

PTCL subscribers in for a rude shock

By Imran Ayub

KARACHI, April 18: Hundreds of thousands of Pakistan Telecommunication Company subscribers are likely to experience a 100 per cent rise in their phone bills from next month, as unbeknown to most the country's largest telephony service provider has reduced the duration of a unit call from five minutes to two minutes.

Although the Pakistan Telecommunication Authority, the telecoms regulator in the country, is aware of the new PTCL package, which came into effect on April 1, it does not seem to have become alarmed at the prospect of thousands of PTCL subscribers having their phone bills doubled.

"The PTCL has revised its local call pulse duration from five minutes to two minutes for peak hours (8am to 9pm) and four minutes for off-peak hours (9pm to 8am) with effect from April 1, 2008," says a PTA statement spelling out the PTCL package. While high-ups at the telecoms watchdog and the PTCL are tightlipped about the new call package and the need for such a downward revision of a unit call pulse, consumer bodies and telecoms experts take a dim view of the recent move.

Experts feel certain that the phone bills of most PTCL subscribers would double from next month.

"The subscriber will now be paying Rs6 for a five-minute call, which used to cost him Rs2 before

March 31, 2008," said Haroon Rashid, adviser on telecoms to the International Chamber of Commerce.

He said the PTCL should at least alert its subscribers through an automatic beep, which can be generated in analogue and digital switches when a unit call has been made and the next one is about to start. He added that such a facility would help subscribers limit the duration of their calls.

"This is a standard practice worldwide followed by major telephony service providers. But it is surprising that the PTCL has not even bothered to put in place such an alarm system for the consumers, most of whom are in the dark about the recent step," said Mr Rashid. Analysts suggest that the shrinking of the duration of a unit call is likely to earn the PTCL more than four billion rupees by the end of the financial year in June 2008.

The company reported a 24.7 per cent drop in net profits for the 2006-07 financial year, with growing competition leading to a decline in revenues from call traffic. The fresh move seems to address the concerns of the business planners in the PTCL.

"Local calls contribute more than 60 per cent towards the company's total revenue every year," said Saad bin Ahmed, head of research at Capital One Equities.

"It has not yet been calculated, but the PTCL move would definitely have a positive impact on the company's financial results

by the end of June 2009."

The PTCL has over five million subscribers.

He said all over the world value-added services have been becoming part of basic telephony offered by telecoms companies, which ultimately make local call charges a little cheaper than other facilities.

While the PTA has yet to initiate action over the new PTCL package, consumer bodies plan to take up the issue at the highest level.

"It is deceitful to take such a step all of a sudden without publicizing it," said Sharfuiddin Memon, chairman of the Consumer Rights Council (CRC).

The CRC was established under the Sindh Consumer Protection Ordinance, 2007.

"Such a step should have been taken after obtaining feedback from consumers. This move would definitely adversely affect the common man, who already has several battles to fight amid the ever-rising inflation rate."

Furthermore, he said, the PTCL step could also increase the cost of education, as a large number of students use the Internet through basic telephony service for academic purposes.

"In such a situation, the PTA, being a regulator, should intervene. We also request PTCL costumers to come up with complaints if they have any and write to us at info@crc.org.pk so that we can take up the issue with the authorities concerned."