

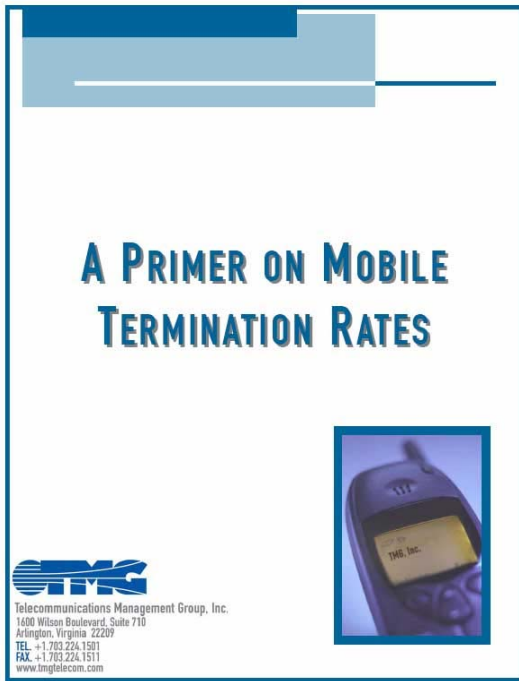
# A Primer on Mobile Termination Rates



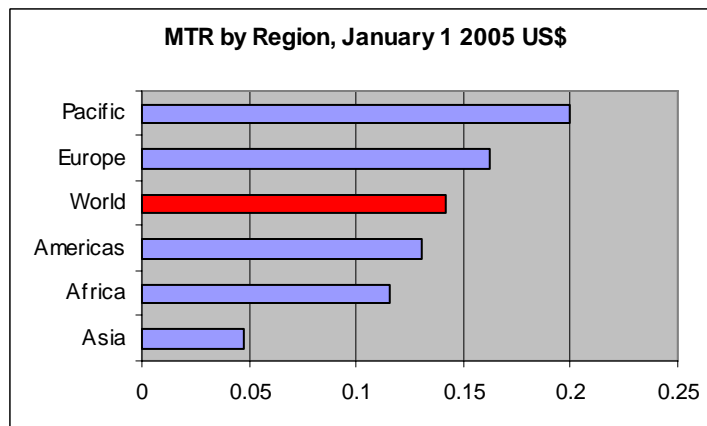
- **High mobile termination rates discourage usage**
- **The average mobile interconnection rate in 2005 was US\$0.142 in 2005**

A new report from Telecommunications Management Group, Inc. (TMG) entitled "A Primer on Mobile Termination Rates," notes that while mobile telephone subscribers surpassed fixed line subscribers globally in 2002, mobile usage significantly lags fixed line usage.

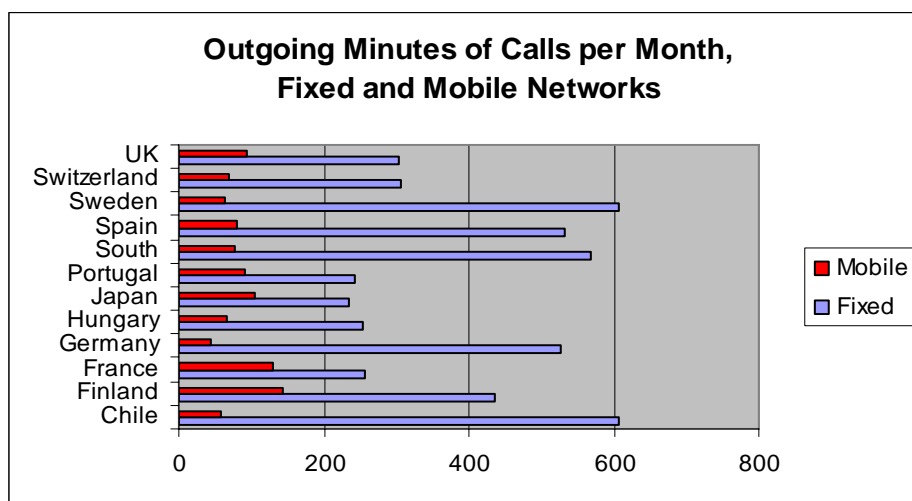
The main reason is the high price of mobile calls which are often caused by high mobile termination rates (MTRs, the cost per minute of terminating a call on a mobile network). There is compelling evidence that mobile users in countries with low termination rates or that charge the receiving party for the call (known as Receiving Party Pays, RPP), spend more time talking on their phones. For example, users in the United States, where mobile operators use RPP, spend almost 600 minutes a month speaking on their mobile phones whereas users in the European Union, where the calling party is charged for the call (known as Calling Party Pays or CPP) use their mobile service an average of only 142 minutes a month.



The report finds that the average MTR in the world was US\$0.142 at the beginning of 2005. MTRs among countries that have announced phased reductions are forecast to fall below US\$0.109 per minute by 2007, a decline of 19% a year. There is significant variation in MTRs around the world, with the Asian region having the lowest at US\$0.048 per minute:



The report provides regulators, policy makers, operators, researchers and others with an overview of MTR concepts. It explains the difference between RPP and CPP, providing examples of different penetration rates and usage patterns under the two systems. The report examines asymmetric MTRs, such as different rates for different operators in the same country or different MTRs depending on the originating network such as another mobile, a fixed network or an international call. It features 5 tables and 20 charts providing a wealth of data on mobile termination rates and trends. Also, regional benchmarks are provided for 2005.



In addition to mobile termination rates, mobile surcharges or spot market rates for over 100 countries, the report also includes mobile penetration, mobile pre-paid basket value, index of mobile market competition, number of mobile operators, minutes of use per subscribers and ARPU for 2004 for the following major economies:

<b>Argentina</b>	<b>Denmark</b>	<b>Japan</b>	<b>South Africa</b>
<b>Austria</b>	<b>Egypt</b>	<b>Korea (Rep.)</b>	<b>Spain</b>
<b>Australia</b>	<b>France</b>	<b>Malaysia</b>	<b>Sweden</b>
<b>Belgium</b>	<b>Germany</b>	<b>Mexico</b>	<b>Switzerland</b>
<b>Brazil</b>	<b>Hong Kong</b>	<b>Netherlands</b>	<b>Taiwan</b>
<b>Canada</b>	<b>Hungary</b>	<b>Peru</b>	<b>Thailand</b>
<b>Chile</b>	<b>India</b>	<b>Philippines</b>	<b>Turkey</b>
<b>China</b>	<b>Indonesia</b>	<b>Poland</b>	<b>United Kingdom</b>
<b>Colombia</b>	<b>Israel</b>	<b>Russia</b>	<b>United States</b>
<b>Czech Republic</b>	<b>Italy</b>	<b>Singapore</b>	<b>Venezuela</b>

For more information about the report, including ordering details,

<http://reports.tmgtelecom.com/mtr>



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