

---

# ITU Arab Regional Workshop on Mobile Roaming: National & International Practices

27 to 29 of Oct, 2015 in Sudan - Khartoum

## **The Role of the Regulator**

Presentation by: Lukas Musembi

# Growing Regulatory concern

IMR not prioritized by regulators

The focus was to open mobile market, creating competition, consumer protection, interconnection issues...)

Belief that sufficient competition in national mobile market would spill over to IMR Market

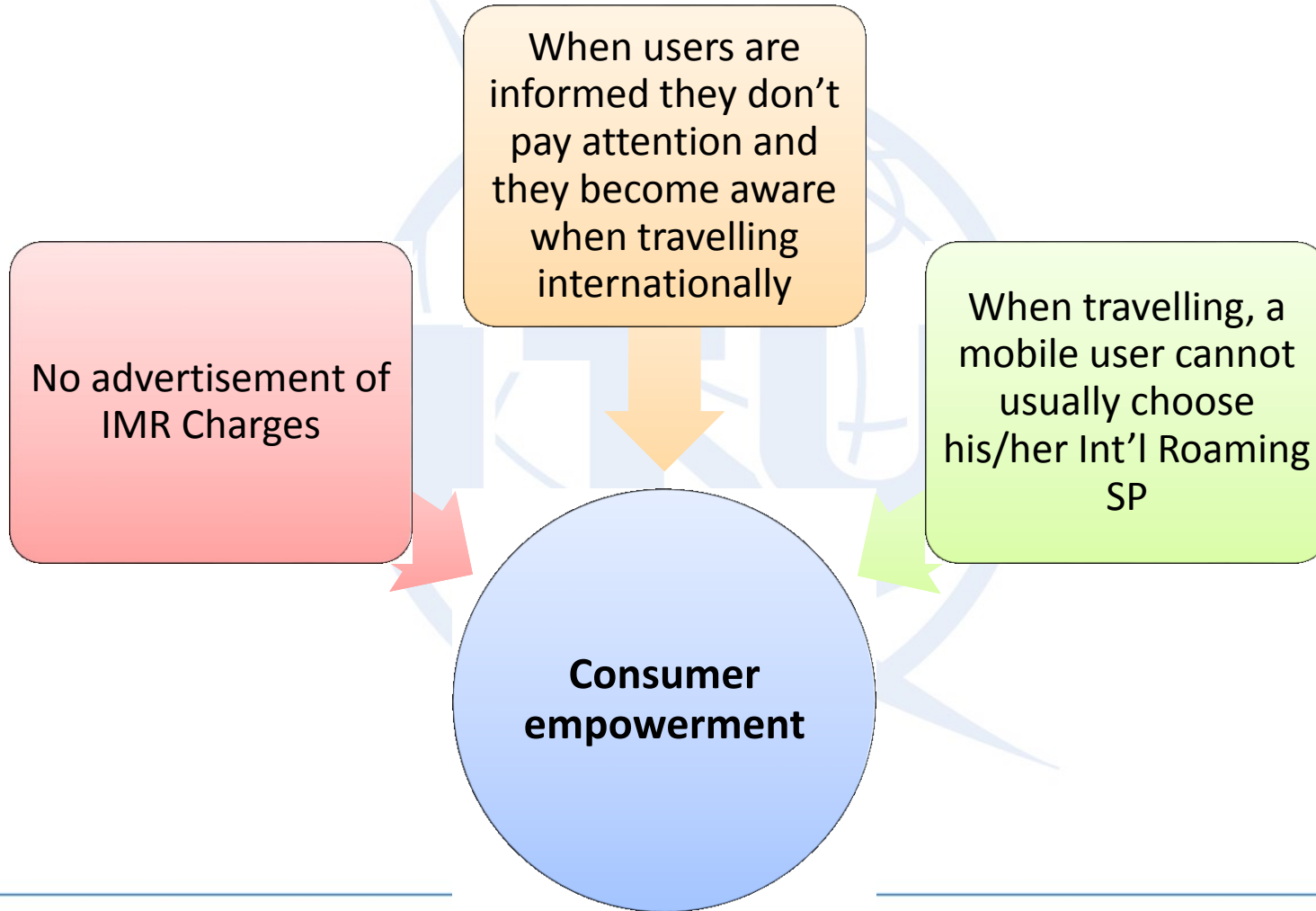
Increase of “Bill Shock” due to rapid diffusion of smart phones and mobile data applications

