



និយ័តករទូរគមនាគមន៍កម្ពុជា Telecommunication Regulator of Cambodia

THE CASE STUDY ON INTERNATIONAL MOBILE ROAMING CHARGE IN CAMBODIA FOR THE COOPERATION AMONG ASEAN

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❁ 1) OVERVIEW OF REGULATORS' ROLE AND RESPONSIBILITY

- ❖ **Within ASEAN, Most of the Asean Member States (AMS) have the regulatory power to Influence IMR, including:**
 - ✓ Setting a cap on wholesale charges
 - ✓ Setting on cap on retail charges
- ❖ **There are AMS that have also imposed additional regulations on Significant Market Player (SMP). These regulations would require SMPs to comply with the following:**
 - ✓ Submit all pricing adjustments to regulators
 - ✓ Seek approval from the regulator on adjustments in pricing, before imposing any new prices on end users.
- ❖ **However, most AMS do not interfere in roaming pricing there are complaints relating to bill shock and excessive charges on roaming services. Based on the complaint, the regulator would investigate and consult the relevant mobile operators.**
- ❖ **In Case of Cambodia, Generally, The regulator (TRC) as other AMS, have the power to regulate the International Roaming (IMR) Prices, but we would prefer to let natural market forces drive IMR.**



2) ASSESSMENT OF PRESENT ROAMING LANDSCAPE

❖ The growth of the international roaming market in Cambodia over the past three years

Mobile Roaming Services						
Minutes	Out/In	2014	2015	2016 Est.	2015 vs 2014	2016 vs 2015
Smart Axiata	Outbound	826,867	1,972,277	1,202,514	139%	-39%
	Inbound	9,880,713	10,732,344	5,726,270	9%	-47%
Viettel (Cambodia)	Outbound	5,595,966	2,554,379	2,466,088	-54%	-3%
	Inbound	4,264,843	3,222,032	3,485,056	-24%	8%
CamGSM	Outbound	530,628	443,672	472,332	-16%	6%
	Inbound	5,434,343	5,719,682	5,180,008	5%	-9%
Total	Outbound	6,953,461	4,970,328	4,140,934	-29%	-17%
	Inbound	19,579,899	19,674,058	14,391,334	0%	-27%

Megabytes	Out/In	2014	2015	2016 Est.	2015 vs 2014	2016 vs 2015
Smart Axiata	Outbound	301,275	1,336,626	1,693,592	344%	27%
	Inbound	9,840,816	20,217,941	25,635,872	105%	27%
Viettel (Cambodia)	Outbound	243,757	345,952	357,268	42%	3%
	Inbound	1,903,224	4,435,699	11,378,256	133%	157%
CamGSM	Outbound	28,974	73,528	62,812	154%	-15%
	Inbound	3,012,034	8,067,022	7,133,292	168%	-12%
Total	Outbound	574,006	1,756,106	2,113,672	206%	20%
	Inbound	14,756,074	32,720,662	44,147,420	122%	35%

2) ASSESSMENT OF PRESENT ROAMING LANDSCAPE

❖ **The Outlook in the next five years:**

- ✓ *A more decline on revenue derived from both outbound/Inbound roaming services including voice and data.*

❖ **Assessment on the current situation of international roaming chargers, and how this differ by voice, data or SMS:**

- ✓ *Currently, International roaming charges have dropped significantly in all services such as voice, data and SMS. Subscribers from Cambodia can spend 0.125usd per minute for making call in Thailand and Laos, and 0.5usd in many countries including Indonesia, Malaysia, Myanmar, Singapore, Japan, etc., which is a large drop in price comparing to the last few years.*
- ✓ *Subscribers from Cambodia when travelling to most ASEAN countries have to spend more or less the same price for sending out 1 SMS comparing to making 1 minute of call (receiving SMS is free of charge). For data, it costs around 2usd per 1 MB (charging block: 0.02usd 10 KB).*

❖ **Assessment on the reason behind the high roaming charges, if it is considered high**

- ✓ *Due to good level of competition from mobile operators in Cambodia, IMR charge is not considered overly high for Cambodia.*

❖ **View on the state of pricing transparency**

- ✓ *State of IMR pricing is fair at the moment, even all operator have faced a strong competition from both the traditional mobile operators and the new OTT providers.*

3) CURRENT MEASURES TO REDUCE IMR CHARGES

❖ **Regulators' measures and activities regarding IMR charges:**

- ✓ *As mobile roaming charges involve different price components charged by operators from more than one country, it was suggested that any initiative to reduce roaming charges required co-ordination and co-operation the involved countries' regulators to ensure the user's benefit.*

❖ **Regulators' power and initiative, if any, in mitigating overly high IMR charges**

❖ **Presence of specific telecommunication consumer protection legislation/regulation**

❖ **Stakeholders involved in roaming issues**

- ✓ *Regulators in home and roaming country, MNOs in home and roaming country, roamers (Subscribers), the consumer protection authority (if available).*

