

# Challenges for Future Trade in Telecommunications

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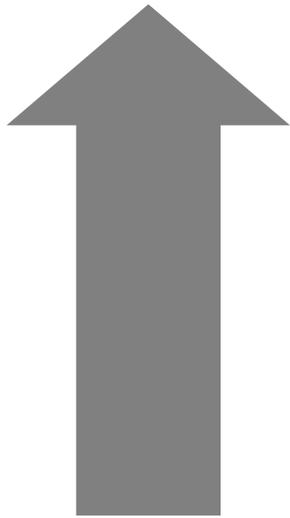
## Two Possible Challenges

- > **Given technological and market innovations, are WTO rules governing telecom services still relevant?**
- > **How to get more participation in WTO telecom discussions and how to help implementation of WTO telecom commitments?**

# IDA wears both regulator and negotiator hats



# Massive Changes in last 10 years, more massive in the next 10 years



- > **Autonomous liberalization, privatization, competition**
- > **10x more telecom regulators since 1990**
- > **Positive impact on national economy and society**
- > **3 billion users and counting**
- > **Consumer choices, new products, services, applications, business models**



- > **Prices**

# Relevance of WTO rules

# WTO telecom rules – the ‘Building Blocks’

> The WTO rules governing telecom services can be boiled down to 4 Building Blocks:

- 1. Be Transparent**
- 2. Don't Discriminate**
- 3. Increase Competition**
- 4. Regulate Reasonably**

# Building Blocks still relevant

- > **Telecom services are enablers of other services and applications**
- > **Half of WTO Members have not started with the Building Blocks.**
- > **WTO is working on supplementing the Building Blocks (eg Working Party on Domestic Regulation)**
- > **Supplementing the WTO, perhaps other bodies would discuss these new developments, in a multi-stakeholder manner**

# Enhancing Participation and Implementation

# My observations from Doha round and 10 bilateral FTA negotiations

- > **No middlemen: Telecom experts and policymakers MUST be directly involved**
- > **Telecom officials often have limited or wrong understanding of WTO jargon and concepts, and trade officials often do not know how to explain**
- > **Need to overcome Win-Lose mindset and short-term mindset**

# Training and Capacity Building Needed

- > **There is genuine demand for training by telecom officials on good regulatory practices and implementing WTO rules**
- > **WTO Telecom Course in 2004 oversubscribed**
- > **Other bodies developing WTO best practices eg APEC**
- > **WTO Members' individual efforts**

