

Meeting of the Regional Tariff Group for Asia and Oceania (TAS Group) and Seminar on Tariff Issue Tokyo, Japan, 16 – 17 May, 2006

New Tariff Situation

By : Mrs. Somchit LEUANGVANSAY
Lao Telecommunications
Lao P.D.R

Over view of Lao P.D.R.

A small / land lock country in South East Asia

It is bordered by: *China to **N**, Cambodia to **S**,
Vietnam to **E**, Thailand and Myanmar to **W***

Area : 236,800 sq. km
(70% composed of mountains & high plateau)

Population : 5,7 Million
(Lao Loum 68%, Lao Theung 22% and Lao Soung 10%)

Vientiane is a capital city

Lao Kip is local currency (10,100 Kips/ 1US\$)

GDP Growth : 7,2 % (FY 2004 – 2005)

GDP per capita : \$ 491

Tele-density : 17 Numbers/ 100 Inhabitant
Lao telecommunications

PROMOTION POLICY ON INVESTMENT IN TELECOMMUNICATION SECTOR

(Telecommunications Act, article 4)

- The Government of Lao PDR encourages local & foreign investors to compete & cooperate in the investment for :

Construction

Development and

*Expansion of Telecommunications (ICT) Network
and Service in LAO PDR*

DIRECTIVE ON THE DEVELOPMENT AND USE OF ICT IN LAO PDR

(DIRECTIVE No. 14 of 21 December, 2001)

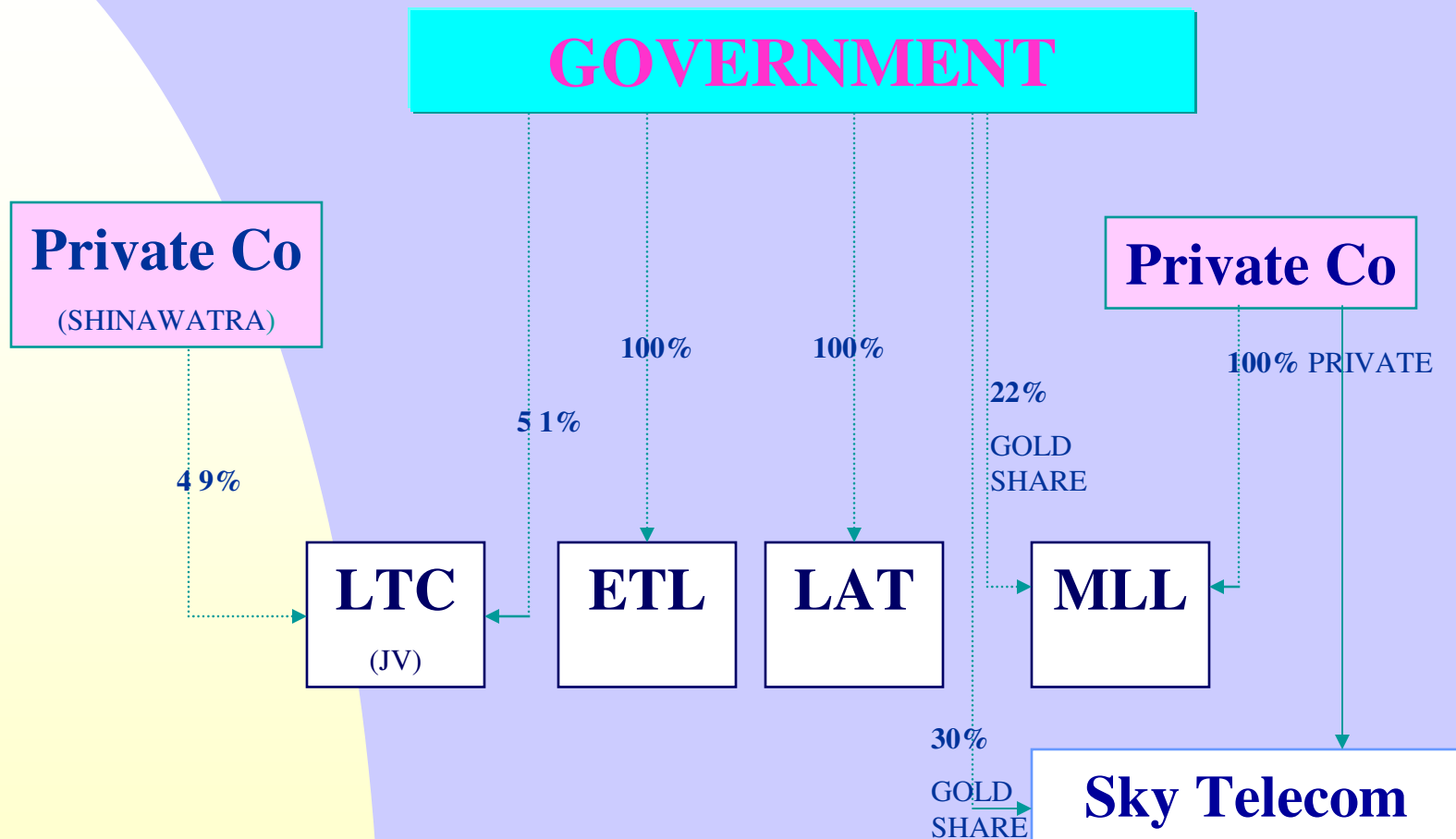
To widely & effectively use of ICT in every sectors as an essential factor for social-economic development, the national defense and security

To create a favorable condition for the development of the telecommunications network nationwide, to support high speed data transmission and increase access to the Internet countrywide;

Promote competition in ICT network and services broaden and enhance Int'l cooperation; and

