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The SingTel Group is a leading integrated communications service provider in the Asia Pacific. SingTel has two main hubs in Singapore and Australia.

These hubs are complemented by a significant presence in rapidly growing markets in Asia through strategic investments in Hong Kong, India, Indonesia, the Philippines, Taiwan and Thailand, and SingTel Global Offices throughout the region.

The SingTel Group provides a wide range of communications services in Singapore and Australia, including:

- national telephone services;
- mobile communications services, including cellular and paging services;
- public data and private network services, including leased-line, satellite, switched data, broadband, IP and Internet access services;
- international telephone services, including IDD services, calling cards, facsimile services and international corporate voice and wholesale voice services.

The SingTel Group has a well-established and extensive communications network and infrastructure in Singapore and Australia. The Group's advanced mobile networks cover 100% and 94% of the Singapore and Australian populations respectively. The SingTel Group's fully digitalised local access networks extend to 1.5 million and 2.2 million homes and businesses in Singapore and Australia respectively. In addition, the Group has interests in 53 submarine cables with landing points in more than 50 different locations in Asia, and has access to one of the most extensive satellite networks in the region which, together, provide direct links to major business centres in the region.

In addition, SingTel has developed points of presence in 29 cities in 15 countries and territories worldwide. These points of presence, together with its global infrastructure, enhance the SingTel Group's competitiveness by providing it with expanded reach and enabling it to offer high quality, seamless services to its customers across borders.

Turnover for the SingTel Group in 2001/2002 was S$7.34 billion (US$4.02 billion).

- SingTel was incorporated in March 1992 and became a public company in October 1993. Temasek Holdings is t largest shareholder of SingTel with 67.56% shares.

- SingTel was listed on th Singapore Exchange in November 1993 and on the Australian Stock Exchange i September 2001.

- SingTel is the dominant provider of telecommunications services in Singapore with:
  - 1.95 million telephone lines in service, representing a market share in excess of 99%
  - about 87% of internationa long distance market share
  - 1.56 million mobile subscribers in Singapore as at December 2002, representing half of the market share.
  - In Australia, SingTel is the second largest provider of mobile communications services with 4.54 million subscribers as at December 2002.

- SingTel is also the seco largest provider of long distance services in Australia.

- As at December 2002, SingTel has over 32 million mobile subscribers in Asia Pacific, covering Singapore Australia, India, Indonesia Philippines and Thailand.

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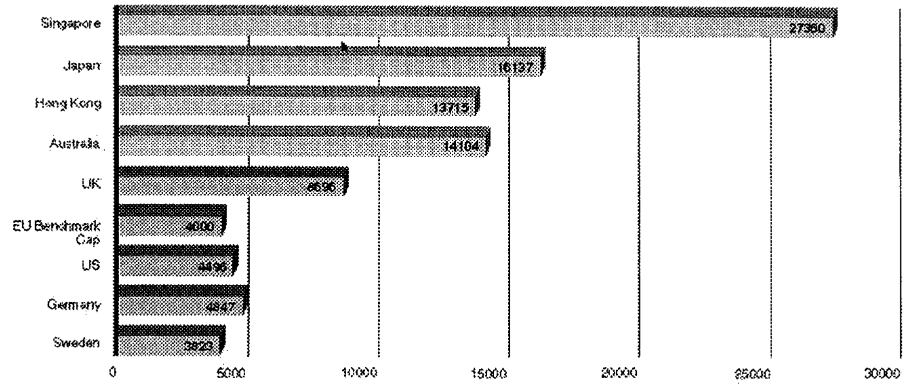
Watching The Local Leased Tails-An Industry Update
Clement Teo, 1-Apr-2003

In last year's survey of the state of competition in deregulated Asian markets *(Competition sells...but who's buying?, April 2002)* , we found that most players were reasonably satisfied with the progress these markets had made. Most Asian countries were new along the deregulated path, and shortcomings then were mostly accepted as teething problems.

Benchmark Comparison Between EU And Asian Pricing For 5km, 2Mbps Local Leased Circuit



Source: Tariff filings and PTT wholesale price lists, Apr 2002. Prices in Euros, figures are rounded off.

However, it was telling that some industry players were already hinting at the undertow of disaffection with local segment competition. Indeed, an observer had said then that "while the price per Megabit of connectivity has fallen precipitously in the undersea segment, the local segment (backhaul and local-leased access circuits) remains significantly inflated in most markets in Asia. If this local bottleneck is to be eased, it will require regulatory focus".

Zip to the present. While it is true that IDD rates for voice calls have fallen to new lows, the same cannot be said of the local access leased line business-to-business market.

But first, a backgrounder. What are local access leased lines, or more affectionately, local leased tails? Local tails are the "last mile" (or last 5 kilometres or so) of broadband access for large companies, ISPs, and government agencies.

These varied customer groups use local access leased lines to carry communications and manage all of their mission-critical functions-from production to marketing, sales and finance. These last mile circuits link businesses to the Internet and international data networks. They are the essential input for the development of broadband services for business.

In Asia, as in nearly all countries, the PTT dominates this market segment, having built its local access network over the course of many decades, while operating as a government-sponsored and subsidised monopoly.

When markets liberalised, new entrants are able to incrementally deloy a local access network of their own. Sustainable deployment, however, is done over time, often one building at a time as sales to customers increased and where the new entrant can afford to deploy capital-intensive last mile infrastructure.

Around the world, the PTT continues to control the vast majority of local access lines to businesses years after liberalisation.

Too high a price?

What is the problem with this? Not much, but if a report that was submitted to Singapore's Infocomm Development Authority (IDA) in mid-October last year was accurate, Asia reportedly has one of the highest tariffs for local access leased lines (see chart below). And that is hitting most competitive carriers and new entrants where it hurts the most-in the pockets. The larger issue, however, The IDA, meanwhile, has said that they are currently reviewing and investigating issues raised by competitive carriers on high leased line pricing.

In the latest *Draft Commission Recommendation on Leased Lines Interconnection Prices and on Major Supply Conditions for Wholesale Leased Lines*, published in February this year, the EU Commission Communications Committee recommends that the EU national regulators should seek to ensure that the PTTs do not charge more than 291 Euros (US$309) a month [or 3,492 Euros (US$3,710) a year] for a 2Mbps 5km circuit.

In Asia, there is no EU Commission equivalent, which makes it tougher to set benchmarks or even enforce best practices for competitive pricing.

More poignant is whether national regulators such as the IDA and OFTA are effectively engaged on such issues in the first place?

Some observers reiterate that this is an issue of critical importance not only to the development of the Asian communications sector, but also for the overall competitiveness of a country's services and industry-based economy.

Is it mere scaremongering, or do they have an cogent argument?

We would like to hear from you on this issue, and we will publish your views (supported by hard facts and figures) on whether Asia requires swift regulatory intervention in the local leased tail space. On our part, we will keep regular tabs on this issue. Watch this spa

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