# IDA Singapore conducting courses for telecom officials from 12 countries (<http://www.egl.sg>)



# Short-Term Mindset to 10-year Mindset

## > Short-term costs of liberalization

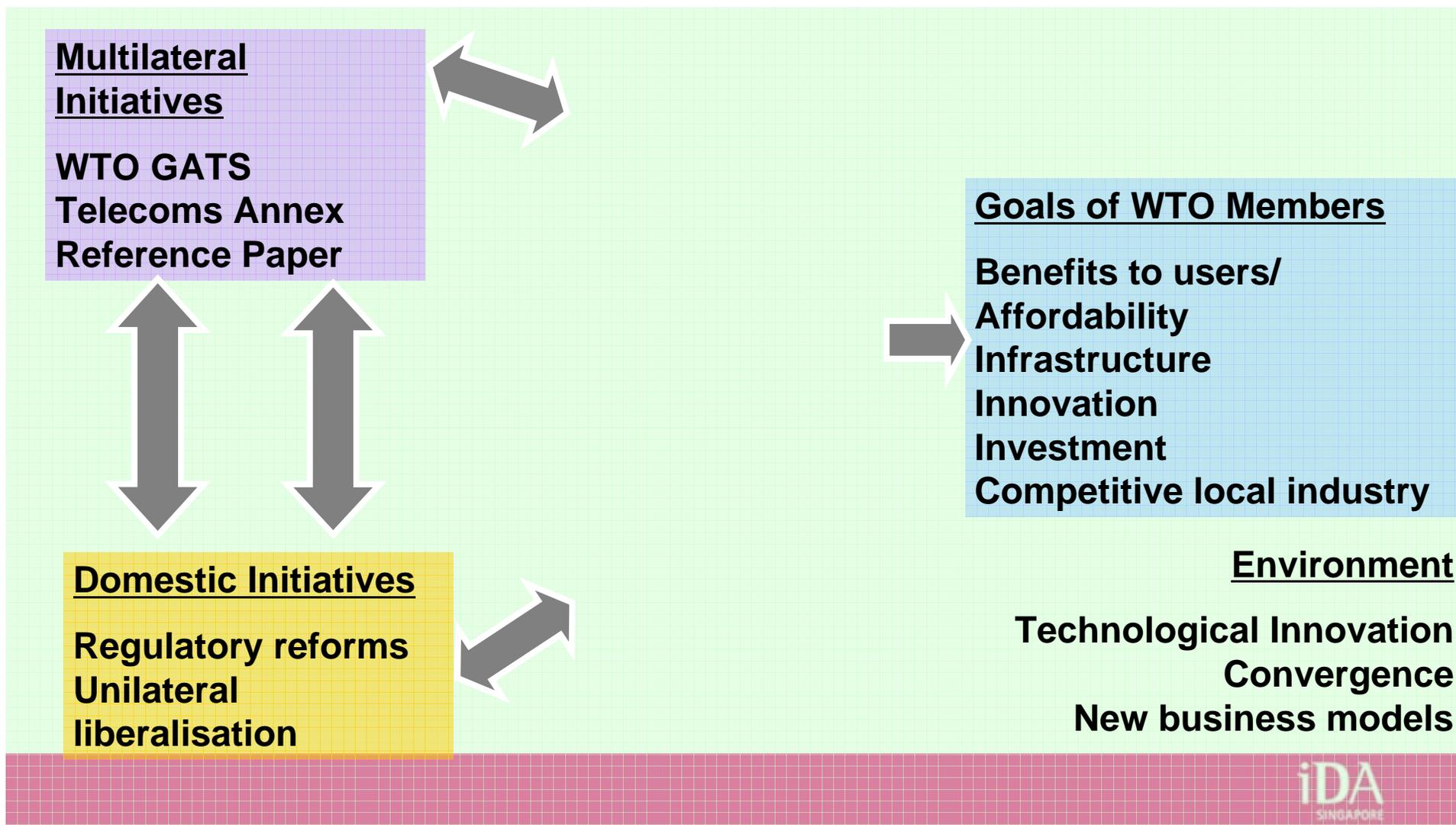
- Had to privatise incumbent
- Had to create converged regulator
- Had to restructure and reskill regulatory officials
- Incumbent had to change business strategy and restructure as well

