SAMENA TRENDS

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The Future is VAS

Exclusive Interview

Abdul Aziz

Chief Executive Officer

Ufone

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EDITORIAL

The global telecommunications environment, as a whole, has been in quite a bit of a fix over the last few years. For the most part, the industry worked on an economic and gradual growth basis for nearly two decades, where the application of services was applied to a fairly linear network topology, that being the standard legacy TDMA network. The edge application services were developed on a hybrid analog – digital platform and thus transformed to adapt to the standardized, and reliable (read SDH), electronic DS-1 network interface, which interconnected with other interface points in the network.

Then the Internet came, with the brick-and-mortar allies taking on the youngsters on the block, the IP addressed URL based NGN networks; really hitting its initial crescendo in the late nineties then hitting a huge investment crash in the Spring of 2003. This, effectively, signaled to the networks that the grand old dame, the old legacy switched 64k (56k for a long time in the US) network, is here to stay.

The industry realized late that selling technology to end-users is not the way to go. Consumers do not care how they access their email or the Internet, or how their online orders work. They only care that their application are secure, safe and reliable. A lesson was learnt soon, though, that people buy applications, not technology. The brick and mortar guys danced and pointed fingers and laughed at the upstarts.

At the same time, the fiber networks had expanded and were told one day by financial investors and institutions that they had too much fiber in the ground! The value of the network (tubes) was greatly depreciated, for they firmly believed there was absolutely no way anyone could fill those pipes—those magical conduits of light, running from one metro area to another. Supposedly, there was no use for capacity then.

Not for long did the legacy networks gloat. Soon, they began to see the future unrolling before their eyes. Faster, younger and more prescient market-attuned participants would soon see growth on their network—those that had the ability to upload instruction sets and consumer demands of the service providers and download video and other data content, make streaming of heavy media content such as YouTube possible, do Google searches, and not to mention what would happen soon after—large digital movie downloading.

Then, about ten years later or so, smartphones assaulted the world. Nokia led for some time with its Communicator series handset in Europe and the Middle East, and other handsets, such as the Sony Ericsson 901 also began to separate themselves from the feature phone. Once any kind of edge networking appeared on the horizon of the operators (let alone any other advanced technology network infrastructure such as UMTS, HSDPA, etc), the realization came: Network data demand set was and will never be the same again. Finally, the great game changer of all, the dean of smartphones, as far as being THE benchmark, the Apple first series came out, with a very limited network speed, but loaded with an OS that would make the OS offerings from Symbian and Microsoft look like the brick that Motorola first made back in the late nineties.

As the evolution of the handsets continually proceeds through its intervals of Moore's Law type of advances, the networks are pushed, driven and cajoled into performing faster, quicker, not to mention, sending the latest stock report or the most recent political YouTube clip without fail, and, I may add, without holding back your golf match. Perfection has to be executed for all this to happen flawlessly, withstanding the data bombardment that networks are increasingly becoming the target of. Take this as an example: Actual sequences of network outages in New York City and other large urban markets occurred due to the Apple 3G, then the Apple 3GS, and then the Apple 4G, and from the data bombardment that followed. It all severely tested the nerves and the tensile strengths of the operators in some of America's busiest metropolises.

EDITORIAL

Mobile networks were just networks, just as their fixed counterparts, and there are consumer needs for both. However, mobile operators have the glitz and the appeal of the consumer, due to the new age and the high-tech gadgetry that seemingly allows a user to do things that were only imaginable just five years ago. But now the Internet has come of age. Just a few days ago, we heard that the last batch of URL internet addresses had been distributed and there, basically, are no more to give out! The advent of IPV6 is clearly going to happen. What caused this, the incessant demand for broadband and what is interesting is that most governments all around the world are sanctioning greater broadband expansion.

To no surprise, in the Middle East and Africa regions, adoption of mobile broadband services is among key contributors of subscriber net additions. Africa would contribute substantially to an anticipated mobile broadband boom in the Middle East and Africa (MEA) region, which is expected to be worth around US$6 billion this year. Based on industry projections by the likes of Delta Analytics, Value Partners and Informa, we have reasons to believe that nearly 70% of the broadband services in the Middle East and, particularly, in Africa could be delivered over wireless networks by 2011. Furthermore, the Middle East mobile broadband market is expected to reach 50 million subscribers by 2013 from seven million in 2008 as technologies such as 3.5G gain popularity this year. In this region, mobile broadband is a vital part of the next technology wave that will drive growth and improve enterprise business efficiency productivity. According to a recent research report by Informa, the future growth of broadband in Africa and the Middle East will be driven by mobile broadband, with the subscriber total increasing at a CAGR of 34% to reach around 38 million by 2014, slightly faster than the global average.

Until a few years ago, broadband was something that every one talked about but no one really, truly knew or understood how seriously the subject was to be approached. It all was new and , later, created tough expectations… The desire and the ability to watch a football match on a smartphone; the ability to play internet video games; do social networking; and everything else that pounds the network with bandwidth and QoS requirements, has been surging and has become so great that even the mobile companies are building localized WiFi networks and are encouraging their users to go WiFi. What's driving all this is network compression (resulting in congestion that is gaining density on an almost daily basis), which sacrifices other service sets and requirements on the network.

Make no mistake, however. The future has only begun to dawn in, for the strong demand for broadband in its purest sense still is growing on a non-linear basis. LTE is still largely in the testing and, as this is only beginning to hit the network infrastructure market, let alone national deployment, the discussion of Advanced LTE is already upon us. The advent of EVDO based CDMA network topology along with WiMAX applications also are currently in place and continued demand for them remains high.

The simplicity of new browsers and operating systems on handsets such as Android, Apple and the newest edition of Microsoft Windows Phone 7 has again further pushed the envelope. There are those that believe mobile broadband has its limitations and others who believe that fixed broadband is a dinosaur. The use and the application of either is what will set the barometer of success. That is, the packaging, the amount of entertainment and the level of portability, together, will provide the impetus for further growth, some of which is being experienced currently, for example, in the markets of Egypt, Morocco, Saudi Arabia, and the UAE.

Mobile devices have inherent limitations, which, among other things, include imperfect operating systems that work against the consumer experience. On the other hand, fixed broadband networks tend to be steady, reliable and consistent bandwidths provide for a steady and no-surprises environments. There are inherent limitations with fixed broadband as well, with the main being portability and applications. However, the latter is already being countered. Apple has recently opened up its application store on its iTunes program (sure to be followed by others), which should open up the fun factor for fixed broadband users.

Network operators are following a rapid evolution toward next-generation networking, to be able to support multimedia applications. The growth of optical networking technologies such as GPON, EPON can be attributed to high demand for multimedia services such as data, and video, games, and other bandwidth hungry applications. Many markets in the SAMENA region now have the supporting optical infrastructure, i.e., FTTH. These technologies are allowing for the materialization of new revenue streams, which are progressively being driven by content delivery, ranging from streaming video to other data intensive content media.

EDITORIAL

All this is linked together by the operators, having to deal with infrastructure development and maintenance, consumer experience in using the network, CAPEX, OPEX, regulatory pressures and complexities, spectrum management and an assortment of other professional activities that truly must test the capabilities of many a CEO and their teams. And all are related to the broadband experience.

Broadband is a subject area, with its own semantic and operational characteristics, that SAMENA is working hard to develop its program around. SAMENA is mindful of the fact, and in absolute support of the predictions abound, that broadband is a necessity and shall always remain so. At the time being, broadband is going through "speciation" and, thus, is requiring that operators and regulators address key issues, which include but are not limited to fiber network development. Without making it easier for investors to contribute promptly to the broadband growth, and without giving fiber networks the due attention and importance and creating an enabling environment for fiber networks to promptly grow and be "visible" to the end-user, the evolutionary process would only face unnecessary, or dead-end delays. By now, everyone is talking about fiber networks, knows and really understands how seriously this subject should be approached. We just have to ensure we approach it promptly, with fiber equity in mind.

Truly Yours,

Thomas Wilson
CEO & Managing Director
SAMENA Telecommunications Council

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TOP REGIONAL & MEMBER NEWS

Etisalat Signs MoU with MobileMonday (MoMo) for Mobile Innovation

Etisalat has signed a landmark Memorandum of Understanding (MoU) with MobileMonday (MoMo), to initiate a mutually beneficial strategic partnership. Essa Al Haddad, Group Chief Marketing Officer at Etisalat said on the occasion: "We are delighted to enter into this strategic agreement with MobileMonday, which is important not only for our 18 operations and our 110 million customers across our footprint, but also for the regional telecom industry as a whole". The MoU was signed by Mr. Ahmed bin Ali, Group Senior Vice President Corporate Communications at Etisalat and Mr. Jari Tammisto, CEO of MobileMonday.

du Joins the League of First Few Regional Companies to Converge its Mobile and Fixed Transport Networks

du has announced that it has converged its fixed and mobile IP transport networks using the Cisco CRS Carrier Routing System. This enables FMC (Fixed Mobile Convergence) on du's network to meet the demand for high-end broadband services and makes the company unique in its ability to rapidly deploy new high-bandwidth mobile applications and data packages. This new phase of network development will allow du to improve the speed, flexibility and scalability of mobile-based services to its customers.

Batelco First to Launch Acer Ferrari Smart Phone in Bahrain

Bahrain's leading telecommunication services provider, Batelco, is delighted to be the first in the Kingdom to introduce the Acer Liquid E Ferrari special edition. The Ferrari is powered by the latest Éclair 2.1 Android Operating System with full Arabic interface. Customers have access to a wide selection of applications ranging from games, social networking, entertainment, books, and more. To benefit from the complete and optimum experience, Batelco recommends subscribing to a data service plan ranging from 100MB to 6GB.

STC Offers Big New Reductions on International Calls to All Countries Worldwide

STC is offering big new reductions on call rates to all countries in the world through Marhaba prepaid calling cards, enabling customers to make international calls at the most advantageous rates throughout the day and communicate with their families and friends wherever they are. STC's Marhaba calling card is extremely popular among customers and it is also the easiest to use with convenient features such as the ability to call the numbers of internet service providers (Easy Net) after dialing the toll free number.

Thuraya May Launch US$200 Million Satellite for Americas Coverage

Thuraya Satellite Telecommunications Co. may launch a $200 million satellite to extend coverage. Chief Technology Officer Ahmed Ali Al Shamsi said. "We need to have an investor or a partner to go to the Americas," The Abu Dhabi-based company offers mobile satellite services in more than 140 countries in Asia, Africa and Europe and Australia, according to the company's website. The majority of Thuraya's clients are ships servicing lines between the Persian Gulf, Europe and Asia, Al Shamsi said.

NT Launches EasyPhone Branded VoIP Service

Nepal Telecom has launched a session initiation protocol (SIP) based IP telephony service under the brand name 'EasyPhone', allowing users to make low-cost calls from their PC via a broadband connection. A local daily writes that in order to sign up for EasyPhone users must pay NPR500 (USD6.99) to complete a permanent pre-paid phone registration, which as part of the inclusive charges covers an NPR50 registration fee and an NPR9 ownership charge. In the first phase NT is offering the EasyPhone service from its Teku, Baneshwor, Chabahil, Jawalakhel and Gongabu branches.

Grameenphone appoints new CEO

Grameenphone announced that its Board of Directors has appointed Mr. Tore Johnsen as the company's new Chief Executive Officer (CEO). Mr. Johnsen will succeed Oddvar Hesjedal and take up his position from March 1, 2011. His vast knowledge from the telecom industry, combined with his extensive experience from several Asian markets is considered to be a great benefit for the company. Previously he has also held positions as CEO of Telenor Pakistan and CEO of DiGi in Malaysia.

UAE has Most Mobile Application Developers in the Region

The UAE controls 60 percent of mobile phone applications development in the Middle East, according to research conducted by Flagship Projects, a local applications developer. The penetration of these kinds of mobile applications is tremendous in the UAE. The UAE has become a global player by establishing its ICT infrastructure. The availability of the latest Smartphone models and computers have attracted the attention of ICT investors to the region.

Saudi IT Market Valued at Around SAR 12.4 Billion in 2010

The Kingdom of Saudi Arabia's IT market, the biggest in the Middle East, was worth around SAR 12.4 billion in 2010 and is expected to grow to SAR 17.25 billion by 2014. The country will continue to be a lucrative market for IT products and services despite the downturn due to its focus on IT and communications infrastructure upgrades. Constant confidence in the Saudi IT market and investment opportunities offered by the sector will be in focus during the upcoming GITEX Saudi Arabia 2011.

One Million Internet Subscribers in Kuwait

According to the latest statistics there were almost a million registered internet subscribers in Kuwait as of the end of 2010. Internet access has now come to be viewed as an essential in almost every household in Kuwait, with youngsters in particular dependent on the worldwide web in every aspect of life. Kuwait's rates of internet use are apparently amongst the highest in the region. Rapid technological advances have played a central role in this quick rise in internet usage in Kuwait.

Dynamic Infrastructures is way forward for organizations looking to rapidly adapt to changing IT scenarios

Dubai, UAE, February 22, 2010 – With CIO's facing increased With CIO's facing increased pressure to lower costs, increase service levels and reduce carbon footprint, Fujitsu is urging organizations to adapt a more dynamic approach to its IT deployments. Along with its partner and system integrator Al Rostamani Communications (a member of the Al Rostamani Group), Fujitsu held a "Virtualization Conference" with Dynamic Infrastructure as the pivotal focus. The conference takes place at The Address Downtown Hotel on February 23, 2011.

Designed to meet the growing interest in virtual networks and related technologies in the GCC region, especially in the United Arab Emirates, industry experts at the conference will discuss key topics that will apprise IT directors and administrators on the latest trends and best practices in the industry.

"The relationship between business processes and IT environments has been at the center of every CIO's attention for more than three decades. Even today, building entirely 'business-driven' hard-and-software architectures for organizations is still a challenge, and networks with matching characteristics are the exception rather than the norm," said Farid Al-Sabbagh, Managing Director – Middle East, Fujitsu Technology Solutions "Businesses need to be able to rapidly adapt to changing needs, and with the Dynamic Infrastructures, Fujitsu is providing flexible IT capacity that adapts to new situations as they begin to unfold. We have combined state-of-the-art technologies such as virtualization and real-time allocation of resources with advanced management options for automation and orchestration, to create a framework for IT operations that focus on increased efficiency, high agility and enhanced reliability."

The "Virtualization Conference" event will feature experts from a variety of technology companies who deliver solutions for virtualized environments. The conference sessions will cover topics like 'Workplace Technologies' by Zia Syed, director – client services and 'Datacenter Technologies' by Chandan Mehta, head – enterprise product management and John Stadden, director – storage solutions at Fujitsu Technology Solutions. Victor Schmitz, NetApp will cover storage virtualization and Cyrus Tata, Symantec will tackle backup and archiving for virtual and physical environments.

"Virtualization is one of the hottest trends in IT today and will remain so for several years. We are seeing a lot of interest and growth in virtualization technologies in UAE and the GCC region," said Mohammed Zameer, Al Rostamani Communications General Manager. "As the leading systems integrator, we are happy to partner with the best organizations around the globe and to understand the customer's different needs and deliver specific integrated solutions. The conference is meant to bridge the gap, to educate and empower today's IT professional for tomorrow.

Thuraya Expands Commercial Partnership with Etisalat to Provide IP and Marine in the UAE

Thuraya, the world leading mobile satellite operator has expanded its partnership with Etisalat, the region's largest telecom service provider, appointing them as distributors of IP and Marine in the UAE. Etisalat, will be marketing and distributing Thuraya's satellite data and maritime services to vertical markets throughout the country.

Both operators will be cooperating to ensure that through Thuraya's satellite network coverage, customers from various segments such as energy, government, large corporations as well as private users will be able to benefit from improved voice and data connectivity across the UAE.

"Partnering with Etisalat will ensure that customers in the UAE seeking satellite high-speed data or maritime services have their demands met. Our ubiquitous coverage of the UAE and waterways complements Etisalat's wide terrestrial network providing customers with uninterrupted service even in the most remote areas," said Thuraya's Chief Technology Officer, Mr. Ali Al Mazrooei.

