SAMENA TRENDS

EXCLUSIVELY TO SAMENA TELECOMMUNICATIONS COUNCIL'S MEMBERS

BUILDING DIGITAL ECONOMIES

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A SAMENA Telecommunications Council Newsletter

Exclusive Interview

Ahmed Mekky

Board Member &
Chief Executive Officer
Gulf Bridge International

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EDITORIAL

Perpetuating the Growth of the Internet

The month of July can be rather quiet for those of us remaining in the office here in Dubai. Many people not only in Dubai but in the region are electing to take their vacation during this time. However, this affords those who stay, and who are not permitted by the intricacies of the business world, the opportunity to plan ahead for the remainder of the year.

This year, in addition to the vacation time in July, the celebration of Ramadan occurs for most of the month of August. This so-called "quiet" does afford us the ability to catch up and ensure that our planning is current and up to schedule. Our organization is very busy working on multiple issues and has recently begun to start work on a market study, highlighting, specifically, public private partnerships, and detailing individual business concepts and case studies where PPP has been successfully initiated in markets around the world. This study will analyze all of the major business models and also try to identify, through empirical data, the impact of such activities.
In parallel, the organization retains its focus on broadband. Broadband development on both fixed and mobile basis, as we know, is imperative and extremely costly. What is important, however, is that, while building futuristic broadband network infrastructure, appropriate business models are used to advance the development of high-speed broadband to both urban and rural markets, through the use of investment concepts that'd incentivize greater involvement of all the key stakeholders.

When we speak of futuristic broadband infrastructure, the ability to boost broadband, and the need to inter-link regions with greater efficiency, we think of the perceivably isolated submarine cable industry. This month, SAMENA Trends is highlighting submarine cable systems. Several of the members are very active with regard to acquisition and implementation of new submarine cable systems and also terrestrial cable network systems. These networks are highly important to the service providers of the region and also to the world, for they are the interconnectors of the many operator systems that exist in the region. It was not too long ago when there were those who said there was too much fiber capacity in the ground, and the sea. Those days are now behind us.

Driven by advanced bandwidth hungry applications on the Internet, advanced high-speed gaming, and other multimedia services—all of which have resulted in a non-linear growth rate of data traffic—network usage has never before been as high as it is at present. The explosion of traffic on the network has led to the requirement for new systems to be built, including the need to establish new subsea cable systems. As a general consequence, ultra high-speed access to the Internet has been allowed to the OTTPs over the operators' networks. This is precisely the reason why OTTPs have grown to the extent that they have, facilitated greatly by the telecom operators. As an example, in the Saudi mobile broadband market, YouTube ranks above all other mobile broadband services.

Many of you may already have heard of the new announcements regarding both subsea and terrestrial cable network systems on a global and also regional bases. The requirement for new subsea cables is not only driven by traffic rise and demand for bandwidth. The need for new systems also comes from operators' requirement for redundant paths for their international traffic. Alternate routing of international message and data traffic is very much a requirement, considering multiple system cuts in the original subsea cable systems in the region have occurred over the recent past. Entire country markets have been affected by these cable system outages. The sad part is that many of the outages were never caused by operator errors or system faults. Whatever the causes may be, the service providers have now made reliable international interconnectivity a priority.

New cable systems, such as the new Pacific Fibre and WACS cable systems, are being conceived around the globe. Operators are beginning to get very active in participating in consortiums working together constructing landline as well as subsea cable networks. In our region, as was recently announced, Omantel Group has joined a venture with TIC of Iran, along with Cable & Wireless in building a new system. STC, Orange JTG, STE and TurkTel have joined together

EDITORIAL

to create the JADI consortium, to name a few in our region. In addition, the formation of Gulf Bridge International (GBI) will bring in additional capacity to the Middle East and beyond, with interconnectivity to systems crossing to Europe. Also, acquisition activities have increased in this sector. Bharti Airtel of India recently announced its acquisition of Seychelles Telecom. This has created a strong anchor for the development of the new Seychelles East Africa system (SEAS).

The advent of these new optical networks helps generate further enthusiasm with regard to the development of additional capacity for broadband growth in our region. Given that the financial crisis has just recently abated, the development of new broadband capacity on an international basis signals that good times are ahead of us. There remain still many very difficult issues that the operator environment must still handle. However, our organization sees much optimism in existence with regard to the future of ICT and broadband in the SAMENA region. Continued investments by operators in high-capacity infrastructure for both domestic and international connectivity needs illustrate clearly that the service providers are doing all they can to further perpetuate the growth of the Internet throughout the region, and this is very important to all the stakeholders in the ICT ecosystem.

Truly Yours,

Thomas Wilson
CEO & Managing Director
SAMENA Telecommunications Council

Editor in Chief
Thomas Wilson

Managing Editor
Bocar BA

Contributing Editors
Javaid Akhtar Malik
George Victor Salama
Zakir Syed

Members Contributors
Peppers & Rogers Group
Booz & Company

Publisher
SAMENA Telecommunications Council

Subscriptions
subscriptions@samenacouncil.org

Advertizing
ads@samenacouncil.org

For any legal issues or concerns,
e-mail: legal@samenacouncil.org

Or Contact SAMENA at: ***SAMENA TRENDS***
Alfa Building-Rm. 304, Knowledge Village
PO Box: 502544, Dubai, United Arab Emirates
Tel: +971.4.364.2700

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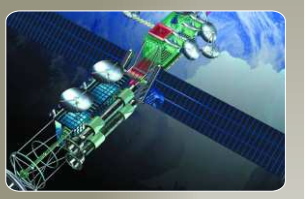


TOP REGIONAL & MEMBER NEWS

PCCW Planning UK 4G Mobile Broadband Network

PCCW has announced plans to roll out a high-speed 4G mobile broadband network in the UK in the near future. According to industry reports UK Broadband - the company's British subsidiary - could launch its first services to end users as early as 2012. If true, this would give PCCW a potentially valuable head start on network operators Everything Everywhere, O2, Vodafone and 3 Mobile, which are set to bid on additional spectrum to deliver 4G in the first quarter of next year. PCCW already owns a significant chunk of 3.5 GHz and 3.6 GHz spectrum, which it believes will be ideal to provide Long-Term Evolution (LTE) mobile broadband technology.

Telecom Egypt Looks to Secure MVNO license

Akil Beshir, chairman of Telecom Egypt has said that the company aims to secure a mobile virtual network license towards the end of the year, Reuters has reported. Telecom Egypt owns a 45 percent stake in Vodafone's Egyptian mobile venture but does not have management control and only consolidates part of the profits from that business. Beshir said his goal was to transform the 80 percent state-owned company into a "total telecom service provider" and that meant pushing into mobile services as a priority. Last year, Telecom Egypt offered to buy out Vodafone's 55 percent stake in Vodafone Egypt but the two sides could not agree on a price.

Dubai eGovernment's ePay Generates US$462 Million in First Half of 2011

Recent statistics revealed by Dubai eGovernment show that there has been a 55 percent increase in the amounts collected through Dubai eGovernment's ePay payment gateway in the first half of 2011, compared to 2010. ePay enables customers to electronically pay their bills and settle dues for various government services in a safe and secure manner. A total of US$462 million through 1,396,973 transactions was collected through ePay on behalf of all the participating local entities by the end of June 2011. This compares to a total of US$300 million through 835,095 transactions in the first half of 2010. Ahmed Bin Humaidan, Director General of Dubai eGovernment said: "These results clearly indicate the favorable pace of eTransformation in Dubai and also reflect the increasing adoption of ePay as a preferred mode of payment to complete government transactions on one hand and the confidence shown by customers in the efficiency and safety of this option on the other."

PTCL Launches EVO 256 Kbps Unlimited Packages

Pakistan Telecommunication Company Limited (PTCL) has introduced new EVO packages for EVO users. 3G EVO 256 Kbps package now makes EVO mobile broadband services accessible at lower rates. The two new existing packages introduced for mobile broadband users are EVO 256 and Go 30. EVO 256 is a volume based package with line rent of PKR 1,199 and download speed capped at 256 Kbps. Go 30 is a time based package, which offers 30 hours usage limit against the line rent of PKR 799 and an additional charges of PKR 21 per hour with speed up to 3.1 Mbps . Validity period is 30 days. The customers can switch package through one stop shops, call centers and EVO support.

STC and Google Enter a New Digital Partnership

STC and Google Saudi Arabia held a joint press conference in Riyadh on the occasion of launching the YouTube Invision service. The conference opened with a visual demonstration showcasing the applications of the YouTube service which has been launched including details on the features and benefit of the service and how to access it, in addition to the other customer benefits that will be gained from this new service. The demonstration also included key features of the Invision service which set forth a qualitative leap in the Saudi home and changed the concept of TV viewing, being the first of its kind that provides customers with television viewing, call services and access to the internet using a modern and innovative approach that has radically changed the concept of television viewing.

DAMAMAX Jordan Announces the Completion of a New Fiber Route

DAMAMAX Jordan, a subsidiary of DAMA Ventures and one of the largest backbone operators in Jordan providing telecommunications services for local and regional carriers, announced the completion of a new dark fiber route extending from Egypt through Jordan and onwards to Saudi Arabia. This network expansion is expected to serve local and international carriers that are looking to expand their own global network within Africa and Asia. Furthermore, this expansion is also expected to serve the corporate segment, particularly multinational companies with headquarters or branches located in any of those countries. DAMAMAX Jordan's CEO, Eng. Eyad Abu Khorma, said "In line with our regional interconnection strategy to establish ourselves as the telecom hub in the Levant region, we are pleased to complete the second phase of our network expansion towards Egypt and Saudi Arabia, which followed the successful deployment of the first phase were we established a direct connection with Palestine. The third phase of our expansion will be towards Iraq. DAMAMAX will carry on with investing in its fiber optics based network, enhancing and developing its infrastructure to provide our respective clients and business partners with global network solutions and to meet the increasing demands for regional and international connectivity."

ZTE Unveils World's First Commercial LTE Micro Base Station

ZTE Corporation has launched the ZXSDR BS8920, the world's smallest commercially available LTE base station. The BS8920 also has the largest capacity of any LTE micro base station at 150 Mbps; with 2X10W transmit power and 2T4R modulation for a large footprint. It also offers significantly lower total cost of ownership due to reduced hardware, power consumption and deployment costs. The ZXSDR BS8920 micro base station is targeted at the rapidly growing market for urban and indoor hotspot coverage, and can reduce hardware costs by up to 50 percent of distributed base stations. The design of the BS8920 encompasses key features to reduce power consumption to as low as 100W average, with up to 30 percent lower deployment costs in terms of deployment compared to other distributed base stations. Ms. Li Jian, General Manager of ZTE's CDMA and LTE product line, said, "ZTE invests heavily in research and development for environmentally friendly, low-power solutions that are versatile for operators. We are pleased to debut the BS8920 which we are already demonstrating to customers. This development will allow both end-users and operators to experience excellent coverage and meet demand with ease."

Etisalat and Qualcomm Share Best Practices on NGN and Device Strategies

Etisalat and Qualcomm held a strategic workshop in Abu Dhabi to discuss the future of mobile broadband services and devices. The event, organized to identify and give Etisalat insight into new developments and best practices in 3G/4G technology and mobile data services, enabled the companies to identify potential areas of strategic cooperation. "Mobile has grown to become the most prevalent technology platform in human history and the era of ubiquitous connectivity is now upon us," said Essa Al Haddad, Group Chief Marketing Officer at Etisalat. "Our planning workshop and comprehensive cooperation agreement with Qualcomm is part of our commitment to give Etisalat's customers the most advanced services, cutting-edge devices and the most exciting user experiences possible." This is the first of several initiatives that are scheduled to be rolled out between the two companies and follows an agreement that was signed for Qualcomm to provide certain assistance to the Etisalat Group's 18 international operations across Asia, Africa and the Middle East. "Mobile is evolving rapidly to enable entirely new breeds of devices and new types of mobile data services that go far beyond SMS and Web browsing," said Jihad Srage, Vice President and President of MEA operations at Qualcomm. "Etisalat has been truly innovative in embracing these new developments to give their customers the best mobile experiences possible. We're very pleased to play a role in aiding Etisalat to map out their future broadband strategies."

du Signs Three-Year Support and Optimization Agreement with Cisco

du signed a three-year contract with Cisco for network support and optimization services to support existing and future network infrastructure growth. The contract has been financed through attractive finance terms arranged by Cisco Capital (Dubai) Limited and provides du with a predictable and optimized total cost of ownership over three years. Hatem Bamatraf, Senior Vice President of Network Development at du, said, "We continue to strive to provide our customers with the best possible service by constantly improving our network infrastructure. This agreement in collaboration with Cisco will ensure that we are able to further optimize our market offering and deliver the uninterrupted and quality services our customers have come to expect. The strategic finance arrangements further reinforce the strength of our financial and operating position." The three-year agreement provides du with Cisco SMARTNet for rapid issue resolution and premium service options to help du maximize operational efficiency. Additionally, Cisco will provide comprehensive network and voice infrastructure optimization services as well as on-site focused technical support services.

STC Announces Free Installation Promotion for IP-VPN Service

Fulfilling the need of the Kingdom's business sector for a network that ensures fast, secure and effective communication in their daily transactions, and to help large companies who consider information as a cornerstone of their operations, STC has launched an offer of free installation of the IP-VPN service with speeds from 64 Kbps to 10 Gbps. The offer lasts until the middle of September. STC IP-VPN service makes a positive contribution to enhancing the level of productivity and performance, thus increasing profitability. The service uses the IP protocol which ensures fast and easy integrated access between different locations of a customer's branch network across the kingdom by connections such as WiMAX, Fiber and VSAT. IP-VPN provides a continuous and highly secure connection for transmission of all types of applications including audio, video, internet and data. The service also enables customers to easily activate a range of applications such as holding audiovisual meetings and attending them without the need to travel.

Lebanon has Least Competitive Cellular Market in Arab World

The Cellular Competition Intensity Index for 2011 ranked Lebanon in 19th place among 19 countries in the Arab world, unchanged from 2010 but down from 15th place in 2007 and 11th place in 2006 according to industry reports. The index rates the intensity level of competition in the region's cellular markets by comparing the state of every market relative to the other markets. The index, designed by the Arab Advisors Group, takes into account nine categories, with each category assigned with a weight based on its importance as an indicator of competitive behavior. The categories include the number of licensed and expected operators in 2011, the number of working operators, the market share of the largest operator, the number of pre-paid plans, the number of post-paid plans, the availability of smart phone plans, the availability of corporate offers, the availability of 3G services, and the availability of international long distance competition. Lebanon received a score of 33.80 percent, way below the regional average of 58.14 percent, but up from 31.2 percent in 2010.

Asiacell Launches Mobile Health Service

Asiacell, the Iraqi telecommunications company, announced the launch of its Mobile Health content download and SMS service, which is now available to its prepaid and postpaid subscribers. The launch of this new service corresponds with Asiacell's activities geared towards spreading health awareness throughout the community. The Mobile Health SMS service offers subscribers useful information on health practices, in addition to the latest updates on specific health topics of

their choice. Abdulla Hassan, Asiacell's Public Relations Unit Head, explained that the Mobile Health service reflects the Company's interest in keeping abreast with the latest advances in the healthcare sector, and fall under its continuous efforts to raise health awareness amongst members of the Iraqi community, motivating them to adopt healthy lifestyles.

Nokia Siemens Networks to Deliver Fiber Boost for China

China's fiber optic market appears to gain momentum after the news that China Unicom has tapped Nokia Siemens Networks (NSN) to deploy a 40 Gbps-capable optical network for the operator. The network will be 5,000 kilometers in length and will be able to handle 40 Gbps per channel, based on dense wavelength division multiplexing (DWDM) technology. The seven provinces of Chongqing, Hubei, Anhui, Jiangsu, Fujian, Guangdong and Guangxi will have access to the network and the company said that the rollout paves the way for future upgrades to 100 Gbps speeds, while also lowering costs by reducing the number of sites deployed. "As one of the largest network operators globally, China Unicom understands the importance of investing in the latest technology," said Markus Borchert, head of Greater China region at Nokia Siemens Networks in a statement. "Our 40G DWDM system will ensure a longer life cycle for China Unicom's network by increasing its network capacity to handle data traffic growth. In fact, since CP-QPSK technology is being used for the first time in China, it will act as a new benchmark for enhancing transport performance and end-user experience."

Alcatel Lucent Introduces New Chip for Greener Internet

Alcatel Lucent has unlocked the potential for radical new Internet applications and services with a technology seen as the key to greater capacity, faster connections and reduced congestion on the web. The next generation chip is expected to dramatically enhance the infrastructure needed to access rich new online services, ranging from high-definition video conferencing to applications in the business and professional world. The new "FP3" chip, according to Alcatel, will eliminate the bottlenecks preventing such services from taking off today, widening the Internet's digital highways while enabling dramatically higher data speeds and improving traffic flow. At the same time, the chip will lower the energy consumption of networks, requiring up to 50 percent less power than equivalent chips in use today. The new product, according to the company, tailors network capacity and performance to different needs, ensuring flawless broadband delivery of entertainment, business-to-business communications and digitized public services. The systems, operating at 400 Gigabits-per-second, will extend the company's current second-generation technology, which today delivers an industry-leading 100 Gigabits per second.

