

International Roaming



Hashemite Kingdom of Jordan

Telecommunication Regulatory Commission

Presented by

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Contents



Introduction

International roaming prices

Affordability initiatives

International roaming pricing challenges

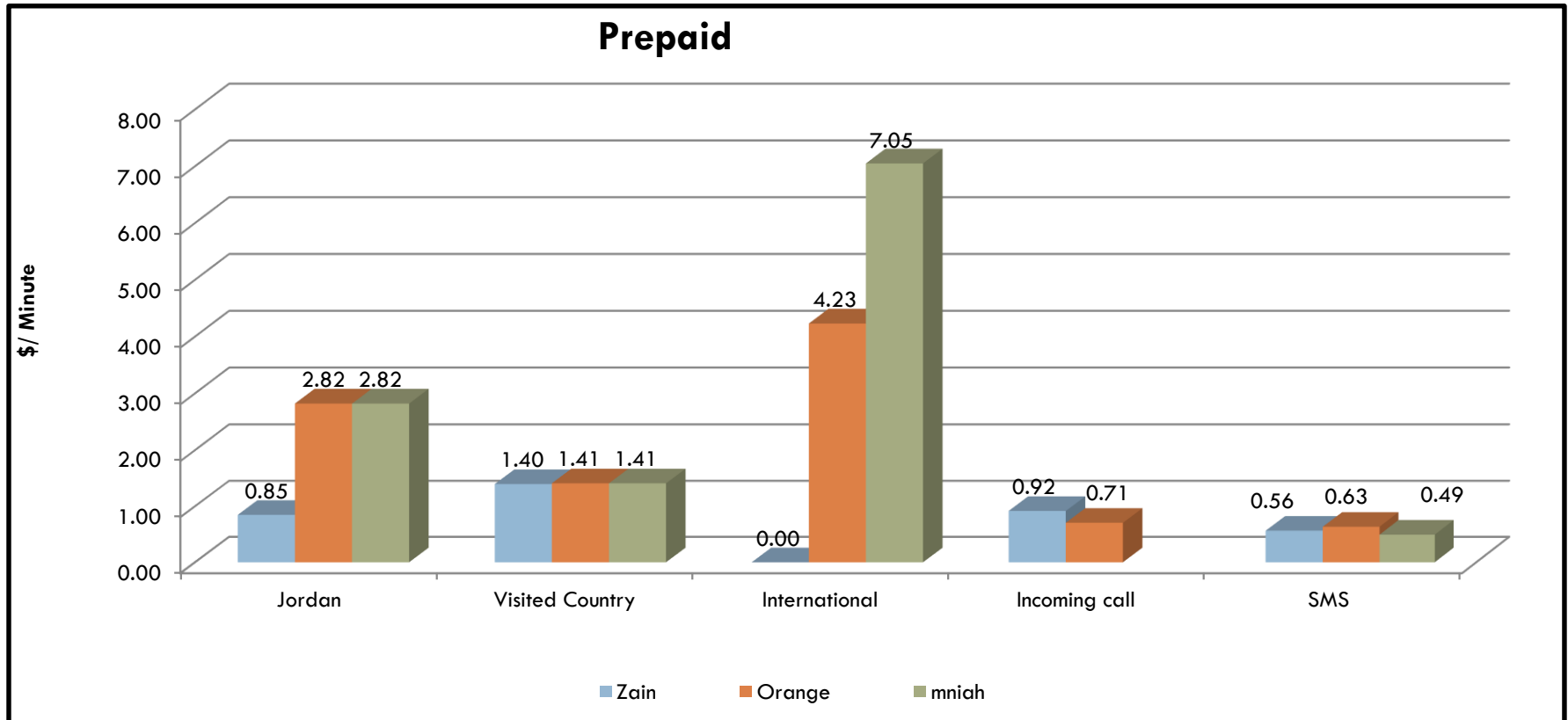
Recommendations

Introduction

- Jordan with other 21 Arabian country share the same culture and same language.
- To some extent the mobile market in Arabian countries are mature with high penetration rate and affordable mobile services.
- Roaming was and still the main concern for all Arabian countries
- Efforts made through Arab league encouraging lower roaming and international prices.

