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Convergence to Casablanca 2010

Content Kick Off
"21st Century Digital Arabia"

Exclusive Interview

Osman Sultan

Chief Executive Officer, du

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EDITORIAL

The planning of SAMENA's next membership convention, "Convergence to Casablanca 2010" brings back fond memories. One of which that tops the list for me is the intoxicating and odiferous yet melodious windswept draft of Moroccan coffee that provides a burst of energy and most likely could wake the dead. In a few short days, the convergence of telecom executives, leaders, professionals and industry participants will be converging onward toward the bright orb of cosmopolitan life which sits on the north Western edge of the African continent. This metropolis seems to act as a magnet as it is the gateway to the SAMENA region as well as to the rich culture of both North Africa and Morocco itself.

Pondering onward, the attendees of Convergence to Casablanca 2010 will be quite busy. This year, SAMENA is opening with a bang, starting off the three day meetings with a sub sea cable workshop and also afterwards, hitting nostalgia like a punch to the nose, by having its opening reception and Content Committee group presentation at the one and only "Ricks Café". SAMENA in bringing its attendees to Ricks Café for its Convergence Reception on the night of the 26th, will possess the perfect setting to discuss new and important issues regarding "CONTENT" by bringing an expose of the site where the hit 1942 Warner Brothers three time Academy Award winning film "Casablanca" was set in a Casablanca establishment called "Ricks Café Americaine". This epic classic had no less than "A list" actors Humphrey Bogart and Ingrid Bergman set as the lead characters, Rick Blaine and Llsa Lund respectively. At Rick's Cafe, there are black and white displays of the film being shown on virtually every wall of the establishment of which I luckily have seen in person. The evening of the 26th should prove to be quite entertaining and also productive on a content basis for all attendees. Maybe, Blaine will be seen, pining for one of Ingrid's famous stares.

Concerning more mundane but extremely important activities, SAMENA will be looking to issue to its membership in the SIRG, a draft of a position paper on international roaming and related issues that are related to both voice and data. This is extremely important for SAMENA and its membership to state a position on data and voice roaming that will work for all stakeholders in the industry. This activity is so very important as are other papers that are being prepared by SAMENA and its committees, for the representation of key issues to SAMENA's membership is the core and center to SAMENA's charter of responsibilities to its membership.

SAMENA views in current market dynamics, the need to have development of new vertical market services such as content delivery leveraging current clients is inherently as important to operators as the standard voice and data fare that have been the staple of operators worldwide for the last six decades. Content however is a large subject and incorporates many issues, which the industry must manage carefully. Content allows for growth of ARPU, without having to gain additional clients. This allows for vertical growth of revenues with the same client base that purchases standard voice and data services. This allows for greater efficiencies. However, the provisioning of content while riding on the latest smart phone invasion, which is pushing the need for faster and more effective broadband networks, has its issues. The operators with the best content will prevail. The operators with the best platforms will win new customers. The operators with the smartest personnel will survive the competition. Ownership of content rights will support the best business models. Customers want useful data, vivid screens, bright colors, quick to hit information, hot new to market material, and of course they want the latest and greatest with large and small screen fare. They want local content and sometimes, in local formats and languages. This involves all the players, including the manufacturers of the handsets, the network providers, the over the top providers, the regulators and many others. This is a lot of cooks in the kitchen so to speak. Somehow, questions involving spectrum availability, spectrum quality, frequency, distribution of revenues for using shared networks, technologies, interoperability, medium of delivery, density, quality of video, and many others all need to be addressed. SAMENA's Content Committee is going to visit this very important area of interest for its membership.

Efficiency and effectiveness of the systems to which all of the above work together is highly important. Similar goals and targets should be set. Consensus is required to achieve this. That is the issue. Many have different agendas and goals. The industry on any basis exists in what is a very highly competitive environment. The costs to both create and manage this are exorbitant. CAPEX requirements are huge. True mobile TV broadcast networks are very expensive. The implementation of 4G LTE, WiMAX and advanced HSDPA networks are very expensive (hate that definition but no other exists currently) for the network operators to implement. This alone is creating new ideas. The operators are looking at anyway they can bring down costs to revenue ratios. Ideas such as shared infrastructure or actual creation of JVs where two operators share new network development are actually happening now in Europe already. Regulators such as the UAE have proposed ventures for Mobile TV such as shared infrastructure via wholesale applications where one broadcast venue is built (in this case, for mobile TV (DVB-H) and the operators share the platform buying them from the broadcasting network. Others may go a different route, which could incorporate technologies that may not be interoperable. Unfortunately, the lack of interoperability at the network layer may already

be a lost opportunity. If dissimilar technologies for mobile TV exist, then the responsibility for interoperability may fall to the handset manufacturers.

In recent travels, actually very recent, I saw the promotion of 9.3 mbps delivery for mobile broadband services, which is fantastic for content delivery services and this really is only a tracer of things to come. Like the building of the famous autobahns in Germany, the interstates in the US and other auto, truck, rail and air "highways" built in countries worldwide, these steps fostered greater mediums for transportation, that led to huge leaps in commerce and industry, greater bandwidth from broadband infrastructure will only lead to greater creation of opportunities for human contribution of new ideas, information development and educational opportunities, not only in urban centers, but in rural areas too. It is plainly obvious the development of very high-speed broadband networks is a must, not an option. In comparison to the axiom of Moore's law, it may be comparatively slow in application with regard to broadband incremental speed increases in mobile and also fixed networks.

There are so many interesting activities that the industry is experiencing. The announced merger of Orascom's holding company (other than Mobinil in Egypt) and MTS could develop into a huge major player in the region if not the globe with cash assets that can develop strong CAPEX driven infrastructure in the region is very substantial driving further consolidation of the industry. Other examples of such potential consolidation exist through bids like Etisalat's proactive package for Zain's Middle Eastern assets. It appears the malaise in M&A activities is over, at least for the near term. Regarding the potential of Etisalat's purchase of Zain Group is how the Saudi Arabia IT ministry and also the CITC in the KSA treat the potential of dual franchise ownership of Mobily and Zain KSA, if Etisalat were to close on its bid to purchase Zain Group. There are other rumors also in the market that other major players are interested in Zain KSA, should it be forced to be sold separately from the rest of Zain's assets. Maybe another large announcement is forthcoming. All we know, is that between STC, Etisalat, Orascom/MTC, MTN, QTel, Batelco and a few others, you have some of the world's, not just the region's, most successful and profitable telecom operators. The scene at the local corral has greatly changed in just the past five years and the end is not in sight.