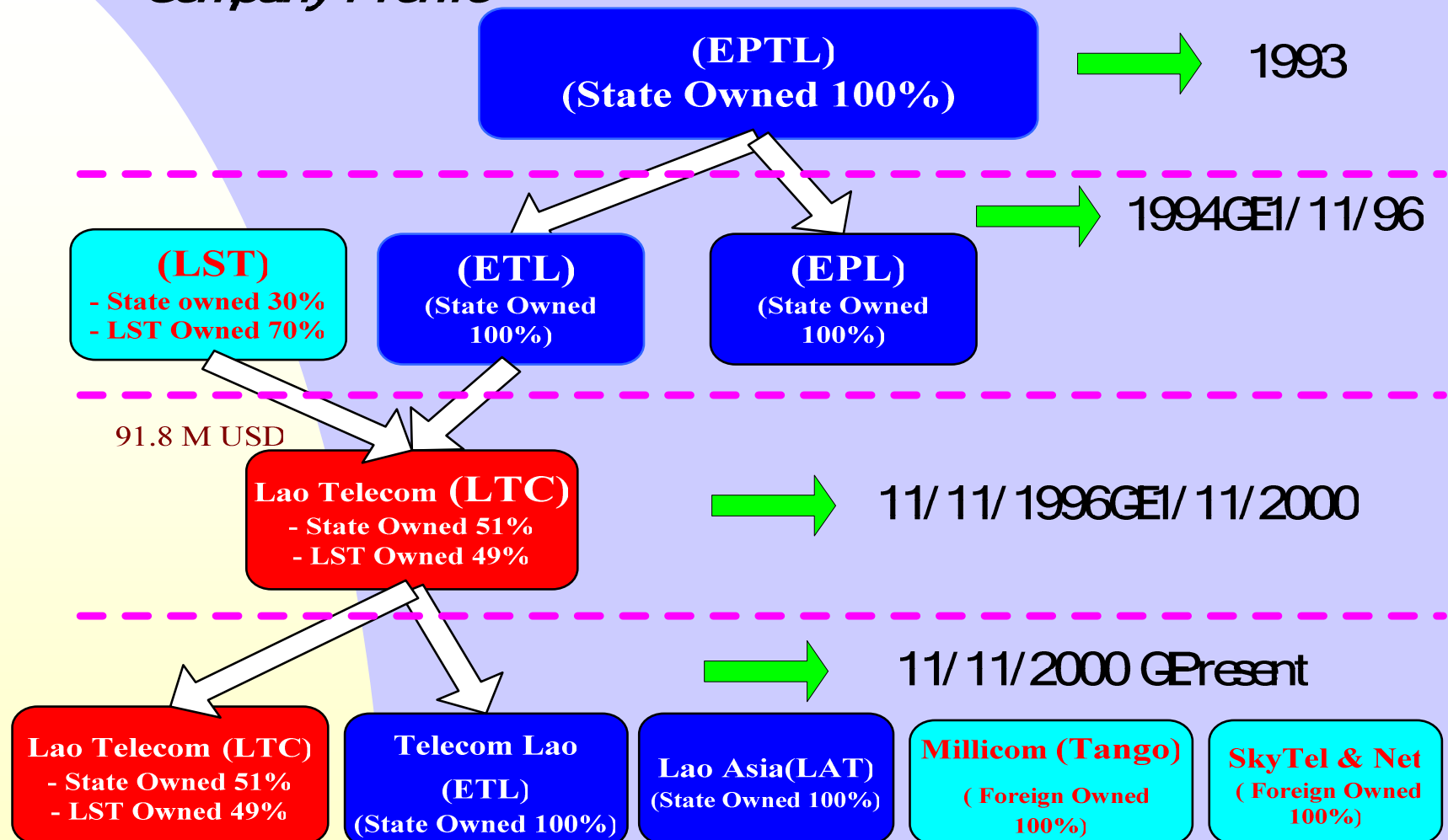
To develop human resource in the field of ICT as key factor for the successful implementation of ICT.