## Long term benefits: eg Singapore 1997-2007

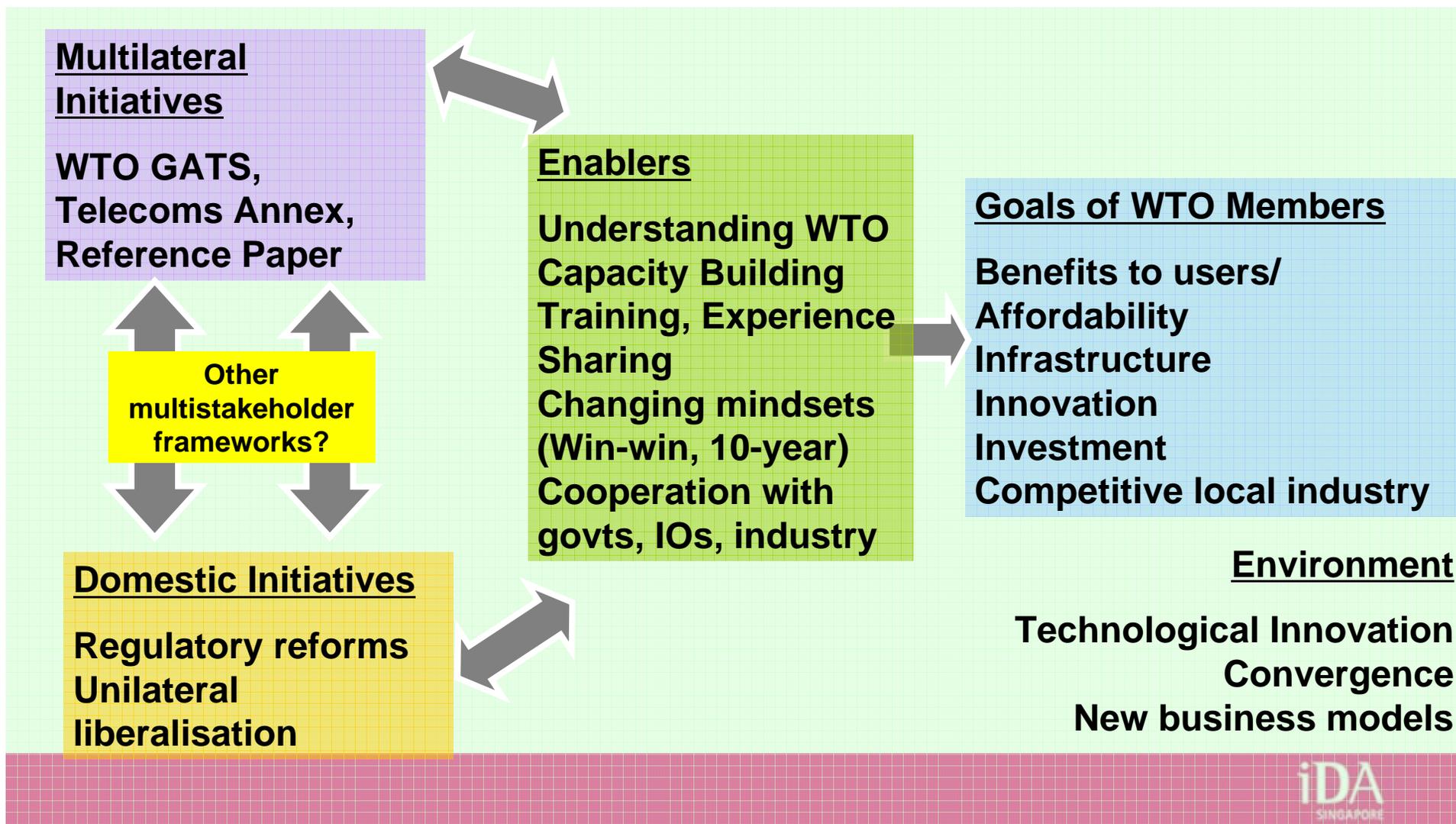
	1997	2007
<b>Broadband (households)</b>	<b>&lt;5%</b>	<b>77%</b>
<b>Mobile</b>	<b>13%</b>	<b>123%</b>
<b>ICT Manpower</b>	<b>Approx 80,000</b>	<b>120,000 (5% of workforce)</b>
<b>Licensees</b>	<b>2</b>	<b>800 (approx)</b>
<b>Incumbent Revenues</b>	<b>S\$ 4.4 billion</b>	<b>S\$13.2 billion</b>

