

Virtual meeting | 15-16 June 2021, 9:00 – 12:00 (+3 GMT)

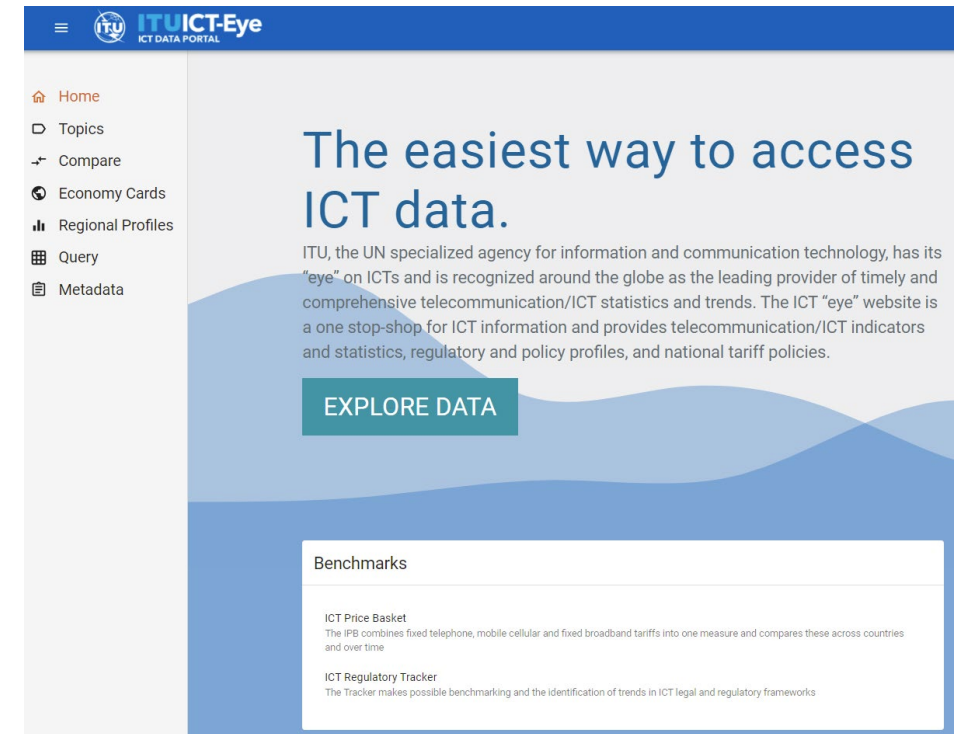
Work of ITU-D Study Groups on economic and tariff policies

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Background

1. In the framework of the ITU-D Study Groups, Question 4/1 is addressing: **Economic policies and methods of determining the costs of services related to national telecommunication/ICT networks**
2. The works on this question started on 1998 as Question 12/1 on Tariff policies, tariff models and methods of determining the cost of national telecommunication/ICT services
3. Coordination with the ITU-T Study Group 3 on Economic Policies is maintained to avoid duplication of work
4. In coordination with Question 12/1 ITU initiated the **ITU Tariff Policies survey** to collect information from National Regulatory Authorities on economic, costs and tariffs issues
5. Now this survey is launched every year and the results are available on the ITU ICTEye database
6. We collect information for more that 150 countries...



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The easiest way to access ICT data.

ITU, the UN specialized agency for information and communication technology, has its “eye” on ICTs and is recognized around the globe as the leading provider of timely and comprehensive telecommunication/ICT statistics and trends. The ICT “eye” website is a one stop-shop for ICT information and provides telecommunication/ICT indicators and statistics, regulatory and policy profiles, and national tariff policies.

EXPLORE DATA

Benchmarks

ICT Price Basket
The IPB combines fixed telephone, mobile cellular and fixed broadband tariffs into one measure and compares these across countries and over time

ICT Regulatory Tracker
The Tracker makes possible benchmarking and the identification of trends in ICT legal and regulatory frameworks

www.itu.int/icteye

The ICT Eye platform is a one stop-shop for ICT information and provides telecommunication/ICT indicators and statistics, regulatory and policy profiles, and national tariff policies information



ITU ICTEye database



Usage in the Digital Ecosystem



ICT Infrastructure and Market Structure



Tariffs

ICT Statistics

Individuals using the Internet

Policy and Regulation

Broadband plans

Universal Access & Service (UAS)

ICT Accessibility

Consumer Protection

Cybersecurity

Net neutrality

E-applications

Internet of Things (IoT)