On a similar note Mr. Khalifa Al Shamsi, Senior Vice President - Marketing Etisalat said, "We are pleased to enhance our partnership with Thuraya by cooperatively offering satellite-based data and maritime services. Through our extensive distribution network, customers will be able to access the user-friendly and efficient capabilities of both Thuraya IP and Thuraya Marine which provide superior communication owing to their advanced features."

Thuraya IP is the world's smallest satellite broadband solution that was the first to reach streaming speeds of 384 Kbps. With Standard IP speeds of up to 444 Kbps, Thuraya IP is based on a user-friendly plug and play system which means users do not need to install additional software. Ultra-compact, portable and mobile, the solution is uniquely A-5 sized and is the only satellite broadband solution with asymmetric streaming where customers can select upload and download speeds. Supported by an advanced network which dynamically allocates resources in areas where there is high demand, the solution provides reliable service for web browsing, streaming and data exchange facilitating communications for several sectors.

Thuraya Marine is a multi-communication device designed specifically for the maritime sector, especially small to medium-sized vessels. The solution offers voice, data, SMS

and fax services onboard ships as well as emergency distress calling. The solution is easy-to-install with an omni-directional antenna that is operable regardless of the ships movements.

Thuraya to Launch Post-Paid Mobile Satellite Services in Libya

Major customers in Libya will now be able to enjoy Thuraya's post-paid mobile satellite handheld services. This comes after the signing of a commercial agreement between the mobile satellite operator and Al Jeel Al Jadeed, a firm specialised in satellite communications.

Furthermore, Al Jeel Al Jadeed, which is a subsidiary to Libya Post Telecom and Information Technology Company (LPTIC) that replaces old General Post and Telecommunications Company (GPTC), has been assigned as a distributor of Thuraya IP and Marine services which will be promoted to vertical markets in Libya. Al Jeel Al Jadeed will be focusing on targeting large corporate organisations which form the main customer base of satellite-based communications services.

"With Thuraya going more towards vertical markets, it makes a lot of sense to gear business offerings towards the service model of corporate users, and the post-paid satellite handheld service is a prime example of that direction. Post-paid services ensure customers credit availability as opposed to pre-paid services whereby customers have to observe their credit limits," said Thuraya's Chief Technology Officer, Mr. Ali Al Mazrooei.

He also added that both Thuraya IP and Marine are compact and user-friendly solutions that will be rolled out rapidly through the distribution network of Al Jeel Al Jadeed.

On a similar note, Mr. Mohamed Hassan, CEO and Chairman of Al Jeel Al Jadeed said, "We are very proud to be the first to introduce post-paid services for mobile satellite handhelds to the Libyan market and facilitate voice communications for our customers. Thuraya's competitive products, IP and Marine will be met with great demand in Libya due to their advanced features and efficiency."

He elaborated that Thuraya's diverse portfolio including voice, data, maritime and tracking services meets the needs of vertical market sectors such as government, corporate and oil and gas firms.

Thuraya's handheld pre-paid services have been available in Libya since 2002 and the introduction of post-paid services is an expansion of the Company's offerings.

Thuraya IP is the world's smallest satellite broadband solution and capable of achieving streaming speeds of 384 Kbps. With Standard IP speeds of up to 444 Kbps, Thuraya IP requires no additional software for installations as it is based on a user-friendly plug and play system. A-5 sized which adds to its portability and mobility, it is the only satellite broadband solution with asymmetric streaming where customers can select upload and download speeds for high quality service cost-effectively.

Thuraya Marine is a multi-communication device offering voice, data, SMS and fax services onboard ships. The solution also provides distress calling services to organisations selected by the customer. The solution is easy-to-install and has an advanced antenna that is omni-directional and flexibly moves with the ship.

In Partnership with Dixons Travel, Thuraya Handhelds Available at Heathrow and Gatwick Airport Stores

European and international travelers passing through Heathrow and Gatwick airports will be able to buy the latest satellite handheld phones now available at retail stores in both busy airports. This follows signing a commercial partnership between the UAE-based mobile satellite operator Thuraya and Europe's leading airport retailer Dixons Travel.

The availability of Thuraya's innovative handhelds which include the world's toughest satellite phone, the XT, in the two airports will facilitate access to reliable mobile satellite services especially for travelers going to places and areas where terrestrial telecom services are unavailable or inadequate.

The handhelds are designed to meet the needs of vertical market sectors such as oil and gas, mining, agriculture, maritime, NGOs, government, large corporates as well as individual users and frequent travelers.

"Thuraya's border-to-border coverage across its footprint of 140 countries ensures uninterrupted connectivity even in the most remote of areas where there may be limited terrestrial networks. Furthermore, through our large list of roaming partners customers also have the additional convenience of using their GSM numbers on Thuraya's advanced network and handheld phones which meet the requirements of sophisticated users by providing voice, SMS, data and GPS services," said Mr. Muiz A. Saad, Executive Manager Marketing & Sales for Europe, Middle East and Africa.

Thuraya has over 310 agreements in 145 countries which include 128 roaming agreements in Europe in 60 countries.

Mr. Saad added that partnering with Dixons Travel ensures that Thuraya's market leading handhelds are now displayed for millions of travelers passing through Heathrow and Gatwick airports; both busy transit hubs for European and international travelers.

In his part, Mr. Richard Procter, European Business Manager at Dixons Travel airport stores commented: "We expect rapid uptake of the phones as they are now easily available in seven of our leading Dixons Travel airport stores. The handhelds are ergonomic in design and are supported with professional menus and applications making them both attractive to our customers and reliable to use.

Thuraya has pioneered three high-quality handhelds which include the SO-2510 and the SG-2520 also known the world's smartest satellite handheld. The latest addition to satellite handhelds is Thuraya XT which is IP54/IK034 certified making it dust, splash water and shock proof making it the world's toughest satellite handheld. It also has the fastest data service, GPS Waypoint Navigation and reliable walk and talk capabilities due to its omni-directional and stable antenna.

Heathrow airport is the busiest airport in Europe with 67 million passengers travelling yearly. It is used by 90 airlines that travel to 170 destinations worldwide.

Connect Telecom Signs Major Deal for Mobile Satellite Handhelds with Thuraya

Connect Telecom, the international mobile and satellite telecom distributor, has procured a large quantity of Thuraya's handhelds, including both the smartest satellite phone "SG-2520" and the toughest satellite phone "XT".

With its established and active distribution outlets in UAE, Middle East and Hong Kong, Connect Telecom is building a greater role and reputation as a main provider of mobile satellite services and products in the region.

"Connect Telecom has good access to government and vertical markets which represents Thuraya's target customers in line with our new strategy," said Mr. Muiz A. Saad, Executive Manager Marketing & Sales for Europe, Middle East and Africa.

He said Thuraya's reach and successful penetration to vertical markets is enabled by service providers with access to those lucrative markets, such as Connect Telecom, and our quality solutions, such as the XT phone that has been designed to work reliably even in the harshest conditions.

Thuraya's XT is the only satellite handheld that is IP54/IK03 certified making it dust, splash water and shock proof. It has the fastest data service, Waypoint navigation and a stable omni-directional antenna enabling walk and talk communications.

Thuraya handheld phones have been designed to be a step ahead of the satellite telecom industry with advanced features, sleek look and unmatched ruggedness, he added.

In his part Mr. Joachim de Jenlis, Managing Director of Connect Telecom said, "The market reputation of Thuraya's handhelds ensures that the SG-2520 and XT handheld will ensure a rapid market roll out in key markets. The handhelds are supported by an extremely robust network which offers high-quality voice service for our customers who depend on satellite communications in the most enduring circumstances."

He elaborated that the GPS and data services available on both phones add to the professionalism and user-friendliness of the handhelds.

Thuraya's SG-2520 handheld is a dual mode GSM/satellite handheld that was the first to provide Bluetooth capabilities. It was branded the world's smartest satellite handheld.

"Nawras WiMAX network intended to reach over 80 percent of households this year"

In addition to its 2G and 3G base stations operating across the Sultanate of Oman, Nawras is building a complementary Huawei-based WiMAX network that covered 54 percent of households at the end of 2010 and is intended to reach over 80 percent this year.

The networks are supported by more than 3,000 km of Nawras' IP/MPLS backbone, planned to reach about 5,000 km by mid-2011. A ring-based transmission structure improves reliability with several sub-rings maximising resilience.

Nawras launched fixed-line products for business and home after extensive design, implementation, and testing of IT and network systems. Implementation of fibre optic cables and WiMAX technology was successfully achieved while continuing to serve mobile customers and secure optimal synergy between mobile and fixed technologies.

By combining mobile and fixed networks, Nawras offers its business products over a wide range of access technologies. Fixed residential services provide a simple 'plug and play' installation giving customers immediate access.

Growth in the mobile broadband customer base was enhanced in 2010 by continued development of Nawras offerings, especially with the introduction of a 24-hour prepaid offer, and increasing customer realisation of the advantages and benefits of Nawras broadband.

Operator Leader's Vision

Abdul Aziz
Chief Executive Officer
Ufone

Mr. Abdul Aziz is a fellow member of the Institute of Chartered Accountants of Pakistan with almost 20 years of senior management experience in leading roles within finance & business with Price WaterHouse Coopers, Millicom International Cellular, Celltel, Warid & Ufone (Etisalat) spread over Asia, Europe and Africa.. He has key expertise in green field operations in technology and mobile operations and the ability to turn them into successful operations. His career reflects a successful track record of very effective relationship and people management across diversified cultures. He is a visionary leader exercising the core values of leadership, passion and humility.

Mr. Aziz was part of the team that launched Ufone in 2001 as the second GSM service provider in the country and played a major role in the initial success of the company. He rejoined Ufone as President & CEO in December 2007. Under his leadership Ufone is the fastest growing telecom company in Pakistan. While the world faced a hard recession; Pakistan too has undergone serious economic and political challenges. Mr. Aziz delivered a vision based on strengthening revenues and growth with optimization of cost unlike other competitors who downsized. Mr. Aziz took a bold stance and ensured there was no downsizing during this time, on the contrary to boost the spirits of his employees bonuses and increments were given to ensure a positive mindset within all at Ufone. This made Ufone the only cellular operator with a positive bottom line even during the recession period. In recognition to his exceptional performance he was recently nominated among the Top Ten CEO's around the world at the recent WCA awards.

In 2009-2010 Ufone led the market with the highest revenue growth in the Pakistani cellular industry (source PTA). Under his leadership the company has renewed its focus on value added services, achieving the highest revenue mix. Ufone has become the leading infrastructure sharing operator in Pakistan and has been instrumental in creating a commercial framework for infrastructure sharing in the industry. He has been instrumental in improving the regulatory framework in Pakistan and has led the industry on some of these initiatives.

Mr. Aziz has a strong focus on social responsibility; his vision is to bridge the gap between the privileged and the underprivileged. Under his supervision Ufone started the 'Child Health Care Initiative' the main aim of which is to improve health care facilities for the underserved and poor people of Pakistan.

What have been the highlights of your career as CEO of Ufone?

Since joining Ufone in 2007 Ufone has taken one bold step after another. The first major step taken was to change the brand image as well at its personality. Ufone was the first large scale brand in the country to take the humorous route, this was indeed a major challenge but has worked out in favor of Ufone. Ufone ads are loved by one and all and have created a trend for other brands to move in the same direction. The telecom industry has seen a fierce price war within which Ufone has stood out with flying colors. Ufone has remained ahead of competition by creating new and unique packages over and over again and has ensured that every customer need is fulfilled with every step that was taken. Over the last year Ufone has taken the lead in providing the maximum number of voice packages and offers for the consumer to avail the cheapest call rates in the world. The youth is the largest potential market in Pakistan, to cater to their specific needs Ufone has the best youth targeted package plan in the country which allows customers to make voice calls and send SMS to all networks with the lowest calling rates. Alongside Ufone has launched more than 300 Value Added Services which reach out to fulfill all the needs of the valued customer and is by far the largest number of services being offered by any of the telecom operators in Pakistan.

Ufone has the largest international roaming data network in more than 116 destinations around the globe. Ufone is also the only operator in Pakistan offering prepaid roaming services. This is indeed a major feat and has helped Ufone move swiftly ahead in all IR initiatives.

> *"Ufone has the largest international roaming data network in more than 116 destinations around the globe"*

At Ufone a major focus is on customer satisfaction, this vision has turned to reality with the launch of three of the largest call center facilities in the telecom industry. These facilities help ensure Ufone customers get the best possible after sales services. The race for customer satisfaction may carry on for a while and we shall lead the way as we have in other categories.

Not only has Ufone taken the lead in innovation most importantly our hard work helped us double our revenue, alongside the network infrastructure has been increased drastically to ensure the valued customer does not have any connectivity issues.

In 2009 Ufone won two awards at the Etisalat Group Chief Marketing Officer (GCMO) Forum held in Dubai. The two Ufone awards were won in a competition among 18 Etisalat operations around the world. Each nomination was evaluated and selected by an independent committee. Another key achievement is that Ufone won an award in each category it was nominated in, namely Physical Customer Experience and Online categories. The awards are won by the Ufone Retailer Outreach Program and the Sales Force Automation Program, based on innovation and their impact on business.

What are your latest achievements?

I have recently been given the honor of being shortlisted among the Top 10 CEO's of the telecom industry by the jury at The World Communication Awards (WCA). It is indeed overwhelming that Ufone and I have been accredited at a global level. This nomination is also a great feat for Pakistan.

The World Communication Awards (WCA) has also recognized Ufone as one of the leading brands within the global telecom industry. Ufone is the only Pakistani telecommunication company that has been selected for the Best Brand award. We at Ufone are overjoyed to be selected among 7 of the top brand names within the international telecom industry.

These selections speak volumes of the hard work Ufone has put in over the last few years and the global acceptance is yet another feather in the cap for us.

> *"The World Communication Awards (WCA) has also recognized Ufone as one of the leading brands within the global telecom industry"*

Ufone is regarded as a leader in innovation in the industry. Do you think this perception is right?

Absolutely! Ufone has been at the fore front of all distinctive additions to value added services within the industry. Our aim is to make everything possible via a cell phone. Ufone has the largest bouquet of VAS which has been created carefully to ensure each one of the services is customer friendly and that customers from all walks of life can make best with the facilities being provided for their convenience. Our team is well equipped to be able to launch services with the best possible turnaround time. This helps ensure we are always the first to launch the most unique of services.

Purchasing power of customers is decreasing while depressive market forces have increased the operational cost of telecom industry considerably. Still we see mobile operators offering lower rates every other day. How is that going? What are the market trends and how are you managing them at Ufone?

The cellular Industry has witnessed a severe price war in the last few years along with increased operating cost and decreased margins having a negative impact on the profitability of all operators. Most operators have moved their focus from acquisition to retention and enhancing usage of existing customers.

Ufone has always focused on providing customers value for money and believe that any new price war would do harm to each operator's cause. Our efforts are focused towards increasing customer satisfaction via innovation in customer services & areas which would improve overall customer experience with the operator. This is done by introducing innovative VAS & products. At Ufone, we believe that a quality customer experience is the key to success not just lower tariffs.

How profitable is the telecommunication industry? How do you manage your margins? Is it still a volume game?

The telecommunication industry witnessed significant growth in the last 5 6 years as the primary focus was growth rather than profitability. However, the overall political and economic situation of Pakistan as well as the fierce competition in the industry has slowed down growth and has shifted the focus towards profitability & cost efficiency. Currently the industry is operating on very thin/negative margins. In such a market, operators are striving to increase their revenues from innovative new services instead of traditional services. Operators are also focusing more on data and Value Added Services (VAS) as well as voice and hence improve margins.

What are the challenges being faced by the telecom sector in Pakistan? How helpful have the government policies been so far?

The telecom sector of Pakistan is facing numerous challenges in the form of shortages of electricity, rising energy costs, high inflation rate, constant devaluation of currency, deteriorating security situation and higher tax rates. The government has been helpful to the telecom industry; however, if the taxation on the Telecom industry is reduced to the level of other industries, the telecom industry is capable to grow even further.

