SAMENA TRENDS

EXCLUSIVELY TO SAMENA TELECOMMUNICATIONS COUNCIL'S MEMBERS

BUILDING DIGITAL ECONOMIES

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A SAMENA Telecommunications Council Newsletter

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Telecoms & ICT Growth and Overcoming the CAPEX-OPEX Challenge

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EDITORIAL

2012 The year of the Internet

This time of the year produces many people to rethink where they are and where they wish to go and if they will meet those goals that are expected for their organizations. In the world of ICT, the scenery is constantly changing and this causes one to constantly stay vigilant and aggressive in their positioning to stay on top of the environment. Our industry worldwide is constantly changing and such change begets opportunity! 2012 brings great opportunity however with caveats which derive from challenges that are both new and legacy in nature.

We are looking toward a very exciting period of time, where the industry is looking to the future now more than ever, with our traditional programs and technologies serving as alynchpin of consistency and reliable services. When the "great Crisis of 08" hit the global economy, it was the telecom Industry which stayed the course, and sustained near prior levels in its CAPEX and growth development plans, during such period which was considered the worst "pandemic" economic environment to have occurred in many decades.

SAMENA is developing its "SAMENA Policy Plan 2012" and as such, will maintain focus on key elements, which are critical to the industry. SAMENA shall maintain a "live" environment, allowing it to address the ebb and flow of the industry, for we all know how non-static and dynamic the industry can be. Such a plan considers factors such as Digital Dividend and Broadband Infrastructure Policy as its primary pillars. There are several national markets issuing ICT Policy reviews currently and several also planned and as such, SAMENA Council shall review and respond as required. SAMENA Council is addressing those that fall within its mandates and shall be aggressive in working with all the stakeholders involved.

Issues such as Net Neutrality (Policy) have started to build momentum in the region, however some in the area are not realizing how important the policy factors may be with regard to overall access and service deployment priority on the Internet. In the "Content" argument, there lies two quotients, these being "Policy" and the other "Building a sustainable Internet business model" which tends to be called commercial in reference terms. Both of these are highly crucial to the growth and promise of what has risen as the single greatest element on a global premise, the "Internet".

The heightened interest in this topic reflects what some of the carriers in our region and outside have begun to start looking at with excitement. We have tended to look at the issue as “Equal Access but not Equal Pay”. This is where consumers and business clients would compensate upon the priority of service they employ, therefore enabling the industry the important capability to invest in the growth of the Broadband capacity environment with regard to the huge CAPEX required for such capabilities. The demand for high speed and on demand broadband service exists and must continue to be extended to non-urban markets. This expansion requires investment. CAPEX requirements need an environment that allows for opportunity potential for all stakeholders. Some ecosystems require only private investment and in some, major non-private institutions parlay the opportunity of Broadband induced GDP group by creating Public Private Partnerships to create CAPEX for delivery of such broadband growth and expansion. Whatever method is optimal and sooner or later is chosen, telecom operators must be able to develop long term Broadband capabilities that are practical, affordable and those that assist in growth of the socio-economic environment. This is essential.

As to a need for bandwidth, and efficient deployment, along with reach, issues relevant to the "Digital Dividend" are seeing impacting events such as the ITU WRC 2012, coming up. The WRC meeting starts January 17th and will be addressing multiple issues, along with critical programs belonging to the "Digital Dividend" framework. SAMENA strongly supports the advent of a progressive apparatus sustaining growth of "Broadband" with regard to the application and allotment of spectrum in the 800 band for Digital Dividend, and as important adjunct to this subject, the required interest in support of the 700 band, bringing together specifics from global markets such as Region 1 (Europe and ME), Region 3 (APAC) as well as the Latin American area of Region 2. The need for bandwidth is critical for all and this requires a sustained debate and

EDITORIAL

dialogue that creates a blend of common sense producing value and socio-economic sustenance which delivers on higher GDP and opportunity for all. Wireless Broadband is essential and the spectrum is wisely put to work with the sub one gig becoming a workhorse for efficiency and opportunity for so many.

However, there are issues that are paramount to the continued success in the growth of the Internet, with regard to the ITRs. In December, in Dubai, the ITU plans on the 3rd through the 14th, its World Conference on International Telecommunications 2012 (WCIT-12, Dubai). There lies plenty of opportunity between now and then to prepare and address the issues needed for the discussions that will help determine the governance of the Internet as we currently know it. There are groups of market countries (not in the SAMENA region) that are looking for government control via the UN and its ITU instrument to govern the Internet. As most understand, currently there are many private independent Boards, groups and institutions that currently ensure the success of the Internet. SAMENA Council will be very aggressively working with all stakeholders on this litany of issues and shall endeavor to develop and construct a working plan to support its membership on the same.

The actual proposals that are potential to be established and endorsed in December include ITU control over the functions of multi-stakeholder Internet governance institutions such as ICANN, IETF (Internet Engineering Task Force), ISOC (Internet Society) and others. These bodies are tasked with functions such as establishing the engineering and technical standards that allow the Internet to function as well as administration of domains and etc. Additionally, proposals also include the effort to regulate rates of Internet Backbone peering along with setting up a regime for data traffic termination charges, which would build revenue for governments. This along with the ability to regulate international mobile roaming rates and related business practices. These obviously raise many questions and create debate whether these are necessary or even practical. I can put forth here, that SAMENA is and will be working with the some of the world's largest institutions going forward, in the SAMENA region and also abroad together toward this debate. SAMENA has access to hundreds of articles, white papers and other instruments of information and should you be interested, please contact SAMENA Telecommunications Council at www.samenacouncil.org or email us at info@samenacouncil.org.

In summary, the year ahead has potential implications for all stakeholders, which would have a cause and effect for many many years ahead for the industry. It is wholly important that institutions such as SAMENA and its membership looks forward to working with all stakeholders in what seems to be shaping up as a "manifest destiny" year of the ages.

That being said, all of us at SAMENA Telecom Council wish all of you, Happy New Year and the very best of success, health and joy for the Year 2012.

Truly Yours,

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Huawei and Telkomsel Demonstrated Latest LTE Technology

Indonesia mobile operator Telkomsel and Huawei Technologies Co. participated in the construction of the R&D center. Huawei, together with Telkomsel, demonstrated the latest LTE technology, which was thought highly of by officers from the Telecommunications of Indonesia and operators being present. In Indonesia which is one of the emerging mobile telecom markets with the fastest development of mobile broadband the operators are facing a universal difficulty: the fast popularization of smart phones and the booming of mobile broadband market have brought about pressure to the capacity of mobile Internet. Operators in Indonesia are facing a universal difficulty: the fast popularization of smart phones and the booming of mobile broadband market have brought about pressure to the capacity of mobile Internet. Huawei will continue providing globally advanced Single RAN LTE solutions for the company. The LTE technology, demonstrated this time, realizes a 71.6Mb/s peak on 10MHz broadband.

Etisalat Afghanistan Launches Contactless Mobile Payment Services

Etisalat Afghanistan has launched the first of its kind contactless mobile financial service (mHawala) in Afghanistan. mHawala is an innovative mobile financial services solution that will enable Etisalat Afghanistan's customers to purchase airtime directly from their handsets, send money from their mobile phones to family and friends, pay their bills via their mobile phones, purchase goods and services from shops and or retail outlets and deposit or withdraw cash from Etisalat authorized mHawala distributors or Etisalat partner banks. mHawala Mobile Accounts can be obtained at any Etisalat store or authorised Etisalat mHawala Distributor. This service is available to all existing and new 'Etisalat Afghanistan" customers. To provide this service Etisalat Afghanistan has partnered with the U.S. Agency for International Development (USAID). Through this partnership, USAID will support bill payment solutions to "Etisalat Afghanistan's" customers using the mHawala service.

MTN Launches 3G Enabled HTC Phone to Drive Data Usage

Africa's leading telecommunications service provider, MTN has launched the MTN/Qualcomm 3G enabled HTC phone in Accra, in collaboration with Qualcomm, in an attempt to increase awareness and usage of data services, especially among business users. According to Chief Marketing Officer, MTN Ghana, said that their partnership with Qualcomm to promote these HTC 3G phones ties in with their broad objective to encourage Ghanaians to tap into the benefits of surfing the internet in order to boost productivity and generally impact the socio-economic development of the country. Further, it has been reported that some services such as MTN Business provide total ICT (Information and Communications Technology) solutions to businesses and individuals along with a wide range of 3.5G services.

Huawei Demonstrates CDMA Small Cell System

Huawei has demonstrated its CDMA Small Cell system, integrated with Wi-Fi, at the CDMA Summit 2011 in Hong Kong. With this system, operators can deploy networks and increase the QoE of customers. Huawei's CDMA Small Cell system improves coverage and capacity in blind spots of indoor and outdoor areas. It can be deployed without an equipment room. Huawei's CDMA Small Cell system also can be used without GPS signal, maintai¬ning coverage in areas such as basements, elevators and mines. Additionally it has been designed for plug-and-play and also supports various access technologies such as DSL, LAN, PON and satellite.

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Globalstar Wins Satellite GPS Messenger Contract In Spain

Globalstar Europe Satellite Services, provider of mobile satellite voice and data services to businesses, governments and consumers, has won a contract from the Madrid Fire Service. The Spanish entity has made the Spot Satellite GPS Messenger a required device for their fire fighters to carry in the field. The Spot Satellite GPS Messenger sends predefined location-based messages over the Globalstar satellite network, providing GPS waypoints and emergency assistance when needed. As part of the new Fleet Management and Personal Safety service dubbed Fenix, specifically designed for the Community of Madrid Forest Fire Brigades, the Spot technology will assist with the tracking and safety of deployed fire fighters.

MTN Announces Mobile Money Services Globally

MTN's mobile money service is set to go global. The new service will include a platform where customers will be able to send and receive money across borders. The service will be a first in the country, and could greatly change the way people transact business. Workers' remittances remain Uganda's biggest export, totaling close to a billion dollars a year. According to the MTN statement, Mobile Money remains MTN's key product, with close to 2.3 million customers using the service. However, the service has been off at the most crucial time of the year, disrupting transactions as the festive season looms. Traders, feeling shortchanged, argue that MTN should have warned them beforehand before undertaking the network upgrade. This upgrade is expected to end at the end of the year. Customers can also pay utility bills on the MTN mobile money service.

ZTE to Launch High-End Smartphone in US Next Year

ZTE Corp. plans to launch a high-end smartphone in the U.S. market in the middle of next year. The move will enable ZTE, long known for offering telecom equipment to carriers, to compete head-to-head with the likes of Apple Inc., HTC Corp., Samsung Electronics Co. and Nokia Corp. in the high-end smartphone market where competition is increasing. The company is now focusing on building its own brand of mobile devices and has seen strong market share gains globally. In the third quarter, ZTE captured a 5% global market share. According to the President of ZTE's North American region said in an interview that “By 2015, we expect the U.S. to be the largest market for handsets for ZTE. Next year, we're going to launch LTE (long-term evolution) and high-tier phones in the U.S." The company is also considering building a manufacturing facility to make mobile devices in the U.S. to meet strong demand. ZTE currently has 10 offices and three research and development facilities in the U.S. and 400 employees across North America.

Sheikh Mohamed Isa Al-Khalifa
Group Chief Executive Officer,
Bahrain Telecommunications Company

Prior to this he has been CEO of Social Insurance Organization (SIO), Manama, Kingdom of Bahrain where he was appointed by HM the King of Bahrain to run the SIO and answer to the Board of Directors for a period of 4 years which may be renewed for a similar period once. He was responsible for all matters relating to the Management of the Social Insurance Organization until the appointment of the Board of Directors. He has B.B.A., International Business degree with a concentration in Marketing from the University of Texas, Austin, TX.

Q. First of all we welcome you as the new Chairman of SAMENA Council, please share your thoughts on being elected as the Chairman of SAMENA Council?

A. It gives me great honor to be given this responsibility to Chair the Council's Board of Directors and work together with my Peers to further develop the working environment that our member companies are working in.

Q. What would be your vision as the Chairman of SAMENA Council?

A. Through the collaboration of the SAMENA Council membership, and the direction of the Board, I see our industry benefiting from a collective voice that would pave the way for future growth and development that would tie into the overall economic development of our markets.

Q. Keeping in view SAMENA's vision, how do you look at the significance of collaboration among telecoms and ICT stake holders?

A. Collaboration is very important so that we, as industry players, can make a difference in our future development.

Q. How do you look at the regulatory environment in regional markets? What steps should be taken in order to address ICT policies?

A. I believe that for the most part, the overall regulatory environment in our region has taken big steps to allow for many players to enter into the ICT space and create a competitive environment that is benefiting our industry. However, we need to see more capital support for entrepreneurs especially young professionals that may have new ideas but lack the experience or proper financing.

Q. With the progress of broadband and content industry and the emergence of mobile apps, do you agree that digitization would be the key driver of sustainable economic growth across SAMENA region? Please share your thoughts.

A. I believe that digitization is very important. We operate in a region which has many different languages and is rich with lots of content that needs to be digitized to be accessed by the population we serve. Also, we need the proper protection in the form of copyright law enforcement in order for the content providers be compensated for the investment required in the digitization effort.

Q. How do you see the SAMENA's role in fostering consensus building and collaboration on regulatory and policy issues in the region?

A. First of all, SAMENA has to build public awareness of its role as a collective voice for our industry so that the person on the street would be able to associate with the name. This awareness needs to be built by increasing SAMENA's exposure in local events and publications. Also, through the help of our members, SAMENA should be present in all related forums and reach to the public and policy makers to establish a presence.

Q. How would you see the future of telecom markets in terms of competition? Do you agree that regional markets will experience tough competition resulting in improved QOS and reduced tariffs?

A. We have already seen many markets progress forward after liberalization. Competition stimulates new ideas and better care in providing products and services that lead to better customer satisfaction and stimulate growth in the market through more competitive pricing. However, too much competition will lead to more negative returns. At the stage when markets reach saturation, regulation should be used to artificially slow down the number of players and control the new entrants to be more aligned with the market growth. If such control is not put in place by regulations, the experience has been that the deterioration of profit margins would stifle the investment in new products and services which will lead to company profitability to slow to a point where losses are incurred and at that stage a period of consolidation is expected to start so that the market players can regain some control of pricing power and bring the industry back to profitability.

