

# Proposed revisions for the ICT Price Basket (IPB)

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for the subgroup on revision of ICT price sub-baskets

8<sup>th</sup> ITU Expert Group for Telecommunications / ICT Indicators (EGTI)

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# Let's bear in mind....

- Most commonly used and most economical
- Inclusive, an attempt to reduce inequalities of price benchmarking
- Data collection and verification is a highly resource intensive exercise
- All suggestions are based on evidence collected by the sub-group (March – May 2017)

# Two groups of consumption emerge

		Voice (mins/month)	SMS (SMS/month)	Data (GB/month)	ITU Regions represented	
Group 1	Low Income	Data points	13	16	2	Africa, Asia Pacific*
		Mean	81	22	0.26	
		Median	56	12	0.26	
Group 2	Lower middle income	Data points	27	18	16	Africa, Asia Pacific, Arab States, the Americas, CIS
		Mean	156	68	1.7	
		Median	125	20	0.5	
Group 2	Upper middle income	Data points	29	26	19	Africa, Asia Pacific, Arab States, the Americas, CIS, Europe
		Mean	159	56	1.27	
		Median	147	47	0.9	
Group 2	High income	Data points	40	36	29	Africa, Asia Pacific, Arab States, the Americas, CIS, Europe
		Mean	157	95	2.1	
		Median	139	49	1.9	

\* No data for Comoros, Somalia & Haiti – the only economies from the Arab States and the Americas in this group 2

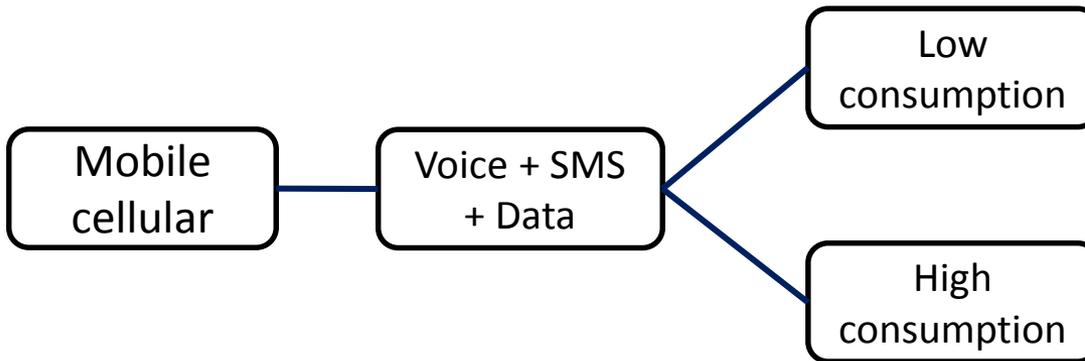
# Mobile Cellular: (i) the inclusion of **Data** (ii) **two consumption baskets**

Current sub-basket



Approx. 50 min + 100 SMS  
(based on OECD 2010)

Proposed sub-basket



70 min + 20 SMS + 500 MB  
(3G and above)

140 min + 70 SMS + 1.5 GB  
(3G and above)

# The revision addresses countries' concerns of the current 2% prepaid threshold

	Current ITU Basket	Proposed revision	Rationale
<b>Type of subscription</b>	<p>Prepaid</p> <p>Exception: Postpaid if prepaid subscription base &lt; 2% (e.g. Japan)</p>	<p>Prepaid if prepaid subscription base &gt; 50%;</p> <p>Postpaid if postpaid subscription base &gt; 50%</p> <p>Exception: If no data are available on subscriptions, select prepaid by default</p>	<p>Countries ought to report on the type of service that <b>represents the majority</b> in their respective markets.</p> <p><b>Prepaid</b> is the predominant contract type worldwide (<b>default</b> selected if data are not available)</p>

