



Republic of Lebanon
Telecommunications
Regulatory Authority

Mobile Prepaid Service Alfa Billing & Price Change Study *May 2009*



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Prepaid Services: Alfa Vouchers price Change (effective April 1st, 2009)

Before April 1 st , 2009 (VAT excluded)	After April 1 st , 2009 (VAT excluded)
\$22.73 (90 units, for 15 days + 5 days)	\$9.09 (25 minutes, for 10 days + 5 days)
\$32.73 (135 units, for 25 days + 5 days)	\$22.73 (63 minutes, for 30 days + 5 days)
\$43.64 (180 units, for 35 days + 5 days)	\$45.45 (126 minutes, for 60 days + 5 days)
-	\$68.18 (189 minutes, for 90 days + 5 days)
Electronic Recharge - ATM & Affiliated Banks	
\$18.18 (72 units, for 12 days + 5 days)	\$18.18* (50 minutes for 30 days + 5 days)
\$72.73 (300 units, for 60 days + 5 days)	\$136.36* (378 minutes, for 90 days + 5 days)
<i>Accumulation of credit (effective date Feb. 09) Receiving call only during the grace period.</i>	<i>Fixed call Rate: \$0.36/minute Accumulation of credit (effective date Feb. 09) Receiving call only during the grace period.</i>
Prepaid line	
\$45.45 (180 units, for 30 days + 5 days)	\$22.73 (63 minutes, for 30 days + 5 days)

Note: Prices do not include VAT.



Analysis of Alfa Prepaid Call Rates

Previous Vouchers		Per Minute Price Change Analysis					
		Previous				Current	
		Scenario1 Multiple of 60 Second Calls		Scenario 2 Single call (all units are consumed at once)		<u>Savings</u>	
Voucher Value	Units	Minutes Per Voucher	1 Minute Cost	Minutes Per Voucher	1 Minute Cost	1 Minute Rate	Savings on 60 sec. call
\$18.18 ⁽¹⁾	72	36 min	\$0.51	48 min	\$0.38	\$0.36	-29%
\$22.73	90	45 min	\$0.51	60 min	\$0.38	\$0.36	-29%
Vouchers \$32.73	135	67 min	\$0.48	90 min	\$0.36	\$0.36	-26%
\$43.64	180	90 min	\$0.48	120 min	\$0.36	\$0.36	-26%
\$72.73 ⁽¹⁾	300	150 min	\$0.48	200 min	\$0.36	\$0.36	-26%

Voucher Offers	Previous	Current
Rate per minute	Variable	Fixed
Minimum call Duration	80 sec	60 sec
Minimum Additional Call Interval	40sec	60 sec

Example: \$32.73 Voucher

Scenarios 1 & 2 show respectively the range of rates per minute that can be charged per call.

The rate per minute of \$32.73 voucher varies between \$0.36 and \$0.48.

(1)The 72 and 300 units vouchers are only available at ATM
Note: Prices do not include VAT

Analysis of Alfa Prepaid Call Rates (*continued*)

Conclusion:

- With previous prepaid plans. i.e. billing (per 40 sec. unit), the minute rate varied with the duration of conducted calls.
- With current billing system (per min.) consumers pay the same rate (\$0.36) per minute for all vouchers.
- With the new offers the consumers experience different savings using different vouchers.

- Taking into consideration that the mean average call duration of prepaid users is 50 seconds we can conclude that with the new fixed minute rate (\$0.36), most of the consumers who previously recharged their prepaid lines using \$32.73 vouchers will now benefit from a 26% saving on most of their calls (calls with durations of 60 seconds or less).
- The consumer will experience different savings on cost of call depending on duration of the call.