

SAMENA TRENDS

EXCLUSIVELY TO SAMENA TELECOMMUNICATIONS COUNCIL'S MEMBERS

BUILDING DIGITAL ECONOMIES

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Mobile TV & IPTV growth in the SAMENA region

Exclusive Interview
Wilson Varghese
CEO at Kalimat

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EDITORIAL



There's no such thing as a free lunch or is there?

As most all know, the SAMENA region's leaders and executives are convening shortly in Istanbul to discuss one of the principal legs of net neutrality and lay a framework on how the industry will potentially address an all important issue that seemingly has risen out of nowhere to become one of the largest issues the industry is dealing with, today. SAMENA, recently, announced that its collaboration with ETNO toward developing a viable and sustainable Internet business model. The current model, in many ways, is simply not viable, anymore.

What is the effect that content data seekers using mobile networks cause on the operators? Consider this: AT&T Wireless lost its San Francisco and New York markets almost at the same time, when they rolled out the 3G model (before the 3Gs) of the Apple iconic iPhone smart phone. Simply put, success created calamity of a kind that a world-class operator did not fully understand, comprehend, plan for, or even knew was coming. AT&T's once-monopoly of the sales of the iPhone in the US market created a feeding frenzy for the devices, which elevated levels of data traffic, raised US national awareness of a problem that stand-up comedians used as one-liners for weeks, in and out. These devices, along with the new Android OS, launched the smartphone era into the stratosphere, and taking data network usage with it. The issue that no one understood, was that video with high density graphics became a major portion of the type of "data" on the new data networks.

I was lucky for I was located for the most part in Dubai and did not have to fight the mass wireless fight, to get airtime for my internet downloading of another application off Apples iTunes app store. However, I heard it was a real dilemma for many and for AT&T itself. Its HSPA network had to be enhanced further and, subsequently, new backhaul fiber networks as well as metro distribution networks were built to augment the network almost over night. AT&T had the iPhone first by itself for several years. It was a struggle

for them, for AT&T had the iPhone also as its initial smart phone and thus it had to learn from scratch, from its own iPhone users, how smart phones were affecting its network traffic levels. The company had no other smartphone experience or user data to learn from or use as a map of what not to do or what to build.

When Verizon finally won its access to the iPhone, everyone had reasons to wonder whether or not their network would be able to handle the masses' assault on their mobile data network. In this case, hindsight was foresight and Verizon had the benefit of seeing how AT&T was virtually brought to its knees by the power and mass-market appeal of a world-class smart phone. Verizon, to date, has handled its launch of the iPhone with no difficulty. However, I am certain they are very cognizant of how things can change so quickly in today's market environment. They had, though, already rolled out their Droid phones and other smart phones and thus had already absorbed volumes of video and other content traffic. Many of their new iPhone owners already had Verizon phones and simply had switched to a new handset. Verizon was prescient: it established a policy if a customer was in the top 5% of data traffic users, their bandwidth would be throttled. This is smart on their part, for it's a very small percentage of all smart phone users who abuse these unlimited data plans that are popular with users. Thus, the bandwidth throttle applies aptly nearly to the same user base.

With the rise in the growth of smart phones, expected by vendors to exceed 50 percent this year, the need for "throttled" bandwidth was inevitable. Even in the markets of the MEA region, the smart phone penetration is on a gradual but noticeable rise. The data traffic that hit AT&T then and is hitting other operator networks around the world, is generated largely by video and content providers, which allow users to scramble to get to their mobile phones to download the latest short videos, play online graphic intensive games, or browse content-heavy websites.

The mobile content space's growth is among the biggest factors driving the demand for smart phones. The content for mobile market is also evolving from music, video, games, infotainment and e-commerce, in addition to the ever successful value-added services, such as SMS, MMS, and RBT (ring back tone), among others services. Even though 3G will remain one of the widely used technologies in delivering broadband to the masses, LTE appears to be catching impetus with the growing number of commitments worldwide. The GSA recently confirmed that

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208 operators are now investing in LTE, which is almost 100 percent more than in June last year.

Then you have the OTTPs, the over-the-top-providers. These providers of user access to content are largely the primary reason why such high levels of traffic are being generated on networks around the world, with the SAMENA region being no exception. Essentially, the OTTPs use the network (wireless or wire line) to allow consumers (end users of all types) to access their websites, designed purposefully to deliver highly detailed and brilliant videos or stills, interactive data, and information. Resultantly, given the demand for such content and the availability of means (smart phones) to gain access to such content, voluminous data traffic gets generated, placing tremendous load on the networks, which, in the current scheme of things, have not been benefiting from the rise in data traffic.

The networks are very expensive ultra-high CAPEX investments, requiring constant adaptation, and continuous development and maintenance. Some of the newest investments in this region, particularly, include ITC's 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; and the recent 500-connection mobile telephony and broadband services contract, worth US\$10.7 million, awarded to Zain Saudi Arabia by the CITC or the expansive network developments and LTE trials that STC undertook, or Mobily's acquisition of Bayanet a couple years ago that provided spectrum and a national fiber network. These are very large expensive investments.

It is these investments that are then exploited by OTTPs to gain access to network users and then to create interest in the OTTP's websites, videos or other content. In some cases, the OTTPs find themselves as potential competitors, such as the OTTP currently building a gigabit delivery network in Kansas City, Kansas/Missouri. How is the operator going to continue to keep building up the level of high-speed bandwidth capacity that its users continue to clamor for? As said earlier, data traffic levels are escalating at exponential levels, where the revenue associated with the traffic remains flat for all intents and purposes. While the OTTPs have to build large data centers that can handle and generate such oppressive levels of traffic intensity, they don't seem to feel required to pay for their use of the network resources, only to be receiving billions in monthly revenues for themselves. Does this seem like a business model that makes sense for all stakeholders? This is simplistic, yes, but the essential fact remains that the OTTPs are getting free transport at the expense of the network operators.

What's next is *Net Neutrality*. I won't go into any level of

detail on this topic here. It is important to note that the keywords in the term "net neutrality" are fair distribution and access to the network is used as key elements of a neutral access based network. It says nothing about how anyone should fairly pay for the *use* of the network. The argument is very early stage, if you will, with how net neutrality is reflected in this particular activity. One thing, however, is certain, continents do not agree. In the US, the regulator has ruled very heavily in favor of strong regulation of the Internet there are those that argue the FCC does not even have the right to regulate the internet as per legislature may have it while the EU has, in principal, ruled that it will have a wait and see attitude on the Internet and not regulate it. If the market has set the conditions of fair play, where market liberalization has produced strong competition with the market operators in today's market place, then why is regulation needed on such an instrument as openly used and managed as the Internet?

Do these entities (OTTPs) share revenues with the operators, to help compensate for the multi-billion dollar investments (CAPEX), to construct, or to maintain these new state-of-the-art high-speed broadband networks? Do they help deliver mediums to the vehicle that helps them generate billions upon billions in advertising income and from other means of revenues? This we have not seen, at least not yet. It's like when you were a teenager and you asked to use your Dad's car. By the time you returned the car, you'd consumed most of the fuel, the gas tank was empty, and you never did get it filled again prior to returning the car home. When your dad got up in the morning to take the car to work and was running late, he was chagrined to find out that he'd first need to take a pit stop to get fuel and, thus, would be late for the morning's very important staff meeting. Not only did he have to pay for petrol he did not even use, lending his car caused his schedule to be affected, not to mention on his day went. He is in a way, paying for another's use of his investments.

This may not be the best analogy to use, but it does illustrate how a free ride has a cause and an effect; in the current context, certainly not a positive effect.

The operators are struggling with data traffic that has skyrocketed while voice and basic data revenues are flat if not decreasing on a per-user rev/cost basis, further degrading ARPU which, I must say, by now, has lost much of its applicability. Smart phone usage plans are now seeing caps and data bandwidth throttles in markets like the US and it is not an irregular practice to see these in other markets across the SAMENA region. Unfortunately, the consumer can only pay so much for their data plans. Users can access a very modern high-speed HSPA or other network that has brand new fiber or long-term evolution backhaul or (access)

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infrastructure as well as new strategically placed cell sites (BTS). It's the network operators that have to find ways to pay for the new technology providing high-speed broadband network access capacity, no matter fixed or mobile. It is a noble cause to deliver broadband to society for its digital product results in many great uses, which are instrumental in education, societal development and even in improving national GDP. Thus, operators' investments, resulting in better connectivity, ultimately, affect national and continental economies.

If the operators are not able to continue to gain access to capital, to create such extreme amounts of infrastructure development, where will the designs of socio-economic gains go; how will the markets develop; and how will nations keep up? This may seem a bit far off, but if money *in* does not meet money *out* in the simplest terms, how then can future investments be made? What's sort of funny, is that the public and some of these OTTPs complain they don't have a gbps network available to them. It may arrive sooner, if they helped pay their fair share. In a nutshell, it is time the variance of the business model includes a new economic investment partner, and that is, the OTTP....

Talk to you next month. I will be on the Bosphorous in a few days!

Truly Yours,

Thomas Wilson
CEO & Managing Director
SAMENA Telecommunications Council



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TOP REGIONAL & MEMBER NEWS

Accenture Wins £22 Million Contract with UK Ministry of Justice

Accenture has won a contract worth £22 million over five years to design, integrate and deliver the shared service system to manage human resources, payroll, finance, and procurement operations for the 80,000 employees of the UK Ministry of Justice. It is expected that the new system will deliver savings of £28 million per year by 2014. Accenture will also run and maintain the Shared Services IT Service Desk for the duration of the five-year contract.

du and MBRE Partner to Support National SME Businesses

Mohammed Bin Rashid Establishment for SME Development (MBRE) has signed a partnership agreement with du to give priority to members of MBRE in Dubai who

are accredited with the Government Procurement Program when providing tenders or bids at du. As per the agreement, MBRE will provide a list of its accredited members to du, so that the company can allocate an agreed percentage of selected purchases for some categories of its goods and services specifically to them.

Mobily Cuts International Rates by 50 Percent for Postpaid Subscribers

Mobily has reduced its international call rates up to 50 percent for all its postpaid subscribers. The new offer comes as part of the company's efforts to keep its subscribers inside Saudi Arabia connected with all their families and friends abroad. The company said that customers who wish to subscribe to the international calls services should send an SMS to 1100 with the word "IDD", a SR5 monthly fee will be added to their invoice. All the postpaid subscribers can benefit from the offer excluding "Raqi" subscribers.

Nawras Awarded ISO Certification for Information Security Management System

Oman's Nawras announced that it has achieved the ISO IEC 27001:2005 certification for its information security management system. Nawras Information Technology Director, Ali Abdali, outlined the importance of being awarded the ISO certification by saying, "Achieving ISO recognition for the high standards of IT service achieved by our team is a great honor for all involved. While we are constantly looking for new ways to improve delivery standards for our customers - both internal and external - this ISO certification is an important benchmark for our efforts to-date."

Ufone Conferred "Best Corporate Sector Project" Award by ICAP

The Professional Accountants in Business Committee-ICAP has conferred Best Corporate Sector Project Award to Ufone's "Telecom Passive Infrastructure Sharing" project. As part of the Telecom Infrastructure Sharing project, Ufone team has achieved highest tower sharing ratio in telecom industry through various types of arrangements with other operators. The Telecom Infrastructure Sharing project has resulted in manifold increase in Ufone's profitability.

PTCL Signs Agreement with ADG LDI to Promote Wireless Local Loop Services

Pakistan Telecommunication Company Limited (PTCL) has signed an agreement with ADG LDI (Private) Limited to promote its Wireless Local Loop services across Pakistan. Speaking on the occasion Hamid Farooq, SEVP Business Development PTCL said, "Wholesale partnerships like these make a difference to our business. We are pleased to sign this agreement with ADG LDI (Private) Limited which will strengthen our wholesale product portfolio. PTCL, being a leader in the industry is committed to offer innovative business opportunities for our growth and success via our partners. We believe ADG will be able to capitalize on this opportunity to its fullest potential and will provide its customers value through dedicated services."

US government and mobile industry press for spectrum incentive auctions

The Obama administration and the mobile industry are fiercely lobbying Congress to authorize spectrum incentive auctions. Broadcasters, meanwhile, have accused the government of buying into overhyped fears of a "spectrum crisis" in rushing to reallocate TV frequencies.

STC Increases Axis Stake to 80 Percent

Saudi Telecom Company (STC) has increased its holding in Indonesian mobile group PT Natrindo Telepon Seluler (NTS) from 51 percent to 80.1 percent, through a deal with joint venture partner Maxis Communications. As a result of the definitive agreement, the pair has decided to restructure their joint investment in NTS, which trades under the Axis banner, with STC assuming full management control. STC is planning to invest US\$371 million in Axis over the next two years and will act as a facilitator as the unit looks to secure external funding in the coming five years to meet its funding requirements.

Spanish Mountaineer to Communicate from World's Highest Summit with Thuraya Solutions

Spanish mountaineer Edurne Pasaban has once again selected Thuraya as her satellite communications partner for her expedition to Mount Everest. During her trek up the world's highest summit, Pasaban will be deploying Thuraya XT and Thuraya IP for weather forecasts, website updates and to stay in touch with family and friends. Pasaban will be relying on Thuraya XT, the world's toughest satellite handheld for voice communications and the world's smallest satellite broadband solution, Thuraya IP for data services.

Omantel Signs Agreement to Introduce New Express Cable System from Europe to Oman

Omantel has signed a memorandum of understanding with three other international telecommunications companies to establish a consortium that will provide a new express cable system linking Frankfurt in Europe to Oman via Russia and Iran. The company has agreed a partnership with UK based Cable & Wireless, Rostelcom from Russia and the Telecommunications Infrastructure Company of Iran to develop a new high capacity low latency international telecommunication facility between Frankfurt in Germany and the EIG cable landing station in Oman.

French minister wants "second digital dividend"

France's industry minister Éric Besson has said he wants a second digital dividend to open more spectrum to mobile services, a proposal that will require terrestrial broadcasters to switch to DVB-T2 and MPEG-4 transmission and could put France in a position to lead European and international talks on the subject.

VIVA Bahrain Upgrades Broadband Packages

VIVA Bahrain has upgraded all its broadband Internet packages as part of its efforts to further develop its services to all customers. Prepaid broadband capacity has been doubled for some recharge amounts while all have been substantially increased to give prepaid broadband users higher value while using the fast broadband network, a statement said. Postpaid broadband packages were also upgraded as capacity has been greatly increased for all customers starting April and the increase is available to all new customers as well, the statement said.

MTN Selects Alcatel-Lucent for Network Optimization

Alcatel-Lucent recently announced it has been selected by MTN Nigeria, a telecom operator with over 30 million subscribers, for the transformation of its DSL access and aggregation network. Alcatel-Lucent's solution will enable MTN to cost-effectively transform its TDM-based transport networks into an all-IP powered network. By transitioning from legacy TDM to next-generation IP, MTN will realize a simplified, lower cost, reliable and highly scalable infrastructure that will grow as they do.

Turk Telekom Offers Minutes Bundle for Weekend Calls

Turk Telekom has launched a promotion dubbed 'Talk Free at the Weekend'. The promo targets individual subscribers using the KlasikHATT, KlasikHATT Mutlu Pazar, StandartHATT and StandartHATT Mutlu Pazar services, as well as the Home Advantage schedule. As part of the promotion, customers who extend their contract by 18 months will be able to receive 3,000 minutes for voice calls on Saturdays and Sundays per month for one year.

Alcatel-Lucent Introduces Data Center Solution

Alcatel-Lucent has released a new network architecture for the data centers which allows users to directly connect top-of-rack switches without needing the core switch for server-to-server traffic, says Datacenter Dynamics. The architecture also brings together more than 14,000 server 10G ports using only two core switches as part of a new fabric. Alcatel-Lucent says its new data centre switching solution allows the network to be virtualized, using what it calls a "mesh" and "pod" solution, the pod being based on its OmniSwitch 6900 for connecting the switches and the mesh allowing data center pods to connect across multiple sites.

PTCL to Introduce VDSL2 Bonding

Pakistan's fixed line incumbent and dominant broadband operator, Pakistan Telecommunication Company Limited (PTCL), is to enhance the high speed internet services it offers via the introduction of VDSL2 bonding technology across its network. According to the operator it expects to boost download speeds to up to 50 Mbps as part of a project which will see it partner with French-US vendor Alcatel-Lucent, with work on the network to be concluded by the end of the second quarter of 2011. Under the terms of the deal between the two companies Alcatel-Lucent is providing PTCL with its Intelligent Services Access Manager (ISAM) IP access platform, which commercially supports VDSL2 bonding, while the vendor will also supply bonding-ready customer premises equipment (CPE).

ZTE to Invest in High-Tech Industrial Park in Brazil

ZTE Corporation said that it will invest in a high-tech industrial park in Hortolandia, Sao Paulo, which will also house the firm's first research and development facility in Latin America. The industrial park includes a research and development center, a production plant, a training center as well as a logistics center, ZTE said in a statement. The value of the investment by ZTE in the park hasn't yet been finalized, but it will be made by the firm's locally registered unit, ZTE Do Brasil. "This unit will be responsible for servicing the whole of South America and it will consolidate Brazil as the operational center of the region," Yuan Lie, president of ZTE's Brazil operations, said in the statement.

Gulf countries adopt European mobile sub-band

The member nations of the Gulf Cooperation Council (GCC) have agreed to identify 790-862 MHz for mobile broadband following digital switchover. The agreement was sealed at a meeting of GCC nations held in the United Arab Emirates (UAE). As well as the UAE, it covers Bahrain, Saudi Arabia, Oman, Qatar and Kuwait. GCC countries have been discussing how to coordinate digital switchover since 2009 and this decision means that the region has identified the same mobile sub-band as Europe.

UK consults on a framework for the long term future of UHF

The consultation document notes an international debate starting to emerge in both the ITU and the EU around future spectrum needs for wireless broadband, and this debate will include discussion of access to 470 to 862 MHz. However Ofcom stresses this is a preliminary look at what might happen in the long term and there are no plans to change current arrangements for spectrum release at digital switchover.



Operator Leader's Vision



Wilson Varghese
CEO at Kalimat

Wilson Varghese is currently the President and CEO of KALIMAT Telecom. Under his leadership, the current management team aims to reposition KALIMAT from a local solutions provider to a US\$1 billion regional operative group. He has worked in many key positions globally with leading firms. Mr. Varghese joined Visionaire Corporation as the GM Middle East Operations. He went on to become the Director of Contracts and Operations for Trade Links in 1998, and was promoted to Vice President of Operations and Contracts in 2004. In 2006, he was promoted to President of Trade Links based on the growth that he achieved as Vice President of Contracts and Operations. While at Trade Links, he was responsible for introducing the new Strategic Business Units; Trade Links Logistics WLL, Trade Links Aviation Ltd., Trade Links HVAC, Trade Links Power, Trade Links Engineering and finally Kalimat Telecom. Mr. Varghese believes that Kalimat's launch of initial public offering (IPO) next year and to invest \$250 million in 2011 will help increase its subscribers base three-fold. Kalimat Telecom aims to enter every home, business, in Iraq and deliver five million CDMA and WiMAX lines of service by the end of this year. Wilson Varghese has attained his Bachelor's Degree in Science; Master's in Business Administration from Cambridge University and is a Certified Professional Contracts Manager in Federal Contracts Law (CPCM) from NCMC USA.

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. Kalimat Telecom Iraq is the first national License Telecom Operator of Iraq operating in 3G and 4 G spectrum. Kalimat provides a volley of services in Iraq market in Voice , Broadband Data and WiMAX services to its subscribers. Kalimat also provides VAS catering the needs of the subscribers.

Q. How would you rate the IPTV and mobile TV market in the region? Is their tough competition in the market?

A. Since Kalimat being to No 1 of the only 2, 3 G operators Kalimat enjoys a monopoly in the market providing broadband services which is the enabler for mobile TV and other VAS.. Kalimat has signed a Contract with PCCW Hong Kong to provide the services to the market.

Q. Are you planning to enter any other new markets in near future?

A. Iraq has a lot of opportunities and will not be stagnant immediately. We are busy in developing the network and providing advanced solutions in Commercial Trading and banking sector . May be later we will be exploring African and south American markets for Networks but presently we are so engaged in exploiting the emerging market of Iraq by providing eMoney, eMall etc.

Q. What are your thoughts on Digital Entertainment piracy? What steps should be taken to overcome this issue?

A. Digital Entertainment Piracy to a great extent can be overcome by IPTV or Mobile TV as these are casted thru a network under the regulatory environment and since these become available at affordable rates the Pirates wont find it lucrative for the efforts and will die down. Always restrictions or cost are the mother of Piracy and this will be removed by MTV or IPTV.

