



ROAMING TARIFFS

THE EU'S REVOLUTION

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Over the past two years, the European Commission has intensified its efforts in reducing the prices of roaming tariffs for mobile phone calls made and received while abroad. In October 2005, the Commission unveiled a new website aimed at informing European citizens on the various prices offered by mobile phone operators across the EU. The objective of this exercise was to increase competition by allowing consumers to compare prices and make a better informed decision. However, more action was needed since roaming charges remained, on average, four times higher than those for local calls.

In July 2006, the Commission proposed a Regulation aimed at slashing roaming charges. Member States reached a political agreement on the Commission's proposal in less than a year following the adoption of the EU Roaming Regulation by the Telecom Council on 7 June 2007. This piece of legislation which is binding and uniformly applied across the EU should lead to a reduction of up to 70 per cent in the prices paid for roaming charges.

The first measure introduced by the Regulation was to place a maximum tariff, also known as the "Eurotariff", on roaming charges. By the end of September 2007, the maximum tariffs offered by mobile operators could not exceed €0.49 a minute for mobile calls made abroad and €0.24 a minute for mobile calls received abroad. These tariffs shall continue to be reduced further over the next two summers until they reach maximum tariffs of €0.43 a minute for mobile calls made abroad and €0.19 a minute for mobile calls received abroad. All tariff rates mentioned exclude VAT and apply for international roaming within the EU.

Maltese mobile phone operators conformed to the requirements of this Regulation by the end of August 2007. To illustrate the benefits of this Regulation one can compare the tariffs for a 4 minute pre-paid peak time voice call made in the UK through a specific local operator. In March 2007 such a call used to cost €6.42. In September the tariff for the same call was reduced to €2.31 which translates into a reduction of more than 60%. These tariffs are inclusive of VAT.

Undoubtedly, the swift institutional and political agreement reached on the Roaming Regulation resulted in a tangible benefit for the millions of EU citizens who travel from one Member State to another. Following the successful outcome of this initiative, Vivian Reding, the Commissioner for Information Society and Media also augured that operators shall reduce the prices of SMS and transfer of data in the near future.

In the meantime, readers are invited to access the useful information provided by the Commission at: http://ec.europa.eu/information_society/activities/roaming.

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