Prompting media and political pressure to tackle the problem of high IMR Prices





# Growing regulatory concern: Lack of consumer empowerment



# Growing regulatory concern...Cont.

Increased use/**dependability of mobile services** reflected by the growth in mobile services by subscribers when visiting other countries

**Growth in International travel** (due to opening of economies FDI that stimulated the dvlp of tourism, growth of GDP par capita)

Development of Mobile application for business, tourism and payments

**Slow decrease of IMR prices** over several past years

IMR prices set by mobile industry

Increase of Machine to Machine (M2M) traffic



---

# Why regulate?

- The market is the best regulator –*regulation should only do what markets cannot do, or facilitate the effective introduction of markets*
- Regulation is necessary to protect vulnerable consumers

---

# Possible market failure?

---

Market Failure?

---

Market forces are weak

---

When freely functioning markets operating without government intervention fail to deliver an efficient or optimal allocation of resources

---

Economic and social welfare may not be maximized and there will be a loss of economic efficiency

---

**Main cause:** Absent or asymmetric available information

# Unilateral regulatory action?



The Regulator from A can:

- Reduce Retail Prices charged by MNO for call made from B
- Reduce the termination charges

**No Incentive for country A  
if there is no reciprocity of  
such action**

This will NOT benefit  
resident of Country A when  
travelling but it will benefit  
other countries visiting A

---

# Multi-country issue by nature

- *No guarantee that unilateral action by one national **regulatory authority** in its country will on its own lead to **reciprocal action** in other countries*
- Cooperation between regulators and policy makers either **bilaterally** or **within a region** is more likely to be more effective than unilateral action by one national regulatory authority.



# Regulatory decision making process

Collection  
of data  
from  
operator  
e.g using  
questionnai  
res

Consideration  
or available  
regulatory  
options

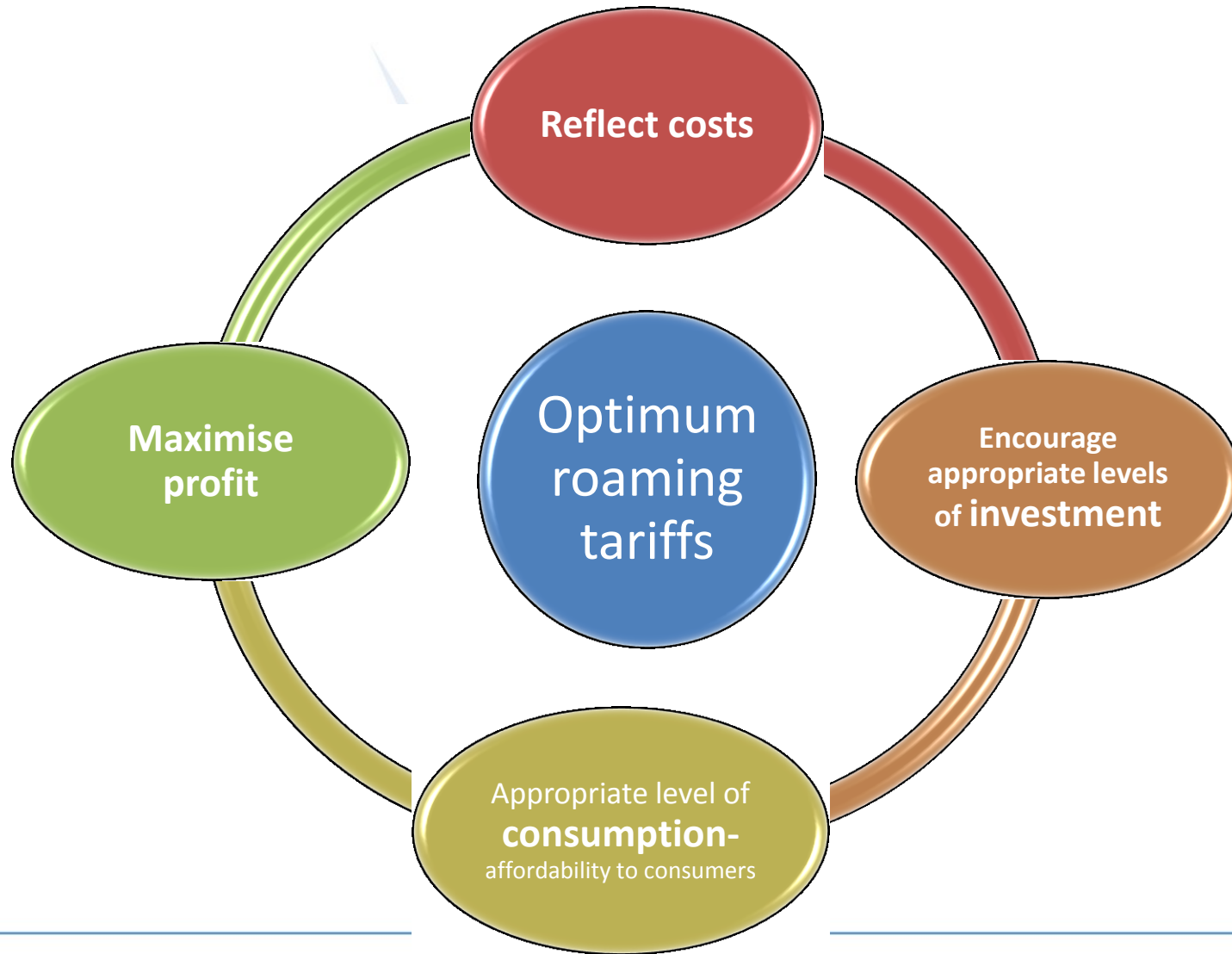
Decision  
?