It appears that in Saudi Arabia and also in the UAE, that RIM, Blackberry's parent has been able to reach an accord with the various governmental regulatory bodies in each country to satisfy security requirements and other various requirements and or needs. India, Indonesia, Kuwait and Lebanon are markets where the RIM situation remains tenuous at best with regard to potential opening of back door access to encrypted data or possible positioning of servers in the local countries as potential solutions to concerns of security in these countries still potentially exist. Again, the market position of Blackberry and its definitive service platform, versus other smart phone manufacturers rests with its own proprietary network, allowing its users, specifically its enterprise customers (through the services provided by both Blackberry and its client/operators) complete end to end encryption of customer data maybe effected or displaced due to Blackberry most likely having to spend more CAPEX and or changing its business model to satisfy concerns of country market security concerns. It remains to be seen, but I am sure all are watching how RIM as well as its major competitors play out the smart phone battle, as the industry is very much converting to a broadband dominated environment and the growth of smart phones are very indicative of that progression.

These and many other activities and issues keep the industry in our fair corner of the globe very interesting. The SAMENA region is now one of the largest and most successful telecommunications markets in the world. It will be interesting how the rest of the world reacts to how market makers such as STC, Etisalat, Orascom/MTS, France Telecom, QTel and others continue to grow. SAMENA plans to be there right along them, facing the challenges they see and supporting them every step of the way.

In closing this note, we look forward to seeing you in Casablanca at the end of October, and hopefully, we can all share in some of that fabulous Moroccan coffee.

Truly Yours,

Thomas Wilson
CEO & Managing Director
SAMENA Telecommunications Council

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EDITORIAL



TOP REGIONAL & MEMBER NEWS

Qualcomm Joins African Telecommunications Union

Qualcomm has joined the ATU as an associate member. ATU has 18 other associate members and 46 members. Qualcomm will work with other members to attune policies and regulations for information and communications technology (ICT) development in Africa. A central role is played by ATU in promoting telecommunications, bringing together key players of governments and industry to exchange ideas, knowledge, and expertise to benefit the continent. This association with ATU will provide Qualcomm an opportunity to not only participate in ATU activities, but also contribute to the development of Africa.

Major Investments, Projects in ICT Sector Expected During MENA ICT Forum 2010

According to the organizers of the MENA ICT Forum 2010, major investments and projects in the ICT sector as well as partnerships among players in the industry are expected to be announced during the event. The event will start from October 10. The two-day forum will be host to some 500 major stakeholders, players and entrepreneurs of the sector from all over the globe. Some of the key current and future issues that will come under discussion include investment climate, legislative supportive systems, infrastructure and communications, emerging technologies, as well as education and human capital development. In addition availability of Arabic content on the web, social networking, and online media among others will also be discussed.

UAE's Web 2.0 Adoption Rate Higher than US, UK

According to a new survey UAE's corporate adoption of Web 2.0 applications is among the highest in the world. US, UK, Australia, and Canada lag behind UAE in this regard. Web 2.0 is defined as consumer social media applications such as Facebook, Twitter and YouTube, and specialized Enterprise 2.0 solutions. UAE's adoption rate stood at 75% while USA, Canada, Australia and UK were below 70%. The most important aspect of Web 2.0 adoption is new revenue streams.

Pak Datacom Signs National Capacity Deal with O3b Networks

A multi-year, multi-million dollar contract has been signed between Pakistani data network operator, Pak Datacom and US satellite services provider, O3b Networks. According to the contract Pak Datacom will be O3b's supplier of services into the Pakistan market. This agreement will result in the availability of national and international satellite capacity across Pakistan. O3b's Medium Earth Orbit satellites have the potential to provide enough bandwidth and backhaul capacity for mobile and fixed line operators in the country. Pak Datacom, a subsidiary of Telecom Foundation has so for reserved 1728 Mhz for national coverage.

Saudi IT Market to Hit US$ 3.3 Billion in 2010, Sustain Positive Growth to Reach US$ 4.6 Billion by 2014

According to Business Monitor International Saudi Arabia retained the position of the biggest IT market in the GCC. Saudi IT market's forecasted value is US$ 3.3 billion for 2010 and is expected to increase to US$ 4.6 billion by 2014. US$ 1.8 billion in computer hardware sales is also expected this year. IT services market in Saudi Arabia is expected to reach US$ 971 million in 2010 and maintain a 9% compound annual growth rate (CAGR) till 2014.

ACME Tele Power Signs Agreement with Grameenphone

Under a new agreement signed between ACME Tele Power Limited (ATPL) and Grameenphone Limited, ATPL will provide solar power on large-scale under power purchase agreement. Grameenphone Ltd has signed similar agreements with two other solar power producing companies Cosmos Energy Services and InGen Technology Ltd of Bangladesh. These agreements will enable Grameenphone to purchase solar power to operate its off-grid base station sites. This agreement makes ATPL responsible for installation and maintenance of solar panels in Grameenphone's Base Transceiver Station (BTS) premises. Grameenphone will buy electricity on unit (Kwh) consumption basis for a contract period of 10 years, with a buy-back option after that period.

NSN Wins Five-Year Deal from Telekom Austria

Nokia Siemens Networks has secured a five-year deal with Telekom Austria Group (TAG) to increase the performance of the carrier's mobile networks in addition to making them more energy efficient. Through this deal NSN will "replace and modernize" TAG's radio networks in Austria, Liechtenstein and Slovenia, as well as deploy further 3G equipment in Serbia and Belarus. NSN said that these deployments will be ready to support HSPA+ and LTE.

du gets US$207 Million in Financing to Help 2G, 3G Build-Out

du has announced that it has secured US$207 million in export credit financing to assist in funding the build-out of its 2G and 3g networks. According to the statement du has entered into the financing agreement with KfW IPEX-Bank GmbH, part of Germany's KfW Bankengruppe. The pact was facilitated by Nokia Siemens Networks and backed by Euler Hermes, an export credit agency based in Germany. Osman Sultan, the chief executive of du, has said that there is a high demand for improved coverage and capacity in the UAE and the new equipment will help facilitate build-out of du's 2G and 3G networks, while simultaneously improving coverage and capacity. du said its capital expenditure program remained on track, and is expected to exceed 2.2 billion U.A.E. dirhams ($599 million) in 2010. The company spent in excess of AED2.4 billion on infrastructure in 2009.

