

*Keynote speech by Mr. Pradip Baijal, Chairman of TRAI
at the Workshop on ICT Indicators for Benchmarking Performance in Network
and Services Development held in New Delhi, 1-3 March, 2006*

Ladies and Gentlemen,

It is with great pleasure that I inaugurate the **Workshop on ICT Indicators for Benchmarking Performance in Network and Services Development**. Over 45 participants from 16 countries, including all the SAARC countries and Afghanistan, have come together to make this a truly significant event.

First, I would like to express my appreciation to LIRNEasia for identifying the need for systematic work on indicators specifically designed for the South Asian region and for following through in the realization and organization of this event in co-operation with the International Development Research Centre of Canada and the Telecom Regulatory Authority of India. I applaud the IDRC for providing this essential support for the reform process in the region. I thank Dr. Samarajiva and the other officials LIRNEasia, TRAI and TERI who worked hard to make this event a reality and all of you who have made the effort to join us in New Delhi for this event. I warmly welcome our foreign guests and wish you a pleasant and productive stay in our capital.

I trust that the presentations and discussions over the next two days will allow us to move towards a harmonized approach regarding ICT indicators for benchmarking performance in network and services for the South Asian region.

As you are aware, statistics and data are crucial:

- To determine where countries stand;
- How they compare with others;
- How well they are doing over time; and
- For measuring effectiveness of policy and regulatory measures.

In addition, individual companies, trade associations, investors, investment analysts and researchers can make good use of statistics.

Telecommunications is one of the growth engines of not only the Indian economy but of most of the South Asian economies. It has become especially important in recent years because of enormous growth of Information Technology (IT) and IT-enabled services in India and in our neighbouring countries that rely increasingly on world class telecommunication infrastructure delivered at reasonable rates. The telecom sector in India has been growing rapidly. The growth-rate which was around 21% in 2002-03, has accelerated to a higher growth path of about 34% in the calendar year 2005. About a decade ago, India had a teledensity of around 1%. At the end of January this year it stands at 12%, or a twelve -fold increase. Today, India's more than 130 million telephone network is one of the largest in the world and the second largest among the emerging economies.

As a Regulator, it would be foolhardy to steer this enormously crucial sector without a compass; reliable, standardized indicators are exactly that. ICT indicators provide policy-makers and regulators with an accurate picture of the state of the ICT sector. This can be the basis for designing policy and regulatory measures that influence the spread, utilisation and impact of ICTs in the South Asian region. Quantitative data can help investors and managers make the right

decisions as to where to invest scarce resources and how best to serve as many of our citizens as possible.

Towards this end, TRAI has launched an initiative to publish Indian Telecom Performance Indicators on a quarterly basis. The scope and coverage of this publication has increased substantially over the last few months. Researchers, Investment Analysts, Operators and potential investors both from India and abroad, students and many other stakeholders have found it very useful. Consequent upon Government's decision to entrust the responsibility of broadcasting and cable services to TRAI, the indicators of this sector have also now been included in the quarterly performance report.

In most of our countries, we have a healthy rivalry when it comes to One-Day or Test Cricket; after a series, we check our national rankings to see whether we have gone up or down. A drop in national rankings usually calls for a rethink and a change of strategy, and sometimes even for the head of the coach, captain or selector!

A similar healthy rivalry in telecom rankings may also be a good thing among our countries. Standardized indicators to measure the supply and performance of the ICT sector will enable benchmark comparisons which will in turn promote better governance and accountability in the ICT sector. Not only do indicators help us do our jobs better but they also provide crucial information to potential investors and operators on whether to enter our markets or not and on making additional investments.

However intense the rivalry among us is in cricket, we also know that we all take pleasure when a South Asian team does well against New Zealand or South Africa, as the Under 19 team from Nepal did recently, we all cheer for the South Asian team. In the same way, the rapid telecom growth across the region is a cause for cheering on the part of all of us.

Currently, non-standard data collection in our region makes comparability of data between countries problematic. As a result, the existing data sources for South Asian countries do not permit construction of specific indicators suitable for cross-country comparison. I hope that this will change with the outcome of the actions initiated by you at this workshop.

This workshop will review existing and new indicators, definitions, collection, methodology and dissemination. Although today for the first time this issue is being discussed at the South Asian level in a focussed and comprehensive manner, we know that the South Asian Telecommunications Regulators Council has had a continuing interest in developing effective indicators and benchmarks for the region, starting from the 1st SATRC Meeting held in Colombo and organized, interestingly, under the leadership of Professor Rohan Samarajiva, who was then Director General of Telecommunications of Sri Lanka.

The Partnership for Measuring ICTs for Development, including the ITU, the OECD and the UNCTAD among others, has identified many indicators, but it is important that priorities that are appropriate for emerging Asia are developed with the participation of key stakeholders. This work builds on the experience of a number of countries and regions that have identified ways of measuring and

defining ICT indicators. These national and regional experiences which will be presented during the workshop will help us develop a common set of core ICT indicators tailored to our specific needs.

The workshop brings together people associated with data collection and reporting in government organisations, regulatory agencies and industry associations in Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka and Afghanistan as well as the foremost authorities on the subject from the ITU, the OECD and the National Regulatory Research Institute in the United States. LIRNEasia has also assembled a group of researchers from across the region that will, we hope, form the nucleus of regional expertise in ICT policy and regulatory reform. It is hoped that in addition to increasing knowledge about this ever-changing and developing field, this meeting will lay the foundation for networking and friendships among the data providers so that high quality data for the ICT sector, approaching OECD standards, can be collected on a systematic and sustainable manner.

Let me conclude by giving you a concrete example of how benchmark indicator data can be used. TRAI has been actively involved in lowering tariffs for International Private Leased Circuits (or IPLCs) and Domestic Leased Circuits (or DLCs), which in turn reduced the cost of bandwidth, a crucial input for the Broadband/Internet Services, Information Technology (IT) and IT enabled industries including BPOs/ KPOs. TRAI also mandated that the leased line prices of the leading operator be published on the Web. This was, like most significant regulatory actions a complex exercise, but I am happy to report that the TRAI's decisions have been affirmed by Hon'ble TDSAT and we are now

seeing the benefits of the lower leased line prices. I understand there will be some discussion of this experience at the meeting.

We regulated leased line prices because we believed that the market was not competitive and because we knew from laboriously gathered benchmark data that our prices at that time were too high. I have been informed that LIRNE*asia*, as part of a study on WiFi access in Indonesia, benchmarked Indonesian leased line prices against our prices as well as those of Pakistan. In the context of some collaborative activity with MASTEL, the Indonesia Telecommunications Society, LIRNE*asia* released the comparative data to the media, which gave it considerable publicity. This has put considerable pressure on the Indonesian policymakers and regulators to bring down Indonesian leased line prices from their current high levels.

If standardized benchmark figures for leased lines were readily available when we started on our work in this area, it would have been much easier for all of us. I understand from LIRNE*asia* that even though India and Pakistan are the only two countries in Asia that publish these prices, there is still room for improvement in adopting standard definitions and categories to facilitate benchmarking.

In the South Asian region, we have achieved much progress through the pragmatic implementation of enlightened telecommunications policies. Telecommunications is no longer a brake on the rest of the economy, but an engine that powers it. As we strive to maintain this momentum, it is important

that we also set in place the feedback mechanisms to ensure that the engine performs at peak efficiency. I hope that the work you begin today will result in the best possible performance indicators being developed for our region. I wish you well in the deliberations of the coming two days and in the follow-up actions to be taken in the subsequent months.

Thank you.