

# LET'S ROAM THE WORLD - The ITU International Mobile Roaming Initiative

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# AGENDA

- Introduction – the roaming issue today
- Regulatory aspects of international roaming
- ITU/BDT Director, Mr. Brahima Sanou LET'S ROAM THE WORLD – Building blocks for Strategic Best Practices Guidelines
- The ITU IMR Resources Portal

# The Roaming Issue Today\*

- International Mobile Roaming incurs additional charges that often are not cost based;
- Action by regulators to counter overcharging for IMR requires that NRAs understand the real cost-based wholesale and retail charges;
- To understand and get clear data on both national MNO costs and those within international wholesale IOTs (inter operator tariffs) international co-operation is required;
- IMR also relies on inter-MNO negotiation and co-operation. In this sense, any IMR counter-measures, by their nature, must be multi-country;
- Roaming alternatives such as OTT services should also be considered when examining policy or regulatory measures;
- It is important to build on the success of ITU-T Recommendation D-98, and subsequent new ITU Recommendation on the way.

# Why is roaming so costly?



- Insufficient attention on the part of the consumer at point of purchase

## Inelastic Demand



- Low demand-elasticity for **IMR voice** services (changing over time)

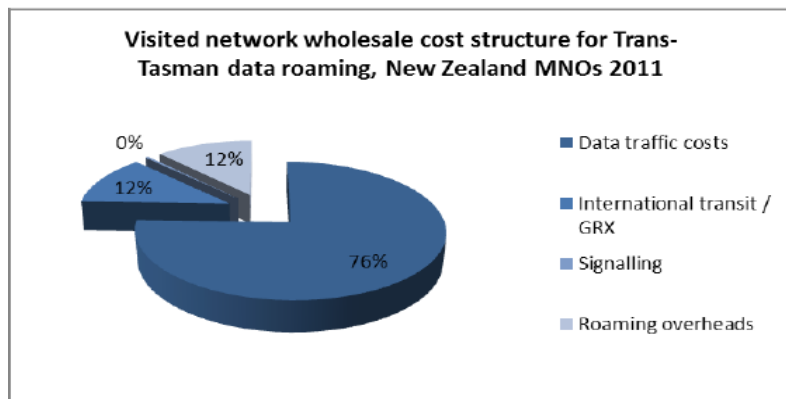
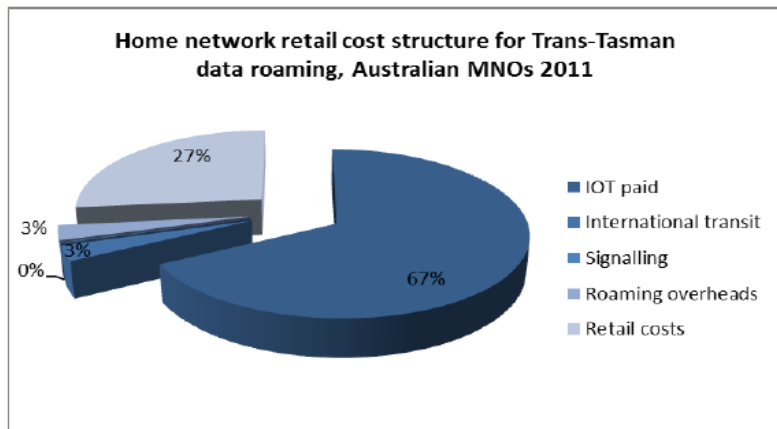
$$\begin{array}{c} \text{Home NW} \\ \text{Retail Margin} \end{array} + \begin{array}{c} \text{Visited NW} \\ \text{Wholesale} \\ \text{Margin} \end{array} = \begin{array}{c} \text{Home} \\ \text{NW} \\ \text{Retail} \\ \text{Price} \end{array}$$

- Cross-border nature of the IMR service

# Cost proportions for different roaming services

## Main cost blocks to the **Home NW:**

- the **IOT paid** for calls made and the **retail costs** for calls received
- the **IOT paid** for SMS sent; the **IOT paid** and the **retail costs** for data accessed.



## Main cost blocks to the **Visited NW:**

- **network costs** (origination, termination) for calls made and received;
- **network costs** (origination) for SMS sent; and **data traffic costs** for data accessed.

