

Mobile fair takes aim at high roaming charges

March 1 2012, by Katell Abiven



A tourist talks on a mobile phone at the Sambodrome in Rio de Janeiro on February 17 ahead of the two-day carnival parade. The world's biggest mobile fair this week urged operators to convert "silent roamers" or travellers who stop using their phones once abroad for fear of a massive bill.

The world's biggest mobile fair this week urged operators to convert "silent roamers" or travellers who stop using their phones once abroad for fear of a massive bill.

If unlocked, the market could be worth a massive 1.5 billion euros (\$2.0 billion) in Europe alone.

"I know that 40 percent of mobile customers are nervous about using data services abroad," said European Commissioner of New Technologies Neelie Kroes at the [Mobile World](#) Congress.

"Because, with EU roaming prices still so high, they know they could be in for a nasty surprise when they open their bill," she added.

Telecommunications operators apply a so-called roaming surcharge when a mobile telephone is used abroad. The bill could therefore be enormously high if a user keeps a smartphone constantly connected to the internet while overseas.

"We probably have two-thirds of the people here who have turned off their data, because they're scared to death of the roaming prices, and we're talking about people from the telecom world!" noted Glenn Gordon, chief executive of Syniverse, which deals with roaming issues for 700 [mobile operators](#) across the world.

While some just disable their data function, others stop using their phones completely.

According to Syniverse, out of 75 million people who travel to another country in a month, close to 70 percent never use the data service and half make no calls at all.

Analyst firm Greenwich Consulting estimates that data roaming alone is an untapped 1.5 billion euro business in Europe alone.

"A smartphone is a great travelling companion and data services should be kept on rather than turned off, as they are today," said Magnus Rehle, director of the consultancy.

"The prices of [international roaming](#) have got to come down. None of us like surprises, we don't want to have to live in fear of the 5,000 euro bill," noted Gordon.

Bengt Nordstrom, chief executive of research institute Northstream

noted that the reluctance to slash roaming prices is because "roaming is very, very profitable for operators."

Yet, he pointed out that operators "can still make a lot of money with decent roaming prices."

Some have begun to react.

"We have been talking about roaming with other operators for a long time," said Stephane Richard, chief executive of France Telecom, which runs the Orange mobile service.

"Everyone recognises that the current system is not satisfactory, as the prices are sometimes so high that they discourage usage," he added.

Orange has used the Barcelona congress to unveil a new roaming offer combining voice, SMS and data within the EU.

But more coordinated action across the 27-country bloc may soon arrive.

The European Commission has already forced the sector to cut prices dramatically in recent years.

But Brussels seems determined to go further.

At the European Parliament, the industry commission on Tuesday validated Kroes' proposals to further slash prices and European parliamentarians are to vote on the issue in early April.

"I am looking forward to a good result on roaming. And to getting an ambitious political agreement next month," said Kroes.

"Such an agreement must secure a truly competitive single market for

roaming services, with more choice and much lower consumer prices," she added.

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