Open Markets: A Cure not a Curse - enabling businesses to restore growth

Nick White
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What is INTUG?

- The international telecoms user group
- An association of user associations
- The customer voice in global regulation
- Includes EVUA for corporate members
• Founded 1974 in Netherlands
• ITU Observer since 1979
• OECD Participant since 1982
• Major role in 1987 EU Green Paper
• Started EC roaming inquiry in 1999
• APECTEL Guest since 2000
• CITEL Observer from 2001
• CTO Partnership since 2002
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Enabling business growth

- Removing Barriers, not building them
  - seamless international service
  - seamless inter-operator service
- Ubiquitous Broadband Service
  - equal, open access
  - fixed and wireless
- Business Quality Service
- Business Service Innovation
- Lower Service Costs
INTUG Enabling business growth

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It’s about service, not technology
Consumer world innovation

Work/Create/Learn

Trading

Socialising

Play

What telecoms is needed?
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INTUG Business World Innovation

• Data Centre Consolidation
• Application Hosting
• Support Service Smartsourcing
• Network Outsourcing
• Systems Aggregation/Integration
• Supplier/Contract Consolidation
• Organisational/Process Consolidation
• Fixed/Mobile Convergence
• Virtualisation of Workforce
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INTUG  Business World Innovation

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Boring, internally focused, cost-reduction
ICT-led productivity is poor

- It's even worse in Europe than the US - why?
What could businesses do?

MNE interviews

- What are your business plans?
- How could ICT help productivity?

Conclusion:

Big potential for ICT-led productivity/growth
- 1.6%-2.0% GDP Growth
- 10% SME productivity improvement
- current environment can’t deliver
So what’s the problem?

- Absence of cross-border services
- Incumbent dominance/protectionism
- Discrimination (not just on price)
- Lack of access to infrastructure
- Vertical integration/linked sales
- Lack of investment/innovation
- Focus on commodity technology

No service partnership with customers
We need a wider viewpoint

Consumer welfare
Value Add
Access Infrastructure

Economy welfare
Content/Services
Business Process
Consumers
Telecom

Consumer focus
Telecom Industry View

Business focus
Economy View

It’s about the global economy, not just telecoms
Business ≠ Consumer

- Transnational, not just National
- Interoperable, not Standalone
- Symmetric and Asymmetric
- Fixed and Mobile/Wireless Flexibility
- Multisite - Cities, Urban, Suburban, Rural
- Horizontal and Vertical Integration
- Greater Quality of Service/Resilience
- Net-neutral/Tech-neutral re Content/Service
- Variable Basket of Contract Value
- Machine to Machine Applications
No guaranteed end-to-end QoS
Wireless network challenges

- Inconsistent Service Frequencies
- Wasted Digital Dividend (analogue TV)
- Inefficient Usage/Hoarding
- Equipment Market Fragmentation
- Huge Licence Cost Burden Legacy
- National Policy Differences
  - free-to-air TV
  - military/security service usage
  - geography characteristics
  - demography profiles
REGULATORY CHALLENGES

- EU: Council v EP v EC Trilogue (today!)
- Risk v Regulatory Certainty
- Investment Efficiency via Sharing
- Content/network Neutrality
- International Mobile Services
- Consumer v Enterprise Balance
- Roaming Charges/Termination Rates
- Harmonisation and Consistency

NGA could be the death of competition
Conclusion: Cure or Curse?

- Telecoms knows no boundaries
- Neither do businesses today
- Transborder barriers are a tax on trade
- Competitive collaboration is healthy
- Share innovation, exploit investment
- Adopt a service partnership approach

A single open market is a win-win cure
Protectionism will be a lose-lose curse
Thank You

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