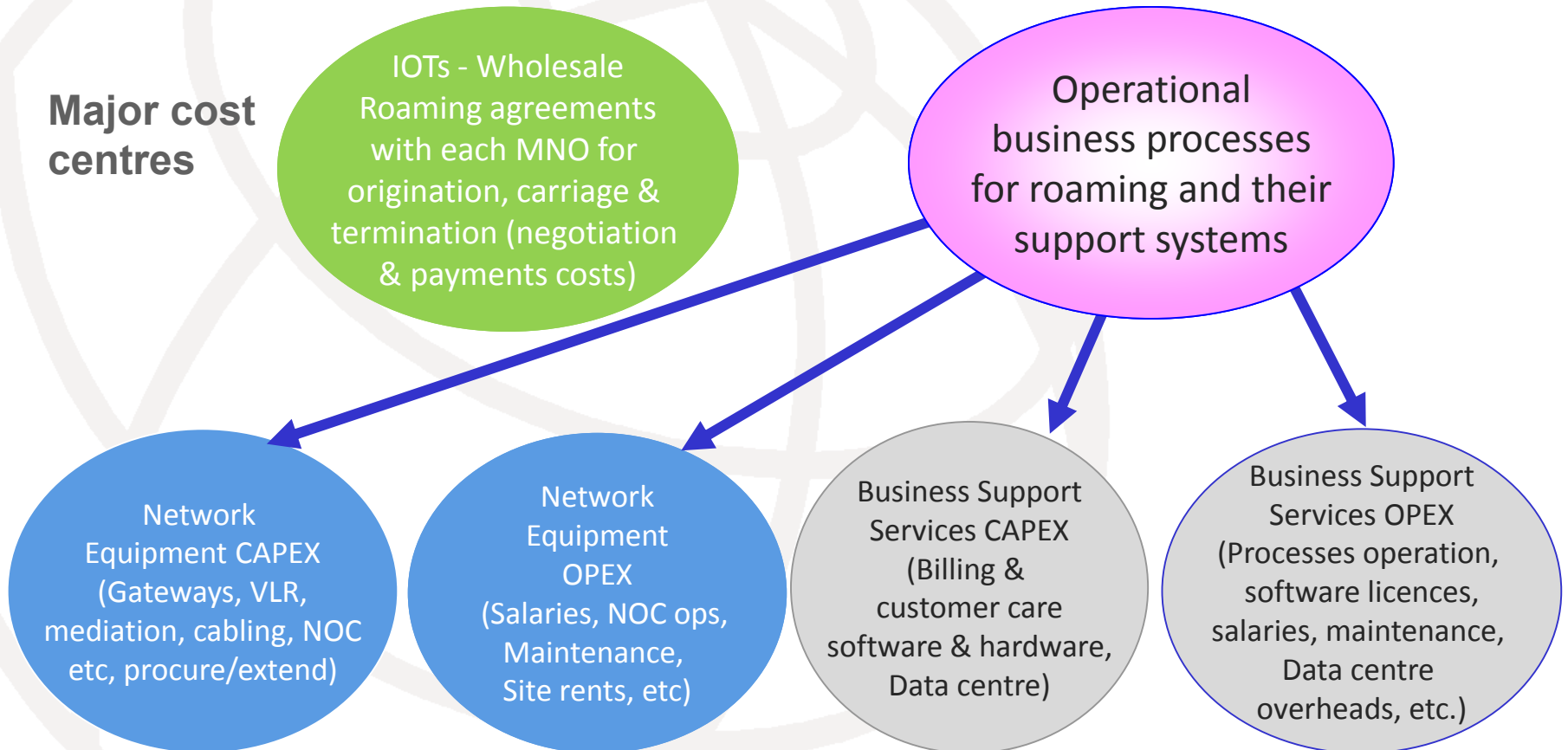
## Home and visited NW costs for Trans-Tasman Data Roaming 2011

Cost component	Australia visited NW cost 2011 (per MB in Au\$cent)	New Zealand visited NW cost 2011 (per MB in NZ\$cent)
Data traffic cost	18.90	20.79
International transit	2.85	3.36
Signalling	0.14	0.11
Roaming overheads	2.78	3.28
Cost component	Australia home NW cost 2011 (per MB in Au\$cent)	New Zealand home NW cost 2011 (per MB in NZ\$cent)
IOT paid	63.73	42.86
International transit	2.85	3.36
Signalling	0.14	0.11
Roaming overheads	2.78	3.28
Retail costs	25.18	29.68

