

Regulatory Insider



Recent Regulatory Development

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SAMENA
TELECOMMUNICATIONS COUNCIL

SAMENA COUNTRIES

Afghanistan

Chairman: Mr. Zakria Hassan
[Afghanistan Telecommunication Regulatory Authority (ATRA)]

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www.atra.gov.af

No recent developments, including regulatory actions, issuance of licenses or policy frameworks, have been made public in the news/newsletters or on the regulator's website.

Algeria

Chairperson: Ms. Zohra Derdouri
[Regulatory Authority for Post & Telecommunication (RAPT)]

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- Algeria's Minister for Postal Services, Technology, Information and Communication said that his government cannot give a timetable for resolving a dispute over Orascom Telecom's Algerian unit, Djezzy. The Minister also said that the dossier is being processed by experts in the Prime Minister's office. Algeria has blocked Orascom's planned sale of Djezzy to South Africa's MTN, saying it has a right of first refusal to acquire the business, which leads Algeria's mobile market by subscribers. Egypt's Orascom said last week it would enter talks to sell Djezzy to the Algerian government after weeks of pressure from Algerian officials. Orascom's Chairman Naguib Sawiris disclosed that MTN had offered to pay US\$7.8 billion for Djezzy. (June 4, 2010)

Bahrain

Chairman & Acting General Director: Dr. Mohammed Al Amer
[Telecommunication Regulatory Authority (TRA)]

www.tra.org.bh

- The Telecommunication Regulatory Authority (TRA) has issued an emergency order against incumbent Batelco to withdraw unapproved retail and whole sale broadband tariffs with immediate effect. (June 8, 2010)
- The Telecommunication Regulatory Authority (TRA) has published the Arab League's Request for Information on the Management of the Internet Generic Top-Level Domain ".arab". With the collaboration of TRA, the Arab League is currently gathering information for the purpose of finalizing its plan to apply for the ".arab" top-level domains and establish the registries pertaining to Generic Top-Level Domain. The TRA is of the opinion that ".arab" will encourage Internet use and increase the Arabic content on the Internet. The purpose of this Request for Information is to gather ideas and validate proposed concepts to establish and to run the domains in the most efficient manner possible. The League of Arab States has decided to involve individuals, companies, organizations or government bodies and other interested parties to participate in enriching existing ideas and approaches that help in establishing the high-level organizational, structural, management, marketing, technical and financial functions of the intended registry for the ".arab" domain. The New ".arab" domain name program will create opportunities for consumers, businesses, organizations and governments within the Member States of the Arab League and beyond to underline their identity using their own language and script. Work conducted for the Arabic domain names is spearheaded by the Arab League Steering Committee for Arabic top-Level Domain Names. Other member countries of the Steering Committee are Saudi Arabia, Syria, Egypt, Yemen, and Morocco. (June 1, 2010)

Bangladesh

Chairman: Brig Gen Zia Ahmed
[Bangladesh Telecommunication Regulatory Commission (BTRC)]

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- ◆ A bill has been tabled in parliament for amending the telecommunication law with a provision of stern action against individuals using telecom or radio apparatus for malicious purposes. Imprisonment of up to five years or maximum fine of Tk 300 crore, or both, may be faced for activities against national harmony or public security through malicious use of telecoms. The bill has also proposed that the authority to issue licenses and to make financial and policy decisions should rest with the government, not the telecom regulator. Another proposal was made for awarding punishment to telecom operators for wrongdoings without giving them scope for challenging the decision on the cancellation and suspension of licenses. The bill placed by the Post and Telecommunications Minister also contains a few clauses outlining the means to bring the VoIP business under a legal framework. (June 14, 2010)

Egypt

Executive President: Dr. Amr Badawi
[National Telecommunication Regulatory Authority (NTRA)]

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- ◆ An Egyptian court has overturned a regulatory decision regarding the termination fees paid by Telecom Egypt to connect landline traffic to mobile phones. Telecom Egypt had lodged a complaint to National Telecommunication Regulatory Authority (NTRA) in 2008 that the fees should be lowered. Mobile network operator, Mobinil appealed against the lowered termination rate and an administrative court has ruled in favor of Mobinil. The NTRA may pursue further action after reviewing the details of the ruling. Vodafone Egypt is also appealing against the lower termination fees. (June 7, 2010)

Iran

President & Deputy Minister: H. E. Khusravi Mahmoud
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No recent developments, including regulatory actions, issuance of licenses or policy frameworks, have been made public in the news/newsletters or on the regulator's website.

