

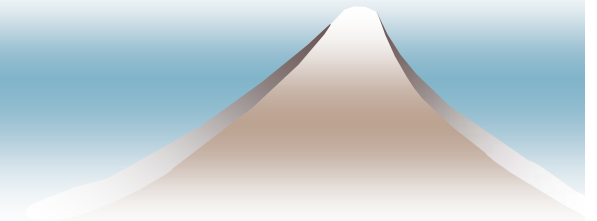
# **Telecommunications services in Japan's 2000 base Corporate Service Price Index**

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# CSPI (Corporate Service Price Index) in Japan

- ◆ The CSPI covers domestic and imported services provided for companies and excludes services provided for consumers.
- ◆ The weights of the index are based on the transaction values of services during the base year within the total intermediate sectors of the IO Tables.



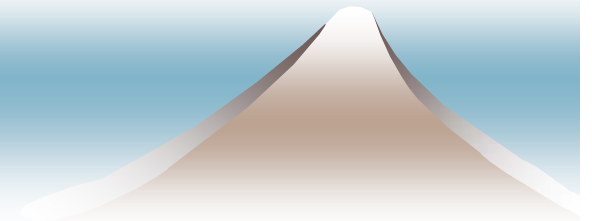
# CSPI (Corporate Service Price Index) in Japan

- ◆ The 1995 base CSPI is classified into 8 Major groups and further classified into 17 Groups.

(Major group)

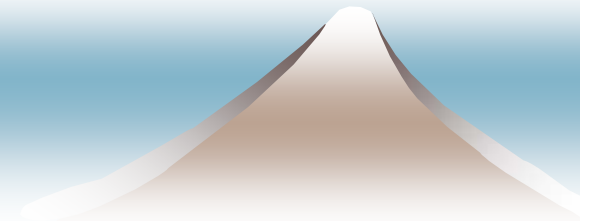
Finance and insurance, Real estate services  
Transportation, Information services, Communications  
and broadcasting, Advertising services, Leasing and  
rental, and Miscellaneous services

- ◆ The Bank of Japan produces the CSPI since 1985. The 2000 base CSPI will be released at the end of 2004.



# Communications services in the 2000 base CSPI

Subgroup	Item
Postal services	Letters
	Postcards
	Other postal services
Fixed telecommunications services	Fixed telephone services
	Leased circuits
	Fixed data transmission services
Mobile telecommunications services	Cellular phone services
	PHS (Personal Handyphone System) services
Access charges	Access charges



# Communications services in the 1995 base CSPI

Subgroup	Item
Postal services	Letters
	Postcards
	Other postal services
Domestic and international telecommunications services	Domestic fixed telephone services
	International fixed telephone services
	ISDN (Integrated Services Digital Network)
	Data transmission services
	Domestic leased circuits
	International leased circuits
Mobile telecommunications services	Cellular phone services
	PHS (Personal Handyphone System) services
	Pager services
Access charges	Access charges

# Classification of calls between different services

- ◆ The CSPI classifies telecommunications services into the items of the services that the entities having the right to set charges can provide.



# Revision of the coverage of sample prices

## Fixed telephone services

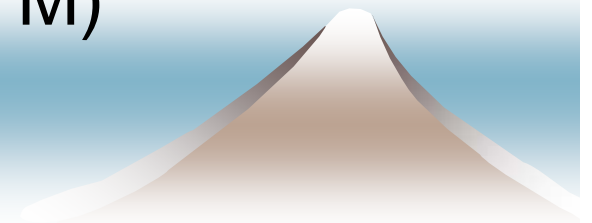
- ◆ Domestic fixed telephone services
- ◆ International fixed telephone services
- ◆ ISDN (Integrated Services Digital Network)
- ◆ Internet protocol telephone services



# Revision of the coverage of sample prices

## Leased circuits

- ◆ High-speed digital transmission services
- ◆ Ultra-high-speed digital transmission services
- ◆ Domestic leased circuits
- ◆ Domestic leased circuits using Asynchronous Transfer Mode (ATM)
- ◆ International Domestic leased circuits
- ◆ International leased circuits using Asynchronous Transfer Mode (ATM)





# Revision of the coverage of sample prices

Fixed data transmission services

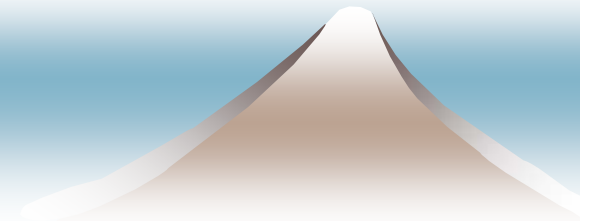
- ◆ IP-VPN (Internet protocol- Virtual private network) services
- ◆ Wide-area ethernet services
- ◆ Internet access services

by Dial-up

Asymmetric Digital Subscriber Line (ADSL)

FTTH (Fiber to the home)

CATV (Cable television)



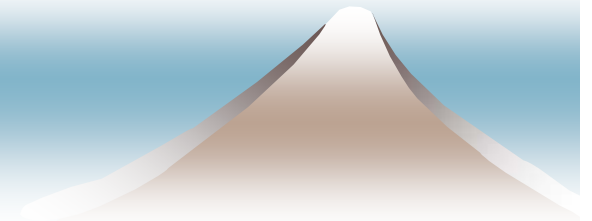
# Price Structure

(Example)

Domestic fixed telephone service:

Base fee + per call charge

- ◆ Base fee is the charge for giving the right to use fixed telephone services with certain registered numbers for a month
- ◆ Per call charges
  - depend on the time and distance



# Method of price compilation

Example (per-call charge)

- ◆ Regular price for a per-call charge:  
10 yen per 3 minutes during weekdays (A)
- ◆ Discount rate for long-term contract:  
5 percent  
(B)
- ◆ Price data for the CSPI:  
 $9.5 \text{ yen} = 10 \text{ yen} * (100\% - 5\%)$   
(C)

# Average unit price method

- ◆ The average unit price method may include changes of quality or quantity of per-call charges.
- ◆ Monthly charges vary according to distance, length, and the type of receivers of counterparts.



