Emergence of fast evolving digital technologies, increased regulatory pressure and global economic uncertainty are key factors in the current risks landscape. KPMG Risk Consulting assists clients to develop robust risk mitigation methods by interpreting the underlying drivers of global risks.
• Short innovation cycles are creating operational challenges for businesses to bring out new products and services at shorter intervals.
• International operations leading to risks due to non-compliance with various regulations, economical and political developments, discriminatory fiscal policies etc.
• Inability to compete against the price, network coverage, quality of product and customer relationship management offered by competitors.
• Falling price levels for voice and data services in the fixed network and in mobile communications resulting in reduced growth of revenue.

• Growing dispute over spectrum pricing and deployment, and rise in network constraints due to limited frequency spectrum available.
• Risks related to infringement of intellectual property rights and non-availability of rights to use the intellectual properties of third parties that are necessary for the conduct of business.
• Unfavorable litigation or governmental investigation could result in payment of significant damages/settlements or lead to onerous operating procedures.
• Regulatory and compliance risk due to changes in international and domestic laws, rules, policies and tax regulations.

• Reliance on suppliers for sourcing equipment, network devices, and other components, parts and systems has increased the concentration of risk.
• Damages to network and billing infrastructure due to major upheavals such as terrorist acts, diseases, strikes, and other natural disasters can affect operations in national and international markets.

• IT risks relating to malfunction or disruption in the operation of the systems, or cybersecurity breaches, could adversely impact the company’s ability to compete.
• Technological risks relating to rapid development of technology and the effects of product substitutes, malfunction or disruption in the operation of systems.

• Risk from changing consumer spending and ability to refinance due to the current financial conditions globally.
• Market risks due to fluctuations in interest rates, currency exchange rates, prices, credit spreads and volatility in capital markets.
• Risks and costs associated with downgrade in credit ratings which have a negative impact on the ability to obtain external financing.
• Inability to effectively and efficiently invest and upgrade network and IT technology.

• Owing to growing mobile traffic, spectrum release and associated auction by governments globally poses dual risks to industry players in the form of lower return on capital due to potentially high cost of spectrum and regulatory issue.
• Risk of disruptive competition from OTT (over-the-top) players resulting in price and product erosion and impacting both revenues and margins of existing players.
• Increasing pressures to develop, upgrade and successfully launch and market new products to meet unpredictable customer demand.

• Stringent environmental regulations by governments to reduce radiation from base station hinders infrastructure development.
• Inability to attract and retain qualified personnel while appropriately managing costs related to employee benefits.
• Risk to reputation/brand as a result of negative assessment or comments from stakeholders.

Contact us:
Ashley Smith
Internal Audit, Risk & Compliance Services
Practice leader for Europe, Middle-East & Africa (EMA)
T: +27 (0)82 719 2392
E: ashley.smith@kpmg.co.za