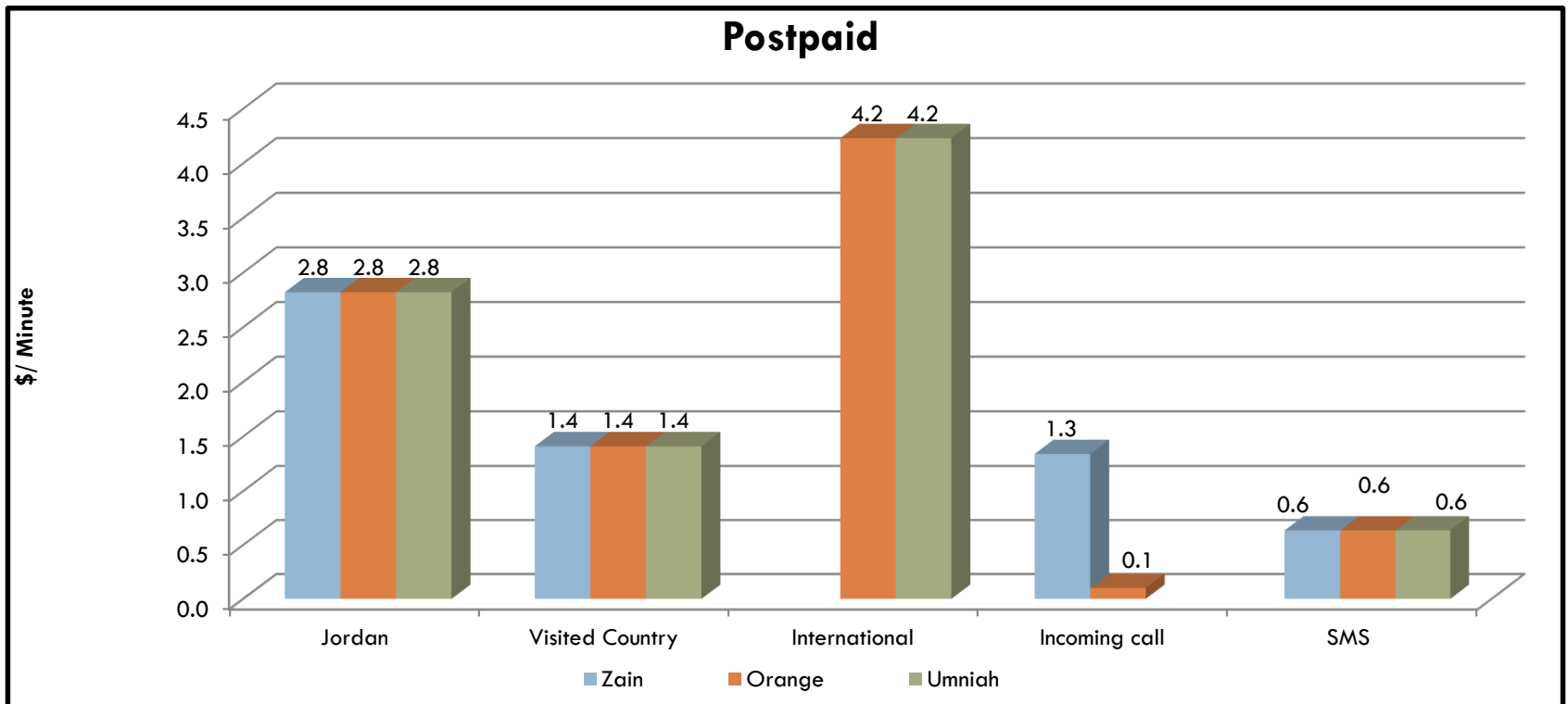
International Roaming Prices

- Jordan Example..
- Jordanian roamer across Arab countries:



