

Integrating South Asia: The case of telecom

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This work was carried out with the aid of a grant from the International Development Research Centre, Canada and the Department for International Development, UK.

One common-sense test of South Asian regional integration . . .

- Must be cheaper/easier to communicate within region than to points outside
 - Intra-SAARC fixed calling charges must be lower
 - Intra-SAARC mobile calling charges must be lower
- Roaming charges within SAARC for SAARC citizens must be lower/more transparent than when they are roaming outside
 - Affects less people, but the people affected are those who knit the region together

Colombo Declaration of 15th SAARC Summit, Para 6

“The Heads of State or Government observed that an effective and economical regional telecommunication regime is an essential factor of connectivity, encouraging the growth of people-centric partnerships. They stressed the need for the Member States to endeavour to move towards a uniformly applicable low tariff, for international direct dial calls within the region.”

Intra-SAARC fixed voice: Percentage reductions since 15th Summit

Reduction in prices in February 2012 relative to July 2008		Calling from						
		Bangladesh	Bhutan	India	Maldives	Nepal	Pakistan	Sri Lanka
Calling to	Afghanistan	31%	17%	13%	15%	-7%	24%	77%
	Bangladesh		45%	13%	25%	46%	60%	51%
	Bhutan	26%		13%	16%	33%	24%	70%
	India	44%	67%		25%	46%	54%	89%
	Maldives	-85%	45%	-191%		-78%	8%	-141%
	Nepal	17%	45%	13%	16%		24%	51%
	Pakistan	44%	45%	13%	14%	46%		51%
	Sri Lanka	44%	45%	14%	25%	46%	24%	

Calling MV from BD, IN, NP and LK has become more costly

Intra-SAARC mobile voice: Percentage reduction/increases since 15th Summit

Country		Calling from							
		Afghanistan	Bangladesh	Bhutan	India	Maldives	Nepal	Pakistan	Sri Lanka
Calling to	Afghanistan		37%	-	-39%	15%	14%	24%	5%
	Bangladesh	7%		38%	7%	25%	57%	27%	40%
	Bhutan	7%	33%		7%	16%	46%	35%	6%
	India	7%	50%	67%		25%	46%	59%	62%
	Maldives	7%	-66%	38%	-317%		-44%	-164%	-205%
	Nepal	7%	25%	38%	7%	16%		24%	4%
	Pakistan	7%	50%	38%	-11%	14%	57%		40%
	Sri Lanka	7%	50%	38%	-11%	25%	57%	47%	

Calling MV from BD, IN, NP, PK and LK has become more costly

Roaming is complex

- Includes many functionalities, including
 - Making a local call in roamed-in country
 - Making a call back home from roamed-in country
 - Receiving a call while roaming
 - Sending an SMS in roamed in country

Making a local call whilst roaming: **Expensive** **and opaque**

		Home Country							
		Afghanistan	Bangladesh	Bhutan	India	Maldives	Nepal	Pakistan	Sri Lanka
Visiting Country	Afghanistan		0.66	-	0.61	3.29	0.76	0.90	0.72
	Bangladesh	1.50		-	0.61	3.29	0.75	0.90	0.78
	Bhutan	-	0.66		1.22	3.29	1.51	-	1.47
	India	2.50	1.02	1.29		1.25	1.58	-	1.32
	Maldives	1.50	0.42	-	0.31		0.47	0.90	0.34
	Nepal	2.50	0.66	-	0.43	3.29		0.90	0.64
	Pakistan	1.50	0.66	-	-	3.29	0.9		0.41
	Sri Lanka	3.00	0.66	-	0.33	0.39	0.57	1.49	

Source: LIRNEasia, International Roaming Benchmarks (February 2012)

- Indian operators rip off roamers the most; followed closely by Bhutan
- Afghan roamers treated the worst by all SAARC countries
- Opaque except for AF, BD, MV and PK where the customers have a fighting chance of understanding the roaming charges they will experience

Lessons on simplicity from European Union, a real regional grouping

All tariffs in USD: Making a Local roaming call (European countries)		Roaming from															
		Belgium	Bulgaria	Cyprus	Czech Republic	Estonia	Finland	Germany	Greece	Ireland	Lithuania	Luxembourg	The Netherlands	Romania	Spain	Sweden	UK
Roaming in	Belgium		0.59	0.56	0.64	0.60	0.60	0.58	0.48	0.59	0.60	0.55	0.58	0.49	0.49	0.63	0.58
	Cyprus	0.49	0.59		0.64	0.60	0.60	0.58	0.48	0.59	0.60	0.55	0.58	0.49	0.49	0.63	0.58
	Estonia	0.49	0.59	0.56	0.64		0.60	0.58	0.48	0.59	0.60	0.55	0.58	0.49	0.49	0.63	0.58
	Germany	0.49	0.59	0.56	0.64	0.60	0.60		0.48	0.59	0.60	0.55	0.58	0.49	0.49	0.63	0.58
	Hungary	0.49	0.59	0.56	0.64	0.60	0.60	0.58	0.48	0.59	0.60	0.55	0.58	0.49	0.49	0.63	0.58
	Latvia	0.49	0.59	0.56	0.64	0.60	0.60	0.58	0.48	0.59	0.60	0.55	0.58	0.49	0.49	0.63	0.58
	Portugal	0.49	0.59	0.56	0.64	0.60	0.60	0.58	0.48	0.59	0.60	0.55	0.58	0.49	0.49	0.63	0.58