Source: WIK 2012

# International roaming involves the following cost centres

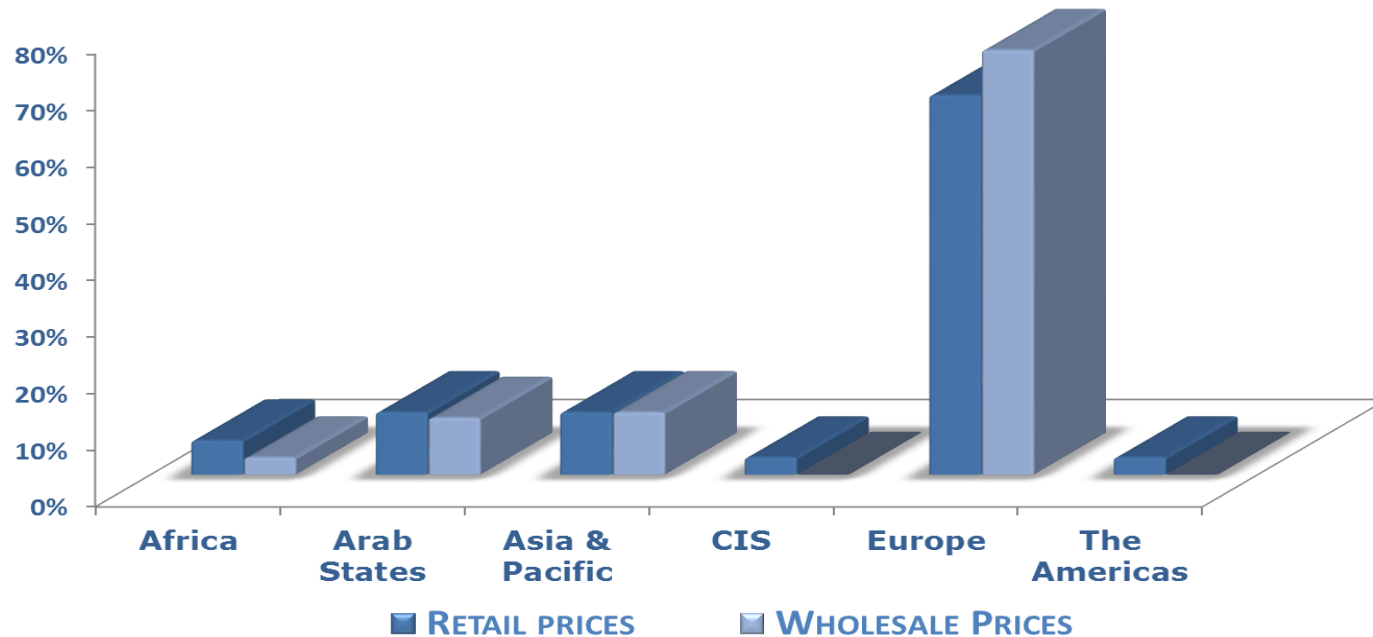
So roaming costs should be just an additional *fraction* of domestic costs



# Regulatory aspects of International Roaming

## Are countries regulating IMR prices?

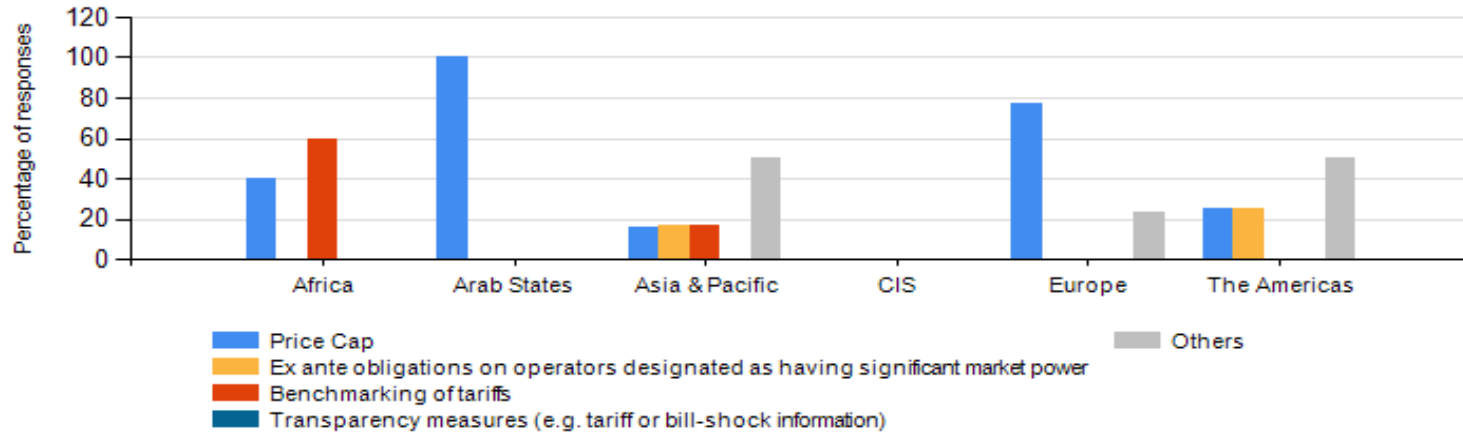
Percentage of countries that regulate IMR prices by Region, 2014