STRUCTURE OF THE TELECOMMUNICATIONS IN LAO PDR AS OF TODAY

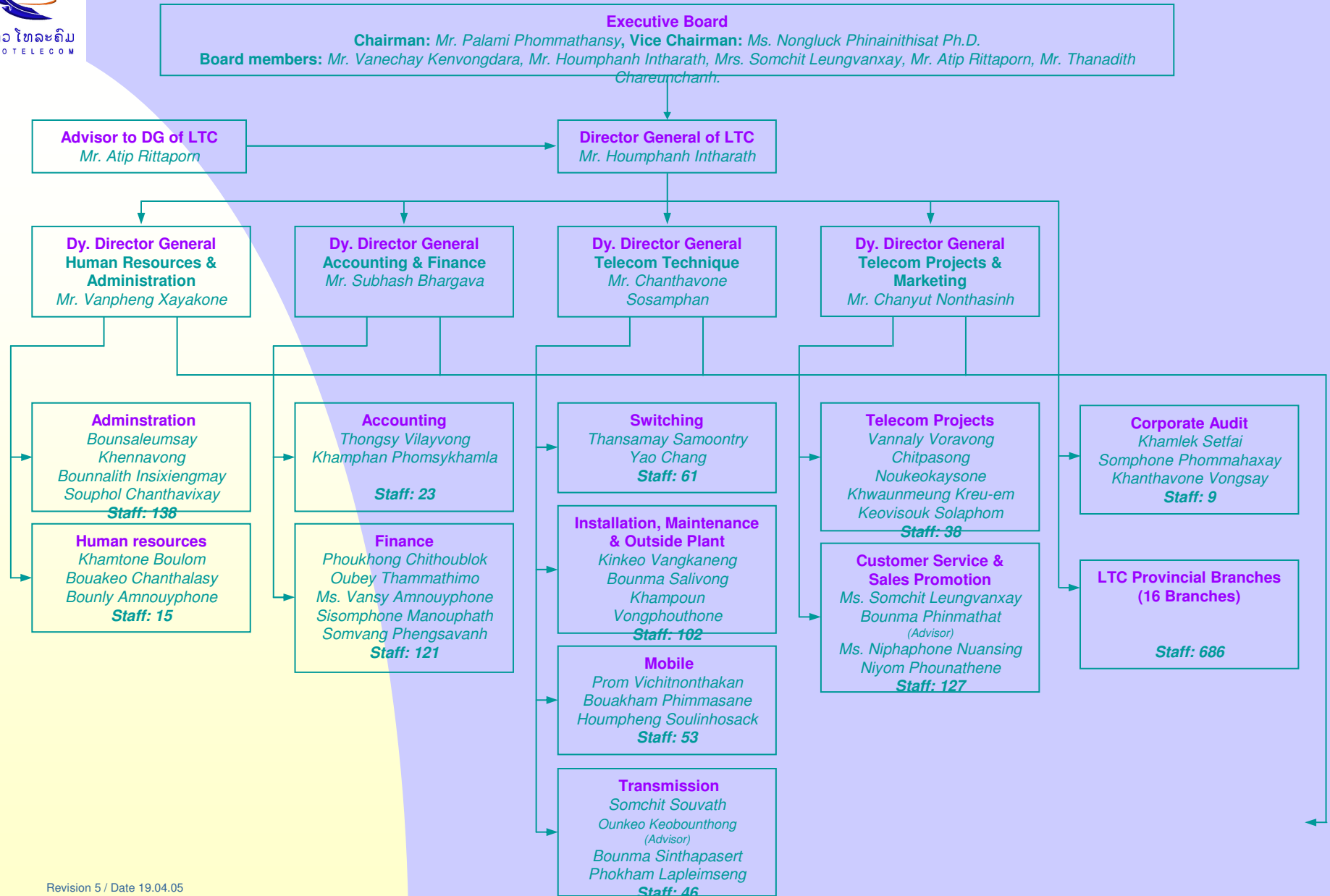


History & Today

Company Profile



Organization of Lao Telecommunications



Vision and Mission

Vision

Using economic social responsibility as principle for application of technology to develop sustainable development of telecommunications service quality.

Mission

To be an international standard telecommunication operator, providing comprehensive rang of telecommunication services and honoring obligation to Lao P.D.R.

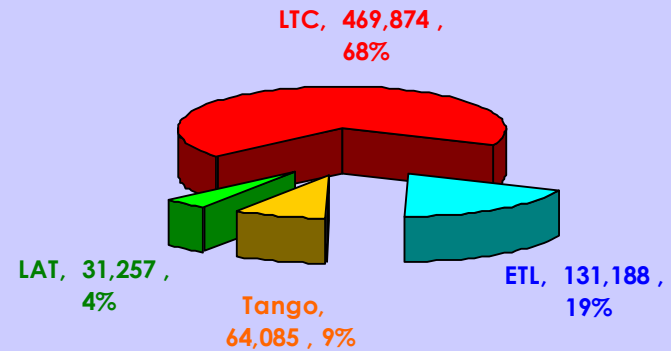
LTC Services/Products

- **Whole sale/ Retail Carrier (IDD;VoIP)**
- **National / International Telecom Service**
- **PSTN** (Telephone / Telefax)
- **Public Phone; Rultel; Telex & Telegraph**
- **Mobile GSM 900/1800** (Prepaid/Postpaid)
- **CDMA** (Fixed wireless)
- **Domestic Private Lease Service**
- **Internet / E-mail** (Dial out/ Broadband)
- **International Roaming (IR)**
- **Card Service** (IntCard, PhoneCard, M-phone, We-fly, Onr4 Click)
- **National / International SMS service**
- **VMS (Voice Mail Service), Etc.,**