# Clear discrepancy in consumption patterns observed

	Current ITU Basket	Proposed revision	Rationale
<b>Voice</b>	30 calls equating to approximately 50.9 mins	Low consumption basket: 70 mins High consumption basket: 140 mins	The disparity in consumption patterns across countries was evident.
<b>Distribution based on destination</b>	On-net 56% Off-net 26% To fixed 17%	On-net 67% Off-net 26% To fixed 7%	Based on evidence; Applies to both consumption baskets.
<b>SMS</b>	100 SMS	Low consumption basket: 20 SMS  High consumption basket: 70 SMS	With the availability of data, the natural <b>trend from the evidence is a decline in SMS use.</b>

- A bundled offer may be selected if least-cost criteria is met.
- If bundles are selected the *minimum* consumption as above must be included.
- No time of day pricing distinction is made\*

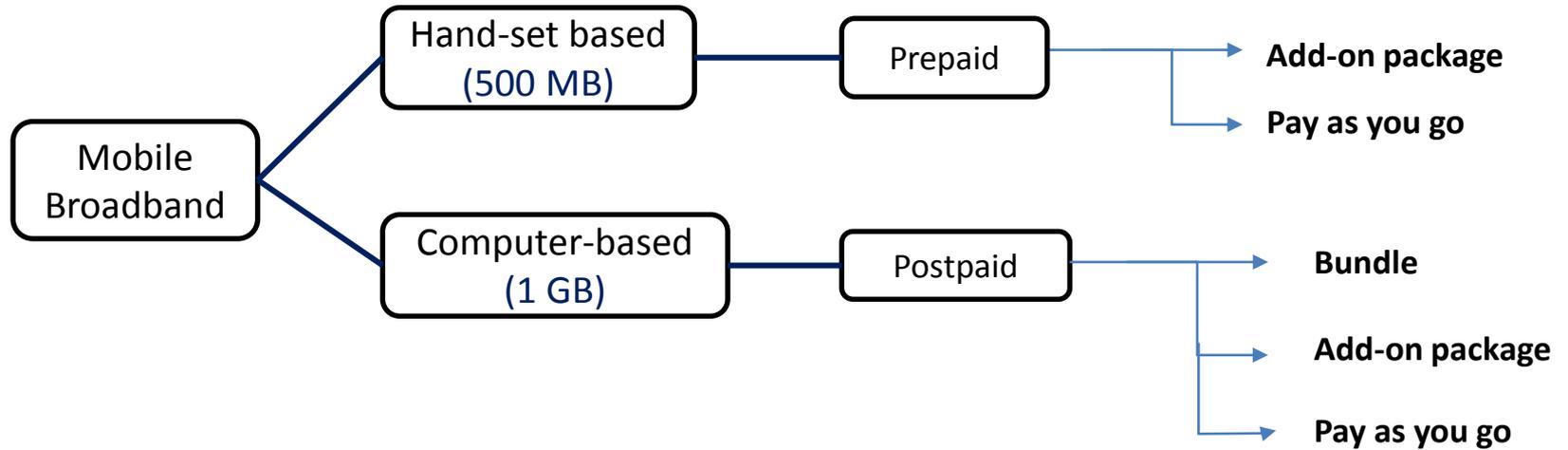
# New addition: Data, based on market trends

	Current ITU Basket	Proposed revision	Rationale
Data	N/A	<p>The least expensive data add-on with the following data caps at <i>minimum</i>:</p> <p>Low consumption basket: 500 MB</p> <p>High consumption basket: 1.5 GB</p> <p>Note: Access is to the open public Internet. Any zero-rated plans or those with geographic limitations must not be selected, even if cheaper.</p>	<p>As per the evidence gathered on data consumption it is recommended that data is included in the sub-basket. However, unlike voice and SMS it is a service that has a steep upward trend. As such the consumption baskets need to be revised periodically.</p>

Ideally, this will negate the need to have a stand-alone *mobile broadband sub basket* BUT, the broadband commission ++ relies on this indicator.