# And what are the IMR Regulatory practices applied??

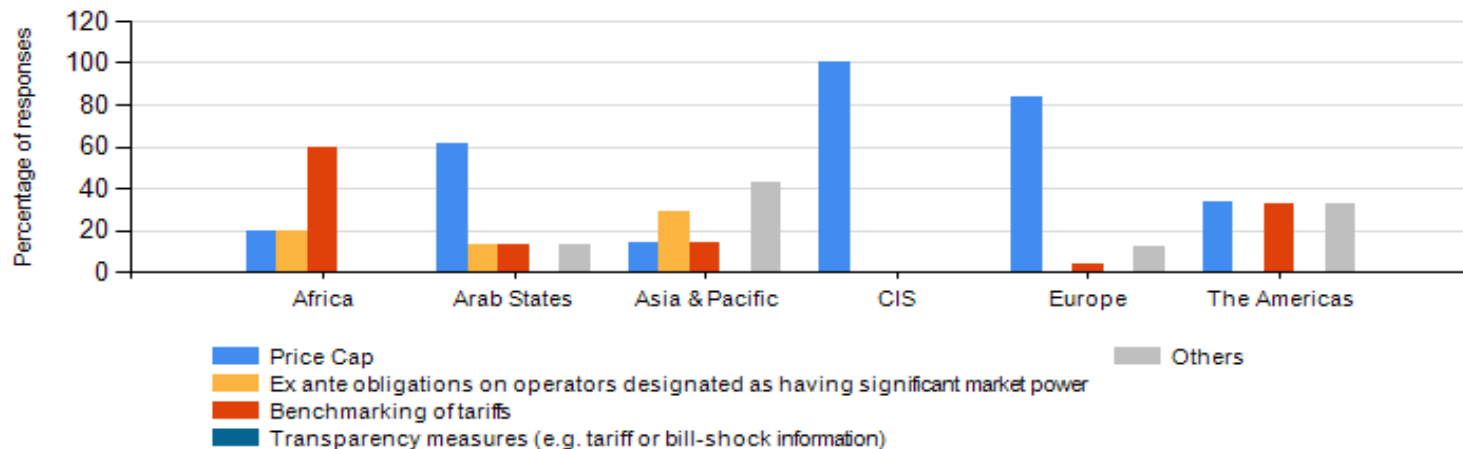
## Wholesale services, 2014

If yes, what kind of regulatory practice is applied?, 2014



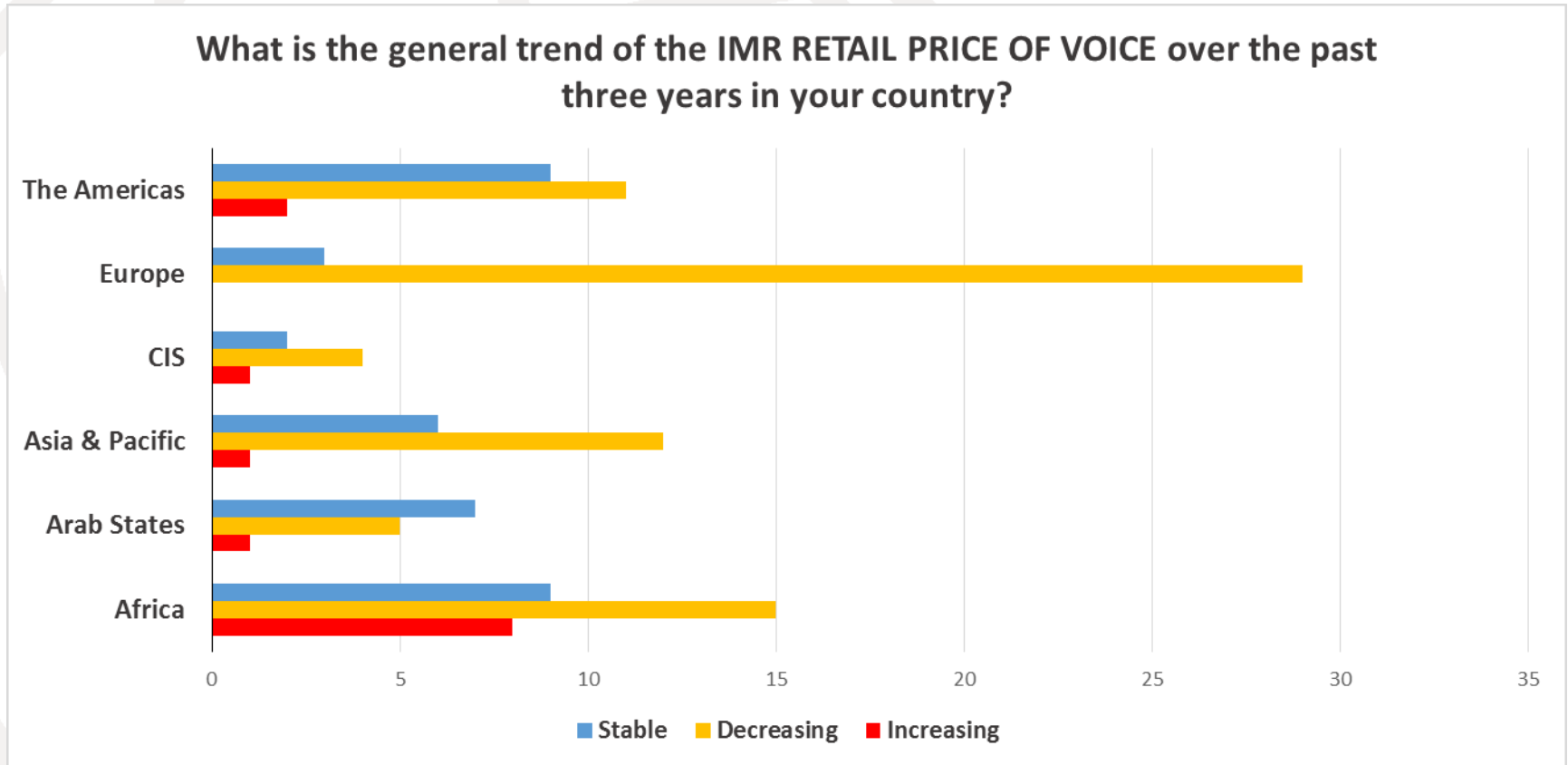
## Retail services, 2014

If yes, what kind of regulatory practice is applied?, 2014





# General trends of IMR Prices over the past three years



Source: ITU Tariff Policies database, ICTEye ([www.itu.int/net4/itu-d/icteye/](http://www.itu.int/net4/itu-d/icteye/))

# IMR market competition

- The current structure of the international mobile roaming market does not lend itself to the creation of long-lasting competition
- For users it is difficult to compare mobile roaming prices
- The emergence of substitutes has been helpful but most are not close substitutes (e.g. data)
- Technological developments have also helped in lowering prices (e.g. the expansion of MNO with cross-border footprints)
- Maintaining price caps over a prolonged period is not viewed as a desirable option by most regulators
- Structural measures would be required based on the need to open the IMR market to competition.