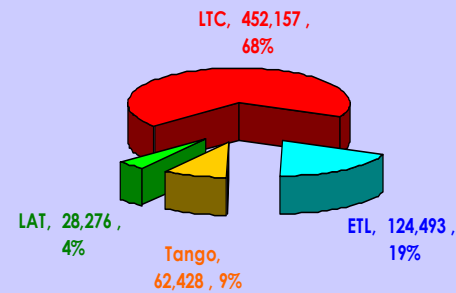


Mobile Market Share

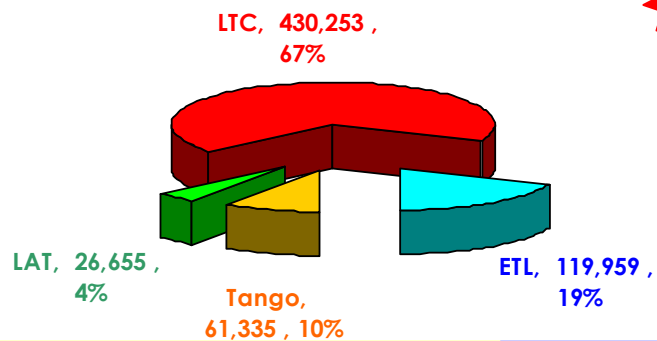
Mobile Share Apr06



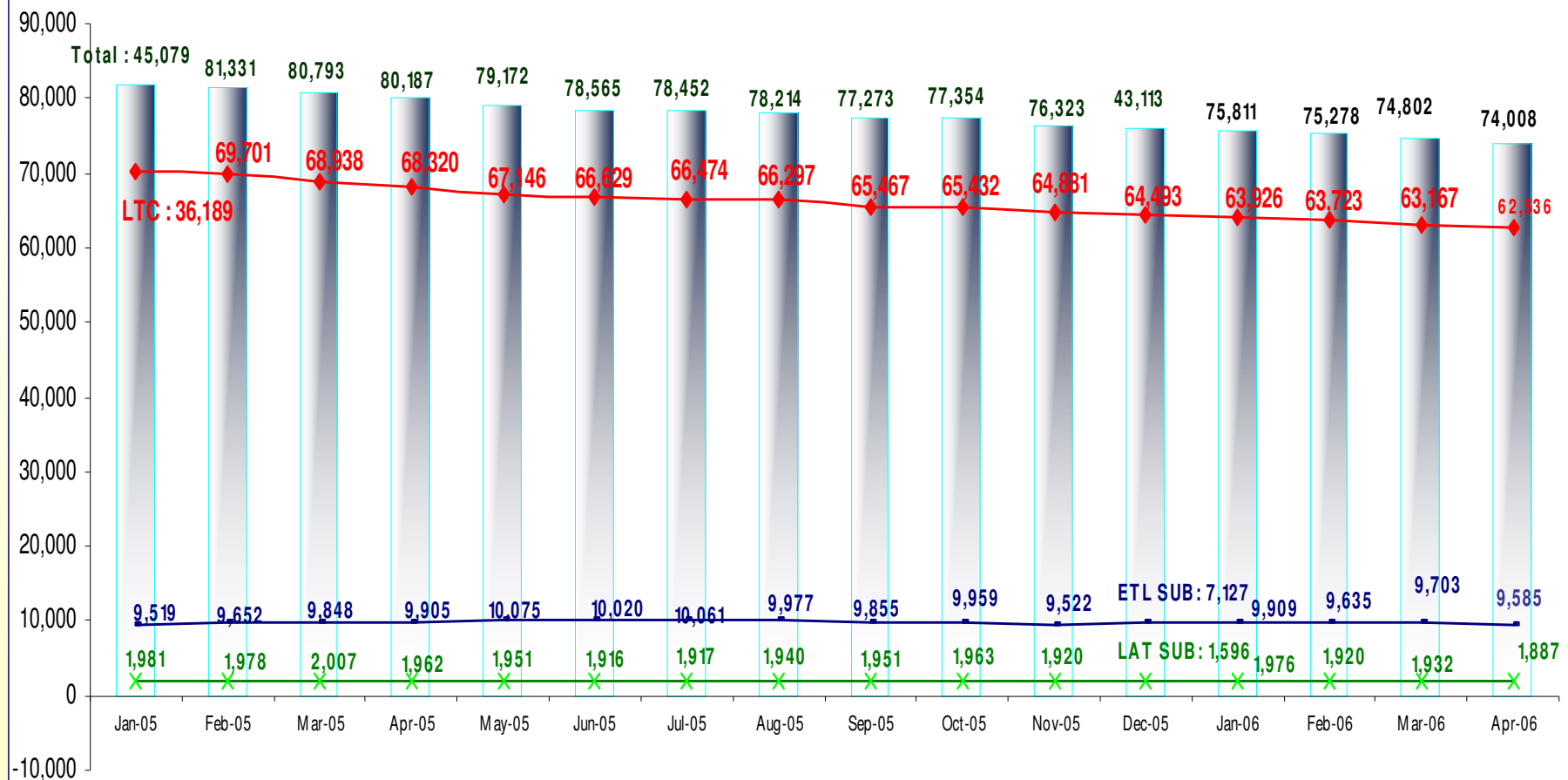
Mobile Share Mar06



Mobile Share Feb06



PSTN Subscriber in Lao



Tariffs Rebalancing

- National
- International

National Tariffs

Tariffs for PSTN

Type of Service	Tariff before Nov/03		Everage		Tariff after Nov/03		Ratio
	USD	KIP	USD	KIP	USD	KIP	
Monthly fee	0.9524	10,000	0.9524	10,000	1.5000	16,000	60%
Call Charge							
- Local Call	0.0100	105	0.0100	105	0.0190	200	90%
- Long Distance Call							
Rate 1	0.0248	260					
Rate 2	0.0295	310	0.0271	285	0.0343	360	26%
Rate 3	0.0343	360					
Rate 4	0.0390	410	0.0367	385	0.0390	410	No

Tariffs for Mobile

GSM							
Monthly Fee	15.000	157,500	15.0000	157,500	No revision		No
Call Charges							
- Local Call	0.020	210	0.0200	210	0.0286	300	43%
- Long distance							
Rate 1	0.030	310			0.0343	360	16%
Rate 2	0.039	410			0.0390	410	No
M-Phone							
Call Charges							
- Local Call	0.067	700	0.0667	700	No Revision		No
- Long distance	0.086	900	0.0857	900			

National Tariffs (For LTC)

No	Type of Service	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
		Peak / Offpeak	Peak / Offpeak	Peak / Offpeak	Peak / Offpeak	Peak / Offpeak	Peak / Offpeak	Peak / Offpeak
I	Local							
I.1	Fixed							
	Monthly fee 1	5000 Kip	5000 Kip	5000 Kip	1.5 \$	1.5 \$	1.5 \$	1.5 \$
	Monthly fee 2	10000 Kip	10000 Kip	10000 Kip	1.5 \$	1.5 \$	1.5 \$	1.5 \$
	Airtime	45 Kip	45 Kip	105 Kip	0.02 \$	0.02 \$	0.02 \$	0.02 \$
I.2	Mobile #- LAO GSM							
	Monthly fee 1	15 \$	15 \$	15 \$	15 \$	15 \$	15 \$	12 \$
	Air time	150 Kip	150 Kip	210 Kip	0.03\$	0.03\$	0.03\$	0.03\$
	Monthly fee 2				10 \$	10 \$	10 \$	
	Air time				0.03\$	0.03\$	0.03\$	
I.3	Mobile # M-phone							
	Air time	700 Kip	700 Kip	700 Kip	700 Kip	770 Kip	720 Kip	800, 847 & 420
I.4	Mobile # We-fly							
	Air time						660; 720; 770 K	800, 847 & 420
I.5	Fixed-wireless (CDMA)							
	Air time						420 Kip	420 Kip
II	Long distance							
II.1	Fixed							
	Air time 1	150 Kip	200 Kip	260 Kip				
	Air time 2	200 Kip	250 Kip	310 Kip	0.036 \$	0.036 \$	0.036 \$	0.036 \$
	Air time 3	250 Kip	300 Kip	360 Kip				
	Air time 4	300 Kip	350 Kip	410 Kip	0.041 \$	0.041 \$	0.041 \$	0.041 \$
II.2	Mobile # LAO GSM							
	Air time 1	200 Kip	250 Kip	310 Kip	0.036 \$	0.0396 \$	0.0396 \$	0.0396 \$
	Air time 2	300 Kip	350 Kip	410 Kip	0.041 \$	0.0451 \$	0.0451 \$	0.0451 \$
II.3	Mobile # M-phone							
	Air time	900 Kip	900 Kip	900 Kip	900 Kip	990 Kip	720 Kip	800, 847 & 420
II.4	Mobile # We-fly							
	Air time						660; 720; 770 K	800, 847 & 420
II.5	Fixed-wireless (CDMA)							
	Air time						420 Kip	420 Kip

