

China—ITU

“Universal Service and Protection of Consumer Rights” Seminar (Guiyang)

**Information Equality & Universal Service**

**Achieving Historic Leap in Telecommunication Universal Service in Guizhou (Western China)**

—Li Deming

 GUIZHOU COMMUNICATION ADMINISTRATION

**Introduction**

After 100 days of the 37th World Telecommunication Day later, we welcome all friends and guests to the Forest City Guiyang under the theme of “Creating an Equitable Information Society: Time for Action”, and discuss the issue of “Universal Service and Protection of Consumer Rights” all together .

**Brief Introduction to Guizhou Province**

Geography & Custom>>Geographical Features

Guizhou, known as Qian or Gui for short, is situated in Southwest China. The total area of Guizhou is 176,000 square kilometers. Its neighbors are Hunan Province to the east, Sichuan and Chongqing to the north, Yunnan to the west and Guangxi to the south. Guizhou is an inland province with beautiful scenery and temperate climate.



**Brief Introduction to Guizhou Province**

Geography & Custom>> Human-Culture Features



- There are 9 cities or prefectures in Guizhou. Total population is over 39,000,000. There are 49 ethnic groups, mainly including the Han, Miao, Buoyei, Dong, Tujia, Yi, Gelao, Shui, Hui, Bai, Yao, Zhuang. 34.7 percent are ethnic minorities.




- Rural population is over 32 million, accounting for 84% of the total population; The local custom is simple and unsophisticated , strong , unique , colorful—Garden of Ethnic Culture

**Brief Introduction to Guizhou Province**

Geography & Custom>> Rich Resources

- Main Energy—Water, Coal, Electric Power;
- Mineral—Mercury, Barytes, Phosphorus, Aluminum etc;
- Biology—Stinkhorn, Mushroom, Thorn-Pear, Ginkgo Biloba Linn, Guizhou Golden Monkey, Francois' Leaf Monkey etc;
- Medicine—Rhizoma Gastrodiae, Eucommia Bark, Ganoderma, Huanglian, Cornel etc.




**Brief Introduction to Guizhou Province**

Geography & Custom>>Scenic Spots

A large number of national class scenic spots and revolutionary sites, including the Huangguoshu Waterfall, Wuyanghe River, the Zhijin Cave, Dragon's Palace, the Sea of Bamboo Park, Mount Fanjing, the Hongfeng Lake, the Zunyi Conference Site etc. Abundant tourism resources are unique.

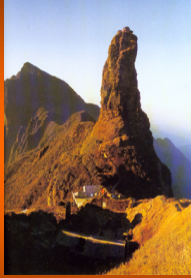
*Natural sight of magic and elegance,  
Landscape, caves and woods of different appearance,  
Ancient custom with primitive and colorful flavor,  
Revolutionary sites of world-wide fame,  
All comely beauty embedded in this majesty wonderland,  
and all toneness and concinnity beset in this splendor scenery.*



## Brief Introduction to Guizhou Province

### Economic Environment >> Eco-system Environment

- ❖ The average altitude of the province is about 1100 meters (Sub-plateau) ;
- ❖ Humid Temperature, warm winter and cool summer ( average 3—6℃ in the winter, and average 22—25 ℃ in the summer ) ;
- ❖ Forest coverage is 30.83%. Guizhou has very typical Karst landform, and its area is up to 130 thousand square kilometers, accounting for 79.27% of the total province;
- ❖ Karst eco-system environment in Guizhou is very fragile, especially existing in the sterility of the soil. Beside it, the mountains are very high and dangerous, the soil is losing very rapidly, and the speed of soil rocky desertification becomes higher and higher, and the area of soil rocky desertification has already accounted for over 20% of the total soil area.



## Brief Introduction to Guizhou Province

### Economic Environment >> Developing Environment

- ❖ The production of agriculture industry has accounted for 1/3 of GDP in the province, which is a typical agriculture province;
- ❖ One of 12 provinces in which China government implements the West Development Strategy;
- ❖ An important corridor leading to the South China Sea, and a land transportation hub ;
- ❖ One of member provinces in the Pan-Pearl River Delta Regional Co-operation Framework Agreement;
- ❖ Agriculture is continuously growing, and the construction of agriculture infrastructure and the adjustment of agriculture industry structure are speeding up;
- ❖ The growth rate of GDP in the province is higher than that of the whole country in the serial 9 years.



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History has driven Guizhou from the edge to the front—"Bred in an inner chamber" makes Guizhou so precious.