Iraq

CEO: Dr. Siyamend Zeid Othman
[Communication & Media Commission (CMC)]

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- ◆ After the announcement of the Iraqi Council of Ministers to grant permission for a fourth cellular license, Etisalat has expressed its interest to acquire the concession. (June 8, 2010)

Jordan

Chairman & CEO: Mr. Fadi Kawar
[Telecommunication Regulatory Commission (TRC)]

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- ◆ A survey conducted by the Jordan media strengthening program showed that Internet penetration in the Kingdom has increased to 40%, compared with 36% in 2009. Despite the relatively high availability of home computers, the survey showed that Jordan's household Internet penetration is still low. Fifty-two percent of Jordanians, 15 years old and above, own a desktop computer and another 15 percent own a laptop at home, compared with 55 percent and 14 percent in 2009, respectively. Against an increase of five points in Internet usage by those in the age bracket 30-39, the study showed a drop of 8 percent in the age bracket 50+ and a drop of 7 percent for ages 15-19 compared to 2009. Meanwhile, ADSL subscriptions grew to constitute 15 percent of household subscriptions with a 4 percent increase from 2009. The 2010 Jordan Media Survey showed that 17 percent of Internet users visit Jordanian news websites regularly, a figure that showed no change from last year, adding that timeliness seems to remain the number one reason for visiting political news websites, as was in 2009. However, data indicates that news websites are gaining importance as an alternative source of news. (June 13, 2010)
- ◆ According to the Arab Advisors Group's "Cellular phone Competition Intensity Index 2010" Jordan is the Arab World's most competitive cellular market. Saudi Arabia came in second, followed by Palestine. The Index results revealed that Jordan is the most competitive Arab market (at 80.7%), followed by Saudi Arabia (75.3%), Palestine (69.3%), Oman (67.1%), Egypt (65.7%), Morocco (64.9%), Iraq (63.4%), Tunisia (62.7%), Yemen (61.1%), Bahrain (59.9%), Algeria (59.5%), Sudan (59.4%), Mauritania (56.8%), Kuwait (49.8%), Qatar (46.4%), UAE (45.4%), Syria (38.0%), Libya (34.3%), and

finally Lebanon (31.2%). The 2010 index results revealed that eight countries ranked higher than their June 2009 index ranks. These are: Jordan, Saudi Arabia, Palestine, Oman, Tunisia, Yemen, Bahrain and Qatar. Meanwhile, a total of eight countries ranked lower compared to June 2009 index, namely: Iraq, Algeria, Sudan, Mauritania, Kuwait, UAE, Libya and Lebanon. The remaining three countries of Egypt, Morocco and Syria maintained their June 2009 ranks. (June 7, 2010)

Kuwait

Director of International Relations & Information: Mr. Walid Hamad El Giran
[Ministry of Communication(MOC)]

www.moc.kw

- ◆ The GCC Communications Ministers met in Kuwait to discuss lowering tariffs of phone calls among the six GCC countries. Kuwaiti Minister of Communications said that the phone call tariff is a top priority for the GCC countries at present and that regulatory measures are being taken to improve the service. (June 9, 2010)
- ◆ The Kuwait Investment Authority is assessing the value of Zain's shares for a possible sale of its stake in the telecoms company. The wealth fund has not ruled out selling its 24.6% stake in the country's biggest mobile-phone company to an investor or a strategic shareholder. The authority would auction its stake if it decides to sell. (June 1, 2010)