Q. Please tell us about Cascade. What do Cascade aims to achieve in collaboration with Huawei Technologies and what has been achieved so far?

A. Cascade provides a range of services, including: network infrastructure design, build and maintenance; consulting solutions; project management; operating systems development and technical support. To ensure world-class quality, Cascade has upgraded its ISO 9001 certification to become the first technical services company in Asia to hold TL9000 certification. Besides this accreditation, Cascade from Huawei was the first 3in Asia to hold BS 7799 security certification. This is the driving force behind the PCCW delivering 99.9% QoS to its subscribers. As you will agree the QoS is the key selling factor in and VAS service to have your favorites on demand any time anywhere and Cascade is the force behind to achieve. I think this question should be to PCCW or Huawei.

Q. Please tell us about PCCW's Cascade QualiTVision Platform. What role has been played by Cascade in deploying IPTV services globally or regionally?

A. PCCW was able to provide its subscribers with 99.9 % QoS with the driving Engine of Cascade. Kalimat Chose PCCW to partner with on our VAS project because of the QoS and professionalism of the service. A better understanding can be had from PCCW who is also our SAMENA member.

Q. What are the issues faced by middleware providers? Where does your middleware stand/rank in the international market?

A. The number of companies adopting the label of IPTV middleware provider has grown significantly over the past year alone. Whereas the market was supporting 12 vendors last October, now there are more than 20 fighting for space. The ambiguity of the term "middleware" and the different tiers of service providers have left the industry wide open for intense competition. To keep up in this already overcrowded market, analysts and service providers agree that middleware vendors have to focus on three key areas — scalability, reliability and innovation — to determine if they will thrive or be pushed aside. Kalimat being an operator is sticking to its primary operation goal and leaving this area to PCCW and othe Middleware providers to play their roll as we have no expertise in this.

Q. Are there any steps taken to provide highest possible levels of security to the subscribers and content providers of IPTV?

A. We are not providing IPTV now but will be introducing Mobile TV in Q4 in Iraq market. The Security levels and operation are the portfolio of PCCW and they will do the best.

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

A. Local content are the attraction of the Mobile TV as this is the one which gives stickiness in the Arab world. We have to deliver content to the culture and taste of the regional subscribers which is the challenge of Podcast or unicast as your market is specific. Content has prospects I Iraq market but its too early for M TV as there are more areas which they need Kalimat service.

Q. What growth strategy you are planning to pursue in future?

A. We are now concentrating on VAS like eMoney , Cloud, eStore eEducation this year . We will work on the MTV by q4 to be launched later in the year or q1 of 2012.

Q. How do you look at the IPTV market in the region, in terms of last mile access?

A. We are not doing IPTV now.

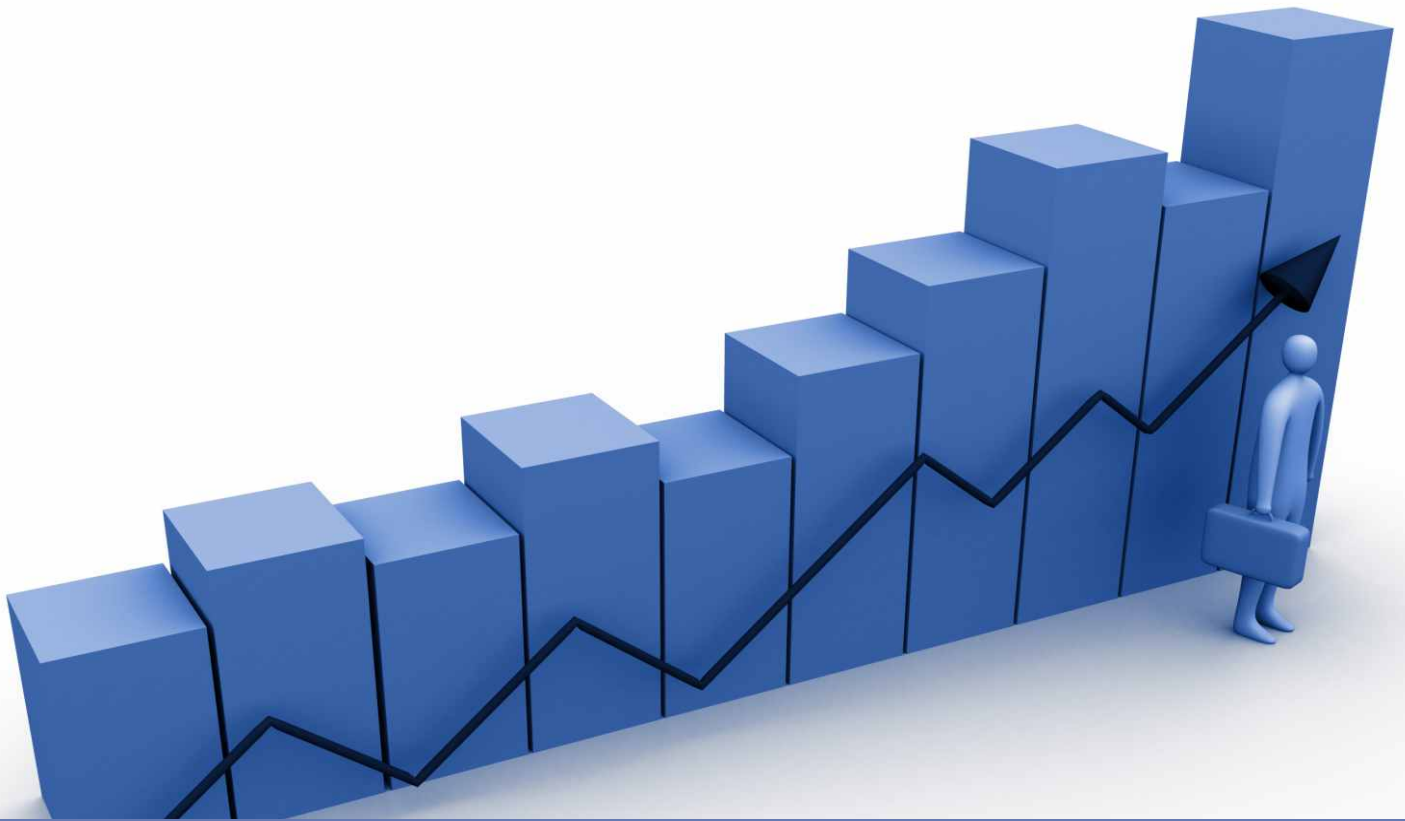
Q. What are the prospects of wireless access networks (such as WiMAX) for IPTV?

A. We are working on it but the business model is not looking great in Iraq for IPTV.

Q. Do you share the thought that IPTV and Mobile TV will play a key role in telco's revenue generation?

A. Yes as people are more mobile and the options you can give on Mobile TV and IPTV of interactive nature makes the operation attractive to the ever demanding customer and can generate stickiness . it's a long tail business structure which generates revenue when the basic mobile operation revenues from voice are diminishing . as I always say the Voice will fade away and data will prevail and Telco's are gearing towards it.





LAWS RELATING TO ICT (GLOBAL RANK OF SAMENA COUNTRIES)

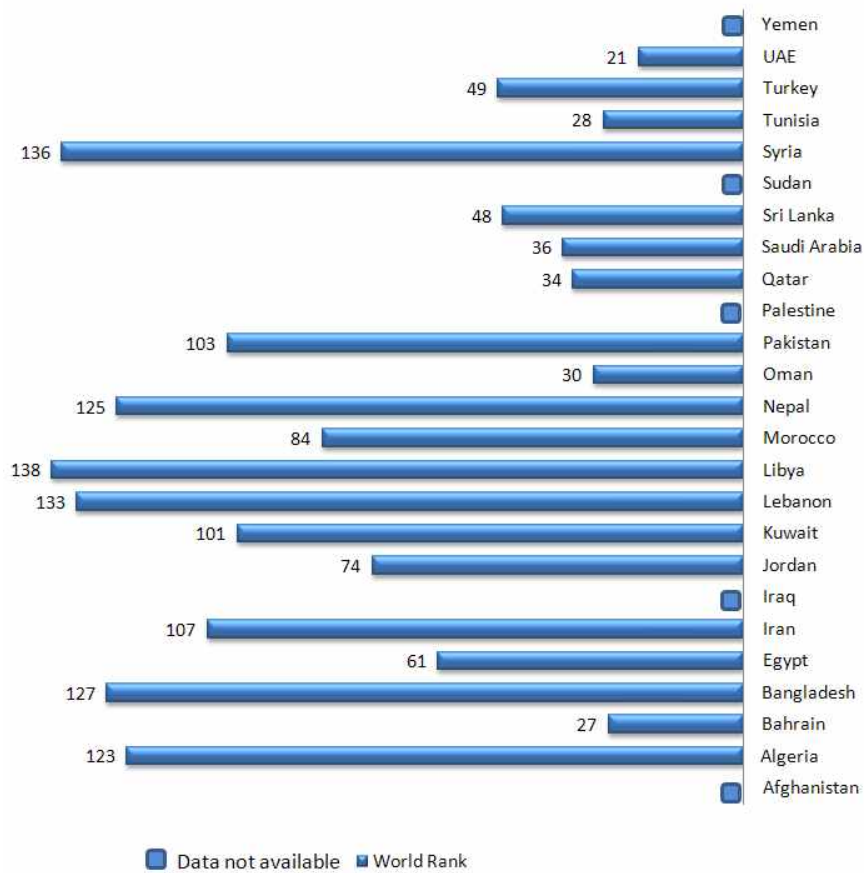
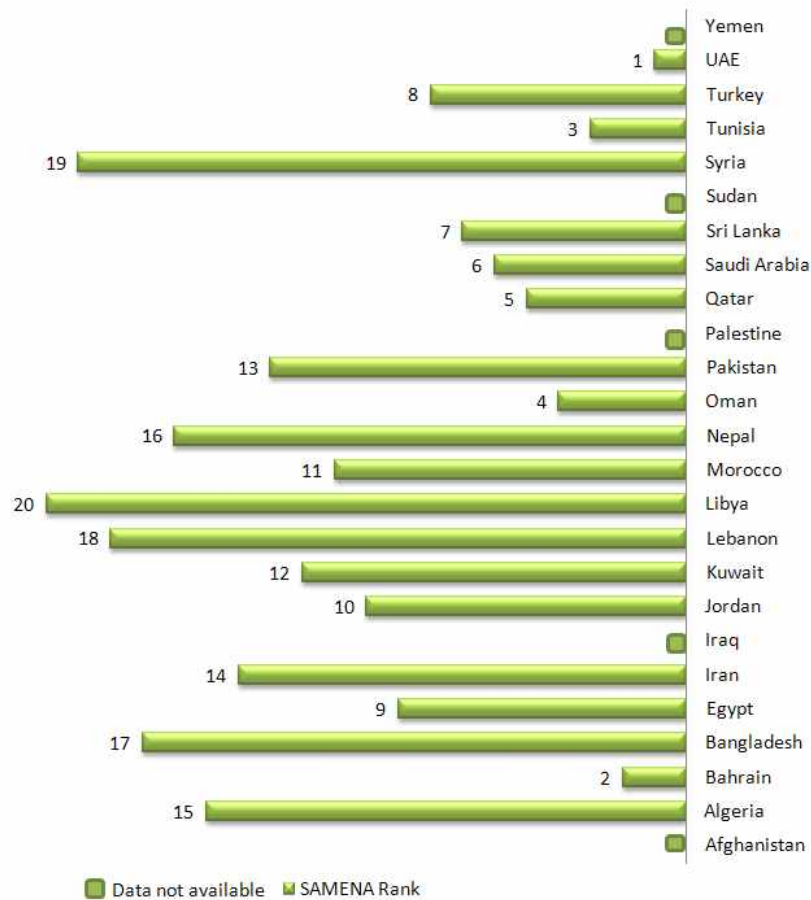


Image Source: SAMENA Telecommunications Council

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

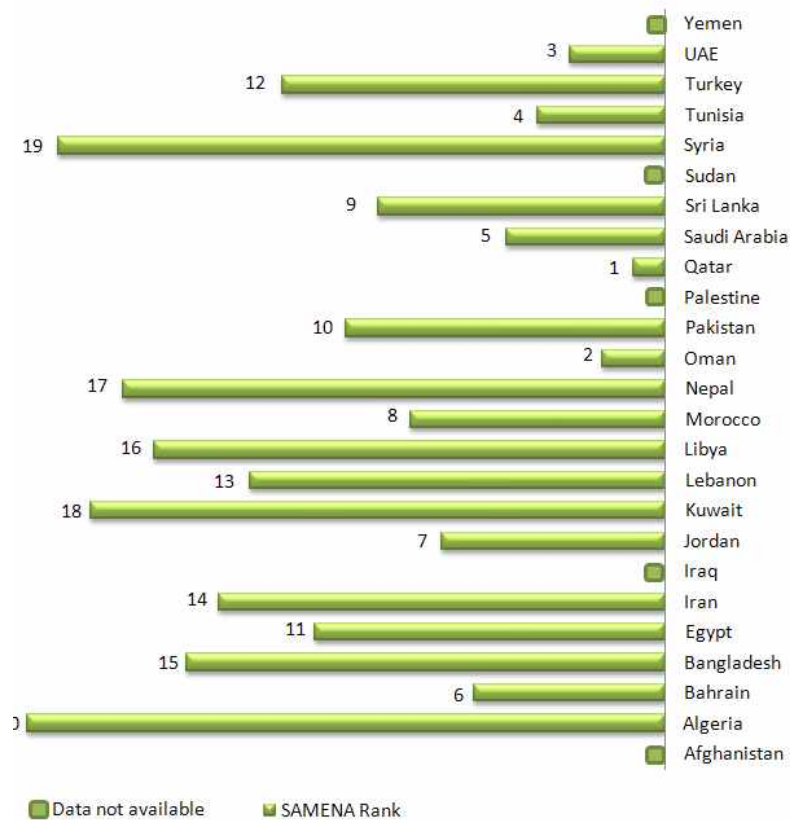
LAWS RELATING TO ICT (SAMENA RANKING)



Research Note: Ranking done by SAMENA based on the data from The World Economic Forum. In the SAMENA region, UAE is on the top of the list in terms of development and implementation of “laws relating to ICT.” Four out of top five countries in the SAMENA region are from Middle East while Tunisia is the only country from the North Africa region. There is no country from South Asia among the top 5 countries in the SAMENA region that enforced and developed the telecom and ICT laws.

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

BURDEN OF GOVERNMENT REGULATION (SAMENA RANK)



Research Note: Ranking is based on the response from countries to the question “How burdensome is it for businesses in your country to comply with governmental administrative requirements (e.g. permits, regulations, reporting)?” The chart shows markets ranging from least burdensome (1) to most burdensome (20) in the SAMENA region. Qatar is the country with the least burden for a business to comply with governmental administrative requirements, while Algeria is the one with most.

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

BURDEN OF GOVERNMENT REGULATION (GLOBAL RANK OF SAMENA COUNTRIES)

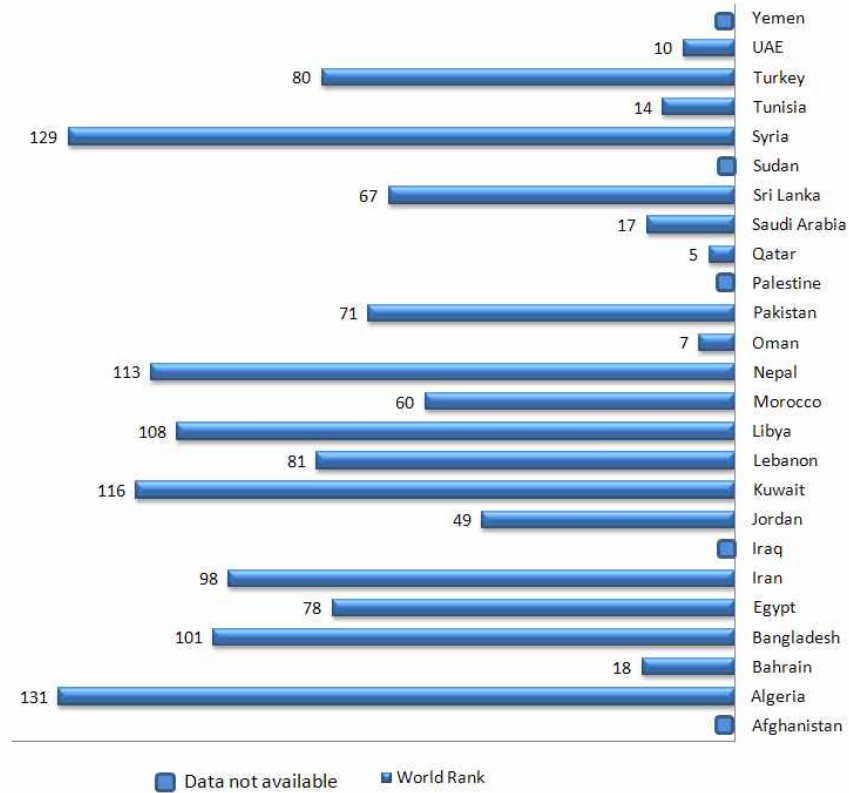
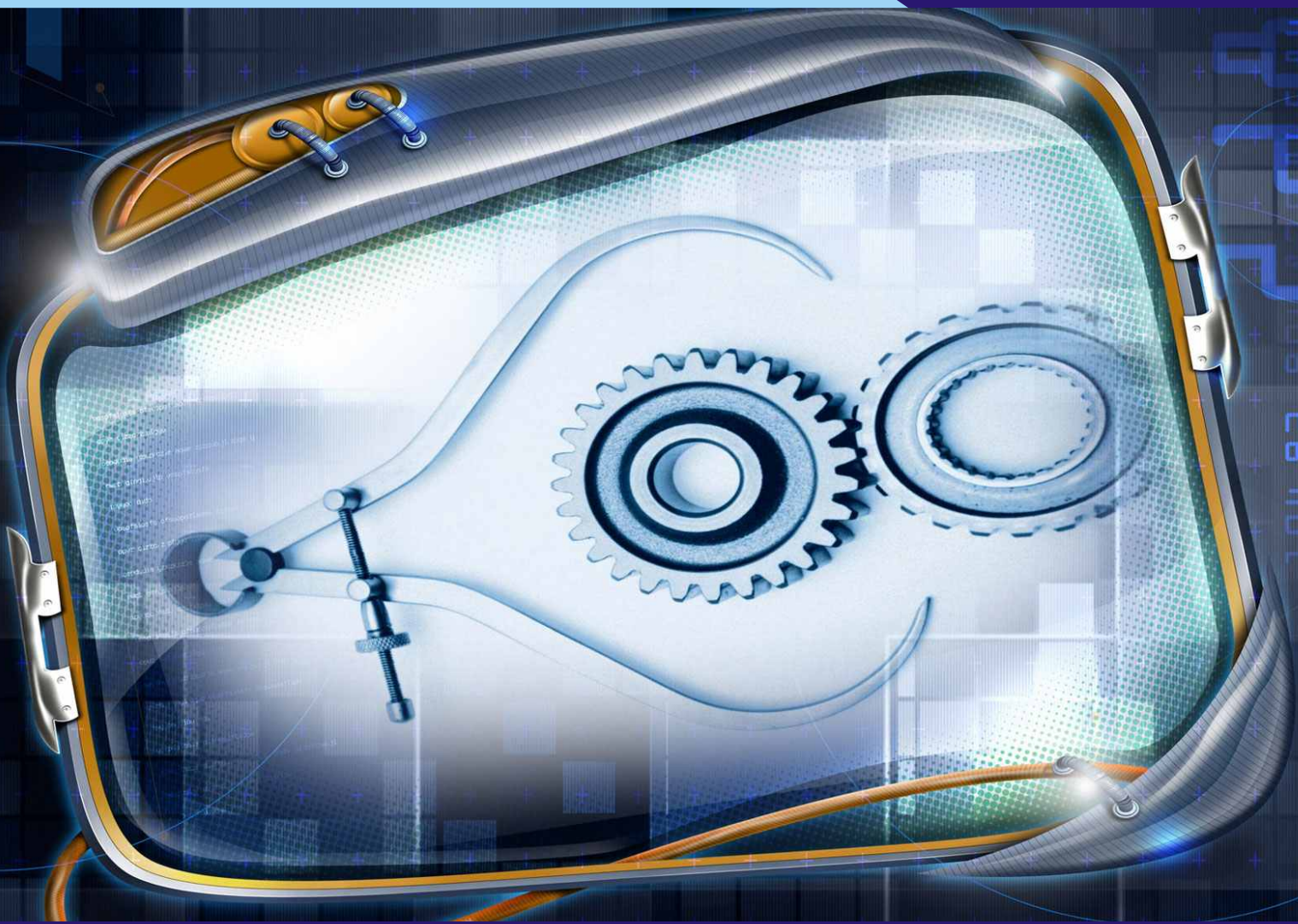


Image Source: SAMENA Telecommunications Council

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



REGULATORY NEWS

Individual Callers Escape TRA Action on Illegal VoIP

Making telephone calls using Voice over Internet Protocol (VoIP) offered by overseas operators are illegal in Oman, but no individual caller has been prosecuted in the country as action has been confined to those retail agencies that facilitated calls and distributed telephone cards. Citing reasons for not allowing companies like Skype to offer voice call service to Oman-based customers, Naashiah Said Al Kharusi, member of TRA said the operator is using highly encrypted Internet application software, which is not exported to Oman. This software does not meet the requirements of legal interception in Oman since the server is located abroad, and the foreign companies enable the beneficiaries to access the basic voice service without having to be licensed in Oman and hence, evade payment of taxes and royalties.