# IMR price still remains a very important issue

- Despite price reduction for IMR
- The emergence of a range of alternative technologies and calling solutions
- Prices still diverge significantly from costs

# ITU/BDT Director, Mr. Brahima Sanou

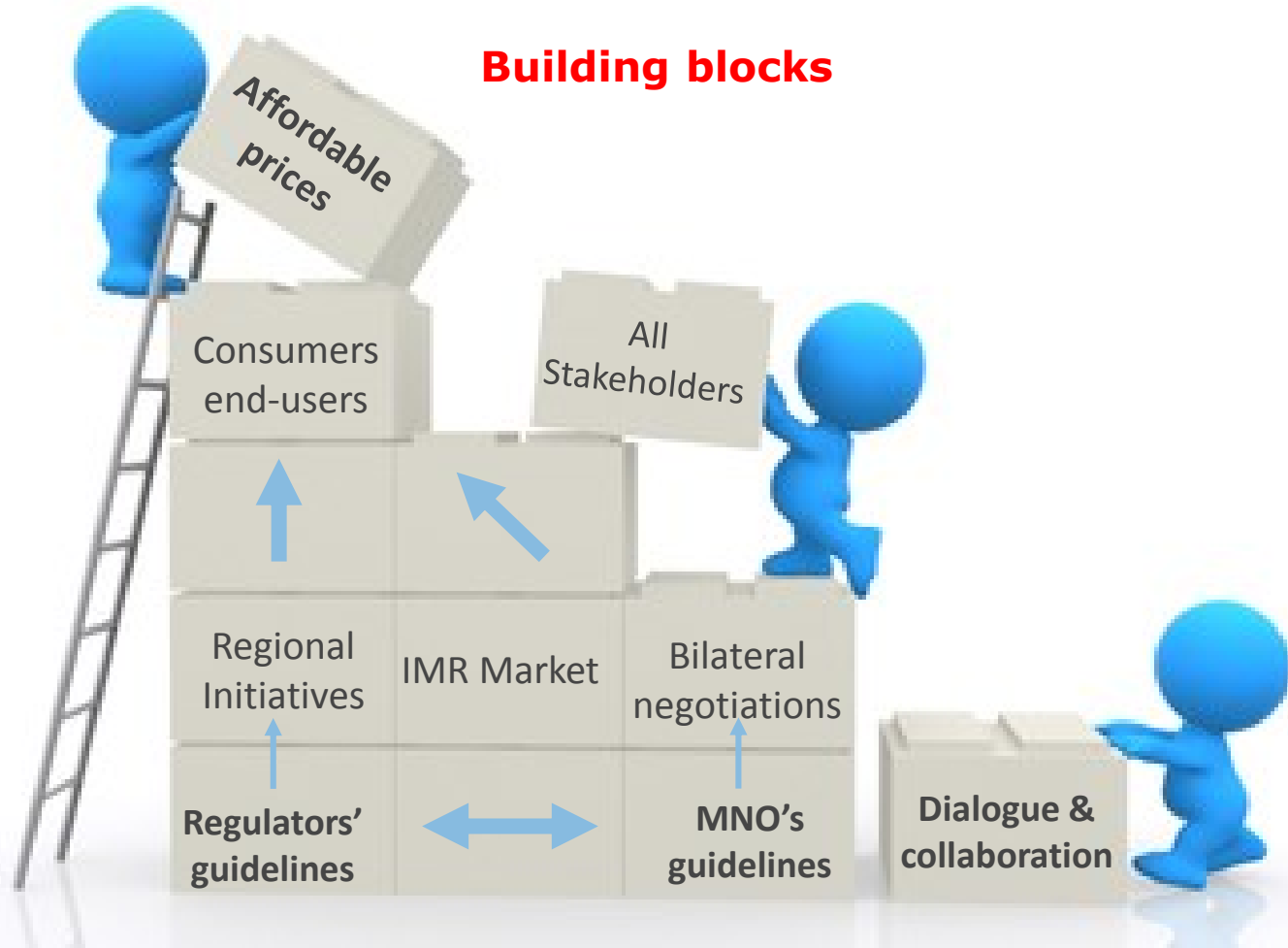
## LET'S ROAM THE WORLD

- ITU is a neutral platform actively working on IMR (research, data collection, studies, development of tools...)
- ITU can enhance dialogue with all stakeholders (e.g. IMR Round-Tables)
- Together all stakeholders to develop “IMR Strategic best practices guidelines” building blocks
- Ensure its high level adoption (through the organization round tables and high Level IMR Meetings)
- ITU can work together with Regional Regulatory Associations (RA) to facilitate the dissemination of the results through various channels, such as:
  - ITU Events;
  - Regulatory Regional Association events, and
  - Capacity building



# LET'S ROAM THE WORLD

## The ITU Initiative -Roadmap





# LET'S ROAM THE WORLD - ITU International Mobile Roaming (IMR) Resources Portal



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ITU successfully organized the LET'S ROAM THE WORLD: The ITU Global Dialogue on International Mobile Roaming (IMR) that took place at the ITU Headquarters in Geneva, Switzerland, on 18 September 2015 in conjunction with the annual meeting of the ITU-D Study Groups (Study Group 2 on 7-11 September and Study Group 1 on 14-18 September) and back-to-back with the Mobile Roaming rapporteur group Meeting of ITU-T Study Group 3 (16-17 September), as part of the Global Initiative launched in 2013 by Mr Brahima Sanou, Director of the ITU Telecommunication Development Bureau in coordination with the ITU Telecommunication Standardization Bureau (TSB).