International Tariffs (For LTC)

IDD (\$US)	2000	2001	2002	2003	2004	2005	2006
AUSTRALIA	1.15	0.90	0.90	0.90	0.63	0.63	0.20
BELGIUM	3.00	3.00	3.00	3.00	2.10	2.10	0.20
CAMBODIA	2.30	1.80	1.80	1.80	1.26	1.26	0.20
CANADA	3.00	1.90	1.90	1.90	1.33	1.33	0.20
CHINA	3.00	1.90	1.90	1.90	1.33	1.33	0.20
FRANCE	2.65	1.90	1.90	1.90	1.33	1.33	0.20
GERMANY	3.00	1.90	1.90	1.90	1.33	1.33	0.20
INDIA	3.45	1.90	1.90	1.90	1.33	1.33	0.20
INDONESIA	2.65	1.90	1.90	1.90	1.33	1.33	0.20
JAPAN-	2.65	1.90	1.90	1.90	1.33	1.33	0.20
KOREA SOUTH	2.65	1.90	1.90	1.90	1.33	1.33	0.20
MALAYSIA	2.65	1.90	1.90	1.90	1.33	1.33	0.20
MYAMAR	2.65	2.65	2.65	2.65	1.86	1.86	0.20
NEW ZEALAND	2.30	2.30	2.30	2.30	1.61	1.61	0.20
NORWAY	3.00	3.00	3.00	3.00	2.10	2.10	0.20
PHILIPPINES	3.00	1.90	1.90	1.90	1.33	1.33	0.20
RUSSIA	2.30	2.30	2.30	2.30	1.61	1.61	0.20
SINGAPORE	3.00	1.90	1.90	1.90	1.33	1.33	0.20
TAIWAN	2.65	1.90	1.90	1.90	1.33	1.33	0.20
THAILAND	0.70	0.46	0.46	0.46	0.32	0.32	0.20
U.K.	3.00	1.90	1.90	1.90	1.33	1.33	0.20
U.S.A.	3.45	1.90	1.90	1.90	1.33	1.33	0.20
VIETNAM	2.30	1.49	1.49	1.49	1.04	1.04	0.20
The Rest							0.20
VoIP 133					50 % of IDD	50 % of IDD	0.20
VoIP 131				30% of IDD	30% of IDD	30% of IDD	0.20

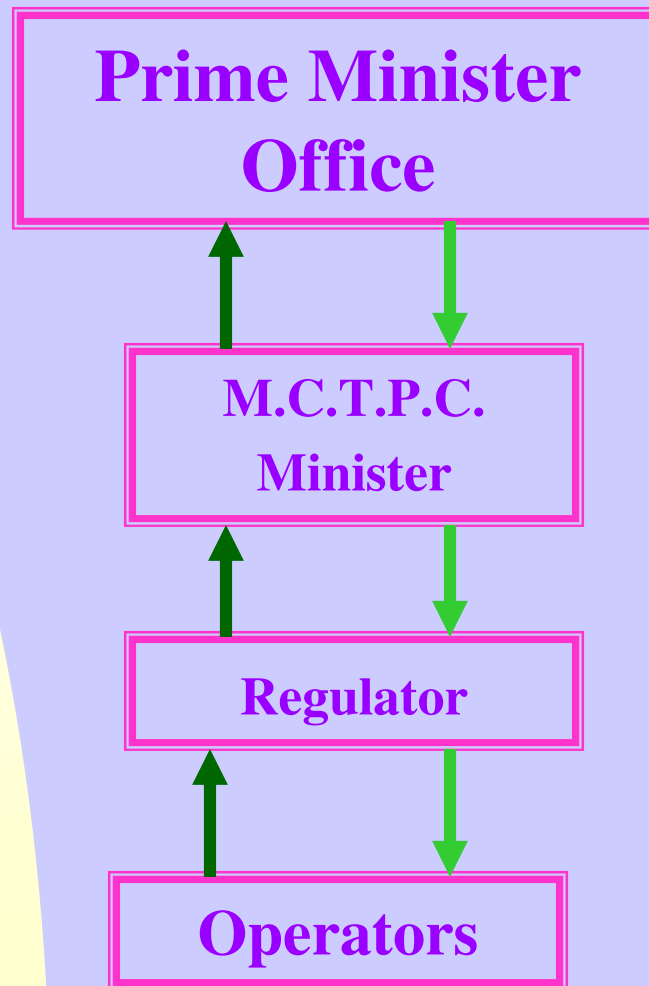
International Revenue 2000 - 2005

	FY 2000				
Quarter	I	II	III	VI	Total
Rev (USD)	1,009,213.69	603,357.00	758,055.43	438,501.80	2,809,127.92
Pay (USD)	93,049.27	200,106.97	215,728.26	177,409.76	686,294.26
Net (USD)	916,164.42	403,250.03	542,327.17	261,092.04	2,122,833.66
Rev/month	176,902.81				
	FY 2001				
Quarter	I	II	III	VI	Total
Rev (USD)	624,952.93	530,836.09	644,479.93	604,951.09	2,405,220.04
Pay (USD)	49,563.53	93,184.01	65,105.03	90,870.11	298,722.68
Net (USD)	575,389.40	437,652.08	579,374.90	514,080.98	2,106,497.36
Rev/month	175,541.45				
	FY 2002				
Quarter	I	II	III	VI	Total
Rev (USD)	811,444.41	675,389.14	792,897.07	936,950.35	3,216,680.97
Pay (USD)	77,419.26	90,764.61	65,132.02	51,095.90	284,411.79
Net (USD)	734,025.15	584,624.53	727,765.05	885,854.45	2,932,269.18
Rev/month	244,355.77				