Sri Lanka Regulator Finds HSPA Broadband Quality Fickle

The Sri Lankan telecommunications regulator has conducted speed tests for mobile and fixed broadband services in Colombo. The tests will be expanded to other parts of the country in the future. The monitored results of ADSL broadband were uniform irrespective of the locality. However wireless broadband services based on WiMAX and HSPA networks are prone to rapid quality changes. The Telecommunications Regulatory Commission of Sri Lanka (TRCSL) found that quality for HSPA was fickle and varied widely from point to point. The regulator suggested that the problems are not necessarily due to network congestion at the last mile but that operators have not optimized their base stations. The TRCSL also said it plans to define standards for all broadband services in the future with minimum broadband speeds.

Rwandatel Loses Mobile License

Rwanda's telecom regulator has cancelled the wireless concession of Rwandatel. The license has been revoked due to failure to meet license obligations, said the Rwanda Utilities Regulatory Agency. The company's fixed telephony and internet services will remain active and operational, since they are covered by a separate license. Rwandatel had 443,534 subscribers as of August 2010. Rwandatel is 80% owned by Libyan African Investment Portfolio, a Libyan state-owned company, while the rest is held by the Social Security Fund of Rwanda. Rwanda had put on hold its plans to award a fourth mobile phone operator's license until subscriber growth and market share distribution stabilizes.

French Telecom Regulator Aims to Start 4G Spectrum Auction by May

The auction process for France's fourth-generation mobile spectrum is likely to be launched before early May, telecoms regulator Arcep said. Arcep wants to award the 4G spectrum before the end of the year and is currently in the process of finalizing the conditions for the auction with the government, Jean-Ludovic Silicani, the regulator's president, said at a press conference. Once conditions for the auction are defined, a committee still has to define the price for the auction, which is expected to raise around 2 billion Euros. "If all goes well, we could imagine that the procedure will be launched by early May and spectrum should be awarded by the end of 2011," Silicani said.

Pakistan to Block 3.5 Million Mobile Phone Accounts

Pakistan's Telecommunication Authority has ordered the blocking of 3.5 million SIM cards that had not been re-registered by their users with the mobile networks. To cope with the order, the operators are being allowed to block accounts in batches of up to 875,000 SIM cards per week until they have blocked all the accounts that had not complied with an order to re-verify their ownership details with the networks. Although identity is needed to buy a SIM card, the regulator ordered a re-verification process for all accounts after it said too many had wrong details or information that was out of date.

Bahrain Restores 2Connect License

Bahrain's Telecommunications Regulatory Authority said it will issue a resolution to cancel its previous decision revoking the telecommunications licenses of 2Connect. The regulator had on 22 March announced the revocation of all licenses granted to 2Connect, requiring the company to cease operations on 24 April. The TRA did not give a reason for reversing the decision.

Australian Regulator Consults on Future Radio Spectrum Plans

The Australian Communications and Media Authority has released two papers signaling its intention to develop a future radio spectrum strategy. Towards 2020-Future spectrum requirements for mobile broadband, considers a broad range of issues intended to meet the longer term spectrum needs of the Australian mobile broadband industry while the 900 MHz Band-Exploring new opportunities paper looks at options to replant that particular band to improve its utility. "The Acma is keen to hear from stakeholders on a number of relevant issues, including whether greater spectral efficiency could be achieved by network operators in their existing spectrum holdings," said ACMA Chairman, Chris Chapman.

UAE to Delay Launch of Mobile Number Portability Again

The UAE's Telecommunication Regulatory Authority has again pushed back the launch of Mobile Number Portability in the country for an unspecified date in the third-quarter of this year. In a short statement, the TRA said that it has "foreseen the need to extend the Mobile Number Portability Service launch to the third quarter of this year in order to allow for several performance and functionality enhancements to the Mobile Number Portability system, and so as to align the industry, has reintroduced the system to the Licensees for testing activities and will launch the service as soon as they are ready." The MNP was suggested in 2009 and had to be launched by the end of 2010.

Government agrees to Revise Mobile License Renewal Terms

The government of Bangladesh has agreed to revise the draft 2G mobile network operating license renewal and to keep spectrum fees at "rational" level. Telecoms minister Rajiuddin Ahmed Raju announced that the renewal framework drafted by the Bangladesh Telecommunication Regulatory Commission (BTRC) would be revised after meetings were held with four mobile operators. The government will finalize the licensing guidelines by 31 May 2011 and will give operators three further months to apply for renewal. According to the BTRC's draft submitted in 2010, the operators will have to pay varying amounts for each megahertz of radio spectrum depending on utilization, under a framework which has been called too complicated and 'unjustified' by some operators, and is now under review.

Gulf countries adopt European mobile sub-band

The member nations of the Gulf Cooperation Council (GCC) have agreed to identify 790-862 MHz for mobile broadband following digital switchover. The agreement was sealed at a meeting of GCC nations held in the United Arab Emirates (UAE). As well as the UAE, it covers Bahrain, Saudi Arabia, Oman, Qatar and Kuwait. GCC countries have been discussing how to coordinate digital switchover since 2009 and this decision means that the region has identified the same mobile sub-band as Europe.

UK consults on a framework for the long term future of UHF

The consultation document notes an international debate starting to emerge in both the ITU and the EU around future spectrum needs for wireless broadband, and this debate will include discussion of access to 470 to 862 MHz. However Ofcom stresses this is a preliminary look at what might happen in the long term and there are no plans to change current arrangements for spectrum release at digital switchover.

French minister wants "second digital dividend"

France's industry minister Éric Besson has said he wants a second digital dividend to open more spectrum to mobile services, a proposal that will require terrestrial broadcasters to switch to DVB-T2 and MPEG-4 transmission and could put France in a position to lead European and international talks on the subject.

US government and mobile industry press for spectrum incentive auctions

The Obama administration and the mobile industry are fiercely lobbying Congress to authorise spectrum incentive auctions. Broadcasters, meanwhile, have accused the government of buying into overhyped fears of a "spectrum crisis" in rushing to reallocate TV frequencies.

European Parliament approves long term spectrum plan

Plans for a five-year EU radio spectrum policy roadmap cleared the European Parliament on 11 May with lawmakers overwhelmingly backing amendments aimed at putting Europe in the lead in new broadband services. MEPs have argued there should be 1200 MHz of additional spectrum for mobile data services by 2015.

CRTC asked to Examine Internet Services like Netflix

A broad coalition of Canadian companies wants the country's telecom regulator to examine the operations of Internet-based services like movie provider Netflix Canada. Norm Bolen, CEO of the Canadian Movie Production Association, said the goal is not to block any services or keep them out of Canada. "It's about finding a way to make sure that we find a balance that allows the Canadian system to continue to operate successfully," he said in an interview. Companies such as Netflix that offer "over the top services" are exempt from rules that require distributors and broadcasters to fund Canadian content and programming. The industry critics fear that overall funding will be reduced as viewers bypass distributors which pay a percentage of their revenues for the creation of Canadian content. These companies may also have a harder time obtaining content as Netflix and others obtain exclusive rights to shows.

Number Portability Delayed to Q2 in UAE: TRA

Plans to introduce number portability in the United Arab Emirates, a move aimed at boosting competition in a saturated market, has been delayed to the second quarter to fix a technical glitch, the regulator said. "Hopefully, anytime in the second quarter we will launch it," said Mohamed al-Ghanim, Director General of the Telecommunications Regulatory Authority. "We were planning to launch number portability by the end of the first quarter, but we have released two batches (of numbers)...to the operators for further testing. We are waiting confirmation from the operators. This is a technical glitch. We are expecting this fix will be the last fix.", Mohamed al-Ghanim said.

EU Plans Market Study on Net Neutrality

The European Commission is stepping up enforcement of net neutrality and threatened to impose stricter rules if it finds operators restricting access on their networks. The commission said it has asked the telecoms regulator BEREC to conduct a study into issues "crucial to ensuring an open and neutral internet", including barriers to changing operators, blocking or throttling internet traffic (such as VoIP), transparency and quality of service. By the end of the year the commission will publish evidence from BEREC's investigation, including any instances of blocking or throttling certain types of traffic. If the findings and other feedback from the market indicate outstanding problems, the commission said it will look at the need for "more stringent measures". Neelie Kroes, Vice-President of the European Commission for the Digital Agenda, said such measures could take the form of "guidance or even general legislative measures to achieve the competition and choice consumers deserve".



A SNAPSHOT OF REGULATORY ACTIVITIES IN SAMENA REGION

Internet Protocol Television (IPTV) or the delivery of multimedia content to a home entertainment system over an IP-based packet network is based upon the same standard used on the Internet. Apart from traditional broadcast TV, IPTV can provide 2-way interactive services. The user can select non-linear video services like Video on Demand (VoD) content and watch a movie at his or her convenience and pace rather than at a broadcast scheduled time (linear video). Extensions to the IPTV experience are bringing a new dimension to TV watching from the traditional “lean back and watch” to enabling newer “lean forward and interact” services to engage the user. The 2-way features of IPTV now include camera selection while watching sporting events; interactive voting for political candidates during televised debates, gaming and interaction with advertisements by pressing a button on the TV remote a user can click to request additional information on a product. This instantaneous feedback engages the subscriber and provides a direct connection to the advertiser. Users can watch broadcast (linear TV), VoD or use a Personal Video Recorder (PVR) to watch at a later time (time shifting) or even in a different room (place shifting). The viewer's quality of experience (QoE) takes on new meaning as IPTV expands to incorporate thousands of external content sources with different attributes, taking the IPTV ecosystem from a provider managed network and service to also providing support of un-managed content and in-house networks.

According to a research report issued by Booz & Co the explosion in data traffic is increasingly disrupting the traditional economics of the telecom industry, challenging operators' network topology and business models around the globe. In the MENA region, it is expected that there will be a fixed broadband telecom connections penetration rate of almost 32 % by 2014 and a mobile broadband penetration of 57% by 2015. To ride and thrive through the data tsunami, operators must redefine networks, invest in new technology, pursue growth in the application space, and monetize service levels. An alarming change is taking place underneath the calm surface of the telecommunications industry. As the global economy becomes increasingly digital, data traffic over both fixed and wireless networks is exploding. According to one forecast, there will be 22 million fixed broadband telecom connections in the MENA region by 2014. This projection is based on anticipated growth that will significantly exceed the worldwide annual growth rate of 13 percent. Internationally, mobile TV is expected to rise by 25% by 2014. Similarly in KSA, mobile TV connections are expected to increase by 18% by 2014. IPTV allows operators to boost average revenue per user (ARPU) and can increase Internet and broadband penetration.

One of the few industries to confront the period of unsuccessful economy and high unemployment, international IPTV market posted inspiring expansion during the years 2007 through 2010, and is projected to accumulate a broad subscriber base of 343.2 million by the year 2015. Key factors fingered to force growth in the market over the coming years include fast changing consumer TV viewing habits, increase in the number of Internet enabled TV owners, and growing popularity of bundled TV/Internet service packages. Vigorous demand for IPTV services in Asia-Pacific also promises well for the market.

Old fashioned regulations and legislations are the two major issues confronting the regional multichannel TV market, with the close relationship between the state and service providers being termed as having a slow down effect. Some media regulations are apparently out-of-date and are not matched with the recent technological developments in digital TV, the Internet, mobile TV and IPTV.

Country-wise Regulatory Activities

Afghanistan

During the reporting month the Afghan Telecom regulator remained very hard on its licensees for non adherence of the provisions of the Telecom Services Regulation Laws and imposed fines on different GSM operators and ISPs for poor quality of service and SIM registrations and none filtering of illegal websites. A few ISPs working without proper licenses were also fined.

Algeria

The Telecom Regulator announced the increase of mobile subscriptions to nearly 33 million against only three million fixed telephone lines. The broadband subscribers reached 830,000 representing a penetration rate of about 10. For mobile phones, the Egyptian OTA (Orascom Telecom Algeria, Djazzy) remains the market leader with 46% stake, or 15,087,393 subscribers in 2010. For the group of Naguib Sawiris, this represents an increase of about half a million additional subscribers in one year, it said. Djazzy face, the public operator Mobilis has declined. He lost during the same period more than half a million subscribers (632,726) in 2010 rising to 9,446,774, or 28.8% of the market. Third, the Qatari group QTEL Watania Telecom Algeria (WTA Nedjma) had 8,245,998 subscribers in 2010, up slightly from 2009 (213,316 new customers), representing 25.2% of the market. For fixed a little more than 3 million subscribers were recorded at February 28, 2011. The ever lingering dispute between government and Orascom still had no solution. The Telecom regulator is in process of restructuring its organizational set up and thinks that less control by the government will allow more foreign investment in Algeria and will create an attractive market that still has yet to realize its potential. Similar to its Arab neighbors, Algeria expects to see many changes in 2011. However, the country is behind its neighbors in the telecom sector partly due to the delay of rolling out 3G technology. Algeria's 2010 telecom revenue CAGR between 2010 and 2015 is 7.1%, an indication of healthy growth mainly spurred by a strong increase in revenues for broadband Internet and mobile data.

Bahrain

During the reporting period the Telecom Regulator explained in the Middle East Spectrum Conference GCC countries' and TRA's plans for the introduction of post third generation, advanced mobile systems in the Region, including the progress towards introducing LTE. The Regulator also addressed the Kingdom's telecommunications spectrum planning and allocations policy issued in 2006. These and other regulatory initiatives such as the 2009 Spectrum Consultation were explained which would result in a Telecommunications Spectrum Release Plan. Through technology and service neutral licensing processes, the provisioning of wireless broadband and advanced mobile services would be facilitated, to the benefit of both consumers and businesses. The Conference was attended by the Secretary General of the International Telecommunication Union, regional regulators and regulators from outside the GCC countries, as well as operators and manufacturers from within the telecommunications sector. The regulator decided to restore the operating license of Bahraini alternative Wireless Local Loop Operator 2Connect, which had previously announced it was revoking them. The regulator confirmed the reversal of an order to cancel the operator's concessions issued on March 22. While no reason had been given for the action, sources said it was prompted by 'unspecified security threats.' The regulator also released this year's first quarter broadband analysis report on the quality of fixed broadband retail services offered by licensed ISPs in the country. With this regular report regulator aims to provide consumers with qualitative data on observed quality of service provided by ISPs to allow consumers to understand what performance is likely to be expected from each ISP. Regulator showed its intention to publish quality of services reports on a quarterly basis. During January all monitored services have been upgraded to 2Mbps, as before only WiMAX operators were on 2Mbps, in order to allow consumers to more easily compare results. Due to the modification no measurement was reported during January. During the reported period regulator also released its second SafeSurf Bahrain Newsletter on the abuse of social media, through which it encourages users of social media such as BlackBerry Messenger, Face book and Twitter to refrain from posting, forwarding or reTweeting messages that are untrue, or of an extreme nature, violent or pornographic. The SafeSurf Bahrain team wants to ensure that users of social networking media are conscious of not just the positive benefits of being able to keep in-touch but also the simple facts that not everything you read online is true.

Bangladesh

During the reporting period the Bangladesh Telecom Regulator invited offers/proposals for granting maximum two licenses to Build Operate and Maintain Submarine Cable (SC) System and Services in Bangladesh. The regulator also issued Regulatory and Licensing Guidelines for invitation of offer/proposal for issuing the license. The Regulator also invited offers/proposals for granting maximum three licenses to Build Operate and Maintain International Terrestrial Cable (ITC) System and Services in Bangladesh. The regulator also issued Regulatory and Licensing Guidelines for invitation of offer/proposal for issuing the license. Figures issued by the regulator revealed that the total number of mobile phone subscribers in country grew to 72.96 million in March from 71.51 million in February. Mobile operator GrameenPhone led the market with 31.98 million customers, up from 31.14 million a month earlier. Banglalink (Orascom Telecom Bangladesh) followed with 20.13 million, down from 20.18 million customers, while Robi (Axiata Bangladesh) ended March with 13.26 million subscribers, up from 12.81 million a month earlier. Airtel Bangladesh saw its customer base grow to 4.61 million customers from 4.37 million, while Citycell's (PBTCL) subscriber base was stable at 1.79 million. Teletalk's subscriber base dropped to 1.20 million from 1.22 million in February. The Bangladesh government has agreed to revise the draft 2G mobile network operating license renewal terms and to keep spectrum fees at a 'rational' level, following negotiations with cellcos. The Telecoms Minister announced that the renewal framework drafted by the Telecom Regulator would be revised after meetings were held with four mobile operators. An agreement on the draft spectrum fee levels criticized as too high by the operators has yet to be finalized, but the Minister stated that 'fees will be reconsidered and kept at [a] rational level,' following further meetings involving the Finance Ministry. The government will finalize the licensing guidelines by May 31, 2011 and will give operators three further months to apply for renewal. The licensing process is scheduled to be completed by November 2011. According to the Regulator's draft submitted in 2010, the operators will have to pay varying amounts for each megahertz of radio spectrum depending on utilization, under a framework which has been called too complicated and 'unjustified' by some operators, and is now under review. The Regulator also said that the license renewal and spectrum securing fees for the country's mobile phone operators have been fixed 'logically' and the companies didn't pay any fees in past 15 years and used spectrum for free.

Egypt

The figure revealed by the Telecom regulator shows the number of mobile phone subscriptions in Egypt grew 28.03% to 71.5 million as of January, compared to a year earlier. The three mobile operators had 55.848 million subscriptions in January 2010. The Egyptian cabinet of ministers announced a review of the communications law, and in particular article no. 67 which stipulates that

authorities can instruct service providers and mobile operators to cut their services in the case of any disaster or situation jeopardizing the national security of the country. The cabinet described the decision to cut mobile communications and internet - taken by the previous regime during the Egyptian revolution - as "inappropriate". The cabinet stressed that the process of amending the article will be guided by similar articles in communications laws enacted by democratic and transparent countries and said that the amended article will not be used to curb the rights of citizens to access information or to jeopardize their safety. Magued Osman, ICT minister, said the ministry is preparing a draft law to amend some of the articles of the telecommunications law no. 10, and especially article no. 67, to prohibit any entity from unilaterally cutting communications and internet. The Cabinet also hailed the improvements of the Egyptian ICT sector since 1999 and the continued programs and initiatives to spread the use of internet amongst various communities in Egypt which resulted in more than 22 million internet users. The National Telecommunications Regulation Agency is currently reviewing the article and will suggest the required amendment to be enacted in the coming weeks.

Iran

The Iranian Telecom sector is deliberating to end the monopoly of bandwidth distribution through Telecommunication Infrastructure Company (TIC) and is of the opinion that handing over bandwidth distribution to the private sector would change the current condition in providing internet services and make the market more competitive, said a Member of the board of directors of the Computer Guild Organization. Mahmoud Reza Khademi told that at present internet companies face numerous problems in receiving bandwidth distributed from Telecommunication Infrastructure Company (TIC). He believed that the TIC should not monopolize bandwidth distribution; rather it can supervise the process and authorize distribution of bandwidth to authorized providers. Khademi said in order to change the current situation; TIC should give the right of bandwidth distribution to the private sector, adding that internet guild seeks the distribution of bandwidth in the country. Based on the agreement signed with TIC, Pars Giti Ertebat (PGE) is due to invest in the field of international bandwidth in cooperation with UAE Etisalat. PGE is to purchase bandwidth capacity and sell it to TIC which is responsible for bandwidth distribution. TIC ceded the task of providing internet bandwidth in Bandar Abbas, Hormuzagan province to the private sector last year. However, Khademi said the agreement didn't make any modification in providing internet bandwidth because TIC has several bandwidth providers. The managing director of PGE, the Iranian consortium consisting of 11 licensed companies, Jalal Mahfouzi said that the project which has been estimated to generate revenue of US\$7 million for the country has been ceded to the private sector for a 20-year period. He said that this is the first time that fiber optics is imported by the private sector. Mahfouzi noted that the fiber optics has

cutting edge technology and more capacity compared to those imported by TIC. Experts believe that the agreement opens a new chapter in cooperation between the private sector and the Ministry of Communication and Information Technology, but to resolve the challenge faced by the sector, bandwidth distribution should be completely handed over to the private sector.