OPERATOR LEADER'S VISION

Osman Sultan
Chief Executive Officer, du

Osman Sultan has been appointed Chief Executive Officer of Emirates Integrated Telecommunications Company du, in January 2006, and tasked to set up and develop the company to be a key player in the Telecom industry in the region.

Today du is the world fastest growing telco, it has more that 4 million active mobile subscribers and reached more than 37% of mobile market share in the UAE in only 3years and a half

He came to this position after spending eight years at the helm of the Egyptian Company for Mobile Services (MobiNil), a company he helped set up and developed in 1998, to became the first Mobile Telephony Operator in Egypt.

His vast experience includes managing operations in several countries in Europe, North America and the Middle East.

Mr Sultan joined the France Telecom Group in 1983 and for the next 11 years worked in management positions in sales, marketing and customer services activities in one of France Telecom's subsidiaries that specialised in electronic information services.

In 1995, he was appointed President of a US based subsidiary, Questel.Orbit Inc., with a goal of developing a growing business of professional Services in the starting world of the Internet.

In 1997, Osman Sultan joined France Telecom Mobiles International (FTMI) as Vice President for Business Development in charge of the Middle East and the Arab World.

That same year he was in charge of putting together the MobiNil consortium bid for a GSM license in Egypt. The consortium succeeded in acquiring 68% of Egyptian Company for Mobile Services. Osman Sultan was appointed as a Chief Executive Officer of the company in 1998.

Awards

- In 1996 Mr Sultan received the award for The Best Web Site-Legal Product from the American Information Association.
- In 1996 he also received the Man of the Year award from the Professional Electronic Information Services Community in France.
- In 2008 he received a prestigious award from MENA Crystal as a Media Man of the year for his wealthy contribution to the world of digital media and content.
- In 2009 he received a prestigious award from MEComs as a Life Time Achievement.
- In 2010 he received a prestigious award as a Master Class CEO of the year organized by the GCC chamber of Commerce and industry.

He has addressed several conferences on Telecommunications, Digital World and Internet in the Middle East (UAE, Egypt, Lebanon, Jordan, Morocco, Tunisia, Qatar), Japan, the USA and all across Europe. He was the Chairman of the Arab Working Group for the Private Sector in the International Telecommunications Union ITU from 2004 - 2006.

Osman Sultan holds a Degree in Engineering, and he is father of five children.

Operator Leader's Vision

1. What are your current business activities in the market?

Our main priority remains our Mobile business where we managed to reach a very encouraging 37% market share in the very short time of 3.5 years after launching services in Feb 2007. It is one clear track of growth for us through gaining a bigger share of the market in the coming years.
Another important focus is the extension of our footprint in the market in terms of converged fixed voice, broadband internet and television services taking it from a relatively restricted footprint geographically to the entire UAE through an infrastructure sharing agreement. In addition, we need to seed in parallel other tracks of sustainable growth. We have repeatedly indicated that we do not consider as a viable option for du, at this point of its existence, to embark on a geographical expansion model in the standard scheme of telecom operators based on acquisitions or new licenses, if any are available in the region. The growth tracks that we are contemplating are through an over the top offer that aims to cater for the entire Arab world and the entire MENA region. This is what we are presenting in detail at GITEX 2010, where we ambition to contribute in filling an existing gap for the Arab world when it comes to the digital and internet space.

"We are revealing at GITEX 2010, a new portal that has the ambition to become over the next years a major digital destination for the 21st Century Digital Arabia generation"

> "We are revealing at GITEX 2010, a new portal that has the ambition to become over the next years a major digital destination for the 21st Century Digital Arabia generation"

2. What have been the most remarkable opportunities that you have availed of, or missed?

The great opportunity that we have availed in this market is the opportunity of introducing competition in a very saturated market and starting as a new player in a very dynamic market. We needed to make a difference.

The story of du was not an easy one in the beginning and you have to consider all the challenges we faced. It was the first time in the world for a second player to enter a market that is fully saturated: (more than 100% penetration in the mobile sector). It was the first Telecom startup in the region and probably in the world that was licensed to offer mobile, fixed telephony, broadband internet and pay TV services from start and this, of course, has put a major pressure from a management and operational point of view. The third challenge we faced was to launch a fully fledged telecom operator without being backed up by any existing established or incumbent operator like all other startups in the region: Nawras in Oman was backed up by Qtel, Mobily in Saudi Arabia was backed up by Etisalat UAE, Mobinil, Vodafone Egypt and Etisalat Misr in Egypt, were backed up at launch respectively by Orange and Orascom, Vodafone and Etisalat UAE which are established operators. The same goes to Djezzy and Nedjma in Algeria, Tunisiana and Orange in Tunis, Meditel in Morocco, and Viva in Kuwait. They all started being backed up by existing operators from a human resources point of view while we had to build this human capital from scratch. All this makes us today even prouder of what we have achieved so far.

Did we miss some opportunity? You always do, don't you? I would have probably liked to start infrastructure sharing discussions much earlier although it is today in an advanced stage and I am optimistic about it. More generally, I like always to look ahead and consider the opportunities that I have in front of me.

"The great challenge that we faced in launching du was to start a telecom operation without being backed up by any existing established operator"

"The great challenge that we faced in launching du was to start a telecom operation without being backed up by any existing established operator"

3. Why has keeping a customer become a real challenge for companies-operators and vendors alike?

Today, it is more and more difficult to acquire a new customer in markets where penetration is reaching higher and higher numbers, usage of services becoming more and more diversified and pressure stronger on prices and margins.