During the last several years significant policy and regulatory actions have taken place to tackle the problem of high International Mobile Roaming (IMR) service prices at national, regional and international level. The aim has been to reduce what is viewed as excessively high mobile roaming retail prices but also to find longer term solutions to introduce competition in this market which is still viewed as not being contestable. Despite price reduction for IMR and the emergence of a range of alternative technologies and calling solution which, though not always offering close substitutes to roaming, may help in averting some of the challenges, there is no agreement that prices diverge significantly from costs and that actions to reduce prices taken place to date across different regions is encouraging to improve the delivery of IMR services to the end user. (IMR) Resources was developed as a one-stop portal for all activities done by other regional and international level.

Other interesting IMR links More ITU-D resources News

- EU First results of the roaming public consultation (March 2016)
- EU New rules on roaming charges and open Internet (October 2015)
- Final Report on the GCC International Mobile Roaming consultation (June 2015)
- Bilateral agreement between Belgian and Luxembourg telecoms regulators (April 2015)
- GSMA - GSM Roaming and Coverage Maps
- African Union (AU) International Mobile Roaming Guidelines (September 2013)
- APT Working Group Report on IMR (May 2012)
- Trans-Tasman mobile roaming - joint Australia-New Zealand IMR investigation
- Symposium on International Mobile Roaming organized by OMC and Australia Delegation, Geneva, Switzerland March 2012

... website on IMR for UK consumers ... International Mobile Roaming Explained, source

## RECENT ITU ACTIVITIES ON ROAMING

- [ITU-BDT Arab Regional Workshop on Mobile Roaming: National & International Practices](#) Khartoum, Sudan 27-29 October 2015
- [LET'S ROAM THE WORLD: The ITU Global Dialogue on International Mobile Roaming \(IMR\)](#) Geneva, Switzerland 18 September 2015
- [ITU International Mobile Roaming \(IMR\) Cost Analysis Tool](#)
- [ITU Guide for NRAs on International Mobile Roaming Cost analysis, Technical Paper](#) September

- ITU Guide for NRAs on International Mobile Roaming Cost analysis
- ITU International Mobile Roaming Cost Analysis Tool

- International Roaming: Analysis of the impacts of "Roam Like at Home" (RLAH) - December 2014
- International Roaming BEREC Benchmark Data Report April 2013 - September 2013

## FOR BEST PRACTICES

... on International Mobile ... in September 2015, ... of stakeholders to ... in the area of ... mobile roaming, in particular the ... and regulatory measures being employed ... reduce the prices that users pay for roaming services. Set against the backdrop of an ICT industry playing host to the emergence of machine-to-machine communications and the Internet of Things, the dialogue provided a neutral platform to

ITU developed the **International Mobile Roaming (IMR) Resources Portal** as a one-stop portal to show all the work done by ITU in this area as well as to inform about activities done by regional and international organizations and initiatives at the national, bilateral, regional and international level.

## More Information

- Telecommunication Development Sector
  - [www.itu.int/ITU-D/](http://www.itu.int/ITU-D/)
- Telecommunication Standardization Sector
  - [www.itu.int/ITU-T/](http://www.itu.int/ITU-T/)
- BDT Regulatory and Market environment information
  - [www.itu.int/treg](http://www.itu.int/treg)
- ITU International Mobile Roaming Resources
  - [www.itu.int/en/ITU-D/Regulatory-Market/Pages/Roaming\\_info.aspx](http://www.itu.int/en/ITU-D/Regulatory-Market/Pages/Roaming_info.aspx)
- ITU International Mobile Roaming Cost Analysis Tool
  - [www.itu.int/net4/roamingtool/](http://www.itu.int/net4/roamingtool/)

# International Telecommunication Union

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