Source: International Roaming Benchmarks (July 2010)

No matter where a telco customer in an EU country roams within Europe, same price is paid

Sample of the multiple that a roamer pays to make a local call (MV roamer pays local call x 345 in BD)

		Home Country							
		Afghanistan	Bangladesh	Bhutan	India	Maldives	Nepal	Pakistan	Sri Lanka
Visiting Country	Afghanistan		11	-	10	54	12	15	115
	Bangladesh	158		-	64	345	79	95	82
	Bhutan	-	46		85	33	106	-	103
	India	123	50	90		61	78	-	65
	Maldives	15	4	-	3		5	9	3
	Nepal	97	26	-	17	128		35	25
	Pakistan	85	37	-	-	185	51		23
	Sri Lanka	137	30	-	15	26	26	68	

Source: LIRNEasia, International Roaming Benchmarks (February 2012)

What LIRNEasia is doing to assist

- Published international call prices and roaming prices (making a local call in roaming country, calling home from roaming country, receiving a call, sending an SMS) at <http://lirneasia.net/projects/ict-indicators/> using standard methodology
 - Roaming data collection started at request of TRAI Chair/SATRC Chair in 2008; would be happy to hand over to any organization once the methodology is stable
 - It is stable and our funders priorities have changed, so this is the end
- Pushed it out to media in almost all S Asian countries
- When invited presented case for action to S Asian entities

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Analysis

Roaming dystopia June 2009

By Rohan Samarajiva

How can Southasia be integrated when it is still less expensive to call abroad than within the region?

How can Southasia be integrated when it is still less expensive to call abroad than within the region?

The European Union represents the highest degree of regional integration in the world today. Especially in the context of the global economic crisis, others are now trying to see how they can emulate the EU. At talks in April, ASEAN invited six major economies – Australia, China, India, Japan, Korea and New Zealand – to join it in creating a massive free-trade area. India was the sole invitee from Southasia. It already has a mesh of 'free trade' agreements with Singapore, Korea and one in the moves with Japan, with an overarching agreement with ASEAN in process as well. At the moment, it appears that the dreams of Southasian integration are being ground to dust by the moves of the region's pivotal economy.

Economic integration is not achieved by pious declarations. Rather



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Assessing SAARC@25 by ability to communicate cheaply

Written by Rohan Samarajiva on September 27, 2010 – 3 Comments [edit]

Some people celebrate 25 years of anything: dead marriages, inert regional groupings, just occupying space.

We don't. SAARC must be assessed by its fruits. On internal connectivity it fails. Here's the evidence, carried in op-ed articles in Bangladesh's Daily Star, Sri Lanka's Daily Mirror and also in a PTI dispatch:

It is always easier to do things within one's own country than outside, or at least it should be. One does not need a passport or a visa to travel inside one's country, but those formalities are required when one ventures out. Telephone calls within one's own country are cheaper than to foreign countries. The same logic can be extended to a regional grouping such as SAARC which is celebrating its 25th anniversary this year.

If none of these conditions are satisfied, one has to conclude that the regional grouping is not real; that it has been more an opportunity for mutual ego-stroking for the region's leaders, than something yielding tangible benefits to South Asian peoples; that there is little to celebrate aft



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Low, uniform telecom tariff within SAARC key to regional ties

New Delhi, Sep 26 (PTI)


Low and uniform telecom tariffs across SAARC nations will help improve trade relations between member countries, as well as bolster regional cooperation, says a study.

"The government must, through telecom operators, provide low and uniform telecom tariff across SAARC nations. As of now one is spending 64 times more if using the roaming phone within the SAARC nations," Sri Lanka-based non-profit research organisation LIRNEasia said in a report on Information and Communication Technologies and Services Trade within the South Asian Association for Regional Cooperation (SAARC).


"The roaming market is very expensive...", LIRNEasia Chairman and CEO Rohan Samarajiva said. The SAARC grouping includes Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

When there is a lot of trade, people need to coordinate and low tariffs will facilitate the trade among the SAARC nations, Samarajiva added. "By making uniform tariff among the SAARC nations... government in a way are encouraging people to use their own phones with international roaming instead of local phones here," Samarajiva said.

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What more can be done?

By whom?

Is this a worthwhile cause?

Integrate first and talk later?

Should we improve physical connectivity & then only get to telecom?