This is why it is fundamental that we build the loyalty of our customers on solid foundations and that we prioritize our investments to ensure the right value proposition based on what really matters to the customer. The technology is more diversified, new competition is arising, and we need to ensure the right cash generation and value to our shareholders. The make or break of the entire equation remains customer satisfaction.

4. What are the present market conditions that operators are training themselves to grow accustomed to?

Nowadays, customers are more and more demanding. It is more and more important to find the right talents for the right job at the right price and to retain them, and shareholders are more and more demanding on the value creation.

You have to keep an eye constantly on these factors.

Another element that operators need to keep in mind, in my opinion, is the fact that infrastructure will be more and more shared. New economic conditions will impose more and more that we find out the best way to optimize investments.

"We need to ensure the right value proposition to the market, retain the best talents, and drive value creation to shareholders all on the same front"

"We need to ensure the right value proposition to the market, retain the best talents, and drive value creation to shareholders all on the same front"

5. What is your assessment about mobile content industry in UAE?

The Arab world, generally, is still not present effectively in the digital space. There are, nevertheless, initiatives related to digital content in this region which are very positive.

The UAE is today a de facto hub of diversity, and is becoming a major place for quality content creation. I would like just to mention few names in the region like Dubai Media City, MBC, Abu Dhabi Media Company, two four 54, Rotana etc...
These will become over time incubators of content creation but you still need a digital platform and major internet destinations to become pillars of the whole digital ecosystem.

6. How do you think du can get maximum profit out this (mobile content) market/opportunity?

With the Anayou portal that we launched in Beta mode few days ago, we can contribute by making this platform a possible channel to all available content with the ambition of having this portal becoming over the next months one of the major "digital destinations" for the generation of the 21st

century Digital Arabia. We have, of course to develop consumer's interest via different propositions, monetize this in a proper manner, and create different revenue streams through various business models.

7. What are the most important Value Added Services (VAS) that you depend on for maximizing revenue generation and what are the trends in Middle East?

The most used Value Added Services today are messaging and access to mail.

You have also services around entertainment / infotainment content, and we are starting to see applications emerging related to mobile payments.

Of course we cannot forget all what is happening around the social networking phenomena that is, in my opinion, going to impact significantly all aspects of what we all do.
As operators, we will probably need to rethink and amend over time things we do today in a certain shape and form: our ways of doing marketing, our channels for servicing customers, our patterns in creating value propositions and our collaborative mindset.

We are at the beginning of a fascinating transformation journey.

8. How would you assess the progress of third-generation (3G) technologies in the region so far?

As I said, the explosion of mobile applications today is happening around social networking and the access to internet. 3G is playing and will continue to play a fundamental enabling role. We can see today a growing appetite for more and more bandwidth, and on that front it gives me real pleasure to announce that du mobile broadband network today is geared to the highest speed available as of now in the world with its 42 MB.

> *"du mobile broadband network today is already at the highest available speed as of now in the world with 42 MB"*

"du mobile broadband network today is already at the highest available speed as of now in the world with 42 MB"

9. What is your assessment of the regional broadband market, and what are operators lacking, in general, to be able to make progress on this end more effectively?

The broadband story that is unfolding almost everywhere today is acting as an enabler to the entire ecosystem of a "brave new digital world". It is and will continue to impact the life of more and more individuals, the way businesses perform, and

> *"I really hope that in every country in the Arab World, political leaders and decision makers ensure that the broadband story has a high priority on the national agenda"*

the momentum of development of nations. I think that, at the political level, leaders and decisions makers need to take some strong steps in order to ensure that this point has the right priority on the national agenda.

"I really hope that in every country in the Arab World, political leaders and decision makers ensure that the broadband story has a high priority on the national agenda"

10. What backhaul options, have you deployed in your network?

Our infrastructure in the geographical area where we offer converged fixed telephony, high speed broadband internet and advanced Pay TV services is based on fiber. It is the most advanced Infrastructure for fixed services in the entire region.

We are as well very advanced in rolling out our nationwide fiber backbone.

11. Which regulatory decision has had the greatest impact on your overall strategy since 2008?

I don't think that there was one specific decision. It is the entire regulatory framework in the country that is evolving according to principles that have been very clearly stated. We build our strategy around these principles. Today the market is very dynamic on the mobile front in terms of competition.

We see the sharing of passive infrastructure of fixed networks as a very positive move. I think that we can be optimistic about how is the entire ecosystem evolving. This will give the customer more choice and will push operators consequently to be more efficient in order to offer customers a better service.

12. What does a leader need today, to be able to maintain an dge?

A leader needs to have a clear vision of trends in this changing world and a good reading of the ongoing transformations. A leader always needs to define the right ambition and set the right targets. This vision needs to be always clear to all while executing the ambition. When it comes to our industry, you have to be very determined in the ambition, but always capable of challenging your thoughts because the world in which we evolve is in rapid transformation. We need to always look around us and re-challenge some of the ideas.

13. What is your assessment of roaming trends in the SAMENA region?

I believe that we will see more and more trends providing more value for money, and more simplicity and predictability in roaming charges. It is a natural trend corresponding to a fair and legitimate demand from roaming customers.

At du we availed our "One World One Rate" proposition which gives du roaming customers the unique benefit of paying one unified rate for all incoming calls while roaming. It is a great success.