International Revenue

Quarter	FY 2003				Total
	I	II	III	VI	
Rev (USD)	655,450.28	530,997.21	384,478.09	419,798.24	1,990,723.82
Pay (USD)	22,825.21	22,426.15	16,174.01	40,132.90	101,558.27
Net (USD)	632,625.07	508,571.06	368,304.08	379,665.34	1,889,165.55
Rev/month		157,430.46			
Quarter	FY 2004				Total
	I	II	III	VI	
Rev (USD)	452,982.91	565,251.55	566,966.07	79,332.35	1,664,532.88
Pay (USD)	35,861.44	74,593.30	56,368.49	15,867.89	182,691.12
Net (USD)	417,121.47	490,658.25	510,597.58	63,464.46	1,481,841.76
Rev/month		123,486.81			

Tariffs Proposal & Approval

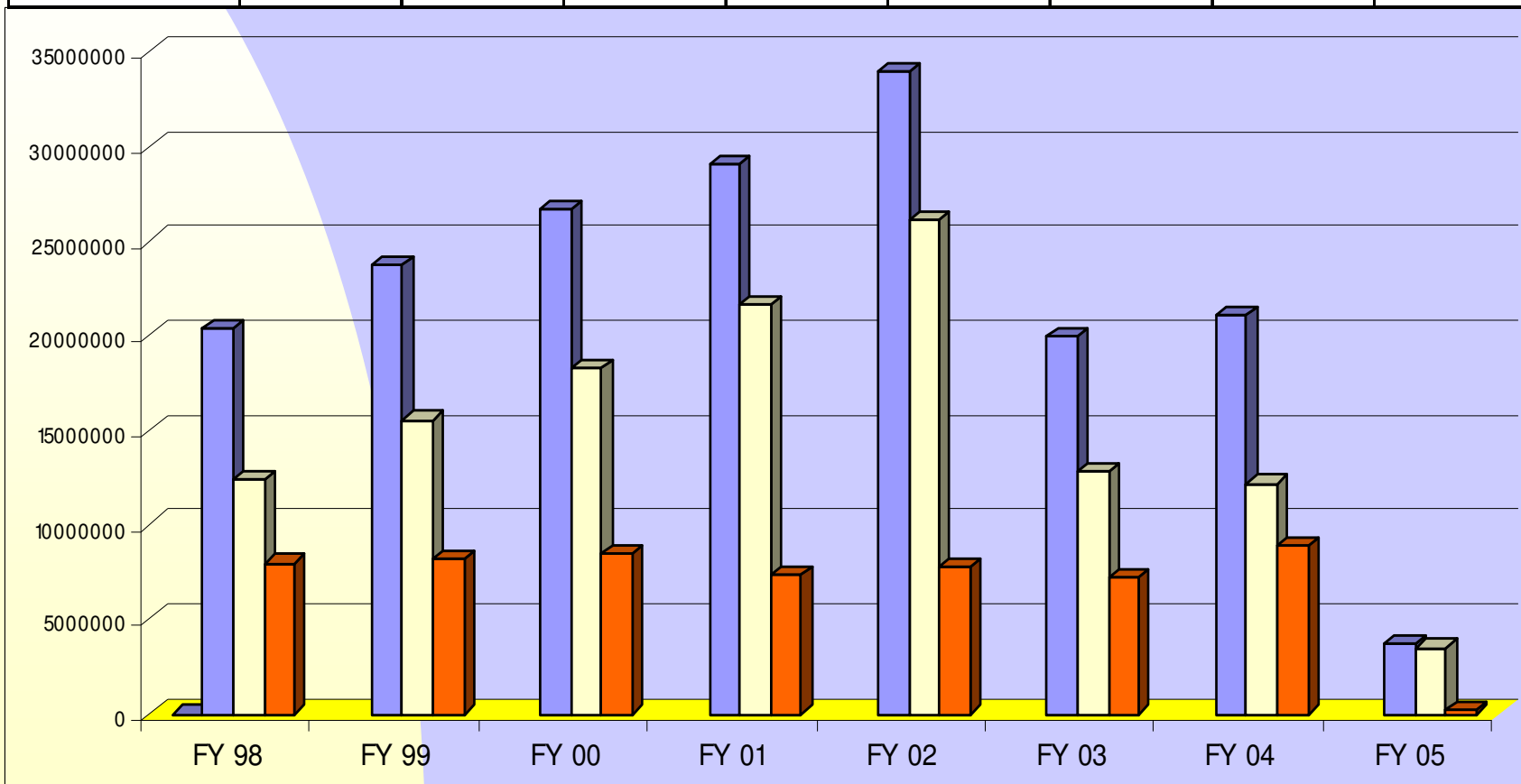