Zain Jordan Appoints New CEO

It has been announced by the Zain Group that Ahmad Al Hanandeh has been appointed as CEO of Zain Jordan. Dr Abdul Malek Al Jaber has ended his two-year contract as CEO of Zain Jordan, eventually to be replaced by Ahmad Al Hanandeh. The former has been understood to have dedicated his immediate future to his family, in addition to pursuing personal business interests. Mr. Al Hanandeh is a Jordanian national who had served as Chief Financial Officer of Zain Sudan. Welcoming the new CEO of Zain Jordan to the role, Nabeel Bin Salamah, CEO of Zain Group said, Ahmad Al Hanandeh brings with him new skill sets, energy and experience the much needed attributes to push Zain's dynamic operations. He also believes that Mr Al Hanandeh's background is closely related to meeting customer expectations which is very central to the core business of the Zain Group. He expects the new CEO to build upon the distinguished achievements of Dr. Al Jaber in further consolidating Zain's stature as a leading telecom operator in Jordan.

Nawras Wins Best IPO Middle East Award

Nawras was named "Best IPO in the Middle East" at a glittering achievement awards ceremony held recently in London. Nawras Company Secretary Philippe Vogeleer proudly accepted the prestigious award from EMEA Finance magazine, on behalf of the delighted Nawras team. The judges described Nawras IPO (initial public offering) as an outstanding deal for Oman, stating "not only was it the country's first book-built IPO, requiring joint issuers Morgan Stanley and BankMuscat to develop the process, it was also the biggest listing in the Arab-GCC region in 2010." After receiving the award CEO Ross Cormack said, "Working on this IPO was an exciting and demanding project which involved breaking new ground in Oman, at a time when the global economic situation was challenging. Everyone involved in the process invested huge amounts of time and unrelenting energy to ensure the achievement of a successful outcome for our shareholders. We are proud to once again be the trailblazers in the Sultanate of Oman, to have completed the IPO so successfully and of course to be recognized for it."

Operator Leader's Vision

Ahmed Mekky
Board Member & Chief Executive Officer
Gulf Bridge International

Ahmed Mekky, is Chief Executive Officer of Gulf Bridge International (GBI); additionally he is a co-founder and a Board Member of GBI. As CEO, Ahmed is leading the company in building the first ever privately-owned and independently-operated submarine cable in the region, with onward connectivity to Europe and Asia.

Ahmed has over 15 years experience in the telecom sector across the MENA region. Ahmed has a well established network of senior business relationships with the major communications companies in the region. Prior to founding GBI, he worked with numerous companies across the region on projects encompassing both telecoms infrastructure and satellite communications.

Ahmed received his B.Sc. Engineering Degree with a Major in Telecommunications, from Cairo University in 1995.

Q. Please tell us about your organization's position regionally. Would you like to give brief account of your operations in regional (SAMENA) markets?

A. Gulf Bridge International (GBI) is the Middle East's first privately owned regional subsea cable. We will commence operations later this year. Our vision is to facilitate social and economic growth across the Gulf Region.

The GBI cable system utilizes state of the art technology and offers comprehensive coverage connecting all the Gulf countries to each other and provides onward connectivity to Europe, Africa and Asia.

Q. Please tell us about the deployment of GBI's latest technology that is going to build and operate a subsea cable system?

The GBI cable system is configured as a self-healing ring in the Gulf. The network has two fiber pairs throughout the Gulf and uses the latest DWDM technology. Within the Gulf, the network will have double landings in Qatar and the UAE with branched landings in Bahrain, Iran, Iraq, Kuwait, Oman and Saudi Arabia. In addition, the system powering will provide for additional layers of redundancy. The cable system incorporates Optical Add Drop Multiplexing (OADM) undersea branching units. This will reduce upgrade costs, increase reliability and system resiliency and afford the ability to by-pass a branch. OADMs also provide customers with traffic security features that are not currently available in the Gulf.

Q. How GBI's network can provide great value and benefits to telecom operators?

A. GBI is quite unique in that we are carrier neutral and as such, we will strive to serve all telecom operators equally. The principle benefit to telecom operators in the Gulf is access to much needed bandwidth. This will give them more choice and the opportunity to offer their customers greater diversity.

For telecom operators outside of the region, GBI can offer them access to all of Gulf countries and therefore, GBI will provide them with a single interface into region. We are "Connecting the World to the Gulf"

Q. What have been the major milestones you have achieved so far?

A. As we approach our service launch, we have achieved so many milestones that it is difficult to know where to start. I can group them into four areas.

The first milestone was securing the funding for the business. We did this during the economic turmoil of 2009, when almost all capex investment was drying up. However, our investors quickly grasped the significance for the region of our plans and supported it. With their continued commitment and guidance we will grow further.

The second milestone was to build an organization from scratch that could take us from concept to completion in record time. We recruited a highly experienced and culturally diverse team that has risen to the challenges that we face. In addition we have paid significant attention to establishing an efficient, robust and transparent organization. We have sought and achieved the following accreditations: ISO 9001 Quality Management, ISO 14001 Environmental Management, OHSAS 18001 Occupational Health & Safety, ISO 31000 Risk Management, ISO 27001 Information Security Management Systems.

The third milestone was successfully negotiating with regulators and telecom operators from across the region to secure landing party agreements. We had to manage a diverse and challenging range of expectations and regulations. In every case, we had to clearly articulate the benefit that GBI would bring to that market and the operators in that market.

The fourth milestone, is the deployment of the cable. This is ongoing at the moment. While we were aware of the technical and logistical challenges, we had not anticipated the political upheaval that has occurred this year and the impact that would have on our plans.

Q. How do you compare the bandwidth demand in the SAMENA region to other parts of the world?

A. Bandwidth demand in the SAMENA region, is one of the fastest growing in the world. There are numerous factors driving this growth ranging from the rollout of broadband services, the creation and storage of local content, cloud computing and the increasing popularity of social media and apps amongst a young and increasing affluent population.

Q. What areas GBI is covering and which other new markets GBI plans to enter in near future?

A. Clearly our focus at the moment is on the launch of our network. However, we are actively evaluating opportunities for horizontal and vertical expansion. Geographically, Asia and Africa are of interest, as the Middle East can become a communications hub between these two rapidly growing markets. From a product perspective, we will increase our product portfolio in order to even better meet the needs of our customers.

Q. What are the upcoming landing stations of your new cable, after its recent landing at Doha-Qatar and Fujairah-UAE?

A. Our cable landings are proceeding well. At this time, in addition to the Qatar and the UAE landings, we have completed landings in India, Kuwait and Saudi Arabia. However, by the time this goes to print, more landings will have been completed.

Q. To extend your reach, are planning any collaborations or partnerships with any specific carriers?

A. GBI is committed to "Connecting the World to the Gulf" as we recently demonstrated with the extension of our reach into the main European centres. This is an ongoing process and we are currently evaluating a number of opportunities to further extend the reach of our network in Europe, Africa and Asia.

Q. How big is the challenge of GBI's large scale project deployment?

A. It is almost impossible to list the magnitude of the challenges we faced. All subsea cable deployments present challenges. An example of the challenges we faced during the deployment, are those presented by the congested and relatively shallow waters of the Gulf. In the laying of the GBI cable we will cross in excess of 200 cables or pipelines, as well as navigate around unexploded ordinances.

What we could not have forecast was the political change that has swept the region. Prior to the current wave of change, the Middle East had many competing interests that we had to address and manage; probably more challenging than any other region you can think of. The events of this year have significantly altered the environment we operate in.

Q. Out of all barriers, which one offers most resistance to the deployment of subsea cable system?

A. A project of this scale is bound to face many challenges and barriers. If it was easy, it would have been implemented by others years ago. There is no one single barrier I would highlight. What mattered was being tenacious and finding ways to address each challenge as it arose.

Q. Keeping in view the growing bandwidth demand as a result of bandwidth hungry applications, what growth strategy you are planning to pursue in future to be able to fulfill the regional bandwidth demands?

A. We have several initiatives to address the forecast growth. The first is to extend the reach of our network, so that we can seamlessly carry traffic to more destinations. The second relates to the technology that we are deploying on the network. We will ensure that the equipment we are investing in is scalable and can provide increased bandwidth on our cable as demand increases.

Q. How GBI plans to provide high quality communications infrastructure around gulf that facilitates social as well as economic growth?

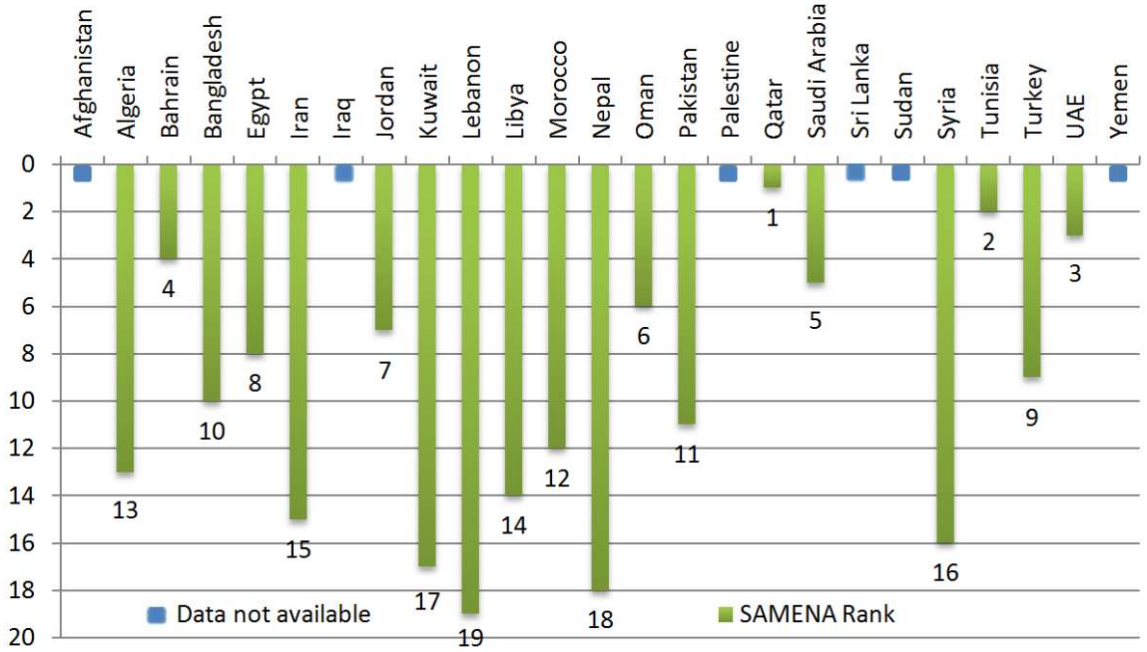
A. GBI's investors are sovereign wealth funds from across the region and appreciate the strategic imperative of a high quality regional communications network, as a key enabler for sustainable economic growth. As the region seeks to diversify and broaden its business base, and encourage inward foreign investment, it needs a communications network worthy of the 21st century. This is the role GBI will play.

To become a knowledge based society access to information is key. The GBI network will facilitate faster and more secure access to that information whether it is the internet, or collaboration within and between companies and seats of learning.

Q. How do you feel being a leading man behind the first ever privately-owned and independently-operated submarine cable in the region?

A. I am leading a team and I am very proud of what they have delivered. For me personally, our launch will see my concept and vision become a reality and that will be tremendously fulfilling. It has been an incredible journey, with as I have mentioned many challenges and rewards. I realize now, that the launch of the network is no longer the end of the journey, but only a stepping stone to even greater opportunities, which I am looking forward to exploring.

GOVERNMENT PRIORITIZATION OF ICT (SAMENA RANK)



Research Note: Ranking done by SAMENA based on data from The World Economic Forum. Within the SAMENA region, the Qatar government appears to give highest priority to information and communication technologies. Tunisia is the only country from North Africa to rank among top five regional markets, while there is no country from South Asia among the top 5 in terms of "government prioritization of ICT". Countries at number 3, 4, and 5 are UAE, Bahrain, and Saudi Arabia for it is evident from the recent developments in these markets, and the overall infrastructure in these markets. ICT industry in these countries remains the strongest in the region, with the growing demand for mobile content, broadband, and other IP services.
Data Source: The Global Information Technology Report 20092010 by World Economic Forum & INSEAD
Image Source: SAMENA

GOVERNMENT PRIORITIZATION OF ICT

(GLOBAL RANK OF SAMENA COUNTRIES)

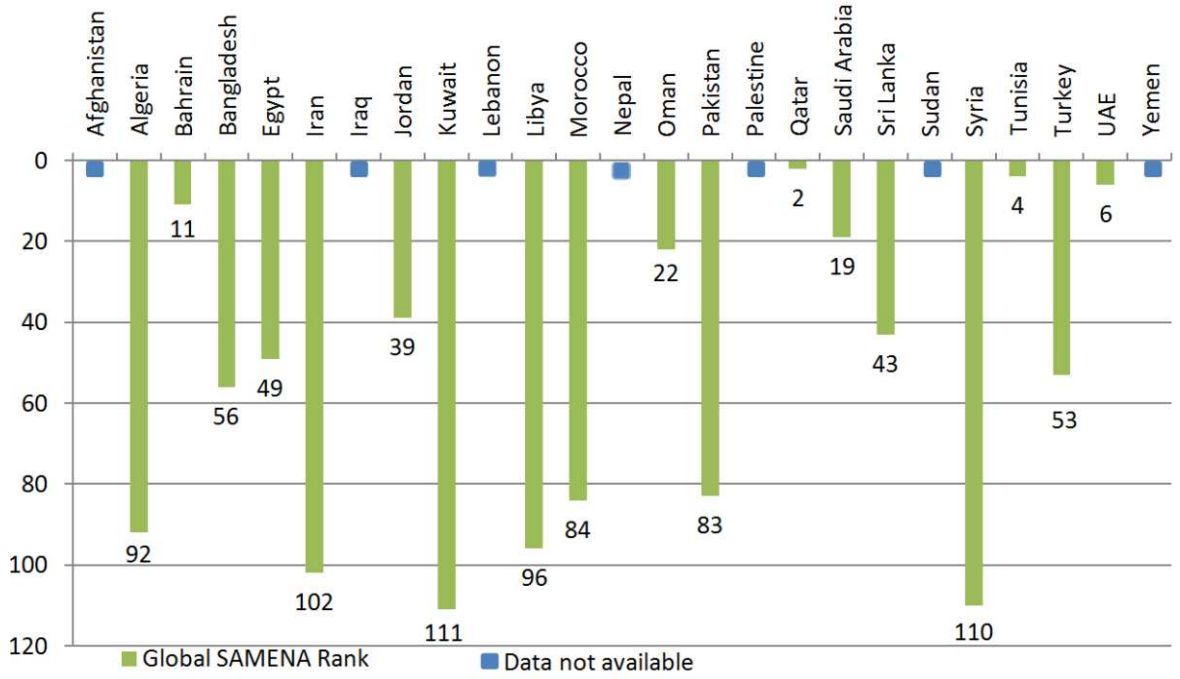
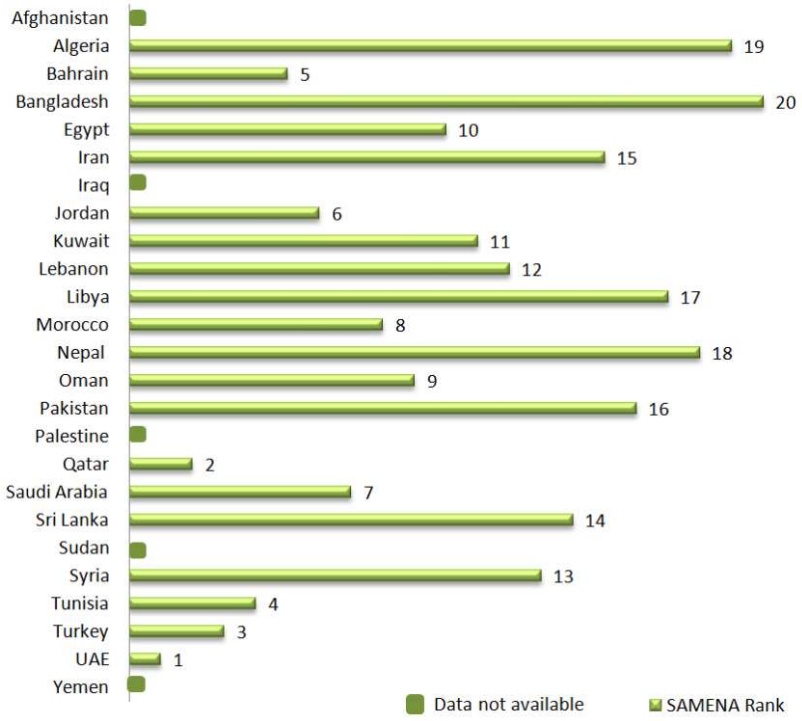


Image Source: SAMENA
Data Source: The Global Information Technology Report 2010-2011 by World Economic Forum & INSEAD

AVAILABILITY OF INTERNATIONAL INTERNET BANDWIDTH
(SAMENA RANKING)



Research Note: Ranking done by SAMENA based on the data from The World Economic Forum. UAE, Qatar, Turkey, Tunisia, and Bahrain are the top five countries in terms of "Availability of International Bandwidth". Similarly, UAE is the leading market in terms of international bandwidth availability while Bangladesh has the lowest rank in this regard. Four out of top five countries are from the Middle East while there is no country from South Asia in the top five. Among the top Five, Tunisia is the only country from North Africa in terms of "Availability of International Bandwidth".
Image Source: SAMENA
Data Source: The Global Information Technology Report 2010-2011 by World Economic Forum & INSEAD

