

Aiming to have cheapest IDD rates in the world

I REFER to the letter by W.T. Foo on international telephone rates (*South China Morning Post*, September 14).

I do not agree with the writer's comment on Hongkong Telecom's International Direct Dialling (IDD) rates.

As the pricing structure of different international telephone companies is very complicated, I would like to point out some facts so that customers can form a fair view.

At present, of the 210 destinations that are connected with Hongkong, only three countries offer IDD rates that are lower than those of Hongkong Telecom. Our target is to have the cheapest IDD rates in the world after further rate reductions.

When compared with the US, Hongkong Telecom's current rates are slightly higher during off-peak hours, but are lower during peak hours. A five-minute call from the US charged at economy rate costs around HK\$43 and \$56 at discounted rate. The bonus time rate from Hongkong is \$52.7. If charged at normal rates during peak hours, the call would cost HK\$72 from the US and only \$61.5 from Hongkong.

Hongkong Telecom's IDD rates are divided into two categories, that is, normal and bonus time rates, and are charged in economical six-second units. Some international carriers, however, charge for one-minute units.

That means, if a phone call lasts for five minutes and two seconds, a caller from countries like the US, the Philippines and New Zealand will be charged for a full six-minute call which will be substantially higher than a call of similar length originated from Hongkong.

Another major factor affecting rates is the practice by some companies of charging more for the first or first three minutes.

The US, for example, charges \$28.23 for the first minute and \$10.53 for the additional minutes.

As Hongkong Telecom charges a flat rate on most routes, Hongkong callers save significantly on a short conversation or fax transmission.

A customer faxing A4-sized paper (which normally requires 1.42 minutes) from Hongkong to the US will save more than \$5 than his counterpart doing the same from the US.

Hongkong Telecom has a long-standing policy of providing quality services at affordable prices.

To back our words with action, we announced in June this year that the IDD charges will be further reduced by 12 per cent over the next three years.

It must be noted that the percentage only represents an average rate and that certain routes will enjoy a substantial reduction of over 20 per cent.

As our present rates are already lower than most countries, the writer's blanket statement that there will be a considerable price gap seems presumptuous and is, in fact, misleading.

JUDY INN
Group Manager
Media Relations
Hongkong Telecom