Q. Which regulatory decision has had the greatest impact on the region overall strategy?

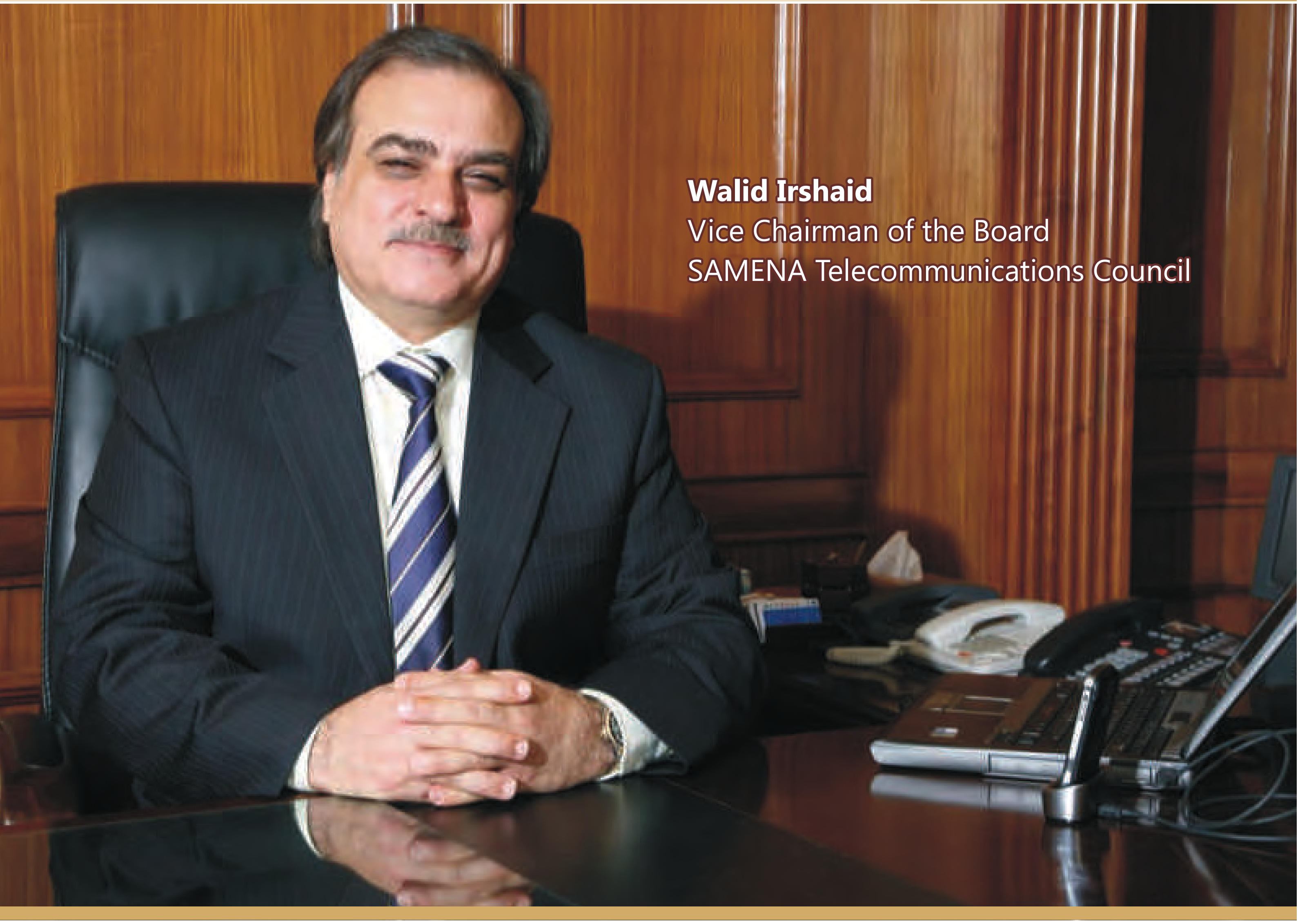
A. The end of State run companies.

Q. In your view, which trend will take over 2012?

A. I believe that digitization will be the major driver of content availability online. The availability of such content will drive investment in mobile broad band as devices are slowly coming to the market.

Q. As a chairman of the SAMENA Council, what will be your priority and achievement during the first year and what would be in your opinion the Council's priority?

A. The priority is to try to make SAMENA a well know name that people can easily associate with the industry and be aware of its role and contribution to the over all growth of the ICT industry in the regions SAMENA covers.



Walid Irshaid
President & CEO
PTCL

Walid Irshaid has been the Chief Executive Officer and President of Pakistan Telecommunication Co. Ltd., since March 8, 2007. Walid has been active in the telecoms sector in the Middle East & North Africa for more than 30 years. Having worked with reputable regional and international telecom operators, he has gained high reputation and profile of being one of the ICT experts for the region. Walid takes pride in his achievements as well as the respect he has earned from the regional ICT community as a whole. Above all, he treasures the valuable relationships that he has nurtured over the years with telecom operators, regulators and the network of people with influence in the industry. Throughout his career Walid has led a multitude of high-value telecom projects in several markets and his name has been associated with several success stories in the telecom sector in the region. Walid started his career with Emirates Telecom (Etisalat) in 1980. In late 1998, Walid moved to FLAG Telecom, an International Company specialized in building and operating Global Fiber optic Network as President for Middle East and Africa. In March 2007, Walid again selected and hand-picked by Etisalat, to take charge of the incumbent Pakistan Telecom (PTCL) as Group President and CEO, where Etisalat invested nearly $ 2.7 Billion for 26% stake and management. Over the past few years, PTCL has emerged and repositioned as the leading integrated service provider in Pakistan offering wide and multiple services including Voice, Internet, TV and Media. This work necessitated taking holistic approach towards transformation with Process development and enhancement, Network rehabilitation, HR optimization and extensive training and development, rebranding and image building with specific and intensive focus on customer care and experience.

Q. Please share your thoughts on being elected as the Vice Chairman of SAMENA Council?

A. I feel honored and privileged to have been elected to this position. For me, it reflects the trust and faith bestowed on me by the operators in the region for representing them in the SAMENA Council. I have been associated with SAMENA since the beginning and have witnessed its development and progress, as well as the impact it has made in the region. It is our collective responsibility to create out of SAMENA an open forum for all stakeholders -- including all operators, policymakers, regulators and vendors – to collaborate and exchange views and strengths to the benefit and prosperity of our telecom industry in the whole region.

Q. Being the President & CEO of PTCL as well as the Vice Chairman of SAMENA Council, how do you look at fostering the SAMENA's vision in South Asia?

A. In South Asia, PTCL is among the few members of SAMENA. I feel there is much to do here and my role will be focused on bringing wider participation from all stakeholders, where we feel that SAMENA can contribute to the development and progress of this industry in our region. I'm hoping that PTCL's leading participation in SAMENA will lead to higher participation and commitment from other operators in the region.

Q. How big is the challenge of providing local content? How do you look at the emerging mobile content industry in the region?

A: All telecom operators strongly feel that content now plays an active and pivotal role in our industry. The existing business models – as we always debate and discuss in the industry – are no more sustainable, especially since voice revenues are rapidly eroding. We must all transform and evolve our business models where data and content become the center of activity of our business. Telecom and media are rapidly converging and I see again in SAMENA the right forum to support all operators towards this transformation and migration to the new business models.

Q. In your view what would be the key drivers for economic growth in the region?

A. Our region is still severely underprovided. The broadband and data services will play a critical role in the development of the whole region's economy, not only for the growth of the industry, but also for the economy at large.

Q. What are the challenges that operators are facing in spite of their rising importance in the telecom scene?

A. Telecom operators cannot function in isolation from their surrounding environment. Telecom industry is an integral part of the socio-economic infrastructure and so we cannot be immune from the challenges being faced by any community or economy. Therefore, and as I said earlier, while we are transforming into data and business models, we must ensure that while we make the right investment on enhancing our infrastructure, the business must also remain competitive and sustainable. Building 3G, 4G or laying fibers to homes and offices will require a huge capital outlay for both development and operation. We need to ensure that the return on this investment is reasonable, so that we can continue sound and sustainable operations throughout.

Q. In your view, which trends will take over in 2012?

A. We'll continue to see a strong role and high growth in deployment of both wire-line and wireless broadband from the network. We'll also continue to witness widespread availability of small, smart and affordable devices, of tablets and smart phones, used by a higher number of users. So the challenge for at least our region will be more broadband empowerment for a wider number of users.

Q. As a chairman of the SAMENA Council, what will be your priority and achievement during the first year and what would be in your opinion the Council's priority?

A. Our priority will be to first make SAMENA participate more widely and actively in all sectors of this industry. For that to happen, we need increased transparency and governance in SAMENA Council. This will give SAMENA higher visibility and credibility.

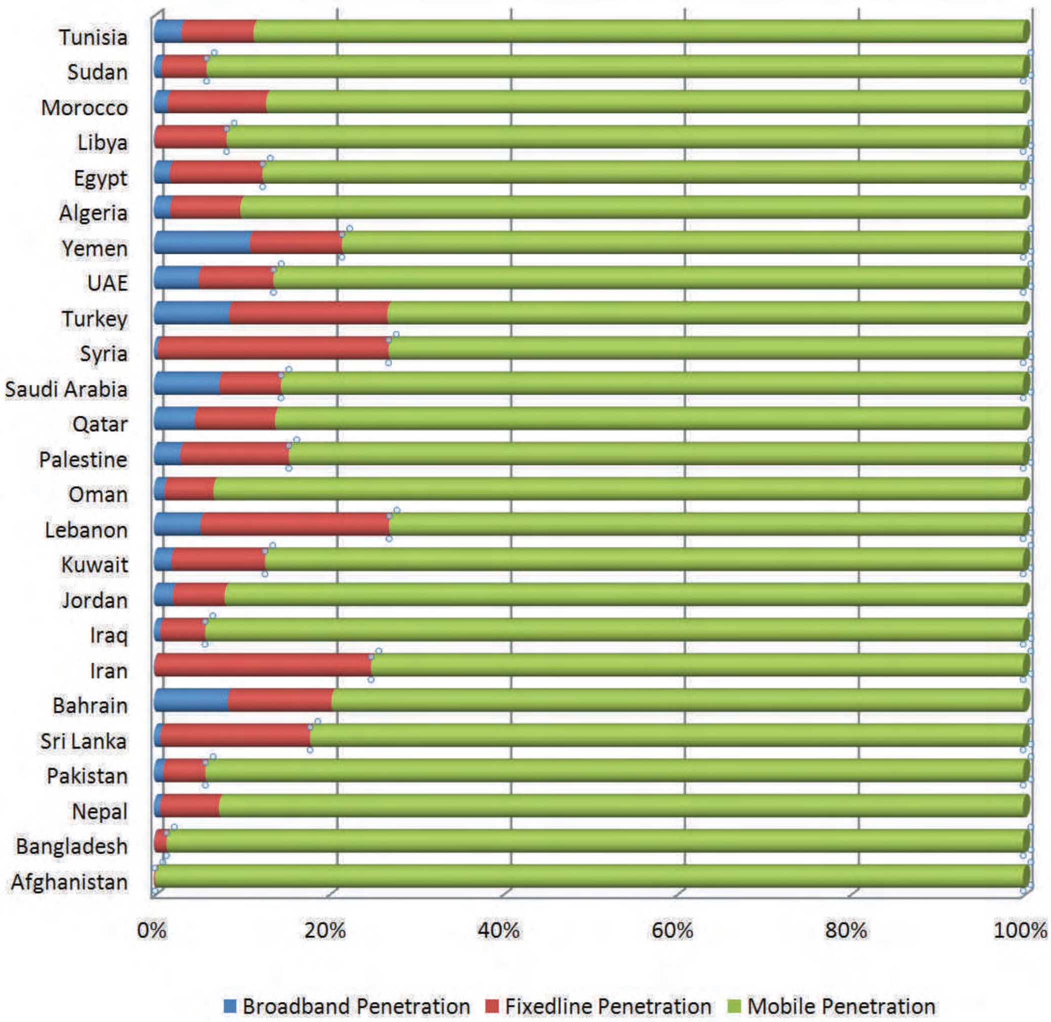
Q. How do you look at SAMENA Council's role in ICT & telecom industry in the region today?

A. SAMENA is taking the right steps and measures in evolving itself from a telecom body to more as an ICT body. Today, we want SAMENA to continue to play this active role because this region does not have many international organizations focusing on the industry's development of in our region. So I foresee a higher and wider role for SAMENA in guiding and helping all stakeholders towards the emergence of ICT services in the region.

Q. How do you aim to support SAMENA's relationship-building efforts with policy circles in the region?

A. The credibility of SAMENA will come from its members and participants. The more we operators become committed to SAMENA as an ICT representative body, the stronger relationship and influence we will give to SAMENA in handling and dealing with policymakers and regulators. The essence of SAMENA's success strongly hinges on the participation and commitment of its member operators. Again, bringing better governance and transparency to SAMENA shall certainly help to enhance its role in the region.

Broadband Penetration as Percentage of Teledensity (Teledensity = Fixedline Penetration + Mobile Penetration)



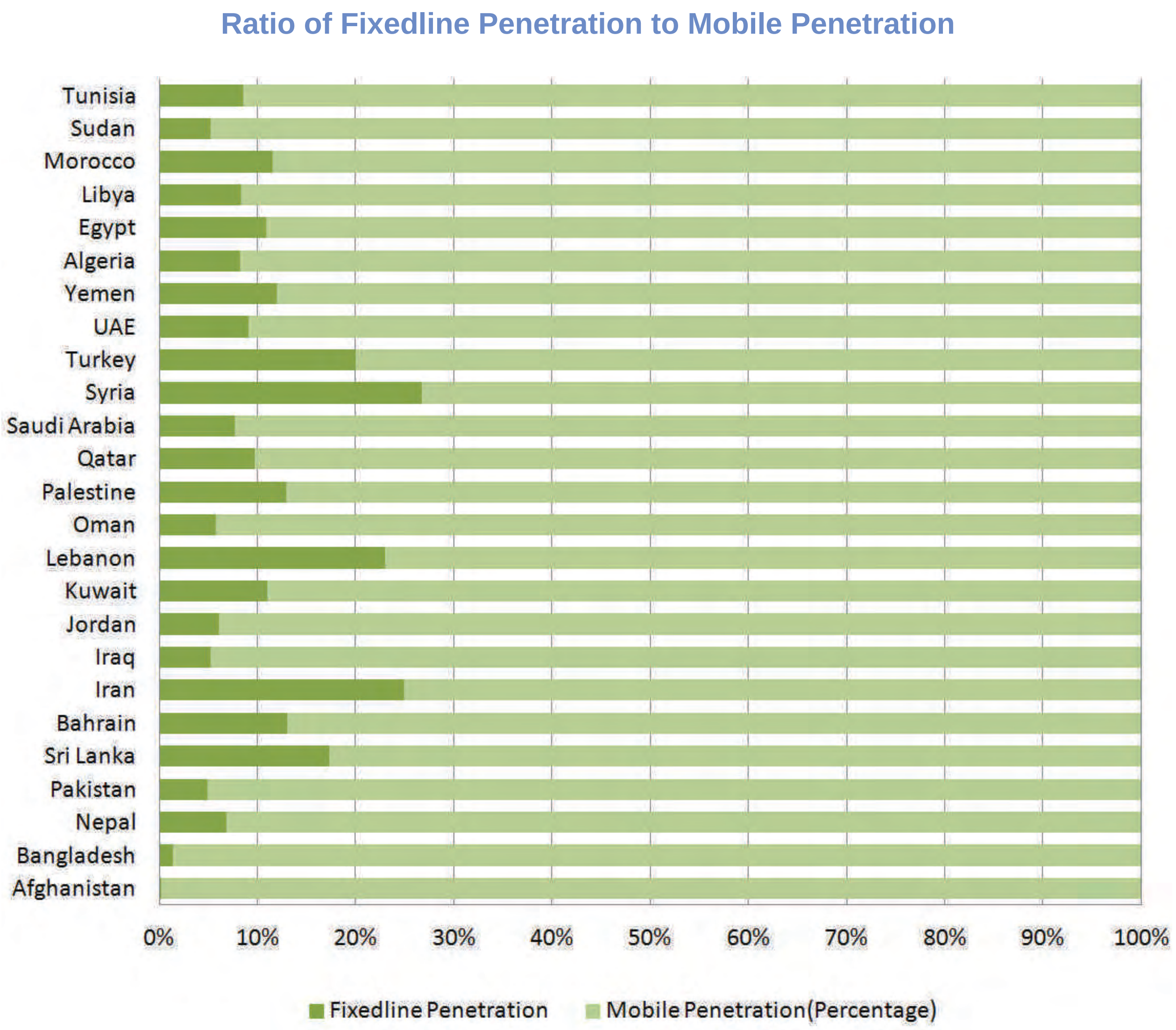
Note: *In the given figure, the overall teledensity of each market is taken on a scale of 100, and then mentioned in segments such as fixed line and mobile penetration. The upper bound that is 100 percent does not mean that every market has a teledensity of 100 but the fact is that there are number of markets where the overall teledensity is above 100.*

Research Note:

UAE, Libya, Saudi Arabia, and Qatar are the top four countries in the SAMENA region in terms of teledensity that is the sum of fixed line penetration and mobile penetration. All the four markets have a teledensity of above 200 with Bahrain having 172 and Kuwait 164 respectively. Similarly, in terms of broadband penetration, Saudi Arabia is at No. 1 in the SAMENA region with broadband penetration above 18 percent. UAE, Qatar, and Turkey are No. 2, 3, and 4 respectively, with broadband penetration of almost 16, 10, and 10 respectively. Yemen, having the lowest teledensity in the SAMENA region, has considerably better broadband penetration making over 10 percent of the overall teledensity. Although, the state of broadband in majority of the markets in the region is considerably lower but in some markets it at an alarming level and needs proper attention, particularly the policy making bodies, regulatory authorities, and above all the service providers. Initiatives such as public private partnerships, local loop unbundling, infrastructure sharing, and public private partnerships can help bring the broadband proliferation to the desired level.