4) POTENTIAL MEASURES TO REDUCE IMR CHARGE

- ❖ **Discussion on measures adopted by other countries and regions to reduce IMR charges**
 - ✓ **Unilateral approach:** (1) enhancing consumer understanding of the price of roaming, for example requiring operators from a country to personalize the “welcome SMSs” their roamers receive on arrival abroad, in which the rates for the different roaming services are clearly displayed. (2) Implementing a system whereby roamers could choose to deactivate roaming services entirely by default and can activate the service at any time.
 - ✓ **Bilateral approach:** this is usually only done in groups of two, typically with a nearby country with which much roaming traffic is exchanged. This means that the government and regulator have no jurisdiction over the wholesale prices abroad that feed into the retail pricing of the home operators. Example can be the mobile "local access" service, which allows roamers, when they enter a foreign destination, to communicate as a local, without having to swap SIM cards.
 - ✓ **Multilateral approach:** can be in the form bilateral approach, by just having a group of more than 2 countries in the region.

4) POTENTIAL MEASURES TO REDUCE IMR CHARGE

- ❖ **Feasibility of adopting some of these model to ASEAN (e.g. standardized rates, price caps, decoupling of roaming services, punitive clause for anti-competitive actions)**
 - ✓ For Cambodia's situation, the competition is healthy enough through market forces but “bill shock” may remain an issue, then measures aimed at improving consumer understanding of roaming prices may be all that is required.
 - ✓ But if prices are being charged overly high comparing to costs, and the situation remains unchanged for some time, it may be appropriate to consider price caps.
- ❖ **Impact of good transparent practices**
 - ✓ Consumer protection
- ❖ **Assessment of the impact and possible challenges of an ASEAN-wide roaming agreement**
- ❖ **Some telecommunications operators have bilateral roaming arrangements to enable "local access" services for their subscribers. For example, China Mobile subscribers could purchase a local-access option when they travel to Hong Kong. What are your thoughts on such arrangements?**
 - ✓ *Such arrangement is favored by Cambodia. TRC is looking into this matter, which will in the future results in similar arrangement between Cambodia and Thailand.*

5) RECENT TECHNOLOGIES ADVANCEMENTS

❖ **Availability and impact of alternative options to international roaming consumers**

- ✓ *Talking about alternative to international roaming, OTT services impressively come into the picture. Comprehending by Cambodia's customers roaming minutes as an example, the usage trend keeps on declining from year to year, which shows the switch to these alternatives.*

❖ **Reaction of operators towards these alternatives**

- ✓ *Taking measure against the game changing player, who are the giant OTT providers such as Facebook, LINE, Skype, etc., is not the suitable choice for mobile phone operators. Hence, mobile operators in Cambodia looks at this phenomenon optimistically, by going into partnership with OTT providers, which can indirectly cross-subsidize the loss of revenue. For instance, Smart Axiata bundles unlimited Facebook and LINE.*

❖ 6) THE COOPERATION AMONG ASEAN TO REDUCE IMR CHARGE

❖ **Background:**

- ❑ Mobile penetration in ASEAN has seen exponential growth over the past decade. However international Mobile Roaming Charge have remained high.
- ❑ ASEAN aims to create a conducive environment for businesses by lowering IMR rates to provide affordable intra-ASEAN roaming services

❖ **Objective:**

- ❑ To recommend the way in implementing an ASEAN wide roaming framework.

❖ **Mobile segments:** Voice, SMS, Mobile data (exclude MMS)

❖ **Geographical coverage (AMS)**

- ❑ Brunei Darussalam, Cambodia, Indonesia, Laos, Myanmar, Phillipines, Malaysia, Singapore, Thailand and Vietnam

❖ **Project approach & Methodology:**

- ❑ There are four-step approach for the IMR study (1) IMR landscape within ASEAN, (2) Regulator's justification, (3) Global best practices and (4) conclusion and recommendations.

❖ **There are three broad strategic levers:**

- ❑ Market Forces (Is there sufficient competition to drive reduce in roaming charge?):
- ❑ Technology Substitution (Are there alternative technologies which could disrupt roaming?)
- ❑ Regulation (What is the role of regulation in influencing IMR charges?)

❖ **The progress:**

- ❑ Reviewed three roaming frameworks for benchmarking (EURF, GCCRF, AOAN)
- ❑ Conducted interviews and draft of Non-binding framework (Flat Data Roaming Charge per day) among 10 ASEAN Regulators (Brunei Darussalam, Cambodia, Indonesia, Laos, Myanmar, Phillipines, Malaysia, Singapore, Thailand and Vietnam), it will finally in Phillipines (3rd time/ATRC 2017).
- ❑ Next Step: Present final recommendations to TELMIN16/TELSOM17 Summit in Cambodia, Nov.2017.

***THANK YOU VERY
MUCH FOR YOUR
ATTENTION!***