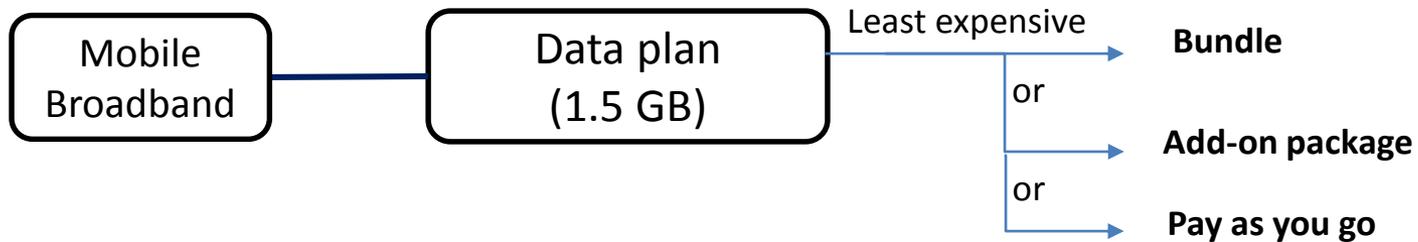
# Mobile Broadband: From two sub-baskets to one

Current sub-basket



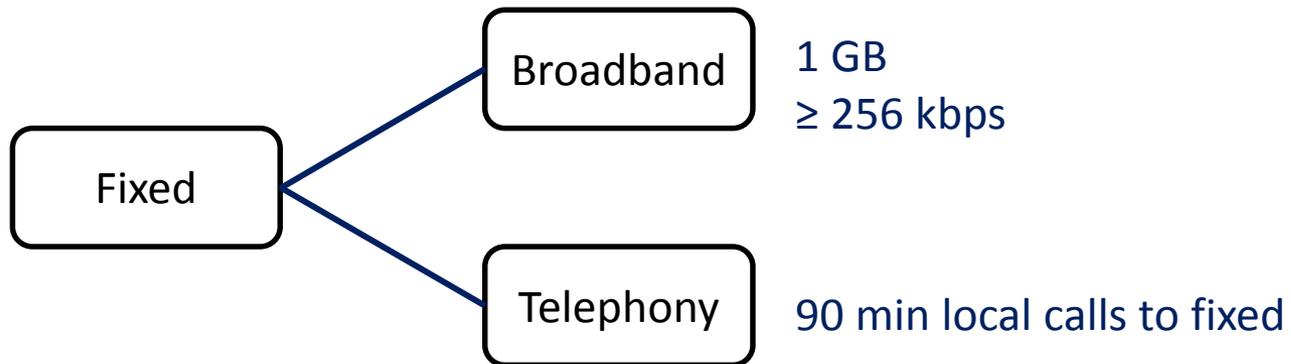
Source: ITU

Proposed sub-basket



# Fixed Broadband as a standalone basket but with increased