Lebanon

Chairman & CEO: Imad Hoballah
[Telecommunication Regulatory Authority (TRA)]

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- ◆ The Cellular Competition Intensity Index for 2010 ranked Lebanon last among 19 countries in the Arab world, down from the 15th place in 2007. The index rates the intensity level of competition in the region's cellular markets by comparing the state of every market to the other markets. The index, designed by the Arab Advisors Group, takes into account eight categories, with each category assigned a weight based on its importance as an indicator of competitive behavior. The categories include the number of licensed and expected operators in 2010, the number of working operators, the market share of the largest operator, the number of pre-paid plans, the number of post-paid plans, the availability of corporate offers, the availability of 3G services, and the availability of international long distance competition. Lebanon received a score of 31.2 percent, way below the regional average of 57.4 percent, and down from 35.1 percent in 2007. Its score continued to be negatively affected by the fact that the Government owns the two mobile operators and has full control of the sector. Lebanon and Libya continue to be the only Arab countries to still have a government-owned cellular duopoly. (June 14, 2010)
- ◆ The Finance Minister of Lebanon has said that she expects the government to earn no more than US\$3 billion from its much delayed plan to sell the country's two mobile network operators. The reduced expectations for the privatization of Alfa and MTC Touch Lebanon currently managed by Orascom Telecom and the Zain Group, respectively are based on the falling prices of mobile licenses worldwide over recent years, during which time Lebanon repeatedly failed to carry out a public sale, partly due to political conflict. The minister told the media that telecom licenses are no longer as attractive as they were two or three years ago and at one time we were expecting to raise between US\$6 to 7 billion from the sale of two telecom licenses. Now we're thinking that with current conditions, probably, the sale of these licenses will not bring that much, and, probably, not even half as expected. Lebanon, which has a large public debt burden, needs to raise funds to improve roads and ease chronic power shortage. (Jun 4, 2010)

Libya

[General Department of Communication (GCD)]

www.gcd.ly

No recent developments, including regulatory actions, issuance of licenses or policy frameworks, have been made public in the news/newsletters or on the regulator's website.

MOROCCO

Director General: M. Azdine El Moutassir Billah
[Agence Nationale de Reglementation des Telecommunications (ANRT)]

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No recent developments, including regulatory actions, issuance of licenses or policy frameworks, have been made public in the news/newsletters or on the regulator's website.

Nepal

Chairman: Mr. Bhesh Raj Kanel
[Nepal Telecommunication Authority (NTR)]

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- ◆ Nepal's Minister for Information and Communications believes that the country will embrace WiMAX technology in the near future and that the next-generation wireless platform is needed to promote successful e-governance in the country. The ministry is conducting talks with experts in the field to best realize the adoption of WiMAX-based services through the budget for the upcoming fiscal year. Nepal has already met all telecommunication targets and will soon issue and implement a new broadband policy. The Minister went on to say that the government hopes access to telecoms services and the internet will also be improved across the country, once work on completing a fiber-optic extension program has been completed. Out of the total five licensed operators, three are considered "weak" and only Nepal Telecom and Spice Nepal as considered "credible" alternatives. Although the state has no frequencies to allocate to new players, the government is planning to reallocate spectrum. (June 15, 2010)

Oman

Chairman: Mr. Mohammad Al Khasibi
[Telecommunication Regulatory Authority (TRA)]

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No recent developments, including regulatory actions, issuance of licenses or policy frameworks, have been made public in the news/newsletters or on the regulator's website.