Cloud computing

VoIP

Counterfeit

ICT Statistics

Fixed-telephone

Mobile-cellular

Fixed-broadband

Population covered by a mobile-cellular network

Active mobile-broadband subscriptions

International bandwidth per Internet user

Households with a computer

Households with Internet

Market Structure

Level of competition

Significant Market Power (SMP)

Functional separation

Status of the incumbent

Foreign participation

Licensing & authorization

Over-the-top (OTT)

Policy and Regulation

Spectrum Regulation

Number portability

Next Generation Networks (NGN)

Infrastructure Sharing

Quality of Service (QoS)

Tariff Policies

Price control

> Retail Services

> Wholesale Services

Cost and tariff modeling

Interconnection

Taxation

Broadband services pricing

Bundled services

International Mobile Roaming (IMR)

Benchmarks

ICT Price Basket

The IPB combines fixed telephone, mobile cellular and fixed broadband tariffs into one measure and compares these across countries and over time

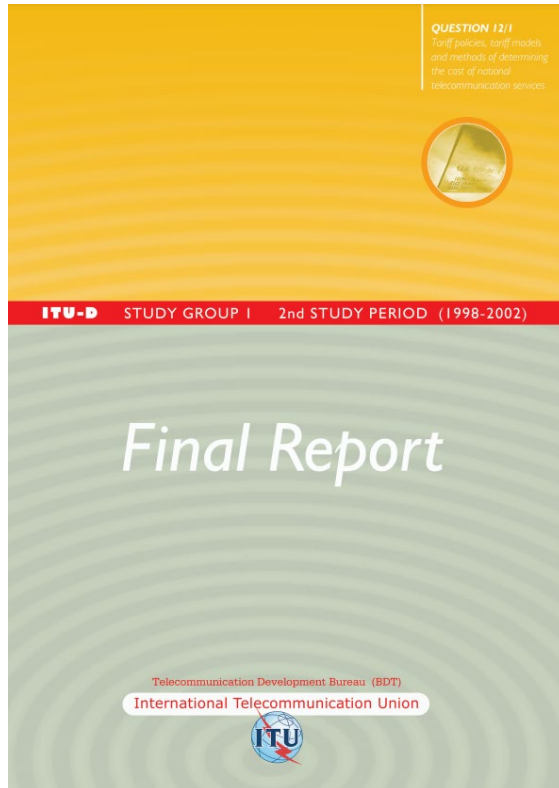
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Question 4/1 retrospective



1998-2002 Q12 1/1

- Tariff structure and rebalancing
- Develop database on Tariff Policies
- Identify main methods of determining and calculating the costs of telecommunication services
- Develop suitable costing and tariff models
- policies and regulations for ensuring cost-oriented tariffs

2002-2006 Q12 1/1

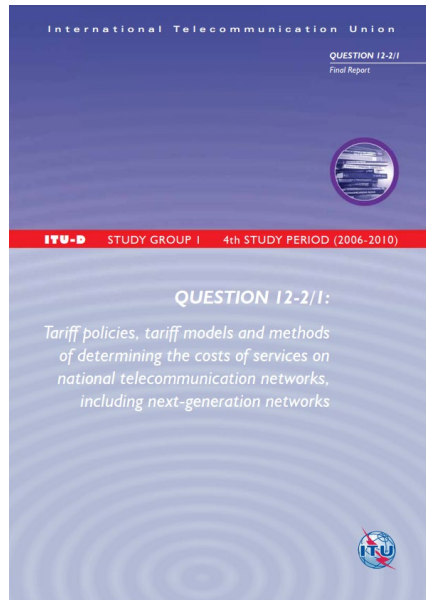
- Policies, tariff models and determination of the costs of services
- Monitoring competition
- Tariff rebalancing
- Concept of dominance
- Market Analysis

COSITU COST MODEL
DEVELOPMENT

Implementation of training
and direct assistance



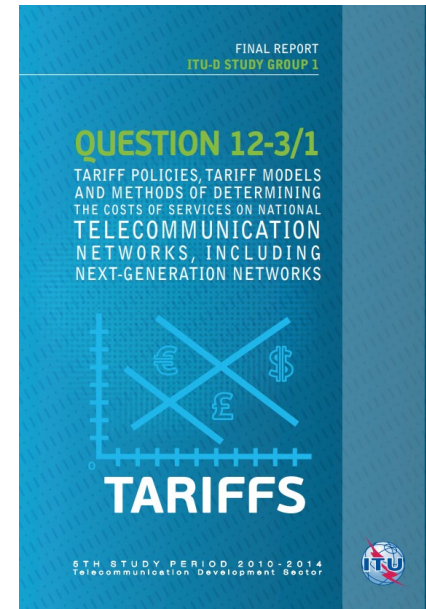
Question 4/1 retrospective



2006-2010 Q12 2/1

- Cost models and tariff policies
- Cost models used in setting tariff for new services
- Concept of dominance
- Financial and tariff implications of site sharing for terrestrial mobile networks
- Economic aspects of NGN investment projects
- Migration from traditional networks to NGN