AVAILABILITY OF INTERNATIONAL INTERNET BANDWIDTH
(GLOBAL RANK OF SAMENA COUNTRIES)

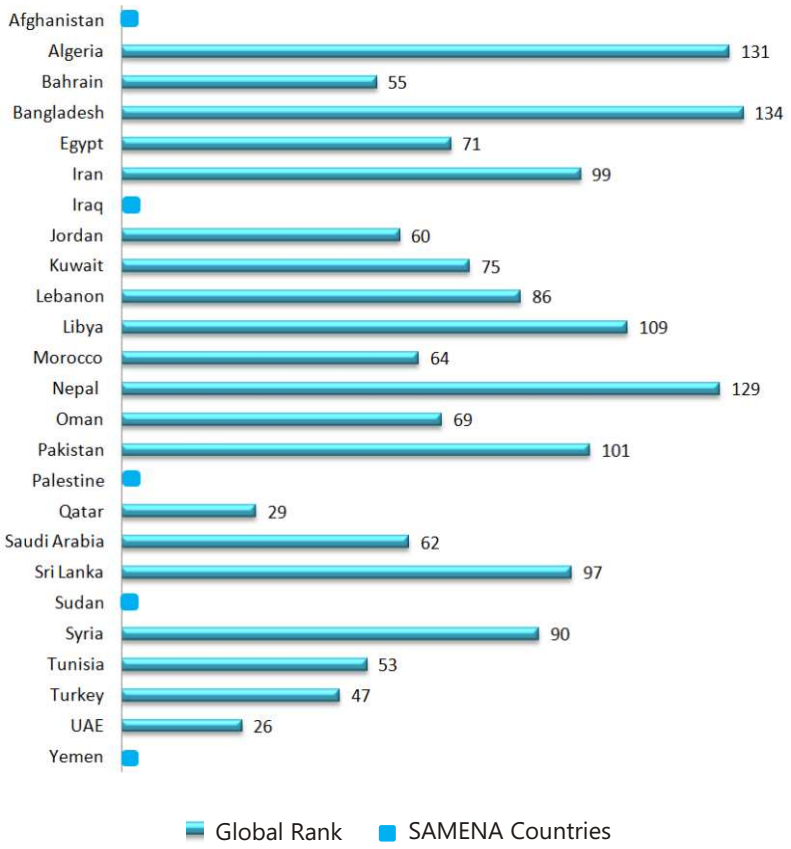


Image Source: SAMENA
Data Source: The Global Information Technology Report 2010-2011 by World Economic Forum & INSEAD

REGULATORY NEWS

ATRA issues 3G Licenses, Begins Preparation for MNP

The Afghan Telecom Regulatory Authority (ATRA) has announced plans to issue a tender for a single 3G license. Bidding for the license, which will permit use of spectrum in the 2100MHz band, begins on 1 August 2011. ATRA will close bidding on 1 October 2011 and hopes to announce a winner the following month. Whilst there is only one new license up for grabs, the four existing GSM providers will have the opportunity to upgrade their licenses by matching the winning bid, meaning a possible five 3G license holders by 2012. ATRA recently announced that it was seeking technical support for launching mobile number portability (MNP), having expressed its intentions to begin MNP back in May. The watchdog is seeking consultation on all aspects of the process including public consultation, tender process and technical solutions.

Afghanistan Begins tender for 3G licenses

Afghanistan has begun a tender for a 3G mobile license. The Ministry of Communication and Information Technology will award one 3G/4G license in the 2100 MHz band. The existing mobile operators will be allowed to participate in the tender. The licenses are planned to be awarded November while the deadline for bids is 1 October. Announcing the plans for the license tender, Eng Amirzai Sangin Minister of (MCIT) said: The growth and vitality of the telecommunications sector in Afghanistan is one of the most remarkable success stories of the recent past. Since 1382 (2003-2004), when the first two licenses were issued for GSM mobile services, mobile telephone subscribers have increased from zero to 17 million subscribers. More than US$1.6 billion has been invested in modern infrastructure, services now reaching over 80% of the population and sustaining over 100,000 jobs nationwide."

TRA Bahrain Publishes First Mobile Quality of Service Report

The Telecommunications Regulatory Authority of Bahrain has released its first mobile QoS report for the Kingdom. The audit performed by Directique, during October 2010 identified that all three mobile operators, Batelco, Viva and Zain were achieving good performances compared with benchmarked mobile operators in other markets internationally. This quality of service report follow and complement a mobile coverage audit published by TRA recently. The coverage audit was conducted to verify that all three mobile operators did comply with their mobile license obligation to provide mobile coverage to 95% of the population in the Kingdom; the audit confirmed that Operators comply in fact exceed their license obligation by offering near to 100% outdoor population coverage based on 87,683 individual test calls. Commenting on those reports TRA's Technical and Operations Director Mr. Mohammed Mahmood said, "The result of the audits is clearly indicating that mobile operators are putting a lot of efforts not only to comply with their license conditions but also to provide consumers with state of the art mobile services and satisfy their needs"

Sri Lanka Scores Low in Regulatory Survey

Sri Lanka's Telecommunications Regulatory Commission has scored poorly in a telecommunications regulatory and policy framework survey conducted by think tanks Lirne Asia and Institute of Policy Studies. Sri Lanka's score was low due to weak anti-competitive practices and access to resources. The telecom survey was conducted in seven countries including Bangladesh, India, Pakistan, Philippines, Sri Lanka, and Thailand and ranked the countries on a five point scale with five being excellent and one being bad. A score of three was regarded as average. In the survey, Pakistan was one of the high scoring countries with one of the best regulatory systems and laws in the region.

Opta to continue narrowly monitoring KPN

Dutch regulator Opta is not completely satisfied with the way in which KPN complies with rules. In a recently published report, documenting the operator's compliance progress, Opta said that KPN has put a lot of time and effort into compliance, but that it also failed in many instances to implements its new competition rules on time. Opta concluded therefore that KPN still did not have a fully effective and working compliance organization within the company. The regulatory said it will therefore have to continue with its intensive supervision of the company. Opta said it was neither really satisfied nor really dissatisfied with KPN. "We express our appreciation for KPN's efforts, while identify points of attention in manner as transparent as possible," an Opta spokesperson said. It is the second time KPN has reported to Opta.

ACMA invites submission of interest for 800MHz/1800MHz spectrum

The Australian Media and Communications Authority (ACMA) has called for expressions of interest for spectrum in the 800MHz and 1800MHz bands which is due to expire in 2013 and 2015 respectively. With the regulator noting that this was the 'first step in the process for possible re-issue or re-allocation of expiring spectrum licenses', it has published two separate notices regarding each band of spectrum in line with the requirements of Radio communications Act 1992. Alongside spectrum holders being prompted to reconsider applications for renewing spectrum allocations, the notices also invite parties without spectrum to register their interest in acquiring a concession.

Chile to Speed up Legislation for Mast Construction

Chile's Minister for Transport and Telecommunications, Pedro Pablo Errazuriz has supported the government's decision to accelerate the approval process for a bill that will plug gaps in the current legislation for wireless mast construction. At the moment, masts can be constructed on any piece of private property without the consent of city or district authorities or neighboring properties, regardless of the proximity of other masts. The bill will introduce measures to force colocation and enforce a new authorization process, via municipalities. Towers larger than 12 meters will also require compensation to the community.

Nigeria to Subsidize Broadband Infrastructure Investors

The Nigerian Communications Commission will license companies prepared to put money into last mile equipment and is ready to subsidize operators willing to invest in broadband distribution infrastructure in the country. Although USD 2.2 billion has been committed to the Main One, Glo 1 and WACS (West African Cable System) submarine cables, consumers have not benefited from the broadband revolution. This is because of a lack of last mile infrastructure in the country. According to NCC, in subsidized projects, the bidder seeking the lowest subsidy would be the winner.

A SNAPSHOT OF REGULATORY ACTIVITIES IN SAMENA REGION

Internet, playing a dominant role in communication has thus become an exciting part of every one's life. The swiftly increasing broadband users and the associated domains, necessitate the error free, transparent and high speed traffic exchange across the globe. With the advent of new international submarine cables to Africa, different markets in the continent are less dependent on the more expensive satellite bandwidth. The cost of broadband in some markets has reduced significantly, while other markets are poised to experience a remarkable drop in prices. Prices in markets, like Kenya, fell after liberalization of international gateway but prices have now decreased more than 90%. Currently five undersea cables that will link Africa to other parts of the world are under construction. Other growing African markets, like Nigeria, are also expected to experience lower broadband prices. Broadband users in Nigeria are expected to increase to around 13 million by 2014. As per a recent International Telecommunication Union (ITU) report, globally the interconnection and access general rules can form the basis of a regulatory intervention for submarine cables. However, these should be specific in order to acclimatize them to the overt situation of these cables and allow the materialization of a competitive offer for international capacity. It is crucial to deal with the main bottleneck caused by landing stations but also to allow existing operators on land connected by submarine cable to access capacity held by other suppliers such as consortium members if the cable is owned by several operators. There are several possible methods for imposing the necessary rules for the creation of an environment that would facilitate open access to submarine cables: granting approvals and the modification of the reference offers of the operators using landing stations, the introduction of specific measures in their license, and regulation with a general reach as demonstrated by the unbundling regulation of the European Commission. There are also 3 examples that provide a powerful vision of both regulatory framework and process: India, Mauritius and Singapore. The French regulator (ARCEP) was able to significantly lower prices but not regulate backhaul and co-location in the landing station. No one today denies the fact that access to broadband capacity bandwidth is necessary for the development of emerging countries.

Country-wise Regulatory Activities

Afghanistan

Due to Industry friendly regulatory regime in the country, Roshan a leading cellular operator was able to surpass five million active customers, up from 30,000 customers in 2003 when the pioneering company launched its network. The milestone reaffirms Roshan's position as the number one telecommunications provider in Afghanistan based on both number of customers and overall SIM cards sold. Roshan attributed its rapid customer growth in Afghanistan to its focus on innovation and meeting the individual needs and aspirations of its diverse customer base through market and regional segmentation, an unmatched range of voice and data products and services, and superior network quality. Roshan's nationwide network now reaches over 230 cities and towns across all 34 provinces in Afghanistan, covering over 60 percent of the population.

Algeria

During the reporting month the regulator hold a seminar on Electronic Certification. Different Subjects like Computer Security Threats, Critical Infrastructure Protection, between security and compliance, Public key infrastructure (PKI) trust and non repudiation management, Provider of Electronic Certification Services: Engagement, services and architecture, Best practices in electronic certification, Security in the enterprise, Advanced Evasion Techniques and The legal framework of the electronic signature in Algeria were covered in the seminar. The valuation of the Algerian government of Orascom Telecom's local mobile phone unit has been delayed because of a disagreement about disclosing company data. Algeria's government hired law firm Shearman and Sterling in January to conduct the valuation and instructed it to complete the work by the end of May. The valuation has not been done yet because Djezzy refused to allow Shearman access to its database. Bahrain:
The regulator held discussions on the fixed links policy at a meeting of the Radiocommunications Consultative Committee (RCC). The RCC meeting was convened to conclude a licensing and frequency assignment policy for microwave point-to-point links, which was finalized and will be implemented from 1 July. Batelco announced that it will be proceeding with the planned purchase of a 25% stake in Zain Saudi, after that company finally agreed to a non binding Term Sheet with the Kingdom Holding Company and Batelco Group Consortium. Batelco is still due to complete due diligence on Zain KSA though. Batelco Group CEO, Peter Kaliaropoulos, commented that "we were always confident that the Consortium would satisfactorily address all matters raised by Zain Saudi. This is a complex transaction involving four different companies. Understandably all issues relating to the Due Diligence exercise and the scope and commercial terms of the Management Agreement required careful consideration and negotiation by all parties. We are all pleased with the agreement reached and remain focused on accelerating Zain`s growth and value to its customers in KSA". Due Diligence is expected to be completed by end of August and the transaction finalized by the end of Q3. Zain accepted an offer of US$950 million for its 25% stake in its Saudi Arabian subsidiary, Zain KSA in March of this year from a joint venture between Bahrain's Batelco and Saudi Arabia's Kingdom Holding Company (KHC). The regulator also announced July 17, 2011 as the final date to implement mobile number portability (MNP), allowing cellular subscribers to switch operators while keeping their phone number. The Bahraini market is home to three mobile operators, Batelco, Zain Bahrain and the newest entrant Viva Bahrain, owned by Saudi Telecom Company. A similar service for fixed line services will be introduced in September, the TRA said in a statement. The announcement follows Systor Intereurope Systems' implementation of a number portability system, which is being hosted by Bahrain Internet Exchange.

Bangladesh

The regulator in a bid to create open-access nationwide optical fiber networks and also rollout broadband connectivity to government, educational and local government institutions by leasing out the handed over one pair overhead fiber of Power Grid Company Bangladesh Limited (PGCB) has issued a request for expression of interest (EoI). The existing Nationwide Telecommunication Transmission Network (NTTN) license holders will be eligible for bidding and they will be obliged to ensure last mile access.

Egypt

The national regulator established its research and development department few years back and since then, led the efforts to encourage innovations in the telecommunications sector in Egypt through funding high quality research and graduation projects. Since its establishment, the regulator has funded nine research projects in six different universities and research institutes. The regulator new call for proposals is open to all public and non-profit Egyptian Universities and research institutes. The regulator encourages research teams to do inter-disciplinary research to solve problems related to Egyptian society, to cooperate with industrial partners to direct their research towards solving real life problems and cooperation with governmental ministries and institutes to find innovative solutions to national problems. Researchers can choose any topic related to telecommunications for their research project.

Iran

Iranian government plans to put a satellite, weighing 700 kgs into orbit of 1000 kilometers above the Earth's surface. The government is also going to build new satellite-carrier rockets, including 1B and Simorgh (Phoenix), which can carry satellites weighing up to 50 and 100 kilograms respectively. On June 15, Iran successfully launched its second domestically-manufactured satellite, called Rasad. The satellite is designed for staying in orbit for 40 days. The earlier launched satellite fajar weighs 50 kilograms and it can stay in orbit for about 1.5 years

Iraq

In a statement the Spokesperson of the Ministry of Communications announced that the Ministry had decided to suspend working in the 4th mobile license project. The Ministry justified the decision that it was awaiting for approval of a law that would regulate its work and separate responsibilities from the Communication and Media Commission (CMC), mainly in the matter related to the optical packages and communications licenses. For its part, CMC has confirmed that granting MoC a 4th mobile license does not lie within the powers of the Presidency of the Council of Ministers, since it would put MoC in an unfair competition with other mobile phone companies operating in the country. The Zain is working on the launch of an initial public offering (IPO) on the Iraq Stock Exchange. Zain Group was awarded one of three new 15-year national mobile concessions for US$1.25 billion, plus an 18.5% revenue-sharing agreement, in August 2007. The license carries an obligation to launch an IPO within four years. Zain, which in March 2011 officially launched services in Kurdistan, is Iraq's largest mobile operator by subscribers with a total 12.065 million users at the end of March 2011, equating to a market share of 51.8%.

Jordan

Batelco's Jordanian subsidiary Umniah Mobile Telecommunications is expected to decide soon on whether or not to deploy 3G network infrastructure, which claimed 2.2 million customers at the end of March 2011, has thus far focused its wireless broadband operations on a national WiMAX network. In September 2007 it awarded Airspan Networks a nationwide WiMAX deployment contract to supply a fixed and mobile WiMAX platform capable of serving business and residential customers. At the end of March 2011 it had around 20,000 subscribers. Umniah has so far declined to pay the JOD50 million (US$70.2 million) license fee for a W-CDMA concession, preferring to encourage those seeking a wireless broadband connection to take out a UMAX package, which it maintains offers a better experience than the W-CDMA networks offered by rivals Jordan Telecom and Zain Jordan. Ordan Ihab Hinnawi, CEO of Umniah Telecommunications and Technology Company, has confirmed that his company will be investing US$40-US$50 million to deploy a 3G network over the next two years. It will purchase a JOD50 million (US$70.2 million) license, using the 2100MHz spectrum band, and launch in early 2012. Hinnawi told that Umniah is just waiting for the right moment to launch, claiming that customers will be 'more ready' for 3G services in 2012. Orange Jordan purchased the country's first 3G concession in February 2010, while Zain followed suit in June that year. At the end of March 2011 Orange Jordan had an estimated 300,000 3G subscribers while Zain reported 41,000. IT experts on said they expect the number of 3G service users to increase sharply in the country due to competition between telecom operators and a drop in the prices of service. They said the rise in the number of users, currently estimated at over 850,000, is expected to be coupled with an increase in the creation of mobile-enabled content and applications. "The rapid increase in number of 3G users is significant. More applications are provided by 3G and content creation is highly needed," Marwan Juma, former minister of information and communications technology told. "The future is for content and the increasing number of people owning smart phones that enable the operation of sophisticated applications creates a huge market for content and application developers in the country, especially since local content is constantly needed and lacking," he said. The Kingdom, where mobile penetration reached 108 per cent and Internet penetration hit 38 per cent by the end of last year, witnessed the launch of 3G service by Orange Jordan in March 2010. According to Orange Jordan, the number of 3G services users on its network, including mobile and Internet, has reached 500,000. Zain Jordan, which launched the service in March this year, said users of 3G service on its network reached 350,000 at the end of May. Umniah said recently it has plans to provide the service in the local market. 3G services enables making visual phone calls, sending and receiving multimedia messages, providing fast and efficient wireless Internet connections, in addition to providing better audio coverage. CEO of Jordan Telecom, Nayla Khawam announced plans to invest JOD50 million (US$70.3 million) in developing faster 3G and internet services. The statement was delivered in the wake of a pledge last week from rival telco Umniah Telecommunications and Technology Company to launch its own 3G network in 2012. 3G services were launched by Jordan Telecom in March 2010 and within twelve months it had 300,000 customers using the service. Jordan's only other 3G provider, Zain Jordan, claimed 41,000 3G users at the same date.