Image Source: SAMENA Telecommunications Council

Data Source: SAMENA, NRAs, Informa, Industry news reports, ABI Research, Infonetics



Research Note: Ranking done by SAMENA based on data from different sources. Within South Asia, Afghanistan appears to have the largest gap in terms of ratio of fixed line subscribers to mobile subscribers. Bangladesh is 2nd to rank among the markets with the highest difference in fixed line and mobile penetrations, where as Pakistan is at the 3rd position. In North Africa, Sudan stands at position 4th In the Middle East Iraq and Oman are at the top position in terms of gap between fixed line and mobile subscribers. There can be different reasons for this huge gap between fixed line and mobile subscribers including the local loop not being unbundled, less competition in the fixed line sector, less attention towards attracting foreign investors. Countries with considerably low gap between fixed line penetration and mobile penetration are Iran and Lebanon, Syria, and Turkey. Similarly, Sri Lanka is among the top 5 in terms of "Low gap between the fixed line penetration and Mobile penetration." This can be attributed to the fact that the fixed line sector in these markets is doing fairly well and that the infrastructure is comparatively wide. Another reason could be the mobile sector not being very comparative in these markets.

Image Source: SAMENA Telecommunications Council
Data Source: NRAs and Operators updates, SAMENA, Industry news

REGULATORY NEWS

PTA To Introduce Unified Licenses for LL, LDI Operators

Pakistan Telecommunication Authority (PTA) has decided to chalk out strategies for merging Local Loop (LL) and Long Distance International License (LDI) to form a consolidated license, aiming to adopt advanced technological trends for delivery of multiple services to millions of customers at unified platform. The main objectives of such reforms are to support the delivery of multiple services, promoting the innovation, the reduction of consumer prices and creating a more conducive regime for investment. The consolidation or merger of license will improve the revenues of operators that will gain potential to introduce various services at one platform such as Premium Rate Services, Payphone Services, Trunk Radio Services, Public Internet Service, Data Service, Tracking System for public application, Voice Mail, SMS Aggregator, Closed user group Video Conferencing, Content Service Provider Networking, Interactive Voice Response (IVR). This leads to a number of benefits for operators as well as the customers, including but not limited to, greater ARPU through value added services and bundle packages for consumers.

Bangladesh MOPT and BTRC Blamed for 2G License Delays

Ministry of Post and Telecommunications (MoPT) has blamed a lack of coordination in decision making between the MoPT and the Bangladesh Telecommunication Regulatory Commission (BTRC) for delays to the renewals of four operators' 2G licences. The committee members also said operators had been compelled to seek court intervention to settle the matter of VAT and Market Competition Factor (MCF) payments only because of the conflict between the MoPT and BTRC. The MCF is an equation used to calculate spectrum fees based on the operator's market share. The mobile licenses of Grameenphone, Banglalink, Robi and Citycell were supposed to be renewed on 10 November. However, the BTRC has not renewed the licences yet as Grameenphone had sought court intervention on the additional payment of spectrum fees and VAT. In October, the BTRC had asked Grameenphone to pay BDT 30.62 billion in fees for the license renewal with an additional BDT 2.37 billion for 7.6 MHz spectrum in the 1800 band allocated in 2008.

ACCC Confirms Receipt of Revised SSU from Telstra

The Australian Competition and Consumer Commission (ACCC) has confirmed the receipt of a revised Structural Separation Undertaking (SSU) from fixed line incumbent Telstra. According to the regulator's chairman, "The ACCC welcomes the substantial revisions and additional commitments that Telstra has made in order to address ACCC and industry concerns about equivalence and transparency. However, it has become apparent through this and other processes that there are outstanding regulatory concerns in relation to wholesale ADSL services."It is understood that the ACCC will now invite comments from interested parties on the revised undertaking, and it is expected to issue a discussion paper regarding the matter shortly. The consultation period will close in mid-January 2012 and a final decision on Telstra's SSU is likely to be made the following month.

Bahrain Regulator Proposes Cuts to Telecom Charges

Bahrain's Telecommunications Regulatory Authority (TRA) said that it issued a draft order setting new charges in a bid to improve competition and lower prices to consumers. The TRA said that the draft order sets "fair and reasonable charges" for access and interconnection services offered by Batelco to its rivals in the Gulf kingdom. According to the statement of TRA's General Director, "A sensible wholesale offer to other licensed operators (OLOs) is a key regulatory instrument supporting competition and choice in the telecommunications sector". He added, "The charges set in this draft order are evidence based, fair, reasonable and non discriminatory and allow Batelco to earn a fair and reasonable return on its investment". The TRA said public comments on the draft must be submitted by the end of December, and then a final decision will be made on the charges.

Denmark Consults on Digital Dividend Auction

The Danish Telecommunications Authority has launched a public consultation on draft documents for the auction of spectrum in the 800MHz 'digital dividend' frequency band. The spectrum will be assigned for the use of telecommunications services, including 4G mobile broadband based on Long Term Evolution (LTE), and will be awarded nationwide on a service and technology neutral basis. The available spectrum has been divided into five lots – one lot of 2×10MHz and four lots of 2×5MHz. Applicants may not bid for a package containing more than 2×20MHz of 800MHz spectrum. Pursuant to the government objective that everyone should have access to a broadband connection of at least 100Mbps by 2020, the 800MHz licences carry certain coverage obligations aimed at improving the availability of high speed internet in areas where the current availability of such services is the lowest.

Lebanon and Cyta to Cooperate on New Europa Cable

The Cyprus Telecommunications Authority (Cyta) and the Lebanese Ministry of Telecommunications confirmed a plan to explore cooperation in planning and constructing the Europa Cable System, a new high-capacity submarine cable between Cyprus and Lebanon. In a joint statement issued after a meeting, the two said Europa will add to the existing Cadmos cable system connecting the two countries, providing a high-quality alternative route and forming a bridge between the IMEWE cable system landing in Lebanon and Alexandros system landing in Cyprus. Cyta is the exclusive owner of the Alexandros subsystem implemented via Telecom Egypt's TEN submarine cable systems, with landings in Egypt and France. Europa is expected to be a repeaterless submarine cable with at least eight fiber pairs that will be interconnected with the Alexandros subsystem to provide connectivity to European destinations and beyond, forming a telecommunications bridge between Middle East and Europe. At the same time, Europa will be complementing the existing Cadmos and IMEWE systems, to offer alternative routing and improved resilience.

Slovak Regulator Lowers Spectrum Fees

Slovak Telecom regulator TUSR is reducing fees for frequency or identifier usage from 01 January 2012. TUSR's aim is to support the development of radio access networks, mainly in the less densely populated areas. Lower frequency charges are expected to motivate operators to cover white spots. Moreover, the operators who get licenses for the construction of new whole-territory public radio networks will pay the charges only after the end of the year which follows the one in which the frequencies were assigned. Medical facilities, fire stations and the police will pay 50 percent of the charges. According to TUSR, the lowering of frequency usage fees will not affect state budget revenues negatively, since those incomes that will be affected had exceeded their budgeted ¬incomes.

PA Announces Plan for Information and Communications Innovation

The Palestinian Authority announced its strategy to introduce latest generation communications and information management solutions in support of the national state building effort. MTIT said that the strategy for a unified communications and government computer center will build a more connected government, foster national unity and accelerate e-government services. The PA will adopt the latest innovations in hosted services, cloud computing and person-to-person networking to provide real-time voice, data and video collaboration solutions across the existing government network. MTIT Minister said, "We have developed a strategy to modernize public administration to meet the demands of governing in the

A SNAPSHOT OF REGULATORY ACTIVITIES IN SAMENA REGION

Country-wise Regulatory Activities

Afghanistan

For the proposed 3G license the Afghan Telecom Regulator received total three bids from Sahar 3G, Toseye Eatemad Mobin and Shezai Tel USA. A committee set up by the regulator is conducting technical assessment for bids before deciding which player will be issued 10MHz of 3G spectrum.

Algeria

The Algerian ICT Minister told that government plans to license 3G operators before the end of the year. In the middle of September Algeria invited bids from operators for the country's first 3G licenses. Bids were initially due on October 7, with winners set to have been announced on October 23. Algeria counts three mobile operators: Mobilis, owned by incumbent Algerie Telecom; Nedjma, controlled by Qatar Telecom; and Djezzy, started by Orascom Telecom.

Bahrain

In recognition of the achievements of the telecom regulator in the development of the telecommunications sector in the kingdom, the regulator has been awarded, for the second time, the "Most Progressive Regulator of the Year" award by SAMENA Telecommunications Council at its annual Conference held in Doha earlier this month. On the occasion of receiving the award for the second time, the regulator said "We have the honor to have been awarded this award for the second time by SAMENA Telecommunications Council, as we have achieved very significant milestones as a regulator, which includes number portability, local loop unbundling (LLU), and other important projects for the benefit of consumers, telecommunications market and the economy of Bahrain. We now have a highly competitive market, comparable with the best in the world, delivering choice, lower prices and diversity of services for the consumer. Regulator continues to exert more efforts to the development of the telecommunications sector in Bahrain." The Fitch Ratings has assigned Bahrain-based Bahrain Telecommunications Company (Batelco) a Long-term foreign currency Issuer

Default Rating (IDR) of 'BBB-'. The Outlook on the IDR is Stable. Batelco's IDR reflects Fitch's assessment of the sovereign's creditworthiness, given its strong operational and strategic ties with Bahrain. Batelco is 78% directly and indirectly owned by the Government of Bahrain ('BBB'/Stable). Batelco is a flagship company and a strategic investment for the state as telecommunication is highlighted as a core industry in Bahrain's long-term 2030 plan. Furthermore, government involvement in material decisions (such as expansion outside Bahrain through acquisitions) indicates inherent government support at the current rating level. Fitch's approach and top-down notching methodology takes into account the assumed government support in line with Fitch's parent and subsidiary rating linkage methodology. The ratings also reflect the company's leading position in the domestic market, its robust free cash flow (FCF) generation capability at a group level despite elevated competition and falling EBITDA margins in the domestic market at 9M11. Pre-dividend FCF generation capability stands out as the strongest in the Middle East, although the company is relatively small scale, with only moderate international diversification, when compared to the Gulf rated peer group. The Stable Outlook reflects the limited growth prospects in the domestic telecom market, which has a high level of penetration. Furthermore, Batelco faces increasing competition in the Bahrain telecom market, which is mature with a 150% mobile penetration rate at 9M11. The main risk for the company is the domestic operation, as it is facing competition from a new entrant, Viva, operated by Saudi Telecom Company (STC), which is able to compete aggressively on price. Batelco has no debt on its balance sheet with cash and bank balances of BHD86.8m at 9M11and is expected to remain net cash after the recent cancellation of the 25% Zain KSA acquisition. The company's leverage metrics are low versus peers in the region and expected to remain low even if it makes minor acquisitions. An upgrade of the sovereign rating would be a positive credit factor due to strong linkage with the sovereign. Aggressive acquisitions that breach the company's maximum net debt to EBITDA level or the failure to deleverage to below 2x (net reported leverage) in the short term after such an acquisition would be negative.

Bangladesh

The Bangladesh Supreme Court directed the telecom regulator to allow Grameenphone to continue its operation without any interruption until its further order. After hearing a leave-to-appeal petition filed by regulator against a High Court order, the SC also ordered regulator and GP to maintain status quo over payment of spectrum assignment fee and VAT (Value Added Tax) by the mobile operator. On October 17 regulator issued a notice asking GP to pay Tk 3624.03 crore as its license renewal and spectrum assignment fees within 10 days. In the notice, Tk 236.8 crore was charged for the radio frequency in 1800MHz band, which the operator already purchased for 18 years in 2008, and GP challenged that in a writ petition filed with the HC on October 23. The telecom regulator held a crucial meeting on the license renewal of mobile operators Grameenphone, Banglalink, Robi and Citycell. Banglalink and Citycell deposited a combined amount of Tk 1,019 crore in spectrum fees to regulator. CEO of Citycell said he deposited Tk 197 crore or 49% of the total airwave charges. Banglalink paid Tk 822 crore, an official of the company said. Hours after the Telecommunications Ministry ordered regulator to renew 2G licenses of all the four major mobile operators, the telecom regulator says it would wait for the court verdict. The process of license renewal will start once the issue of market competition factor over the fee of spectrum assigned for the year 2008 and VAT is settled in the court. A parliamentary standing committee on the Ministry of Post and Telecommunications (MoPT) has blamed a lack of coordination in decision making between the MoPT and the telecom regulator for delays to the renewals of four operators' 2G licenses. After a regular meeting on November, 22, the committee members also said operators had been compelled to seek court intervention to settle the matter of VAT and Market Competition Factor (MCF) payments only because of the conflict between the MoPT and regulator. The MCF is an equation used to calculate spectrum fees based on the operator's market share. Committee Chairman said that this was obviously "not a comfortable situation" for Bangladesh's growing telecoms market. He said the government should have a solid explanation for the VAT and spectrum payment issues. The mobile licenses of Grameenphone, Banglalink, Robi and Citycell were supposed to be renewed on November 10. However, the regulator has not renewed the licenses yet as Grameenphone had sought court intervention on the additional payment of spectrum fees and VAT. The Bangladesh Telecommunications Regulatory Commission (BTRC) is planning to auction 3G spectrum in June 2012. The regulator has shortlisted two consultants for the auction and the decision to appoint one of them is set to be finalized shortly The telecom regulator decided to auction a national 3G UMTS mobile license in June 2012. The head of the watchdog told that two consultants for conducting the auction have already been selected from a shortlist of five, and that the first appointment should be finalized next week. The chosen consultants are the Indian wing of UK-based PricewaterhouseCoopers International Limited (PwCIL) and US-based Nera Economic Consulting. Domestic and overseas 3G license bidders will be permitted, Chairman confirmed, adding that if a new entrant wins a 3G concession, the BTRC will consider its application for an additional 2G license. Struggling state-owned cellco Teletalk will be permitted to launch 3G trial services based on W-CDMA/HSPA network technology in the 2100MHz spectrum band from March 26, 2012, with a six-month exclusivity period ending September 2012, but it will also be required to pay for commercial spectrum in the June auction. However, the BTRC chief confirmed that Teletalk will not need to compete, but will instead be guaranteed its UMTS spectrum allocation at a cost equal to the highest bid. Teletalk's four larger GSM rivals are expected to bid for next-generation licenses, namely GrameenPhone, Robi, Banglalink and Airtel, while the market is also home to a CDMA-based mobile operator, CityCell.bThe telecoms regulator ruled that mobile phones must come with a Bangla keypad from February next year. The regulator reportedly took the move to widen the reach of ICT equipment to people who can't use the English keyboards usually offered. The regulator is also finalizing a guideline on handset imports designed to favor locally manufactured phones. Finally, a clampdown on counterfeit handsets can be expected after the regulator agreed to order the networks to start logging IMEI numbers and detecting duplicates. Whether fake handsets will in fact also be cut-off has not been decided yet.