Analysis  
of data

Stakeholders  
consultations

Post  
impleme  
ntation  
analysis

# Optimum tariff setting



---

# Regulatory options

Remove barriers which may cause high input costs of IMR e.g. **remove SIIT, monopolies on international gateways**

**Swift complaint resolution framework**

**Sharing of information with other regulators**

**Encourage introduction of various types of roaming alternatives/substitutes e.g MVNO's**

**Access to free local emergency services**

---

# Regulatory options: *Consumer empowerment*

---

**Protect and empower subscribers to help them to manage their usage of mobile services when abroad**

---

Warning – “applications on Smartphones may incur charges when roaming”

---

Obligating operators to publish roaming prices (voice, SMS and data) available on mobile operator's web sites.

---

Information of a technical nature available on web sites –e.g how to de-activate data roaming services while roaming

---

Information on partner network preferred in a visited country;

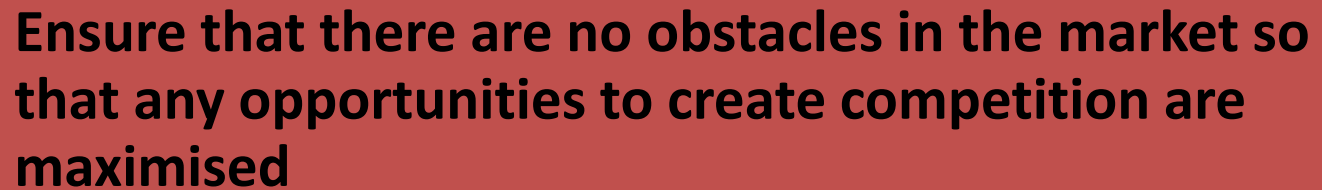
---

Process to follow if subscriber has been inadvertent roaming;

---

---

# Regulatory options...Cont.



**Ensure that there are no obstacles in the market so that any opportunities to create competition are maximised**



**Initiate and engage in bilateral/ multilateral actions in order to develop an competitive international mobile roaming service market.**

---

# Conclusion

“Long term solution is the creation of sustainable competition in the IMR market”

---

**Lukas Musembi**

Email: [lukas.musembi@gmail.com](mailto:lukas.musembi@gmail.com)

**THANK YOU**

Open Discussion