International Telecommunications: An Overview

Telecommunications Economics

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Agenda

- Overview
- Telecom & Development
- Trends
- Implications/Conclusions

Teledensity versus GDP

Telecom / Economic Overview

- Teledensity versus GDP
- Investments
- Traffic and Prices

Teledensity: Jipp Curve

Source: ITU data, 1991

Telecommunication Investment

Source: ITU data, 1991
Telecommunications is a Significant Driver of Economic Growth
- Empirical Estimates Confirm
- Magnitudes of Estimate Vary

Qualifications
- Telecommunications Investment Not Sufficient.
- Human & Capital Resources Required
- Other Infrastructure Investments Required

Trends
- Technology
- Privatization
- Regulation

Technology
- Digitalization
- Wireless
- Convergence

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Technology

- Digitalization
  - Wireless
    - Ubiquitous
    - Mobile
    - Cheaper
  - Convergence
    - Competition
    - Cheaper

Privatization: Rationale

- Performance / Efficiency
  - Upgrade & Expand Networks
  - Rebalance Prices
  - Import Experts
  - Bureaucracy Eliminated
  - Introduce Competition

Privatization: Rationale

- Financial Structures
  - Raise Capital / Cash
  - Reduce Government Debt
  - Reduce Foreign Debt
  - Improve Balance of Trade
  - Promote Stock Ownership

Regulation

- Incentive / Price Caps
- Competitive Entry
- Sale of Spectrum

Conclusions / Implications

- Price Decreases
- Improved Infrastructure
- Intense Competition

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