Egypt

Egypt's telecoms authorities announced a US$2.4 billion plan to provide countrywide broadband starting mid-next year. Plan dubbed eMisr will involve US$2.4 billion of investments and aims to provide 22% of Egyptian household with broadband by 2015, and 40% by 2021. Mobile broadband users are expected to reach 10 and 14% of the population, respectively, by the same dates. The plan will start in the second quarter of 2012, according to a recent statement from the regulator. Mobiserve Holding signed a new cellular network tower sharing agreement with the regulator. The agreement enables telecom operators in Egypt to share network infrastructure. Effective this month, the license confers on Mobiserve the ability to build their own cellular network sites and rent them to telecom operators in Egypt. The concept of network sharing in which multiple operators can share a single network tower or cellular site reduces the cost of ownership and maintenance while increasing network coverage. It not only enables Egyptian operators to bring costs down as they continue to roll out next generation networks but to push forward with innovative services for their customers. By reducing duplication of the most expensive parts of an operator's network, cell sites, towers, base station equipment and transmission network, operators deliver better services more cost effectively. Savings can be significant for an operator, 20% to 50% of an operator's capital or operating costs depending on the level of network sharing, without compromising network quality. Cairo-based Mobiserve has expertise in the build out and maintenance of a number of network cellular sites in Egypt and neighboring countries, to date installing and maintaining more than 12,000 sites Africa, the Middle East and South Asia.

Iran

Iran has officially introduced a third national mobile phone operator, named Ritel. Ritel was reportedly unveiled in a ceremony held in Tehran. The brief news item makes no mention of network coverage details or the cellco's ownership structure. Iran is home to two active national mobile phone operators, Mobile Communication Company of Iran (MCI) and South African-owned MTN Irancell. In October 2009 the government awarded a third national concession to a consortium headed by Tamin Telecom. The license was officially handed over to Tamin in April 2010, but at the time of writing and in spite of its license terms (which stipulated 2G network coverage of eight main cities and 1,421km of roads within nine months), Tamin is not yet believed to be operational. It has said it plans to cover 60% of the population with its 2G network and 40% with its 3G network by 2014. At this stage it is unclear whether Ritel's operating license is a brand new concession or the revoked license previously issued to Tamin Telecom. The latter seems unlikely, as in October 2010, despite its lack of progress, telecom regulator announced that the country would not be offering another 3G license until Tamin's exclusivity expires in 2013. Chinese telecoms equipment vendor Huawei confirmed that it has sold telecoms equipment to Iranian cellular giant MTN Irancell, but refuted press claims that it is being used for the censorship and repression of dissidents. According to Bloomberg, Huawei has described the insinuations as 'inaccurate and misleading', protesting that it does not provide 'any services relating to monitoring or filtering technologies and equipment anywhere in the world. Huawei provides a mobile news delivery platform to MTN Irancell, but we have no involvement in any aspect of the content of the information that is provided on that platform. Most importantly, we have absolutely no technology that can be used for news censorship'. Finnish vendor Nokia Siemens Networks (NSN), which delivered communications intercept equipment to Iran in 2008, later expressed its regret over the sale, noting 'credible reports' that the government had used communications technology to suppress dissidents. Iran plans to launch three new domestically manufactured satellites in the future, Defense Minister announced. The satellites dubbed Fajr (Dawn), Navid (Promise), and Tolou (Sunrise) will be launched during the current Iranian calendar year, which ends on March 19, and the next year, minister said. Navid is a research satellite, which was designed by scientists at the University of Science and Technology in Tehran. Iran launched its first domestically manufactured satellite, namely the Omid (hope), into orbit on February 2, 2009.

Iraq

Foreign investors' appetite for Iraq's stock market is rising before planned IPOs by the country's three mobile telephone operators, but the fledgling market's small size means it may struggle to cope with the listings. The Iraq Stock Exchange (ISX) is an outpost of private sector business in Iraq, which is still dominated by state-run firms almost nine years after the 2003 US-led invasion. Market capitalization of the bourse, which started operating in 2004, is about US$4bn with average daily trading value only around US$2.8mn. Successful stock market listings of the three mobile phone firms, Asiacell, Korek and Zain Iraqa requirement of their operating licenseswould be seen as a triumph for Iraq's effort to create a diversified economy and a sign that it was establishing a stable development path after years of conflict. The listings could also trigger a fresh wave of foreign interest in the market, which currently is heavily weighted towards banks, accompanied by a range of industrial, insurance, hotel and agriculture firms. ISX chief executive Taha A Abdulsalam has said he expects the initial public offers of shares to double the market's capitalization. But with fewer than half of the 85 listed stocks active daily, such a boost in value could destabilize the market. "The IPOs, first of all, they should put it in the market gradually," Iraq Communications Minister Mohammed Allawi told Reuters. "If you put all the shares, the price will collapse for sure." While mobile phones were introduced in Iraq's northern Kurdish region in 1999, the rest of the country did not have a mobile market under Saddam Hussain and the sector has grown rapidly since his ouster; there are now around 23mn mobile subscribers in the country, according to the Communications and Media Commission (CMC), the industry regulator. With double-digit subscriber growth, telecommunications is believed to be the fastest growing major industry in Iraq after the oil sector. Mobile phone penetration is still low by Middle Eastern standards at 76%, according to 2010 data from the International Telecommunication Union. The communications ministry said last month that it planned to auction a fourth mobile license in early 2012, pending government approval. Taking the companies public will not be an easy task, however. The companies themselves have been reluctant to move quickly until the stock market is more developed and they can be sure of getting good prices for their shares. Zain Iraq, a unit of Kuwait's Zain, Asiacell, an affiliate of Qatar Telecom and Korek, part-owned by France Telecom SA and Kuwait's Agility, all missed an initial August 31 deadline set by the CMC for their listings, which now look likely to go ahead sometime next year. Foreign portfolio investment in Iraq is increasing; foreigners were net buyers on the ISX in the first 10 months of this year, purchasing 70bn shares for US$118mn, according to Abdulsalam. But such amounts fall far short of the expected size of the telecom IPOs, so local stock market investors would have to bear much of the burden. Local investment is also risingthe market's main index has gained over 30% this yearbut Iraq lacks big institutional investors and pension funds that could reliably channel large amounts of money into the IPOs. "In our opinion, Iraq is very liquid, but it's just (that) the mentality of investing in equity markets is not there," said Asiacell CEO Diar Ahmed. Valuations of the three mobile firms are still being studied but Korek CEO Ghada Gebara has said 25% stakes in each of the three operators would be worth about US$5bn combined. Securities firm Nomura has given Zain Iraq, which has appointed BNP Paribas, Citigroup and National Bank of Kuwait to run its share offer, an enterprise value of US$4.9bn. Nomura has valued Asiacell, whose IPO is being managed by HSBC and Morgan Stanley, at US$4.4bn, making quarter-stakes in both firms worth about US$2.35bn combined. Before listing on the market, all the firms must first convert themselves into shareholding companies, and then obtain approval from the ISX board and Iraq's securities commission, said Abdulsalam. The CMC has said it is unlikely the three operators will conduct IPOS before the middle of next year. "We cannot (list) all of them at the same time because each company is different to the other. We know that Zain is a Kuwaiti company. Asiacell is Iraqi," said CMC Commissioner Ahmed Alomary. "For a Kuwaiti company to be registered as an Iraqi company, it will take more time than Asiacell. Korek has a new partnership with France Telecom and they're already working on having their holding company in Dubai. So each scenario is different." However, Alomary said it would be best for the companies to work on similar timelines for listing their shares, and to sell some equity as soon as possible. Korek's Gebara said it would be better to list the companies one after the other to give the market time to absorb the shares, and that one of the priorities should be to educate investors on how to receive the listings. "It's not a race. At the end of the day, we all want to maximize the value of our companies," she said.

Jordan

The Minister of Information and Communications Technology said that public-private partnerships are essential to make Jordan an ICT hub in the region. At the opening of the Microsoft Open Door 2011 event, the minister underlined the significance of supporting initiatives to motivate entrepreneurship and innovation. As mobile phone usage skyrockets and landline use diminishes in Jordan, land telephony subscribers say they have little use for their hardwired phone lines outside connecting to the Internet and having a backup for their mobile service. Figures posted on the regulator website indicate that the number of landline subscriptions in Jordan has fallen by over 30%, from 628,000 in 2005 to 431,998 in the first half of this year. Conversely, the number of mobile subscribers has risen from 3.13 million to 7.16 million in the same period, an increase of over 125%. In a statement the regulator said 65% of landline subscribers are satisfied with their telephone service, which the commission said compares well to countries with highly developed telecommunications sectors like the UAE and Australia. By comparison, 62% of Internet service subscribers and 67% of mobile phone users report satisfaction with their services. Several landline subscribers, however, said that while they have no plans to give up their landlines, they do not use them as their main means of communication, relying instead on mobile phones to talk to friends and family.

Kuwait

Zain Kuwait reported its 3rd-quarter results, by announcing that for the first nine-months of this year, its total revenues rose by 2.2% to reach KWD 988.1 million (US$3.58 billion). The nine months also saw net income increase to KWD 210.2 million (US$762.5 million), a 7% increase on the same nine month period in 2010. "Currency variance losses for nine month period totaled US$100 million. The company did not break the figures down into the more usual quarterly timeframes. Year-on-year customer growth across all Zain operations was 17%. As of September 30, 2011, the company was serving 41.4 million managed active customers. The Group has added 6.1 million new active customers over the past 12 months. Ministry of

Communications has yet to collect 98.6 million dinars in outstanding bills from telephone, postal and telegraph service subscribers. Those bills were due as of October this year. Moreover, the ministry's inability to collect those debts is affecting the national treasury. The relevant monitoring agencies, particularly State Audit Bureau, have urged the ministry in their annual reports to collect debts and guide against wastage of public funds. However, the ministry officials have failed to coordinate with other service ministries in that regard, the source noted. The source pointed out that the Council of Ministers, on several occasions, has urged the ministries and government agencies to collect outstanding debts as the money belongs to the public and should serve in the execution of new development projects to relieve the public budgets of unnecessary burdens. Meanwhile, the ministry has incurred a total of 4.706 million dinars in losses, as a result of compensations it paid to specific contractors and companies. Also, the dereliction of duties by senior officials at the relevant departments is responsible for the failure in collecting due amounts until now, the source reiterated.

Lebanon

The telecom regulator presented a study showing that prices for consumer and corporate ADSL broadband internet packages with capped data usage are now cheaper than the average across Arab countries, following the recent connection to additional international bandwidth and a state decree which mandated price drops and speed increases. Although a significant number of areas in the country are still awaiting the full implementation of new speeds via DSL access network upgrades and domestic fiber backbone rollouts, the retail price reductions have been experienced nationwide, whilst wholesale international bandwidth costs are also now lower than the Arab country average. The TRA's presentation showed that new ADSL tariffs for low data usage customers, capped at 2GB per month, were priced at 23% below the Arab average, while 'high-usage' (6GB) ADSL tariffs were priced at the regional average (US$28), although data speeds were not compared. In the corporate broadband segment, Lebanon's prices came out as significantly lower than average using the same comparison criteria: by 59% in the case of 2GB plans and 75% lower for a 6GB monthly tariff. International bandwidth and international leased circuits are now 'significantly' lower than the Arab average, the regulator added. Prior to the market shake-up, a similar regional study published by Bahrain's national telecoms regulator showed that Lebanon had the highest-priced broadband in the Middle East for low-speed (256kbps), 'high' usage (6GB a month) services, as of March 2011. In July 2011 the Lebanese communications ministry announced that ISPs were to be granted retail and wholesale access to increased international internet capacity via the India-Middle East-Western Europe (IMEWE) submarine cable, and the promise was formalized by decree in September, which mandated an 80% reduction in the cost of DSL bandwidth to the consumer, an increase in retail broadband speeds by between four and eight times up to 8Mbps and a rise in monthly download limits. On October 1, 2011 state-run incumbent telco Ogero announced the launch of new internet packages, including a minimum 1Mbps ADSL service across 'the majority' of the country for its retail end-users and wholesale ISP customers. Upgrades to another cable system, Cadmos, will also boost the country's available bandwidth, helping to raise speeds and lower prices. Meanwhile, in the same presentation, the TRA revealed that the price of 3G mobile services in Lebanon is between 23% and 25% higher than average across the Arab world. The official launch of commercial 3G mobile broadband services took place in the country on November 1, 2011, courtesy of the two state-owned cellcos Alfa and MTC Touch. In subsequent stages of 3G development, the TRA said, the two cellcos will leverage economies of scale to significantly reduce prices as 3G device ownership increases. Cyprus telecom regulator and Lebanon's Ministry of Telecommunications (MoT) confirmed their cooperation in a project to construct a new high-capacity submarine cable between Cyprus and Lebanon, named EUROPA. The new undersea route will be designed as an alternative route to the existing CADMOS cable linking the two countries, while also bridging the IMEWE cable system landing in Lebanon and ALEXANDROS cable subsystem landing in Cyprus. EUROPA is expected to be a repeater less submarine cable with at least eight fiber-pairs that will be interconnected with ALEXANDROS to provide connectivity to European destinations and beyond. Cyta is the exclusive owner of ALEXANDROS, implemented via Telecom Egypt's TENcable, with landings in Egypt and France. Cyta is the national PSTN operator and largest provider of international communications in Cyprus; the Lebanese MoT controls Lebanon's monopoly fixed line operator Ogero.