Guidelines for Growth in data communication in developing countries



2010-2014 Q12 3/1

- Economic implications of NGNs
- Cost structure of NGN Services
- The regulation of tariffs of services provided over NGNs
- Financial and tariff impact of site sharing for terrestrial mobile networks

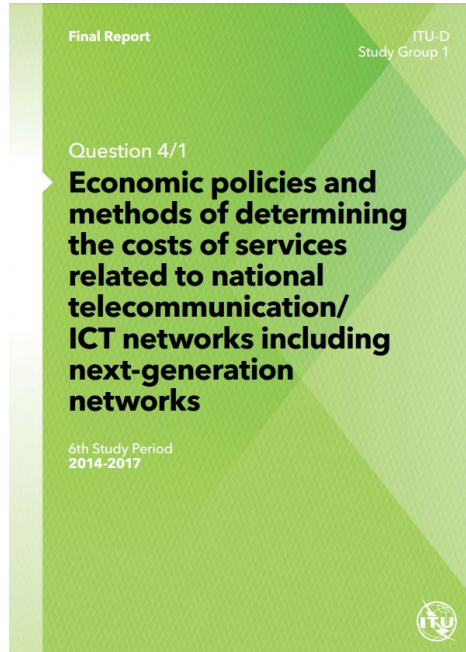
Guidelines:

- for Making the Transition from Existing Service Offerings in Developing Countries to Combined Voice and Data services
- Economic Investment Plan Models Used by Countries Experienced in the Transition to NGNs

Question 4/1 retrospective

2014-2017 Q4/1

- New methods of charging for services
- Different models for sharing infrastructure
- Consumer price evolution and the impact of ICT service
- Methods of determining licence fees
- **Guidelines on:**
 - Infrastructure sharing
 - Reducing tariffs/prices
 - Stimulating access to and use of services



All this material, including other ITU-D Questions, is available at: www.itu.int/pub/D-STG-SG01

Guidelines on infrastructure sharing

A number of guidelines already exist. For this reason we suggest that governments and regulators apply the different forms and arrangements for infrastructure sharing that have already been proposed.

In particular, the following forms of infrastructure sharing, according to recent experience, seem likely to reduce coverage times and costs still further:

- Those based on regulatory changes in support of operators' initiatives;
- Those entailing involvement or intervention of government in funding investment for shared use;
- Those imposing models of obligatory deployment by operators on the basis of shared territory with a requirement for national roaming or active infrastructure sharing, in particular of frequencies.

Regulatory authorities and governments are invited to develop policies and incentives for the implementation of infrastructure-sharing models.

Guidelines on reducing tariffs/prices

Market trends show a decline in tariffs. The state of technology and productivity gains suggest that this downward trend will continue.

Policies implemented by governments and market regulation should aim to:

- Strengthen competition;
- Apply tariff regulation in market segments where market rules do not allow for a tariff-reduction approach; any such cases should require justification and be handled in a proportionate manner;
- Promote initiatives including active and passive infrastructure sharing, public and/or private financing in shared-use investment, which have a strong impact on cost reduction, and ensure that those reductions are reflected in final consumer prices as a result of sound regulatory accounting;
- Promote fiscal, parafiscal and other incentives to encourage operators to lower tariffs, including the elimination of customs duties on telecommunication/ICT equipment and terminals;
- Regulate operators' profit margins in cases where competition fails to produce satisfactory results in terms of achieving the desired price levels. To that end, the requirement to maintain a regulatory accounting system must be enforced.

Guidelines Stimulating access to and use of services

Governments and regulators are invited to stimulate access to and use of services by promoting policies and measures to:

- Lower tariffs;
- Implement strategies for universal access irrespective of category and location of users, and intended in particular to benefit persons with disabilities;
- Develop uses at the level of individuals, enterprises, public authorities, and in terms of government – citizen and government – enterprise relations.



Thank you

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