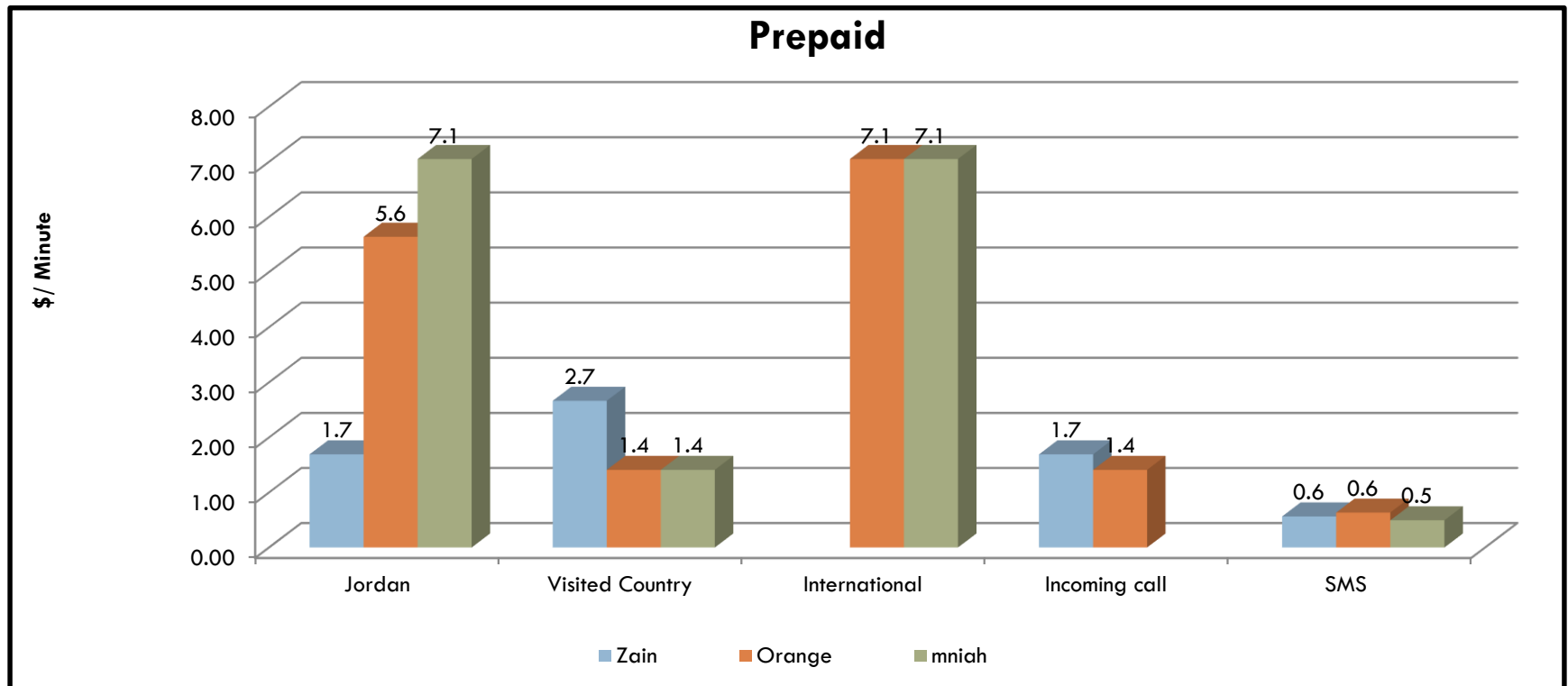
International Roaming Prices

- Across Arab countries postpaid pay higher for incoming and SMS