Kuwait

The Ministry of Communications (MoC) has called upon the country's internet service providers (ISPs) to cut their prices in order to promote increased competition within the sector. MoC told that pricing was one of a number of issues that it hopes to address in the coming months. MoC also stressed the importance of opening up the country's broadband market for other ISPs. A new law promoting the creation of a Communication and Information Technology Institute – which will be charged with overseeing such issues – is set to be approved (in draft form) by the National Assembly Committee. In Kuwait there are four main players offering xDSL access: the Ministry of Communications

(MoC) which provides services via its Zajil Telecom ISP division; Qualitynet, a Kuwait-Bahrain venture; Gulfnet, a member of the KIPCO Group; and FASTtelco. Although Kuwait is a relatively wealthy and well developed country, this is not reflected in the state of its broadband market and the MoC's stranglehold over the country's fixed line infrastructure continues to manifest itself in the stifling market conditions. As at end-March 2011 Kuwait had just 55,000 broadband subscribers. In separate news Kuwait's Minister of Information and Communication, has announced that the price of mobile phone calls is set be reduced in accordance with ministerial decision 119-2011. The reduced rates will apply to all calls placed within the national boundaries of countries belonging to the Gulf Cooperation Council (GCC). No details of the new pricing scheme have been made available by the MoC. Internet users in Kuwait went over 600 percent since the last decade where now around 1.15 million surf the net, said an internet report. The report on the Internet World Stats website revealed that internet users in Kuwait represented around half of the populace by 2011 where it was around 150,000 in 2000. The report said that internet users in Kuwait represented 1.6 percent of the users in the Middle East whose numbers reached 70 million users. Members in social networking sites such as Facebook amongst Kuwaitis reached 795,000 accounts in accordance with statistics last March noted the report. Internet consumption in the Arab world reached around three percent in comparison to the number of users worldwide, revealed the report, adding that Arabic users on the web reached 65 million, putting the language amongst the seven most used languages on cyberspace. Number of users choosing to communicate in Arabic has also jumped by 2,500 percent, recording the highest growth amongst languages used on the internet.

Lebanon

The Telecoms Ministry said in a statement that the number of cellular subscribers in Lebanon has jumped by 30% to 3 million users since the end of 2009. The statement added that the significant rise in the number of subscribers was due to the measures adopted by the Telecoms Ministry. The statement said the Telecoms Ministry's technical teams have expanded the capacity of the network, reduced rates and offered new packages to the subscribers. The ministry intends, according to the statement, to further reduce costs of the cellular rates, ranging from 25% to 50% on the actual cost which subscribers pay. But it is not clear if these promised cuts will involve the pre-paid cards or the fixed cellular lines. It is also not clear if the decision to reduce rates needs the prior approval of the Finance Ministry, since this action would affect the revenues of the telecom sector. Former Telecoms Minister Jibran Bassil reduced prices on pre-paid and fixed cellular lines two years ago and this has helped to increase the number of subscribers. The annual revenues from landlines and cellular networks exceed $1.4 billion a year and this income is crucial for the Finance Ministry to reduce the budget deficit. Lebanon's caretaker Minister of Telecommunications Charbel Nahhas disclosed that the Shura Council has suspended the powers of the Telecommunications Regulatory Authority (TRA). Nahhas told a press conference: 'A few days ago the Shura Council issued a verdict stipulating that Telecom Law 431 [giving the TRA its authority] issued in 2002 has been suspended,' making the Ministry of Telecommunications (MoT) the sole body authorized to set new rules and guidelines for the sector. Nahhas claimed that the ruling is aimed at enabling the MoT to improve the quality of services in the country, and implied that the Shura Council's decision would prevent interference in the MoT's plans to ensure the launch of 3G mobile services, which the minister reiterated would be available to consumers as of September of this year. In February this year Alfa, the Lebanese state-owned mobile operator managed by Orascom Telecom, signed a partnership agreement with Swedish equipment provider Ericsson to deploy the country's first 3G network based on W-CDMA/HSPA technology, whilst fellow government-backed cellco MTC Touch Lebanon, managed by Zain Group, has also taken active steps to build 3G infrastructure. Nahhas was quoted as saying that 'nothing would stop this project.' A TRA communiqué said that the regulator would hold a news conference to comment on the announcement by Nahhas. The latest news appears to be an escalation of an ongoing political battle in Lebanon's telecoms sector. The current minister has had public confrontations with caretaker Finance Minister Raya al- Hasan and the director general of state-owned fixed line telco Ogero, Abdul Mounem Youssif, who has accused Nahhas of withholding crucial finances from the monopoly operator. In return Nahhas has claimed that Youssif is trying to hamper the upgrade of broadband internet services and the launch of 3G mobile networks. The minister claimed: '[Youssif] has been trying for the past six months to block the installation of [international broadband] bandwidth [of] 201Gbps capacity compared to only 2.5Gbps at present.' Mr. Nahhas was referring to the apparent failure to complete a project undertaken in the fourth quarter of 2010 to upgrade an existing submarine cable, Cadmos. Meanwhile, a legal challenge to the launch of 3G services by Alfa and MTC Touch has been initiated by a group of plaintiffs including domestic ISPs, on the basis that neither cellco possesses a 3G license from the Council of Ministers nor licensed frequencies for 3G from the TRA, as required by Law 431 – the legislation that has now been suspended by the Shura Council. The TRA and the MoT appeared to be heading for a showdown over this issue, as on 31 March 2011 the former issued a public circular 'reminding' all operators of the need to adhere to Law 431 and warning against using any frequencies without formal licensing from the regulator. Further underlying the troubles in the communications field, Ogero issued its own statement revealing that it has ceased sales of new DSL and HDSL internet connections, ostensibly due to a lack of finances. A waiting list of 2,000 clients will grow because the company is unable to deliver, said the statement, which placed the blame for the shortages squarely on the MoT withholding necessary finances. Minister Nahhas denied this in a statement to the Star, claiming that, on the contrary, the MoT had 'very recently' provided the Ogero committee with a significant influx of telecom revenues.

Morocco

During the reporting month France Telecom signed an agreement to buy 40% of Meditel for 640 million euros. The price represents quite decent capital gains for Finance.Com (the holding company of BMCE Bank) and Fipar Holding, an investment arm of the Caisse de Dépôts et de Gestion (CDG). In reality, France Telecom will be spending €720m, not €640m. At the moment of the transaction Meditel's current account received a €200M cash injection. The new shareholder made a contribution in proportion to its post-money stake: €80m. Its substantial investment will not result in a change in operational management, nor in a rebranding, although a well-placed source says that the option will remain on the table. With 10 million clients, market share of 37% and a gross operating margin of 40%, Meditel will allow Orange to compete with Vivendi, the main shareholder (53%) in Maroc Telecom. For the management of France Telecom this operation is part of the French giant's strategy to grow outside of Europe. The company's goal is to double turnover in Africa and the Middle East. Some analysts, like Liberum Capital, have judged the price a bit excessive: while €640m is not much compared to France Telecom's market cap of €43 billion, it does amount to 10% of its available cash.

Nepal

Nepalese state-owned ventures Nepal Telecom (NT) and Nepal Television (NTV) are looking to team up to introduce IPTV services in the country. The preliminary talks are already underway on the IPTV service and that the pair have reportedly sought input from the International Telecommunication Union (ITU) on how best to do it. Under the plan, the telco will provide the necessary infrastructure and technical support and NTV will provide IPTV content. According to figures released by the regulator Nepal had 12.23 million telephony users on May 15, up from 11.87 million on 15 April. The total comprises 10.71 million mobile subscribers, 844,990 fixed-line subscribers, and 670,217 other telephony users (satellite and limited mobility services). The number of mobile customers grew from 10.37 million on 15 MayOf the total, 9.84 million were GSM users, up from 9.50 million a month earlier, and the remainder use Nepal Telecom's CDMA service called Sky Phone. Nepal Telecom led in GSM subscribers with a customer base of 4.80 million, followed by Spice Nepal (Ncell) with 5.04 million. The number of fixed telephony users in Nepal was up from 843,576 in mid-April. Of the total, 606,525 were PSTN users and 238,465 were WLL users. Nepal Telecom had 597,893 PSTN users, followed by STM Telecom Sanchar with 5,065 customers, Nepal Satellite Telecom with 2,399 customers, and Smart with 1,168 PSTN customers. Nepal Telecom also had 168,011 WLL users and United Telecom had 70,454 WLL subscribers. Furthermore, Nepal counted 2.50 million internet users, up from 2.43 million reported in mid-April and the penetration rate stood at 8.74 percent. Some 2.18 million people connect to the internet using GPRS, followed by 186,016 internet users that connect through CDMA 1X. Some 58,763 internet subscribers use ADSL and there were also 32,500 cable internet users, and 25,569 dial-up users. Also, 13,000 internet users connect through wireless or fiber optic technologies. The Nepalese incumbent operator NT is preparing to launch a tender for the supply of ten million new GSM lines. With the total GSM user base in the country standing just below the ten million mark, split between NT (4.71 million) and privately owned Ncell (4.78 million), the telco is looking to launch the ambitious plan to overcome the problems associated with calling for smaller tenders time and time again. In addition, NT is also looking to install 400,000 IP CDMA lines as part of a 'bridging project', helping the PTO realize its goal of upgrading its CDMA capabilities to an internet protocol (IP) network. The operator has already awarded Huawei Technologies a contract for two million IP CDMA lines. 'As it will take 12-18 months for Huawei to install [the] IP CDMA network, we've called [a] tender for [the] bridging project so that customers can get the service at the earliest [opportunity],' an NT official added.

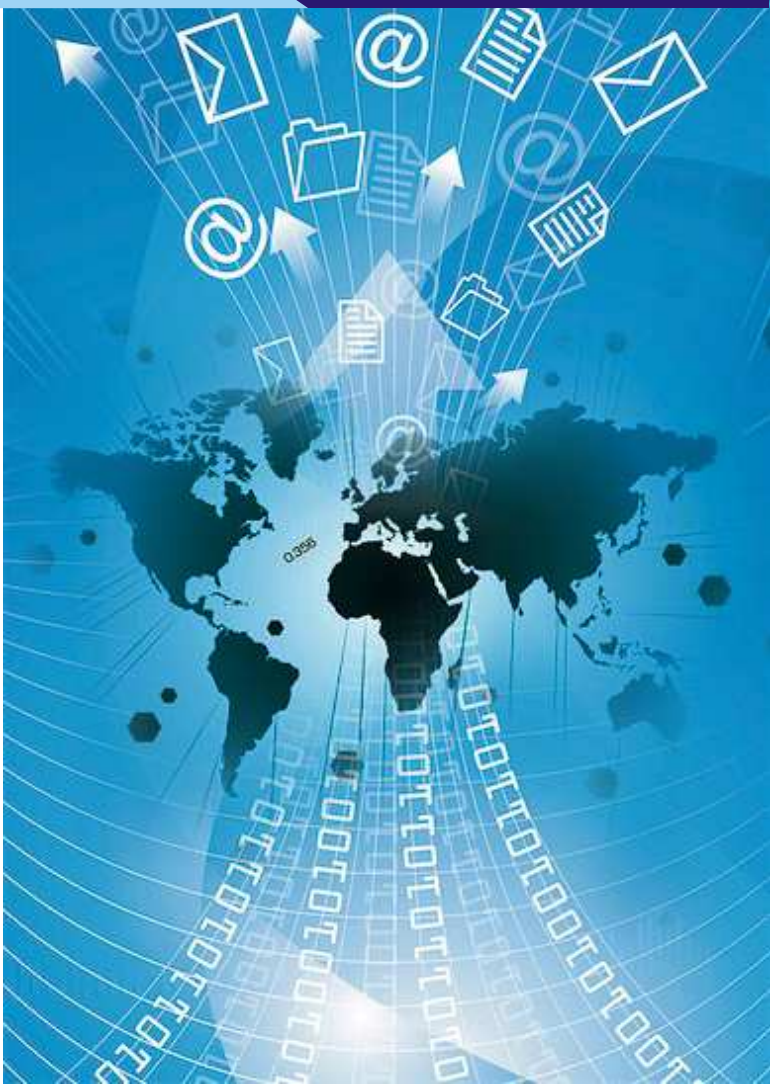
Oman

Oman Telecommunications Company (Omantel) has become the first Arab network to have joined the Global TD-LTE Initiative (GTI). The prime objective behind the formation of GTI is to harmonize LTE technologies. The GTI was founded by China Mobile, Vodafone, Clearwire, Bharti Airtel, Softbank Mobile, Aero2 and E-Plus and was announced at the GSMA conference in Barcelona early this year. Commenting on this occasion, Lars O Gustafsson Vice President of Business Development Unit at Omantel said: "We are extremely pleased to continue to lead the introduction of Td-lte in the region, now also being the first Arab telecom operator to join this global initiative. Additionally, joining GTI will help Omantel benefit from the experiences of other leading international operators, involving studies, planning, test and commercialization". "Omantel conducted the first trial of TD-LTE technology during Salalah Tourism Festival 2010 and the second trial during the latest ICT exhibition (Comex 2011). The results were very encouraging with speeds reaching more than 100 Mbps," Lars added. As part of its activities to promote the TD-LTE technology, GTI will organize a series of activities to bring TD-LTE operators and vendors together to share development strategies and technology know-how. Omantel also signed a contract in Tehran with three international telecom partners - Iran, the United Kingdom and Russia - to provide a new express cable system that will ultimately link Frankfurt in Germany to the Gulf. The new agreement will strengthen Omantel's growing position as a 'Carrier of Carriers' and help ensure that Oman becomes a gateway hub for the region in delivering high-speed telecommunication services through the new Europe Persia Express Gateway (EPEG) system. Senior Omantel executives were in Tehran to formally sign the agreement with colleagues from UK-based Cable & Wireless, Rostelcom from Russia and the Telecommunications Infrastructure Company (TIC) of Iran. One of the major benefits of the EPEG system will be offering a major

alternative cable route from the region to Europe. Currently, most cables go through Egypt and the Gulf of Suez, but by developing this new route from Oman to Germany, operators will have an excellent new alternative to current routes. Commenting on the significance of the agreement, Eng. Abdulrahim Al Bahlani said: "EPEG is a system that has brought together a diverse range of highly experienced international partners to build a unique system that will improve telecommunications services and provide new opportunities for collaboration with our partners. "This will be our first major project with TIC from Iran and Rostelcom from Russia, while strengthening our long and fruitful partnership with Cable & Wireless. We are looking forward to seeing the system in service in 2012 and the major benefits it will bring to both our local and international customers." Each one of the four partners in EPEG will have individual responsibility for the construction and development of the part of the network that runs through their own country to ensure the most efficient and cost effective implementation of the system. Oman's superb geographical location makes it the ideal entry point for global submarine cable systems to land in the Sultanate and benefit from Omantel's landing stations to connect into the wider Middle East region. Alembic HC Securities has said Oman's mobile broadband market is expected to triple in the next four years, benefiting its two telecoms operators as data services become more popular, The National has reported. The brokerage initiated coverage on Omantel and Nawras with an overweight rating and said mobile broadband in the Sultanate is expected to grow to 43.5% by 2015. Both operators exhibited superior margins of 54% last year, 10% above the GCC average.

Pakistan

According to the official data released by the regulator, in contrast to country's economic situation, the telecom sector is witnessing positive growth and total teledensity of the country grew by more than 2.67% in the last one year. The total teledensity growth kept oscillating between highs and lows till the end of the year and total teledensity including mobile, fixed and WLL services stood at 65.2%. The total teledensity growth in first half of the year (Jan to June 10) was 0.9% whereas in the second half of the year (July-Dec 10), the growth was 1.7%. It showed more stability and resilience as compared to first half of the year. The telecom revenues reported in 1st half of the FY 2011 were over Rs.180 billion which were 167 billion in the same period of FY 2009-10. The revenue growth during the reported period kept moving between highs and lows where in July-sep 2010, it was -3% whereas in Oct-Dec 2010, it was 4%. The reguator said cellular mobile sector is a driving force in terms of revenue in the telecom sector where it counts 67% of the total telecom revenue, whereas fixed line services share is 26% of total revenue generation of telecom sector. The share of mobile operators in total revenue of mobile services is according to subscriber share of each operator. The contribution of telecom sector to national exchequer through taxes, duties and regulatory charges kept growing.