Iraq

The Iraqi national telecoms operator Kalimat Telecom having delayed a listing which had been scheduled for this year plans to launch an initial public offering (IPO) in 2012. The planned IPO should help the company expand as it eyes a nationwide rollout of services by the end of this year. The main growth driver will be the rollout across the country and the provision of value added services that will increase the subscriber base. Kalimat, which is majority owned by Kuwait's royal family, plans to provide mobile, fixed and data services throughout the country by November; at present the company operates in six major Iraqi cities. The operator said it will invest US\$250 million in 2011, with the aim of tripling its subscriber base of more than 300,000 by the end of the year. As it expands coverage, Kalimat expects subscribers to grow to three million by the end of 2012.

Jordan

With mobile penetration at about 108% the telecom specialists expect a shift to Internet investments during the next five years noting that over 70% of telecom sector's investments over the past six years were in mobile services said there is saturation in the market compared to Internet where there is still a huge potential for growth and profits. The future is for Internet regardless of the technology. Mobile services have developed significantly over the past years and time is now for Internet whether mobile, Internet, wireless, ADSL or any other technology, Abed Shamlawi, chief executive officer of the ICT Association of Jordan - int@j, told. "The main path for companies to increase their profits and grow in the market is through focusing on Internet," Shamlawi said. "Therefore, I believe that investments will be channeled on the enhancement of Internet services during the next few years." Jawad Abbasi, founder and chairman of Arab Advisers Group, agreed. "Investments will be concentrated in mobile Internet, mainly the third generation, and in the FTTH, which is a form of fiber-optic communication delivery in which the fiber extends from the central office to the subscriber's living or working space. Once at the subscriber's living or working space, the signal may be conveyed throughout the space using any means, including twisted pair or optical fiber," Abbasi told. According to figures by the Telecommunications Regulatory Commission (TRC), investments in the telecom sector from 2005-2010 reached about JD937 million of which about JD677 million were allocated for mobile services. Investments allocated for Internet services amounted to JD152 million from 2005 until the end of 2010, according to the figures posted on the TRC's website. The figures indicated that about JD99.2

million were investment in fixed-line telephony. "There is more room for growth in Internet than in mobile," Abbasi indicated. The TRC figures show that there were 6.620 million mobile subscribers in Jordan by the end of 2010 compared to 3.138 million in 2005. Internet penetration rose from 13.2 per cent in 2005 to 38 per cent by the end of 2010, according to the TRC figures. The figures indicate that there was a decline in the number of fixed-line telephony subscribers from 628,000 in 2005 to 485,000 by the end of 2010. In a big sector development move the Zain Jordan has linked its network to its neighboring country Iraq through an optic fiber cable. "The company's network has been linked to the network of the Iraqi telecommunication corporation through the optical fiber cable that ends in Baghdad, Dr. Abdulmalek Al-Jaber, CEO of Zain Jordan, was quoted as saying. He added that the connection of the two networks has enabled the company to enter the Iraqi market for high speed internet services. Al Jaber also said that the move coincided with Zain Jordan's launch of the cable linking Amman to the Red Sea port city of Al Aqaba.

Kuwait

During the reporting period the Kuwait based Wataniya Telecom reported its first quarter profits jumped to KD 285.1 million (US\$1.03 billion) compared to KD 16.2 million (US\$58.7 million) a year ago. The figure was boosted by a one-off gain of KD 265.5 million (US\$961.5 million) recorded due to revaluation of existing held interest in Tunisiana following the increase in the shareholding from 50 percent to 75 percent. Revenues for Q1 2011 amounted to KD 169.8 million (US\$615.0 million), compared with KD 125.7 million (US\$455.1 million) for the same period in 2010, amounting to growth of 35.1 percent. The net profit without the one-off gain was KD 19.6 million (US\$71.1 million), a more modest increase of 21.2 percent on the same period of 2010. Chairman of Wataniya Telecom commented that the first quarter of 2011 was another successful period for Wataniya Telecom showing continuous growth in customers, revenue and EBITDA and we concluded the increase in shareholding of Tunisiana from 50 percent to 75 percent, thus permitting this entity to be fully consolidated into NMTC. In Q1 2011 Wataniya Telecom has seen an increase in revenue of 35.1 percent and EBITDA by 57.5 percent compared with Q1 2010. The total customer base increased to 16.6 million at the close of Q1 2011, versus 15.8 million at the same period in 2010, amounting to growth of 5.6 percent.

Lebanon

As part of the grant received from the International Bank for Reconstruction and Development (IBRD) dedicated to fund the Telecommunications Regulatory Capacity Building Project, the regulator has started the procurement process in order to apply part of the proceeds of this grant to payments under the contract for "Building Capacity of the TRA on Spectrum Policy and ICT Convergence Regulatory Issues." The regulator received 18 responses and concluded the short-listing process which resulted in the selection of 6

firms. The selection process was based on the experience of the firms in Spectrum Policy as well as ICT Convergence Regulatory issues. The regulator has dispatched the Request for Proposals (RFP) for the "Building Capacity of the TRA on Spectrum Policy and ICT Convergence Regulatory Issues" project, including detailed Terms of Reference, to the 6 short-listed firms. The telecom Regulator also issued a circular calling on all owners of buildings, broadcasting stations and antenna towers to help the government prevent illegal telecommunication operators from providing services. Recipients of the circular have been asked to refrain from installing any communication device on their owned or rented properties if the new operator has not obtained the required license for the device from the regulator. The move appears to be part of a wider strategy by the TRA to tackle the problem of illegal operators in Lebanon. In yet another development the Lebanese internet service provider (ISP), Cedarcom has confirmed earlier suggestions and is launching legal action against the country's two mobile networks to stop them deploying 3G networks. The company says that the two companies do not have 3G licenses, as under the terms of Telecom Law 431 that says such licenses have to be issued by the Council of Ministers, which currently has not happened. The company says that the Lebanese Telecom Association, of which it is a member, has repeatedly warned that the deployment of 3G services by the mobile networks could create a "new monopoly in wireless broadband services by introducing 3G services in the absence of 3G licensing, un-equal taxation, and fair competition among government owned and private operators." The company also says that the regulatory regime is blocking it from selling landline DSL based services, which it considers to be unfair and unjust competition.

Libya

In a war engulfed country, where all regulatory activities are grounded the Zamtel MD Hans Paulsen said the freezing of Lap Green's 75 percent shareholding in the company, as part of sanctions against Libya, has not affected the operations of the company. Paulsen said Zamtel continued to operate normally and was embarking on expansion programs to boost its market share, the Post of Zambia reports. He expressed optimism that the government, which owns the other 25 percent of the company, would help to ensure Zamtel's operations were not affected. Last month, finance minister Situmbeko Musokotwane announced that Zambia had frozen assets belonging to the Libyan government and its leaders in compliance with a United Nations resolution. Top on the list is Lap Green's 75 per cent Zamtel, bought last year by Libyan government investment company Lap Green Networks for USD 257 million.

Morocco

During the reporting period the Moroccan Medi Telecom (Meditel) has posted a 126% year-on-year rise in its net profit in 2010 to MAD623 million (US\$78 million), on a 7% rise in turnover to MAD5.7 billion. Meditel's total number of

customers rose 14% in the year to 10.8 million, nearly all mobile GSM/HSPA users. The company has also announced that it has completed a fiber-optic backbone route connecting Settat, Beni Mellal, Khouribga and Oued Zem, giving the GSM/HSPA-based operator a total of 2,425km of fiber backhaul infrastructure to support mobile base stations, WiMAX and terrestrial links.

Nepal

During the month the Telecom Regulator concluded the consultation meetings with major stakeholders regarding the fixing of tariff for interconnection service to international call termination. The Regulator will complete its study by July and reduce the cost of international call termination. During the consultation meeting, telecom service operators objected the authority's plan of reducing the termination charge. The regulator has granted license to four telecom operators Nepal Telecom (NT), United Telecom Ltd (UTL), Spice Nepal (Ncell) and STM Telecom to operate Voice over Internet Protocol (VoIP) service, so far. The Nepal Telecom (NT) has proposed the Ministry of Finance (MoF) to issue 25% the total shares under public ownership to its existing share holders. The shares will have face value of Rs 100 each. Once the proposal is endorsed, NT will distribute shares to existing public shareholders in 4:1 ratio. Officials of the state owned telecom operator said a recently held board meeting approved a proposal that targets to increase the number of ordinary shares to 5.29 million from existing 1.32 million units. NT has allocated 3.5% of total shares under public ownership. "A total of 27,000 shareholders will benefit from the new issue once the MoF endorses the proposal," said a board member. The government owns 91.5% stake in NT. Similarly, employees and general public hold 5% and 3.5% stake respectively. The Regulator has started to monitor the web details of their high end clients who have an internet capacity of 1mbps or more. The decision came in action after the regulator decided to turn out on high increase of cyber crimes and fraud cases. With the rise in the cases and lack of proper cyber policies the regulator is bullying the policies in adapting its authority toward the market and internet. The move might seem right looking at the high increase of cyber crimes and frauds but what about future. Moreover, the Nepal Police making unwanted arrest of the ISP's employee and staff only on the basis of providing Internet connection to customers allegedly involving in call bypass and still the Internet Service Providers Association (ISPAN) after coming to an understanding with the Ministry of Information and Communication, the Home Ministry and Telecom Regulator, for a collaborative solution, the problem still persisted. Nepal's telecommunications regulator has asked private operators to record income from different services separately and pay the relevant royalties. The Regulator also expects royalties to increase after the new requirement. After the new instruction, telecom operators will have to pay additional four percent for other services.

Oman

The telecom sector analysts expect the highly competitive telecommunications market in Oman to continue to put pressure on the profits of services provider Nawras, following its disclosure of a 13.2 per cent drop in first quarter profits. The results of Nawras for the first three months of 2011 show that net profit dropped from RO14mn in the first quarter of 2010 to RO12.1mn for the same period this year. The drop in profit - ascribed to higher operating costs and increased investment - comes despite a rise in revenues from RO45.6mn in 2010 to RO48.1mn in 2011, which was still lower than what analysts expected. United Securities analyst Santosh Balakrishnan told that total revenue, despite being higher than last year, was still lower than expected - signifying a drop in mobile revenues. He said, "We would expect the new flows of earnings to come from the fixed line, which has not performed well. The top line slipped to RO48.1mn when we were expecting it to be around RO51mn, and that means that mobile revenues and mobile subscriber business slowed. "Unless there is a real pick-up in fixed-line business, it will be difficult to know what to expect. Competition has become more severe. Omantel had a net addition of 256,000 subscribers in 2010." Praveen Nevatia, an analyst with Horizon Securities, added that the market may struggle as competition rises in an environment of limited growth. He said, "The expectations from Nawras are pretty high. Everybody was expecting a top line of around RO55mn. "There will be increased competition to a certain extent, but the market is saturated. Operating expenses have also gone up for companies. They have stable business models, but there is limited growth." The company registered a 0.25 per cent first-quarter rise in mobile and fixed customers, from 1.93mn in 2010 to 1.94mn in 2011.

Pakistan

The Telecom Regulator issued regulations for all telecom operators to synchronize the clock, time, date of telecommunication systems for error free data recovery, accurate reconciliation of Call Data Record and Internet Protocol Records. The regulation has been named as "Telecommunication System Clock, Time, and Date Synchronization Regulations 2010," which has been made public recently. These regulations shall apply to all Long Distance Interconnects (LDI), Landline (LL)/Cellular mobile/CVAL Data licensee for the purpose of synchronization of their system clock to ensure fair reconciliation of call detail record (CDR) and IP detail record (IPDR) data in line with the criterion/ratings determined by the regulator from time to time. All licensees shall be obliged to align their frequency of their telecommunication system in accordance with the Primary Reference Clock (PRC) and Synchronization Supply Unit (SSU) as prescribed in ITU-T G.811 Recommendations for provision of error free data of intelligence transmitted over various network nodes, the regulation stated. Two major cellular operators of Pakistan namely Ufone and Mobilink have unveiled an agreement related to tower sharing. It is understood that

the deal between the two cellcos comes as part of wider-ranging efforts by the regulator and the government to encourage mobile voice operators to operate more efficiently while reducing their respective carbon footprints. The Regulator issued a notice to the mobile networks to step up their efforts to verify the ownership details of SIM cards. All unverified and unregistered SIMs are to be blocked from May 17, 2011. The mobile operators are launching a campaign to rectify the inaccuracies in their records and will send text messages to the subscribers asking them to get their SIMs identity corrected. The networks have set up a service where customers can send their ID to the network by an SMS and get back their verified details. If mistakes are made, then the customer is obliged to visit the retailer to get the information updated.

Palestine

During the reporting month the Wataniya Telecom's total customers at end of Q1 2011 were 0.39 million. Revenues were KD 4.3 million (US\$15.7 million) for Q1 2011 compared to KD 1.1 million (US\$4.0 million) for the same period 2010. EBITDA for Q1 2011 was KD -0.2 million (US\$-0.7 million) equal to the same period in 2010. The Net Attributable Loss for the first quarter 2011 was KD 1.2 million (US\$4.4 million) compared to a loss of KD 2.5 million (US\$8.9 million) for the same period in 2010.

Qatar

The Telecom Regulatory plans to host the first Qatar ICT Conference and Exhibition (Qitcom), from May 24-26, 2011, a move done by the government IT body to support the rapidly growing ICT market seen to expand to US\$3.7bn by 2013. The conference will be an opportunity for ICT leaders in Qatar to engage with global industry leaders and see first-hand the latest offerings and advances from major ICT enterprises. As per Telecom regulator the Mobile penetration in Qatar increased to 182 percent, which stands out as one of the highest in the world, compared to a global average of 76 percent. In a recently released Qatar's ICT Landscape Report 2011 shows the government sector is leading the way in ICT penetration rates. Qatar has continued its advance towards being one of the most networked ready-nations in the world according to the recently released Global Information and Technology Report 2010-2011, Transformations 2.0 (GITR). In the report's Networked Readiness Index, Qatar currently ranks 25 in the world out of 138 developed and developing countries, rising five places from 30th in the 2009-2010 report. These countries account for 98 percent of global GDP. Qatar's strongest area of performance was overall readiness to use ICT, ranking 4th in the world, with the government sector ranking second overall, individuals ranking 10th and businesses ranking 21st. The annual report, released by the World Economic Forum and INSEAD on April 13, 2011, is the world's most comprehensive international assessment of the impact of information and communication technology (ICT) on nations' development and international competitiveness. Networked readiness is

the capacity of countries to fully benefit from new technologies in their economic competitiveness and in citizen's daily lives. This Networked Readiness Index examines how prepared countries are to use ICT in three areas: general business, regulatory and infrastructure environment for ICT; readiness of government, individuals, and businesses to use and benefit from ICT; and the actual usage of available ICT by these stakeholder groups. The report underscores that good education fundamentals, innovation, and wide ICT access are key to nations' social growth and economic competitiveness.

Saudi Arabia

During the reporting month the Saudi Integrated Telecoms Co received the stock market regulator's approval for the first initial public offering on the biggest Arab bourse this year to be completed in the second quarter, Reuters has reported. The firm will offer 35% of its shares, 5 million of which will be allocated to the General Organization for Social Insurance, the capital markets authority said. Telecommunication companies licensed in the Kingdom of Saudi Arabia gained revenues amounting to SR 75 billion last year (2010), showing an annual growth rate of 13%, including an amount of SR 14.5 billion these companies earned from foreign investments. The Telecom regulator pointed out that revenue of mobile telecommunication services accounted for 73% of the total revenues, while fixed telecommunications services and data accounted for about 25%. It noted that local telecommunications companies were able to increase revenues from their investments in telephone networks outside the Kingdom to SR 14.5 billion, compared to SR 455 million in 2007. The regulator attributed the causes of continuing growth in the revenues of the telecommunications sector in the Kingdom of Saudi Arabia to the policies of privatization, liberalization, and opening doors to competitions which had led to attract huge investments in the telecommunications sector and the Saudi economy. Zain Saudi Arabia has reported revenues of SAR1.48 billion (US\$395.6 million) for the three months ending March 31, 2011, representing an increase of 36% on the revenues generated during 1Q10. During the same period Zain reported that operational losses decreased by 46% to SAR233 million, compared to losses of SAR435 million for the first quarter of 2010.

Sri Lanka

The Telecom regulator conducted speed tests for mobile and fixed broadband services. The tests will be expanded to other parts of the country in the future. The monitored results of ADSL broadband were uniform irrespective of the locality. However wireless broadband services based on WiMAX and HSPA networks are prone to rapid quality changes. The Regulator found that quality for HSPA was fickle and varied widely from point to point. The regulator suggested that the problems are not necessarily due to network congestion at the last mile but that operators have not optimized their base stations. The regulator also plans to define standards for all broadband services in the future

with minimum broadband speeds. According to the Central Bank statistics Mobile and other fixed telephone usage in Sri Lanka has exceeded the population in 2010. The telephone density increased to 100.8 in 2010 from 86.6 in 2009 reflecting that, on average, each person has a telephone. The number of mobile connections has recorded a growth of 20.9 per cent to 17.2 million while a growth of 3.9 per cent was recorded in the fixed telephone connections which increased to 3.6 million, in 2010. The Central Bank told that this growth momentum in the telecommunications sector which continued in 2010 reflects increased demand mainly from the Northern and Eastern provinces. Accordingly, the telecommunications sector experienced an overall growth of 17.6 per cent to 20.8 million connections in 2010. The growth was largely increased by the expansion and strengthening of network coverage in the Northern and Eastern provinces provided by mobile service providers. Also, the provision of attractive calling charges and value added services at competitive prices in mobile phone connections has stunted the growth in the fixed access telephone connections. Increase in mobile connections has led to a significant increase in mobile penetration (mobile connections as a per cent of total population) to 83.5 per cent in 2010 from 69.8 per cent in 2009. As at end 2010, the telecommunications sector consisted of multiple telephone service providers including 4 fixed line operators, 5 mobile operators, 33 external gateway operators, and 8 internet service providers, making the industry more competitive.

Sudan

During the reporting period the Telecom Regulator hosted third two day meeting of the Arab working team for Standardization in collaboration with the Department of Communications and Information of the Secretariat of the League of Arab States - the economic sector. The meeting brainstormed and consultation on all matters relating to the standards of equipment and communications systems and networks. The meeting also discussed the results of the world communication conference held in 2010 in Hyderabad, in addition to discussing the affairs of regulations standardizing information and communication technology and the results of cooperation with other regional groups in this regard. The meeting also prepared for the World Association for Standardization which is expected to take place in 2012 in Geneva.

Syria

During the reporting period Syria's planned auction of a third mobile license turned into a two-horse race after France Telecom (FT) became the latest telco to pull out of the contest, just hours after Turkcell revealed it would not be participating. Earlier Etisalat turned its back on the Syrian auction citing dissatisfaction with the condition that the winner pay a 25% revenue share to the government. Although Turkcell declined to give a reason for its exit, FT joined Etisalat in blaming the terms and conditions of the license award. The French group told that the decision to

withdraw was not linked to political upheaval in Syria, 'but the conditions of the license'. The auction for a third mobile network operating license in Syria is set to begin next month with a minimum reserve of EUR90 million (US\$122.2 million). The bidders left in the process are Saudi Telecom Company (STC) and Qatar Telecom (Qtel). Last week the Qatari group confirmed it is still interested in bidding despite the political upheaval gripping Syria, while on Saturday STC submitted its technical and operational offer for the third mobile license. The government postponed the auction of a third mobile license, originally scheduled for April 27, due to the political unrest in the country. The license award was postponed as some members of the supervisory committee were from the old government. No new date for the auction has been set. The postponement comes after Syria's President in moves aimed at containing popular anti-government sentiment. Qtel and Saudi Telecom Company (STC) were the only operators in the running for the mobile license, after a number of competing operators abandoned their bids amid concerns over the Syrian government's revenue-sharing plan.

Tunisia

During the month for the Wataniya Telecom the customer base at the end of Q1 2011 stood at 5.98 million customers, an increase of 10.8% on the same period 2010. Revenues for the first quarter 2011 were KD 44.7 million (US\$161.7 million), compared to revenues for the same period in 2010 of KD 26 million (US\$94.2 million). EBITDA for Q1 2011 was KD 24.1 million (US\$87.2 million), representing an increase of 77.2%. The total net profit stood at KD 9 million (US\$32.6 million) an increase of 47.5% when compared with KD 6.1 million for the same period in 2010. The Net Attributable Profit to Wataniya Telecom for the first quarter 2011 was KD 6.8 million (US\$24.5 million).