In this period of immense competition and recession, how can jobs be retained?

Professionals need to be at the top of their game in this fierce and highly competitive time. Good education along with a go getter approach is a must. Hard work and a positive attitude ensure job security in these trying times.

Where do you see your company among its competitors?

Ufone is one of the leading telecom operators of Pakistan. Based on the industry's published results by the Pakistan Telecom Authority, Ufone was the highest gainer in terms of revenue market share in 2009-10.

Ufone has been constantly out performing its competitors for the past few years in terms of growth and follows one of the most efficient cost structures, hence enjoys one of the highest cost efficiency margins in the industry. We have one of the most recognized brands in the market and are the only operator in Pakistan nominated for "Best Brand" in the World Communication Award 2010. I believe that Ufone, with one of the best human resource pool in the industry, is perfectly positioned to outperform its competition and stay ahead of the pack in the coming years.

Where do you see Ufone five years down the road?

The way this organization has progressed, the day is not far when we would be leading the cellular industry in Pakistan. Our competitive edge is our highly skilled human resource which is dedicated, committed and full of enthusiasm. In the next five years, innovation and excellence in services is to remain Ufone's hallmark, galvanizing Ufone to take the leading role in the industry.

What is your motto? How do you envisage a leader? What is your management & leadership style? Do you follow a motto?

My leadership motto is "success is a journey, not a destination!" I tend to lead by example and I believe in picking the right people for the right role. After that, delegation of power and trust in my employees is the key. Secondly I believe in prompt and aggressive turnaround time. I expect my team to be ready for action with a "can do" attitude. I believe that each member of this company plays a key role in the success of Ufone.

How do you keep work-life balance and what are your pastimes?

I do try to leave my work at office. However considering the nature of our business and the competitive telecom market of Pakistan, it is very difficult to maintain the work life balance. In my spare time I play golf and go for skeet shooting as it helps clear my mind. Once I step into my house my time belongs to my family and children. I leave my work at the office.

Is there anyone who has been a role model in your life?

The problem with making someone your mentor is that no one is perfect and when you see the short coming of your mentor it shatters your whole image of that person and disappoints you. That is why I have never focused on any individual rather I pick the good qualities from different persons and try to assimilate as many as I can.

What contribution has Ufone made towards the society?

For Ufone it is all about a healthier, greener and prosperous Pakistan. At Ufone, we tend to facilitate all kinds of humanitarian pursuits for sustainable development of members from under privileged sects of the society. We do this by providing them with technical, educational, employment, medical support or any other means of support.

Corporate Social Responsibility at Ufone is a meaning of life and betterment for all and we strive to raise the bar to make a stronger and better Pakistan. Our promise is to lift the spirits of the nation by spreading a smile.

Under the umbrella of Health Care, Ufone has started the 'Child Health Care Initiative' the main aim of which is to bridge the gap between those coming from the deserving sect of the society and those enjoying medical facilities at par with standards followed at any private medical unit.

Ufone's first child health care initiative was the up lift of the Policlinic. This facility is visited by over 3000 patients per day. Recognizing its role as a socially responsible corporate entity, Ufone realized the need to revamp the entire pediatrics department at the Polyclinic to bring it at par with standards followed at any private medical center. Ufone aimed to create an atmosphere in the pediatrics department that was more lively, colorful and bright to mitigate the misery and pain of the young patients. Bridging the divide of haves and have-nots, a revamped pediatrician ward is in place at par with any high-end facilitated pediatric setup in its literal sense. This initiative by Ufone will not only provide better conditions for the patients at the Policlinic, but also help supervise and maintain these refurbished areas.

At present Ufone is looking to build the first of its kind Thalassaemia center in Vihari where there are a number of citizens who are diagnosed with Thalassaemia but have to travel far to be able to get the up to mark facilities & medication for treatment. This facility will not only help cure but will also help educate the masses about the disease.

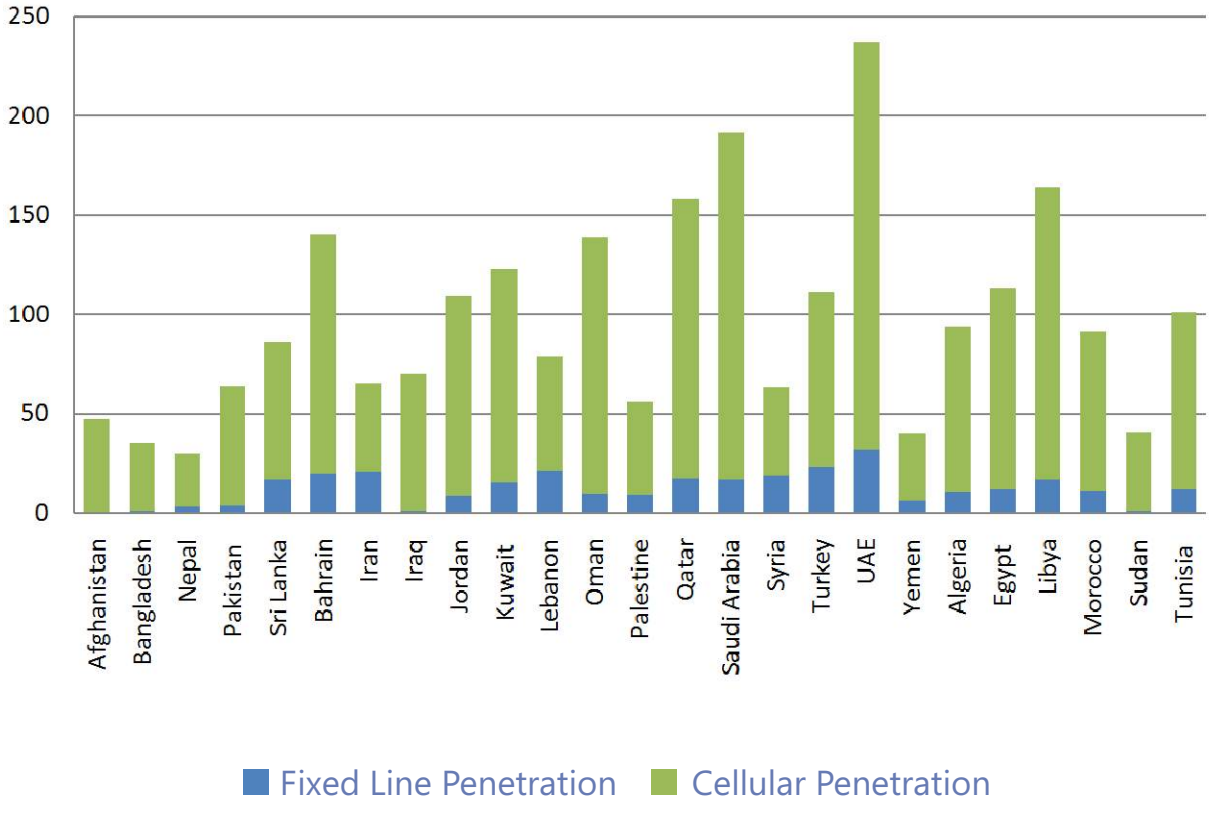
Last year Ufone donated handsome funds for the IDP's who had to face the result of a catastrophic move by the nation's heads, to help make the general public's lives easier. Alongside deserving students were given scholarships by Ufone to be able to get a good education under the program named UScholar. UScholar picked out students who were toppers in universities but were finding it difficult to pay their fees.

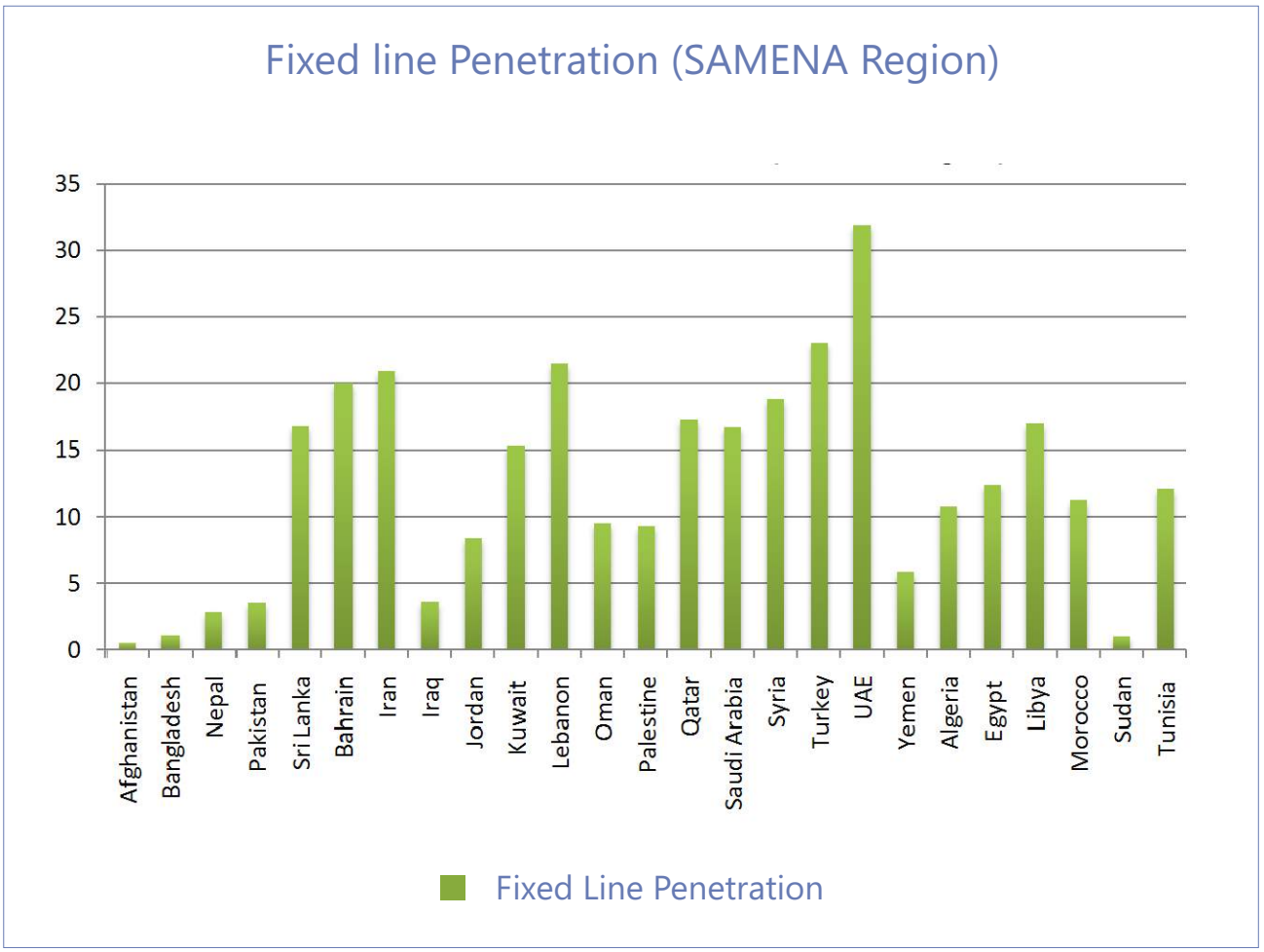
> *"Under the umbrella of Health Care, Ufone has started the 'Child Health Care Initiative' the main aim of which is to bridge the gap between those coming from the deserving sect of the society and those enjoying medical facilities at par with standards followed at any private medical unit"*

Recently Ufone & PTCL jointly handed over Rs. 53.5 Million for flood relief to the Prime Minister's Flood Relief Cell. Alongside there are a number of activities being planned for the rehabilitation of the nation after the first shock of the floods subside. We as a nation need to stand united and patient to ensure we build a better and stronger Pakistan.

For a brighter greener Pakistan, we believe protecting the environment is everyone's responsibility. Under the Going Green Initiative Ufone is striving to reduce its carbon foot prints via deploying solar power solution for its cell sites. Ufone has already deployed a test site running on solar power and plans on deploying more sites in the coming years.

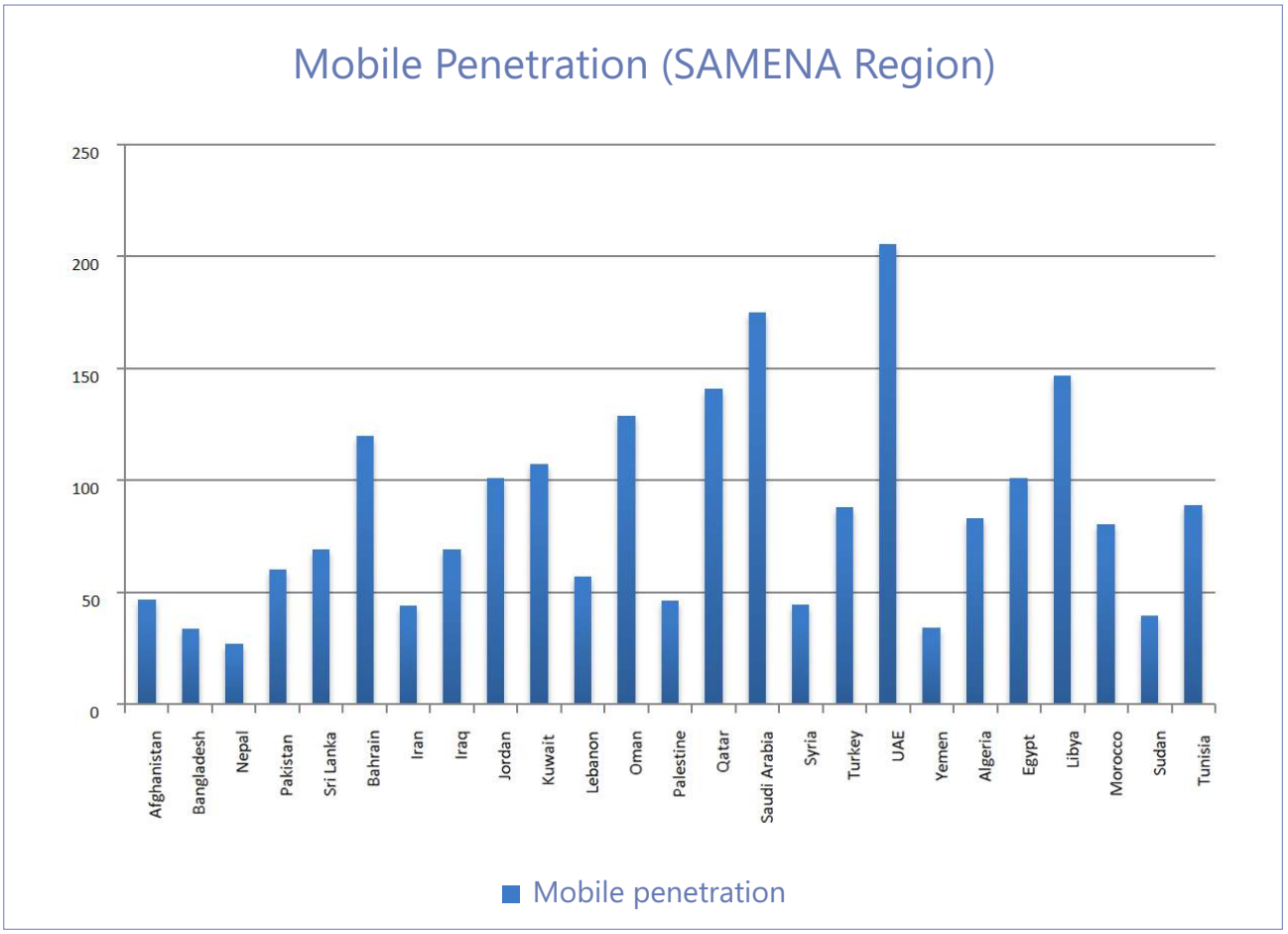
Teledensity as Sum of Mobile Penetration and Fixed Line Penetration (SAMENA Region)