Pakistan

Chairman: Dr. Muhammad Yaseen
[Pakistan Telecommunications Authority (PTA)]

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- ◆ Pakistan ended with 97.3 million mobile phone subscribers in April 2010 up from 96.77 million subscribers in March 2010, according to recent statistics released by the Pakistan Telecommunication Authority. Cellular industry showcased a positive growth of 0.55 percent in April 2010 while maintaining the growth rate of 0.56 percent in March 2010. Cellular teledensity in the country has hit the 59.40 marks. Other than Zong, all cellular companies showed addition in customers. WLL subscribers in April 2010 reached 2.67 million with 1.6 percent tele-density. (June 7, 2010)
- ◆ Cellular phone operators have suggested that the government should cut tax rates on telephony services in order to boost the sector's growth and revenue generation. In the proposals for the upcoming budget 2010-11, the cellular phone operators urged that the government should level the General Sales Tax (GST) with the rate of tax on their services; the abolishment of activation tax, the reduction of withholding tax and the removal duties on mobile handsets. The GST currently stands at 19.5 percent, which was slashed from 21 percent imposed in the proceeding fiscal year but it is still discriminatory as other services are taxed at 16 percent. However, it is believed that the imminent imposition of Value-Added Tax (VAT) will cut the GST tax rate from 19.5 percent to 15 percent. (June 4, 2010)
- ◆ The chairman of Pakistan Telecommunication Authority (PTA), Dr. Mohammed Yaseen, has received the "2010 NetSol Technologies ICT Excellence Award" in recognition of his significant contributions for the proliferation of various Information Communication Technologies (ICTs) in the country. The NetSol Technologies ICT Excellence Award was held in connection to identify the most outstanding contribution towards ICTs. Dr. Yaseen has met major achievements during the past years, including the introduction of consumer protection structure for telecommunication subscribers, development of multiple international communication links, provision of free Internet dialup services to the masses, establishment of 350 tele-centers as a rural telephony project, giving a special emphasis on progress and the development of broadband services in the country, introduction of a unified regulatory framework for mobile banking services, launching of new systems for effective resolution of Mobile SIMs issues, arrangement of local Internet peering point between international bandwidth providers, transition of Pakistan's ccTLD (.pk) and initiatives to engage key industry players for enhancing the local ICT content market. (June 1, 2010)

- ◆ The Palestinian Authority has urged the United States to put pressure on Israel to release spectrum needed for the development of the Palestinian telecoms sector. The Palestinian government believes that the easiest way to make this sector boom is to have access to 3G and WiMAX. The Palestinian Authority has asked Israel for more spectrum that would allow cellcos Wataniya and Jawal to offer 3G, but Israel has so far refused. (June 4, 2010)

- ◆ The Supreme Council of Information and Communication Technology (ictQatar) has issued a Class License for Short Range Devices (SRD). Short Range Devices are a form of restricted radiation devices that utilize radio transmitters to provide either uni-directional or bi-directional communications at low RF power, with low capability of causing interference to other radio equipment. The SRDs normally include baby monitors, hearing aids, home alarms systems, garage door openers and meter readers. The Class License for Short Range Devices enables anyone in Qatar to possess, install and operate the approved class of devices at prescribed frequencies stated in this License without having to apply for a Class license. Under this Class License, there are no license or spectrum fees. Type Approval from ictQatar will be required for import SRDs for commercial purposes or for sale purposes. (June 1, 2010)

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- ◆ According to the Sri Lanka Telecommunications new market report Q3 2010, there is a growing move towards upgrading 3.5G networks with HSPA+ technology, as operators Mobitel and Tigo look to provide higher download speeds of 28Mbps. Mobitel successfully completed trials of its HSPA+ service together with Huawei Technologies in the late 2009, while Etisalat, the owners of Tigo, announced plans to upgrade to HSPA+ during 2010. The latter also announced that it would install 500 3G base stations in all major towns and cities across the country. For the most part, Sri Lanka has reached saturation in urban markets, aided by price competition in the mobile sector, which has allowed an increasing proportion of the population to access mobile services. A number of value-added services (VAS) are already provided in the market, and operators continue to expand their portfolios. The Telecommunications Regulatory Commission (TRC) of Sri Lanka announced in early December 2009 that it would start the expansion of WiMAX networks in January 2010, to help extend services of telemedicine and e-learning to rural parts of the country. The incumbent Sri Lanka Telecommunications (SLT) with a roughly 80% share of the broadband market, revealed that it would invest US\$12.8 million in the deployment of WiMAX, aided by Sky Networks. (June 3, 2010)