Turkey

During the reporting period the Telecom Regulator issued a draft regulation on 'Dispute Resolution mechanism related to the Operation of Internet Domain Names & Dispute resolution of its Service Providers'. The Regulator also issued a decision regarding Calling line Information (CLI). According to the decision the information shall not be empty, incomplete, inaccurate or misleading especially emergency call services, security forces assigned numbers or some other short codes. The Turk Telekom Group saw its revenue in Q1 grow 11.7 percent year-on-year to TRY 2.9 billion. The main drivers of revenue growth in this quarter are ADSL business (up by 19.8 percent, from TRY 601 million to TRY 721 million), and Mobile business (up by 8.6 percent, from TRY 647 million to TRY 703 million). EBITDA increased 20.1 percent year-on-year to TRY 1.3 billion, resulting in a consolidated EBITDA margin of 44.2 percent. The fixed line business segment shows 17.7 percent growth in EBITDA in Q1 compared to the same period of last year with an EBITDA margin of 53 percent. Mobile EBITDA doubled year-on-year from TRY 36 million to TRY 70 million resulting in 10 percent EBITDA margin for Q1. Net income after minority interest

grew 11.5 percent of TRY 609 million, or TRY 0.1740 per share versus TRY 0.1561 per share in Q1 2010.

United Arab Emirates

According to the latest data revealed by the Telecom Regulator the number of active mobile phone subscriptions in the UAE has exceeded the 11 million barrier for the first time. It added that the number of subscriptions per 100 people was 198.5, meaning almost every person in the UAE owns two mobile phones. While this figure was an increase six months ago (197), it was still well down on the peak figure of 206 registered in November 2009. The rise in the number of subscribers comes as mobile phone ad impressions surge by more than 50 percent in the country. The figures showed the total number of prepaid subscribers had increased by more than 100,000 since the end of 2010, with postpaid subscribers up by about 30,000. The number of internet subscribers rose to just over 1.4 million versus 1.37 million at the end of last year, while the percentage of subscribers per 100 people rose by a percentage point to 63 percent. Broadband penetration stood at just 14.9 per 100 people, with a total of 830,531 accounts. Dial-up subscriber numbers totaled 573,079. However the total number of people with internet access fell by nearly 40,000 compared to July last year, the statistics showed. Last month, the UAE's second telecom operator du said it added 856,000 mobile phone users last year, bringing its subscribers to 4.3 million at the end of 2010. The Regulator hosted the GCC Technical Committee Meeting from April 11-13, 2011. The Technical Committee is considered one of the most important bodies of the Technical Bureau of the GCC Secretary General. The meeting discussed issues such as holding coordination meetings between the member states to discuss cell phone network interference, and studied the outcomes reached by the group in charge of discussing the switch over from analog to a digital system. The Regulator has moved to restrict access of the more secure version of Research In Motion's BlackBerry service following a threat to cancel services last year and confirmed in a statement that it had asked the two UAE operators, Etisalat and Du, to restrict BlackBerry Enterprise Services (BES) to qualifying organizations and private individuals. Regulator said in a statement that qualifying organizations must have a valid UAE trade license, and a minimum of 20 or more Enterprise accounts under the company ownership. Accordingly, Enterprise Services are to be made available to qualifying organizations only and not to private individuals. In yet another development the Regulator has delayed the introduction of number portability (NP) in the United Arab Emirates to the third quarter of 2011 in order to resolve technical issues. The regulator said the move to delay the service was 'to allow for several performance and functionality enhancements' to be made to the system. It added that Etisalat and Du would resume testing the system and the new service would be launched 'as soon as they are ready.'

ANALYSIS: IT'S TIME TO TALK ABOUT TV

Isn't it time for an open debate about broadcasters' use of UHF spectrum?

If you talk to spectrum liberalisers many say TV is inefficient and doesn't need so much spectrum. Talk to broadcasting engineers and they say "high tower high power" is in fact the best way to deliver a high bandwidth service to so many people.

Until now these have been behind-the-scenes whisperings but here at PolicyTracker we have tried to report them whenever they have surfaced. For example in Finland in 2009 the government issued a report which suggested terrestrial TV could be switched off after 2017.

700 MHz is likely to be identified as a possible mobile band at WRC-12

However, the muttering is becoming louder. The interest in a second mobile sub band in UHF is growing in Europe and the Middle East. 700 MHz is likely to be identified as a possible mobile band at WRC-12. Noting these developments the UK has just started a a consultation on developing a long term framework for the future use of UHF. And in the US the FCC and many politicians see incentive auctions as a way to encourage TV companies to vacate UHF (see accompanying articles).

This needs to be a discussion about achieving socially important policy goals, not about who "owns" the spectrum, who is "giving it up" or who is the most efficient.



Pressure on broadcasters is growing as never before and it is time for an open debate. Why? Because this needs to be a discussion about achieving socially important policy goals, not about who “owns” the spectrum, who is “giving it up” or who is the most efficient.

So what are broadcasting's social goals? To boil it down:

- ❑ Providing important information for citizens, like news and covering political debate
- ❑ Representing geographic and ethnic diversity, so bringing nations together
- ❑ Covering important cultural events
- ❑ Supporting a local broadcasting industry (or the cultural coverage is unlikely to materialise!)
- ❑ Universal service (or you can't bring a nation together!)

Do you need terrestrial TV to achieve these goals? The answer will vary from country to country, depending on levels of TV platform penetration. Terrestrial TV may make sense in countries where it has guaranteed universal service, like the the UK and Spain, but little sense in Bahrain where its penetration is effectively 0% compared with 96% for satellite (See graph).

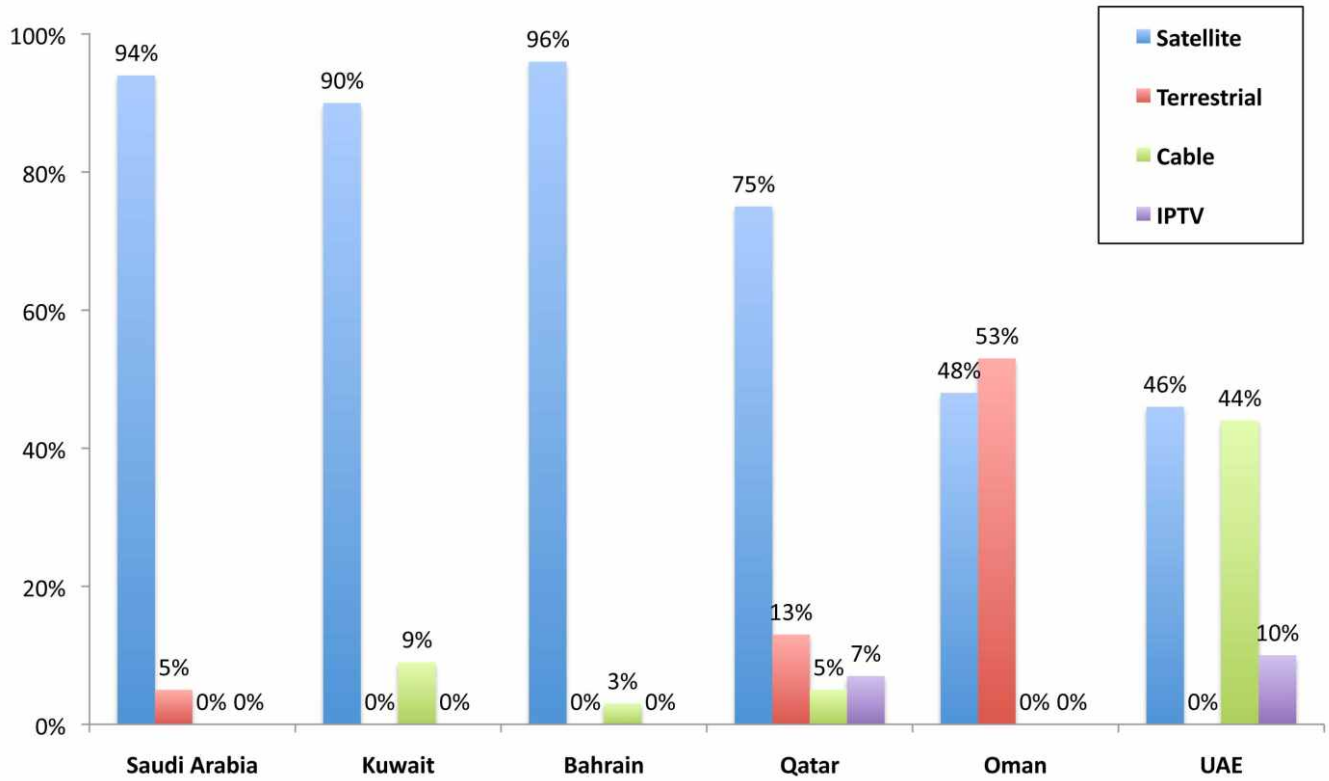
We must also ask whether these goals are achieved mainly by the public subsidy of broadcasting production or whether TV companies need access to UHF spectrum as well.

Can terrestrial cope with HDTV?

Neither can this debate stand still. Terrestrial TV's case may well be weakened by the impending growth of HDTV, where satellite or cable can deliver many more channels, or the superior functionality of IPTV. Conversely, it could be strengthened by a wider economic slump reducing disposable income.

We should also be considering compromise solutions like universal terrestrial service for a more limited number of channels or reducing the coverage requirement for terrestrial and “filling in” with satellite.

“ Terrestrial TV's case may well be weakened by the impending growth of HDTV, where satellite or cable can deliver many more channels, or the superior functionality of IPTV ”



TV platform penetration in the Gulf region

Source: Arab Media Outlook 2010 (Dubai Press Club and Value Partners) p44; figures from 2008

Martin Sims

Managing Director, PolicyTracker



TOP TECHNOLOGY UPDATES

China Telecom, HTC Release First 3G Global Roaming Phone

China Telecom and the smartphone manufacturer HTC jointly launched the first 3G global roaming cell phone in Beijing. This type of phone is able to automatically identify CDMA2000, WCDMA and GSM and is compatible with these telecom networks to facilitate customers' cross-border communication. Besides the support for 3G business, the smart phone can also realize seamless roaming in 258 countries and regions with the "e surfing" international card. In addition, customers can enjoy wireless broadband business provided by China Telecom and use Wi-Fi to surf the network with higher transmission speed.

Zain Bahrain Migrates to New WiMAX Version

Zain Bahrain announced its migration to the latest version of the nation-wide WiMAX network which offers state-of-the-art technology to users in Bahrain. The upgrade is part of the company's efforts to maintain its technological lead and enhance customer service by offering new products and services, said company General Manager Mohammed Zainalabedin. "We introduced the first nation-wide WiMAX in the world to Bahrain in 2007, putting the country on the global telecoms map," he said. "Today, we are preparing for the future by upgrading to the latest version of WiMAX which will enable us to ramp up our broadband speed and offer a much wider range of broadband offerings," he added. The upgraded version offers customers increased reliability and higher speeds and enables the company to restructure its broadband and fixed WiMAX services to offer more innovative voice and data solutions at extremely attractive prices.

Globe Launches HSPA+ Network

Globe Telecom of the Philippines has launched commercial HSPA+ services in the country, claiming a first for the Asian nation. The company says the rollout of Evolved High Speed Packet Access technology is the first phase of its migration to 4G services and will provide its users with mobile broadband internet access and the convenience of full mobility. In a press release the operator says the technology has so far been deployed across Metro Manila, which includes Marikina, Quezon City, Makati, Pasay, Las Pinas, Taguig and the City of Manila. By the end of this year the company expects to increase its HSPA+ presence "dramatically" with continued expansion planned for 2012, it added.

EU Agrees on Technical Rules for 4G Wireless Broadband

The European Commission has adopted technical rules on how certain radio frequency bands should be opened up to advanced fourth generation, or 4G, communication devices such as smartphones and laptops, EU Commissioner for the digital agenda Neelie Kroes said. "This decision [will] further stimulate high-speed broadband services and foster more competition," Kroes said in an emailed statement. The 27 EU member states have until 31 Dec., 2011 to implement the rules which set out technical parameters allowing for the co-existence of 4G wireless broadband on the 900 MHz and 1800 MHz frequency bands, alongside 2G GSM phones and 3G smartphones.

Tele2 Deploys Procera in its LTE Network

Procera Networks Inc. announced that mobile operator Tele2 is deploying Procera's PacketLogic in its 4G LTE network. Tele2 has 31 million subscribers in 11 countries and was one of the first operators in the world to launch a commercial LTE service late last year. This expanded installation is a combination between Procera's flagship PacketLogic PL10000 series and its recently introduced PL8820 product. Both products offer superior cost-efficient performance, which is in line with Tele2's philosophy of providing cost competitive high quality services. "Tele2 is a great customer and they set high standards for Procera as a vendor and for our products," said Jon Lindén, Vice President of Global Marketing at Procera. "This expanded deployment reflects their confidence in our products, the strength of our mobile offering and our ability to comply with customer requirements and conditions of broadly adopted mobile standards. The solution serves Tele2 with business intelligence on user behavior, providing critical information for its customer-driven offerings."

Telecast Fiber Systems Introduces Teleport 3G CWDM Management System

Telecast Fiber Systems announced the launch of the Teleport 3G multichannel coarse wavelength division multiplexing (CWDM) management system. By taking advantage of CWDM's ability to multiply the effectiveness of fiber optic cables for high-bandwidth signal transport, the Teleport 3G is ideal for a variety of applications including outside broadcast, metropolitan video transport, studio-transmitter links, and inter-facility communications. The new Teleport 3G provides better performance and easy high-bandwidth multiplexing on just one single-mode fiber for as many as 16 digital fiber optic devices. The Teleport can accept the optical output of virtually any digital transmitter in the 1300-nm and 1550-nm wavelength windows, such as Telecast Fiber System's Viper, Adder, or Cobra, and convert the signal into a specific CWDM wavelength. On the other end, a CWDM demultiplexer directs the signal to any standard receiver. With each port capable of 3Gbps transfer, double the rate of the original Teleport, one unit can support up to eight HD cameras, 2,048 AES channels, or any mix of signals required.

Historic African Telecom Satellite Launched

Africa's first private-sector communications satellite that will provide broadband and wireless services has been launched from South America bearing South African statesman Nelson Mandela's signature, according to a statement from Arianespace. Intelsat New Dawn, which was built through a joint venture with Intelsat and Convergence Partners consortium, was carried by Ariane 5 as it took off from French Guiana. The satellite also was imprinted with a Zulu phrase that means: "Go Well, New Dawn." It joins 21 other Intelsat satellites serving Africa. Also launched was the Yahsat Y1A, the first satellite operated by the United Arab Emirates' Al Yah Satellite Communications Co. It will provide customized relay services for governments and businesses in Africa, Europe, the Middle East and Southwest Asia.

Sentech to Roll-out Combination of WiMAX and LTE

Sentech is planning the roll-out of a wireless data network they call the National Wireless Broadband Network. Sentech has indicated they have both longer-term five-year plans and medium-term three-year plans in motion to achieve the roll-out of the NWBN. Snetech explained that the intention behind the network is to improve the broadband penetration in the rural and under-served areas of South Africa. This is in-line with Sentech's new vision of "enabling government intervention in the communications sector."

Comtech to Supply Satellite Optimization Equipment for Military Network

Comtech Telecommunications has received a US\$1.2 million order for satellite ground station communications equipment through its Arizona-based subsidiary, Comtech EF Data Corp. The order, to be used by a Latin American country as part of their military network, was from a system integrator. Comtech's CDM-625 Advanced Satellite Modems and LPOD Block Up Converters were demanded by the military end-customer. Allowing for maximum savings under all conditions, the combination of advanced technologies in the CDM-625 enables multi-dimensional satellite optimization and the CDM-625 Advanced Satellite Modem combines advanced forward error correction with revolutionary DoubleTalk Carrier-in-Carrier bandwidth compression.

Telecom Namibia Selects Gilat for SkyEdge II Broadband Satellite Network

Telecom Namibia has selected Gilat to provide a SkyEdge II Broadband Satellite Network to serve various locations throughout Namibia. The new, IP oriented and higher capacity network will replace legacy equipment and enable the connection of new sites to broadband services. According to the company, the implementation of the 600-site Sky Edge II network commenced in mid-2010 and is in final stages of completion. Telecom Namibia will use the SkyEdge II network to deliver Internet and VoIP services to residential and enterprise customers.

Taiwan to Invest US\$230 Million on WiMAX Project

The Taiwanese government is planning to invest US\$230 million in a WiMAX development project aimed at creating 20,000 jobs and attracting 2.2 million WiMAX wireless technology users by 2013. The Ministry of Economic Affairs said the project aims to expand cross-regional wireless broadband services in the country by building an environment with more WiMAX wireless services that can be utilized for disaster relief and education. The project likewise aims to integrate Taiwan's WiMAX industry chain and build an end-to-end solution to help the industry gain a bigger share of the global market. Ministry's statistics shows the country's total WiMAX products were valued at US\$316 million in 2009 and US\$526 million in 2010. "We are working on a project that will draw participation from existing regional WiMAX operators to provide cross-regional services, helping reduce their operating costs and offering more convenience to their subscribers," said Wu Cheng-wen, director of Industrial Technology Research Institute.

Globe Launches HSPA+ Network; PLDT Readies LTE

Globe Telecom has launched commercial HSPA+ services in the country. The company says the roll out of Evolved High Speed Packet Access technology is the first phase of its migration to 4G services and will provide its users with mobile broadband internet access and the convenience of full mobility. The services have been deployed across the Metro Manila and expect to increase its presence "dramatically" with continued expansion planned for 2012. Globe Telecom president and CEO Ernest Cu said: "Globe is again pioneering innovation in the Philippines. With the uptake in broadband both on mobile and through other devices, customers want faster broadband in more places. Globe is continuously looking for ways to improve our network infrastructure to meet the demand for quality services."

MIPS Processor Core Powers New GPON Chips from BroadLight

BroadLight's BL23500 GPON processor family is powered by the MIPS32 74K cores from MIPS. The 74K core running at 1GHz controls ONT, RGW and PON functionalities. "Continuing our long and successful relationship with MIPS Technologies, we are pleased to leverage the superscalar 74K core, which enables high performance, low power, quality of service, and other features that provide a superior experience in our SoCs," said Igor Elkanovich, Vice President of VLSI, BroadLight. "MIPS Technologies provides the number one processor architecture for broadband access markets including DSL, cable and PON, with MIPS processors continuing to lead the way in fast-growing segments such as GPON. As a long-time MIPS licensee, BroadLight continues to push the envelope of innovation with its high-performance and cost-effective products for fiber access and other networking market segments," said Art Swift, vice president of marketing and business development, MIPS Technologies.

Telecast Fiber Systems Introduces Teleport 3G CWDM Management System

Telecast Fiber Systems announced the launch of the Teleport 3G multichannel coarse wavelength division multiplexing management system. By taking advantage of CWDM's ability to multiply the effectiveness of fiber optic cables for high-bandwidth signal transport, the Teleport 3G is ideal for a variety of applications including outside broadcast, metropolitan video transport, studio-transmitter links, and inter-facility communications. "CWDM has become the preferred approach to optical multiplexing in digital video/audio communications because of its reliability and cost advantages. Designing systems around CWDM, however, can be a complex task," said Steve DeFrancesco, vice president and general manager at Telecast Fiber Systems.



Amaru Chavez Group CTO at Etisalat

Q. What are your key demands from technology vendors?

A. Etisalat is a long-term investor in the telecoms sector and has the customer at the core of its vision. Our strategic partners must foremost share this approach and philosophy and be committed to identifying new innovations that will help us to delight our subscribers. In terms of practical elements, technology vendors must provide solutions which are readily adaptable to new innovative trends, scalable, secure and robust. In case their technologies are customer-facing, then they must also be user-friendly and intuitive.

All of this must be provided in a partnership which is both transparent, mutually beneficial and which adds increasing value to our customers in the most efficient manner possible.

Q. Many operators are innovating their services and offerings. What are the latest innovations from Etisalat?

A. Etisalat is one of the most innovative operators on the planet, and has been widely recognized for its leadership in regional and global industry awards.

This is not a recent development, and Etisalat was one of the first operators in the world to introduce a mobile service in the early 1980s. We have also invested in international cable routes and the infrastructure to enable secure international connectivity between Africa, Asia and the Middle East. Add to this the formation of various support companies.

