

Brussels, 10 May 2012

## **Digital Agenda: New price caps for mobile data roaming expected to save families over €200 each year and business travellers over €1000.**

From 1 July 2012, the European Union's mobile roaming regulation will be extended to include price caps for data downloads which will mean significant savings for those using maps, email and social networks when travelling. For a typical businessperson travelling in the EU this will mean savings of over €1000 per year. A family taking an annual holiday in another EU country can expect to save at least €200. (Full details of these data roaming case studies are in Annex II).

Overall, the improved EU roaming regulation – taking into account calls, SMS and data - will deliver consumers savings of 75% across a range of mobile roaming services, compared to 2007 prices. This year Europeans will spend around €5 billion on roaming services, a saving of around €15 billion compared to what the same services would have cost under 2007 prices.

Commission Vice President Neelie Kroes said: *"By putting price caps on data we have created a roaming market for the smart phone generation. More than that, we have ended the rip-offs familiar to anyone who has used a mobile phone while travelling abroad. I am pleased that year after year the European Union is putting money back in the pockets of citizens."*

"From 2014 we are also delivering a permanent solution to the roaming issue, something better than any price cap. We are bringing full competition to this market by making it easy to choose a separate roaming provider. If you can find a better offer compared to your standard contract you'll be able to do it in a few simple swipes, just like when you choose a wifi network." In recent years consumers have benefitted from EU action to create a strong safety net of price caps and guarantees against "bill shocks", and more competition which drives the market to further cut prices. The latest Commission proposals have also moved from draft to implementation in record time of less than one year (see [IP/11/835](#)).

### **From summer 2012: data downloads get much cheaper**

Since 2007 the EU has placed price caps on calling and texting. Now data is being brought under the same system. The new prices caps, which will enter into force on 1 July 2012, are:

- 29 cents per minute to make a call, plus VAT
- 8 cents per minute to receive a call, plus VAT
- 9 cents to send a text message, plus VAT
- 70 cents per Megabyte (MB) to download data or browse the Internet whilst travelling abroad (charged per Kilobyte used), plus VAT.

Downloading data previously cost more than €4 per Megabyte from many operators in July 2009 – now those prices will be cut by around six times. By 2014, as prices

are cut further, the maximum cost of downloading data will be just 20 cents per Megabyte, plus VAT, a saving of 90% on many current rates.

Operators are free to offer cheaper rates. Price caps are a maximum level, acting as a safeguard, and competition should drive them lower.

### **Bill shock: better information when travelling outside the EU**

To help avoid "bill shock" from 1<sup>st</sup> July 2012, people travelling outside the EU will get a warning text message, email or pop-up window when they are nearing €50 of data downloads, or their pre-agreed level.

Consumers will then have to confirm they are happy to go over this level in order to continue their data roaming.

This extends the alert system currently in place within the EU.

### **From 2014: competition will deliver cheaper roaming**

From 1 July 2014, customers will have the option to shop around for a separate mobile roaming provider – either through a contract or by choosing a provider at their destination, like they would choose a Wi-Fi network. All with the same number.

Mobile network operators in visited countries will have an incentive to offer such services at rates close to national prices, on the basis of their own low national network costs. As people's mobile data use intensifies, and they want to use their devices anywhere, any time, many travelers are likely to find this Wi-Fi - like option very attractive. These forces will reinforce each other to create lower prices and better network coverage.

Price caps will stay in place until 30 June 2017 as an extra safety net for consumers.

### **The wider policy context**

The Roaming regulation is one piece in a much bigger technology puzzle. In particular, it is about ending unnecessary constraints on economic growth and positioning Europe at the front of the data revolution. Many people would use more smart phones abroad for wider services - such as health care, purchasing, banking, finding their way or socialising – if data were cheaper.

To have the affordable internet at your finger tips is important, but not enough; therefore the European Commission is also taking concrete action on a number of areas:

- data protection,
- Cloud computing,
- e-Identification,
- number portability,
- the right to 12 month mobile contracts and
- lowering mobile termination rates.

All these actions aim to build a complete digital Single Market with consistent rules, so Europeans can easily enjoy great content, on all their devices wherever they are.

### **For more information**

See [MEMO/12/227](#)

European Commission's [roaming website](#)

Follow Neelie Kroes on [Twitter](#)

**Current and new retail price caps (excluding VAT)**

	CURRENT	1 JULY 2012	1 JULY 2013	1 JULY 2014
Data (per MB)	None	70 cents	45 cents	20 cents
Voice-calls made (per minute)	35 cents	29 cents	24 cents	19 cents
Voice-calls received (per minute)	11 cents	8 cents	7 cents	5 cents
SMS (per SMS)	11 cents	9 cents	8 cents	6 cents

**Current and new wholesale price caps excluding VAT (on prices operators charge each other):**

	CURRENT	1 JULY 2012	1 JULY 2013	1 JULY 2014
Data (per MB)	50 cents	25 cents	15 cents	5 cents
Voice (per minute)	18 cents	14 cents	10 cents	5 cents
SMS (per SMS)	4 cents	3 cents	2 cents	2 cents

The proposed retail caps serve as a mere safety-net for consumers, while the Commission expects that the proposed competition-enhancing **structural measures will deliver new pan-European offers and lower prices, significantly below the safeguard caps**

## Data savings

### Example 1

A **Belgian** family of 4 goes on holiday to **France** or **Italy** for a week and uses a smart phone..

	SUMMER 2009	SUMMER 2012	SAVING
1MB	Average price +/- €5 inc VAT	70 cents (+ 21% VAT)	
Checks a map 5 times (1 MB per map)	€25	€4.2	€20.80
Checks social media accounts every day for half an hour (+/- 5 MB per day, total 35 MB)	€175	€29.65	€145.35
Uploads one photo every day (+/- 2MB per photo)	€70	€11.86	€58.14
Sends one e-mail per day (+/- 20 KB per e-mail, total 0.14 MB)	€0.70	€0.12	€0.58
<b>Total</b>	<b>€270.70</b>	<b>€45.83</b>	<b>€224.87</b>

### Example 2

A **British** businessman/woman goes to **France** or **Germany** 10 times for 3 days in one year and uses her smart phone in this way:

	SUMMER 2009	SUMMER 2012	SAVING
1MB	Average price +/- €6 inc VAT	70 cents (+ 20% VAT)	
Checks 3 maps per stay (1 MB per map)	€180	€25.20	€154.80
Checks social media accounts every day for half an hour (+/- 5 MB)	€900	€126	€774
Sends 10 e-mails per day (+/- 100 KB per e-mail/1MB per day)	€180	€25.20	€154.80
<b>Total</b>	<b>€1260</b>	<b>€176.40</b>	<b>€1083.60</b>