> *"du availed it's "One World- One Rate' proposition" to its roaming customers"*

"du availed it's "One World- One Rate' proposition" to its roaming customers"

14. Tell us about your leadership and visionary roles as the CEO of du.

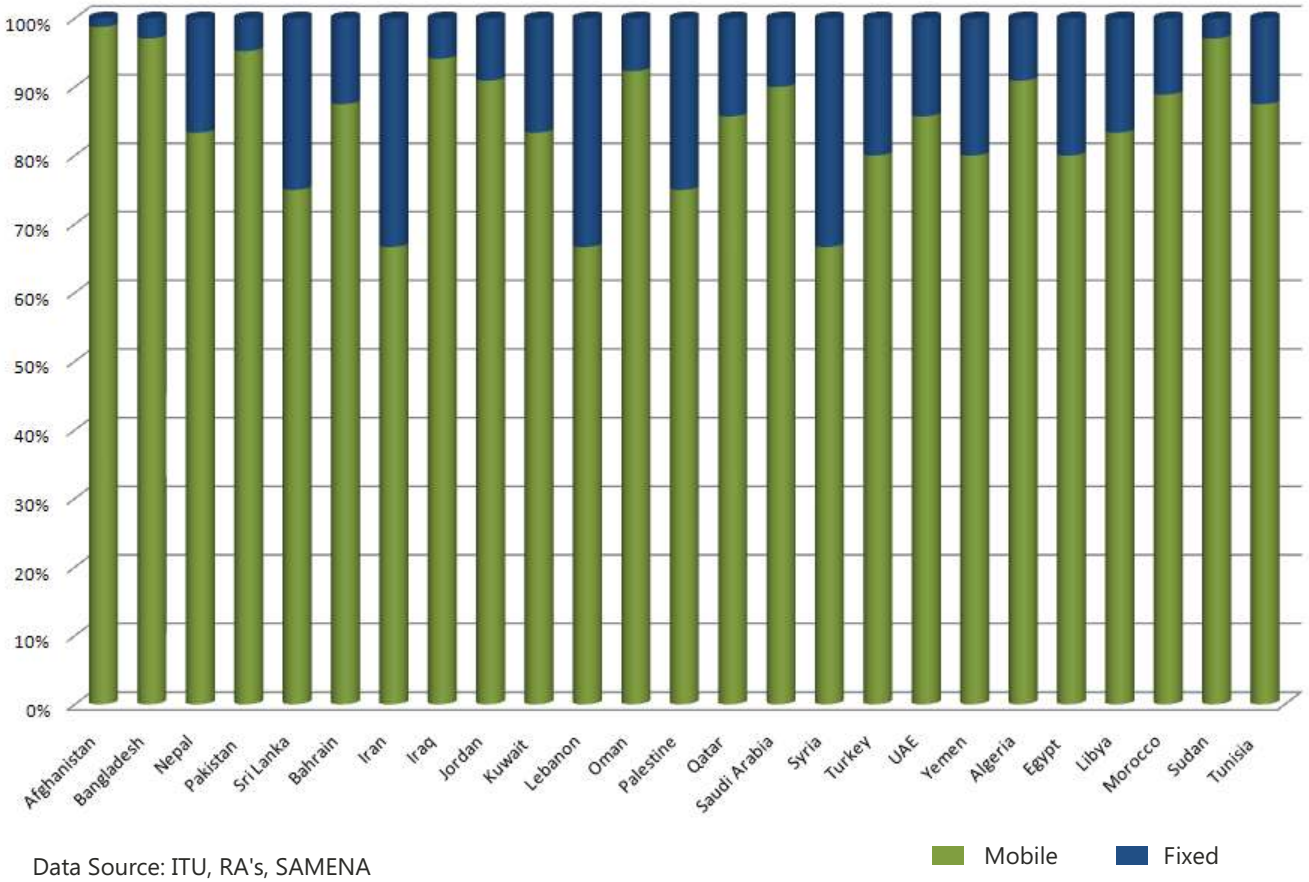
I strongly believe that my role is to have the right reading of the trends happening in the industry, to anticipate where it is heading, to ensure that I groom accordingly the right leadership in the company, retain the best talents and seed the right mindset and of course to keep constantly focused on the value creation to shareholders in this changing ecosystem.

My personal style of leadership makes me directly involved in the building of the image and the culture of the company.

"My vision is simply and permanently articulated around customers, people and value creation to shareholders in the rapidly and constantly transforming telecom and digital space"

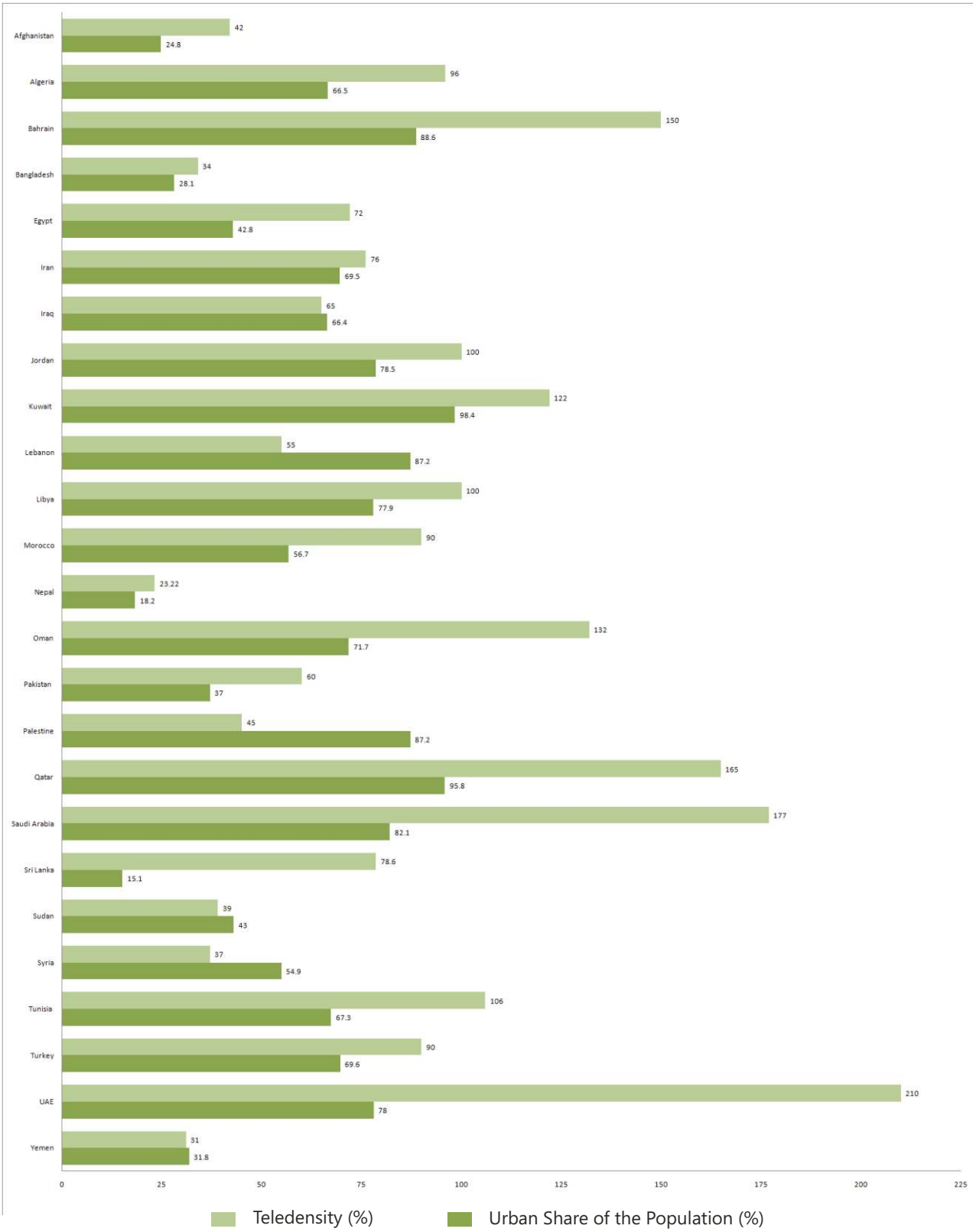
"My vision is simply and permanently articulated around customers, people and value creation to shareholders in the rapidly and constantly transforming telecom and digital space"