We have built the infrastructure on which millions communicate every day using voice and data. This includes both wireless and fixed-line technologies such as fiber optic and mobile broadband including CDMA, LTE and HSDPA.

Today the opportunity is to deliver new services and applications across this network, and in particular content related services. Etisalat has the capabilities to provide content services for music, games and news across a variety of media and is also investing in various digital home and smart building technologies to take this even further. The most recent developments are in television entertainment, where Etisalat is providing High Definition and 3DTV to its UAE customers.

Etisalat is also investing and developing other content-related solutions, particularly in the fields of Mobile Health and electronic education. These will have a major impact on our region helping to reduce the cost, and increase access to a wealth of resources which will have a direct impact on the general economy as well as the community as a whole.

Q. As a CIO/CTO, what are your main challenges?

A. Bringing a new service to market quickly is by far the most important aspect of our job. Being the first-mover in any new category is more important in telecoms than in any other industry as the barriers for competitors to replicate your service or innovation are relatively low. The faster we are able to deploy, the more clear air our product or service will have meaning the more successful it will be.

We are constantly looking for ways to enhance and streamline our operations and the transition to a Group structure is helping us to achieve this across all of our international markets.

Q. Abu Dhabi is now the first capital city in the world entirely connected to fibre optic networks. What are your next goals?

A. Bringing broadband across our region is an important goal, whether this is through mobile or fixed-line. We have recently announced the introduction of 3.5G services in Sri Lanka and will soon launch 3G in Nigeria as well. This means that our high-speed data networks will cover eight African, Asian and Middle East markets using a mix of CDMA, fiber optic and GSM standards.

We are committed to being the regional leader in broadband and we believe that this is the way forward for our markets.

Q. What will be impact from business customers?

A. Corporate headquarters require robust and high-bandwidth connectivity to their regional offices as well as their international hubs. This is only possible with the latest technologies and this is why we have committed to deploy fiber optic in the UAE, and in other markets. This provides the UAE, and other markets in which we have deployed this technology, an edge when it comes to attracting foreign investment.

Q. Do you see prices of technology products coming down in coming months?

A. The long-term trend in technology is for prices to fall. We have established a Group function to negotiate on behalf of all 18 of our operators and this is helping us to strengthen our relationship with major technology vendors and help secure a competitive price point. We have since negotiated agreements with the world's largest and most innovative companies and this is helping us to establish a leading position in each of our markets.





BRINGING TV TO LIFE

Today, the broadcast, communications and entertainment industries are poised for a consumer video environment about as far from the traditional “mass” media model as one could get.

Instead of the same thing to the same people at the same time, video is about to go “over the top” offering consumers a choice of what they want to watch, when and how they want it.

We have entered a new era, an era where even if TV remains the primary screen for video consumption, the long-term fragmentation of the audience will challenge traditional TV business models in yet another example of media meltdown. Deep convergence between television and Internet has finally arrived and as a result media companies can no longer ignore fundamental differences in the underlying business models and in the enabling technologies’ design principles.

Television delivery, and the viewing experience, have undergone a series of transformations over the past half decade or so. The traditional linear content experience (watch according to the broadcast companies’ schedule) has been enriched and in some ways surpassed by the functionality and services of non-linear, digital platforms (watch what you want, when and how you want it).

Early forays into Internet TV (IPTV) mostly had limited success in most markets across the globe. By contrast, online video is booming today, and it’s no longer a phenomenon limited to user-generated content. YouTube, for example, is currently experiencing 35 percent year-on-year growth.¹ It is now the largest catch-up TV site in the world (a place to watch recent programming on demand), and may soon become the largest film and sports video-on-demand site.

Consumers have grown accustomed to the friendly and appealing experience of the Internet, its rich functionality in areas such as search and recommendations, and the greater control it affords over schedule (content anytime) and to a certain extent over location (content anywhere). The Web has also made it possible to build and nurture communities a capability beyond the reach of the proprietary, closed systems of traditional broadcast TV.

The questions that remain about the future of online video, however, are profound: Can the quality of the viewing experience become strong enough that people will want to spend the majority of their viewing time online? Can anyone figure out the revenue model? Will the ecosystem players cooperate to make it happen?

What is “over-the-top” TV?

Over-the-top refers to both linear and non-linear video offered to the television set through an unmanaged broadband connection.

Over-the-top capabilities enable companies across the communications, entertainment and retail ecosystems to go directly to consumers with their content, bypassing traditional network gatekeepers and access providers.

Over-the-top TV is the very embodiment of a disruptive technology, and much of the fierce jockeying for position one notices in the marketplace today is rooted in the need to carve out a profitable place in this new and very unfamiliar television environment.

Over-the-top TV bringing the PC to the TV, and the TV to the PC will change how consumers access broadcast entertainment, and how content and communications companies provide it.

Internet TV revisited

The lessons about IPTV failures are instructive to companies looking to go over-the-top with video services today. First, IPTV did not fully build on the potential advantages of the Internet.

Instead of leveraging the power of an open environment, providers kept to a closed system. The use of proprietary or “walled garden” technologies and devices slowed widespread take-up, preventing the very kind of open cooperation and access that people now take for granted on their PCs.

Without coordinated efforts, as well as standards and regulatory models, critical mass could not be attained for advertisers or consumers. The closed business model impeded scalability of the service and that, combined with skyrocketing programming costs, resulted in a very fragile economic model.

IPTV was a precursor to some of the hottest capabilities discussed today: video on demand, catch-up TV, digital advertising, personal video recorders, etc. But the customer experience turned out to be substandard. That situation, combined with a faulty business model, left the promise of IPTV largely unfulfilled.

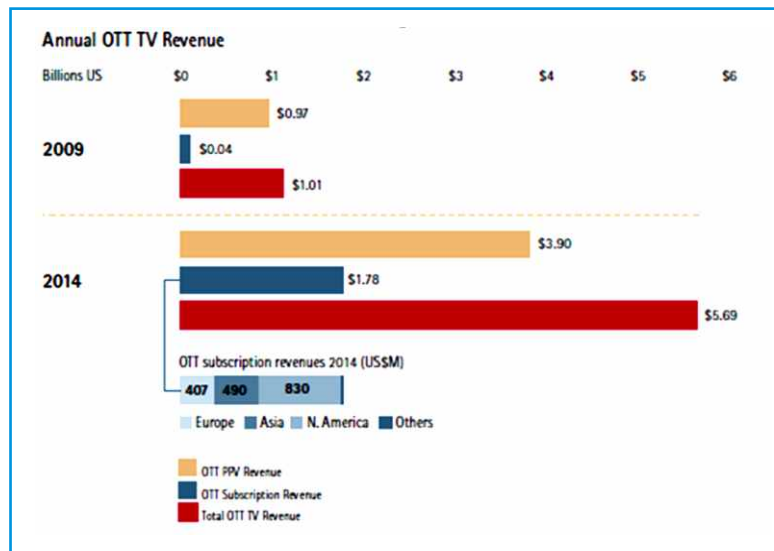
What’s so different today about programming delivered over the Internet? The technologies have changed, businesses and business models have changed, and perhaps most important, consumers have changed.

The growth of online video

The widespread penetration of fixed and mobile Web-enabled platforms is setting the stage for a rapid uptake of digital video services and current broadband trends are fueling their growth. Research indicates that worldwide consumer broadband subscribers, both fixed and mobile, will rise from 585 million in 2009 to more than one billion in 2013.2

And expect mobility to accelerate this revolution, enabled by the rapid growth of mobile broadband connections and massive improvements in device quality.

According to market research from the Diffusion Group, over-the-top TV revenues are expected to reach \$5.7 billion by 2014.

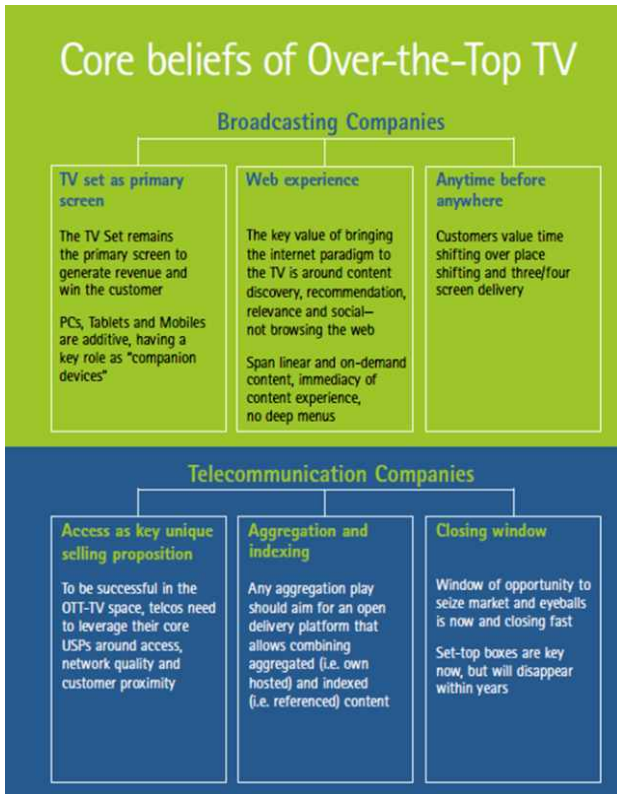


The ultimate stakeholder: The consumer

The era of broadband video is here, and it’s influencing the viewing behaviors of more than just younger generations. According to new research from Accenture, high percentages of consumers of all ages around the world are now watching video content over the Internet via a PC or TV.

To give companies deeper insights into their target customers as they launch or extend broadband TV and video capabilities, Accenture has conducted a global survey of more than 6,500 consumers around the world across major geographies—the United States, United Kingdom, Australia, Brazil, Germany, Italy and Spain.

The results of Accenture’s “2011 Video-Over-Internet Consumer Usage Survey” provide companies with a view not only of current trends, but also of where those trends are leading, both in terms of video viewing habits and where revenue growth may most likely occur.



models are extremely shortened. In this scenario, traditional aggregators have a reduced role in the best case (i.e. the cord-cutting nightmare), and carriers have the option to negotiate a carriage fee, trying to extend their role to locally relevant functions such as content delivery, content encoding and digital right management (DRM) settlements, local front end/shop management, local support, and digital home integration.

Over the years, broadcasters have progressively lost a significant degree of control over content and increasingly rely on specialized/independent producers.

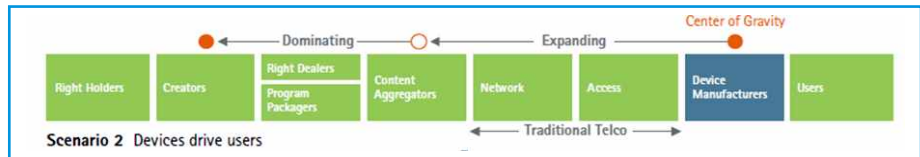
If they do not act swiftly in the Over-the-Top space by developing compelling multi-screen strategies, they could face a considerable loss of relevance in the on-demand world, succumbing to the fast growing content brands and being disintermediated by them in relationships with consumers.

2. Devices drive users

This scenario sees users buying content through the walled gardens that device makers manage to establish (i.e. an extension of the iTunes model to devices and operating systems), with content rights holders sharing revenues with the device makers. There is a substantial failure to build a unique platform (as is presently the case in the gaming business), and the role for broadcasters and carriers changes:

Consumers strongly indicate that they are ready for a true multi-device experience—one that goes beyond simply replicating traditional TV on another device, and instead creates a new experience where content is important, quality is critical and personalization of the service is a must.

Over-the-Top TV can succeed if companies understand and embrace these new consumer behaviors



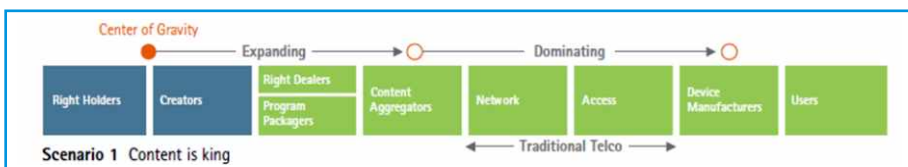
- ❑ Broadcasters could try and build strong customer relationships leveraging better customer insight and providing a more localized user experience. This would require the support of all devices, so that users can access the same branded experience across all of them.
- ❑ Carriers should try to build the underlying platform that unifies the user experience across devices, addressing technological complexity and supporting aggregators in the multi-screen play.

What scenarios in the future?

Rather than a clear future scenario in the medium term, we see the coexistence of several business models and value chains, depending on local market conditions, industry structure and regulatory frameworks.

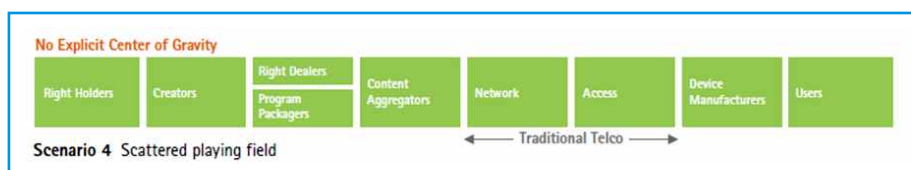
1. Content is still king

In this case, content rights owners manage to create a unique platform for content consumption that seamlessly supports most devices. Disintermediation is pushed to the limit, letting users establish a direct link to the major shops, and the leading brand is the content brand. User choices are driven by content rather than other factors, and business



3. Aggregators rule

To some degree, this is the natural extension of existing business models, with a complication owing to the fact that the platform to deliver video services may not be unique (as currently happens with broadcasting). In this case users still prefer specific shops to consume content, with the difference that jumping from shop to shop does not require cord cutting. This is more like the mall model, where the success of retailers is determined by their ability to provide the best personal user experience, shielding the user from complexities derived from technology, devices, and payment models. In this scenario, there is a role for most of the players in the ecosystem:



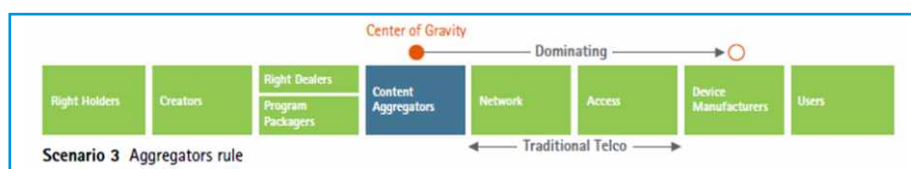
- ❑ **Aggregators:** focused on content acquisition, best user experience, commercial relationship with the customer;
- ❑ **Platforms:** focused on service enablement, technology complexity, device support, content lifecycle, security (this role may be taken by both aggregators and carriers);
- ❑ **Carriers:** focused on content delivery, user support, digital home enablement.

This scenario sees broadcasters fighting for relevance and position against the Internet aggregators, such as Netflix and Google TV. Hybrid devices, seamless integration with linear programming, ubiquity in terms of platforms and the ability to provide multi-device services with specific value proposition, rather than just replicas of the original TV service, become key capabilities in order to succeed.

4. Scattered playing field

In this scenario, participants across the entire ecosystem fail to create partnerships and value chains remain highly fragmented across geographies and types of content. Unresolved conflicts of interest between industry participants mean few major deals and the opportunities from OTT-TV are not fully realized. A lack of standardization across devices and content formats means consumers have to engage with different content providers and create multiple, overlapping relationships.

In this fragmented scenario (which most closely resembles where the market finds itself today) there are no clear 'winners' with content from many sources on many different devices.



Telecommunication companies could play an enabling role, helping consumers to connect up all the services, devices and content they need.

Key success factors

Accenture experience highlights several important actions to achieve marketplace success. Based on Accenture experience delivering over-the-top TV solutions, and on research that includes our recent Global Content Study, the following keys to success should be kept in mind.

- ❑ Focus on premium video as the continued dominant application. Other content types such as sergenerated content will certainly play a role in the future of over-the-top TV, but the most important offering will remain premium video.
- ❑ Plan to be a major player, or don't play at all. There is no room for niche players in the video space. Companies need to be big enough to afford premium content or they will fade away as a viable competitor.
- ❑ Think of platforms as complementary, not "either-or" choices. Each platform (PC, mobile, etc.) has a role in supporting the central device, which for now will remain the TV set.
- ❑ Drive toward solutions that support an engaging user experience seamlessly across roadcast (linear) and broadband (non-linear) experiences. This includes very high quality for content and high definition, an effective user interface and a recommendation engine that goes beyond the traditional capabilities and limits of an electronic program guide (EPG).
- ❑ Provide users with the ability to decide what to watch, when and where. Anytime delivery is, at this time, more relevant than anywhere delivery.
- ❑ Develop the analytics capabilities necessary to create deep consumer insights and then act on them. It's important to move gradually toward direct-to-consumer business models, as well as to more valuable advertising approaches.
- ❑ Create the capabilities to manage customer interactions more effectively. A number of interoperable capabilities are especially important, including content supply and delivery chain management, payments, customer insight, advertising brokering, customer support and content search and discovery.





DEALS BACK ON FOR TELECOM OPERATORS

As the region continues to pull itself out of the slump caused by the global economic crisis, there is new evidence that the recovery is picking up steam: After a two-year lull, M&A activity in the telecom sector is showing signs of a revival in 2011. Several announced transactions, including the VimpelCom-Orascom and Batelco-Zain deals, indicate that operators are renewing their pursuit of growth: Operators announced \$7.7 billion in MENA deals in the first quarter of 2011.

Prior to the 2008 global economic slowdown, the telecom industry was in the midst a wave of M&A as operators pursued inorganic growth. Deal activity in MENA had been brisk for years, averaging over \$8 billion in annual transaction volume from 2006 through 2008. In the ensuing two years, operators shelved all but a handful of small M&A deals as management yielded to shareholder demands to adopt a prudent and risk-averse approach to weather the storm of the downturn.

Now several operators have announced large deals as they resume their quest to grow in the face of saturation and strong competition. This is good news for operators, as it shows the industry is getting back on track. But it could also be potentially good news for the consumers and businesses that buy telecom products and services: Larger operators with a presence in more countries can lower costs — and reduce prices — as they gain scale; offer lower roaming rates as they establish a presence in more markets; and enhance their ability to roll out next-generation offerings that customers want, such as ubiquitous access to digital content, across their footprints.

This merger and acquisition activity is expected to manifest through consolidation, which will take one of three forms—cross-border megadeals, in-market transactions, and consolidation of ownership within the same operator. Cross-border deals are expected to dominate, with a significant portion likely to be large transactions involving GCC operators as well as those operating in emerging markets such as Africa, India and China. These deals include transactions in which major groups enter new markets via

large transactions by acquiring controlling stakes in other groups with multi-market presence. They allow entry into multiple markets with a single stroke, thus eliminating the complexity, cost, and time involved in identifying and completing multiple transactions. Also, they let operators preempt competitors who might acquire increasingly scarce and attractive targets. For sellers, these deals are also appealing – operators may be in a distressed financial position, unable to finance their growth needs or achieve relevant scale via large transactions to compete with global players, or simply because such transactions provides an attractive exit point.

“This merger and acquisition activity is expected to manifest through consolidation, which will take one of three forms – cross-border megadeals, in-market transactions, and consolidation of ownership within the same operator.”

Bharti's \$10.7 billion acquisition of Zain's African operations in 2010, which provided Bharti with an immediate footprint across multiple emerging African markets, is one example of a cross-border megadeal. The acquisition transformed Bharti into a key regional player and allowed the operator to export its low-cost operating model from India to markets abroad.

The pipeline of such transactions continues to fill up. Although the deal between Etisalat and Zain Group is not slated to go through as of early May, it indicated a sustained momentum by regional operators to consider relevant investment opportunities in the future. VimpelCom's announced merger with Wind Telecom (formerly Weather Investments), which controls Orascom Telecom, is another example of a megadeal: It would create the world's sixth-largest telecom group.

Although cross-market deals will be the most prevalent, we will also see some in-market consolidation as operators acquire competitors within specific markets. Such transactions can offer compelling advantages – a gargantuan increase in market share, the elimination of direct competition, and access to lucrative market

segments. They also can help operators gain spectrum, expand network coverage, and improve service quality while reducing costs via economies of scale, specifically on network and IT infrastructure. This form of consolidation has proven successful in other markets and is likely to do so in the MENA region. In the UK, for example T-Mobile and Orange merged in 2009 to gain scale in a fragmented and competitive mature market. In March of this year, AT&T announced the \$39 billion acquisition of T-Mobile, Deutsche Telekom's US subsidiary, which will catapult AT&T ahead of Verizon to become the largest US mobile operator, while providing for enhanced spectrum in a constrained market.

