INITIATIVE FOR THE INTEGRATION OF
REGIONAL INFRASTRUCTURE IN SOUTH AMERICA
(IIRSA)

IIRSA "South American Roaming Agreement" Project
Progress Report and Future Challenges

www.iirsa.org/roaming.asp

Jose María Díaz Batanero
Inter-American Development Bank

May 2009

(IIRSA)

⇨ Initiative for Integration through Infrastructures

⇨ gathers twelve South American countries…

⇨ … is supported by 3 institutions that focus on the socio-economic development of the region (IDB, CAF and FONPLATA)

⇨ Fields of Action:

    ⇨ Infrastructure projects and regulatory harmonization…

    ⇨ … in the Transportation, Energy and ITC sectors

Project Objective

⇨ Build the regional context for an inter-agency of IIRSA Initiative in order to define actions intended to:

    ⇨ Harmonize and encourage the South American market for roaming services…

    ⇨ … foster regional integration through mobile communication…

    ⇨ … and offer better services to users and greater business opportunities for the private sector.

Actions Undertaken

✓ Conduct a Regional Study of the South-American Roaming Services Market, involving operators, regulators and governmental agencies.

✓ Confront the South American context against the lessons drawn from other regions in the world.

➜ Discuss the results obtained and reach consensus over an Action Plan for the 2009/2010 period.

– Get the necessary funds to encourage the adoption of measures and initiatives that require regional coordinated actions.

IIRSA Work Group

⇨ Ministry of Communications of Brazil / IIRSA delegation in Brazil: regional coordination of the project.

⇨ Other delegations of IIRSA: internal coordination with related national coordinations, support given to data collection.

⇨ IDB: project facilitator and supervisor of regional study (IDB).

⇨ IMOBIX / Value Partners: consultants participating in the study.

Coordination with Other Actors and Initiatives

⇨ The project is contributing to building an active dialogue with key actors, in order to reach consensus:

  ⇨ *Regulators*: Regulatel and national regulators

  ⇨ *Industry*: **Alliance between** GSM and operators.

  ⇨ *Regional Agencies*: CITEL

  ⇨ In the short run: *CDG, tax agencies, consumer ombudsman, among others*.

Main Contribution of the Study

⇨ The study extends well beyond a mere regional study on rates, since it includes issues such as:

⇨ *Market estimation*: current status and future growth

⇨ *Prepaid Roaming*: (available only in few cases, even though 90% of users in the region have a prepaid service)

⇨ *Border Roaming*: (4% of the South American population)

⇨ *Transparency* in prices and impact of *double taxation*

⇨ Technical aspects, *quality of service* and fight against fraud.

Main Contribution of the Study

⇨ In a regional context characterized by huge imbalances, the main contribution of the study is to create a *common basis of information* for the South American region, thus facilitating:

⇨ A closer approach to this complex market by **actors not directly related to this industry**.

⇨ The identification of major factors that pose an obstacle to the further development of the regional romaing service.

⇨ A better insight into the progress attained by the industry.

⇨ The *search for consensus* to elaborate an Action Plan.

Available Information

Stage 1

- The socio-economic context of South America (including Guyana and Suriname)

- The mobile telecommunications market in South America

- The roaming market in South America

- An analysis of the contributions made by key actors

Stage 2

- The study of the International Roaming Service Market

  (Europe, Africa and Middle East, Asia Pacific, Analysis of wholesale prices for roaming services, technology and tax aspects)

- Comparison of International and South American scenarios

Annexes, with data segregated by country

www.iirsa.org/roaming.asp

Round Table 1: Regulation

⇨ Develop proposals to improve transparency in the information on the conditions of roaming services available in the region.

⇨ Study the intra-regional long distance service market.

⇨ Submit concrete proposals on border roaming.

⇨ Develop proposals to encourage a greater availability of prepaid roaming in the region.

Main conclusions from the First GTE Meeting on Roaming Services

Round Table 2: Taxation and Rates

⇨ Regulators: Study in detail regulatory actions intended to reduce the impact of taxation (and most particularly, double taxation) in the roaming services market).

⇨ Operators:

  ⇨ Study in detail cost structures and seek formulas to effectively reduce rates.

  ⇨ Design measures to improve information transparency for roaming end-users.

Main conclusions from the First GTE Meeting on Roaming Services

Round Table 3: Technical Factors and Fraud (Regulators)

⇨ Analyze the introduction of regulations aimed at fighting fraud and reducing its impact.

⇨ Study tax reduction measures in order to encourage investment in the improvement of quality of service and greater prepaid roaming availability.

Main conclusions from the First GTE Meeting on Roaming Services

Round Table 3: Technical Factors and Fraud (Operators)

- ⇨ Keep the project group informed about the technical advances in the South American region led by the GSM association.