SAMENA- FIXED-LINE TO MOBILE SUBSCRIBERS RATIO



Data Source: ITU, RA's, SAMENA
Image Source: SAMENA

Note: Countries where Teledensity is less than the percentage urban population, includes, Iraq, Lebanon, Palestine, Sudan, Syria, and Yemen showing the need for attention toward the basic telephony service in these markets. In markets such as Iraq, Palestine, Syria, and Sudan among other, infrastructure sharing, FDI, universal services obligations, and further liberalization can help surmount this gap. On the other hand, markets such as UAE, Saudi Arabia, Qatar, Bahrain, Pakistan, Tunisia and Oman among others have teledensity above the "total urban population". This is mainly due to strong competition, regulatory support, FDI, universal services obligations, and the recent upsurge in mobile sector.



Data Source: UN, ITU, SAMENA
Image Source: SAMENA
Note: In SAMENA region, countries with total teledensity above 100, includes UAE, Saudi Arabia, Bahrain, Qatar, Tunisia, Oman, and Kuwait. In all these countries, fixed-line represent less then 20% of the total teledensity, showing the rapid progression of mobile sector. Countries, such as Iran, Palestine, and Syria have fixed-line teledensity representing almost 35 percent of the total teledensity. This shows that the mobile sector in these markets has not evolved to the desired pedestal. The situation also highlights the need for further liberalization, more regulatory measures, active and passive infrastructure sharing and other supporting factors.

A SNAPSHOT OF REGULATORY ACTIVITIES IN SAMENA REGION

During the month of September 2010, the Canada based Research in Motion (RIM) BlackBerry Smartphone Manufacturers remained the focus of the Regulatory Authorities of the SAMENA region over the matching disputes with at least four countries in UAE, Saudi Arabia, India and recently Indonesia, over apprehensions that its device's powerful encryption technology could be used as a tool for terrorism or criminal activity. Being restricted from accessing RIM servers and accordingly the possibility of monitoring the citizens data transmitted through BlackBerry service, the governments think that the device's strong encryption is considered a threat to national security. Governments are not happy over the double standard on the part of RIM BlackBerry whose servers are located in the United States, Britain and Canada and it is very hard to believe that intelligence agencies in those countries do not have access to them. Apart from BlackBerry issue, during the month of September 2010 a cluster of regulatory activities were witnessed in the SAMENA region, a brief snapshot of the achievements is detailed below.

Country-wise Regulatory activities:

Algeria

The dispute between Algerian government which plans to buy 100 percent of the unit of Djezzy an Orascom Telecom Holding SAE's subsidy in the country by the end of the year, is by no means seems to be resolved. To materialize this, a commission has been set up to evaluate Djezzy with the assistance of an international consultancy to allow the sale to take place and the transaction is expected to be completed by the end of this year. In yet another fresh move the Algerian government has issued a new tax bill of US$230 million to Orascom Telecom Holding subsidy Orascom Telecom Algeria (OTA). The bill is a reassessment carried out by the Algerian Tax Department for Large-Scale Companies in respect of the years 2008 and 2009.

Bahrain

The Bahrainian Telecom Regulator is actively engaged in pursuing the operators to complete the personal information data of the cellular subscribers. Under the instructions of the regulator till now about 0.4 million SIM cards have been denied service by blocking them. Apart from the corrective actions the regulator in this month issued a public consultation document on Regulations on sending Bulk Commercial SMSs. The consultation seeks views from all interested parties concerning the regulation of operators licensed in the Kingdom of Bahrain to provide bulk messaging services as well as the establishment of voluntary code of practice to which all resellers and providers of bulk messaging services are encouraged to become signatories.

Bangladesh

The country's financial regulator ordered Cellular Operator Warid Telecom to comply with legislation obliging any company with paid-up capital of more than BDT400 million (US$6 million) to convert into a public limited company (PLC). According to the figures issued by the Bangladesh Telecommunication Regulatory Commission (BTRC) the total number of mobile phone subscribers in Bangladesh rose to 63.47 million in August, from 61.85 million in July.

Egypt

The National Telecommunications Regulatory Authority (NTRA) planned to devise a mechanism for assessing the quality of mobile-phone signals inside buildings and the regulator is currently working on this with mobile operators

and the service quality for state-owned land-line operator Telecom Egypt had not yet been officially assessed. The Egyptian Telecommunications Minister said that the country is unlikely to offer any new operating licenses for mobile or fixed services, before 2013 and offering a second fixed line license in the local market in the coming period has lost its economic merit in light of the drop in the number of fixed line users currently.

Iraq

The Communications and Media Commission planned to introduce new regulations for the licensing of VSAT communications in Iraq and for that matter has issued the proposed draft regulation and licensing rules to be introduced before the end of 2010.