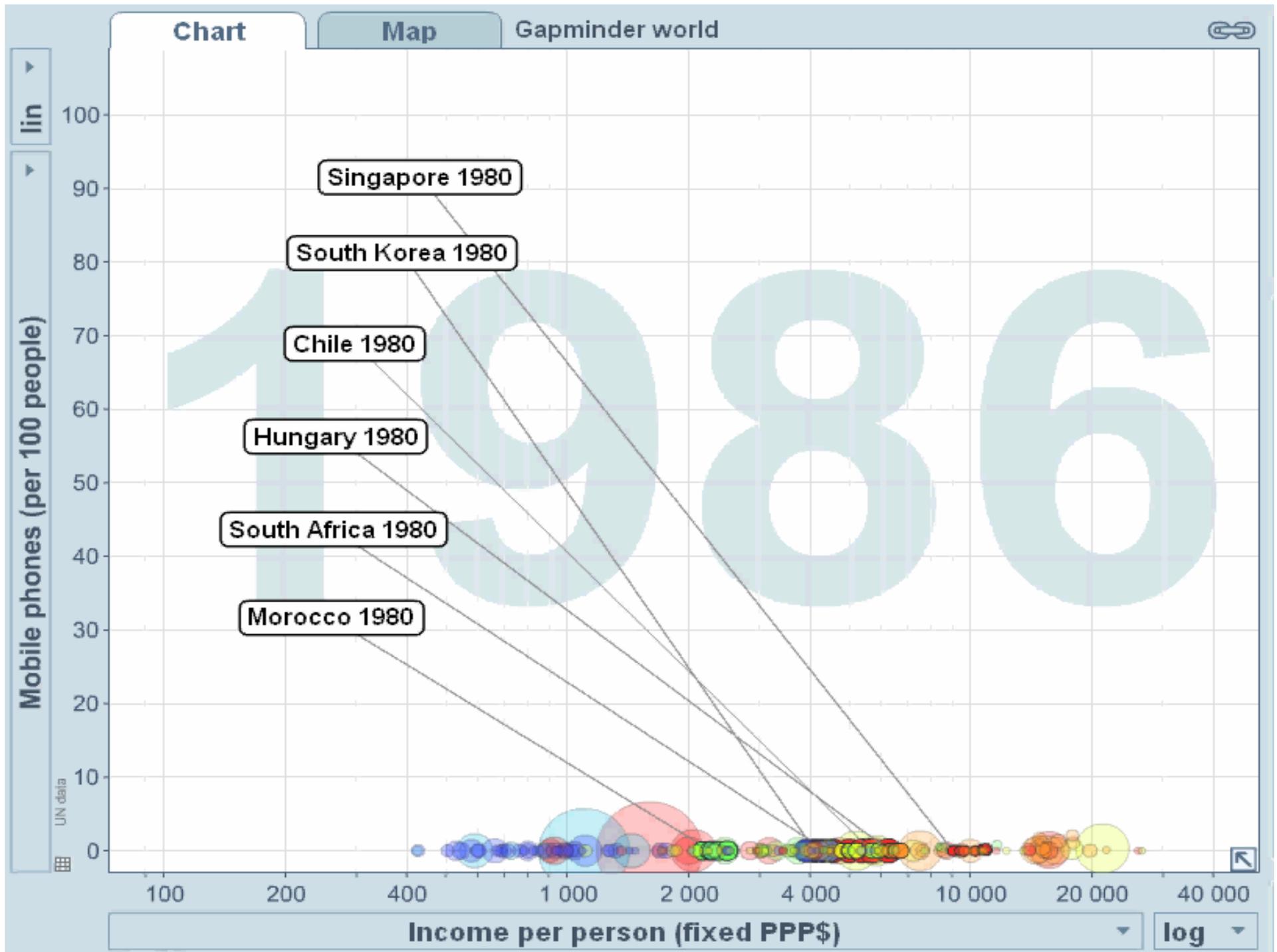
**New biz models: eg Free wifi in all public areas in Singapore, 1Gbps network by 2015 (universal service)**