Libya

Libyana reconnected portions of its cellular network which have been out of action for around eight months since the start of the increasingly violent revolution which culminated with Colonel Muammar Gaddafi being captured and killed by Libyan forces in Sirte. A statement issued by interim government, the National Transitional Council, confirmed: 'Early on Friday morning Libyana's telecommunications network was reconnected between eastern and western Libya, after being cut off for almost eight months. This news brought relief to many Libyans, who have been unable to communicate with their loved ones on either side of the country'. In May Mohamed Ben Ayad, then-president of state-owned Libyana and ISP Libya Telecom & Technology (LTT) alleged that Libya's telecoms sector had suffered around LYD1.50 billion (US$1.22 billion) worth of damage, as a result of coordinated NATO air-strikes targeting network telecoms infrastructure. Ayad described the methodical targeting of the country's telecoms infrastructure as a 'crime against humanity in the broadest sense', adding that the lack of communications had interfered with the disbursement of medical aid to the wounded, and disrupted fire fighters' activities and other humanitarian efforts. The Irish billionaire Denis O'Brien has snapped up a number of African telecoms assets associated with the late Colonel Muammar Gaddafi. O'Brien is part of a British-led consortium also including investment firm Centamon, which is controlled by consultancy firm Levant Group and Demco that has paid US$270 million for 'a group of African mobile telecoms. It is unclear at this stage whether the transaction also involves Libya's three domestic cellcos Libyana, Al Madar Telecomm Company and LibyaPhone Mobile, all of which are wholly state-owned via Libya Post and Telecommunications Information Technology (LPTIC). Denis O'Brien is the chairman and founder of Digicel Group, operating telecoms services across the Caribbean, Central America and Pacific regions. Digicel earlier this month withdrew a proposal to bid for control of Irish telco Eircom. Earlier this week Libya's National Transitional Council unveiled the new cabinet that will govern the country until it holds its first elections. Telecoms engineer Anwar Fituri was appointed Minister of Telecommunications, and it appears that the former engineer has wasted no time in redistributing Gaddafi's substantial telecoms assets.

Morocco

Maroc Telecom Group's revenues in the third quarter amounted to MAD 7.9 billion, a decline of 4.2% from the year-earlier period. Operating profit fell 11.1% to MAD 3.4 billion. The performance was due to a decline in revenues in Morocco (-3.5%) in an intensely competitive environment, compensated partly by revenue growth of 8.6% at the other subsidiaries. At September 30, the group's customer base stood at more than 27.8 million customers, an increase of 10.9% on an annual basis. This included modest growth in Morocco (+1.6%) and strong sales momentum elsewhere, where the mobile customer base grew by 36.5%. In the first nine months, EBITDA amounted to MAD 12.87 billion, a decline of 7.8% due to the decline in revenues in Morocco. The margin was 55.5%. In Morocco, revenues for the first nine months were down 3.4% to MAD 18.94 billion, and operating profit declined 10.6% to MAD 8.63 billion. Mobile revenues fell 2.9% to MAD 14.33 billion, due to significant price erosion, partly compensated by strong growth in usage. The mobile customer base fell by 25,000 from the previous quarter to 16.96 million, but was still up 1.4% from a year earlier. Blended ARPU for the first nine months fell 7.1% year on year to MAD 88, affected by growth in the customer base and lower prices. These effects were compensated partially by a strong rise in usage and the growth in 3G mobile internet. The fixed-line base in Morocco was little changed at 1.23 million, while internet subscribers rose to 552,000 from 528,000 in June. The operator said price cuts were driving increased usage in mobile and internet, justifying further capital investments in its networks.

Nepal

The regulator published its latest market development report Management Information System for the month ended 14 September 2011. As per report total number of fixed and mobile lines in service exceeded 13.762 million, up from 13.513 a month earlier, a penetration rate of 48.14% of the Nepalese population (47.27%). Of the total, mobile accounted for the lion's share of lines, at 12.153 million including 11.296 million GSM and 856,669 CDMA connections up from a total of 11.919 million in August (broken down as 11.061 million GSM and 858,273 CDMA connections). On top of this the country's fixed service providers accounted for 842,352 lines, up from 840,000, including wireless in the local loop (WiLL), broken down as 612,563 and 229,789 users. Furthermore, the NTA reported a total of 765,135 land mobile service (LMS), 1,742 global mobile personal communications by satellite (GMPCS) connections, 74,102 ADSL connections, 15,943 cable modem broadband lines, and 24,817 wireless or fiber broadband connections. According to latest statistics provided by the regulator, the number of Internet users under different ISPs is 54,967 by mid-August 2011 whereas the number was 65,000 by mid-August 2010. Although the number of GPRS users has gone up significantly, ISP officials opine that most of the users limit their Internet activities to mobile browsing and are not active users. The number of ADSL users during this period has gone up by 33%. ADSL users till mid-August 2010 were 49,406 which have reached 74,102 in a year. Similarly, Internet users of NT and UTL under CDMA/EVDO have gone up by 33%. At present, there are more than 155,000 subscribers who are surfing Internet under this technology. Broadlink - largest ISP in wireless services - was able to add 18,500 customers in a year and is adding 1,500-2,000 new customers every month. Similarly, Worldlink claimed to have around 20,000 customers till October and is adding 300 customers on average every month. The Supreme Court (on a writ petition that the committee would not be independent and that this breaches the Telecommunications Act) has told the committee that has been established to nominate board members for the regulator to halt its work. In the interim order, the court also asked officials of the communications ministry and cabinet secretariat to be present at the next hearing.

Oman

Omantel scored an impressive double win in the Best Brands survey conducted by Oman Daily Observer, winning the number 1 brand slot in the telecom category and the number two position among the overall 180 Greatest Brands in Oman. This further reinforces Omantel's standing both in the telecom market and in the various business sectors. Commenting on this achievement, Rasha Ahmed al Jamali Senior Manager Corporate Communications at Omantel said, "We are proud to be once again the winner of Oman's greatest brand in the telecom category. This is one of the fruits of the integration of Omantel and Oman Mobile operations with a main focus on having a customer centric organization. In the new organization, specialized units to cater for the needs of different customer segments were established where marketing, sales and customer care functions were built within every unit to ensure that we provide a world-class service to all segments," Al Jamali added. The survey aimed to achieve an accurate assessment of the Sultanate's 180 brands and was derived from a perception based survey with parameters based on recall value, brand awareness and brand image/perception. Omantel has endeavored to connect remote communities to each other and to the rest of the world. Omantel has also been a significant player in Oman's progress and national development with its introduction of the most advanced broadband service portfolio in the Sultanate. It offers Home Broadband with speeds up to 40 MB, 3.5G mobile broadband with speeds up to 7.2 Mbit and Wi-Fi network access in key locations. Omantel has expanded into several related industries such as e-commerce and fibre optic manufacturing. Omantel provides more than 60 value added services to more than 2.2 million subscribers. Omantel is the leading telecommunications company in Oman and has successfully connected different parts of the Omani community to each other and with the rest of the world through a modern network offers state-of-the-art fixed, mobile and internet services.

Pakistan

The telecom regulator declared Mobilink as an excellent cellular mobile operator among its competitors. This was announced in its results after customers perception survey result which was held in September/October 2011. The Ufone stands on last position. Regulator launched a SMS-based Consumer perception survey system 8899 aiming to seek consumers perception about performance of their respective cellular mobile operators. For this survey, regulator made special arrangements to make it a free of cost service to encourage maximum participation from general public. The survey is first of its kind. The survey was conducted by outreaching telecommunication consumers to maximize the geographical coverage. A transparent and fast 'SMS-based' mechanism was followed where users were asked to participate in the survey by sending response through SMS ranging from 1 (lowest) to 10 (highest) as per their perception. On the basis of the feedback received, regulator compiled the final results. Warid get second position in excellent category, Telenor on third, Zong on fourth and Ufone is on last position. As well as in poor category Zong get first position, Ufone on second, Telenor on third and Mobilink on fourth position and Warid on last. The regulator reportedly ordered all mobile phone operators to block text messages containing "obscene" words. Regulator said it acted on "innumerable, repeated complaints" from consumers in preventing circulation of the roughly 1,500 words. Officials from all five major operators confirmed that they were working on software which would block messages containing the words deemed unwanted by the telecommunication watchdog. The regulator is planning to hold a 3G spectrum auction in early 2012 and expects 3G services to be launched mid next year. The regulator says that UMTS technology is preferred for 3G. Three spectrum blocks of 10MHz each will be made available through an auction among existing mobile operators. Pakistan's Prime Minister has approved the country's 3G policy in principle and has told the cabinet committee to table the policy in the cabinet for final approval. The 3G spectrum auction would be open to new international players as well as existing operators and three blocks of 10MHz each will be offered for auction. If a new player wins 3G spectrum, they would not be able to launch operations before March 2013, when the moratorium on new licenses will expire. Furthermore, to encourage competition new players as well as existing players will be invited to compete for an existing license, now defunct, license that was once owned by Instaphone. The plan also provides for more spectrum for 3G or 4G services to be made available around March 2013 so that services can start shortly thereafter. The auction process will be supervised by the Finance and IT Ministry, the Regulator, and the Frequency Allocation Board.The regulator decided to chalk out strategies for merging Local Loop (LL) and Long Distance International License (LDI) to form a consolidated license, aiming to adopt advanced technological trends for delivery of multiple services to millions of customers at unified platform. Regulator has taken initiatives on licensing reforms for development of a regime, Class Value Added Services Licensing (CVAS) regime, which is more conducive for investment environment. The main objectives of such reforms are to support the delivery of multiple services, promoting the innovation, the reduction of consumer prices and creating a more conducive regime for investment. The consolidation of licenses in Pakistan will lead to emergence of big players in market. These big players are expected to be better placed to compete with existing Significant Market Players (SMPs), which will bode well on the competition in Pakistan. The expected benefits reduction in consumer tariffs particular the line rents etc, which are still being charged by some of the operators in Pakistan. The integrated licensee would be able to offer more services in addition to basic voice service and it will promote the trend of bundle packages in Pakistan. At present PTCL being an integrated licensee is providing multiple services such as voice, internet, and IPTV and therefore able to introduce various bundled packages. The regulators around the world are devising the regulatory reforms to regulate convergence in telecommunications and broadcasting. There are separate regulatory frameworks for wireline, wireless and broadcasting services. The regulators in the world have simplified the licensing structure, which involves the consolidation of different services in a single unified license. The consolidation or merger of license will improve the revenues of operators that will gain potential to introduce various services at one platform such as Premium Rate Services, Payphone Services, Trunk Radio Services, Public Internet Service, Data Service, Tracking System for public application, Voice Mail, SMS Aggregator, Closed user group Video Conferencing, Content Service Provider Networking, Interactive Voice Response (IVR).This leads to a number of benefits for operators as well as the customers, including but not limited to, greater ARPU through value added services and bundle packages for consumers. The voice and data networks are getting integrated as fixed and mobile networks are changing to all IP Next Generation Networks (NGNs). The voice is shifting from PSTN networks to mobile networks, whereas there is emergence of VoIP and growing trend of voice moving from PSTN to IP. More importantly, NGN consume less energy so deployment of such networks has the potential to reduce the carbon footprint by 15%. The major telecom operators have almost completed their core networks' migration towards to Next Generation Network (NGN) as part of their infrastructure up gradation plan. NGN platform is a well-known reality for advanced level programming, the latest circuit designing techniques, the delivery of multiple services. This has opened a new business avenue for service providers, besides raising many challenges for regulators in terms of establishing new licensing and regulatory regime. Resultantly, the geographical licensing is changing into unified licensing. Pakistan telecom market is divided into 14 telecom regions as per telecom deregulation policy and there is a restriction of local switching for LL operators, is required to switch the call within the telecom region. NGNs use the distributed call server model, which is independent of geographical restrictions. Despite the fact that existing licensing regime is technology neutral, the restriction of switching within licensing area is a hindrance in the way to end NGN proliferation. Due to the same hindrance; the operators cannot offer the services, which are independent of geographical boundaries, utilization of the same number through soft phone anywhere within Pakistan. Therefore it can be stated that the present restriction on putting switching equipments within licensing area requires reconsideration due to the technical and economical reasons. The existing interconnect regime for LL operators to handover the call to LDIs is another restriction. Regulator has conducted a study for local market and it has sought inputs of local stakeholder on technical, legislative and commercial issues.

Palestine

The Ministry of Telecoms and IT (MTIT) is going ahead with plans to use dark fiber networks and utility companies' power cables to deliver broadband, despite restrictions on the deployment of telecoms infrastructure. In March, the MTIT granted the Jerusalem District Electricity Company (JDECO) a license to use its fiber network for broadband. The license allows JDECO to offer capacity on its dark fiber network, which connects Jerusalem, Ramallah, Bethlehem and Jericho, to ISPs operating in the West Bank. MTIT is also encouraging Palestine's Electricity North and Electricity South companies to use their dark fiber networks for broadband backhaul. Telecoms minister said that JDECO had already tested the network in villages around Ramallah, and that the initiative is progressing "very well". He added that Paltel, which is currently the sole broadband backhaul provider in Palestine, is "not very happy" about potentially losing its monopoly. Projects to provide broadband over power lines in the West Bank and Gaza are also progressing well, according to minister, and homes in some parts of Ramallah are already being provided with the service with speeds of up to 5 Mbps.

Qatar

The telecom regulator is enhancing its consumer affairs function by creating a Consumer Protection Department within the Regulatory Authority. The department is tasked with ensuring that telecoms consumers are heard and made aware of their rights, as well as service provider obligations in respect of telecommunications products and services. The Consumer Protection Department will establish a dedicated call center to handle telecoms customer inquiries and complaints. The department will also conduct programs to increase the awareness of consumer rights.

Saudi Arabia

The telecom regulator approved the second part of the national plan for telephone numbers in the Kingdom. Director General of technical standards and numbers and supervisor of the initiative told that important features of the plan include catering for the increasing number of mobile and landline users and introducing new services and modern technologies and applications. The new amendments to the plan won't change current communications services, rather, they will enable them to absorb more users and subscribers. Under the new plan, an extra digit will be added to area codes. Subscribers will have to add the number 1 to area codes, so that the area codes 01, 02, 03, 04, 06 and 07 will become 011, 012, 013, 014, 016 and 017, he explained. "The extra digit will provide a large reservoir of numbers which can be used to enhance the services of landline communications in the Kingdom in general, and mobile services in particular. The changes to the system will be introduced gradually. The government has no plans to license any more mobile networks in the country, but will permit the launch of MVNO based services from next year. Communications and Information Technology Minister also refuted complaints that the mobile networks were struggling financially in the country due to competition. He said the license value paid by the three mobile phone companies was almost similar and there is no point in blaming either the ministry or the regulator on it. Whether the mobile networks will be forced to allow MVNOs onto their network was not however clarified. A new Arab Advisors Group's survey of cellular users in Saudi Arabia reveals insightful details on the Smartphones adoption and usage patterns in the Kingdom. The survey revealed that 47% of the respondents who use applications in Saudi Arabia prefer to use them in the Arabic language compared to 8.2% in each of Jordan and the UAE. Arab Advisors Group projects the Smartphone applications combined annual revenues in Saudi Arabia, UAE and Jordan to grow from US$ 44 million in 2011 to US$ 210 million in 2015. The Arab Advisors Group concluded a ground breaking survey of cellular users in Saudi Arabia probing Smartphones adoption and usage. The survey revealed that iOS (iPhone) topped the list with 40% share of Smartphones operating systems (calculated based on handsets' brands). Blackberry ranked second at 38%. Almost half of Smartphone users prefer the Arabic language for their applications. Over 300 delegates will discuss and deliberate the ongoing trends in the regional Smartphone ecosystem at Arab Advisors' Smart Handheld Summit which will be held on December 5 & 6, 2011 in Dubai. Saudi Telecom Company (STC) is the Strategic Summit Partner. Qualcomm is sponsoring the summit which is also supported by AppsArabia, Microsoft, nPario, Teletimes International, Comm., ITP CommsMEA, MediaME, TelecomWatch, FTTH Council, UBA, The Market Buzz, MediaStow, DMTV and Tech Tech. A new major cellular phone survey of cellular users in Saudi Arabia was concluded by the Arab Advisors Group in October 2011. The survey report, “Saudi Smartphone Survey 2011” was released on November 3, 2011 and provides the results of a major comprehensive survey of cellular users in the Kingdom. The survey covered general cellular usage habits; Smartphone adoption and usage habits; Smartphone awareness, cellular handsets' brands and models in addition to tablets availability among respondents. The report has 56 pages and 65 exhibits. “The Smart Handheld Summit comes in the context of booming Smartphone markets in the region and enhanced interest in the applications and content space. Based on the surveys' findings, the Arab Advisors Group projects the Smartphone applications combined annual revenues in Saudi Arabia, UAE and Jordan to grow from US$ 44 million in 2011 to US$ 210 million in 2015; with Saudi Arabia's market generating around three quarters of the combined total.” Jawad J. Abbassi, Founder and General Manager of Arab Advisors Group, said. Respondents were randomly called through a randomly generated table of cellular phone numbers for each of the four cellular operators in Saudi Arabia: STC, Mobily, Zain, and Bravo. The survey results encompass answers from 770 cellular users that passed rigorous quality control checks. Quality control was conducted by Arab Advisors Group's team. The survey yields a confidence level of 99% with a margin of error of less than 5%. “The survey revealed that 57% and 52% of iPhone and Blackberry users, respectively, use applications through their Smartphones, while 44% of Symbian Smartphone users use applications. 47% of those who use applications in Saudi Arabia prefer applications in the Arabic language compared to 8.2% in each of Jordan and the UAE.” Mr. Jawad Abbassi, added.

