

China cuts mobile fees as users binge on data

China's mobile service operators will eliminate charges for domestic roaming and long-distance calls as data services become their major source of revenue.

The fees will be canceled as of Oct. 1, said Vice Minister of Industry and Information Technology Chen Zhaoxiong at a news conference on Monday.

China began a campaign aimed at faster and more affordable Internet connections in 2015 after users had long complained about roaming fees, which were introduced 23 years ago.

The ministry has made solid progress toward the target with joint efforts by China Mobile, China Unicom and China Telecom, he said.

The official deadline is an ultimatum for the operators, which had unveiled plans to phase out the fees in August 2016, including no longer introducing service plans that charge those fees.

Their efforts witnessed stellar growth in China's 4G mobile service users from fewer than 100 million in 2014 to 770 million, more than half of the world's total.

Carriers are vying for these consumers, unveiling competitive data plans for them to browse through more content on handsets, no matter where they are.

On Feb. 24, China Unicom introduced a plan called "Ice Cream" with no monthly cap on call time and data at a price of 398 yuan (57.7 U.S. dollars), while its rivals rolled out schemes featuring high data quotas.

In 2016, some 9.36 billion gigabytes of data were consumed through mobile Internet use, up 123.7 percent year on year, as users consumed 98.3 percent more data on average monthly, official data showed.

The fee reduction would account for only a single-digit percentage of mobile carriers' revenues and can be counteracted through increased service consumption, said Fu Liang, a telecommunications analyst.

Xi Guohua, former chairman of China Mobile, also said a dent in profits will be outweighed by more consumption, employment and economic growth.

The fees-cutting decision was unveiled after a government work report delivered by Premier Li Keqiang Sunday had promised a raft of measures to ensure faster and more cost-effective information networks.

Among the measures are lower fees levied on small- and medium-sized enterprises for dedicated Internet access and broader access to broadband Internet in rural areas, Chen said.

China will continue to improve the market environment for telecommunications by further opening the market and promoting benign competition, he added.