The sector has been contributing over Rs. 100 billion each year since last few years. The regulator sought tight regulations for cellular operators regarding withdrawal of (limited time offers and) services in order to ensure maximum customers rights of telecom sector. The regulator has amended "TELECOM CONSUMERS PROTECTION REGULATIONS, 2009" in consultation with all stakeholders. The regulation stated that the operator(s) shall not withdraw provision of services or any category of services unless they inform the authority and affected consumers at least 90 days prior written notice of such withdrawal, and obtain approval of the authority for it. Operators may withdraw the provision of services of any limited time offer or bundle packages from consumers, provided that such withdrawal is approved by the regulator, after thirty (30) days of prior notice to consumers. In exceptional circumstances any operator may with prior written approval of the regulator, withdraw the provision of services of any limited time offer or bundle package from consumers. The operator shall notify the affected consumers after approval from the authority. In a significant development which may ultimately bring international calling rates down for Pakistanis while overseas callers may have to pay more, the telecom industry and most of the Long Distance International (LDI) operators have agreed to form a consortium to establish an International Clearing House (ICH) to get rid of illegal grey traffic. In this connection, LDI

operators have agreed to surrender their rights to terminate international incoming traffic at their ends and instead all incoming traffic will be terminated at a single exchange/gateway at least for two years. The grey traffic operators bypass the legally established telecom network in order to avoid due taxes and to gain financial advantage by offering very low rate and wrongfully deprive legitimate LDI operators of lawful revenue. Once these traffickers are eliminated, the rates for overseas callers may go up. As far as rates are concerned they will definitely improve as this time round almost the entire industry is going to strike a deal with the international carriers as a single entity so the rates are expected to a witness downward trend. PK Registry PKNIC in collaboration with online Urdu literature website U4U.COM organized a conference on "Local Language Content Stimulus". Chairman Pakistan Telecommunications Authority (PTA) Dr. Mohammed Yaseen was the chief guest of the event. Pakistan Software Export Board (PSEB) was co-sponsor of this event. Speaking at the occasion, Chairman PTA, Dr. Mohammed Yaseen said that Pakistan has emerged as one of the leading markets in telecommunications especially in the voice segment. However, the key towards further development of the sector remains with the availability of local content and applications.

Palestine

The Telecommunications Authority announced the names of three licensed telecom operators eligible to provide Voice over Internet Protocol (VoIP) services in the authority controlled territory.

Qatar

The regulator has instructed the Virgin Mobile-branded service of Qatar Telecom to shut down its services. The company is required to transfer all existing customers currently on Qtel's Virgin Mobile Service to a similar Qtel service or provide a full cash refund for the value of their QVMS SIM card and any credit balance they have in their account. Qtel said in a statement that it intended to "fully comply" with the ruling and said it would deactivate Virgin Mobile-branded SIM cards in time for the August 4 deadline when regulator said Qtel's Virgin operation must stop. Last May, incumbent mobile operator Qtel formed a branding partnership with Richard Branson's Virgin Mobile in Qatar. Weeks later, Vodafone Qatar, which launched in the Gulf Arab state in the summer of 2009 challenging Qtel's monopoly, started legal action against the regulator over Virgin Mobile. In July 2010, regulator ruled that while Qtel had broken telecom laws through its branding partnership with Virgin, it rejected Vodafone's allegation that Virgin amounted to a third provider. The telecom regulator and the Qatar National Broadband Network (Q.NBN) announced that the Q.NBN Board of Directors has appointed Mohammed Al Mannai as the CEO of the company tasked with building a nationwide fiber broadband network.

Saudi Arabia

The Arab Advisors Group released the results of its Cellular Competition Intensity Index 2011 this month on the margin of the 8th annual Media and Telecoms Convergence Conference in Amman on June 6-7 2011. The index ranks Saudi Arabia as the most competitive Arab cellular market. The Cellular Competition Intensity Index results for April 2011 revealed that Saudi Arabia tops the score as the most competitive Arab market- with a 76.01% mark. The Cellular Competition Intensity Index is relative in nature as it compares the state of every market relative to other markets. As such, even if a market's absolute level of competition improved, its score in this relative index will also depend on how other markets developed. The Arab Advisors Group devised the Cellular Competition Intensity Index to rate and to examine the intensity level of competition in the Arab World's cellular markets. The index takes into account the number of operators, packages, and services available in each of the 19 countries covered by the Arab Advisors Group. Each category was assigned a certain weight according to its importance as an indicator of competition. Due diligence has yet to start on the proposed sale of a stake in mobile operator Zain Saudi Arabia. In March, parent Zain agreed to sell its quarter-stake in affiliate Zain Saudi to joint bidders Batelco and Kingdom Holding, with the three parties signing terms in early April. Zain's spokesman said the due diligence will commence if and when Zain Saudi's board of directors gives approval. The

stake sale hit a snag over management rights, a source said in May. Zain receives 2.7% of Zain Saudi's revenue in management and branding fees, according to a note from HSBC, with these worth an estimated SAR 2.4 per share. Zain Saudi does not want these fees transferred to Batelco, the source said. Batelco also wants Zain to waive more than US$ 100 million of accrued fees, plus US$235 million in shareholder loans and interest charges, according to a note from Deutsche Bank. This would slash the deal's value to about US$ 600 million, it said. Saudi-based telecoms firm, Etihad Etisalat (Mobily) is set to introduce Long Term Evolution (LTE) services within the next few months. Once implemented, the fourth generation (4G) network will provide data speeds up to 100mbps instead of the 20-

40mbps the 3G is providing.

Sri Lanka

The Telecom Regulator rebuilt the Kokavil Multifunctional Transmission Tower, which was destroyed during the civil war. The Kokavil Tower, the largest and highest transmission tower in Sri Lanka at 174 meters, was reconstructed at a cost of LKR 330 million under the Uthuru Wasanthaya Program. The tower will have telecommunications, television, and radio equipment installed and will serve the Northern Province. The Telecom Regulator in response to public opinion that HSPA services do not provide the speeds advertised, commenced a process of monitoring and found that such opinion is justified and has introduced new guidelines on advertising speeds of mobile broadband services. These guidelines have been formulated considering all aspects of mobile broadband services directing broadband providers to provide fair and correct information to the public when offering services. It is observed that the ISPs tend to advertise theoretical peak speeds of the HSPA technology in mobile broadband services, for commercial advantages thereby deceiving the prospective user. However achieving these speeds in reality would not be possible. The achievable speed or the usable speed could be much lower than the speeds advertised by the operators. Sometimes it drops more than 60% from the peak speed advertised by the operator in their marketing materials.

Sudan

The telecom regulator launched a meeting of the Executive Committee of African Ministers of Communications, which was attended by representatives from nine African countries and is the third meeting of its kind where Sudan was elected president of the Executive Committee in the previous year. Addressing the opening session, Director General of the Authority noted the importance of developing policies to support the harmonization of African countries in the field of communications and information technology.

Syria

For Syria's third mobile license Etisalat is reconsidering bidding, but only if the terms of the tender are changed. The company withdrew from bidding for the license earlier this year. Last month, the Syrian government delayed planned auction of the country's third mobile operator license due to the ongoing political turmoil in the country. Only Qatar Telecom and Saudi Telecom were left in the bidding round before it was cancelled. According to figures, the country is estimated to have had just over 11 million mobile phone subscribers at the end of March 2011, which represents a population penetration level of 54%. The two incumbent operators will have to buy out their current BOT agreements and convert to a conventional license agreement. The buyout price has been previously reported as being around US$500 million. US-based network security firm Renesys has said that internet lines in Syria have been cut, following the civil unrest in the country. "Over the course of roughly half an hour, the routes to 40 of 59 networks were withdrawn from the global routing table," the group said. Syrian internet access is primarily controlled by the state-owned SyriaTel. "They buy most of their internet transit from Turk Telekom and Deutsche Telekom, with some contribution from PCCW, Tata, and Telecom Italia," Renesys said. "Connectivity has historically come in over submarine cable from Cyprus; activation of new terrestrial fiber connections to Turkey has been delayed by this year's political unrest." In the past year, there has been an extensive push for universal access to Internet, seen as the ultimate democratizing tool enabling two-way communication between governors and the governed. But the reality of a 'digital divide' leaves the majority of the world's population without access to the technological infrastructure to support its use. And those who do have access are sometimes more vulnerable to restriction on political basis, as seen in the recent uprisings in the Middle East and North Africa. Such was the case in Syria on June 3, when the government shut down the country's Internet network. Although fully restored the following day, the country's 3G, DSL and dial-up were disconnected the same day massive protests and marches were being organized throughout the country.

Tunisia

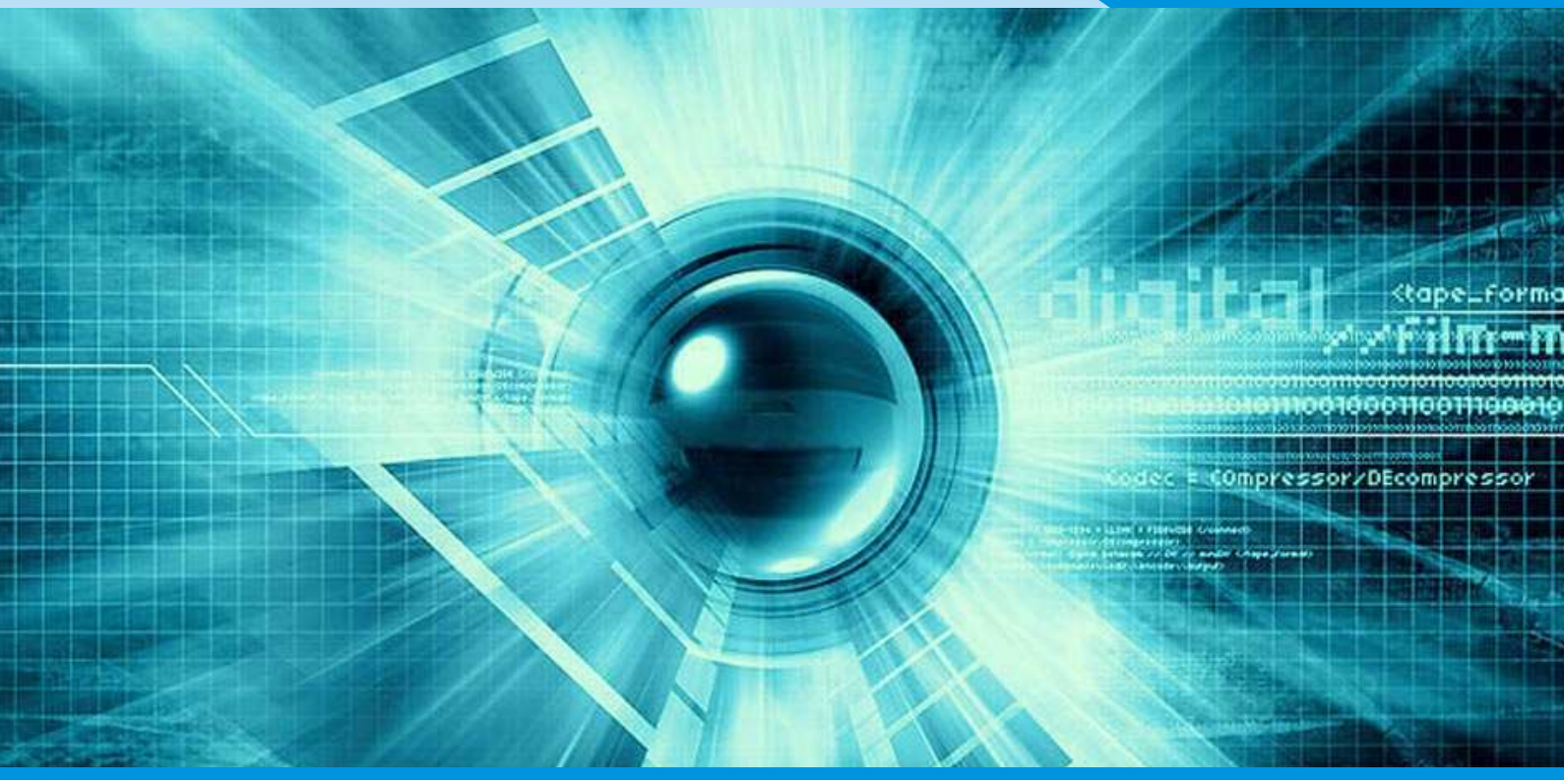
In Tunisian mobile phone operator Tunisiana, Qatar Telecom (Qtel) plans to raise its 75% stake. Qtel Chairman met with Tunisian interim Prime Minister and discussed bilateral investment in the telecoms sector. In addition to that both parties agreed on Qtel's raising share in Tunisiana. In November, Qtel and Tunisian investment firm Princesse Holding said it would pay Orascom Telecom US$1.2 billion for the Egyptian company's 50% stake in Tunisiana, with both members of the consortium netting a 25% stake each in the North African company. Through its Kuwaiti Wataniya unit, Qtel already owned a 50% stake in Tunisiana. After the January revolution billions of dollars worth of the former president's assets were investigated and seized by the interim Tunisian government. Ouster president's son-in-law was chairman of Tunisiana. Persian Gulf telecom companies flush with petrodollars; have increasingly ventured abroad over the last few years in search of new sources of income as domestic monopolies end.

Turkey

The Turkish Competition Authority (TCA) has fined TurkcellTRY91.94 million (USD58.36 million) for breaching competition rules regarding distribution. The Turkcell defended itself on May 31 as part of the competition board's investigation into its activities. During the hearing Turkcell reportedly protested that, given its dominant position within the market, Turkcell is now obliged to run its activities in a 'tough competitive environment', adding: 'We do not mention this as an objection, but we say this because others are claiming the opposite'. The Turkcell reported 33.1 million subscribers at end-March 2011, equivalent to a 53.6% market share. The firm's rivals in the Turkish wireless sector are Vodafone Turkey and Avea.

United Arab Emirates

The Telecom Regulator announced the "National Emergency Plan for the Telecoms Sector." The plan is in compliance with the vision and strategy of the government, regulator said in a press release. Speaking on the launch of the plan, Muhammad Nasser Al Ghanim, TRA Director General said that the National Emergency Plan for the Telecommunications Sector (NEP-T) is intended to provide the foundation for an effective and coordinated emergency response by the UAE Telecoms Sector. It has been designed to address emergency issues that impact (or could impact) the telecoms infrastructure and the National Emergency Plan for the Telecoms Sector (NEP-T) is intended to fit within the broader framework of the National Crisis and Emergency Management Authority (NCEMA) emergency and resilience planning at the national level within the UAE, but also specifically within the preparations already made by the Telecoms Sector. The TRA, in coordination with NCEMA, will lead and manage the responses," he added. The plan identifies the threats which might affect the telecom sector such as: loss of mains electricity, permanent or long-term absence of staff, loss of mains water and sewerage, loss of availability of fuel or oil, disruption to land, sea or air transport, infrastructure failure, telecom system failure, software failure, electronic interference, cyber threats and embargo. The National Emergency Plan for Telecom Sector also sets the UAE Telecoms Sector's priorities in an emergency, which are geared towards the provision of telecoms services to priority user groups, and those commercial entities that have contracts in place with the licensees to ensure a minimum level of service is maintained. It sets the requirements to protect Priority Telecoms Services for the Priority User Groups as defined by the TRA. Different priority user groups have different requirements for priority telecoms services (for example, individual government VIPs require mobile services as a priority, whereas financial centers require internet services as a priority). Therefore, the plan does not impose specific technical requirements, which are the responsibility of the licensee to propose, but the licensees are required to fulfill the group of obligations set by the plan. The plan also indicates that in the event of a national emergency, both the UAE government and the Telecommunications Sector will have crucial roles in managing the incident. Reaching a successful outcome will depend on their respective and joint ability to coordinate a response at various levels (strategic through to tactical). The Telecommunications Sector, under the oversight and coordination of the regulator is responsible for the operational management of the telecommunications resources necessary for ensuring that any emergency situation is managed and recovered effectively and as quickly as possible. The regulator launched a crackdown against fake and illegal telecommunication devices and mobile phones in the country. The crackdown covers illegal trading in wireless products, which can be misused against public safety and other illegal hardware that uses random bandwidth, which is against the security rules. The GCC countries in a meeting of Gulf telecom regulators agreed to cut regional roaming rates by 30%. The regulators also agreed to implement the second cut in prices, after an earlier 30% cut in September 2010, the UAE regulator announced. The six Gulf Cooperation Council (GCC) countries are Saudi Arabia, Kuwait, Qatar, Oman, Bahrain and the UAE. The meeting also discussed the transition to digital broadcasting in the region, service charges among Arab countries and other cross-border issues. The UAE is projected to spend US$45.8 billion by 2012 in information and communication technology ranks 24th in the world and first among Arab countries in its use of ICT to enhance competitiveness and development, according to a new report released by the World Economic Forum.



TOP TECHNOLOGY UPDATES

Real Networks Launches Media Cloud Service in Germany

Real Networks has begun the worldwide rollout of Unifi, its cross-platform media cloud service, starting in Germany. Vodafone subscribers can sign up for this service. Through this users can store their digital media, including photos, music and videos, in the cloud. They can also take a photo on their iPhone or Android phone and save it to the cloud. Unifi also enables users to access their iTunes music collection on their Android phone. In Germany, the service will cost EUR 2.99 per month for 10GB, EUR 4.99 for 30GB and EUR 9.99 for 70GB, with billing provided through Vodafone. The Unifi software is compatible with Windows, Mac, iOS and Android devices as well as Facebook. Ditch

Bulgaria's M-Tel Adds On-Demand Movie Rentals to IPTV Service

Bulgarian telco M-Tel has added a new movie rental library to its IPTV service "Quarto", as well as time-shifting and Picture in Picture capabilities. Movies can be rented on an on-demand basis. A total of 50 movies are initially available, of which six are being offered free of charge until July 23rd. The telco reportedly plans to add 600 new VOD titles to the service in the coming months. The new improvements are being rolled out across the cities of Sofia, Varna, Burgas and Devnya. M-Tel launched its IPTV service in 2009, and there is currently only one other provider of IPTV services in Bulgaria. Incumbent telco BTC announced plans last year to launch under the Vivacom brand name before the end of 2010, but so far that service has failed to materialize.