South Sudan

Kuwaiti telecoms group Zain has yet to agree on the fee for a mobile license to operate in the newly independent country of South Sudan, which seceded from the north in July 2011. Zain Sudan's chief executive Elfatih Erwa told news agency Reuters that the company has spent US$60 million dividing its operations in two, after South Sudan acquired its own international dialing code (+211) upon gaining independence, but the cellco has not yet entered into discussions with the government on a license fee. 'The government of South Sudan has not engaged on the license fee yet,' noted Erwa, adding: 'The government said for us not to worry. They will start discussions once they set and enhance the laws and get more experience as a regulator.' The executive added that Zain Sudan will invest US$280 million in the improvement of its infrastructure in the north in 2012, and plans to spend between US$60 million and US$80 million in the south. 'Our network is completely separated and we are running both the old numbers and the new numbers so that we don't deprive our customers of being disconnected until they make a full switch,' Erwa said. Plans to build a fibre network in the South have been delayed, Erwa noted, due to the regulator not being ready and security issues in certain areas. Zain has approximately 590,000 mobile subscribers in South Sudan, with customers and revenue in the country forecast to grow 20% and 10% respectively in 2012.

Sudan

The telecommunication sector is by far the fastest growing and most lucrative market in the Africa region. In countries like Sudan, where 50% of the population uses mobile phones, the importance of the industry to the economy is undeniable. Mobile phones today encompass many different useful tools, such as an alarm, watch, calculator, computer, camera, radio, and even the traditional landline phone. As Adrian Hon, founder and chief of the online gaming company 'six to start,' noted in his travels through Sudan; “You are never out of sight of a mobile tower.” The widespread use of mobile phones is indicative of their usefulness and the critical role communication plays in Sudan. With so much of the population living in remote areas and under the poverty line, the question arises as to whether so much time and money should be spent by Sudan in increasing their mobile telecom capabilities. With the poverty backdrop, it is hard to judge whether or not the government should focus on other issues such as education or healthcare. The reality is that the growing telecom market is growing at an astounding rate, providing many jobs and an increasing flow of wealth in to the country, creating more and more possibilities for Sudan to improve the quality of life for the people in the country. “Needless to say, mobile internet is cheaper in Sudan than in the UK at around 1 SDG (20p) per day, but it's still a fair outlay for locals,” Hon wrote in the telegraph. “If you want proper mobile broadband for a laptop, then it rises to 5 SDG (£1) per day comparable with the UK but presumably worth it if you really must be online, especially if you share the connection.” The ever increasing rate of technological advancement is clearly demonstrated in third world countries like Sudan, where a decade ago such a thing as mobile phones and wireless roaming were virtually non-existent. Today, a wireless connection can be bought for almost any mobile device such as a laptop or Smartphone and provides virtually global connections. Children today are seen interacting with a plethora of different mass communication methods, such as Facebook, Twitter, cell phones and the like, while their parents had most likely never seen a phone in their youth.

Tunisia

Tunisiana and Orange Tunisia are to be partly controlled by a national holding company set up by the Tunisian government to manage the state's assets and combat corruption. The company has been dubbed 'Caisse des Depots et Consignation' (CDC) and its resources are estimated at approximately TND3.4 billion (US$2.36 billion). The CDC will be run by a committee headed by Finance Minister Jalloul Ayed, and is tasked with using the funds generated by various confiscated assets to improve infrastructure, encourage the growth of SMEs, and create jobs. Amongst the assets now managed by the CDC are a 25% share of Tunisiana, and a 51% share of Orange Tunisia respectively.

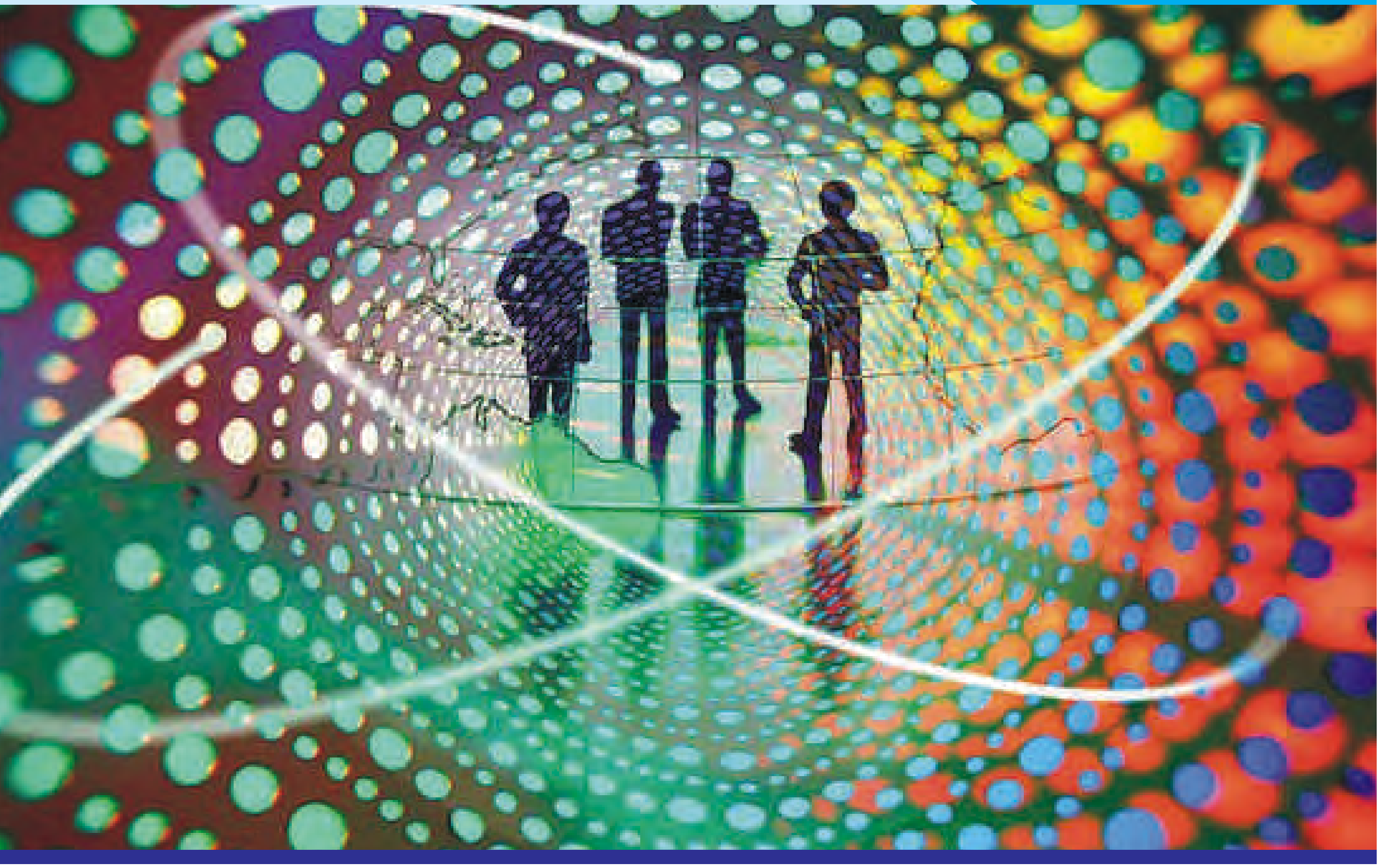
Turkey

The telecom regulator planned to introduce a new Internet filter that would ban pornographic and separatist material online, despite numerous demonstrations decrying the move as censorship. Soon a new Internet filter is set to go into effect across Turkey. It was originally planned to be introduced three months ago, but was postponed until November 22 for "technical reasons," according to the government. In the meantime, tens of thousands of Turks have held protests across the country under the motto "Hands off my Internet!" Media outlets and Internet forums have also sharply criticized the plan. Although Turkish officials have called the filter "voluntary," fears persist that it could lead the way toward even more restrictive Internet policies. Supporters have called the filter, recently passed under an electronic communication law, a new consumer protection regulation. According to the government, the filter would protect children and youth from "objectionable content" on the Internet. In addition, "separatist propaganda" by groups such as the PKK Kurdish rebel organization is also to be banned. The government says the filter is meant to protect minors from pornography. An 11-member government commission came up with the list of more than 130 search terms deemed "harmful." Internet freedom advocates criticized the group's composition, as it was composed exclusively of officials from the ministries of information and family, and did not include any independent experts. According to findings from the press freedom organization Reporters Without Borders, access to more than 7,000 Web portals could be either completely blocked or heavily limited. Apart from various pornographic sites, this could also include several online services provided by Google, Myspace and the video service Vimeo. Access to the video site YouTube has been blocked several times in Turkey in recent months. The Anatolia News Agency reported that as of this week, Turkish Internet users can voluntarily use the filter, which has been set up by Internet service providers. About 22,000 of Turkey's 11.5 million Web users have allegedly opted in. But the Alternative Information Technologies Association has filed a petition with Turkey's highest administrative court to cancel the filter legislation, saying the measure is not voluntary, as claimed. "Internet service providers wouldn't deny the list provided by the administration, and wouldn't avoid setting up the infrastructure with regard [to] this," the group said in a statement. The group alleges that the measure amounts to an administrative end-run around free speech. While Joe McNamee, of European Digital Rights - an advocacy group based in Brussels - also interprets the filter as being mandatory, he said calling Web blocking "voluntary" is "far easier politically." "The EU in particular has an unfortunate history of promoting ineffective, counter-productive and intrusive measures under the banner of 'child protection,'" he added. "Turkey and China have started duplicating this approach to justify their most recent restrictions to Internet freedoms."

United Arab Emirates

In line with its efforts to support the use of the Arabic language on the Internet, the regulator announced the opening of registration in the Arabic domain name dotEMARAT on November 13, 2011, to be the first day of the fourth phase of GO Live and general availability for public registration. This phase is the fourth and the last phase of the process through which regulator aims to spread the Arabic domain name dotEMARAT in the country. The launch of this phase gives everyone the chance to register in the Arabic domain name dotEMARAT. The launch comes after an extension of the previous phases due to the regulator efforts to attract a maximum number of registrars that are impatiently waiting for this historical moment. The regulator lifted restriction on Du from marketing its HSPA+ mobile services as '4G'. Last month incumbent telecoms operator Etisalat allegedly filed a complaint with the regulator following a statement from Du which claimed that it was the first operator in the UAE to offer '4G' mobile services, after commercially launching its DC-HSPA+ network, which offers download speeds of up to 42Mbps, in March 2011. Etisalat however claimed that according to standards set by the regulator, Du's HSPA+ network should be classed a 3.75G, rather than '4G', and said that its Long Term Evolution (LTE) network, introduced last month offering peak speeds of 100Mbps, should be classed as the UAE's first 4G network. The dispute led to action by the regulator, which last month forced Du to suspend the marketing campaign that referred to its mobile broadband network as 4G, but following an investigation the regulator has said that Du can restart its 4G advertising campaign, with the proviso that the technology used to deliver it is clearly specified. In recognition of the achievements of the regulator in the development of the telecommunications sector in Bahrain, it has been awarded, for the second time, the "Most Progressive Regulator of the Year" award by the SAMENA Telecommunications Council at its annual Conference held in Doha earlier this month. On the occasion of receiving the award for the second time, watchdog Chairman Dr. Mohammed Al Amer said "We have the honor to have been awarded this award for the second time by SAMENA Telecommunications Council, as we have achieved very significant milestones as a regulator, which includes number portability, local loop unbundling (LLU), and other important projects for the benefit of consumers, telecommunications market and the economy of Bahrain. We now have a highly competitive market, comparable with the best in the world, delivering choice, lower prices and diversity of services for the consumer." The telecoms regulator called on the country's two operators to get tough on fake mobile phones, whose number is estimated at 70,000 in the Gulf state. Etisalat and du have been asked to identify counterfeit handsets and cut services to them by the end of 2011 and pass on their numbers to the regulator, Director General told reporters. "We told the operators ... the UAE wants to be clean of fakes and they have to take all necessary steps in detecting fakes." UAE law prohibit the use, sale, purchase or distribution of fake mobile phones and those violating the law will be given notices and fines and in some cases their retail licenses withdrawn, he said. Most of the fakes are illegally imported declining to name any country. There are some 11 million mobile phones in use in the country, he added.

Javaid Akhtar Malik
Director Regulatory Affairs
SAMENA Telecommunications Council



TOP TECHNOLOGY UPDATES

Australian DET Selects Acer to Supply 3G Notebooks

Australia's Queensland Department of Education and Training (DET) have awarded Acer Computer Australia a tender to supply notebooks for round three of the National Secondary School Computer Fund. This contract will see the deployment of up to 65,000 Acer Aspire 1830T notebooks before the end of the year. The implementation of HSPA+ 3G technology in the Acer Aspire 1830T Notebook delivers access multimedia, websites and school material whilst away from the school's network. As part of the contract between DET and Acer and in conjunction with the National Secondary School Computer Fund, Acer was selected based on a number of areas including the ability to offer a notebook service with maximum battery life. Under the agreement, Acer is also set to provide its Educare se¬rvice, which includes a Computerize license protecting against theft and a student notebook bag customized by Targus for protection and portability. Both Acers' global expertise in notebook development and rollout capacity operations enables for a rollout plan to be completed before year end.

LTE Subscribers to Reach 430 Million By 2016

Juniper Research is forecasting a rapid uptake of LTE mobile broadband technology in the next five years but with a very limited global reach. Subscriber levels will attain 428 million by 2016 but will only reach 6 percent of the global subscriber population. Most of this growth is expected to occur from 2012 onwards, with many mobile operators making preparations now in order to realize their roll out targets.

