The Economic Growth Centre cordially invites you to a seminar by Dr Lee Jong Hwa

**Speaker**: Dr Lee Jong Hwa  
*Visiting Scholar, Economic Growth Centre  
Division of Economics  
School of Humanities and Social Sciences*

**Topic**: "Fixed-Mobile Substitution in Korean Telephony Markets"

**Chairperson**: Asst Prof Lydia Gan  
*Division of Economics  
School of Humanities and Social Sciences*

**Date**: Wednesday, 27 September 2006  
**Time**: 2:30 pm – 4:00 pm  
**Venue**: Executive Seminar Room 10 (S3.1-B2-11)  
Nanyang Business School  
Nanyang Technological University

**About the Speaker:**

Dr. Lee is a Visiting Scholar at the Economic Growth Centre, school of Humanities and Social Sciences at NTU. He obtained his Ph.D. at the University of California, Los Angeles. He has previously served as a Research Fellow at the Korea Information Society Development Institute. His area of interest is Regulation in Telecommunications Markets.

**Abstract:**

This paper empirically analyzes a fixed-mobile voice-traffic substitution model in the Korean telephony market using monthly data during 1996-2002. The result shows that share of the originating traffic from fixed lines (fixed-to-fixed and fixed-to-mobile) out of all traffic has a negative relationship with the relative price of mobile-originating calls and fixed-originating calls, and the number of mobile subscribers. On the other hand, it has a positive relation with the number of fixed line subscribers. The competition model between two call types originating from the fixed line shows similar results, i.e., the share of fixed-line-to-fixed-line traffic has negative relations with the relative price of fixed-line-to-fixed-line calls and fixed-line-to-mobile-phone calls and the number of mobile phone subscribers, but has positive relations with the number of fixed line subscribers. Since there is no difference between prices of mobile-phone-to-mobile-phone calls and mobile-phone-to-fixed-phone calls, we estimated only the effects of the number of subscribers for the originating traffics from mobile phones. We found that the share of mobile-phone-to-fixed line calls has negative relations with the number of mobile phone subscribers, but has positive relations with the number of fixed line subscribers. Finally, we suggest that the existing regulations focusing on incumbent fixed-line carriers should be reviewed as fixed-mobile substitution is taking place.

**Reservation:**

Admission is free. Please reply to Christina, e-mail: achristina@ntu.edu.sg or Tel: 6790-5689 to confirm your attendance.