Finally, we are likely to see operators consolidate ownership, allowing shareholders to gain full control over specific operations. It enables more effective and agile decision-making, value and synergy creation across the group, and the ability to consolidate financials. This is an appealing proposition for sellers also as they seek to exit investments for a variety of reasons: insufficient control; the need to raise capital to finance other opportunities, lack of strategic fit, or simply because target returns have been achieved. Examples of this kind of deal include Etisalat's consolidation of Atlantique Telecom and Qtel's consolidation of Indosat. Conversely, Vodafone is divesting operations over which it does not have full control – for example, it sold its 44% stake in SFR to Vivendi for \$11.3 billion this year and has also declared its intent to divest its Turkish and Egyptian operations.

The operators that capitalize on this wave of consolidation could emerge as the global winners in the industry. To succeed, they must have significant financial firepower, with a strong capital position and the ability to raise funds in the future. They also need robust organizational readiness, with a solid governance model, an organizational structure balanced between headquarters and subsidiaries, streamlined management processes, distinctive values and culture, and sustainable talent management. The operators that lack the financial resources or are behind in their organizational preparedness might find themselves left behind, becoming acquisition targets themselves.

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MOBILE TV, IPTV GROWTH AND PROSPECTS IN MENA REGION

Watching TV over the mobile was merely a thought just few years back. Recent boost in mobile TV and IPTV technology has opened new revenue streams not only for mobile network operators (MNOs) but also for whole ecosystem. Over the years, cell phone manufacturers, mobile network operators (MNOs) and the providers of enabling technologies have developed means to compel mobile TV insurgence.

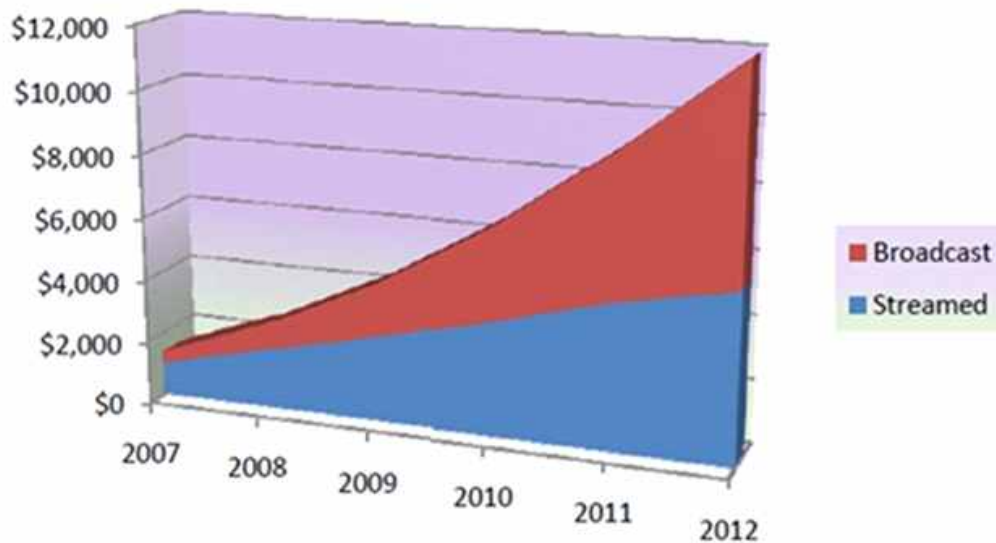
New technology has essentially altered the shape of entertainment. Mobile phone users in the SAMENA region are fond of exploring the world of music the most. Mobile content has gained high popularity especially mobile TV and mobile video. Content download such as music download is popular in UAE as compared to SMS or voice-based IVR. Recently, the UAE came on top of the 13 markets surveyed with regard to consuming mobile TV and video. This indicates the growing demands in terms of services that operators have been offering.

The growing number of LTE networks in the region is certainly providing a smooth runway for mobile TV growth. LTE has been gaining a positive response from mobile operators around the world that are looking to offer

benefits from its global economy of scale. LTE is a developing technology; today 150 million people have access to LTE networks. According to Ericsson "The introduction of LTE will be an evolutionary step, rather than revolutionary with approximately 5 billion people who will have mobile broadband by 2016 and about 95% will be served by HSPA, CDMA and LTE networks. For LTE deployment, large parts of existing infrastructure are generally reused providing a future-proof technology path for flexible migration of services between 2G, 3G and 4G mobile technologies. This year, the number of LTE

“ The revenue from IPTV was US\$ 2.3 billion in 2007 and is expected to grow to US\$ 19 billion by 2012 in the region ”

Total End-User Generated Revenues (\$m) for Mobile Streamed and Broadcast TV Services 2007-2012



committed operators is 118% higher than one year ago, with 140 operator committed to deploy commercial LTE systems in 56 countries.

Operators are surely looking at new revenue streams, which are increasingly being driven by value added services, content delivery, ranging from streaming video to other data intensive content media. Mobile TV is readily available in only about ten markets of the region, even where there are no 3G networks currently operating; Mobile TV offerings are available. So, as it appears, the availability and growth of content can be encourages and supported by deploying high speed broadband access networks.

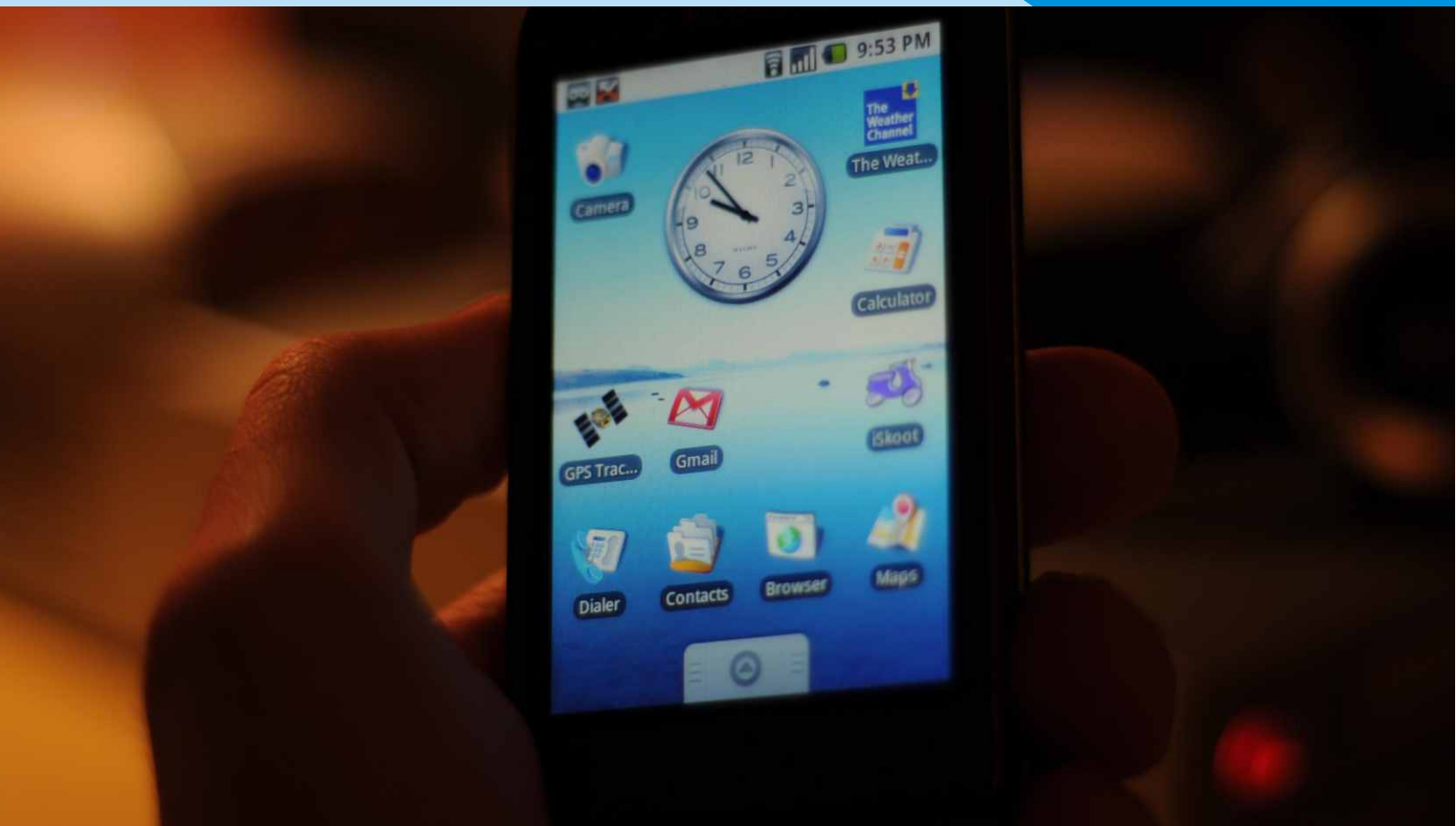
Mobile TV and IPTV market has shown tremendous growth over the past few years in MENA. The region is on the verge of a high growth in the IPTV & Mobile TV industry. According to Digital Middle East Broadcast Magazine there are over 200,000 IPTV subscribers generating US\$ 35 million in the region already and this is also expected to reach 452,000 with US\$ 122 million by 2012. The region has a potential of 128.8 million mobile TV customers in the MENA region. The revenue from IPTV was US\$ 2.3 billion in 2007 and is expected to grow to US\$ 19 billion by 2012 in the region. We have to see if the trend of growth in this sector continues and what initiatives are taken to expedite the adoption of mobile TV and IPTV.

On the other hand user spending on mobile broadcast TV services internationally is estimated to surpass \$6.6 billion by 2012; shared end user revenues from streamed and broadcast mobile TV services will increase to around \$12 billion in 2012, according to Juniper's forecast.

Growing competition among video service operators is going to keep check on subscription charges that will consequently offset a quantity of the growth that has been expected from increasing revenue via digital video recording and video on demand (VOD) services. However, the major risk to revenue growth is the on-going rise of online (over the top) viewing, where consumers can cancel their monthly TV registration and instead prefer streamed programming that is available on You Tube, Google Videos etc. on the other hand aggregating by services such Boxee.

“ The major risk to revenue growth is the on-going rise of online (over the top) viewing ”

Mr. Bocar A. BA
President
SAMENA Telecommunications Council



CUSTOMER STRATEGIST MATTHEW RHODEN: IS YOUR MOBILE APP CUSTOMER-CENTRIC?

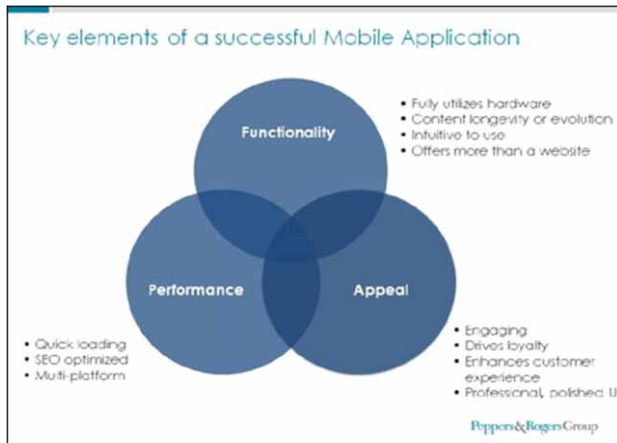
As the saying goes, "there's an app for that." Smartphone customers have an entire world of apps at their fingertips, both free and paid, that are designed to be entertaining, informative, and convenient. Both B2C and B2B companies are clamoring to be a part of this burgeoning interaction channel. But how can a company stand out among the millions of apps out there? The answer is simple, straightforward, and often overlooked. Create apps that are relevant and valuable to customers that keep them actively engaged. The best way to achieve this goal is to make sure your mobile app is customer-centric.

Until now most mobile apps have been the domain of a company's agency or relegated to a far corner of the marketing department. Many operate in silos or with a campaign focus, not necessarily tied to a company's overall customer strategy. We at Peppers & Rogers Group believe that mobile apps are a critical component to a company's overall digital strategy. And that strategy needs to focus on the needs, value, and behavior of customers, not just the latest bells and whistles. It's then that you can create relevance and value.

Creating a customer-centric app

Mobile apps can be as unique as the companies that produce them. Yet there are a few common themes that all apps should have. A good app should be a combination of functionality, performance, and appeal. When combined, these three elements work in tandem to enhance a customer's experience with a brand.

“A good app should be a combination of functionality, performance, and appeal. When combined, these three elements work in tandem to enhance a customer's experience with a brand.”



A good app will engage the customer with content that meets their needs. It will offer content that puts the customer in closer contact with the company and makes them feel both informed and valued. In order to do that it must work properly, take advantage of the benefits of the mobile channel, provide a unique interaction, and be entertaining and/or informative.

Consider a retail chain's mobile app; it should alert customers about sales and specials at nearby locations, offer coupons, leverage location based services to offer in-store specials and otherwise incentivize the shopping experience. The app should build trust with the customer, which comes from several factors: the app should enable customers to get the most of their relationship with the company behind the app, as well as offer convenience and consistency. The customer should come to view the app as a tool to augment and enhance their overall experience as a customer.

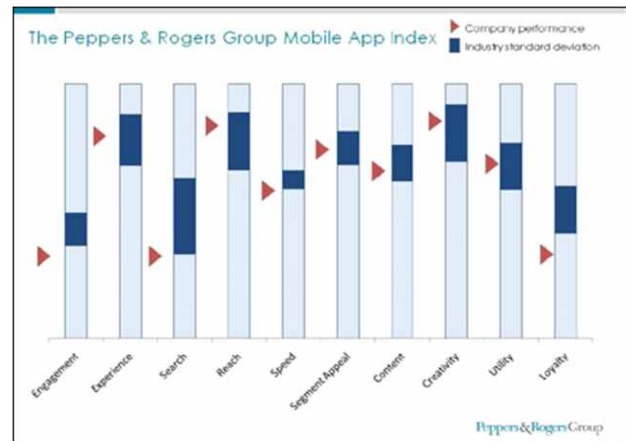
An example of a successful app in another industry is a casino app we studied, which keeps visitors up-to-date on what is going on in the hotel at all times, offers off-line mobile casino games where consumers earn real reward points for playing, and allows visitors to easily make room and restaurant reservations from their mobile device. It delivers convenience and can be viewed as a both a tool for customers to get the most out of their experience in the casino as well as an entertainment app.

Sure, any company can make an app. But are you making a good app? Here are six questions every company should be able to answer in order to pass the "customer-centric app" test:

1. Does the app offer value to both new and returning customers?
2. Is customer loyalty rewarded in any way?
3. Does the content evolve or otherwise have longevity?
4. Does the app offer functions that improve the customer's experience?
5. Does the app deliver what it promises to the customer?
6. Is the app designed to take full advantage of both the hardware and software features?

The Peppers & Rogers Group Mobile App Index

In the most recent issue of the Customer Strategist journal, Don Peppers writes that it is consumer convenience that will



drive the customer experience with mobile marketing. The effectiveness of what your app offers is what matters. And effectiveness needs to be measured. We at Peppers & Rogers Group have created a 10-point Mobile App Index to measure an app's performance in each of these areas. It provides an accurate gauge for businesses to determine the success of their app in enhancing the customer experience. As Executive Editor Tom Hoffman wrote in the same article, having defined performance metrics makes it possible to measure and increase the value of mobile marketing campaigns over time. The Index allows firms to determine if they are enhancing the customer experience through their app by judging its performance on each of the Index's 10 levers of customer centricity. The Index also allows companies to compare their app performance to the relevant competitor apps.

Mobile apps are only one part of a larger digital marketing strategy. A comprehensive digital strategy is comprised of mobile, social, and online efforts, where customers can intertwine in the community of a brand. We discussed what makes a successful digital marketing strategy in our recent webinar, *The 5 Key Elements of a Customer-Centric Digital Strategy: Navigating the New Marketing Ecosystem*.

Matthew Rhoden

Partner, Peppers & Rogers Group.

Kristoffer Strauss

Consultant, Peppers & Rogers Group.



SATELLITE NEWS

Russian Satellite, Eutelsat Partner on KA-SAT Services

Russian Satellite Communications Company has partnered with Eutelsat for the commercialization of broadband and data network services in Russia. The companies will use Eutelsat's new KA-SAT High Throughput Satellite. Launched in December 2010 and on track to shortly go into full commercial service, KA-SAT is a pan-European infrastructure which will support the broadband service provided by Eutelsat's Skylogic affiliate. According to the partnership, RSCC will be the main partner of Skylogic to commercialize Tooway™ services in European regions of the Russian Federation.

Hughes Showcases Cutting-Edge Broadband Satellite Technology and Service Innovations

Hughes Network Systems, provider of broadband satellite networks and services, held its 14th annual technology seminar on May 12th in Moscow, showcasing the company's cutting-edge product and service innovations to attendees. This seminar focused on the latest development in technologies and services globally, including dual mode Ka/Ku-band Systems and terminals and AiReach broadband wireless solutions. The seminar featured a discussion on the current state and future of broadband satellite technology in CIS countries.

Afcomsat Deploys Dual Mode Satellite/Tetra System in Nigeria

Afcom Satellite Network, a provider of high quality VSAT services to businesses, governments and individuals, announced the deployment of the first dual mode Satellite/TETRA system in a fleet of Emergency Response Vehicles in the Niger-Delta region of Nigeria. Equipped with the latest VSAT technology and integrated into Motorola's TETRA Mobile System. The dual mode system enables communication with the company's field hand held radios, which turns the ERV into a command post. Afcomsat makes the full capacity of the oil company's Internet gateway and communications network available to the ERV.

Iridium Selects iDirect's VSAT Platform to Upgrade the Ground-Control Infrastructure of Low-Earth Orbiting (LEO) Satellite Constellation

VT iDirect announced that Iridium Communications, a mobile satellite service provider offering truly global mobile voice and data communications, is leveraging iDirect's VSAT platform as part of a multi-year plan to upgrade the ground-control infrastructure of its low-Earth orbiting satellite constellation. The enhanced network will allow Iridium to handle increased data transmission between its remote tracking, telemetry and control stations in Canada. Va. iDirect is a world leader in satellite-based IP communications technology. Iridium selected iDirect's Series 15000 Universal Satellite Hub to bolster communications for its dedicated operations network as part of the design, build-out and launch of Iridium NEXT, its next-generation satellite constellation. With iDirect's IP-based platform, Iridium can substantially enhance and extend global asset connectivity by delivering higher data speeds and new services to its rapidly growing customer base. The iDirect platform will increase bandwidth efficiency between Iridium's SNOC and TTACs. iDirect enables Iridium to enhance data throughput from 300 Kilobytes per second to 2 Megabytes per second to anticipate and manage growing traffic requirements between its sites.

Yahsat to Bring Broadband Access to Remote UAE Areas

The Abu Dhabi based Al Yah Satellite Communication Company will be provided internet facilities in the UAE. Yahsat second satellite will be "game changer" for the country's internet provision industry, said by communication executive. The satellite Y1B is scheduled to be launched in the 4th quarter of this year, will be one of the first providers of internet broadband access to remote areas of the UAE and other countries in Africa. Hughes is set to be the provider of the broadband system and support services to be used on the Yahsat Y1B. "We will connect areas that do

not have fiber optic internet access, and this will be especially relevant in remote areas of Africa," said: Suhail Mehrabanzad, Middle East and Africa Assistant Vice President at Hughes.

Chunghwa Telecom, Singtel to Launch ST-2 in May

Chunghwa Telecom and Singapore Telecommunications will launch a joint-venture communication satellite, ST-2, in 2011 to replace ST-1 launched in August 1998, with Arianespace to be responsible for the launch from French Guiana, South America, using its Ariane 5 rocket. ST-2 services include voice/data communications and direct-to-home digital TV broadcast, the same as provided by ST-1, as well as broadband access to the Internet, HD multimedia and satellite communications in the Asian region, CHT said, adding it will integrate ST-2 with its multi-routing broadband submarine cable network to position itself as an East Asian hub of communications.

Comtech to Supply Satellite Optimization Equipment for Military Network

Comtech Telecommunications has received a US\$1.2 million order for satellite ground station communications equipment through its Arizona-based subsidiary. Comtech's CDM-625 Advanced Satellite Modems and LPOD Block Up Converters were demanded by the military end-customer. The combination of advanced technologies in the CDM-625 enables multi-dimensional satellite optimization and the CDM-625 Advanced Satellite Modem combines advanced forward error correction with revolutionary DoubleTalk Carrier-in-Carrier bandwidth compression. "This order demonstrates the continued reliance on our products by foreign military customers who acknowledge our best in class products by deploying them to support mission-critical communications," said Fred Kornberg president and CEO of Comtech Telecommunications Corp.

