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Today's paper



## Talk is not cheap when mobile subscribers are on the move

David George-Cosh  
Last Updated: April 10, 2010 9:05PM UAE / April 10, 2010 5:05PM GMT

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## Talk is not cheap when mobile subscribers are on the move

David George-Cosh

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Mobile subscribers travelling outside of the UAE have begun to feel the pinch of higher fees, an analysis of roaming charges reveals.

In February, Etisalat changed its rates for calls and text messaging for its domestic subscribers when they roam abroad.

Instead of paying different rates in each country, Etisalat subscribers on a post-paid plan, which is typically used by businessmen who frequently travel, now pay one standard charge in the GCC, another for the Arab world and a third for the rest of the world. At du, roaming charges vary.

International roaming charges account for between 10 and 15 per cent of the revenue of a traditional telecommunications operator in western Europe and North America, but may be even more in countries that have significant expatriate populations, said Irfan Ellam a telecoms analyst with Al Mal Capital.

A study by Vodafone Qatar said Qatar Telecom, the largest telecoms operator in the country, received 50 per cent of its mobile revenues from international roaming, Mr Ellam said.

“There’s a great deal of revenue that comes from international traffic.”

Although the average calling rates have declined 32 per cent and the cost of calling the UAE has fallen 11 per cent, rates for text messaging and rates in the homelands of several expatriate communities in the UAE have risen, according to data provided by the Telecommunications Regulatory Authority and Etisalat comparing rates for 334 mobile operators.

If you travel to Sri Lanka, you would pay 73 per cent for a local call with Etisalat’s new rates.

But the cost of local calls had also increased: in the Philippines, by between 19 and 79 per cent; in Bangladesh by 95 per cent; in Egypt by 55 per cent; and about 7 per cent in India.

In India, Etisalat customers pay Dh5 (US\$1.36) a minute for a local call and Dh10 a minute to call the UAE.

By comparison, the US operator AT&T charges \$2.29 a minute, Vodafone UK charges 80 UK pence (Dh4.51) a minute, and Japan’s NTT DoCoMo charges ¥80 (Dh3.15) a minute to call within the country and ¥280 to call internationally.

The cost of calling the UAE on a mobile has also increased in Pakistan, Bangladesh, Jordan, Iran and the UK.

Charges for text messages have also increased in almost every country except for 14 operators in such places as Brazil, Andorra and Morocco. In the Gulf, Etisalat’s calling charges within a foreign country have fallen dramatically.

But rates for text messaging and calling the UAE have increased for most Gulf countries.

Increasing the cost of a text message, a service that normally costs operators fractions of a dirham to transmit, is probably an attempt offset the losses from the popularity of free applications such as BlackBerry Messenger, Google Chat or Skype, said Antonio Carvalho, a partner at the telecoms consultancy Delta Partners, based in Dubai.

“Why should I pay even one cent for a text message when I can have the service for free if I get a BlackBerry package?” asked Mr Carvalho.

“Whenever you do a price rebalancing, you need to look at the whole customer base [use] patterns and find the elasticity if you decrease or increase a rate. At the end of the day, all the

operators try to decrease some things to encourage more usage so they don't lose as much revenue.”

Essa al Haddad, the group chief marketing officer for Etisalat, said the roaming charges were simplified to three zones in February to make it simpler for customers to calculate how much they would spend.

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