

Volume 30, Issue 4**Research Announcement****Impact of mobile number portability on competition and pricing**

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Abstract

We analyze a tractable model of mobile number portability in a mobile-to-mobile call market and find that this regulation leads to ambiguous welfare effects. MNP increases competition by reducing the consumer switching costs and hence, the telecom firms' market power on the one hand and on the other, increases call prices for (i) it may cause consumer ignorance if phone number prefixes no longer indicate or identify networks, (ii) it may also induce the carriers to increase termination charges for calls to mobile networks. We discuss how in the run-up to the MNP implementation in India, there has been a steep decline in call prices because competition has been increased in anticipation as seen through fall in switching costs. We survey the extant literature on the multifarious effects of MNP as well.

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