International Roaming Prices

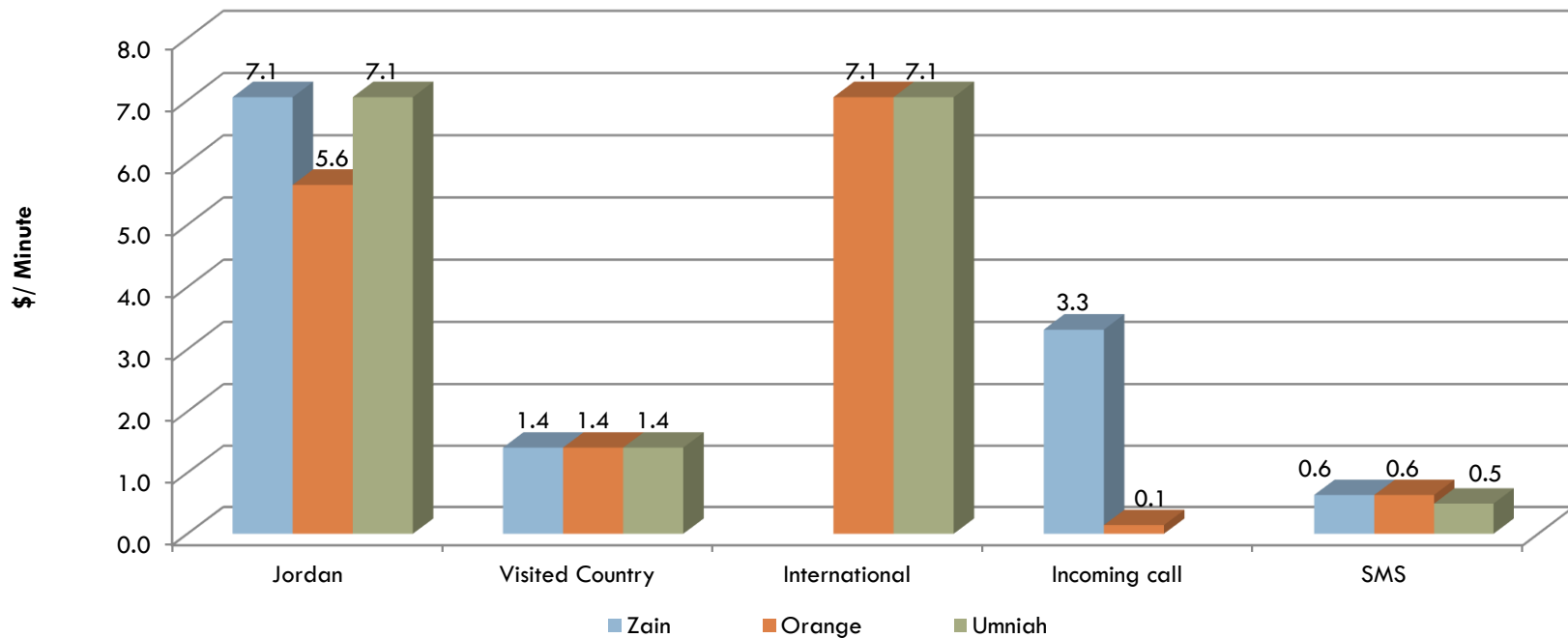
- Jordanian roamer across rest of the world countries