ZTelco Offers Free VoIP Hosting and Hosted IP PBX for Developers

ZTelco Technologies, a leading innovator in Hosted IP PBX and VoIP hosting, partnered with Enteracloud Solutions to unveil a free sandbox hosting program for VoIP application developers. ZTelco Technologies announces extending the free Hosted VoIP sandbox program until August 31, 2010 with the latest version of Linux and VoIP Technologies. The free IP PBX and VoIP Hosting sandbox program is a limited program offered as an open beta on a first come first serve basis. "

WIMAX for LTE GSMA Tells Taiwan

The GSM Association (GSMA) has suggested to the Government of Taiwan that the country should move away from WiMAX and focus instead on LTE. Taiwan has been a big backer of WiMAX technology, predominantly due to the backing of global computer chip maker Intel. The country has no less than six WiMAX operators: FarEasTone, Fitel, Global Mobile, Tatung, Vee Telecom, and VMAX Telecom. However, local confidence in the technology has been shaken since Intel closed its Taiwanese WiMAX office in 2010. The NCC's most important task is to ensure that the reallocation of spectrum in the 700 MHz band is as efficient as possible. The regulator must also facilitate changes in WiMAX operators' licensing conditions to deploy LTE. Recently, Michael Lai, of Malaysian operator Packet One said that the company plans to refarm 20 MHz of its 2.3 GHz bandwidth from WIMAX to LTE. Lai also hopes to gain access to 700 MHz spectrum for LTE as soon as it becomes available.

Motorola Mobility Unveils New IPTV Set-Top with a "Click-in" DVR Module

Motorola Mobility UK Ltd is giving service providers an elegant and cost-effective solution for expanding their service offerings with the new Motorola VIP1853 – an IP set-top with a 'click-in' Digital Video Recording (DVR) module. The Motorola VIP1853 was designed to reduce set-top box deployment costs for operators without compromising on performance by enabling them to choose the DVR capacity for set-tops. With the Motorola VIP1853, service providers can market a set-top that can be easily upgraded for customers wanting to add DVR capability to their basic box or wanting to expand their recording capacity with an additional or larger capacity module. This latest addition to Motorola's line of high-performance, IP set tops, comes in a sleek, compact design and by optimizing the feature set and employing an efficient mechanical design, Motorola has achieved an extremely cost-effective solution. In addition, the Motorola VIP1853 has low power consumption thereby helping to minimize its impact on the environment. The Motorola VIP1853 is expected to be available for delivery globally from Q3 2011 and be launched by a major European operator by the end of 2011.

NEC Introduces Virtualized UC and Contact Center Solution

NEC Unified Solutions has announced the availability of Release 5.1 of its acclaimed all-in-one UC solution Business ConneCT. This latest version offers organizations significantly enriched Unified Communications, Contact Center and Operator Attendant functionality. Business ConneCT (BCT) is proven and appreciated in a multitude of deployments around the globe. NEC has been at the forefront of these developments, with the company's thin client Virtual PC Center solution being a good example of early adoption of virtualization technology. The new Business ConneCT 5.1 enables customers to deploy the Unified Communications and Contact Center solution in virtualized data centers or cloud based environments. Uniquely customizable Soft Wallboards empower contact centers with real-time information. NEC has enhanced its BCT Mobile Client with presence management now including a clear indication of Telephony, Calendar and PC Presence. BCT Mobile Client supports the majority of smartphones like iPhone and Android devices, as well as tablet Pcs.

Imtech Marine Introduces RH IPTV, the Easy to Use Crew Entertainment Solution

Imtech Marine developed an IPTV based crew entertainment solution for the offshore and merchant marine market. IPTV offers interactive multimedia services such as television, video, audio; text and graphics delivered over IP based networks. The systems consists of SAT TV streamers that convert satellite TV broadcasts into an IP format and an RH IPTV server which provides all streaming Video on Demand and Music on Demand content from its hard discs. Multiple users can login to a set-top box, so even when crew members are sharing a cabin, they can store their own playlists and settings. The administration of the systems is done with an easy to use web interface and content can be uploaded either manually or using mass import when a large number of files need to be imported.

Microsoft's WiFi Mapping Service Source Code Out in the Open, Published

A part of the source code that Microsoft plans to use in aiding its WiFi hotspot mapping service has been published. Apparently, Microsoft is looking to preemptively fend off the uproar that Google had to contend with when their Street View cars drove around cities to collect similar data. The MSDN web site hosts the source code. It demonstrates the type of data as well as the amount that Microsoft will be collecting during WiFi access point surveys by way of managed driving. The Windows Phone Engineering team had developed the code in such a way that it makes use of publicly documented interfaces for accessing cell tower, WiFi data access point, in addition to GPS data. One of the contentious issues that saw Google in the dock was the storage of payload information as regards to the contents of emails and other web traffic that traversed through the WiFi access points. Microsoft stressed that it gathers location information only without storing it.

IP Soft Switch Feature: Fireproof Solutions for All VoIP Firewalls

REVE Systems product iTel Byte Saver offers two main benefits- tunneling and reduction in bandwidth consumption. By forming a tunnel, iTel Byte Saver allows all the calls made from iTel Mobile Dialer Express to smoothly pass through any firewall or blockage. iTel Byte Saver forms a tunnel between itself and iTel Mobile Dialer Express in order to bypass any firewall or blockage. Another benefit of iTel Byte Saver is that it reduces bandwidth usage. This allows end users to make smooth calls even if the bandwidth is low. In addition, the low bandwidth consumption also lower downs end users' GPRS bills by a significant amount.

STOP SATISFYING YOUR CUSTOMERS

Here's an unlikely suggestion from a customer strategist: Forget customer satisfaction. It's not a differentiator; it's table stakes for any company worth its salt. What's more, it's a lagging indicator, not a leading one. You can't build a forward-thinking strategy based on historical data like customer satisfaction. Instead, companies need to take satisfaction to the next level to create customer advocates. At the end of the day, improving advocacy leads to higher financial returns than improving customer satisfaction.

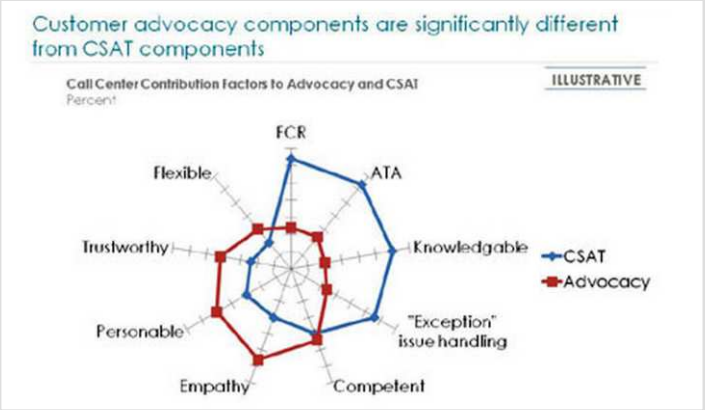
Customer advocacy is a lofty goal, but can be achieved as part of a multi-level customer experience strategy using three customer experience triage tiers:

- Silence the detractors
- Build a solid customer experience
- Develop advocates

The first step is to silence detractors. This doesn't mean you should keep people from talking or responding to negative opinions. Instead, you need to develop an environment where customers will not want to talk badly about a brand. One executive I talked to said his goal is to "not have customers hate us." Tactics in this instance are to prioritize where the most negativity is coming from and allocate resources to fix the root issues. Basically, get your customer experience house in order by focusing on the most complained about moments of truth.

Once your detractors are silenced, the next tier is to build a solid and positive customer experience. Create consistent, coordinated interactions across channels to meet customer needs. Develop efficient internal processes, integrate data, and empower employees so customers are satisfied every time they interact with you. Satisfaction and loyalty are critical to the success of a business. But you don't have to stop there. The customer experience end game is advocacy. Advocacy is different than loyalty or satisfaction. It is a business strategy that places customers' interests ahead of the company's. It is built upon trust, and trust is an enduring competitive advantage that pays dividends today and long into the future. And, trust has become increasingly important as companies are losing control of the brand message to customers who can reach the masses in an anonymous, everlasting way. Advocacy, built on trust, is one of the single most powerful factors in influencing a customer's buying behavior. Achieving advocacy requires primary research and fact-based analyses of customers and their needs; coupled with an understanding of organizational readiness to engage in the strategy.

Advocates are satisfied and loyal, but the opposite is not necessarily true. Companies need to determine the drivers of advocacy versus customer satisfaction. The following illustrates how satisfaction and loyalty drivers may differ.



- Three hallmarks of a customer advocate differentiate him or her from simply being a supporter, influencer, loyalist, or satisfied customer:
- Supports and Is Loyal to the Brand: An advocate will stand by the brand even in times of difficulty, isn't afraid to react to criticism or correct factually incorrect statements about the brand, and will purchase brand products as gifts for friends and family.
- Recommends and Actively Promotes the Brand: Advocates share their experiences via various social media, openly praise your employees, internally and externally, and provide unsolicited feedback on service and quality. In some cases, they consider themselves "brand protectors."
- Is Emotionally Attached to the Brand: They have a sense of "ownership" in the brand. They will forgive shortcomings such as price when buying products, and they treat the brand as part of their inner circle.

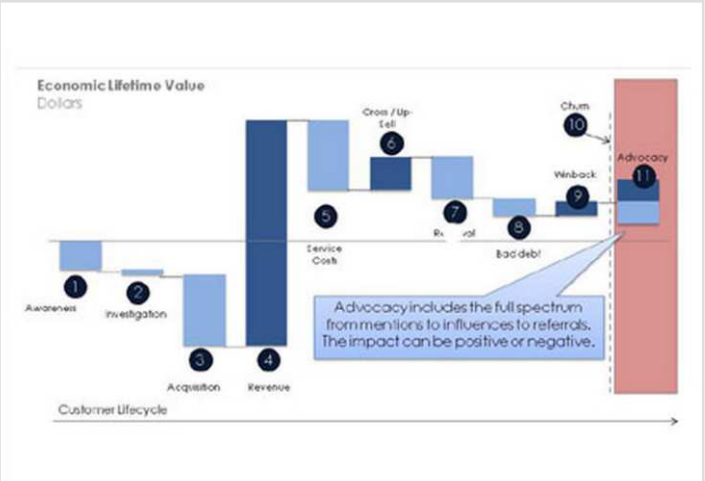
How to identify and build advocates

It's more difficult to identify and build advocates than it is to simply satisfy them. A positive customer experience may satisfy a customer, but to build advocates, you need to up the ante. An unusual or exceptional interaction in a great way is what builds advocates.

Advocacy is not developed through ordinary experiences, but through extraordinary experiences. You must be able go that extra mile when customers don't expect. In return, you will receive long-term rewards in the form of advocacy. For example, as a Delta 'very' frequent flier, I have received two unusual offers. One was a black-tie invitation to the grand opening of Delta's new Terminal A in Boston. The second was an offer for two free flights to Miami, two tickets to an NFL game between the New England Patriots and the Miami Dolphins, and a free night at the Ritz Carlton. While the latter offer was potentially very expensive, it created a strong advocate of me for life, despite the fact that I've had many instances of frustrations with the carrier.

Creating an advocate is very different than creating a satisfied customer. The process of creating an advocate depends on the level of customer engagement that already exists. Customers sit on a spectrum, from indifferent on one side to advocates on the other. For indifferent customers, emphasize the value they receive over price and create specialized services addressing their specific needs. For customers who already feel fulfilled, you need to create emotional connections between them and the brand. Meanwhile, committed customers should be encouraged to become members and participate in the customer community, as well as create "networking" opportunities. Of course, these are high-level suggestions. How companies specifically interact to build advocates is often complex and will be unique to a specific brand and its customer attributes.

Advocacy isn't just a feel-good initiative. It can drive both direct and indirect value to the company while strengthening customer relationships. Customers each have economic lifetime value, as depicted in the chart below.



The traditional views of Customer Lifetime Value have taken on a new complexity as advocacy has become a strong influence on the overall value of a customer. The 'indirect' value contributed by a customer can mean as much, if not more, than their direct value. Companies are failing to take that into account.

Conclusion

The benefits of building advocacy can't be ignored. Satisfaction and loyalty are important, but they're old news. It's a new dawn in customer experience strategy. Forward-thinking companies will be the ones that identify and work with their customer advocates to genuinely build the brand, the customer base, and the bottom line.

Matthew Rhoden
Partner
Peppers & Rogers Group

GROWING BANDWIDTH DEMAND, INVESTMENTS IN INFRASTRUCTURE AND ROLE OF SUBSEA CABLE

SAMENA region has a range of broadband access technologies that are capable of supporting bandwidth hungry applications. There has been a constantly growing demand of interests to drive broadband, convergence and content in the region. Operators have been deploying next generation technologies to overcome the bandwidth demand. Traditionally speaking, PON based FTTx access networks are considered to offer very high bandwidth, but there are technologies based on the copper line that can offer bandwidth as high as 50 Mbps. VDSL2 is one such technology. With this, and other broadband access technologies, the region's broadband market continues its remarkable progression. PTCL has become the 1st operator in the world to use VDSL2 Bonding technology to provide Bandwidth up to 50 Mbps on its existing copper network. The technology makes use of two copper based lines per subscriber and combines this to almost double the bandwidth speed available via one line. The technology is of greater significance in the sense that telcos can increase the life of their copper infrastructure supporting the delivery of high bandwidth services.

"Traditionally speaking, PON based FTTx access networks are considered to offer very high bandwidth, but there are technologies based on the copper line that can offer bandwidth as high as 50 Mbps"

The inevitable evolution of broadband technology has lead to a vital increase in global convergence and hence been extremely beneficial with respect to the burgeoning of the industry. SAMENA region is very rich in terms of broadband technologies capable of supporting advanced applications. There has been a growing demand of interests to drive broadband, convergence and content in the region. The region's broadband market continues its remarkable progression; broadband proliferation is progressively becoming the nexus of content and applications. The growing consumer base shows a strong demand for content and introduces challenges that the industry stake holders must address to accomplish comprehensive triumph.

"The growing consumer base shows a strong demand for content and introduces challenges that the industry stake holders must address to accomplish comprehensive triumph."

A report by Telecom Advisory Services suggests that reduction in special taxes related to telecom in developing countries will not only boost broadband adoption but will also result in economic growth through investments. This will also help in narrowing the digital divide. The report states that for every dollar in lower taxes in Brazil, Bangladesh, Mexico, and South Africa, will result in additional GDP ranging between US$1.4 to US$12.6. This can be especially beneficial to most of the SAMENA markets with low broadband penetration and GDP growth.

Increasing demand for wireless broadband access will lead to greater investments in infrastructure by operators. This trend will increase sunk costs by operators to provide wireless broadband to a wider geographic area. The costs for developing infrastructure for wireless broadband technology is lower compared to traditional method of delivering broadband. This trend will also help narrow the digital divide in developing countries.

In the Middle Eastern markets such as Lebanon, UAE, and Bahrain among others, high speed internet services including IPTV and 3G mobile networks are in touching distance after these markets are being connected to increasing number of international submarine cables. In Lebanon, MTC Touch is developing a 3.9G HSPA+ network which will provide broadband internet speeds of up to 42 Mbps and in result the ability for consumers to access data rich services such as IPTV video streaming and mobile TV and experience higher call quality. With the emergence of new submarine cable connection Lebanon's private internet service providers (ISPs) will also be able to offer faster internet connection speeds to the consumers. Similarly, OmanTel recently signed a contract with three international telecom partners in Tehran for providing a new express cable system to link Frankfurt in Germany to the Gulf. The growing demand for content and data services has resulted in the progress of new undersea cable systems globally as well as in the SAMENA region.

Saudi Arabia National Fiber Network (SNFN) is designed to offer massive bandwidth capacity, meeting all current and future capacity and growth needs. ITC's (Integrated Telecom Company) 16,000-kilometer Saudi National Fiber Network (SNFN) connects all major cities in the Kingdom. SNFN is ITC's independent fiber network. It is not part of the existing 16,000-kilometer fiber optic network in the Kingdom. ITC recently signed a SAR 4 billion (US$1.06 billion) Fiber Network Expansion Agreement with the Korean Middle East Engineering Company (KOMEE) to increase its network coverage by 10,000 kilometers. This is considered as one of the largest in the Kingdom's telecommunications sector and will lend major support to the CITC's efforts to enhance the Kingdom's telecommunications sector, by actively contributing to the Kingdom's strategic educational, governmental and economic development.

Mr. Bocar A. BA
President
SAMENA Telecommunications Council

BROADBAND IMPACT ON HEALTH SECTOR

Health care is considered to be one of the most important sectors that affect any nation's development and prosperity. Improving citizens' health has its direct positive impact in raising the development rates in every aspects of life. By 2011, the world is expected to be spending US$ 5.3 trillion each year on healthcare, according to the World Health Organization (WHO)[2]. Governments, individuals, and private insurers around the world are seeking to effectively cut healthcare cost while enhancing the quality of provisioned services. One crucial way to enhance health care system is to adopt new technologies in way that ensures the delivery ofhigh quality services and the same time maintainreasonable cost. The implementation of broadband is facilitating the development of a number of cutting-edge approaches tohealthcare, such as telemedicine services, mobile health care, and electronic health records.

