



# FACTSHEET International calls

## 🗨 The consumer detriment: overpriced international calls

Consumers who call someone abroad are often faced with huge bills. That's because the prices telecom companies charge for international calls are many times higher than calls within the same country. While the price for calling a friend who lives in the same city would typically cost a few cents every minute, you can easily pay 40, 60 or €1 if your friend is located in a different EU country. These prices are both disproportionate and unjustified given the actual costs for the provider to connect you to a foreign network.

## 🗨 Failing market

Research undertaken by BEUC's members in 2016 showed that the average retail price for a call to another EU country is almost 0.6 euro/minute while peaks might be as high as 1.99 euros/minute. In contrast, a [report](#) by the body of EU telecom regulators showed that the average cost for mobile providers to deliver that same phone call was 0.014 euro/minute. This means that mobile providers are making on average a 5,000% profit margin for each international call.

The market for international SMS is not better. BEUC's members' research found that on average international SMS are priced over 0.24 euro/SMS, while mobile providers face an average cost of only 0.022 euro/SMS for delivering each message. That's an average profit margin of approximately 1,000%. As a result, consumers often face prohibitive price tags for making an international call.

In addition, such practices are bad for competition. Prices are so prohibitive that demand is low and mobile providers don't compete to offer cheap international calls. In a handful of countries, some providers buck the trend and go low on prices, but they are the exception rather than the rule.



When people travel to another country in Europe and use their mobile phone to call their mother back home they (used to) pay roaming charges. This should become an issue of the past as of 15 June 2017 as new EU rules enter into force. But calling your daughter who lives abroad may still cost several times more than if she lived in the same country as you.

## 🗨 Win-win: prices down, revenue up

Consumers often think twice before calling their grandchild who is on holidays or their travelling friend. In fact, a [recent survey](#) showed that less than 50% of consumers make international calls. Decreasing the price for such calls would unlock currently untapped revenue for telecom operators. A decrease in prices would be a win-win for both business and consumers.

<sup>1</sup> [http://www.beuc.eu/publications/beuc-x-2016-074\\_mqo\\_letter\\_to\\_mr\\_ansip\\_mr\\_oettinger.pdf](http://www.beuc.eu/publications/beuc-x-2016-074_mqo_letter_to_mr_ansip_mr_oettinger.pdf)



## So let's just Skype?

Those opposed to fair international telecom prices argue that consumers could just use 'free' services such as Skype or Messenger for international calls. This is a fallacy. Such services are still less widespread than 'normal' phone services. Relying on such – admittedly useful – services would also penalise those consumers who are less tech-savvy or who do not have access to a smartphone at all. In addition, the use of these services requires high-speed broadband access, something which is not at all guaranteed or available. According to the same IPSOS survey, 67% of consumers who indicate that they do not use online apps for international calls give as a reason that the people they want to speak to cannot be reached via an app. 36% of those who didn't use Skype or similar services cite quality problems.



### What we ask for

What we ask for is simple. Consumers should not be cornered against for trying to call another country. The EU wants to build a Single Market for telecommunication services. Differences in pricing based on the cross-border nature of the call do not fit with the fundamentals of a Single Market.



Price differences between national and international calls may exist but must be justified. If telecom providers charge their customers more because they make a mobile call to a person who is abroad, the additional charges must be based on the costs and be fair.