

Training workshop on the ITU software for the calculation of costs,
tariffs and rates for telephone services (COSITU)
for English-speaking Arab countries

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MISSION REPORT

1. PURPOSE OF MISSION

This training was for regulators and operators from English-speaking Arab States. The objective was to give these countries the opportunity to learn how to use the ITU software for the calculation of costs, tariffs and rates for telephone services, COSITU. The workshop was conducted by Mr Pape Touré, Chief, Policies, Strategies and Financing Department.

As a common tool for operators, regulators and policy makers, COSITU is gaining international recognition for facilitating the reaching of consensus on costs and tariffs.

2. PARTICIPATION

Fourty six participants attended the workshop from eleven countries and from the League of Arab States and the Arab Academy of Science and Technology and Maritime Transport (ASST). There was a mix of regulators and operators from both fixed-line and mobile companies.

3. MAIN ACTIVITIES

The workshop was divided into two parts: one-and-a-half days was devoted to theory, when participants were taken through the theoretical aspects of COSITU, i.e. the relevant data to be collected for the effective use of the software. The following two-and-a-half days gave participants the opportunity for hands-on exercises on how to use COSITU. A practical case study on mobile network GSM was used in the workshop in order to facilitate the understanding of the use of the software.

Group work was done trying to integrate regulators and operators in order to have a good exchange of experiences. The number of participants was more than expected which complicated the group work but in the end very good results were presented.

At the end of the workshop, the development and analysis of results that can be produced for various uses and purposes was explained and discussed. Some groups presented their own results and explained them.

Participants then went through a check list of the expectations mentioned on the first day, as follows:

Jordan

Monopoly basis – cost-based tariffs requested by the government taking into consideration traffic;

How to use this model especially regarding access deficit and USO universal access services.

League of Arab States

Reduce settlement rates by unifying basis to reduce telecommunication calls based on costs;

The model can help to determine cost-oriented tariffs and justify them with political authorities;

Workshop Chairman: all the Arab countries should apply this model in order to have cost-oriented tariffs; they need uniform Arab tariffs in order to calculate accounting rates for the whole region.

Palestine

To calculate tariffs based on costs;

Do not have their own international gateway.

Egypt Vodafone

How to classify network cost overheads.

Egypt net – mobile operator

Cost structure;

How to use it to calculate tariffs for Voice over IP.

Syria

Calculate costs of local and international telecommunication calls;

To rebalance their own costs - average cost for local calls;

Local calls are very cheap in Syria, it is necessary to rebalance and coordinate with all the Arab countries.

Iraq

Accounting aspects for determination of tariffs;

Network cost distribution.

Yemen

Determination of tariffs using traffic;

Learn from other countries – benchmarking;

Acquire knowledge regarding cost structure.

Saudi Telecom

Interconnection charges and costs - how to calculate and assess mobile and fixed - data problems.

Saudi Arabia

Value-added services

Others

Universal Service Obligation policies

Roaming

Subsidizing services – cost-orientated

Access deficit

Inefficiency capacity - cost of idle capacity

All expectations were met. Participants expressed their satisfaction with the results obtained with the use of the software, and thanked BDT for a motivating and interesting experience. The mobile situation in some countries in the region is completely new, and mobile operators will take into account the use of COSITU.

4. FOLLOW-UP ACTIONS

In order to develop a regional team of experts for Arab States, potential experts were identified: Mr. Khaled AL ABBADI, Director of Costing Unit, Jordan Telecom and Mr. Khurshid Mohammad Ashraf NIYAZ, Manager, Management Accounts, Oman Telecommunications Co. (Omantel). With the objective of reinforcing the experts team, two other participants were selected : Mr. Ali Abbas HASSAN, Product Marketing Manager, Batelco, Bahrain, and Mr. El Monier Taha Hassan EL FAKI Tariff and Interconnection Agreement Dept. Manager, Sudan Telecom Company (SUDATEL).

MEF is coordinating with Mr. Jean-Claude Faure, HRD and Mr. Abdelfattah Abuqayyas from the Centre of Excellence for Arab States with the objective of training these experts. A second phase of this action will be undertaken in June 2004 when a 'Train the Trainers' session will be held in Geneva, and a third phase will be carried out with the organization of a second workshop already planned in the framework of Programme 4 for the region, to be held in Tunisia (13-16 Sept. 2004). The experts will then have the opportunity to teach and to put into practice the knowledge gained at the training session.

The Centre of Excellence in coordination with the Arab Regional Office is ready to continue with the process until the regional capability in this area is fully developed.