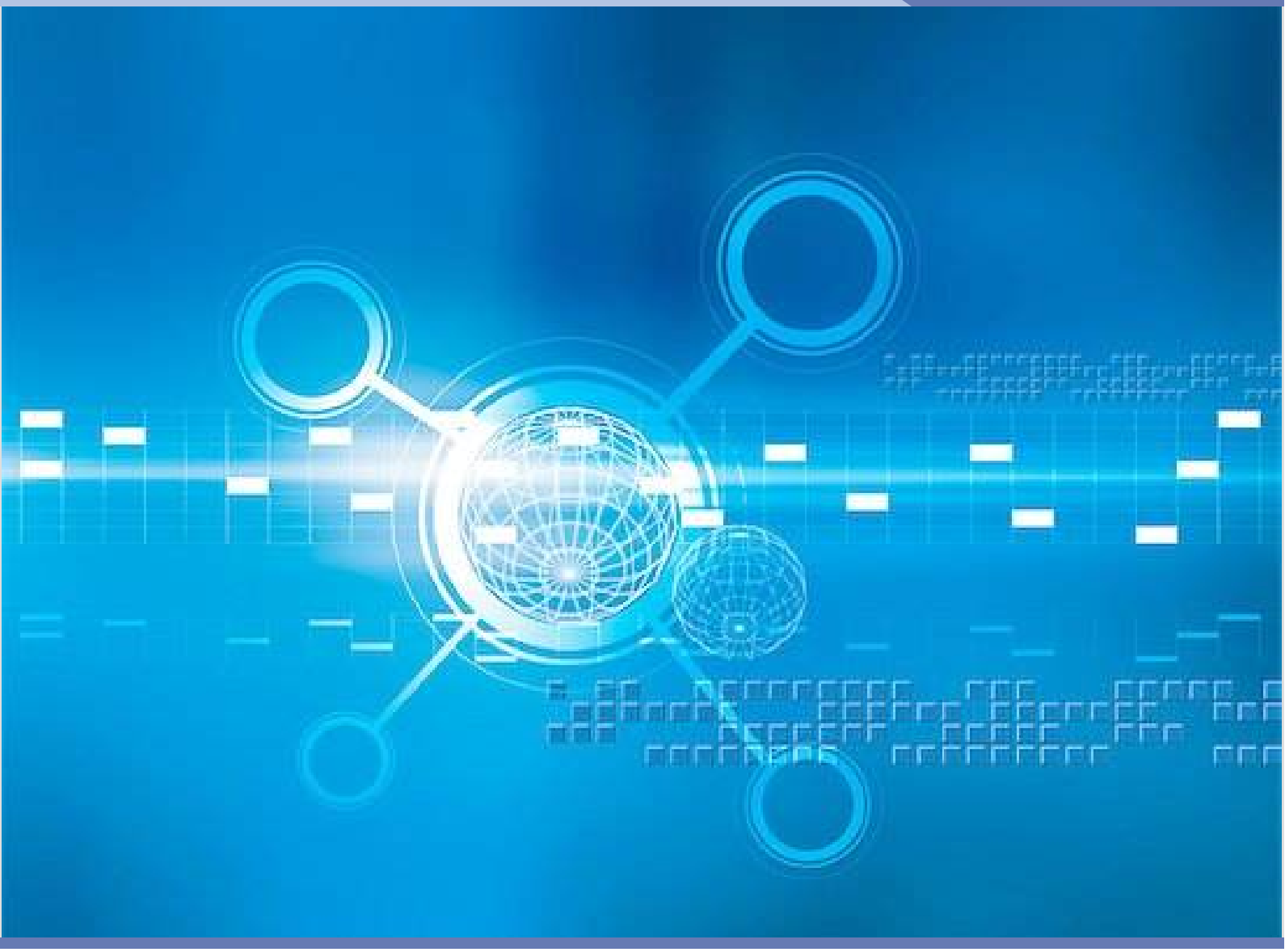
Source: **SAMENA**

Note: There are only 5 countries in SAMENA region with fixed line penetration rate of 20 or above. This includes Bahrain, Iran, Lebanon, Turkey, and UAE all from the Middle East. In South Asia, only Sri Lanka has fixed line penetration of above 15, while there is no other country with fixed line penetration of 5 or above. All such markets i.e. Afghanistan, Bangladesh, Nepal, and Pakistan are fairly below 5 in terms of fixed line penetration. The good performance of markets from Middle East can be attributed towards the better infrastructure including growing number of FTTx numbers in these countries, while the growth of fixed line in Sri Lanka is mainly due to the WLL service, which provides good coverage and cost effective deployment.



Source: **SAMENA**

Note: Pakistan, UAE, and Libya have the highest mobile penetration rates in their respective regions, namely South Asia, the Middle East and North Africa. Overall, UAE is at number 1 in terms of mobile penetration rate, similarly Saudi Arabia is at number 2. Penetration rates are well above 100 in 9 countries of the SAMENA region, while 8 countries have mobile penetration rates of 50 to 100 while 8 countries are still blow 50 in terms of mobile penetration, which includes Afghanistan, Bangladesh, Nepal, Iran, Palestine, Syria, Yemen, and Sudan. It appears that value creation will come from service quality and customer loyalty rather than subscriber growth.



The Value of Being Global

Over the past decade and a half, an unprecedented wave of expansion has altered the global telecom industry. As part of the sector's transformation, several global telecom operators have emerged and some have footprints that span several continents.

GCC operators began embarking on international expansion programs of their own in the mid-2000s. To date, these companies have expanded their presence across emerging markets from Indonesia to South Africa, passing through South Asia, the MENA region, and sub-Saharan Africa. GCC telecom operators including Etisalat, Saudi Telecom, Qtel, Zain, Batelco, and Omantel now have a presence in 63 markets.

> *"The operators with large multi-market presences have markedly outperformed local and regional telecom competitors as well as major financial stock market indices"*

In expanding globally, GCC operators are hoping to reap the same benefits as European operators, such as Deutsche Telekom, Telefónica, and Vodafone, that began building global companies in the mid-1990s. Investors have favored these expansion-minded companies; collectively, the operators with large multi-market presences have markedly outperformed local and regional telecom competitors as well as major financial stock market indices. Investors have rewarded the global operators both for increasing revenue right away and in anticipation that scale will lead to increased profitability.

Indeed, international expansion contributed substantially to the operators' financial results. In our analysis of 25 large, mature markets, the top four operators in terms of revenue outside their home market had better EBITDA margins than their regional or local competitors. Similarly, these high-performing global operators were able to capture a larger slice of market share than smaller, regional players when launching new operations.

> *"Several global operators have created centralized functions that focus on the design, deployment, and operation of telecom networks"*

The results of the successful companies underscore global operators' potential to outperform the competition, based on a few factors. Global operators can take advantage of their management experience when they enter new markets by tapping into their experiences in doing so previously: Several global operators have created centralized functions that focus on the design, deployment, and operation of telecom networks.

Additionally, these global operators are likely to have better operational processes than their competitors, a result of adapting the best practices from their extensive experience in different markets across an array of functions such as IT, network, and customer service. This is an especially critical advantage during the first six months or so of operations, because operators need to make an immediate and lasting positive impression on customers.

Accordingly, GCC operators will need to realign their organizations and institute synergy programs to benefit from their international expansion and justify the premiums paid for their cross-border acquisitions.

Finally, global operators have more experience in marketing, and again can learn from past successes and failures when it comes to introducing products and services that offer the best value proposition in each new market where they start to operate.

Potential for Synergy

Operators cannot assume, however, that by expanding internationally they will automatically capture all of the value of having a global operation. The most successful global operators have realigned their operational structure, enabling them to fully realize the potential of their global presence.

The first step for operators is to identify their individual opportunities to create synergies, or their synergy potential. To do so, they need to look at the relative scale of their international portfolio: The larger the revenue contribution of international operations, the more synergies can be realized through overall economies of scale.

They also need to examine how much control they have in the companies they have acquired: Having a large stake allows global operators to integrate operating units into its group more swiftly and effectively.

Another consideration is the level of coherence across a global operator's international portfolio; this could be determined, for example, by its level of consistency across service capabilities (fixed, mobile, or both), its market profile (i.e., mature or emerging), and its competitive positioning (premium, value, or budget operator). The more homogeneous the assets within the portfolio, the more likely it is that operators can achieve synergies.

Organizing for Advantage

Operators' second step, after determining their synergy potential, is to organize their operations and design a synergy program to maximize this potential. The telecom operators that evolved successfully into profitable, well-functioning global giants focused on building the right organizational model to manage their sprawling operations in different countries and, at the same time, developed governance and operating models to leverage scale and realize synergies.

Synergy programs tend to evolve in stages. Many operators take an ad hoc approach during the early stages of globalization: There is no executive oversight and support, no incentives to realize synergies, no global processes, and an undefined interaction model between the subsidiaries. The few synergies that are realized usually are driven by the agenda of the dominant operating company, likely the home country of the operator.

Operators then migrate to a collaborative approach at the group level; this approach is common in a nascent global organization. Companies often create virtual structures or global committees composed of executive members from each operating company who together develop the global synergy agenda and ensure its effective execution. The key challenge of the collaborative approach remains balancing the strategic objectives of the group with the objectives of individual operating companies, as some initiatives will benefit some more than others.

The final stage, which only a few global operators have currently achieved, is a fully integrated organization, in which operating companies are synthesized in the group, sharing systems and IT platforms. In these organizations, synergy-related processes are embedded as part of business-as-usual operations, thus aloowing these companies to derive full economies of scale from their operations.

The ideal model for each operator will depend on the size of its international program and its corresponding synergy potential. Those companies that have little control in their operating companies, limited scale, and low strategic alignment are unlikely to achieve synergies even if they are fully integrated and can thus get by with an ad hoc model.

GCC telecom operators are continuing to expand aggressively beyond their home markets. These operators are poised to reap many rewards from their international reach—as there is significant value in going global. Clearly, operators that are already global in reach have the early competitive advantage. But all operators that can transition successfully from collections of independent local companies into truly integrated global companies will sustain competitive advantage for years to come.

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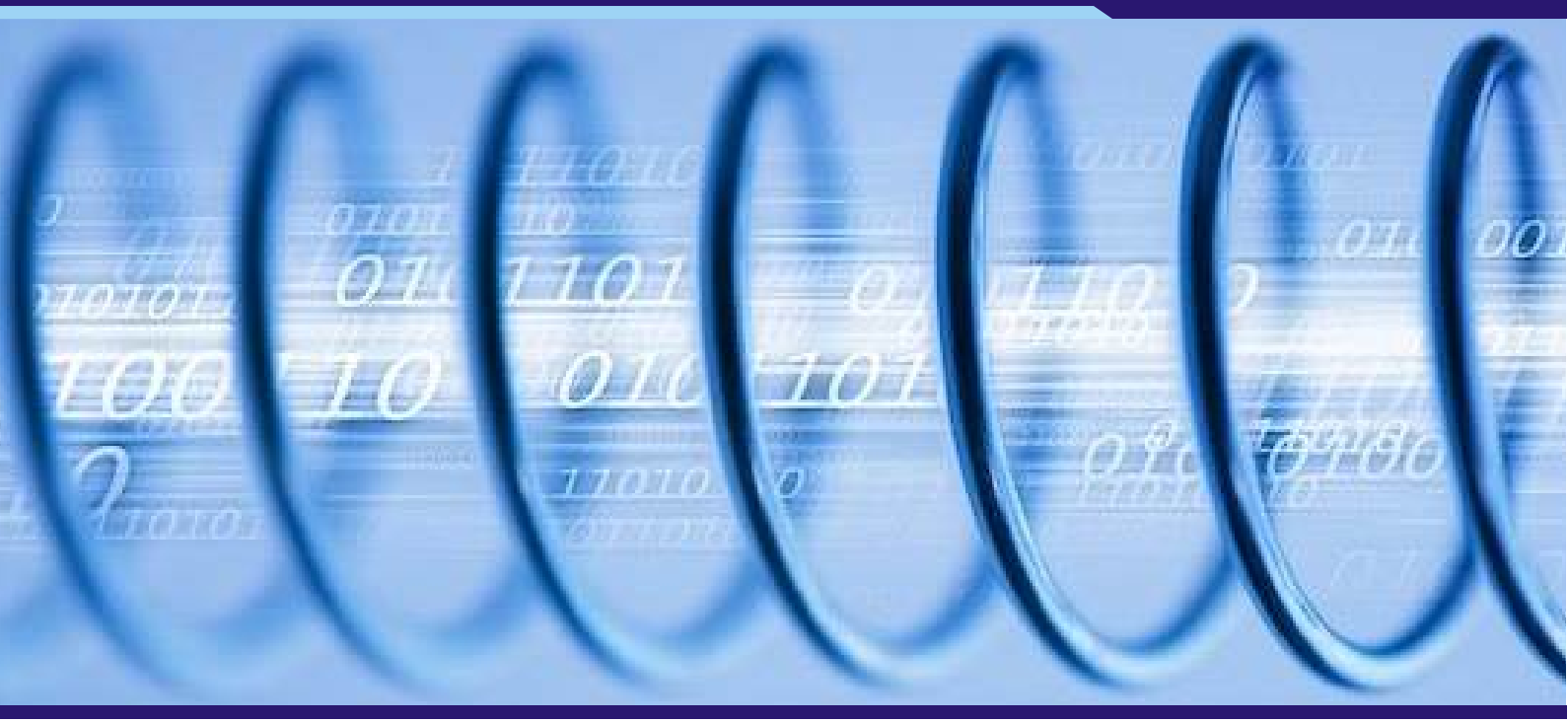


REGULATORY NEWS

PTA Continues its Quest of 3G in Pakistan

Pakistan Telecommunication Authority (PTA) has periodically released statements on the introduction of 3G services within the country. Their proposal towards this upgrade in technology is two-pronged: to be at par with the options that are available internationally and enhancing the investment into the telecommunication sector of the country. While the goals are admirable, the PTA's quest for short-term benefit continues to drive the operator's community for commitment on this project.

PTA Organized an Event to Celebrate 100 Million Cellular Subscriptions

Pakistan Telecommunication Authority (PTA) recently organized 100 million cellular subscription celebrations at Pakistan National Council of Arts (PNCA). During this landmark ceremony Prime Minister of Pakistan Syed Yousaf Raza Gilani, was the Chief Guest. Federal Minister for Information Technology & Telecom, Sardar Asif Ahmad, Chairman PTA Dr. Mohammed Yaseen, Federal Ministers, Federal Secretaries, Representatives from Awan-e-Sadar, Prime Minister Secretariat, Ministry of Foreign Affairs, Regulatory Authorities, IT & telecom industry experts, CEOs of telecom companies, and media representatives attended the event.

NCC Sets Medium, Long Term Agenda for Telecom

Nigerian Communications Commission (NCC), explaining that the commission had impressive statistics. The, commission has assured Nigerians of further improvement in several areas through its medium and long term agenda for the telecoms sector. Making its agenda public for 2011 at an interactive session with the media in Lagos at the weekend, Executive Vice Chairman of NCC, Dr. Eugene Juwah, said that given the circumstances, demands and urgency required to achieve spread of basic telephony services in the country, the commission's focus in the last 10 years was directed at growing teledensity with the massive deployment of mobile telephony.

Mobile Number Portability in UAE by Q1: TRA

Mobile number portability will enable mobile phone users in the UAE to retain their existing numbers while they migrate between the two service providers in the country. Director General of the TRA said that the move will stimulate competition between the two operators in a saturated local telecom market as they will try to hold onto their customers. "Both operators will be in readiness by the end of this month. Then the TRA will test it," he added. Ghanim also said that there is no possibility of issuing a third operator licence in the country. "The market cannot take it."