International Roaming Prices

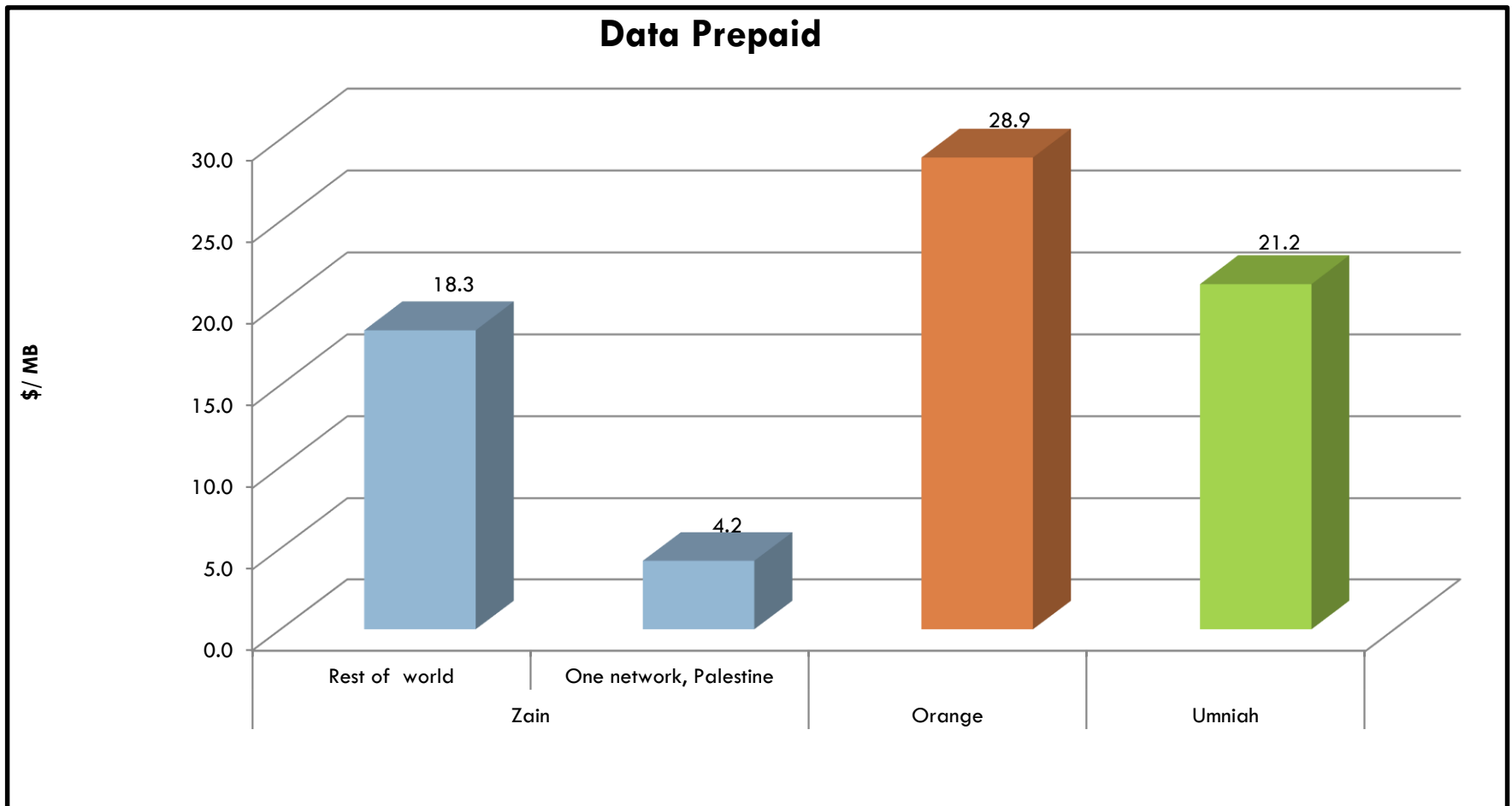
Rest of the world

Postpaid



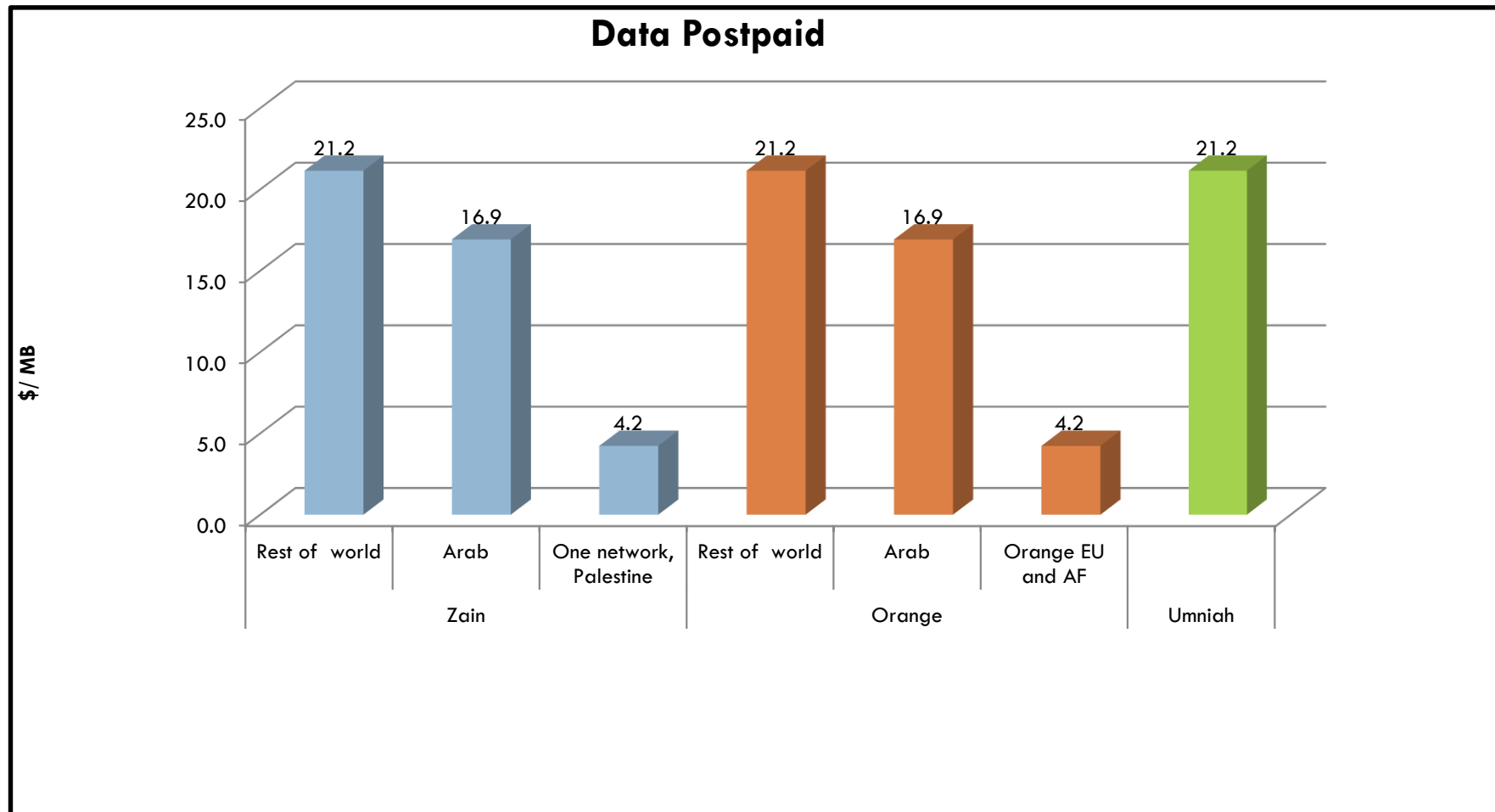
International Roaming Prices

- Data is the most expensive



International Roaming Prices

- Still very high even with preferred agreements.



International Roaming Prices

- **Roaming priced based on the destination rather than the costing.**
- **Super normal profit generated from data roaming.**
- **Indications of agreements on roaming prices.**

Affordability initiatives

- Roaming across GCC
- Seasonal Discount
- Preferred Agreement

Affordability initiatives

GCC initiatives :

- Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and UAE choosing to regulate among:
 1. Taking no action.
 2. Encouraging MNOs to lower retail prices.
 3. Implementing price controls.
 4. Taking steps to increase competition.
- outgoing calls, incoming calls, sending SMS and data services .
- According to GCC report Price cap control on retail and wholesale will gain USD 254m welfare.

Affordability Initiatives

- Seasonal Discount:

Haj season discount allow roamer to benefit from voice and data discount.

- Preferred Agreement:

Lowering roaming prices where the same operator work in several countries (Zain one network).

Affordability Initiatives

- The initiatives good but limited benefits to other countries.