# Correspondent companies

- ◆ Collect price data for the 2000 base CSPI not only from large-scale, major companies but also from newly emerging companies, which were not fully sampled in the 1995 base CSPI.



# Price Data

Two ways of data collection:

- 1 Take up the charge of a representative service as price data.
  - Example: Calls per three minutes prices for middle-distance call on weekdays during the daytime
- 2 Assemble several charges of diversified menus and reflect the average revision rate of the price table to the base price level.
  - The price level in January 2000 is set as 1000.0; after that the index changes according to the average revision rate of the price table to the base price level.
  - This method is adopted where we cannot specify a representative service as appropriate price data.

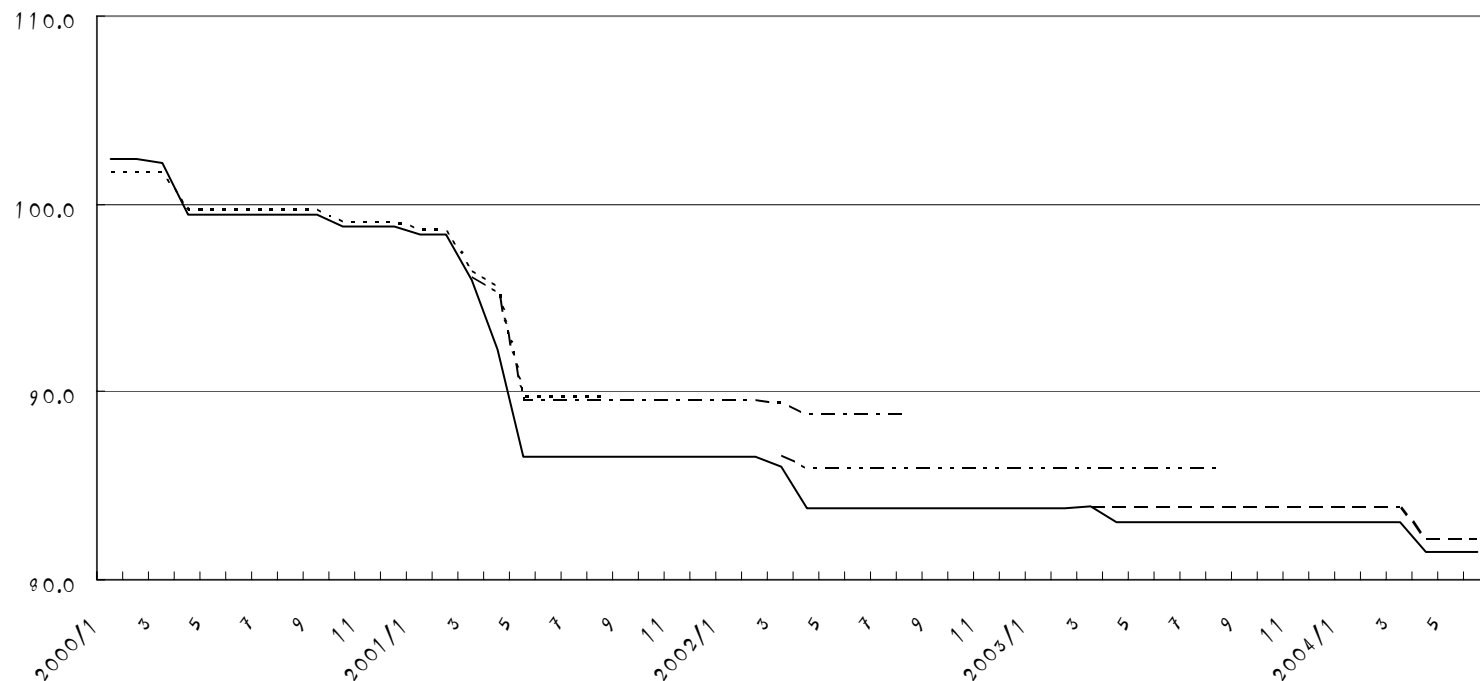
# Discount Data

Two ways of data collection:

- ◆ 1 Specify a rate for a representative service.
  - This is applicable where discount menus are limited.
- ◆ 2 Use the average discount rate of all the menus.
  - The effect of discount can be captured by calculating the P/L of service providers.
  - They are reflected “on a retroactive basis.”



# The effect of the revision of discount rate in “Domestic fixed telephone services”



— Revised data  
 ..... Data before the revision in FY 2000  
 - - - - Data before the revision in FY 2001  
 - · · · Data before the revision in FY 2002  
 - - - - Data before the revision in FY 2003



# Concluding Remarks

- ◆ Treatment of new services
- ◆ Quality adjustment