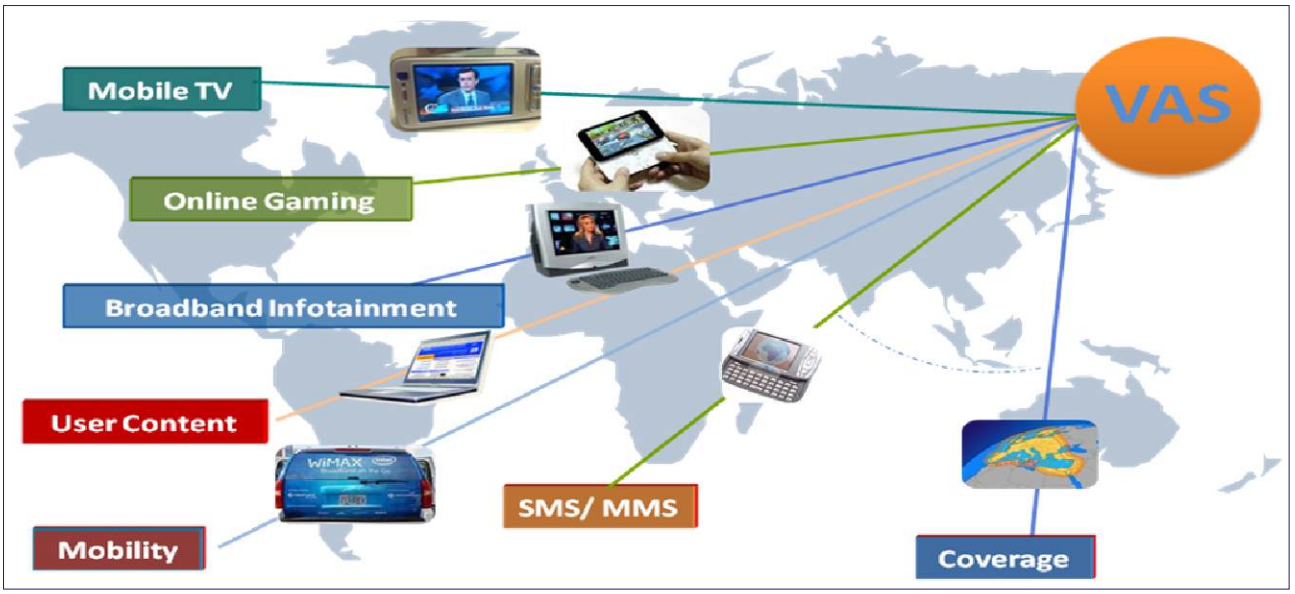
Beyond VAS! Exploring the Benefits of Values Added Services for Telcos

Mobile phone is becoming the gadget people rely on not only for communication, but also for information, entertainment, and learning on the go. Though, it is easy to focus on the region-wide need for digital content, more specifically mobile content, telcos can not disdain the mounting connotation of high-end, localized content via smartphones in the burgeoning marketplace within the SAMENA region.

The growing demand for VAS can be directly attributed to the growing number of applications, smartphones, and above all convergence. The content for mobile market is also evolving from music, video, games, infotainment and e-comemrces, in addition to the currently successful SMS, MMS, and RBT (ring back tone) among others services. The need for mobile phones that prop such type of growing number of VAS is growing; which is resulting in increased revenues for telcos.

The Advent of VAS in SAMENA Region

SAMENA region is quite affluent in terms of technologies capable of supporting modern VAS but the need for innovative VAS has always existed. The region now has markets where HSPA, EvDO and WiMAX networks exists, what needs to be done is to provide innovative VAS capable generating more revenues. From the emerging VAS trends, it appears they in SAMENA region VAS industry will receptively rise up in the coming years taxing the operators to think more innovatively or they will be pushed down by growing competition, somewhere they will be replaced by MVNOs, content providers and content aggregators, particularly in terms of VAS. SMS, MMS and some other less-convoluted VAS have shown tremendous growth over the past few years in the region. According to a recent study by Tekelec which assessed the global SMS traffic looked at



global SMS traffic; it seems that SMS traffic is constantly on the rise. The study divulges that much of this growth is due to increased adoption by older generations. Almost 60% of above 45s whispered that they as likely to send a text as they were to make calls. Similarly, for younger generation, SMS is the ideal way to communicate.

Additionally, the region appears to have much potential for high growth in terms sophisticated VAS such as Mobile TV and IPTV. According to Digital Middle East Broadcast Magazine there are over 200,000 IPTV subscribers generating US$ 35 million in the region already which is expected to reach 452,000 with US$ 122 million by 2012. The revenue from IPTV is forecasted to reach US$ 19 billion by 2012 from US$ 2.3 billion in 2007. This provides a huge opportunity to the telcos for they are already finding out strategies to drive revenues, and to overcome the declining ARPU levels.

> *"The revenue from IPTV is forecasted to reach US$ 19 billion by 2012 from US$ 2.3 billion in 2007."*

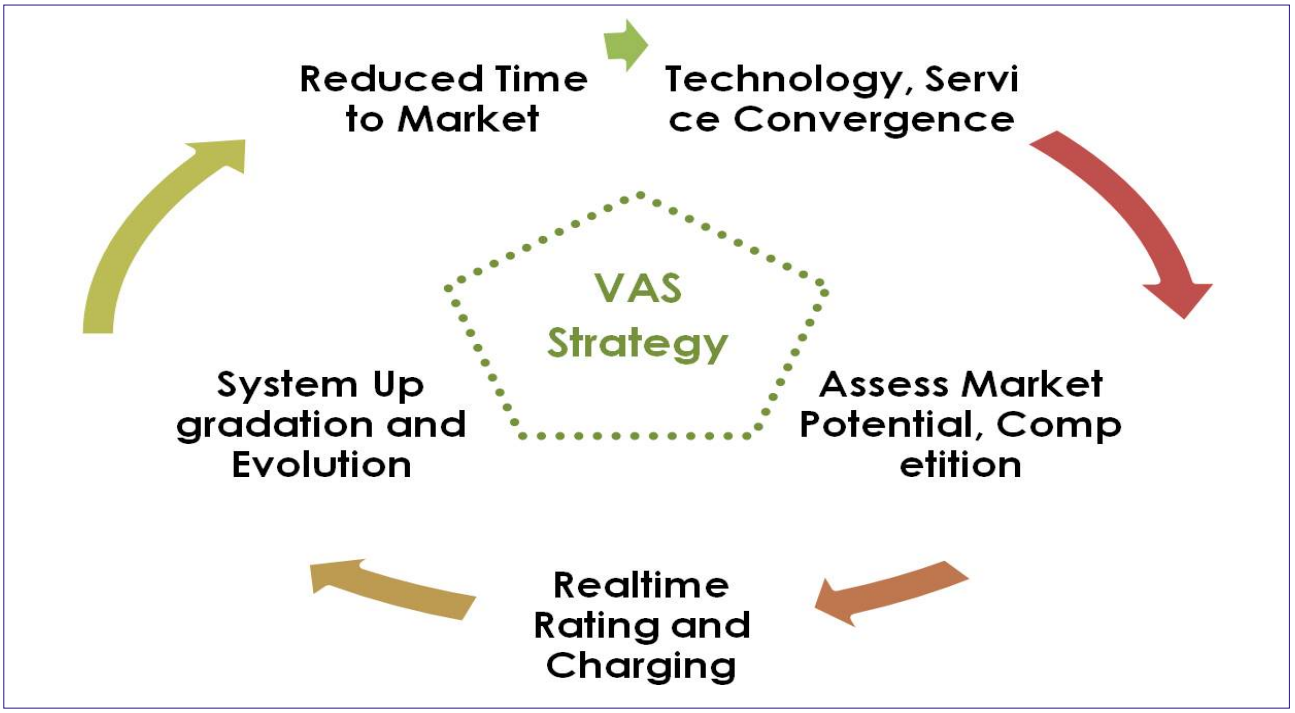
VAS industry will certainly augment in 2011-2012 thus the operators needs to come up with to innovatively and offer better customer service to attract more customers or they will be pushed down by growing competition, somewhere they will be replaced by MVNOs, content providers and content aggregators, specifically in terms of content services. Customers want data service which is the key driver of VAS and that is why it should be available ubiquitously, too. Today, some network operators are as good about providing roaming data services as they are about providing roaming voice and text services, although we are beginning to see improvements in this area.

The Emerging Business Models

The region's mobile sector has sustained its remarkable progression; mobile broadband proliferation is progressively becoming the nexus of mobile content and applications. Growth in the VAS sector which is especially evidenced in the Middle East shows a strong demand for smartphones and introduces challenges that the industry stake holders must focus on, to accomplish far-reaching feat in this demanding region. Services such as Mobile TV and IPTV are evolving as a popular application among network operators, media companies and subscribers. But there are some challenges ahead, and telcos need to consider their options carefully in order to make the most of the mobile TV opportunity and to overcome the ARPU decline and customer churn alike.

Although, free mobile TV models are growing in some regions, but operators still see a profitable future in mobile TV. According to a research the penetration of these services isn't likely to exceed 10 percent of all subscribers soon, but video/TV services are poised to become a significant contributor to carrier data ARPU while emerging as a hotbed for community-oriented interaction and interesting advertising experiments, ," said Lewis Ward, research manager in IDC's wireless and mobile communications program. "Broadband adoption of video/TV services is merging as the cornerstone of growth in this market.

> *"Telcos need to consider their options carefully in order to make the most of the mobile TV opportunity and to overcome the ARPU decline and customer churn alike"*



Almost all the markets in the region have good mobile penetration as compared to fixed line penetration. This shows the potential for innovative mobile VAS, which can potentially be a factor for increased revenues. Today, customers don't heed if they are using W-CDMA /HSDPA, CDMA/EV-DO, Mobile WiMAX, LTE or something else. They only care about being in a position to do what they want to do and where they want to do it. What they need is quality service and better customer care.

According to Informa's recent study, operators and service providers in emerging markets have been more creative and practical than in offering VAS than their counterparts in the developed markets across the globe. One of the major reasons is that these services are contributing a great deal to the lives of a common man and resulting in a positive impetus on the socioeconomic uplift of the general public. Service s such as Easy Paisa from Telenor Pakistan, CellBazaar service from GrameenPhone in Bangladesh, Mobile Baby service from Mobinil Egypt, among others have been a good start.

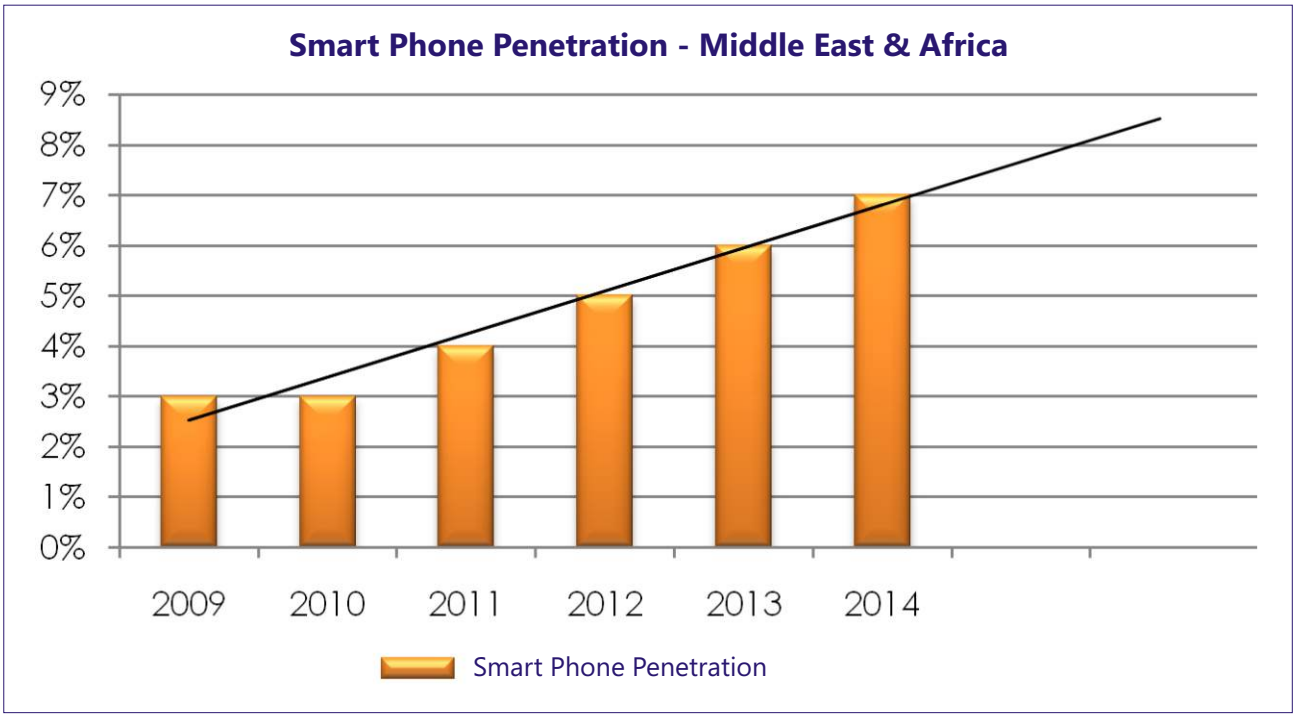
Emerging technologies are backing telcos to offers services that could play a major part in customer choice. As mobile gadgets become more advanced, user's experience is shifting. Telcos are developing their services to deliver infotainment ubiquitously to mobile phones. During the past few years, SMS traffic has increased extensively on in the region. With the introduction of services such as GPRS and EDGE more advanced messaging can be offered such as MMS. Majority of the cellular networks in the region currently support and offer GPRS, EDGE and MMS in addition SMS.

"Operators and service providers in emerging markets have been more creative and practical in offering VAS than their counterparts in the developed markets"

As VAS become more widespread, revenues will become more momentous to telcos. Many are increasingly sourcing content and content based services directly from the developers; others are looking at entering the content industry themselves and producing their own repositories to capture more revenues. This appears to become a reality as more and more telcos tend to explore the possibility of evolving their operation into the broadcast, media and content sector.

VAS Challenges and Regulations

Today, conventional networks are largely being replaced by next generation convergence enabled networks, because these networks will soon no longer be able to meet the ever-growing consumer demand for bandwidth and value added services driven mainly by the convergence and innovative applications. At the same time, convergence of telecoms and media is leading the service providers to conclude that they must be first to deploy convergent billing systems, practice excellent customer service, while anticipating imminent competition. Innovative VAS, convergent billing and resilient customer care service is the cry of the day. This will help the traditional networks to be replaced (and some time evolved) into the mainstream and transform the telecom landscape in the region over the next couple of years.



"Innovative VAS, convergent billing and resilient customer care service is the cry of the day."

Keeping in view the growing significance of value added services; operators can not disdain the emerging demand of these services. According to ABI Research, the market for mobile marketing and advertising is expected to reach $24 billion by 2013 worldwide. With growing demand for VAS, and the challenge of complex tariff plans, providers must integrate the convergent billing with next generation OSS and BSS, as well as a centralized customer care and customer self care system. It is time now, to upgrade the traditional billing systems to the fast convergent billing and rating systems, because a realtime convergent billing system will let service providers identify new revenue streams and capture more market share.

For the VAS industry, challenges are in developing and offering localized content in a particular market where the telecos operate. For a common man, leveraging on the network capabilities that current operators have, and ensuring that a low cost mobile phone (Smartphone) capable of supporting services such as MMS, Video, Mobile TV etc, off course remains a major challenge which can be addressed in the shape of offering subsidies on mobile phone and other CPE.

"Regulatory approaches that will be followed for licensing and regulation of mobile TV and IPTV services will be a key factor in enabling investments in these areas"

With the emergence of the mobile broadband services, mobile TV, and other multimedia services, the value add can bring a new array of innovative services to the public. The regulatory approaches that will be followed for licensing and regulation of mobile TV and IPTV services will be a key factor in enabling investments in these areas most probably in the shape of MVNOs and content providers. Sufficient amount of spectrum for Mobile TV would lead to success of mobile multimedia services. Digital dividend, spectrum management, 3G licensing, and other related subjects are vital for the success of multimedia services.

The Future Prospects of VAS

The future of VAS industry in SAMENA region is so dynamic and potentially demanding that there won't be time to undertake major upgrades of the infrastructure and reconfigurations of the network. Some innovative VAS can be offered simply using SMS. Network operators need to have a more innovative business intelligence approach. They need to offer VAS now that will continue to get rid of churn and declining ARPU over the next few years. By and large, the VAS industry does not yet appear to realize various important concepts. Voice works almost ubiquitously and text messaging is all set, which leaves some innovative and creative VAS offerings.