In the early years LTE will be dominated by the uptake of enterprise subscribers, but during 2013 consumer subscribers will begin to sign up in volume and begin to overtake enterprise subscribers by 2015. The report found that LTE smartphones and tablets will dominate the LTE connected end user device market, accounting for 50% of the total LTE subscribers by 2016. LTE smartphones are expected to achieve early market traction in the enterprise market, with high-end data users migrating to the faster technology.

Bakcell Launches 3G Services in 62 Cities

Azerbaijan's second largest mobile operator in terms of subscribers, Bakcell, has reportedly launched its 3G services in 62 cities under the brand 'sur@'. The operator which received the 3G license from the Ministry of Communications and Information Technology (MCIT) earlier this month reportedly plans to extend its 3G services to the country's rural areas during the next year. The mobile broadband service provides users access to a maximum download speed of up to 14.4 Mbps across all coverage cities, with the speed reaching up to 28 Mbps in the capital, Baku. Further, reports reveal that Bakcell plans to launch Dual Carrier HSPA+ services over the network, which would raise the download speeds to 42Mbps. Bakcell, is the third operator in the country to offer its users 3G services. Mobile network operator Azerfon was the first to launch 3G in December 2009, followed by Azercell, subsidiary of TeliaSonera, which launched its 3G services last week.

Afghanistan Auctions First 3G license

The Afghanistan Telecom Regulatory Authority (ATRA) has received 3 bids for the first 3G license. The new license for 10MHz of 3G spectrum was intended to have been awarded by November 2011, but has gotten delayed and the bids are being assessed only now. The existing GSM operators ; Roshan, MTN and Etisalat, have been given the opportunity to match the winning bid to also upgrade their licenses to include 3G services. This could potentially see five 3G license holders operating in the country by the end of 2012. Roshan and Etisalat are already making plans for investment, with Etisalat planning to invest USD 100 million over the coming year to upgrade its infrastructure to provide 3G services and to double its subscribers in the country. Afghanistan's current mobile penetration stands at about 63 SIMs/ 100.

CAT Telecom Plans to Launch 3G Services in 2012

Thailand: CAT Telecom is planning to launch its 3G services under the brand name 'My' by January next year. According to reports, the operator is also planning to present a proposal to its board members, allowing concessionaires to buy back their mobile network before the expiration of the contract. The ministry of Information Communications Technology (ICT) has permitted CAT to draft its network sales plan. Reports reveal that TrueMove, DigitalPhone and DTAC are operating services based on concessions from the state owned operator. TrueMove had reportedly made an offer of US$ 318.4 million for its mobile network, which was considered to be less by CAT. The concession contracts for TrueMove and DigitalPhone are expected to end in 2013 whereas DTAC's concession contract expires in 2018, after which they will have to transfer their networks to CAT Telecom as per the build operate transfer agreement.

Sequans Unveils New FDD and LTE Chips

Sequans Communications Paris has introduced new FDD and TDD LTE baseband chips. The launched baseband and RF chips comprise one of two platforms which the company has designed for two market segments. The platform 'Andromeda' is customized for the design of handsets and tablets, while the second one 'Mont Blanc' has been customized for the design of mobile hotspots, USB dongles and CPE modems. The chips launched by the company include-SQN3110 FDD/LTE baseband system on chip; SQN3120 FDD/LTE baseband system on chip; SQN5110 FDD/TDD LTE and WiMAX dual-mode baseband system-on-chip; SQN3140 RFIC for TDD LTE devices. The company has also established an agreement with Fujitsu Semiconductor, under which Fujitsu's 2G/3G/LTE RF solution is combined with Sequans LTE baseband solutions.

Sprint and Clearwire ink new 4G WiMAX and LTE Agreement

Sprint and Clearwire announced a new 4G LTE and WiMAX agreement that will extend over the next few years. The agreement could be worth up to US$1.6 billion over the next four years for Clearwire, which it will earn selling its services to Sprint. Sprint said it will pay Clearwire US$926 million for unlimited 4G WiMAX access through 2012 and 2013, and that about a third of that payment will be made in 2012. The agreement also guarantees Sprint access to Clearwire's WiMAX network through 2015, which means Sprint customers who purchase WiMAX handsets in 2012 will not have to worry about losing 4G service throughout the life of their device. The new agreements will provide Sprint improved pricing, continue to provide WiMAX 4G services to customers of today and to new customers in the future and provides additional LTE capacity to help complement Network Vision strategy and meet customers' growing data demands.

Vibo Reveals TWD2 Billion 3G Expansion Plans

Taiwanese cellco Vibo Telecom has confirmed that it intends to invest TWD2 billion (USD65.8 million) in the development of its 3G network in 2012, with up to 7,000 new base stations set for deployment next year. A statement by company chairman Rock Hsu, adds that Vibo plans to procure 400,000 handsets, of which 70 percent will be smartphones, in 2012; entry-level smartphones will be priced at around TWD4, 000. Further, the operator aims to increase the proportion of its customer base using smartphones from 12% to 16%-18% next year, and increase data revenues from 22% to 28%-30%. According to TeleGeography's GlobalComms Database, at the end of September 2011 Vibo was Taiwan's fifth largest mobile operator by subscribers with a 7.8 percent market share, equivalent to 2.3 million users.

CLOUD COMPUTING & BUSINESS STRATEGIES FOR OPERATORS' IT OUTSOURCING AGENDA

Cloud Computing Infrastructure Encourages The Adoption Of Innovations

Enterprises are making sure that the innovations and developments are among their highest priorities. They comprehend that they have to seek new ideas and explore new source of significance. Motivated by the demands to cut costs and nurture simultaneously they understand that it's not likely to achieve something simply by making the same things better. They are familiar with that they have to focus on innovations that produce better results. Cloud computing infrastructures can set aside enterprises to get more well-organized use of their IT hardware and software investments.

How Telecom Operators Can Generate More Revenue out of Cloud Computing through 4G?

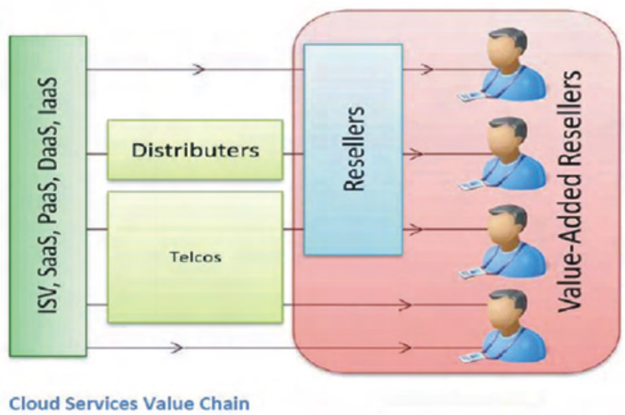
Declining ARPU is causing telcos to reconsider and reengineer their business models. Though various approaches have been suggested and implemented worldwide to increase revenues. This includes attractive value added services, bulk packages, friends and family packages, and so on. This does not however mean that increased revenues will always results in increased profits. In fact reducing OPEX is another aspect that can be considered for maximizing profits.

One of the flaws in the telecom industry is that when it's time to take the juice out of its investments, it starts hastening towards new technologies but the question remains how telecom operators can earn money from Cloud Computing?

Usage of Smartphones is increasing with passage of time that is consequently increasing sales. Thus, during the fourth quarter of 2010, first time ever, there were sales of more than 100 million Smartphones. During the same time frame, only about 91.5 million computers sold so smartphones sales were more than computer sales for the first time. This certainly gives us the actual insight about the future of computing. The possible reason for increasing sales during that period was most probably the tablets, their sales during the same time frame was impressive.

There is a great potential for Telecom operators to offer ipad or any other similar or related products with a variety of packages like: Get ipad from ABC Telecom operator and get virtual desktop in it with a diverse range of applications/

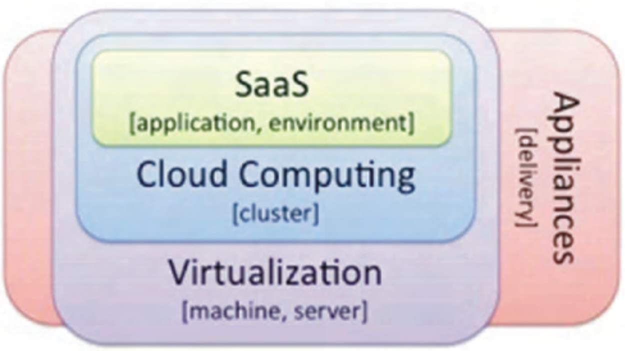
VOD, Streaming, broadband connection, VOIP telephony, a good data storage capacity with many others.



Source: celikalper.com

There is a possibility for telecom operators to become the real Cloud Computing provider for consumers and SME sector. Keeping in view about Cloud computing, video Streaming, gaming and all other applications and new technologies can make a huge difference for consumers and the way how the business is being done. In order to have such quality up and running, a high quality 4G is what's required and this is the next big thing for the operators. Though few critics articulate that 4G concept is just media hype but still it is the enabler for a lot of the Cloud story.

As a matter of fact, consumers who pay for mobile broadband are not asking for 3G or 4G, they are requesting and paying for just getting online and utilizing the available services. 4G put together a wide range of capacities as well



Source: celikalper.com

as competence and telecom companies will, soon, offer a lot of magnificent stuff with cloud computing frame of mind.

Dell To Compete HP, IBM With Public Cloud Service

Dell is going to launch its first cloud infrastructure service through collaboration with VMware, enduring its progress towards the higher scope of software and services.

The service will be relying on VMworld's platform and would be transported from Dell's data center in USA. Consumers will have to pay on pay as you go basis or contract programs for the computing and the storage capacity that includes reserved or dedicated hardware.

Dell is also going to provide consulting services for organizations to develop private clouds in their own data centers. They are also planning to offer "hybrid" clouds using VMware's Connector software, which associates private with public cloud environments.

These steps will heighten Dell's competition with IBM and HP, who are also in process of developing cloud services. And they will place Dell into rivalry with service providers like Amazon Web Services, and others in the same line of business while some of these are also its consumers. Main IT vendors are most likely to offer cloud services of some domain in the next few years.

Dell's distinctive value provider would be its managed security services, since it acquired SecureWorks earlier year.

What Telcos Can do

Today, telecom operators are relying on large scale advanced computing architecture processing huge data and running a number of applications develop, manage, and deliver these services. These services can reduce internal computing resource needs. This ultimately leads to considerably reduced infrastructure investments as well as maintenance cost thus leading to increased revenues.

Telcos appears to have started thinking of SaaS architecture as a way to cut IT infrastructure costs and to use this approach as a starting place for more profits. In the meantime, vendors are also taking into consideration SaaS architecture compliance for their products. Nonetheless, so far no major software vendor from telecom industry has shifted to SaaS architecture but the move to SaaS appears to be inevitable for the industry. According to industry forecasts, globally SaaS revenue will show considerable increase within the next few years.

Gartner forecasts that the SaaS market to exhibit a steady growth through 2013 when revenue will total over US$14 billion for the enterprise application markets.

Bocar BA
President
SAMENA Telecommunications Counci

CAPEX-OPEX CHALLENGE:
THE NEED FOR A BALANCE TO BOOST INDUSTRY GROWTH

The ICT industry's key stake holders have continually embraced the need for lowering capex and opex. In fact the industry's health is strongly linked towards lowering the service provider's operational expenses as well their capital expenditures. Infrastructure vendors have made major efforts to address this need, and operators have also started to take the issue seriously. Initiatives such as network sharing allows for two or more service providers to share their network infrastructure, with the plan that the individual CAPEX and OPEX will be reduced. The idea revolves around the approach that the infrastructure is optimally used in a way that all the parties involved are benefitted. With growing bandwidth demands, increasing competition, and price growth, telcos are constantly challenged and are under pressure to upgrade their infrastructure and roll out advanced technologies. To overcome such challenges, the telco community is adopting various strategies with network sharing as one such strategy.

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Growing demand for broadband service has resulted in the need for advanced technologies which in turn demands greater investments in infrastructure rollouts by telcos. This trend will increase the CAPEX for deployment of new technologies to offer broadband services a large scale. Nonetheless it is obvious that the cost for developing wireless broadband technology is considerably lower as compared to the traditional broadband access networks. Similarly, return on investment (ROI) is also considered to be a hurdle in deploying broadband networks in the remote areas.

This is mainly because the cost of building infrastructure for broadband access in such areas is much higher while the return is considered to be low, thus operators, in general, are uncertain about infrastructure rollouts in these areas. The resulting technological divide has been an area of concern which can be tackled through strategies such as public private partnership, and network sharing among others. Infrastructure sharing is by far the ideal strategy for CAPEX and OPEX reductions. Whether it is a developed market where telcos are under constant pressure of strong competition or emerging markets where low ARPU is a matter of concern, the telcos are facing the challenge of quick rollouts of infrastructure.

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With the evolution in the cellular industry, outsourcing tower and site building are part of major initiatives that are considered to help operators lessen capex and opex. Reportedly, some of the big players in the region have already undertaken a number of initiatives to reduce capex and opex; this includes co-location, hybrid power, transmission media sharing, and site acquisition among others. Service providers in advanced markets have already explored the potential of advanced active infrastructure sharing as well as outsourcing while operators in emerging markets are planning beginning to look into partnerships in terms of infrastructure, sales, and operations for it will help reduce the costs and speed their deployments in the rural areas.

Apparently, there are several factors behind this low broadband penetration which includes poor infrastructure, slow pace of de regulation, less attention towards modern technologies etc. Necessary measures taken by the governments, regulatory authorities, operators and other stake holders are quintessential to promote the uptake of broadband. For example, most of them have already opened the fixed-sector to competition in addition to the cellular sector and shown good results. A number of markets in the SAMENA region have shown interest to fund both basic telephony and broadband services using national service funds; and some markets, such as Pakistan, Qatar, Saudi Arabia, have been fairly successful in doing so. It is important that an inter-market dialogue can be initiated to help experience-sharing of the clearly understandable benefits of infrastructure among regulatory bodies and service providers.

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According to ABI Research, consumer services revenue from 4G is expected to reach to US$70 billion by 2014. WiMAX is already being used in various markets as a cost effective wireless broadband access and backhaul technology. LTE deployments appears to be gaining momentum, it is likely that WiMAX, LTE and other wireless broadband technologies will be used extensively for broadband access to cope with bandwidth hungry application. Despite so much focus, new investments, and adoption of transmission and access technologies, the overall broadband penetration is still below the global average. This makes a huge potential for broadband service providers, be it WiMAX, LTE or any other technology. A number of big players in the region have recently completed LTE trials with some of them already in the launching phase of this new 4G technology.

In the SAMENA region, particularly in the Middle East, it appears that internet access will be largely driven through next generation wireless technologies requiring huge investments. The operators' community is continually in the quest for overcoming the challenge of growing expenditures. A number of value added services are expected to add to the growing revenue of next generation service providers. Industry analysts believe that operators will start to offer more "smart services" to be able to create new revenue streams. Gaming and P2P video sharing services are expected to be the most popular 4G services. Nonetheless, the need for huge investments required deploying faster, modern and more resilient networks will keep the pressure on the telcos thus driving them to focus on infrastructure sharing strategies.