Overview of IDD and VoIP traffic termination

- Today Status
- Tomorrow Trend

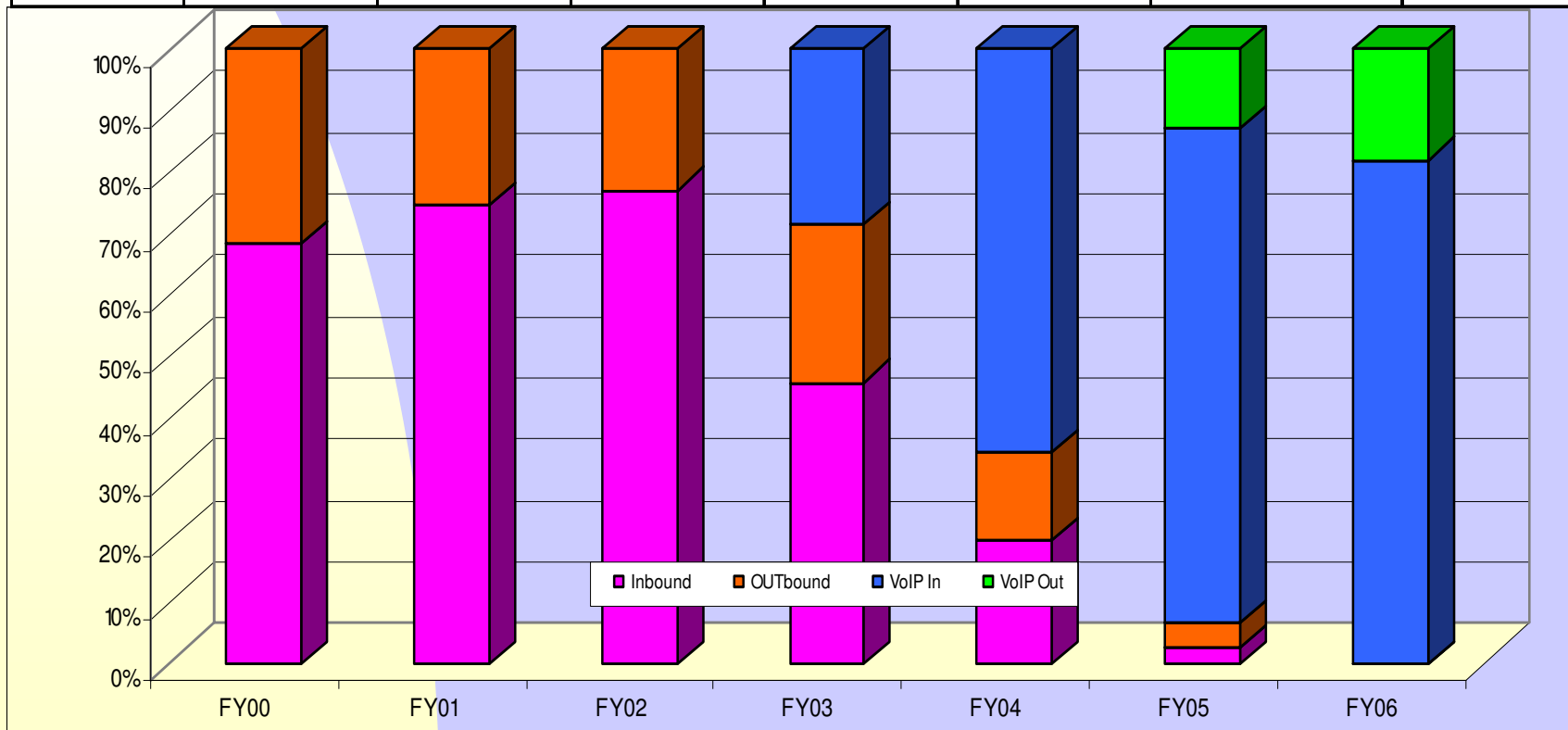
Graph Show for IDD Inbound-Outbound (1998 - 2005)

<u>Traffic Gen</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
Total	20,332,604	23,773,928	26,677,064	29,028,124	33,927,219	19,998,535	21,068,205	3,683,469
IN	12,340,679	15,555,832	18,229,922	21,672,044	26,142,537	12,776,653	12,172,962	3,486,304
OUT	7,991,925	8,218,096	8,447,142	7,356,080	7,784,682	7,221,882	8,895,243	197,165



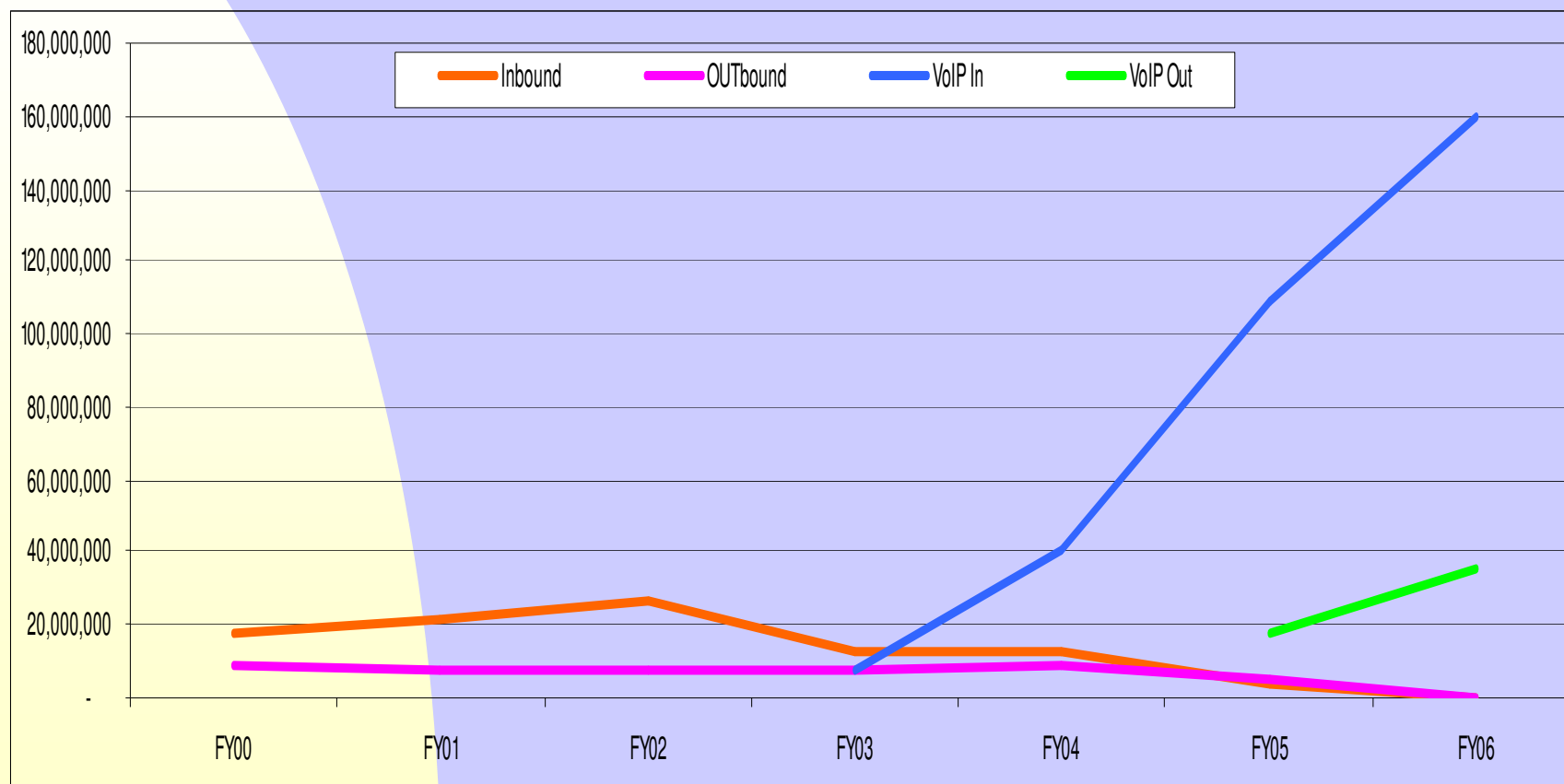
Int'l Traffic In/ Out Vs VoIP (2000 – 2006)