"Operators are in need of cultural specific content services to generate added revenue using the traditional voice and data service"

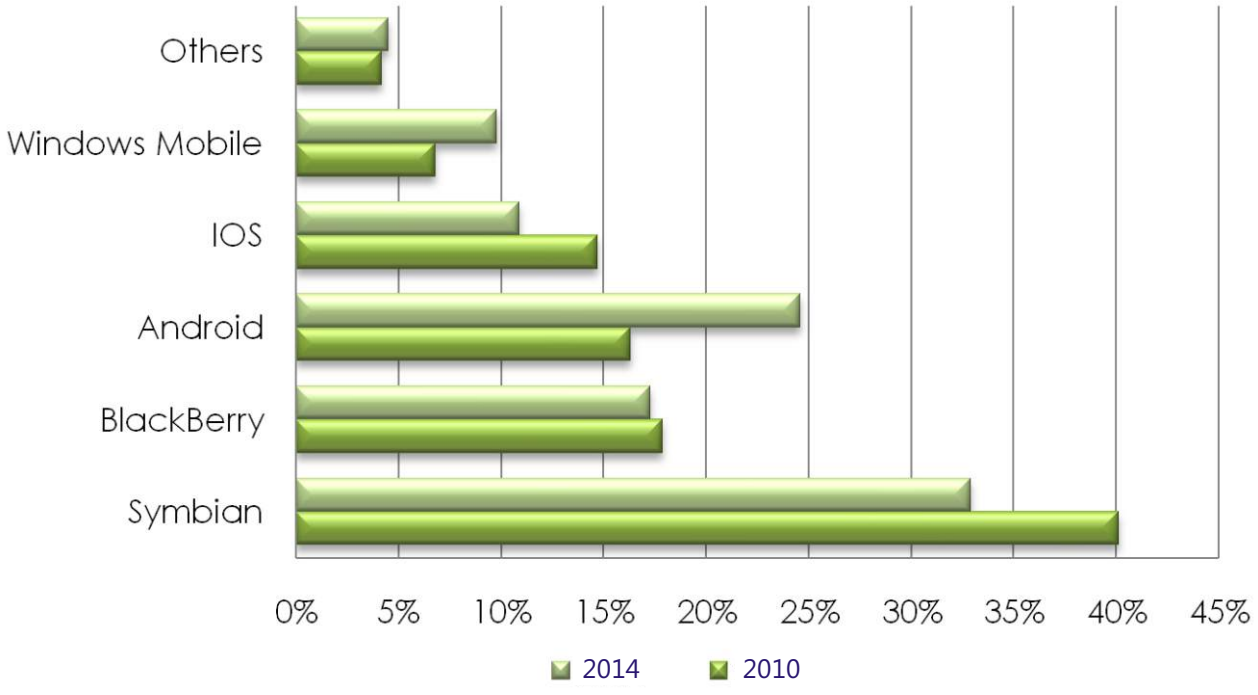
With the increased growth in technology, a move towards content based industry is foreseen. In order to increase the generated revenue, the right content has to be designed and marketed to the consumer. Operators are in need of cultural specific content services to generate added revenue using the traditional voice and data service.

According to a research study by Value Partners, "Population of the Arab Middle East is young and growing fast, many of them with high incomes. The GCC has almost 70 percent of the total population under 30 which tend to be the potential consumer of content based services. The changing needs of youth in Middle East are very much affected by what happens inside and outside the region. Broadband technologies are also mounting and changing the lives of youth-further expanding the potential market. Similarly, services such as Social Networking communities are increasingly popular among youth. Industry trends also shows that people are more inclined towards mobile VoIP applications further boosting the use of smartphone and mobile content.

It is therefore decisive, that service providers needs to provide a range of services, keeping in view the diverse cultural differences, and considering how best to serve the potential market. The youth in the SAMENA region has transpired as a key driver of growth to mobile broadband and content services thus service providers should consider the full opportunity by offering localized as well as targeted content.

Zakir Syed
Research Analyst (Telecoms & ICT)
SAMENA Telecommunication Council

Smart Phone Platform/ Operating System Forecasts



A SNAPSHOT OF REGULATORY ACTIVITIES IN SAMENA REGION

The basic telephony service simply relay the voice or data from sender to receiver, example of which are: Voice telephone services, Packet-switched data transmission services, Circuit-switched data transmission services, Telex services, Telegraph services, Facsimile services, Private leased circuit services and others like: Analog/digital cellular/mobile telephone services, Mobile data services, Paging, Personal communications services, Satellite-based mobile services (incl. e.g. telephony, data, paging, and/or PCS), Fixed satellite services, VSAT services, Gateway Earthstation services, Teleconferencing, Video transport and Trunked radio system services; Whereas in the Value Added services (VAS) or non-core services the Carrier or service provider adds a value to the customers information by enhancing its form or content or by providing for its storage and retrieval. With the ever declining ARPU and increased competition among Carriers it has become vital to focus on alternate revenue streams. Three imperative objects remained the driving force for the carriers, i.e; Increase Service Uptake, Increase Customer Loyalty and Beat Churn and Increase Profits and Return on Investment. The emphases of the carriers always hanged about ARPU, cost-efficiency, quality and flexibility. In this convergent era, the high-flying augmentation driver of VAS would be the consumer's longing of getting utmost from the service they use. New competitors just keep coming up inexorably, thus lashing the profit limits extra down. More than the basic telephony services, it is the exclusive potential of the telecom service providers, the value added services, which are expected to provide them with the much needed cutthroat edging in the market - especially in fixed lines, broadband and mobile networks. At the same time, the importance of customer relationships and understanding of their needs cannot be underestimated. The trick is to work out what type of value can be added that will be actually useful and tempting to consumers.

Country-wise Regulatory Activities

Algeria

During the month in a bid to resolve Orascom Djezzy issue the Algerian government has provisionally appointed Shearman & Sterling LLP to act as its advisor on the nationalization of Orascom Telecom's local mobile phone unit. The firm is expected to complete an evaluation of the Djezzy unit within 100 days. But on the other hand Orascom Telecom Holding (OTH) said that the company needs a board decision before taking any steps toward arbitration over Algerian unit Djezzy.

Bahrain

The Regulator released its fourth telecommunications markets indicators report, which covered a large range of telecommunications services indicators, such as the number of subscribers, penetration rates, calls usage and telecommunications revenues. The base of the information included in this report is on data provided by operators and historical data held by the Regulator. The report contains a wealth of statistics on the telecommunications sector in Bahrain. The Regulator also issued a Request for Proposals (RFP) seeking a vendor to implement, host and maintain an Online Telecommunications Services Tariffs Comparator. In yet another move the Regulator issued results of RF field strength measurements made between October and December 2010 for 'Ambient Levels of Radio Frequency Emissions' in the Kingdom.

Bangladesh

During the month the Regulator issued draft 'Regulatory and Licensing Guidelines' for invitation of offers/proposals for issuing license for establishing, operating and maintaining International Gateway (IGW) services, International Exchange (ICX) Services, International Terrestrial Cable (ICT) system, International internet gateway (IIG) services and Submarine Cable System and Services in Bangladesh. The Regulator also issued draft regulation and licensing guidelines for National Internet Exchange (NIX). The Regulator also reported that mobile phone users in the country reached a total of 68.65 million at the end of December 2010, an annual increase of 31%.

Egypt

The Egyptian government revealed that more than 80% of Egyptians will start 2011 with mobile phones. The figures also showed that mobile subscriptions grew by nearly 25 percent during 2010 and the subscriptions in October were 65.5 million, a rise of over 12.5 million, or 23.6 percent, from the same time in 2009. In October 2009, Egypt had 52.98 million subscribers between three mobile operators, Etisalat Egypt, Mobinil, and Vodafone Egypt. According to previous statements by the Regulator Egypt is looking into options for a fourth mobile provider.

Iran

During the month the Regulator is planning to put into orbit a new domestically manufactured satellite during the current Iranian calendar year, which will end on March 20 this year. This satellite can stay in space for longer time and its fuel system has been enhanced. In another move the Regulator also approved the DVB-T standards (IEC62216) as national standards.

Jordan

The Regulator issued instructions to regulate the sending of promotional text messages, obliging mobile operators not to send such messages between 9:00pm and 7:00am. Under the instructions, mobile operators are prohibited to send commercial SMSs to subscribers who do not wish to receive them and should also offer a free mechanism that enables users to make this request.

Kuwait

During the reporting month the Ministry of Communications (MoC) issued statistics claiming that there are almost a million registered internet subscribers in Kuwait at the end of 2010. Kuwait's rates of internet use are apparently amongst the highest in the region, which is all the more remarkable given the fact that it would have been unusual only a few years ago to find more than two local homes with a DSL internet connection. Rapid technological advances have played a central role in this steep rise in internet usage in Kuwait. Another factor helping in increasing internet use locally has been the steady fall in prices, with the current cost for subscribers being a massive 95% lower than it was when the service was first introduced to Kuwait.

Lebanon

The Regulator is busy in utilizing the funds received from International Bank for Reconstruction and Development (IBRD) for Regulatory Capacity Building Project. The procurement process in order to apply part of the proceeds of this grant to payments under the contract for "Streamlining internal processes and strengthening transparency of the TRA" has been started.

Libya

During the reporting month Libya's two state-owned mobile networks, Al Madar and Libyana are planned to be listed on the local stock exchange and probably about two to five percent that is the maximum that will be floated. Late last year, it was reported that the two networks would offer 40% of their shares, in an apparent change of an earlier policy to sell just 5% of each network. It now seems that the earlier plan has been resurrected by the government. Earlier

last year, Vodafone signed a non-equity cooperation deal with Libyan state owned mobile network, Almadar Aljadid (Al-Madar) to offer Vodafone branded services in the North African country.

Morocco

The Regulator held an important meeting of the Board of Directors under the chairmanship of Prime Minister. The meeting over viewed the progress of the implementation of the provisions of the policy paper Telecommunications in 2013, the draft budget for the year 2011, the draft revision of legislative and regulatory framework governing the telecommunications sector and the review of the study on the preparation of an action plan for the development of high throughput in Morocco.

Nepal

The Regulator is fighting with the menace of illegal voice-over-internet protocol (VoIP) calls which are costing the country's legitimate telcos approximately NPR160 million (US$2.3 million) each and every month in lost revenue and is also planning to issue additional licenses for companies wishing to offer voice-over-internet protocol (VoIP) services in the country. The Regulator also showed its inability to start 3G services in Nepal as it is not in a position to allocate 3G spectrum to new operators as the available spectrums are already occupied by Nepal Telecom and Ncell. The Regulator has also warned the mobile network operator, United Telecom Limited (UTL) that it could lose its operating license if it doesn't pay backdated license fees. The Regulator also published its 'Management Information System (MIS)' report for the period ended December 14, 2010, showing that at that date, the country was home to a total of 10.641 million fixed and mobile users. Of the total, fixed telephony connections reached 841,698, broken down as 600,104 PSTN and 241,594 wireless in the local loop (WiLL). State owned Nepal Telecom (NT) had 592,355 PSTN lines and 171,552 WiLL lines in service at that date, while United Telecom Limited boasted 70,042 WiLL users. Other PSTN operators included STM Telecom Sanchar with 5,016 lines in service, Nepal Satellite Telecom (1,634) and Smart with 1,099. Mobile operators continue to dominate however, accounting for 9.195 million – predominantly GSM (8.325 million) users – at the same date. The remaining 869,675 were hooked up to NT's Sky Phone CDMA service. In the GSM segment NT counted 4.241 million users at end-2010, followed by Spice Nepal's Ncell brand with 4.084 million. Furthermore, the NTA noted 602,464 limited mobile service lines and 1,742 global mobile personal communications by satellite (GMPCS) lines. The country's internet base topped 1.902 million connections at the end of 2010, a penetration rate of 6.78%. The most popular access platform is GPRS which accounted for 1.664 million lines, followed by 111,478 (CDMA 1x), 54,460 (ADSL), 32,500 (cable modem), 13,000 (wireless or fiber-optic) and 26,525 dial-up.

Oman

During the reported month the Regulator continued carrying out its inspection campaign of all companies and establishments involved with the telecom sector. The main target was those dealers who are selling telecom equipment. The objective of campaign is to ascertain their adherence to the Telecom Act, regulations and decisions implementing its provisions. TRA inspection teams recently caught a dealer selling unapproved telecom equipment (cloned devices), where 11 different models of unapproved telecom devices were found. A violation report was accordingly issued to the offender and a fine was imposed for each non-approved device as well as confiscation of all devices. The regulator also launched the encyclopedia of laws governing the telecom sector in Oman that were issued during the period from 1973 to 2010. The Legal Encyclopedia (LE) includes Royal decrees issued since the beginning of the Renaissance and the decisions concerning the regulation of telecom affairs.

Pakistan

The Regulator issued draft of numbering procedures to be utilized by upcoming Mobile Virtual Network Operators (MVNOs) for their services to Pakistan's customers. MVNOs in collaboration with their partners Mobile Network Operators (MNOs) or cellular operators will further plan their numbers under the guidelines of the authority. All interesting MVNOs were directed to submit their numbering plans prior to commence their service operation keeping mandatory features in the subscribers numbers including Mobile country code (MCC), Mobile network code, (MNC), National destination code (NDC) along with geographic number as per ITU-T recommendations. During a seminar held by the Regulator it was made public that 3G services would hopefully be available to the Pakistan mobile users by the end of 2011, while it is expected that the Policy for auction of 3G services licenses would soon be presented to the government and Economic Coordination Committee (ECC) for discussion and approval. The Regulator also commemorated the 100 million cellular subscribers in the country. According to the most recent data released by the Regulator Pakistani Internet Service Providers crossed one million marks for broadband internet subscribers in the country by totaling 1.052 million broadband subscribers in October 2010, up from 994,911 subscribers in September 2010. DSL companies added the most subscribers for broadband and stood at 516,167 subscribers in October 2010, up from 488,946 in September 2010. EvDO service providers added a total of 15,540 subscribers in one month, while WiMAX companies added a total of 14,066 subscribers in the month. Total number of WiMAX subscribers in the country has hit 306,665 marks, up from 292,599 a month ago. DSL remains the top technology used for broadband internet in the country, while WiMAX stands seconds.

Qatar

The Regulator published the final guidelines for Type of Approval of Radio Equipment and Telecom Terminal Equipment (RTTE) following a public consultation process. The Type Approval guidelines apply to all parties interested in importing RTTE to Qatar or manufacturing RTTE in Qatar. The guidelines are part of regulator's new Type Approval

regime, which aims to improve the level of efficiency and transparency of the current type approval process, and to better facilitate competition and choice in the RTTE market in Qatar. The draft Type Approval guidelines were published for public comment in June 2010.

Saudi Arabia

During the reporting month the Regulator under the universal service obligation awarded a contract for providing voice and broadband internet services amounting to SAR 40 million (US$10.7 million). The Regulator also plans to introduce high-quality broadband services with government support which will be presented to the higher authorities for approval and would be included for the development plan of 2013-2015. Under the project, telecom companies will be asked to provide broadband services with a minimum speed of one megabyte to 95% of Internet users in the country. The Regulator also held public consultation with the private sector, including the region's business community, on the National Numbering Plan (NPP).

Sri Lanka

During the month the Regulator introduced mechanism to lower broadband prices and has achieved its intended goals prematurely. Regulator conducted its groundwork work to develop a mechanism to improve QoS of broadband in the country while lowering its prices. This mechanism binds broadband quality of service with a price ceiling which lowers existing prices significantly with an improvement of its quality. The mechanism has not been fully developed as yet however it has reached its final stages. The objective of the Regulator's exercise is to reduce the access charges in fixed broadband services in the country. The Regular has been able to remove a significant bottleneck which impeded broadband and IT development in the country. Sri Lanka Telecom PLC which owns the landing stations of the two submarine cables which connect Sri Lanka to two deep sea cables namely SEA-ME-WE 3 and 4 recently lowered the charges for the provision of international backbone services via these two cable landing stations (CLS). Sri Lanka Telecom PLC (SLT) has reduced its international backbone charges and landing station charges by 50%. This solves some of the difficulties encountered by the Internet Service Providers (ISPs) when providing data services for international destinations through the undersea fiber optic cable system that connects Sri Lanka to the rest of the world. SLT in addition to this tariff reduction has offered another competitive tariff to the BPO (Business Process Outsourcing) operators in the country with a view to attracting more foreign investment into Sri Lanka.