## Brief Introduction to Guizhou's Communications Development

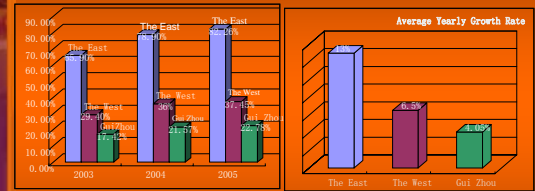
By the first half year of 2005, compared same period last year

- ❖ The total traffic revenue reached 7.99 billion yuan, increasing by 35.06% ; the revenue of telecoms services reached 3.66 billion yuan, increasing by 18.15% ;
- ❖ The total capacity of switches reached 12.174 million lines, increasing by 13.23% ;
- ❖ The number of telephone users reached 9.242 million, growing by 18.4% . Especially fixed telephone users amounted to 4.411 million, and the number of mobile users reached 4.831 million ;
- ❖ Telephone penetration rate reached 23.99 per 100 inhabitants, growing by 3.7 cent ;
- ❖ The number of on-line Internet user in the province reached 590 thousand. Especially broadband users amounted to 271 thousand, growing by 30% .



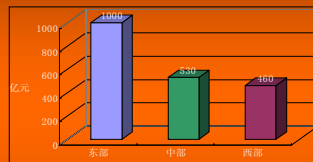
## Brief Introduction to Guizhou's Communications Development

### Relevant Number Comparison >> Telephone Penetration Rate



## Brief Introduction to Guizhou's Communications Development

### Relevant Number Comparison >> Constructive Investment (2000-2004, Average)

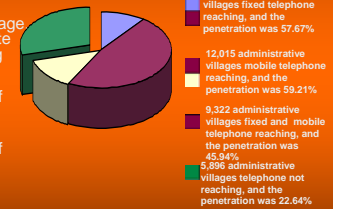


Average yearly investment in Guizhou is about RMB 3.5 billion yuan.

## Brief Introduction to Rural Communications Development in Guizhou

### Network Coverage:

- ❖ By the end of April 2005, among 20,292 administrative villages of the whole province, 14,396 villages have already network coverage and the penetration rate of telephones reaching villages was 70.94%;
- ❖ The penetration rate of fixed telephones was 57.67%;
- ❖ The penetration rate of mobile telephone was 59.21%.



Brief Introduction to Rural Communications Development in Guizhou

**Constructive Cost (in the example of Zunyi, Guizhou) :**  
**Fixed Telephone**

- ❖ Pipe construction per kilometer needs about 55 thousand yuan;
- ❖ Aerial Optical Cable per kilometer needs about 2000 yuan, and laying optical cable per kilometer needs about 2300 yuan;
- ❖ The cost of a single telephone is 2500-3500 yuan;
- ❖ The cost of every branch house needs over 250 thousand yuan;
- ❖ The total investment needs about 320 thousand yuan.

**Mobile Telephone**

- ❖ Establishing a base station (the coverage is 3-5 kilometer, about 3 administrative villages) needs about 650 thousand yuan, including transmission, base station equipment, tower, electric power, computer stations, and cost of land requisition.

Brief Introduction to Rural Communications Development in Guizhou

**The First Example of Consumption Level (in the example of Meitan County, Zunyi in Guizhou) :**

Average telephone fee of users in He Taoba Village of Mei Tan County is about 23 yuan (including monthly rental charge), and average single-telephone fee of mobile telephones is about 75 yuan (mobile companies); however, average monthly fixed telephone fee of rural users in Meitan is only about 17 yuan (including monthly rental charge), average single-telephone fee of mobile telephones is about 80 yuan. If the input of fixed single telephone in the whole county is about 2000 yuan, the time of ROI (recovery of investment) won't exceed 7 years (not including the cost of operation and maintenance).

Brief Introduction to Rural Communications Development in Guizhou

**The Second Example of Consumption Level (in the example of Qiandongnan, Zunyi in Guizhou) :**

Most counties in the autonomous prefecture are the national-level poor counties, having same problems with the whole province in the consumption level. However, the single-telephone fee of rural charge public telephones in the autonomous prefecture is obviously higher than that of the household telephones. If a village has a public telephone, the people in the whole village all know the telephone number, and can not only make calls, but also pick up calls.

Brief Introduction to Rural Communications Development in Guizhou

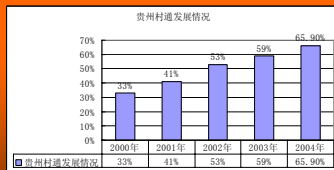
**Telecommunication Services:**

- ❖ The installing, repairing and moving work of fixed telephones can almost be finished within 48 hours; and telephone payment service is provided.
- ❖ Most complaints of customers on telecommunication tariff are that the monthly fixed charge is not reasonable, and intercity telephone charge should be cancelled, the tariff of mobile telephone should be decreased or one-way billing should be adopted; more flexible tariff policy should be provided to the countries.
- ❖ The voice service is the main service demand, and mobile telephones are developing very rapidly, and the awareness of Internet is being improved very quickly.
- ❖ Countrymen hope that they gain information how to be rich through information channel, and get rid of the poor, but many countries have not network coverage, which is completely opposed with the demand of Countrymen.