- ⇨ Develop proposals to define how regulators may contribute to supporting technical initiatives undertaken by the GSM association.

- ⇨ Design strategies to foster prepaid roaming services in the region.
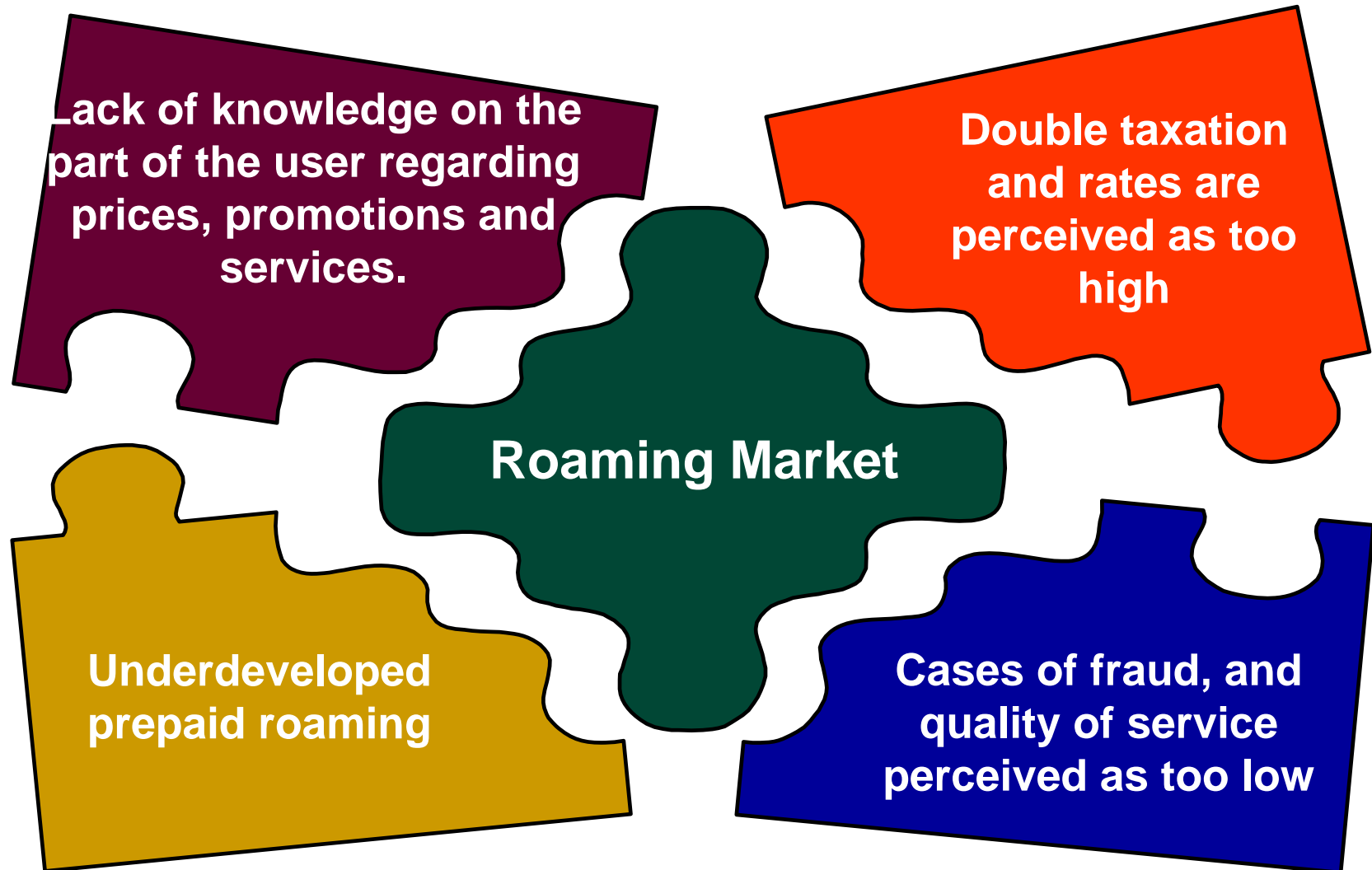
- ⇨ Present a border roaming pilot project.
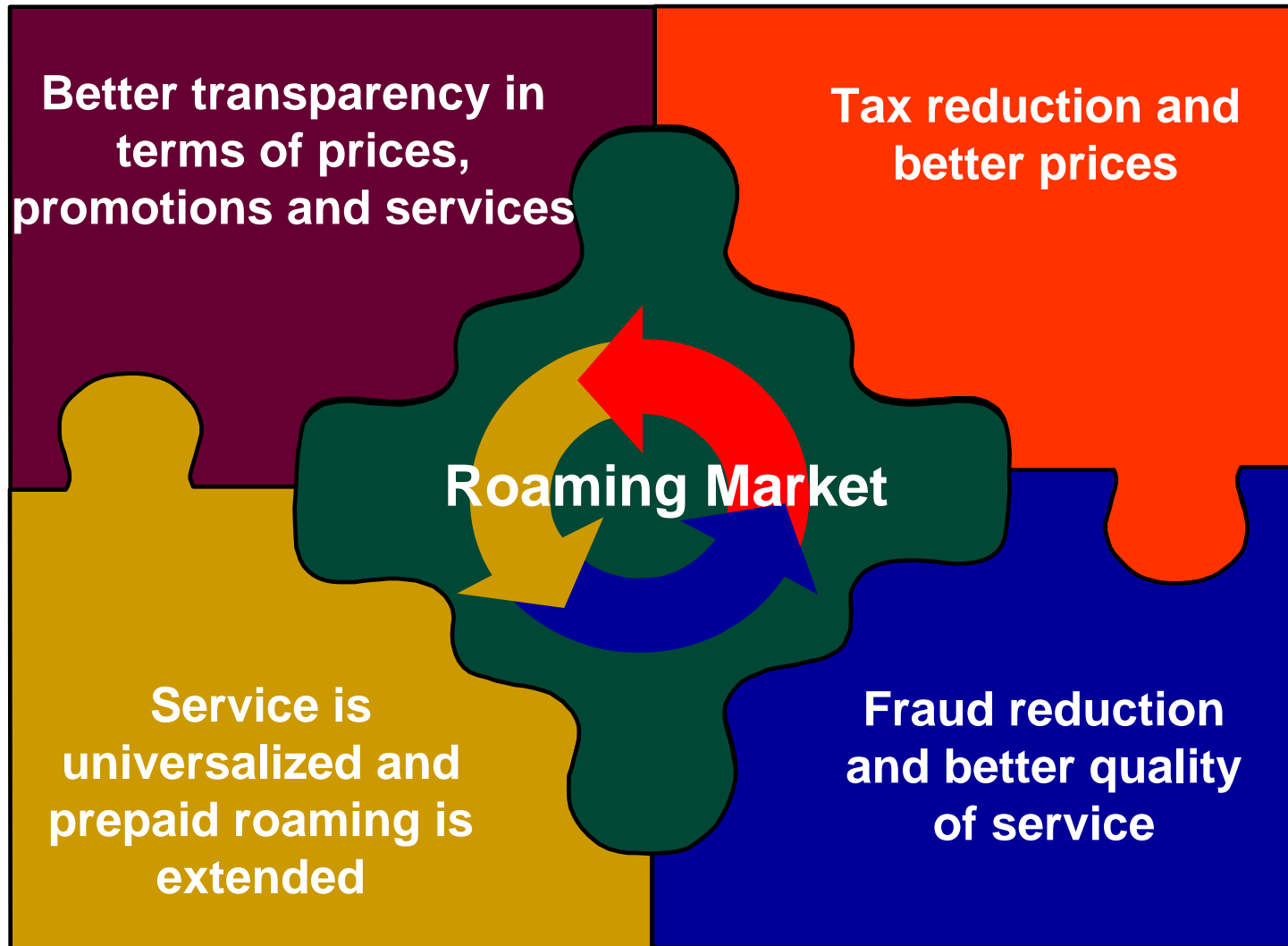
Objectives of the Second GTE Meeting of the Projec

⇨ (i)   Present the conclusions from the First GTE Meeting and keep attendees updated regarding the latest advances made in the context of this project;

⇨ (ii) Discuss the proposed actions submitted by regulators, operators, governmental bodies and institutions concerned with improving the roaming services market;

⇨ (iii) Propose an Action Plan for the project, to be implemented in the 2009-2010 period. The conclusions of the event may be implemented by other American countries outside the IIRSA Initiative.

… coordination among actors brings benefits to all

INITIATIVE FOR THE INTEGRATION OF REGIONAL INFRASTRUCTURE IN SOUTH AMERICA (IIRSA)

IIRSA "South American Roaming Agreement" Project Progress Report and Future Challenges

www.iirsa.org/roaming.asp

Jose María Díaz Batanero
Inter-American Development Bank

May 2009

Initiatives Worth Exploring

- Improve transparency of services and rates

- Reduce tax burden as a result of double taxation

- Anti-fraud laws

- Promote border roaming

- Give incentives to price reduction as a result of alliances

- Regulate the quality of roaming voice services

- Measure the quality of roaming services

- Encourage prepaid roaming at the regional level

- Regulate rates