Syria

To advice on upgrading the network of incumbent Syrian Telecom Establishment during the reporting month the Syrian government selected Sofrecom, a French consulting company. The government didn't indicate the value of the contract.

Tunisia

During the reporting month the Orascom Telecom announced the completion of the sale of its entire shareholding in Orascom Tunisia and Carthage Consortium (Carthage), two companies through which OT owns 50 percent of Tunisiana, to Qtel. The transaction is for a total cash consideration of US$ 1.2 billion and it corresponds to an enterprise value equal to 6.7 times Tunisiana's 2009 EBITDA and generates over 40 percent annual return on OT's investment in the business since 2003. The Egypt-based operator said the proceeds will be used to strengthen OT's liquidity position and support the development of higher-growth businesses.

Turkey

The Regulator plans to put a ceiling on mobile-phone users' monthly bills. The plan, which takes effect in six months, is aimed at helping people to avoid over-use that results in larger-than- expected phone bills. The Regulator with the coordination of the Scientific and Technological Research Council of Turkey's (TÜBITAK) Research Center for Advanced Technologies on Informatics and Information Security (BILGEM) and the National Institute of Electronics and Cryptology Research (UEKAE) conducted a cyber attack drill from January 25-28, 2011 with the participation of more than 30 institutions. The drill aimed to prepare Turkey against the threat of cyber attacks and discover the institutions' capabilities in dealing with attacks on their information systems. The institutions which took part in the drill include the Justice Ministry, the Prime Ministry, the National Police Department and the General Staff.

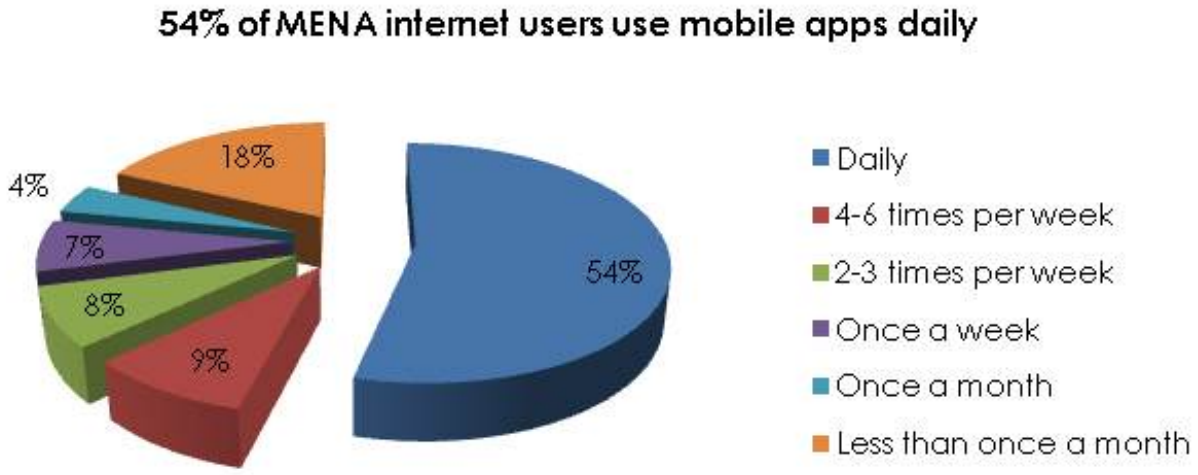
UAE

During the month a survey conducted by the Regulator suggested that the majority of mobile phone users (37%) in the United Arab Emirates use BlackBerry devices to access the internet. The iPhone was used to access internet services 16% of the time. The findings stem from a regulator commissioned survey of 2,109 households and 2,133 individuals in 2010 to gauge trends in telephony, mobile telephony and the internet. The Regulator also revised Voice over IP regulatory policy. The new regulations allow Licensees, such as du and Etisalat, to offer VoIP services. As per Regulator only licensees may provide VoIP services as it is considered a regulated activity, which must be licensed. The regulator also revealed three provisions for introducing VoIP services such as: as an end-to-end voice service, as an additional feature to a connectivity service or in any other format that the Licensee wishes to provide. The regulator also believe that this regulatory policy will provide opportunities for both Licensees and users to benefit from VoIP services in keeping with the market demands and it looks forward to seeing the introduction of VoIP services that are responsive to consumer and business needs. During the month the Regulator also hosted a formal satellite frequency coordination meeting with Iran. The main objective of the meeting was to discuss relevant issues, where the two Administrations have several pending satellite coordination cases that need to be discussed and finalized. Discussions during the meeting were focused to finalize frequency coordination procedures in order to achieve interference free operations.

Dynamics of Value Added Services (VAS) and Mobile Applications in MENA

Value Added Services are becoming significant to customers in Middle East and Africa due to low prices induced by the cut throat competition. Users have increased demands day by day due to new innovations in the VAS sector which have made users accustomed to enjoy the variety of services offered by the service providers that ultimately has become a vital part of daily life. The earlier form of mobile VAS included simple SMS with some basic and limited features like calendars and personal organizers. With the introduction of next generation cell phones with built in camera that eventually encouraged the need for multimedia messaging which was made possible in the shape of multimedia messaging service (MMS).

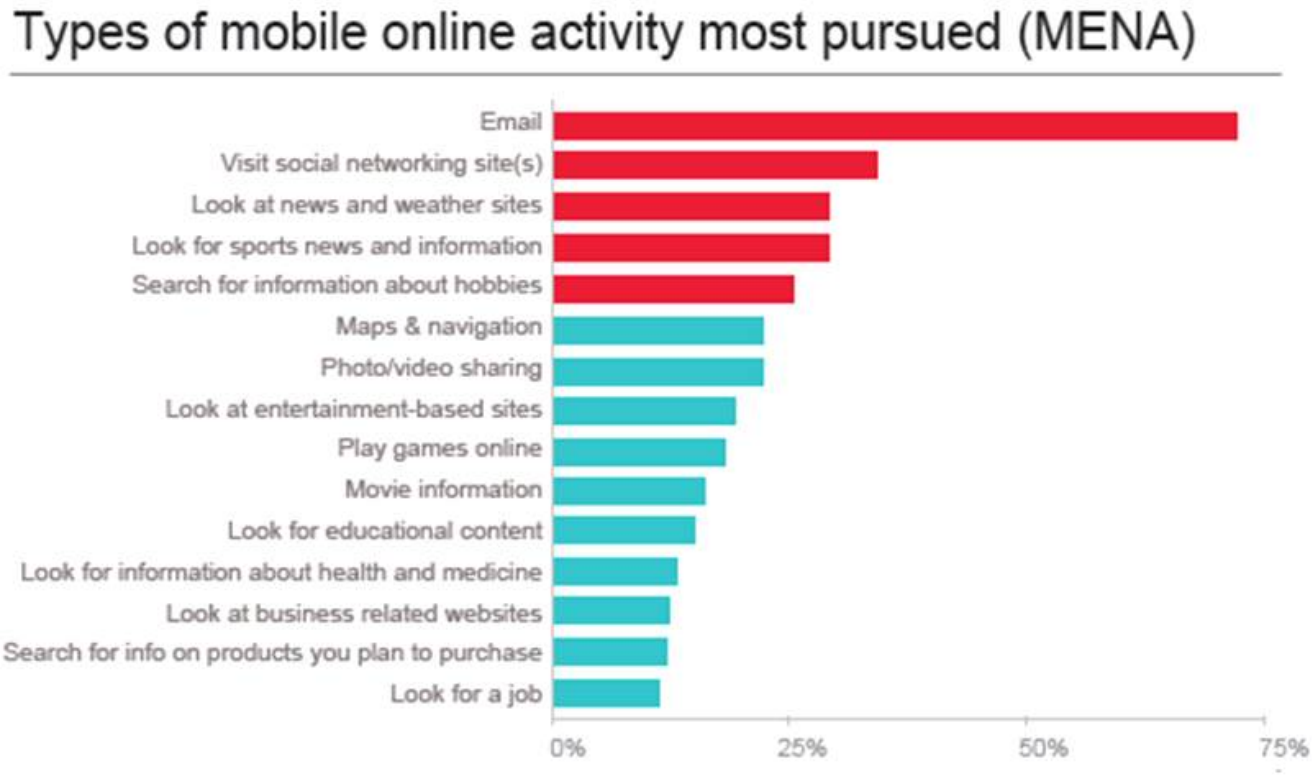
Middle East and Africa region appears to have a strong impetus for growth in VAS sector. A recent study by Cisco shows that between 2009 and 2014, Middle East and Africa region will undergo a monthly mobile data traffic rise of about 133% per annum which is the fastest growth for any region in the world. The Middle East region has been quite prolific for telecoms since the regional players have been very active in making the market even more diversified. Various operators have been pooling resources to roll out the groundbreaking Value Added Services. Some major players such as du, Etisalat, Batelco, Saudi Telecom Company (STC), Zain, Wataniya and MTN in the region fairly active in terms of Vas and are progressing in rich content i.e. gaming, social media networks, VoD, mobile payments, e-learning etc.



Source: Effective Measure | Spot On PR

An increasing number of operators in the region are deploying Next Generation 3G technology like HSPA+ that will help bring the mobile content industry to the next level. Similarly the existing GPRS and EDGE technologies are being used by the cellular operators to offer services such as e-payments, mobile TV and location based services, in addition to the basic internet connectivity. Mobile operators in the Middle East are competing with saturated market where contest among operators is also rising. Operators are focusing more on diversifying their value-added services which is very promising and are getting encouraging response from subscribers.

There is a strong potential for mobile applications in Arab world since recent years have seen a dynamic change in wholesale perception for the applications like how the apps have leveraged the internet services, innovative platforms, colorful content and state of the art smartphones, that has indeed changed the map of the mobile space. According to a recent survey by Spot On PR, 45% mobile phone users across MENA use their phones for internet usage while 20% of users pay money for downloading mobile apps. 71% of the mobile users indicated that email access is their prime mobile data activity, rest of the popular activities include social media networking with 34%, news updates and sports news with 29% each while mobile games are more popular among females as compare to males.

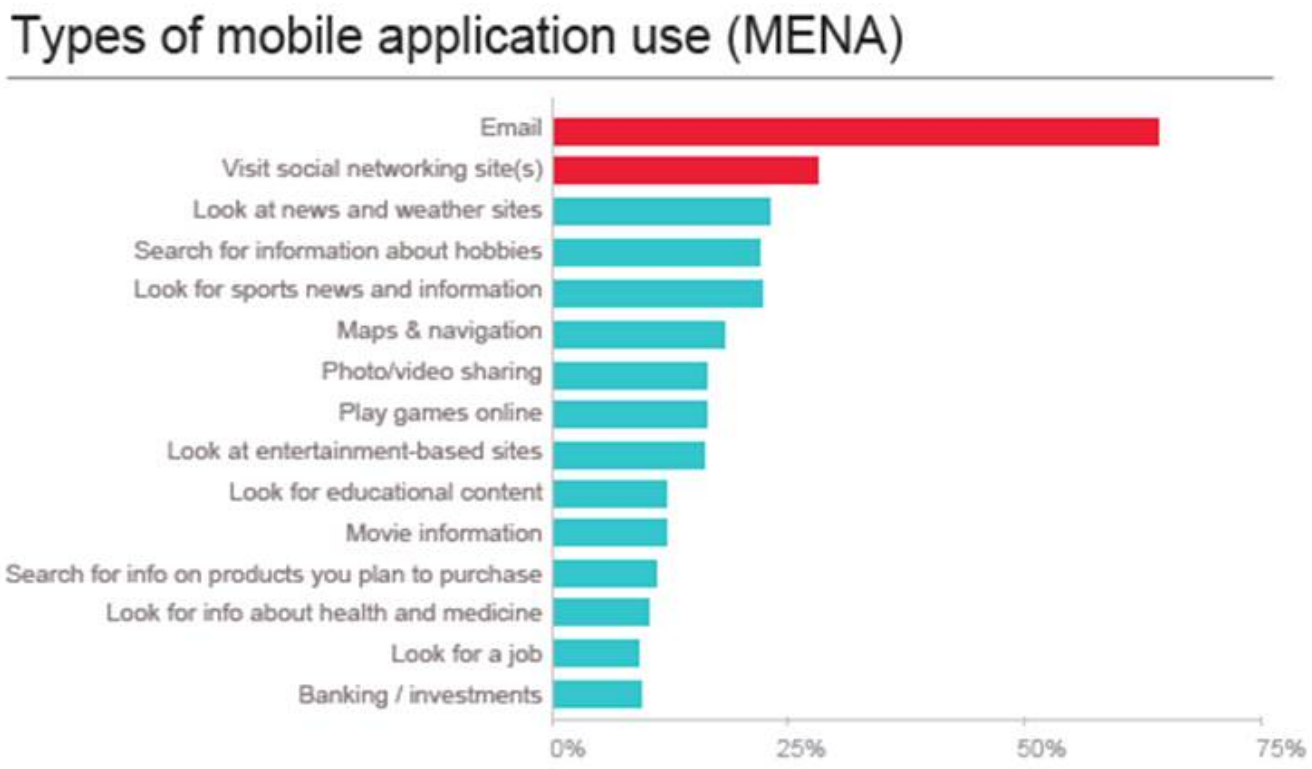


Source: Effective Measure | Spot On PR

E-Shopping is most popular in Kuwait and UAE, 32% of internet users across MENA buy online, Saudi Arabia, Morocco and Egypt are on 3rd, 4th and 5th rank respectively. Most popular online purchases include books, electronics, clothing, hotel reservations, software and air tickets. Online payment system/e-transactions has emerged as a game changer and acted as a catalyst in reshaping the shopping trends in the region. Nonetheless, developments have been a bit slow on this side in MENA region since it has been hampered by lack of proper e-transaction infrastructure, though it has a huge potential.

An increasing demand in Value Added Services is also supporting the increase in Average Revenue Per User (ARPU) or profits for the operators. Progression in the VAS market totally depends on the operators' capability to respond to the customer demands that is also cost effective for customers. This also opens new avenues for content and application developers to test their creativity and innovation. As operators and service providers explore the developments in Value Added Services (VAS), License for VAS in MENA may experience an appropriate transformation.

Mr. Bocar A. BA
President
SAMENA Telecommunication Council



Source: Effective Measure | Spot On PR

TOP TECHNOLOGY UPDATES

Rebtel Brings its VoIP app to BlackBerry

Rebtel launched its VoIP app for BlackBerry users allowing them to talk for less. Moreover, when talking with other Rebtel users calls are completely free. Rebtel doesn't require a working data connection (3G or WiFi). On the downside though, your voice minutes will be used and that could be a problem for some. The whole process is done in the background – when you dial an international number or select an address book contact with an international number, the call is automatically intercepted and routed via Rebtel instead of your carrier ensuring you pay less on every call.

LTE Rollout will be Faster than Expected

The global roll-out of Long Term Evolution (LTE) mobile networks will be faster than predicted, according to chip manufacturers at the Common Platform Technology Forum. Chip manufacturers are solidly behind LTE as the way forward. Jim Thompson, Senior Vice President at Qualcomm said that the company was planning a series of chip advances, the first of which was a combination 3G/4G LTE chipset. The MSM 8960 3G/4G LTE integrated chipset is built around 20nm transistor technology and gives five times the speed, a 75 percent reduction in power and quadruple the graphics performance of today's chips. It appears that in a few years LTE networks will deploy widely.