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- ◆ The government-owned Syrian incumbent operator STE seeks to expand about 40,000 broadband portals (ADSL) in the coming months. The STE will sign a contract with the Chinese Company to implement the contract during the last quarter of 2010. The contract includes expanding 82 out of 127 websites in addition to installing 33,000 broadband portals at 106 websites. It is expected that 150,000 broadband portals will be installed by the end of the current year, out of which 70,000 portals have been installed. (June 15, 2010)

Tunisia

[National Telecommunication Commission (INTT)]

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- As part of the strategic redesign of the Tunisian telecommunication sector, Tunisia's incumbent telecom operator, Tunisie Telecom has acquired 100% of the capital of Topnet. This acquisition is an important milestone for Tunisie Telecom to maintain its leading strategic position in Tunisia after the recent award of a full-fledged telecommunication license to a third operator. It is also seen as a natural evolution for the Topnet success story. Swicorp acted as Topnet shareholders' exclusive financial advisor, and led the sale process since August 2009. Swicorp also assisted the management of Topnet and the Shareholders in designing the optimal strategy for the company going forward and in managing the sale process and the negotiations with Tunisie Telecom on behalf of all shareholders. (June 15, 2010)

Turkey

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No recent developments, including regulatory actions, issuance of licenses or policy frameworks, have been made public in the news/newsletters or on the regulator's website.

UAE

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[Telecommunication Regulatory Authority (TRA)]info@tra.ae
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- According to the latest market analysis published by the Dataxis Intelligence, the average revenue per user (ARPU) in the UAE stood at US\$42 per month in the fourth quarter of 2009, behind Kuwait's US\$52 per month for the same period. The Middle East has one of the highest mobile ARPUs in the world, with an average of US\$20 during 2009, behind North America and Europe. Despite the fact that more than half of the region's 13 countries surveyed generate a higher ARPU than the European average of US\$23, the region still holds strong potential for firms offering mobile services. Especially noteworthy are Iraq, Iran and Yemen, which had an ARPU below the worldwide average of US\$16 per month. (June 10, 2010)
- The Emirates Investment Authority (EIA) has ruled out that the royalties charged on the profits of the UAE telecoms providers, Etisalat and du, are not sustainable. The EIA controls a large amount of shares in both of the companies and its chief telecoms investment officer has said similar royalty systems around the world have been prone to failure. About a third of Etisalat's annual net profit is claimed by the UAE government as a royalty charge. (June 8, 2010)

Yemen

Minister: Eng. Kamal Hussain Al-Jabry
[Ministry of Telecommunications and Information Technology (MOT&IT)]ptc@mtit.gov.ye
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- A symposium for the IP/MPLS service was held in Yemen, which included technical presentations of IP/MPLS network and services. The MPLS IP or Multi Protocol Label Switching Internet Provider refers to a network backbone that uses the IP protocol augmented with MPLS routing, which includes routing information in the packets of an IP network. MPLS is used to ensure that all packets in a particular flow take the same route over a backbone. Widely deployed by many telephone companies and service providers, MPLS delivers the quality of service (QoS) required to support real-time voice and video as well as service level agreements (SLAs) that guarantee bandwidth. Large enterprises also use MPLS in their national networks. The symposium also included discussions, where the guests expressed their requirements and needs, and also the problems they faced. (June 13, 2010)

Sources: MOJ News Agency, Dow Jones News, AME Info.com, Arabianbusiness News, Zawya.com, Algeria.com, Emirates News Agency, Propakistan.com, The New Vision, The National, tradingmarket.com, Thedailystar.net, Daily The Lebanon, MENA News Agency, Daily Al Anbaa, Daily Star, Republica Nepal, Reuters.com, Al Qabas, Telegeography.com, Officialwire.com, Pyramid Research, bdnews24.com, Gulf Times, Commsday, SAMENA's news archives, Industry News and Newsletters, Regulatory Bodies' websites and Press Releases.



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