New African Telecommunications Satellite Safely in Orbit

Africa's newest telecommunications satellite, Intelsat New Dawn, is now safely in orbit following its launch from French Guiana by European commercial launching services company Arianespace. The satellite will operate from a geostationary orbit at 32, 8 ° East and it carries 28 C-band and 24 Ku-Band 36 megahertz transponder units. It will cover the whole of Africa, much of Europe, some of the Middle East and Pakistan. It is the first communications satellite that is predominantly owned by the African private sector and it is a joint venture between Intelsat and an African consortium led by South Africa's Convergence Partners.



ROAMING NEWS

NTA to Reduce International Call Termination Charges

Nepal Telecommunications Authority (NTA) has concluded the consultation meetings with major stakeholders regarding the fixing of tariff for interconnection service to international call termination. NTA will complete its study by July and reduce the cost of international call termination, sources said. "Nepali consumers can call at Rs 1 from broad link connection and can call at Rs 4 to USA but the charge of similar calls from abroad to Nepal cost around Rs 13," according to the authority. This disparity between incoming and outgoing tariff has provided the room for illegal Voice over Internet Protocol (VoIP) services, it said. Currently, telecom service providers have fixed the interconnection charge at Rs 5 per minute. "It is very important to reduce this cost to Rs 0.72 per minute to ensure cheaper rate in international call," according to NTA.

Recycled Spectrum to Help Realize Global LTE Roaming

As more LTE networks go live across the globe, operators have started planning to offer data roaming, and reusing existing spectrum is seen as one of the best chances of getting worldwide coverage, according to speakers at the LTE Forum conference in Stockholm. A year ago, roaming on LTE didn't make much sense, but the growing interest in the technology is changing that, according to Andrés Suazo, head of Tele2's 4G Network Project. Tele2 has launched commercially in Sweden, using a network it shares with Telenor, and is testing LTE in Estonia, Latvia, Lithuania and the Netherlands. From a roaming perspective, the advantage of LTE compared with previous technologies is that it will eventually have a truly global reach. But just like existing GSM networks, different parts of the world use different frequencies to roll out the technology. That makes developing products able to access the Internet using LTE – starting with USB modems -- more complicated, especially for users traveling to different continents.

Beeline Launches SMS Notifications for Roaming

Russian mobile operator Vimpelcom, working under the Beeline brand, has introduced the SMS notification service for its postpaid and prepaid subscribers using international roaming services. The service informs subscribers of the start of using international roaming services and of the possible delay in payments calculation, which could lead to a negative balance after consuming services.

Mobitel Rolls Out New Roaming Add-ons

Mobitel has introduced new roaming add-ons for communicating in EU countries or Balkan countries. End-users will get 60 minutes of incoming and outgoing calls to both mobile as well as fixed networks in EU countries with the add-on "Ura pogovorov – EU" and 100 SMS with "100 sporocil – EU." When roaming in a number of Balkan countries, users will have the option to select similar offers for voice or SMS communication, namely "Ura pogovorov – Balkan" or "100 sporocil – Balkan." This package is available for communicating in the mobile networks of Bosnia-Herzegovina, Croatia, Montenegro, Kosovo, Macedonia and Serbia.

DSRT Seeks Data Roaming "Bill Shock" Prevention Measures

DSRT, Macau regulator has asked mobile operators to provide data roaming 'bill shock' prevention measures. The regulator has asked operators to implement a mobile data roaming maximum charge and has also asked operators to implement measures to update customers on their mobile data usage when roaming. Operators have asked the DSRT to increase awareness of mobile data use and costs and the ways in which they can prevent high bills. The regulator stated that it will continue to coordinate with the operators to improve consumer protection in this matter.

Clay Telecom Offers Free Data Roaming with its International Data Cards

Clay Telecom has announced that it is now providing free data roaming with its international data cards. The international data services come with country specific data cards that can be easily connected to a Computer / Notebook / Laptop to access uninterrupted Internet connection in foreign countries. Besides this, it also offers global SIM cards with free international roaming.

Online PR News – 09-April-2011 –New Delhi, India, 8 April 2011: One of the major players of the Indian Telecom Industry, Clay Telecom has announced that it provides free data roaming services with its international Data cards. With

this announcement, the company has provided an important value addition for its international travelers. Especially those travelling abroad for business purposes can utilize the free international data roaming services of the company. The international data services come with country specific data cards that can be easily connected to a Computer / Notebook / Laptop to access uninterrupted Internet connection in foreign countries.

Commenting on the advantages of free international data roaming services of the company, says the Director, Mr. Gaurav Dhawan, "Those travelling abroad for business purposes often require uninterrupted Internet connection so that they can check their important e-mails instantly. Therefore, we now provided international Data services to fulfill the requirements of our business customers. The country specific global cards have been enabled with free roaming so that the users can utilize the services of the company without bothering about the roaming charges."

Besides providing global data cards, the company also offers global SIM cards with free international roaming. In some of the countries where free roaming is not applicable it offers cheap international roaming services. 'Globetrotters can now easily stay connected with their loved ones back home with the aid of global SIM cards available in both prepaid and postpaid options. Cheap international roaming is especially beneficial for those who do not want to spend their entire savings on making international calls from foreign countries.

Adds Mr. Dhawan, "We provide the most comprehensive and wide range of services to our international customers. Right from international data cards to SIM cards our services are designed to offer maximum saving to our customers. International travelers can now travel abroad without bothering about the high roaming charges for staying connected with their friends, family and associates back home."

Data Roaming Fees to Drop to Domestic Levels by 2015: Telefonica CEO

Robert Mourik, Director of regulatory policy at Telefonica believes that the data-roaming prices within Europe will drop as low as domestic mobile data prices by 2015. According to Mourik, digital agenda commissioner Neelie Kroes's goal would be achieved without regulatory intervention in the EU data-roaming market. Telefonica representative added that this would happen purely on the basis of demand. In May, the European Commission is expected to propose new legislation to reduce data-roaming prices within the EU. Currently, standard out-of-bundle EU data-roaming rates for UK customers stand between US\$1.62 and US\$4.99 per megabyte, while a typical domestic data tariff gives customers 500 megabytes for US\$8.13.

Telcel Facing US\$1.03 Billion Fine Related to Mobile Termination

Telcel, the Mexican wireless unit of Latin American telecoms giant America Movil (AM), has been fined US\$1.03 billion for anticompetitive practices by the local antitrust watchdog. The Federal Competition Commission (Cofeco) has levied the penalty on the back of an investigation related to the completion of calls to mobile networks which it first launched back in November 2006. AM has said that in the wake of the proposed fine it is "analyzing the legal reach, basis and motivation of this resolution with the purpose of imposing all and every one of the defense measures at its disposal."

Russia, Poland Plan Agreement on Lower Roaming Rates

The communication ministers of Russia and Poland plan to sign a memorandum on the reduction of mobile roaming rates. The telecommunications group of the inter-governmental commission for economic cooperation has concluded an agreement on the issue. The Russian government recently signed a similar agreement with Finland and hopes to negotiate reduced rates with the EU as well as more individual countries.

Singapore, Malaysia Agree to Lower Roaming Prices

Regulators in Singapore and Malaysia have successfully concluded discussions to progressively reduce bilateral roaming rates. Singapore and Malaysia mobile phone subscribers will see price reductions of up to 30 percent for voice calls and 50 percent for SMS messages when they use the mobile roaming service provided by all mobile operators in Malaysia and Singapore. The price reductions will be implemented by mobile operators over two phases, for both prepaid and postpaid subscribers. Both the wholesale inter-operator charges and the retail subscriber charges will be reduced to affect the lowered prices. Singapore's IDA and Malaysia's MCMC are still studying roaming prices of MMS messages, video calls, and mobile data.



Beyond Connectivity 2011

SAMENA to promote the development and adoption of national and sector specific digitization policies



SAMENA's annual conference Beyond Connectivity was held at Abu Dhabi on April 25 through 27 and discussed industry challenges and major issues such as content strategies and business models, spectrum management, and digital dividend, satellite broadband. The three days event ended with panels on Mobile Content Innovation, Innovation in the Home, and Satellite Broadband. The event was held with kind support from Accenture, Teralight, du, Telcordia, and Intigral, among others. CEOs and other Industry leaders from around the region and beyond shared vital business insights, policy & regulations knowledge, market experiences, and SAMENA region's potential. The first day of the conference discussed the issues revolving around the digital content industry. Highlighting the regional industry's growing desire and the impending need to differentiate with respect to the provision of digital content to a large



regional subscriber base, Beyond Connectivity's first day provided a platform for knowledge-sharing on the issues, needs, requirements, and the assessment of business models surrounding the design, creation, aggregation, and the provision of mobile content.

Speakers from du, Intigral, Accenture, Arab Advisors, Ericsson, and other valued

participants led a comprehensive discussion, covering subject matter concerning Threat of OTTP, Content Monetization, Digital Content Ecosystem, and OTTP's

Opportunities and Challenges, and Content Business Models. Raghu Venkatraman, Chief Strategy and Investment Officer, du, during his welcome speech and key note address on behalf of du's CEO, Mr. Osman Sultan, expressed that traffic on service providers' networks is doubling every 8 to 9 months while no significant increase in the revenue is being observed, creating a challenge for

service providers. Understanding the threat of over-the-top providers, assessment of monetization and the identification of the role of operators, all play into understanding what a digital ecosystem would look like, and what operators need to build such an ecosystem. In addition to various important topics, the first day also highlighted the significance of loca-

tion-based services and cross-channel marketing techniques to be able to effectively position mobile advertisements, as well as mobile content. Mr.

Andre Popov, Head of Strategy and Business Development at Anayou (du) said, "54 percent of the Arab population is less than 25 years of age showing a good potential for content based services." He said that the operators are not making enough money with the content mainly because of the less innovative portfolio, unfriendly pricing and ineffective marketing of their content based services. Mr. Jawad Abassi from Arab Advisors pointed towards the broadband trends in the Arab world. He said that fixed broadband is still underdeveloped in the region while 15 out of 19 Arab countries have operational WiMAX networks. Among the notes exchanged, important conclusions—concerning the lack of suitable business models within the content value-chain, elements of content growth, lack revenues generated by operators, potential collaboration among over-the-top-providers (OTTPs) and the operators, economic value of digital media, operator's core business and business levers, issues in content monetization, dimensions involved in enabling content creation and provision, and the understanding and creation of the digital ecosystem—were drawn. The panelist supported the view that content is a very small portion of the operators' revenues; yet, value-addition and differentiation in this context are highly important. Operators ought to seek becoming true enablers of the content and should aim to become the most preferred pipes. However, doing so requires first understanding what their subscribers' content needs are and then offering the content that is most preferred.

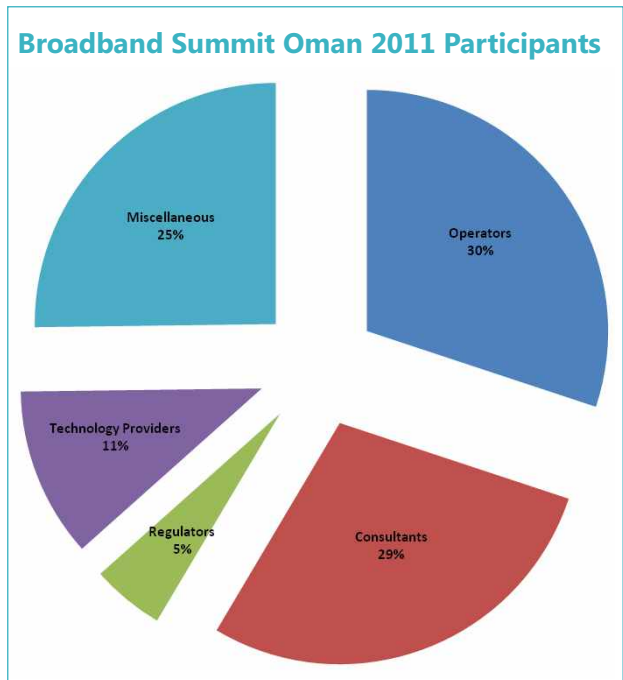
Highlighting the regional industry's growing desire and the impending need to differentiate with respect to the provision of digital content to a large regional subscriber base, Beyond Connectivity's 2nd day provided a platform for knowledge-sharing on the issues, needs, requirements, and the assessment of business models surrounding the design, creation, aggregation, and the provision of mobile content. Speakers from Etisalat, Google, TRA Lebanon, TRA UAE, NexGen, Booz & Co, Roshan Telecom, Policy Tracker,

Omantel, Squire Sanders, Motorola, and other industry experts led a comprehensive discussion, covering subject matter concerning Digital Dividend, Spectrum Management, Technology Evolution, and Mergers & Acquisition. Mohamed Nasser Al Ghanim, TRA Director General, in his speech expressed the hope that UAE's digital switchover to be completed by 2013. He also said: "Spectrum was freed last year and LTE will soon be deployed in the UAE and that the 700MHz band will be released by 2012 and made available to the telcos."

Thomas Wilson, CEO & Executive Managing Director of SAMENA Telecommunications

Council presented the roadmap for the Council for the next three years. He said: "The Council's long standing vision has been to provide a unified voice and a collaboration

forum for service providers in the Region. Under the new strategic direction, SAMENA will promote the development and adoption of national and sector specific digitization policies that create new growth opportunities for operators." By and large, the telecoms landscape in SAMENA region substantiate that digital technology provides one of the few opportunities for telcos to obtain additional spectrum to tap into the market more effectively. Digital technology utilizes the spectrum more efficiently as compared to analogue, thus after switchover



there will be more spectrum available for new services such as wireless broadband and High Definition Television (HDTV). The ITU goal for the switch from analogue to digital broadcasting has been set at mid 2015.

The second day of Beyond Connectivity discussed important issues such as, digital future, technology evolution, digital dividend, spectrum management, and mergers & acquisitions in the SAMENA region.



of Beyond Connectivity dis-

Additionally, SAMENA's new plans to accentuate its efforts more on digitization policy and regulation as well as in external affairs with all the industry stakeholders were also highlighted. SAMENA Council's interaction with key regional players is building up. The Council is actively working with a number of operators as well as regulatory bodies and more importantly with ITU. Similarly, SAMENA is actively working to develop relationship with other similar organizations such as, ETNO, FTTH Council, AREGNET, and Policy Tracker, among others. To help reorganize and reprioritize its agenda, SAMENA is working in enhancing its regional presence and its role in the region-wide digital policies dialogue. SAMENA Council's Chairman, Engr. Saud al

Dawesh highlighted the evolving role of SAMENA and said: "following the emerging trends in the broadband policies and technologies alike, it's continuously increasing contribution to the telecoms & ICT landscape of region, SAMENA is committed to help bring innovative telecommunications technologies and congenial policies to this region." He encouraged all SAMENA members to continue to discuss industry issues proactively, and corroborate the initiatives that are needed. Moreover, he also said that "connectivity" is not seen just as an economic good or service! The value of the cultural, the educational, the social and the strategic facets of "connectivity" is generally seen to be at least as imperative as its economic value. Mr. Bocar A. BA, while discussing the growing significance of the Council said: "SAMENA is doing



everything possible to provide its members with the platform to exchange ideas, and to collaborate on regional issues as well as provide the opportunities to be part of SAMENA's meetings and conferences to embark on the industry challenges together.

He added that we will continue to strive to facilitate collaboration and knowledge sharing in the SAMENA region. Google's Gulf Regional Manager, Muhammed Mourad said: "though it's innovative application that is Google translate, Google is helping to overcome the language barriers, and it is investing heavily to



make the Geo data available universally." He also shared that Google is partnering to digitize the cultural content world over.

The third and final day of Beyond

Connectivity grabbed special attention of the audience for it had a CEO live session that discussed the latest developments in the telecommunication industry in region and future strategies. The live CEO session convened regional CEOs along with other distinguished leaders from the industry. Through this live session, participants of the conference interacted with those that are actively involved in creating businesses and devising regional telecoms & ICT policy and regulations first-hand. CEOs live session discussed various topics that included, the competition that is arising from OTT, the need for investments that are required to build the next generation of high-speed networks, and how can telcos re-invent themselves to compete effectively.



The penal on "Mobile Content Innovation" highlighted that the opportunity for regional players in this region is to think

differently, in terms of monetizing the content based services such as IPTV. Burak Evren, Director TT Net shared that Turk Telecom has put an advertising platform in place for advertising the content service instantly. He added that in the future, STB would not be a challenge to be put in a subscriber's location, but to

keep it there would be critical. This can be done by providing innovative content to the end users. He shared couple of other initiatives that TT Net has taken to effectively monetize the content. The future of content industry in SAMENA region is so dynamic and potentially demanding especially with the emergence of mobile and fixed broadband technologies.

With the increasing demand of users for wider content there won't be time to undertake major upgrades and reconfigurations of the network. Network operators need to have a more innovative business intelligence approach with behavioral trends in place. Etisalat's SVP Marketing, Khalifa Al-Shamsi said that Etisalat is continuously building its network to be able to provide its customers with the best experience. He also said that that the OTT players and telcos should sit together and devise new strategies that are mutually profitable. Operators are a channel for the content providers and they need to become smart pipes to be able to generate more revenues. Both the stake holders should come up with innovative ideas of revenue sharing. Khalifa Al-Shamsi added: "In addition to providing the basic utility, telcos provide certain value added services, and content rich application at the retail level."

Mr. Andre Popov, Head of Strategy and Business Development at Anayou (du) said, "If we look at the advanced markets, the traffic increases quickly and the bandwidth demand is reaching to a prohibitive level. It is therefore decisive that operators come up with ways to work more closely with content providers to figure out a way to monetize the content effectively." Ahmad Nassef, Managing Director at Yahoo UAE, while moderating the panel on mobile content innovation asked the experts about the business model that is required between the telcos and content players. Mr. Shamsi shared that such a model must have end users behavioral information in addition to the basic information. The second panel on the



final day discussed "Innovation in the Home" The panel explored the prospect of using 4G networks for providing IPTV service, for it will enable the service providers to enable the user to experience IPTV ubiquitously. IPTV provides a supreme value by offering a wide diversity of quality content and a great command over that content, with many great features. SAMENA's CEO & Executive Managing Director, Tom Wilson, while opening the CEO live session said that "we are going to see some changes in SAMENA website soon. He shared that SAMENA's daily news archive already keeps a daily account of roaming related updates from around the region and the globe.

The Council's daily newsletter now carries more elaborative sections reporting important updates especially on policy & regulation, 3G & 4G networks, international roaming developments around the world, mobile content, and global telecom update. The Council also publishes its Policy and Regulatory Insider fortnightly that is sent to over 13000 subscribers. Mr. Alex Shalaby, Chairman Mobinil Egypt, said: "innovation will be the driver of the industry, and suppliers, vendors, consultant, integrators, and operators, are all part of the ecosystem and their collective collaboration will help bring the innovation that is needed." Karim Khoja, CEO of Roshan Telecom while participating in the CEO's live session shared certain demographics about Afghanistan He said 65 percent of Afghanistan's population is below 20 percent, so there is a huge potential for telcos. Ross Cormack, CEO Nawras Oman, the ability to benchmark allows you to measure the cost and I that we need to be done is to provide an environment and the growth will occur. Karim Khoja, while talking about the significance of effectively positioning the service to the subscribers said that the women customer base of Roshan increased from 8 percent to 18 percent in 2 years. This was made possible by offering certain packages to the women of Afghanistan, which received enormous response. He

expressed the hope that mobile advertizing will bring huge revenues to Roshan Telecom in the future. Wilson Varghese, CEO Kalimat Telecom Iraq talked about the significance of collaboration and shared that they are looking into the areas of co-location and nationwide roaming to be able to offer the service the masses. They are bringing innovative technologies to the market regardless of the competition.

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Broadband Summit 2011**

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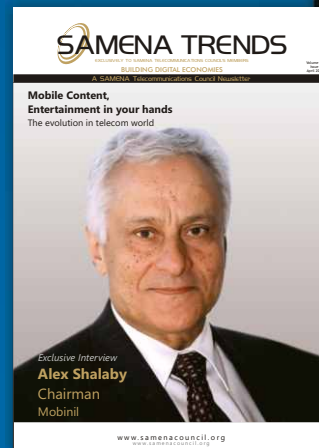
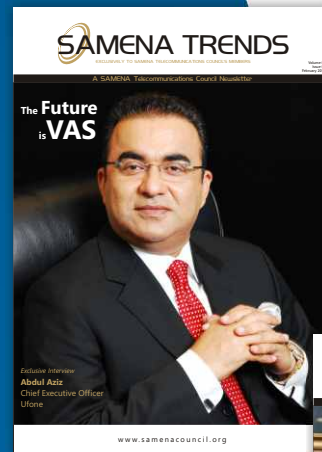
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