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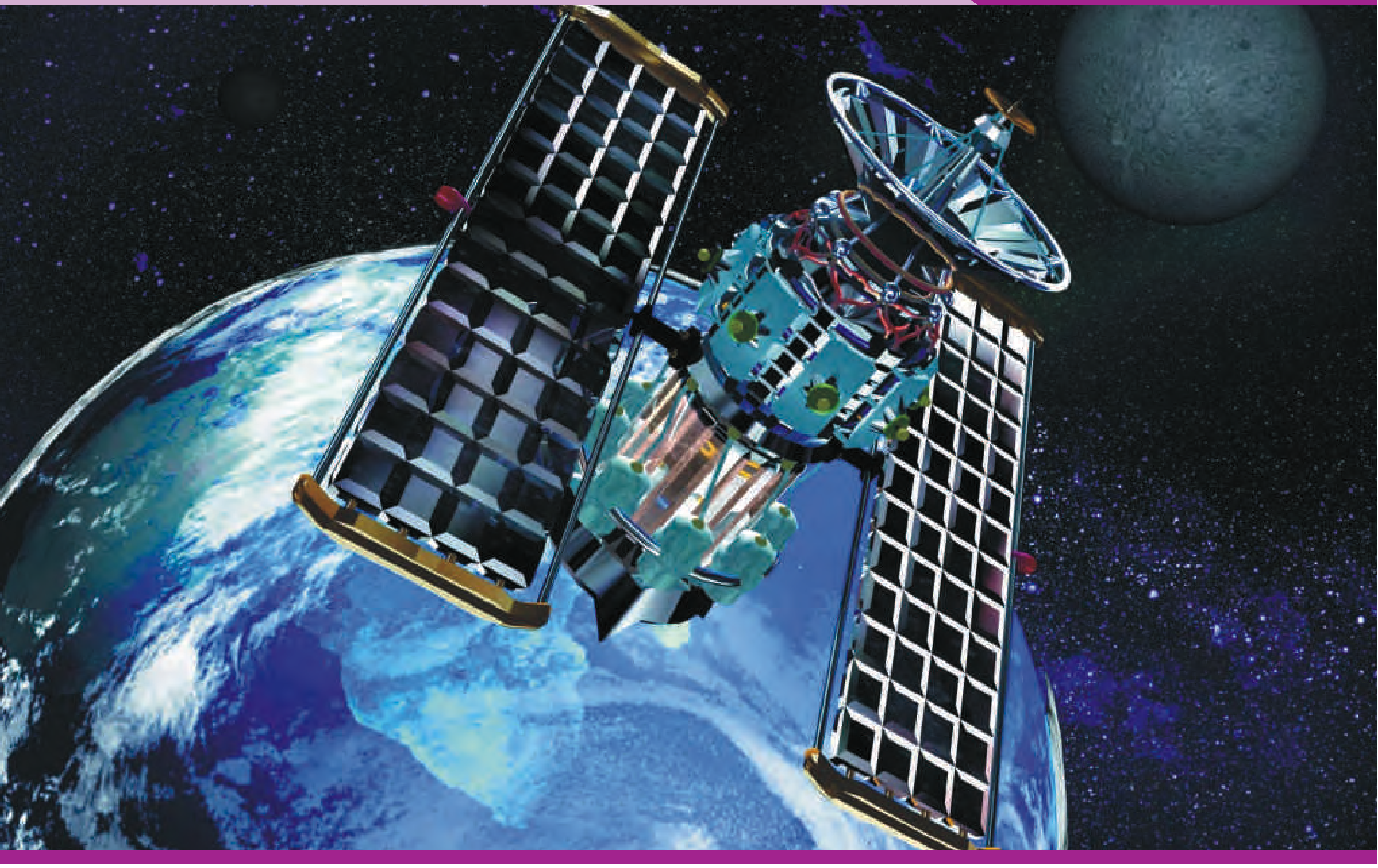

SATELLITE NEWS

Thuraya First Satellite Operator to Offer Twitter Services for Consumers by SMS

Thuraya, the leading international mobile satellite operator is the first in the mobile satellite industry to launch SMS based Twitter services for its handheld consumer base. This unique service will enable voice consumers to send and receive Tweets via SMS wherever they may be located within Thuraya's 140 country coverage area to and from their handheld devices. As such, consumers can always stay in touch in real-time and actively engage in the new world of social media of their interest. Thuraya SMS based Twitter service can facilitate corporate networking or be used for rapid emergency communications. Thuraya voice consumers will receive Tweets free-of-charge in the form of an incoming SMS. Outgoing Tweets will be sent and charged as a normal text message. To access the Thuraya SMS based Twitter services consumers need to link their phones to their Twitter account. To achieve this they need to send an SMS to the Twitter code 1888 with the word START and follow instructions. Additionally the service is explained on the setting icon on the Twitter website.

Thuraya Collaborates with UNICEF to Raise Awareness on Child Education Rights

UNICEF, the world's leading children's agency and Thuraya, the leading international mobile satellite services operator, teamed up recently to raise awareness about child education rights. On the 22nd anniversary of the Convention of the Rights of the Child, Thuraya sent an SMS message to all its consumers highlighting its commitment to unprivileged children across the globe. It has been estimated that 67 million children globally do not have access to formal education. As such, with a massive subscriber base spanning 140 countries in Europe, Africa, Middle East and Asia, Thuraya, the market leader for mobile satellite handhelds within its coverage area, joined forces with UNICEF as part of its CSR endeavors to raise awareness and focus attention on the world's children who currently are unable to attend schools or receive education due to poor infrastructure, lack of funding in deprived areas, or social and cultural constraints.

Thuraya Displays Telecom Solutions That Enable Digital Oil-Field

Thuraya, the leading international mobile satellite operator has consistently pioneered the most compact satellite telecom solutions in the market that empower digital oil-field operations for the energy sector. Supported by a robust network, Thuraya's cutting-edge product portfolio feature the world's smallest satellite broadband solution to support 384 Kbps streaming "Thuraya IP" and the smallest robust satellite handheld "Thuraya XT" which both provide vital and reliable communications for energy professionals. The Thuraya IP solution is used by energy oil and gas engineers and professionals for sending maps, photos, videos, vector drawings, CAD files and urgent field operational reports. Additionally, the terminal can boost SCADA systems by enabling the monitoring of oil wells and pipelines. It's also an instrumental tool for efficiently communicating reports and information on the pressure, corrosion and pipeline temperature.

Inmarsat Selects Intellian for Global Xpress Maritime Antennas

Inmarsat (LSE:ISAT.L), the leading provider of global mobile satellite communications services, announced the selection of Intellian Technologies for the production of marine stabilised antennas for its forthcoming Global Xpress™ (GX) service. Intellian, a leader in antenna systems for the maritime market, will design and manufacture a 60cm Ka-band GX antenna and a 1m Ku-band antenna that can be converted to Global Xpress when the service starts in 2013. Both antennas will incorporate the GX core module currently under development by iDirect. The world's first global Ka-band network, Global Xpress will deliver a high-performance, high-quality, cost-competitive service. Capable of providing up to 50Mbps, GX will operate alongside Inmarsat's existing L-band maritime services to offer an unrivalled combination of power, reliability and global coverage for the world's shipping fleets.

Russia Launches Two Telecom Satellites

Russia has launched two telecommunications satellites Luch-5A and Amos-5 from the Baikonur space centre in Kazakhstan. A Proton-M carrier rocket with two telecommunications satellites onboard blasted off from the Baikonur space centre in Kazakhstan, said a spokesman of Russia's space agency. The Luch-5A satellite will provide communications with the Russian segment of the International Space Station. Israel's AMOS-5 will join the satellite grouping of AMOS-2 and AMOS-3 to provide various satellite services to customers in the Middle East, Central and Eastern Europe, Central Asia and Africa. Equipped with 18 C-band and 16 Ku-band transponders, AMOS-5 satellite has a life span of 15 years.

GMN Launches RedPort Satellite Broadband Network Management Solution Suite

Global Marine Networks (GMN) has announced the launch of RedPort Global, a satellite network management solution suite for maritime and offshore satellite broadband users and distributors. RedPort Global offers an array of satellite voice and data services that will save up to 80 percent of satellite airtime while giving more utility for any maritime satellite voice or data user. By launching RedPort Global, GMN is offering new services including prepaid VOIP calling for passengers and crew morale, and email and web access for Apple iOS products including the iPad, iPod Touch and iPhone products via Wi-Fi when used with the award-winning XGate satellite phone email acceleration service. President and CTO of GMN said that GMN has long been a leader in satellite data services and with the launch of RedPort Global, we are offering satellite broadband users important new data services while building on the foundation of our popular webXaccelerator satellite routers and XGate satellite data products.

GlobeCast Adds Satellite Capacity in Russia and the CIS Countries

GlobeCast announces the expansion of its satellite capacity over Russia and the Commonwealth of Independent States (CIS) with a new Ku-band platform on the Yamal-201 satellite. Offering significant opportunities to penetrate the cable market throughout the CIS, GlobeCast's capacity provides full coverage of this area to regional and international channels. Uplinked from Moscow, and located at 90°E, GlobeCast's distribution platform on Yamal-201 will offer FTA (Free-to-Air) or encrypted channels very wide coverage from Eastern Europe to east of Japan, and from North China up to Siberia. The satellite has been live since 2003 and boasts more than 70 diverse prime Russian and regional programs, with 90 percent penetration of cable operators and a potential reach of more than 16 million cable homes. With this new platform GlobeCast is once again showing its commitment to offering premium services to broadcasters in this growing region.

ROAMING NEWS

Globe and PLDT Complete Interconnection in Quezon

Philippine communications provider Globe Telecom has c¬ompleted interconnection of their fixed networks in the province of Quezon. In a statement, Globe Telecom says the interconnection was completed after five years of negotiations, following the order of National Telecommunications Commission (NTC) Commissioner Gamaliel Cordoba to fast track local interconnection between Globe and PLDT. Following the interconnection, customers of both networks can call each other at local rates, rather than paying long-distance rates. Globe earlier pledged its full support and commitment to NTC to activate interconnection in more areas nationwide to protect consumer welfare and spur continued growth of the information and communications technology (ICT) industry in the country. The networks of Globe, Bayan Telecommunications (BayanTel) and Digitel Telecommunications Philippines have been 100 percent interconnected in all areas of common presence and operations nationwide since April 2011.

UCC Set to Review Interconnection Rates

The Uganda Communications Commission is paving way to review the interconnection rates for communication companies. The commission has hired PWC-London to carryout research in the market using players in the industry and other stakeholders to come up with results which would be based on to set new rates. The research starts and would end after three months and new rates will be set thereafter. The current interconnection rate for voice stands at Shs 131 per minute which was reduced from Shs 181 in 2008. Interconnection involves linking up of one telecom operator to the infrastructure facilities of another. This is done by UCC through setting a minimum rate which operators have to abide.

In a message passed on during a workshop on interconnection in Kampala, the executive director of the commission said, the current market changes are a major factor for the review of the interconnection rates.

Bahrain's TRA Plans New Data Roaming Rules

Telecommunications Regulatory Authority (TRA) has drafted new rules which features amendments to regulations imposed on mobile operators. Consumers and members of consumer groups are being urged to add their comments to the document. The international data roaming service is increasingly used by consumers with little or no information about the charges to be paid for the service, said TRA consumer affairs and media director. The¬ amendments to the regulation aim to improve the transparency of the charges paid while roaming for data as well as voice and short messages services. The proposed amendments to the regulation will empower consumers to make informed choices when it comes to using data roaming. Consumers will need to be informed of the maximum tariff for sending and receiving data while roaming. The consultation is open until 28 December.

Telenor Denmark lowers "Travel Talk" Voice Roaming Rates

Telenor Denmark announced that its 'Travel Tale (Travel Talk)' voice roaming subscriptions for businesses now offer 30 percent lower rates to customers who travel to countries like the US, Canada, Brazil, Russia, India and China. Previously, only customers travelling to Scandinavia and the EU got an average saving of 30 percent compared to the standard rates. A 'Travel Tale' add-on can be used for making calls towards Denmark as well as for receiving calls. For all those customers who already¬ have a 'Business Traveler 'product, it means that they automatically get lower call rates worldwide from 1 December. The move comes after Telenor noticed a growing demand for products targeting the US, Canada and the BRIC countries, which are popular trading partners for Denmark. 'Travel Tale' charges are added to the domestic price plan.

ANRT Chops Interconnection Rates, Unifies MTRs in January 2013

Morocco's National Agency of Telecommunications Regulation (ANRT) made downwards adjustments to wholesale network interconnection charges for voice telephony and SMS messaging services, initially set for the period 2010-2013. Under the most recent adjustments, the regulator decided to lower mobile termination rates (MTRs) by 82 percent between July 2010 and December 2013, compared to the previously agreed reduction of 65 percent in the period. The additional reductions in MTRs will be applied from 1 January 2012. MTR fees for connecting calls on the networks of the country's three cellcos, Maroc Telecom (IAM), Medi Telecom (Meditel) and Wana (Inwi), will fall to MAD0.202 (USD0.024) at 1 January 2013 half the original rate of MAD0.40 proposed in the ANRT's original 2010-2013 wholesale framework.

Philippines: Telcos Finally Agree to Cut SMS Fees

According to a National Telecommunications Commission (NTC) spokesman, the telcos have agreed with the Commission's interpretation of its directive in reducing the interconnection charges from P0.35 to P0.15 per message. He said the lower SMS fees will be implemented by telecommunications companies by middle of December. According to NTC data, around 93 percent of the total cell phone users in the Philippines, or roughly 88 million, are prepaid users who are availing of various promos. Only percent are postpaid users, while the remaining 4 percent are prepaid users who do not avail of any promo. The NTC said the order will benefit some 3.5 million prepaid users who do not avail of the promos.

America Movil to Further Lower MTRs Charges

America Movil has planned to further lower its interconnection charges during 2013. Next year, Mobile Termination Rates (MTRs) are likely to be lowered by 3 Mexican cents to 36.18 Mexican cents from 39.12 Mexican cents. Further, it plans to reduce MTRs to 33.05 Mexican cents and 30.94 Mexican cents in 2013 and 2014, respectively. America Movil already reduced its MTRs by 70 percent to 39.12 Mexican cents from 95.00 Mexican cents in May, as directed by Mexican telecom regulator Cofetel. This represented the lowest interconnection charges across the globe. Further, in May, Cofeco fined Telcel, (Movil's Mexican wireless subsidiary) by MXN US$12 million for charging lower MTRs to its own clients (on Internet calls) compared to MTRs charged to other carriers preventing them from providing similar offers to their clients.

Competition Watchdog Favors Lower Termination Rates for MVNOs

The French competition authority has lined up behind national regulator Arcep in supporting its proposal for lower voice call termination rates for new mobile start-up Free Mobile and other full mobile virtual network operators (MVNOs) than for the three incumbent cellcos, Telecompaper writes. Unconfirmed reports suggest the authority prefers ex-ante regulation in the case of the Iliad group's would-be newcomer Free Mobile, as well as for MVNOs Lycamobile, Omea Telecom and NRJ Mobile. The paper says the competition authority has stressed the need to strive for an ongoing reduction in mobile termination rates, including setting asymmetric rates in instances it deems will address competitive distortions in the market.

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