer be considered merely as a support sector," he said. "It is now a core sector. Both are vital and every other sector, from security and finance to transport and health, depends on digital technology for growth."

His call comes at a pivotal moment. According to the GSMA's Mobile Economy Africa 2025 report, the



Two ladies transacting online. Telecom leaders say tax cuts on devices and infrastructure could expand digital access across Africa

TELECOM LEADERS PROPOSE TAX CUT

Telecom leaders stressed that Africa's digital future depends heavily on supportive government policies, not just innovation.

Daddy Mukadi of Airtel Africa argued that

telecommunications is now a core economic sector powering industries like finance, health, and transport, yet most Africans remain offline mainly due to high costs rather than lack of network coverage.

mobile sector contributed \$220b to Africa's economy in 2024, accounting for 7.7% of GDP. This figure is expected to rise to \$270b by 2030. Yet, despite

network coverage reaching 95% of the population, nearly three-quarters of Africans remain offline.

The problem, Mukadi argued, is not

access but affordability. At the heart of his proposal are two bold tax reforms aimed at bridging this gap.

Mukadi urged governments to introduce a temporary exemption, lasting two to three years, on import duties and taxes for entry-level smartphones priced between \$40 and \$150. These devices, he noted, are the gateway to digital participation for millions.

Second, he called for the removal of import duties on telecommunications equipment for at least three years. This, he explained, would lower the cost of expanding network infrastructure, enabling operators to reach underserved and rural communities more quickly.

"These reforms would help deliver inclusive and sustainable digital technology for economic and social progress," Mukadi said, stressing that connectivity is no longer a luxury, but a necessity.

For Airtel Africa, which serves over 170 million customers across 14 African countries, its mission is to expand access, improve services and drive both digital and financial inclusion.

SIMILAR PROPOSALS FROM CSBAG

In the case of Uganda, the Civil Society Budget Advocacy Group (CSBAG)

recently released a policy briefing entailing proposals on the need to scrap and reduce several digital taxes to expand Uganda's digital economy.

According to CSBAG, removing the 12% excise duty on internet data could bring up to four million more Ugandans online by 2030.

The civil society believes that the broader impact of Government removing digital taxes could be transformative by creating an estimated 1.79 million jobs and about sh2.1 trillion in additional annual tax revenues driven by increased economic activity.

A study carried out by CSBAG on the implications of mobile money taxes established that the taxes lead to a 40% drop in mobile money usage after introduction of mobile money taxes in 2018 (IGC).

Emerging research supports this perspective

A study by GSMA suggests that reducing taxes on data could bring millions more Ugandans online, unlock job creation, and expand the tax base through increased economic activity.

Similarly, findings by the Economic Policy Research Centre indicate that modest reductions in digital taxes could stimulate growth and generate higher long-term revenues.

... farming in Uganda