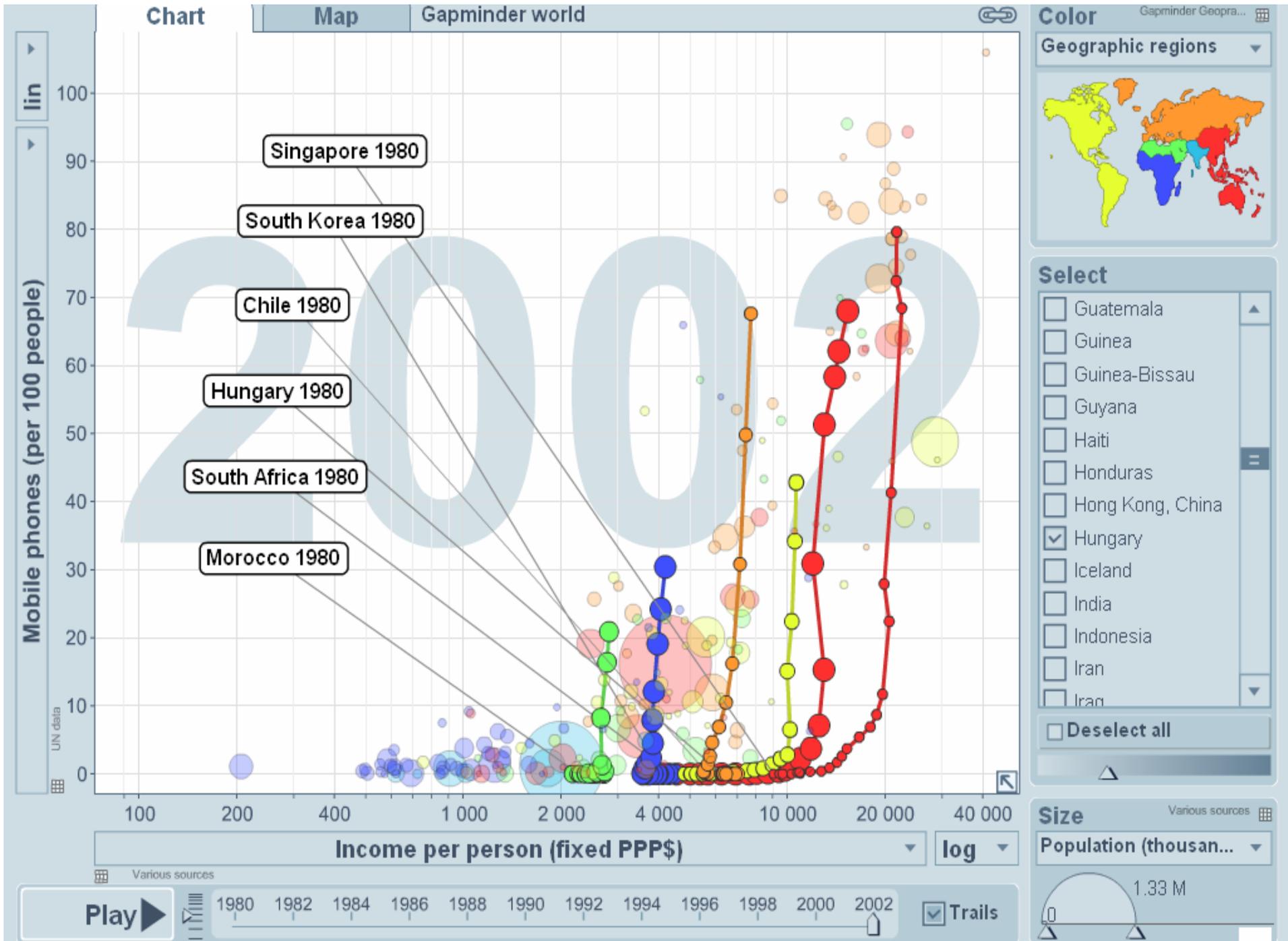
# We all have the same goals



# What are some possible enablers?







# Thank you

[www.ida.gov.sg](http://www.ida.gov.sg)

## Postscript: Things to think about

- > **How to supplement WTO rules to meet new developments, while helping WTO Members to implement the building blocks of WTO telecom rules?**
- > **How to greatly enhance our engagement of telecom officials in WTO negotiations? How to increase the level of understanding of WTO rules among telecom officials? How to help telecom officials implement WTO rules? How to change mindsets?**
- > **How do we cooperate with all stakeholders (govts, industry, international bodies) with respect to all of the above?**