Traffic Gen	FY00	FY01	FY02	FY03	FY04	FY05	FY06
Inbound	18,229,922	21,672,044	26,142,537	12,776,653	12,172,962	3,486,304	-
OUTbound	8,447,142	7,356,080	7,784,682	7,221,882	8,895,243	5,422,382	-
VoIP In				7,930,458	40,254,699	109,144,840	160,286,928
VoIP Out						17,483,147	35,265,156



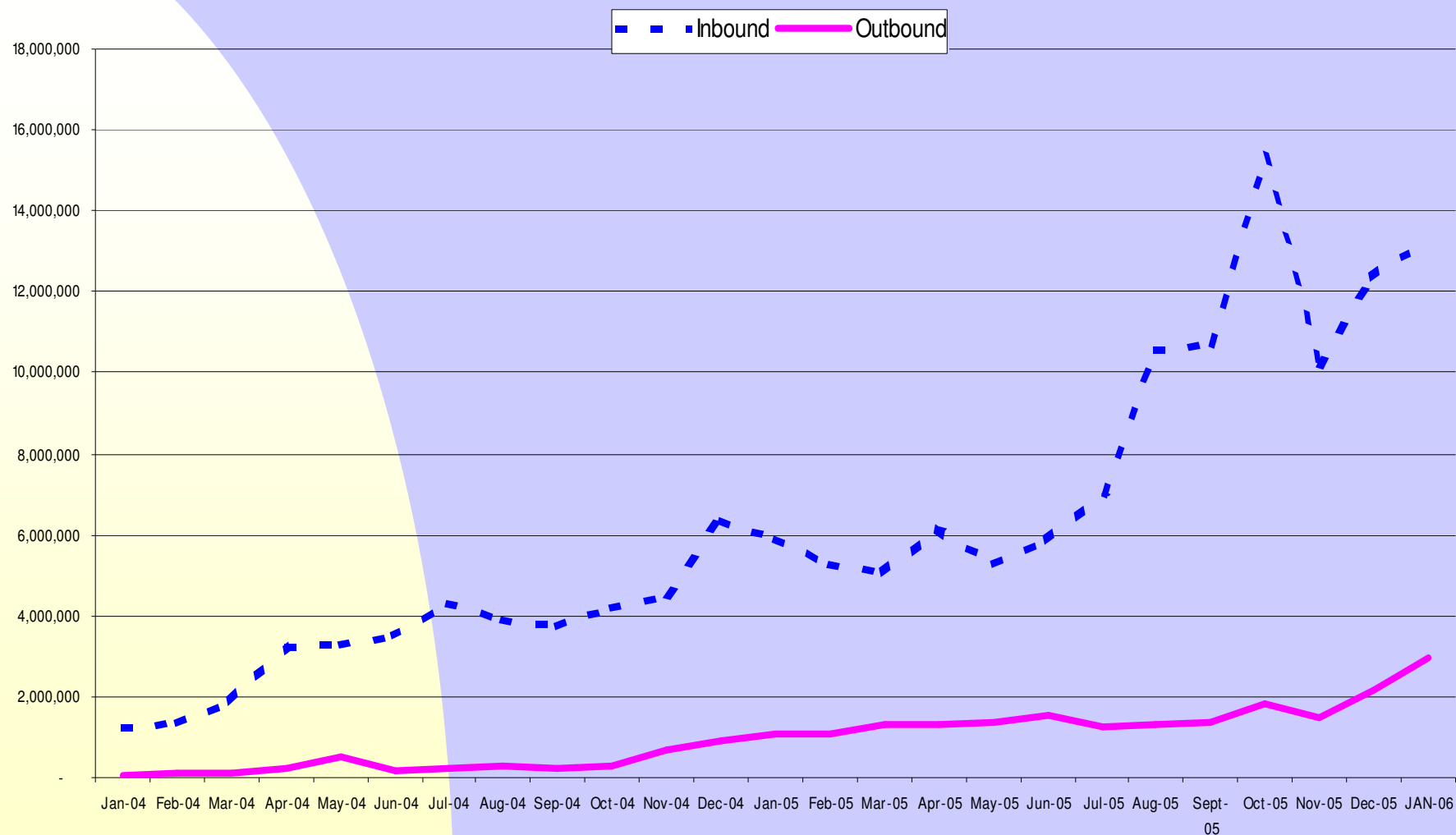
International Traffic IN/OUT Vs VoIP for 2000 - 2006

Traffic Gen	FY00	FY01	FY02	FY03	FY04	FY05	FY06
Inbound	18,229,922	21,672,044	26,142,537	12,776,653	12,172,962	3,486,304	-
OUTbound	8,447,142	7,356,080	7,784,682	7,221,882	8,895,243	5,422,382	-
VoIP In				7,930,458	40,254,699	109,144,840	160,286,928
VoIP Out						17,483,147	35,265,156



5/12/2006

VoIP Graph Show Monthly IN/OUT (2004 – 2006)



5/12/2006

The market environment in Lao P.D.R.

- The Government opens for marketing
- The tariff charges has been very competitive
- International revenue has changed accordingly
- The new technology is very fast changing
- The cost of network extension is lower that relate to the tariff charges to lower.

Conclusion

- The tariff has been admitted to the national economic and social affordability.
- Expansion network to access all level in social, and increase more market share.
- The tariff is high the usage time is less.
- The tariff is affordable the usage time increase.

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Thank you