- There is possibility to lower roaming prices to act unilaterally or multi-laterally

International Roaming Pricing challenges

- High differences among countries with regards to:
 - ✓ Taxation Qatar 0% while Jordan 43.8%
 - ✓ Income per capita Qatar 95000\$ while Jordan 5500\$
 - ✓ ARPU Qatar 37\$/month while Jordan 5.5\$/

International roaming pricing challenges

- Different level of competition and different regulatory frame work.
- Costing structures and bargaining power
- Transparency and Commercially sensitive information
- Low ARPU operators challenging any initiatives to lowering roaming prices
- Some practices like steering and **HLR** blocking
- Existence of loyalty fees (Revenue sharing) from telecom sector.
- Practicing market power on roaming and set high wholesale and retail prices

Recommendations

- Classical approach to deal with roaming:
 - Increase consumer awareness and welcoming SMS
 - Measures to avoid bill shock
 - Price control such as price cap
- Classical approach is minimal effect on lowering the prices if acting unilaterally.

Recommendations

It is better to act multilaterally :

- ▣ Coordination to set affordable prices by intervening at wholesale and retail level.
- ▣ Widening the multi-lateral agreements (Jordan-GCC)
- ▣ Coordination to prohibit steering and HLR blocking.
- ▣ The possibility to adopt more interventionist tool like decoupling.



Thank you for your attention