Broadbandenabled telemedicine services are shifting the healthcare model byenabling in-home care and real-time patient monitoring and focusing on disease preventionby enhancing personal wellbeing. Telemedicine can be divided into three main types: store-and-forward, remote monitoring and interactive services.Store-and-forward telemedicine involves acquiring medical data (like medical images, bio signals etc.) and then transmitting this data to a doctor or medical specialist for assessment. Remote monitoring enables medical professionals to monitor a patient remotely. This method is mainly used for managing chronic diseases or specific conditions, such as heart disease, or diabetes mellitus. Interactive telemedicine services provide real-time interactions between patient and provider via online communication. Among the advantages of telemedicine that it can make specialty care more accessible to underserved rural and urban populations, better monitoring of disease patterns and trends, better diagnoses of diseases due to availability of multiple specialist opinions, served as educational or training tool for doctors, and maintain locally the money spent outside the nation on medical services.

Mobile health (mHealth) is another key solution for advancing access to healthcareapplications. mHealth includes the use of mobile devices in collecting community and clinical health data, delivery of healthcare information to doctors, researchers, and patients, real-time monitoring of patient vital signs, and direct provision of care. While mHealth certainly has application for developed countries,

it has emerged in recent years as largely an application for developing countries, stemming from the rapid growth of mobile penetration rate.mHealthconsists of three important components: the availability of a reliable mobile or wireless architecture; the integration of medical sensor or wearable devices for monitoring; and a robust application and services infrastructure.Currently, there are 17,000 mHealth applications in major app stores, with 74% of them are obtained through application service providers.It is projected that by year 2014 public and private healthcare providers could save between USD 1.96 Billion and USD 5.83 Billion in healthcare costs worldwide by utilizing mHealth technologies[2].The World Health Organization (WHO) conducted a global survey for analyzing mHealth status in the 114 participating countries under the name of Global Observatory for eHealth (GOe). 83 % of member states report offering at least one type of mHealth service. The most frequent mHealth initiatives reported were: health call centers (59%),emergency toll-free telephone services (55%), managing emergencies and disasters (54%), mobile telemedicine (49%). Currently the European Region leads mHealth initiatives while Africa proved to be the least active. The below figure represents the percentage of member states in a specific region; that report at least one mHealth initiative: [1]

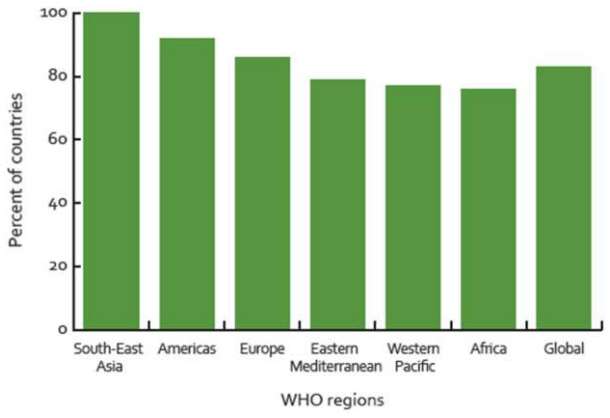


Figure 1: Member States reporting at least one mHealthIntiative[1]

Broadband is vital for the success of the spread of such applications, as they require instant response, high upload and download rates to download diagnostic data, lab results and images.

Electronic health record (EHR) is defined as a systematic collection of electronic health information about individual patients or populations. It is a record in digital format that is capable of being shared across different health care settings, by being embedded in network-connected enterprise-wide information systems. Such records may include a whole range of data in comprehensive or summary form, including demographics, medical history, medication and allergies, immunization status, laboratory test results, radiology images, vital signs, personal stats like age and weight. EHRs provide access to unprecedented amounts of clinical data for research that can accelerate the level of knowledge of effective medical practices. Also, HER, as a complete record of patient, allows the automation and streamlining of the workflow in health care settings and increases safety through evidence-based decision support, quality management, and outcomes reporting. Therefore, the benefits of applying EHR systems may only be realized if interoperability and wide spread (for example, national or regional level) are maintained, so that various systems can easily share and exchange information, which requires again steady connections and high data transfer rates.

In Conclusion, broadband networks with unlimited capacity is mandatory to meet the increase in demands in every aspects of life. Health care sector as illustrated above needs broadband networks with low latency to enable as close to real-time delivery as possible. One important issue that should be taken into consideration is that the application of broadband on health care should be implemented in way that ensures the economic sustainability of the overall model. In order to use broadband to deliver high quality health care services, investments not only on network infrastructure, but also on the automation of the overall medical sector are required. Therefore, it is highly recommended to make sure that the overall model will be feasible for all stakeholders and will meet the nation objectives in improving the citizens' health. The major global barriers for implementing broadband health initiatives are Priorities, Knowledge, and Policy. Healthcare initiatives overburdened by diverting investments into other priority sectors. Lack of knowledge about the financial and social impact of implementing broadband healthcare initiatives may be the reason behind selecting other priorities. Creating awareness is a must for both public and private sectors. As the third major barrier for implementation is the absence of an investment encouraging policy. Most policies and policy maker have not yet seen the impact that broadband technologies can have on the healthcare sector. SAMENA region is not an exception; on the contrary it leads the need for sound policies that enable the transformation of the healthcare sector to achieve tranquility in societies

George Victor Salama
Senior Manager, Public Policy
SAMENA Telecommunications Council

References:
[1] WHO: Global Observatory for eHealth series – Volume 3
[2] GSMA: Imbedding Mobile into Healthcare

THE CREATION OF DIGITAL ARABIA

As more and more people in the GCC access the Internet, whether via their computers or their mobile devices, there will be significant demand for Arabic content. At present, less than 1 percent of all online content is in Arabic, even though there are more than 344 million Arabic speakers worldwide and the number of Internet users who speak Arabic increased by an astonishing 2,298 percent from 2000 to 2009.

The need to have more online content in Arabic goes beyond consumers' desire to check weather reports and play games online in their own language. The nations of the GCC are staking their future on the development of knowledge economies, and the ability to generate, aggregate, and disseminate information will be at the heart of this achievement.

The first question, then, is whether the region has the capacity to create a 21st century Dar Al-Hikma—the institute known as the "House of Wisdom," which flourished as the intellectual center of the Arab world from the 9th-13th centuries. By encouraging enquiry into science, mathematics, and philosophy, Dar Al-Hikma was a catalyst for a golden age of learning in the Arab world.

> *"The need to have more online content in Arabic goes beyond consumers' desire to check weather reports and play games online in their own language"*

I believe that we can create a similar spirit of enquiry and intellectual innovation today, and take advantage of the digital resources at our disposal to further those aims.

Young people are demanding this content-rich and knowledge-based renaissance: In a recent survey conducted by Booz & Company among people aged 15-24 in Qatar, the UAE, and Saudi Arabia, respondents consistently ranked "technologically advanced nation" and "educated and intellectual society" as the top two descriptors of what their nation should be reputed for. Grander statements around "leader in the Arab world" or "leading Arab country in the world" have no resonance with today's youth. They long for information, knowledge, technology, and capability-based advancement-and in this arena, digital content in Arabic takes center stage.

> *"We can create a similar spirit of enquiry and intellectual innovation today, and take advantage of the digital resources at our disposal to further those aims"*

The second question is whether we are ready for the digital transformation of our economies and digital advancement of our societies-and our region is progressing well along this path. In the 2010-2011 Global Information Technology Report published by the World Economic Forum, the UAE ranked 24 in terms of overall network readiness, Qatar ranked 25, Bahrain ranked 30, and Saudi Arabia ranked 33.

While we still have a long way to go, we are well ahead of more technologically advanced nations. In fact, a closer look at the data reveals that Qatar ranks 4 globally on digital readiness, followed by the UAE ranked 6, Saudi Arabia ranked 24, and Bahrain as ranked 30. As we build the infrastructure, we must now shift gears and focus on what comes on top of it - content in general and Arabic content specifically.

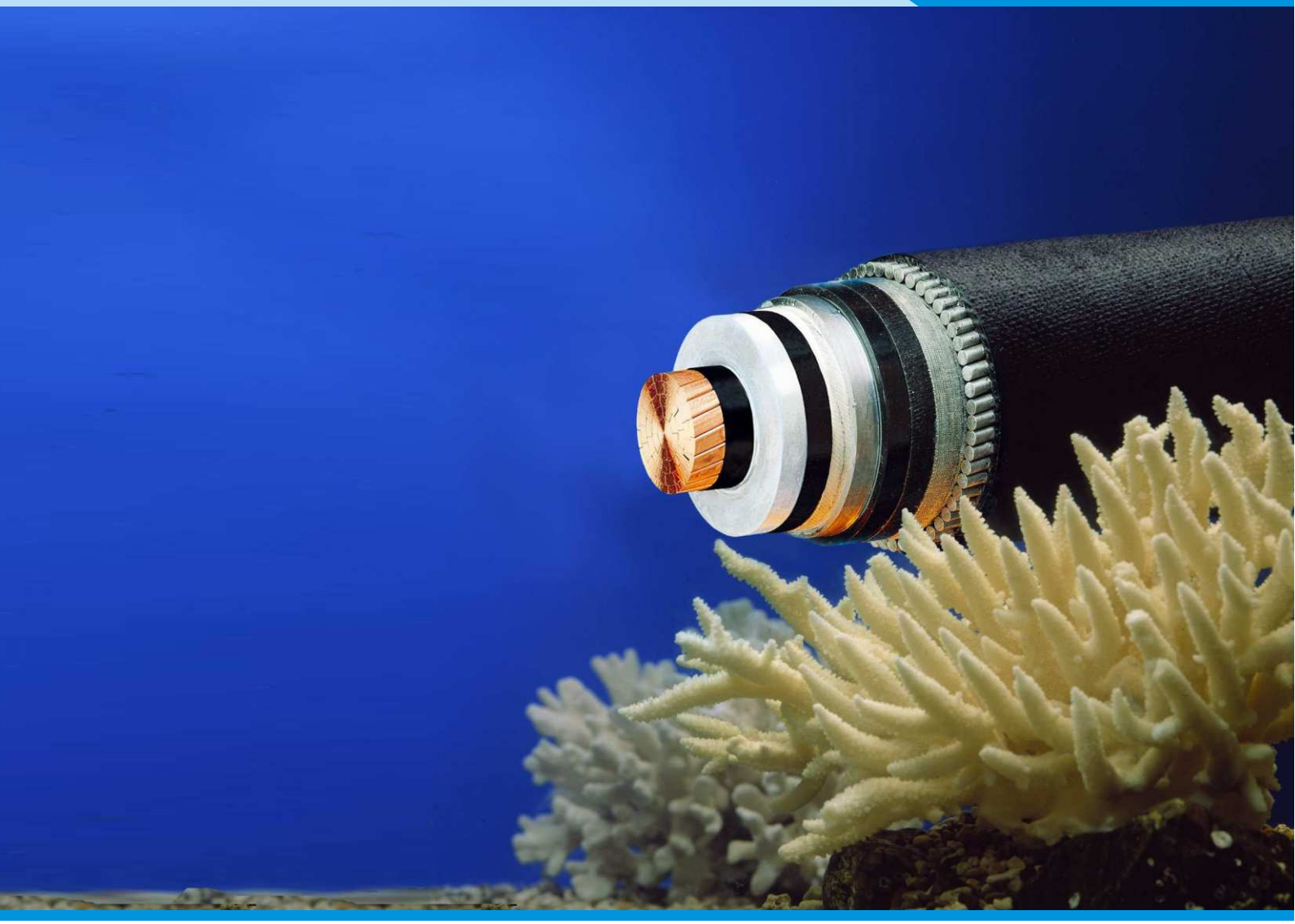
The final question, then, is what happens next? We are still in the early days of our journey in creating Arabic digital content. So far, there has been a great deal of simple adaptation of traditional content-newspapers, books, music-into digital formats. This is a first step, but truly innovative Arabic digital content fosters new knowledge and offers insights that are not available in any other format. Unless we fast-track this journey, we will hinder our societies and economies, and traditional businesses will lose relevance. Newspapers offer a case in point: In a recent study conducted by Booz & Company in Dubai, Abu Dhabi, Dammam, Riyadh, and Jeddah, we asked readers aged 18 to 35 about their consumption of traditional and digital media. The majority-56 percent-have already decreased their consumption of print media or stopped it entirely, and more than three quarters plan to do so if they haven't already. Instead, they are checking out the digital offerings of international television brands such as Al Jazeera, CNN, the BBC, and Al Arabiya, as well as other online-only news sites (AMEInfo), digital media portals (Maktoob, MSN Arabia), major aggregators (Google and Facebook), and telecom operators (SMS services by Etisalat and STC). Only 23 percent of respondents visit the digital version of the print newspapers they used to read.

Leaders in both the public and private sectors must step to the challenge of creating a viable Arabic presence online. Subsidies and grants can fund the digital creation of content that has value for individuals, businesses, and governments. New business models—for instance, those that are funded by advertising—can facilitate the creation of an industry around digital content. National or regional competitions can foster innovation and creativity in the production of digital content.

Acknowledging the importance of getting Arabic content online is the first step. Our collective energy must shift from simply building the digital infrastructure to creating the infrastructure and content ecosystem together. In doing so, we can gain the hearts and minds of an entire generation and enable Arabic to claim its right as the language of insights and knowledge in this digital century.

> *"Our collective energy must shift from simply building the digital infrastructure to creating the infrastructure and content ecosystem together"*

Karim Sabbagh
Senior Partner and the global leader of the Communications
Booz & Company



SUBSEA INFRASTRUCTURE PROTECTION: THE POLICY CONTEXT

Operating in isolation and out of sight, the subsea cable industry is the enabler of inter and intra-regional communications, international traffic routing, redundancy protection, and a myriad of other important services for telecommunications service providers. The submarine cable systems have been and, in relation to the current broadband growth, continue to be a critical component of the world's overall telecommunications capability and capacity. More than ninety-percent of the world's electronic communication is carried out via subsea fiber-optic cables. This fact sufficiently illustrates the extent of dependency that communications networks have on the subsea industry, and the fragility in cross-border submarine communications that, at best, must be respected and protected.

> *"The subsea cable industry is the enabler of inter and intra-regional communications"*

Advancements in the subsea cable industry have ranged from cable burial innovations, using advanced plowing techniques, to the design of highly advanced, open-access subsea cable networks that comprehensively connect all countries within a given region. The MENA region is witnessing the establishment of such subsea cable networks, currently being led by GBI. Despite these advancements, the challenge of effectively communicating the subsea industry's issues, relating not only to

incentivizing future investments but also to the protection of the subsea cable systems, has reached criticality over the years.

> *Subsea cables are exposed to both natural and man-made hazards*

Subsea cables are exposed to both natural and man-made hazards that range from tsunamis, which utterly destroy submarine optical networks, to fishing and ship anchoring, which can damage cables—at times, costing millions of dollars to repair. At a macro-level, however, there are some key policy issues that concern the operational well-being of the submarine cable systems.

Currently, no known laws exist that would criminalize willful or accidental damage to the submarine systems in this region. Granted that the ability to achieve such legislative feats may rest greatly upon the adoption of pan-regional, well-coordinated monitoring and penalizing mechanisms; at least, collective efforts can be directed to openly raise awareness among the key stakeholders, including concerned government bodies and the investor consortia.

Submarine infrastructure is a highly conspicuous target for terrorist attacks, which can categorically wreak havoc on inter-regional communication systems, required by financial, transport, medical, and other sectors. There is thus a need to ensure that existing subsea cable systems are protected around and beyond each regional country's boundaries. Achieving such protection too would require a pan-regional collaborative and collective approach. Policy frameworks for governing how the subsea cable industry, or the ICT industry, in general, interacts with or is impacted by other industries operating in the seas—including both legalized (fishing) and illegal (maritime piracy)—need to be developed, in line with current information and communication needs, technology convergence, and infrastructure expansion plans of the telecom operators.

> *Submarine infrastructure is a highly conspicuous target for terrorist attacks*

Damage to submarine cables is inevitable. However, it is the repair processes that need be made more robust and streamlined. This entails that all coordination efforts be synchronized, to communicate damage, promptly induce cable repairs, conduct investigation, and adopt standard operating procedures to prevent or mitigate similar occurrences in the future. In this respect, concerned government departments and the submarine cable industry need to work together. Similar to national ICT policy frameworks, policy frameworks for protecting and incentivizing subsea cable systems are of paramount importance, given, for example, the fact that OTTP-induced data traffic is on the rise and terrestrial operators are amidst a self-imposed capacity-expansion spree to deal with high network loads. Their reliance on the subsea industry, ultimately, defines their survivability.

In the context of expansion of modern networks and the resulting impact on the overall ICT ecosystem, it is critical that national policy on submarines cables be developed, engaging all key stakeholders, which no longer are limited to ICT investors and now also include submarine high-voltage cable investors. To this effect, industry groups, such as SAMENA Telecommunications Council's Subsea Working Group (SWG), or other similar focal groups, can help play their roles in projecting critical issues and issuing recommendations to policy-makers and regulators. Such groups can also dramatically improve cross-stakeholder communication; help lobby on policy issues relating to licensing, cable routes, cable laying and repairing, as well as other operational issues; and can help establish best practices for the wide spectrum of subsea infrastructure development activities.