Jordan

The Telecommunication Regulatory Commission taking a very bold step has shown its intends to take action against the mobile networks in coming week, following suspicions that they had colluded to increase prices of international SMS text messages. Earlier the regulator issued a public warning the operators to stop increasing the costs of international text messages which is against competition regulations. According to the industry reports Jordan is on track to implement and enforce competition in the fixed telecoms market before the end of 2011. Orange Jordan, the country's sole fixed line provider, looks set to lose its monopoly as the government starts to enforce local loop unbundling (LLU), allowing other operators the chance to offer fixed services. The Minister for ICT told that the decision has been taken by the regulator and now implementation of LLU is underway and actual enforcement will be by the second half of next year. Furthermore, the LLU will be implemented and enforced to ensure greater competition.

Kuwait

The Telecoms Regulator held discussions with the country's mobile networks over a move to billing for calls by the second, with a possible switch-over as early as the next couple of weeks. The networks currently charge by the full minute. The two incumbent operators had to drop the recipient pays model for the caller party pays system when the country's third mobile network, Viva Telecom launched its services. The talks also covered long running plans for the Gulf Cooperation Council countries to cut roaming fees, and where possible introduce a flat-rate for all roaming and international calls between the countries.

Lebanon

Lebanese Telecom Minister said that the number of cellular subscribers in Lebanon jumped from 2,288,000 at the end of October 2009 to 2,720,000 until now, an increase of 19%. He also announced the introduction of the third cellular technology at the beginning of 2011, a step which Lebanon has long been waiting for. Minister said that the number of land-line subscribers in the same period rose from 796,000 to 824,000, an increase of 4 percent and we are confident that the improvement in the quality of services and the expansion of networks will lead to an increase in the number of subscribers in the future. However, despite this improvement in the number of cellular lines, Lebanon still lags behind most countries in the world in terms of quality of services and prices.

Morocco

The Ministry of information and communications is prioritizing initiatives to increase Internet use in the country with a view to at least doubling the current usage which is at around 25% of the country on a daily basis and investing in this sector is a vital goal for government and hopes the North African country can double Internet usage in the next five years and Morocco sees Internet penetration as an important step towards moving the country forward into the global economy. France Telecom has confirmed buying a 40% stake in Meditel, Morocco's second-largest mobile operator, for EUR640 million. The initial transaction – which values the company at EUR2.14 billion – is the first phase of a plan to fully consolidate Meditel into France Telecom's accounts by 2015. The acquisition is the first major deal made by new France Telecom CEO, who described it as the first concrete step in our new policy of expansion outside Europe and part of the firm's plan to double revenues in Africa and the Middle-East over the next five years.

Nepal

According to the Nepal Telecom Authority (NTA), the total number of internet users in the mountain nation of Nepal has grown by a significant 160% within a year. A sizeable portion of the growth is attributed to the number of people accessing the internet through GPRS-enabled mobile phones, it said, which has helped internet penetration to increase to 4.85%. At the end of FY2009/10 (ended 14 July 2010), the number of internet users registered in the country rose to 1,359,805, from 515,592 the previous year. Of these, GPRS internet users accounted for 1.153 million, up a massive 800,000 in twelve months. Meanwhile, the number of ADSL subscribers to national PTO Nepal Telecom increased to 45,435 from 15,661 previously. According to another figures released by the Authority the mobile phone subscriber base jumped to 9.34 million in the middle of August from 8.93 million a month earlier. Of the total 7.21 million were GSM users, up from 6.90 million a month earlier, and the remainders are connected to the CDMA network operated by Nepal Telecom's Sky Phone service. Nepal Telecom led in GSM subscribers with a customer base of 4.02 million, followed by Spice Nepal with 3.19 million. Nepal Telecom also had 4,099 3G subscribers, which was barely changed from the previous month. Nepal Telecom also ended the period with 176,870 WLL users compared to United Telecom's 69,547 subscribers.

Oman

The Telecommunication Regulatory Authority is developing a comprehensive roadmap to promote the widespread use of broadband to help accelerate the realization of the government's Digital Oman (e-Oman) goals. On the anvil is a new National Broadband Strategy that aims to ensure, among other things, that every home, business and institution has access to affordable high speed broadband Internet services.

Pakistan

The Pakistan Telecommunication Authority directed the operators providing wireless in the local loop (WiLL) services to implement the same subscriber data verification process as is required of mobile network operators. The Authority also carried out billing verification of all cellular mobile operators (CMOs) by using computer software based solution meant for such checks through NEMO tool. Currently, Mobile operators are offering per-second, 20-second, 30-second and per minute packages. For this purpose, 30-second billing package was selected as majority of the subscribers have opted for this package. In the month of September Authority achieved the land mark of Cellular subscriber base which have surpassed 100 million marks.

Qatar

During the month the regulator announced the award of Very Small Aperture Terminal (VSAT) license for the provision of networks and services in the State of Qatar to three companies CapRock Communications, QSAT Communications and RigNet Qatar. The companies were selected following competitive application phase that launched in January 2010. ictQatar's decision comes after a comprehensive evaluation of applications received from four companies. The licenses authorize the operation of a VSAT network and the provision of VSAT services to Closed User Groups. The VSAT operators will not be able to provide public telecommunications services to businesses or consumers.

Saudi Arabia

The Communications and Information Technology Commission imposed fines in excess of SAR 5 million on some local mobile service providers for breaching CITC regulations. The mobile service providers violated CITC's regulations for single network service and similar offers, and did not abide by the ban on free reception of calls during international roaming, the regulator said.

Sri Lanka

During the month the regulator mostly remained busy in preparation and holding of 8th Annual CTO Forum of Common Wealth Telecommunication Organization held during September 13-15, 2010. The Regulatory Commission has requested Internet users to direct any complaints if there is any fluctuations in the promised speed to them. The TRC is monitoring the Broadband Internet Speed on a daily basis. Internet service providers have sometimes failed to provide Internet access to the speed they promise. The Commission has provided guidelines to the service providers on the information they should reveal to the customers when providing Internet services.

Syria

The Syrian government outlined the tender details for the country's third mobile operator licenses. The license would be awarded 'by way of a multiple round auction with confidential bidding' from applicants who pass the qualification phase. Applicants need at last three years of experience in operating a cellphone industry and must be already operating in two countries with at least 1.5 million customers in each. Consortiums of the operators are also eligible for the license, but Syria's state telecoms company will retain a 20% stake in the company.