data cap

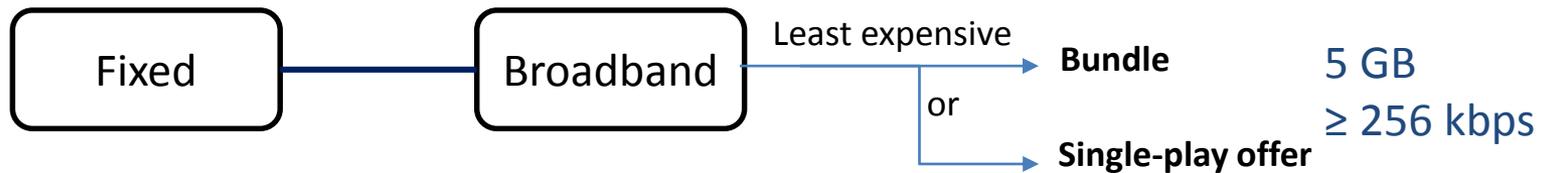
Current sub-basket



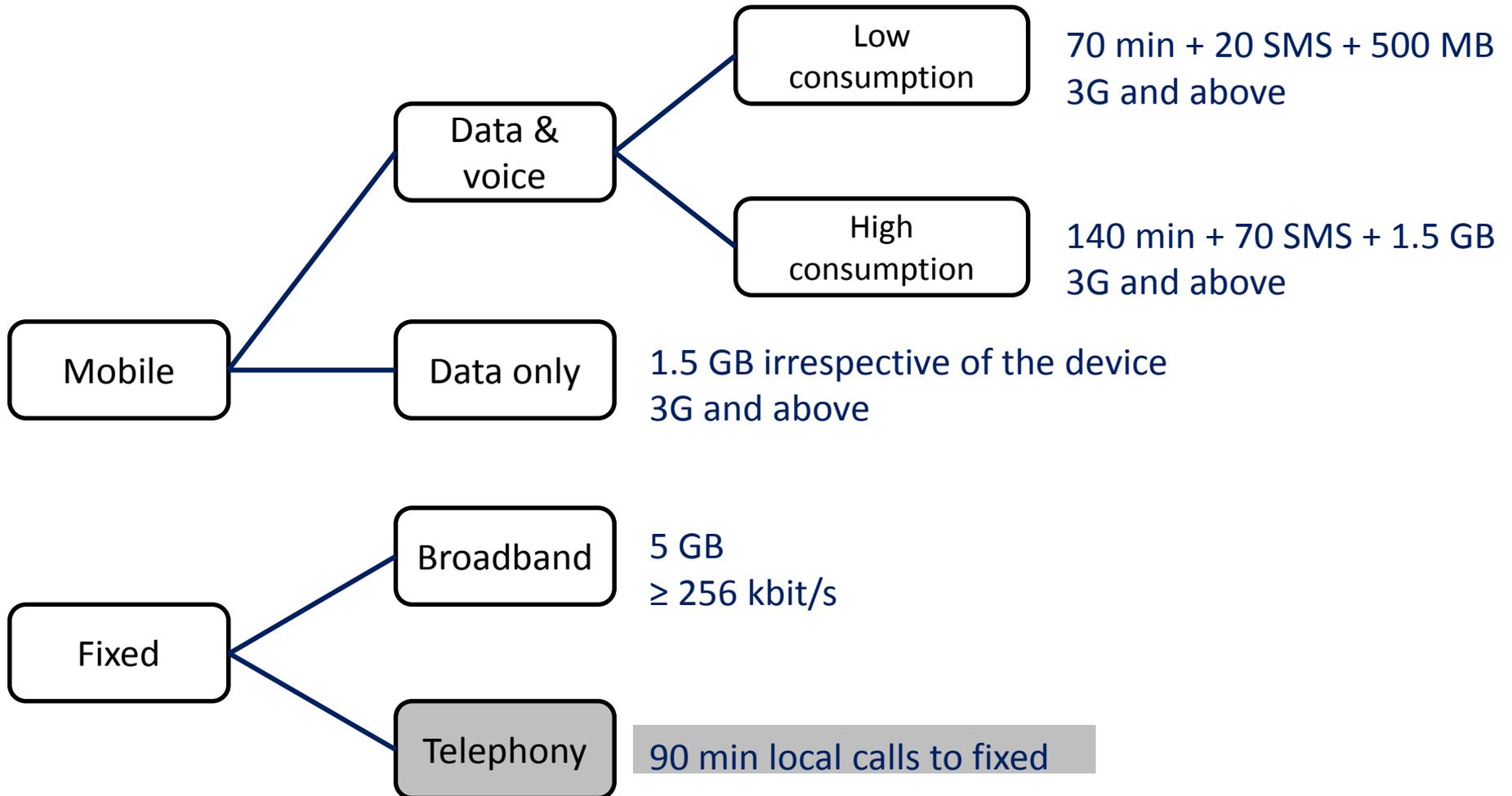
Collected but not reported.

Is there value in continuing with this sub-basket?

Proposed sub-basket



# In sum



Thank you.