Brief Introduction to Rural Communications Development in Guizhou

**Development lags behind**

In the example of "telephone reaching every village", the development level lags obviously behind the whole country. By the end of April 2005, the national telephone penetration was 91.8%, remaining 56,463 administrative villages having no telephone. The penetration of Guizhou was 70.94%, remaining 5,896, accounting for 10.4% of the whole country. Moreover, the rate of 2000—2004 increased by 32.9%, and the yearly growth rate was only 8.2%, and increasing speed was obviously slow, compared with 10% yearly increasing rate before 2000.



**Main Obstacles of the Development of Rural Communications in Guizhou (the West)**

- ❖ Mountain areas are featured with rocks, which adds the costs of communications construction;
- ❖ Backward local economy and lack of constructive funds;
- ❖ Rural industry structure is not in-place, and information communications value chain yet being formed;
- ❖ Backward traditional concepts, and lack of the knowledge of "information leading to rich";
- ❖ Not enough promulgation & weak thought of Countrymen to use communication methods;
- ❖ Lack of flexible tariff policy, and hard-to-improved consumption level of Countrymen;
- ❖ Not enough development of rural information applications;
- ❖ Not improved market operating mechanism of rural communications and indefinite social duty of enterprises;
- ❖ Administrative duty of local governments not to be implemented.



Successful Cases of Information Communications Applied in Country

Guizhou Agriculture Economy Network ( www.gznw.com ) has already established 1-province, 9-city, 87-county and 1000-town information service centers ( stations ) . this network owns 5 service systems:

- Market Analysis and Forecast
- Distribution System of Agriculture Products;
- Intelligent Checking System of Agriculture Plant Diseases and Pests;
- Expert On-line Live System;
- E-government System;
- E-mail System.

Distributing over 5,800 agriculture information per day and the total amount reaches more than 6 million, to promote the total amount of agriculture product sale and investment benefits reach 1.65 billion yuan ( trade amount 1.193 billion yuan, investment opportunities 457 million yuan).



Successful Cases of Information Communications Applied in Country

"The Rich" assists "the Poor", "Telephone Village" leads to "Communications Coverage to Every Village"



One Information stimulates One Industry



Illumination of the above successful cases: in Agricultural province-Guizhou (the West) , rural telecommunication universal service will not only need to be solved soon, but also have large development-potential.

Reflection on the Development of Rural Communications in Guizhou( the West)

- Setting up the scientific development view, to make rural communications and rural economy help and drive each other and develop together;
- Establishing telecommunication universal service mechanism( fund), and implementing legislative management;
- Connected closely with practice, solving rural telecommunication services through diverse technological methods;
- Setting up scientific plan of the West development with some appropriate favorable policy, and increasing the investment of communications construction in the Western areas;
- Definite duty of the government in rural communication development, and enhancing the macro-control and supervision of the government in the rural communication construction.

Reflection on the Development of Rural Communications in Guizhou( the West)

- Reasonably take advantage of price leverage, and stimulate the consumption of rural communications by flexible tariff policies;
- Depending on adapting the industry structure of the rural economy, speeding up the development of rural information applications, and promoting the formation of information communications industry chain;
- Enhancing the market-based operation of rural communication , and enabling Countrymen actively using communications through the widespread promulgation, diverse operations and high-quality services. ;
- Discovering the development law of rural communication in the concept of human-culture, " Local Culture" affects local construction, and so the construction of government, market, operators and local countries must be closely jointed in order to come being to "Synergy Effect " ;
- Assigned telecoms operators undertake the task of rural communications, which is currently a very good method solving rural communications problems.


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Conclusion

Problem of Information Equality between the Poor & the Rich  
 Problem of Information Equality between the East & the West  
 Problem of Information Equality between the Progress & the Backwardness  
 Problem of Information Equality between the Competition & the Co-operation  
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To solve the above problems, we recall:  
 to strengthen telecommunication universal service, enable more people enjoy newest information communications services. As the representative of communications industry in the West China, we are well aware that there is actually a gap between East and West in communications penetration and applications, but the gap also means the development potentiality and development space. Accordingly, we recall to the industry: Care about Guizhou, Care about the West!

Thanks



GUIZHOU COMMUNICATION ADMINISTRATION

<http://www.gzca.gov.cn>