New WiFi Standard Allows peer-to-peer Communications

A new WiFi based peer-to-peer transmission standard called WiFi Direct should be roaring into the market in 2011. Such a development could have a significant impact on both enterprise and public-safety users. The WiFi Direct standard enables WiFi devices such as smartphones and tablet computers to communicate directly with each other sans a communications network. The standard takes advantage of portable content, such as photos and video, and directly connects devices for applications such as content sharing, synching, printing and gaming.

Spreadtrum Shows Off Low-Cost TD-SCDMA Baseband Processor

China based Spreadtrum Communications has shown off the world's first 40nm low power TD-HSPA/TD-SCDMA multi-mode communication baseband processor, the SC8800G. The Spreadtrum SC8800G enables TD-HSUPA, TD-SCDMA, GSM, GPRS and EDGE operation and supports TD-HSDPA at 2.8Mbps, TD-HSUPA at 2.2Mbps. The company said that the product will allow the price of TD-SCDMA mobile phones to be lowered to close to that of existing GPRS phones. The TD-HSPA/TD-SCDMA multi-mode mobile phones developed based on SC8800G have already passed the network access testing and the market entry testing of China Mobile, meeting all commercial standards.

Delta Telecom Intends to Revise Tariffs for Mobile-WiMAX Network Services

Azerbaijan's Delta Telecom plans to revise the tariffs for network services Mobile-WiMAX. Company's technical director Raid Alakbrli says that they are currently considering a possibility of reducing tariffs. "This process depends on the outcome of negotiations we are holding with foreign companies producing technologies and equipment for connection to these services. Mobile-WiMAX technology facilitates in providing a wide range of multimedia services, in particular, high-speed Internet access, an opportunity to connect to the Internet in any convenient place of the user.

BroadSoft Announces 4G Unified Communications Tools

BroadSoft has announced MobileMxD, a suite of consumer and Unified Communications (UC) services aimed at 4G wireless networks as well as the ever popular Smartphone market. The company hopes that its new offering will allow network operators to take advantage of the power of UC for both their consumer segments as well as their enterprise customers. MobileMxD will be available for all major Smartphone and tablet operating systems (iOS, Android, etc.) and 4G enabled devices.

A Look Inside the Telecom Service Factory

In my last article for SAMENA Trends ("Applying Lessons Learned from Rapid Product Innovation," October 2010 issue), I introduced the idea of a Telecom Service Factory: an approach to more quickly create new products and services from reusable components, and efficiently assemble offers and orchestrate the handling of orders across service fulfillment process. A Service Factory approach allows for the rapid service innovation required by today's market, while avoiding the re-tooling of systems and processes that characterize the current mode of operation. Our industry has worked hard to streamline provisioning processes in recent years, but the sheer volume of what we need to create for this dynamic and competitive marketplace will likely throw a monkey wrench into existing processes.

Let's step back a bit. Communications service providers in the region are looking to secure market share by satisfying individual customer demands for ever more complex services and bundles. We are making services more interactive and personalized, if you will. The more options we give consumers, and the more options we have in the network to deliver that customer experience, the exponentially more complex service provisioning and operations becomes. Service provisioning is no longer a simple entry in a Home Location Register. The next stage of fulfillment will be about assembling service configurations and managing disparate service components that affect one another, which will leverage automation and componentization to allow mass customization of low volume (but abundant), long tail services.

So what makes current practices insufficient to handle the new pace of rapid service innovation? Think for a moment about some of the benchmarks in offer experimentation across our extended supply chain. Traditional telco services can take months to move from an idea to a cross-organizational implementation. Meanwhile, content aggregators such as Google can put up a new service within hours or minutes of its definition, adjust its parameters based on response, and tear it down the same day if the offer misses expectations. I might be comparing apples to oranges a bit, but imagine a target like that for a service provider that operates provisioning stacks in impenetrable silos, customizes workflow processes and B/OSS interfaces for every product, and filters OSS processes and data through BSS domains. I would envision the results to be less than optimal: very slow idea to implementation times-late to market-and large system integration efforts for each new product.

Having said that, traditional, siloed provisioning does work very well for delivering existing products: one product, one technology, from one company. In attempting to develop and implement new innovative, multi-technology products, service providers have typically created workflow based solutions that glue provisioning processes together for a particular product. Product innovation is tied to IT workflow creation. To make end to end processes work, information is duplicated and (mis)placed in BSS, and is repeatedly cached in multiple locations in the network, to enable order processes to function. This duplication and its specificity to a product can slow innovation times to a crawl.

Tying service innovation to IT development also limits offer experimentation and impedes third parties from innovating their own offerings based on service provider wholesaling capabilities.

Could today's approach to provisioning continue to support new services? Certainly. Can bespoke (custom tailored) workflows support a plethora of new service offerings in an efficient manner? Doubtful. The interactions and dependencies between service offerings/plans and underlying service capabilities/components, would become too overwhelming if managed one at a time.

Wireless operators enjoy a service/parameter based style of provisioning, completely separated from the underlying technology and physicality of the supporting network. Meanwhile, fulfillment in wireline is still largely characterized by circuit facility-based ordering--a necessity for the many networks reliant on TDM and point-to-point connectivity. But wireline broadband bundles and supply chains portend the complexity and interdependence the wireless will face as more interactive services are added. A customer adding SMS didn't really impact the voice plan that they were on, or the underlying IT required to make that change. But what about offering mobile video content on an advertising subsidized platform?

I think a "use case" might help here to illustrate my point. (A use case is a systems engineering term for modeling the interactions between software and the intended user experience.) I believe that the Content Delivery example below will help us take a fairly reasonable market-facing goal for delivering a high-quality customer experience that, as we think through the provisioning process step by step, will demonstrate how the lines of interaction and managing change can quickly become tied in knots.

Content Delivery Use Case

A mobile operator wishes to provide premium mobile content that is intended to increase uptake and ARPU: video on demand, streaming television, gaming, and hosted/cloud based applications (email, collaboration services). The content could be delivered via multiple wireless networks available: 3G, 4G, WiFi hotspots. Services would be offered as best effort and/or premium managed quality. The customer has the ability to assemble custom bundles out of a prescribed catalog and pricing based on consumption of content and/or data usage fees. Catalog offers variables listed below, including optional advertising supported plans to reduce cost of premium content, with "opt-in" features that affect the nature of ads, the number and their discounts for content. Family plans are also offered, with allowances tied to parental controls and self-serve thresholds. Choosing an option would be dependent on underlying services (e.g., no parental control unless the base content delivery service was ordered).

Implementing this use case on paper is interesting enough. Implementing this use case in the real world, with any sort of time to market or speed of service would be a massive undertaking with current business processes. The interdependencies between the plans and the underlying capabilities create an enormous number of permutations, of possible combinations, to be handled with current logic trees. Let's think through how we need to deliver to the customer. The quality of the stream we offer is based on the

Plan or Features	Platforms Likely Impacted	Illustrative Parameters
Content Plan	• Content management systems • Charging system(s) • Home location register	• Authorization • Plan selection
Ad Subsidy	• Ad manager • Ad profile • Rating/charging system	• Opt in (plan change) • Opt in selections / preferences • Rating changed via plan
Family Plan	• Charging system • Home location register	• Subscriber accounts and users; subscriber identity • Administrator and credentials • User's credentials
Allowance	• Charging/policy system	• Limits (type, amounts)
Parental Content Controls	• Policy system	• Blocked content types • Escalation options (e.g., SMS override)

nature of the network the subscriber is connected to. Depending on the bandwidth of that network, the capability of the device in the subscriber's hands, and the congestion on that cell at any time will impact the quality of the delivery of the content and the user experience in consuming that content. What pricing and service levels can you offer, and how do you ensure that quality of service dynamically (as the network changes and as customer preferences change—as they may move from best effort to high quality access)?

Now add additional parameters to the equation. The rating plan will be impacted by advertising choices, and the advertising choices will be impacted by bandwidth availability, which may be dictated by device choices....AND this must all be created together and have the ability to be changed without breaking the constraints of any of the parameters. Every individual subscriber plan created cannot translate into a new service configuration for the service provider. Every new idea for a service offering becomes a thousand workflows in the hands of the customer. Islands of configuration abound. Or worse yet, the new offer is abandoned over fears that it would take too long and too much effort to implement.

The service factory approach seeks to address this dilemma: the complexity and interdependence of what is presented to the customer, against the complexity and interdependence of how we configure systems consistently across the network and across devices. Plans that call upon the same network resources at the same time need to do so in a consistent manner. The service factory seeks to orchestrate new services by assembling "provision-able" service components. With consistent provisioning processes and B/OSS interfaces.

A strong rules-based service catalog, tied to a strong provisioning control system, would ensure (via dependency rules) that the parameters selected would work across all permutations of the plan. A service "tree" approach that defines simple services can be recombined into complex services and changed simply. And the use of business rules to automatically select the most appropriate solution from the catalog, and direct resource provisioning and optimal (re-)use of physical network resources.

A service factory approach can look across data structures, processes and methodologies in order to optimize the product lifecycle management and automate the service order and fulfillment process.

By utilizing centralized definitions, a telecom service factory reduces the cost of managing products and the skill sets required. Employing reusable components reduces time, cost, and risk by leveraging what already works and focusing on innovative ways to use those components (either in-house or via retail/ third party innovators) rather than on systems development.

- One of the hardest tasks for a service provider facing an exploding portfolio will be to stay focused on the fundamental business goal of speed and cost of product implementation. A service factory approach was designed to do just that:

- Reduce time to market, by providing a structure for the definition of the specification which is the template for offering creation;
- Create multiple offerings from which many instantiations of offerings can be delivered;
- Reduce number of custom offerings by allowing flexibility to create instantiations from a standard offering; and
- Use the same process each time a new product is created.

A service factory approach allows operators to balance the needs of rapid service innovation and the need for optimum operational and IT cost in delivering those services. The approach is as much about product development mindset as it is about systems, and does not require a 'big bang' of system transformation. It can start simply, looking at your existing portfolio of products and services, understanding the common or similar building blocks of these products, and starting to modularize and characterize in data these components. As the building blocks become clearer, the full product assembly approach can be introduced, enabling the superior business performance to defend and grow market share.

Dr. Francis Haysom
Executive Director, Strategy Office
Telcordia

Orbital to build another Satellite for SES

Satellite operator SES has selected Orbital Sciences to build the SES-8 commercial telecommunications satellite for launch in 2013 into SES's growing 95 degrees-east slot over Asia, according to media reports. This new commercial telecommunication satellite will be co-located with SES's NSS-6 spacecraft that serves Indian direct-to-home television programmers and customers. This new satellite will carry 24 Ku-band transponders, and the project will cost around $100 million. SES-8 will be the sixth satellite that Orbital has built for SES.

Indigo Telecom new plan for satellite broadband

Satellite communications provider Indigo Telecom is planning to launch a very small aperture terminal (VSAT) hub that is expected to offer speeds competitive with current fixed line broadband connections. The hub, to be deployed in the second or third quarters of this year will operate over the C, Ku and Ka bands. The Ka-band provides added bandwidth than is currently available in the Australian market. "We've just finalized the paperwork to make the necessary licensing applications," the company's chief executive, David Ruddiman, said. While it currently costs some $200-300 to transfer each megabyte under existing satellite technologies, Ruddiman said the Ka-band capability could reduce this to $2-3. Indigo Telecom is also expected to announce agreements with two major retail distribution networks for its satellite telephony products, which Ruddiman hoped would provide 15,000 additional subscribers to the Indigo Telecom network over the next 12 months.

SpaceCom adds ABS-7 Ku Satellite capacity

SpaceCom International has signed a long-term, multi-transponder agreement with satellite operator Asia Broadcast Satellite (ABS) for Ku-band capacity on ABS-7. SpaceCom is a provider of satellite and telecommunication services throughout the Middle East and Southeast Asia. It is a reseller of VAS and focus on the design, network optimization and management of communication solutions for GSM operators, telecommunication providers, and oil and gas industry. According to SpaceCom, the Middle East Ku-band capacity will be used to support the government, military, telecom and oil and gas sectors. Addition of Ku-band capacity to its inventory will enable the SpaceCom to deliver news value added services, and solutions as well as expand many existing network requirements by leveraging advanced satellite technology available. ABS-7 currently supports a considerable high-powered capacity to meet ABS's customer demands for cellular backhaul, VSAT services, and satellite broadband Middle East. "We're very excited about the addition of ABS-7 Ku satellite capacity to our solutions portfolio" said Matt DeNapoli, president and CEO, SpaceCom International, LLC, in a statement.

ROAMING NEWS

Globe Offers Flat Rate Unlimited Roaming

The Globe Telecom launched Bridge DataRoam-Unlimited, a data roaming plan that offers unlimited one-flat rate across 11 territories in Asia Pacific. The service was the alliance's response to the rising popularity of unlimited mobile data roaming for travelers visiting the region. It offers unlimited data roaming at a one-flat rate across all 11 Bridge Alliance member networks: Airtel (India), AIS (Thailand), CSL (Hong Kong), CTM (Macau), Globe Telecom (Philippines), Maxis (Malaysia), SingTel Mobile (Singapore), SingTel Optus (Australia), SK Telecom (Korea), Taiwan Mobile (Taiwan) and Telkomsel (Indonesia).

Safaricom against Connectivity Rate Plan

Safaricom is now calling on the government to discontinue the implementation of the 'glide path' guidelines which provide for the gradual reduction of mobile interconnection rates over the next three years. Chief Executive Officer Bob Collymore warned that continued implementation of the rules by the Communications Commission of Kenya (CCK) would have dire implications such as reduced taxation to government and job losses which would affect the sector and the economy in general.

KT to Introduce Unlimited Data Roaming in China and Japan

KT will introduce a roaming scheme for its mobile phone subscribers allowing unlimited data access in China and Japan. It announced on Wednesday that it has signed an agreement with Japan's NTT Docomo and China Mobile Communications Corp. to develop a variety of new services together. The roaming plan will launch in March and cost W10,000 per day, a KT spokesperson said (US$1=W1,111). It currently charges W3.5 per 0.5KB for roaming in those countries, which works out to around W1, 000 for browsing a single webpage.

Vox Orion Stares down Rate-Cut Threat

Vox Telecom's largest subsidiary is making good progress in switching its customers onto its own telecommunications network as wholesale call termination rates begin to bite. MD Jacques du Toit says the company has already converted nearly half the minutes it sold through least-cost routing (LCR) products onto its own voice network. Vox Orion and its competitors — Huge Group, TeleMasters, Altech Autopage Cellular, Nashua Mobile – have taken advantage of arbitrage opportunities from high mobile call termination rates.

MoU Partnership Signed between SAMENA Council and FTTH Council Europe

On the 8th of February 2011 SAMENA Telecommunications Council and FTTH Council Europe signed a Memorandum of Understanding during the pre-conference dinner of the FTTH event in Milan on 9 and 10 February.

The dinner took place in the well-known restaurant Primonovecento in Milan, where speakers of the FTTH conference, board members and committee chairs of the FTTH Europe Council, partners from the sister councils as well as friends of the FTTH Council Europe were invited to participate at this important event.

Mr. Chris Holden, President of the FTTH Council Europe and Mr. Thomas Wilson, CEO and Executive Managing Director signed the MoU at the beginning of the ceremony and explained the objectives and the importance of this partnership.

From his side Mr Wilson explained the future plans for such collaboration in terms of Fibre To The Home passed and connections to be accelerated in the South Asia, Middle East and North Africa region and the opportunities to create the bridge between Europe and the SAMENA region. In addition, he elaborated on the council's main theme for 2011 for broadband development in terms of policies and strategies.

Mr. Holden was pleased to state the FTTH Council's great interest in SAMENA's portfolio and values with regards to its well-known members in the region. Such bridge between both councils will help accelerate the deployment of FTTH through the voice of the industry and the mobile and fixed operators' demand.

Both councils' members will benefit from such partnership to have access to their information platform including studies and market research as well as to their yearly events.

SAMENA Council gathers an important number of members including the major operators of the region such as STC KSA, Etisalat, Omantel, Orange Jordan, Mobily KSA, QTel and others.

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