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Mobile Firms to 'Voluntarily' Cut Prices

By Olga Razumovskaya

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Soldiers in the army are as likely to benefit from a drop in roaming charges as businessmen and other travelers. **Igor Tabakov**

Russia's big three mobile operators — MTS, VimpelCom and MegaFon — will "voluntarily" decrease prices on both international and domestic roaming services by as much as 30 to 50 percent before Dec. 1, Federal Anti-Monopoly Service chief Igor Artemyev said Wednesday.

Artemyev made the statement at a meeting with Prime Minister Vladimir Putin and Press and Communications Minister Igor Shchyogolev.

The cuts will come after an almost yearlong battle of the service against the three companies, which it accused of setting monopoly prices for mobile roaming services after a critical remark on the issue by Putin.

Shchyogolev said the ministry analyzed the experience of European Union regulation on this issue and looked at the experience of the former Soviet republics before concluding that "the tariffs were indeed substantially higher than they could be and what would be economically

justified."

In March 2010, the anti-monopoly service estimated the three companies' joint market share at 85 percent.

Putin welcomed the announcement, and VTB Capital analysts said MTS and VimpelCom would be able to cut the roaming fees without suffering direct losses because they own their local communications infrastructure in Russia and the former Soviet Union.

“Moreover, we expect that the price cuts would lead to some traffic increase ... which would partially offset the negative impact of these price actions,” VTB Capital said in a research note Wednesday.

The price cut may result in the mobile operators’ revenues declining 0.3 to 0.5 percent, the note said.

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