Among the needs that the SAMENA region's ICT industry has, the need to protect and to expand subsea infrastructure is a top priority. Much is at stake not only for the ICT sector but also the sectors that directly, or even remotely, depend on it for their day-to-day operational success. Clearly, the region's ICT microcosm has multiple dimensions, with each dimension requiring cooperative and collaborative means to be measured and understood. The subsea infrastructure is one such critical dimension. It holds extraordinary potential for developing public-private partnerships (PPP) on issues relating to conflict resolution, efficient repair alerts and management, and the general protection of the subsea infrastructure.

Well-thought-out ICT and subsea policy frameworks that encourage greater broadband investment, PPP formation, and carry futuristic overtones will matter significantly from now onwards.

Izhar Ahmad
Director, Government & External Relations
SAMENA Telecommunications Council

SATELLITE NEWS

SES Launches SES-3 Satellite

Satellite operator SES launched SES-3 satellite into space on board an ILS Proton launch vehicle. The ILS Proton Breeze M was launched from Pad 39 at the Baikonur Cosmodrome on July 16. The Breeze M released the SES-3 satellite into geostationary transfer orbit. The SES-3 satellite was built by Orbital Sciences based on Orbital's Star 2.4 platform. The spacecraft will replace SES' existing AMC-1 satellite at the orbital position of 103 degrees West from where it will provide coverage of North America and the Caribbean. The hybrid satellite carries 24 C-Band transponders and 24 Ku-Band transponders (36 MHz), it generates approximately five kilowatts of payload power, and has a design life of fifteen years. SES-3's C-band transponders will provide service to blue-chip US television networks broadcasting to over 4,350 cable head-ends in the US, while its Ku-band transponders will serve enterprise customers with VSAT and broadband services. The cross-strapping features from C- to Ku-band on the spacecraft will enable customers to optimize their enterprise networks.

O3b Completes Satellite CDR with Thales Alenia Space

Satellite Company O3b Networks has completed the Critical Design Review (CDR) of the Constellation Space Segment. This event in O3b's development validated that the satellite design will exceed its technical specifications. The system will now serve terminals within a broader footprint of up to 700 kilometers diameter. The constellation will offer over 70 Gbps of bandwidth on a global basis at round trip latencies below 130 milliseconds. Satellite manufacturer Thales Alenia Space passed the CDR by demonstrating completion of the design phase. The CDR was a four-day process held in Cannes, France, during which O3b's engineering team reviewed the space system design to enable compliance against the required specifications. By characterizing the RF performance and completing qualification testing of the satellite antenna subsystem, a significant aspect of the link performance of the O3b system could be validated.

YellowSat to Use Capacity on SES Astra's NSS-703 satellite

Global satellite operator SES announced that it has signed an agreement with YellowSat, a French start-up company that provides Internet connectivity to enterprises, governments and institutions in Africa. YellowSat is a new SES customer and the first to use inclined orbit capacity on NSS-703 at the spacecraft`s new orbital location of 47 degrees West. YellowSat assists customers by supplying satellite capacity and the necessary reception equipment to provide internet connectivity, telephony and video-surveillance to homes and businesses in remote locations. Inclined orbit capacity is capacity on a geosynchronous satellite that is no longer controlled in the north - south axis in order to prolong its commercially usable life. To use capacity on satellites in inclined orbit, one needs an antenna on the ground that follows the satellite's movement. Thanks to a dedicated tracking device developed by YellowSat its customers can use this inclined capacity without having to purchase an auto-tracked antenna thereby providing a substantial investment savings to customers. This unique solution allows YellowSat to keep the costs of its satellite-based Internet solutions relatively low. As connectivity in large parts of Africa is challenging, this is an ideal solution for businesses - especially in regions with no or limited terrestrial infrastructure.

ViaSat Unveils SurfBeam 2 Satellite Networking System

ViaSat is introducing its SurfBeam 2 satellite networking system to simultaneously deliver a range of residential, enterprise and mobile broadband services. ViaSat said the new SurfBeam 2 system builds off its SurfBeam satellite networking system, with more than 800,000 units shipped and installed in the United States, Canada and Europe. The SurfBeam 2 ground system provides access to new transformational high-capacity satellites, including Eutelsat's Ka-Sat, and continuing with the scheduled launch of ViaSat-1 this summer for the WildBlue and Xplornet direct-to-home services in North America. The unit was designed to combine terminal pricing, data speeds, and network scale and management systems to enable satellite service to compete effectively against terrestrial alternatives such as DSL. The system features higher integration of elements in the modem, RF equipment and gateway electronics. The unit also adopts DVB-S2 transmission standards. "Skylogic has a great history of success with ViaSat and the SurfBeam system, so we have been looking forward to providing the increased performance of SurfBeam 2 networking to our customers. The system started on the first crank and is performing like a fine-tuned Ferrari to power our Tooway satellite broadband Internet service over Ka-Sat," Eutelsat System Architect Roberto Vitalone said in a statement.

Brazil to Increase Number of Telecom Satellites to Thirteen

Brazil plans to increase the number of its telecommunications satellites from nine to thirteen. The National Telecommunications Agency (Anatel) announced an auction of four orbital positions for geostationary satellites. The agency aims to schedule the auction for 23 August. The new satellites are a commitment from the Brazilian government to boost the traffic of voice, data and radio for the 2014 World Cup and the Olympics. According to the agency's director, Jarbas Valente, there is more than one company interested in the orbital positions and the minimum price for each position is US$2.5 million. The winning company will have to pay for the construction of its satellite, around US$300 million according to Anatel's estimates.

Synterra Selects Gilat for Satellite Equipment Provision

Gilat Satellite Networks Ltd. announced that it has been selected by Synterra, Russia's national communications carrier, to provide satellite communications equipment for the extension of a broadband network throughout Siberia and the Russian Far East. The network is set to support the operator's USO (Universal Service Obligation) goals in the region, providing residents of remote communities with essential connectivity to broadband internet and telephony services. As part of the agreement, Synterra, a long-time Gilat partner in Russia, has committed to implement Gilat's technology in 1500 remote sites. "We are proud to continue our ongoing partnership with Synterra, and view this project as a clear vote of confidence in our technology and service support. We look forward to supporting Synterra's efforts in extending broadband connectivity throughout the rugged geography of the Siberian and Russian Far East districts," said Arie Rozichner, Gilat's RVP Eurasia.

Eurosat-Ukraine to Distribute Eutelsat's Tooway in Ukraine

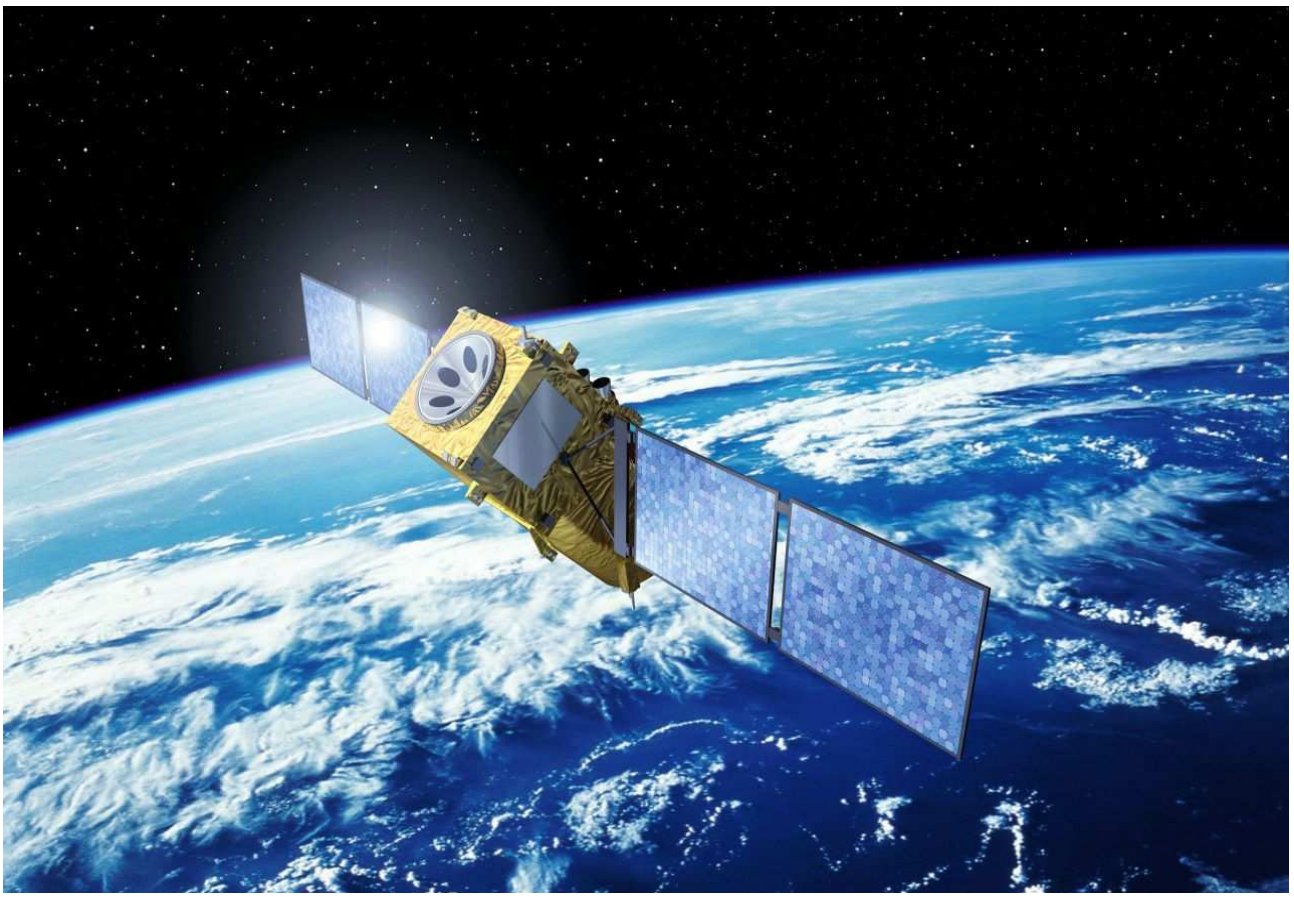
Eutelsat Communications announced a distribution agreement for the Tooway broadband satellite service with Eurosat-Ukraine, an affiliate of Altegrosky, a provider of satellite-delivered telecoms services in Russia and CIS countries. The contract covers distribution to consumers in the Ukraine of the Tooway new generation satellite broadband service, which is delivered via Eutelsat's KA-SAT satellite. The service promises download speeds of up to 10 Mbps and upload speeds of up to 4 Mbps.

Thuraya Brings Satellite Communications Indoors

Thuraya, the international mobile satellite services operator, unveiled a specialized suite of solutions aimed at offering all the functionality of satellite communication, indoors. Banishing the myth that satellite communications are an outdoor offering, Thuraya's range of products is specifically designed for indoor use. Compatible with Thuraya XT, the world's toughest satellite handheld, the portfolio includes a Fixed Docking Unit (FDU), Fixed Phone and Indoor Repeaters. Built in consideration of Thuraya's key market segments: government, oil and gas, mining, construction, NGOs and maritime, the holistic offerings allow instant setup of remote offices in areas where there is little or no terrestrial coverage. Easily deployable, Thuraya's indoor solutions provide ideal communications hubs, making them the product of choice across a range of markets. From field operations to fixed on-site offices, remote broadcasting or simply staying in touch with friends and family for those living in remote locations, Thuraya's solutions make communication, in every form possible.

NBN Interim Satellite Service to Boost Regional Broadband

The commercial launch of the Interim Satellite Service as part of the National Broadband Network (NBN) will provide eligible rural and regional Australians with access to enhanced broadband services, according to the Minister for Broadband, Communications and the Digital Economy, Senator Stephen Conroy. Senator Conroy said that the interim service, which is being provided through a number of retail service providers, would be in operation until the long term satellite solution became available for launch in 2015. "The new Interim Satellite Service will deliver substantial speed and performance improvements over current satellite services and replaces the Australian Broadband Guarantee (ABG), providing access to affordable broadband to those who need it most," Senator Conroy said. "The ABG has provided a critical safety net for Australians unable to receive an adequate broadband service. Existing ABG customers will not be affected and the Government will ensure service levels are maintained for the life of existing contracts." NBN Co has designed the service for residents and small businesses in rural and remote Australia who can't currently access broadband services comparable to those available in metropolitan areas. Eligibility for the Interim Satellite Service will be based on similar criteria as applied under the ABG.



ROAMING NEWS

GCC Roaming Rates to be cut by another 30 Percent

International roaming rates in the six Gulf Cooperation Council (GCC) countries will be cut by another 30 percent this year, the GCC's telecom ministers announced. This second phase of the cuts follows a 30 percent decrease introduced in September last year. All the telecom operators in the Gulf States must abide by this rate reduction, Mohammad Al Ganem, Director-General of the UAE's Telecommunication Regulatory Authority (TRA), told reporters after the ministerial meeting. While the decision applies to voice calls alone, there are talks about reducing the cost of messaging and data services in the future, a TRA official said.

Kyivstar and Astelit reach bilateral interconnect agreement

Ukraine's largest mobile operator by subscribers Kyivstar and its smaller rival Astelit's Life:) have agreed on interconnection rates, also covering interconnection rates with Kyivstar's integrated sister companies Beeline Ukraine and Golden Telecom. The operators have not had a bilateral interconnection agreement since early 2010. Kyivstar will subsidize Astelit under the agreement, as traffic volume from the Kyivstar network to Life:) is 10-15 percent higher than traffic in the opposite direction.

NPT Confirms Time Frame for Lycamobile Termination Rate Reduction

The Norwegian Post and Telecommunications Authority (NPT) has announced that mobile virtual network operator (MVNO) Lycamobile Norway will be required to gradually reduce its termination rates between next month and 2013. The confirmation of the termination rate plan comes after a regulatory decision in March 2011 that designated Lycamobile as having significant market power (SMP), which as previously reported by CommsUpdate, stipulated that Lycamobile would follow the same fee reduction plan as the market's other operators that have been designated with SMP. Commenting on the development, Willy Jensen, director of the NPT, noted: "We remain of the opinion that [Lycamobile] should be paid the same rates for similar services. The resolution directed against Lycamobile is a step in the right direction to achieve symmetrical prices."

Europe Proposes More Caps on the Cost of Overseas Roaming

A proposal for a long-term roaming pricing has been presented by the European Commission, which would allow consumers to select an alternative international service provider from their domestic supplier from July 2014. The proposal would also give mobile operators (including MVNOs) the right to use other operators' networks in other Member States at regulated wholesale prices. To cover the period until structural measures become fully effective and competition drives retail prices down, the proposal would progressively lower current retail price caps on voice and texting (SMS) services and introduce a new retail price cap for mobile data services. By 1 July 2014, roaming consumers would pay no more than 24 eurocents per minute to make a call, a maximum 10 cents per minute to receive a call, maximum 10 cents to send a text message and maximum 50 cents per Megabyte (MB) to download data or browse the Internet whilst travelling abroad (charged per Kilobyte used). The proposal will be submitted to the European Parliament and EU's Council of Ministers for adoption.

Globe Telecom Backs NTC Plan to Lower Interconnection Charges

The government's new proposal to cut charges for consumers making calls and sending texts outside their respective networks will cost local telecommunications firms billions of pesos in revenue losses, further cutting profits of an industry already under heavy price pressures. But Globe Telecom, the country's second-largest industry player, considers the lowering of interconnection charges as inevitable, saying it has to be done considering that call and text rates in the Philippines are among the highest in the Asia-Pacific region. The Ayala-led firm formalized its support for a National Telecommunications Commission (NTC) draft circular to lower interconnection charges, which are paid for by consumers when trying to reach users in other networks. "We agree with the findings of the NTC that charges in the country are the highest in the region. There's a lot of pressure to lower this," Globe counsel Froilan Castelo said, adding that cutting charges would be impossible to avoid. The NTC wants interconnection charges for voice calls lowered to P1 per minute from the current P4 in three years. Charges for text messages will also be lowered to 15 centavos from the current 35 centavos per message. These are in line with the average charges of countries in Southeast Asia.

Lower rates, regulation in Mexico haunt America Movil

Cell phone giant America Movil is bracing for more margin contraction due to lower interconnection rates in Mexico as possible further regulatory tightening casts a cloud in its biggest market. Since mid-May the company owned by world's richest man Carlos Slim slashed by 71 percent the mobile termination fee it charges to competitors to finish calls on its vast network. The move came after telecommunications watchdog Cofetel decreed the reduction, one of a growing number of recent steps from Mexican regulators to curb Slim's power in the fixed-line and mobile markets. Lower interconnection rates were largely behind an 18.5 percent fall in the average price per minute of voice phone calls in Mexico in the second quarter. America Movil's Mexico earnings before interest, tax, depreciation and amortization margins dropped 330 basis points to 50.5 percent in the quarter ended in June from a year earlier.

Turkcell and Deutsche Telekom to Address Lower Termination Rates and IP Interconnection Challenges

With the latest Directive from the European Commission for considerable reduction in mobile termination rates across the EU by 2012, operators currently have to develop new business models to manage the reduction of revenues that this will cause. Turkcell reported a fall in first-quarter profits of 21 percent after competition increased and the industry regulator cut termination rates. To address this, Dr. Tayfun Çataltepe, Chief Executive of Corporate Strategy, Regulations and Inter operator Business at Turkcell, will present his insight on quantifying the effects of lower termination rates on Turkcell's profitability on Day Two of the Interconnection and Termination Rates Conference in September. He will also discuss how to analyse and minimize the effects of lower termination rates on existing operator business models, especially for MNVOs.

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