

# **Symposium on International Mobile Roaming**

**Thursday 22 March 2012**

## *[Introduction]*

Thank you for being here today. We are very appreciative of your participation, noting that many of you have travelled especially for this Symposium. Your expertise in this complex consumer and competition issue will add substantial value to trade negotiators trying to grapple with the complexity that is international mobile roaming.

International mobile roaming is an issue that cuts across every country, and it is excellent to see representatives from industry, academia, consumers and government here today.

It is important that policy makers and regulators in all countries listen to both consumer and industry stakeholders when deciding how to approach this issue.

We are also very pleased to be having this discussion in the WTO. We think it is very much an appropriate forum for discussion of this issue. We are keen to ensure the WTO, through its regular committee work, can be a place to share information and views on issues where there is a clear trade

dimension, and that this can be done in an open and non-threatening environment in a way that promotes understanding and good policy making.

Mobile roaming is important for consumers and businesses.

In a perfect world, consumers and businesses should be able to venture to another country without facing the threat of “bill shock” or feeling the need to leave their SIM card, and consequently their phone number, at home.

The telecommunications industry is one that prides itself on its ability to inexpensively connect end users with each other, to overcome geographical boundaries, to make communication as simple as if two parties conversing over their mobiles were in the same room.

And yet, ironically, this ability to *inexpensively* overcome distance is only really possible when those end users stay in their own countries (In some cases inadvertent roaming means that end users are incurring roaming charges without realising it where they are close to borders and I think we will hear something about this from Swiss regulators today – and I have to say I have personal experience of this as well).

When we look at data roaming: in an era where consumers and businesses expect inexpensive access to data wherever they may be, mobile roaming

is one of the very few areas where technology appears to be behind the times.

In this sense, we see this as an instance where the telecommunications industry has *not* successfully met the challenge of overcoming distance.

This is a challenge that we want to see mobile network operators overcome.

I am not saying that high prices necessarily mean market failure.

But I *am* saying that high prices are not good for consumers and businesses.

And I *am* saying that high prices raise questions.

[‘*Silent Roamers*’]

When asked questions, many mobile network operators will say that technological alternatives to roaming will keep getting better and will continue to force roaming prices down.

We have representatives of some of the companies offering technological alternatives here today, and we look forward to hearing more on these alternatives later.

Whether the technological substitutes available are sufficient alternatives or not, roaming prices appear to be high enough to see an enormous number of travellers avoiding roaming.

Syniverse, a company specialising in mobile roaming solutions, has looked into the phenomenon of what it calls ‘Silent Roamers’ and has calculated that there is a monthly average of about 75 million subscribers travelling abroad with the potential to use mobile devices.

The company has further calculated that more than 50 percent of those roamers do not use voice services, and up to 70 percent do not use data services.

For Syniverse, this is a rationale for operators to make it easier and more transparent for subscribers to use mobile services while they travel, confident that they won’t face ‘bill shock’ on their return home.

For policy makers and regulators, this raises many questions – about transparency and ease of use, but also about prices.

Why, in the face of such an untapped market, do retail roaming prices remain high?

It is difficult to comprehend why, in a competitive market, these figures are not having a huge impact in lowering roaming prices.

It is difficult to comprehend why mobile network operators are prepared to see such a large part of the potential roaming market go untapped.

Clearly there is something here that requires some investigation and some explanation.

That is why it is so important to have operators here today.

It is important for countries to listen to what operators have to say today.

And it is important for countries to consult further with operators on roaming, if they are not doing so already.

For its part, the Australian Government is not in the business of putting operators out of business.

But it is in the business of promoting the interests of Australian consumers and businesses.

That is why, when presented with the sorts of figures I just mentioned, we are asking questions.

For those countries that are not asking questions, I encourage you to do so.

Questions can be asked, answers can be provided, and competition can be assessed.

It is important for countries to cooperate with each other in looking at the state of competition and at options for action if required.

A number of countries, having looked at the state of competition, have embarked on joint efforts to promote competition in roaming markets.

The work taking place here in Europe will provide much food for thought for other economies.

We will be hearing more on this work, and other international experiences, later today.

### *[International organisations]*

International organisations are also doing a great deal of work on mobile roaming.

Later, we will be hearing from the ITU, the OECD and the WTO on their activities and perspectives.

The collaborative work being undertaken through these organisations demonstrates a growing consensus: a consensus that something needs to be done to encourage competition in this market niche.

One piece of work that is of particular note is a recent recommendation of the OECD Council on International Mobile Roaming Services.

Through this recommendation, the OECD has laid out a series of measures that governments could take with a view to encouraging effective competition, raising consumer awareness, and ensuring fairer prices.

The recommendation notes that when assessing possible measures the possibility of reaching agreements on wholesale price regulation, trade obligations, including WTO provisions and principles, should be observed.

This brings me neatly to the role of the WTO.

From discussions with the Membership the collective understanding seems to be that the WTO is the right forum to discuss IMR and to develop an approach to the problem of high charges. And, as I said before, it is important that we can discuss these issues in the WTO in an open and constructive way.

This is because Members have existing commitments covering IMR under the GATS and it would appear, however, that existing WTO commitments have not thus far exerted downward pressure on IMR charges.

Because economically sensible policy responses require reciprocal arrangements to reduce IMR rates, we need to look at whether there are ways to accommodate such reciprocal arrangements under the GATS.

If we do not work together to address this issue, it is likely that more and more Members will either pay scant regard to the applicable GATS multilateral trade rules, or equally as worrying fail to effectively address IMR rates, leaving businesses and consumers facing high charges.

We feel that this is an opportunity for the WTO to show its ability to deal with a modern trade issue – and we will be interested to hear if this is a shared view from other WTO members.

### *[Conclusion]*

Today's symposium provides us with an opportunity to get a better understanding of mobile roaming and any impediments to delivering benefits to consumers and businesses.

Again, I thank you for being here today.

By participating in today's symposium I trust we will gain some important insights into this important issue.