Tunisia

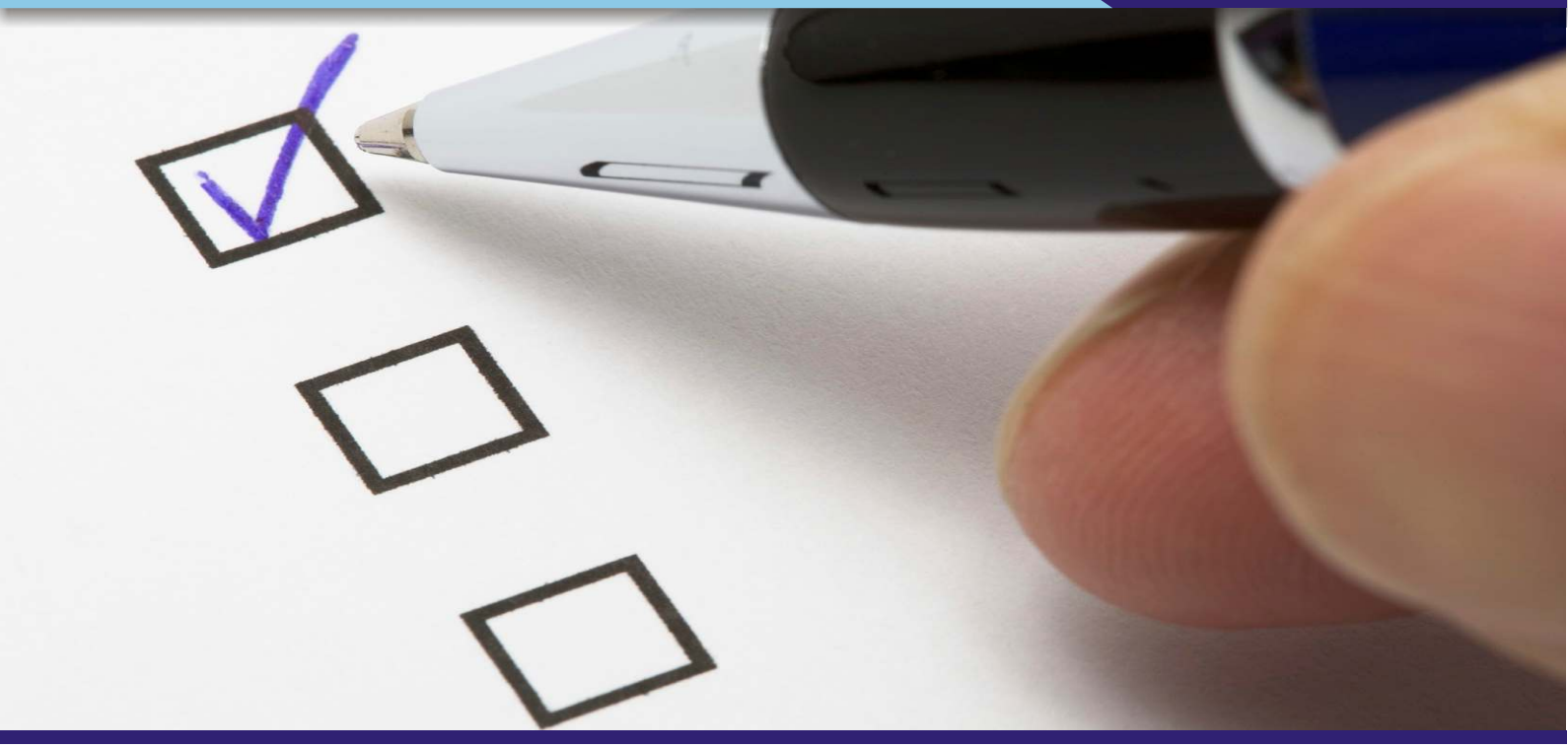
During the month Tunisian government awarded a 3G license to state controlled telco Tunisie Telecom (TT) for TND116 million (US$ 80 million), putting it in competition with France Telecom's local unit, Orange Tunisia, which launched a joint 2G/3G network in May this year. TT is 65% owned by the state, while Emirates International Telecommunications (EIT) owns the remainder.

Turkey

During the month the Information and Communication Technologies Authority approved Turk Telekom's proposed acquisition of units owned by European data capacity firm Invitel. The acquisition is part of Turk Telekom's drive to increase its presence in the lucrative data services market. Turk Telekom first announced the planned acquisition in May. Invitel is currently owned by private equity firm Mid Europa. Turkish telecoms network, Turkcell has been issued with a tax bill and loss totaling TRY139.2 million (US$94.6 million) after it applied a discount on prepaid card sales to distributors and calculated the Special Communication Tax ("SCT") netting off such a discount in 2006. Turkcell had already reached settlement with the Ministry of Finance Settlement Commission for the Tax Office impositions received for 2002, 2003, and 2004.

UAE

The Regulator and RIM are still in direct talk to fix the BlackBerry issue. As a part of its strategy to actively engage in the ICT related events regionally and globally, the Telecommunications Regulatory Authority (TRA) Director General inaugurated a two day Internet Show Middle East 2010.



REGULATORY NEWS

FCC Approves White-Space Use For Unlicensed "Super WiFi"

FCC has recently approved the use of unlicensed white-space spectrum. The commission voted 5-0 to approve the plan. Lawsuits from broadcasters and wireless microphone users had delayed the order issued in 2008. It was argued that the use of these tiny slivers of spectrum between TV broadcast stations would interfere with their operations. Google, Motorola, Microsoft and Spectrum Bridge that have fought for white-space spectrum and a new type of device capable of transmitting "super Wi-Fi" were victorious after the approval.

Syria Confirms Details For 3rd Mobile License Tender

The government in Syria has provided the tender details for the country's third mobile operator license. According to Reuters the deadline for submitting prequalification documents is Nov. 14, 2010. The license would be awarded "by way of a multiple round auction with confidential bidding" from applicants who pass the qualification phase. The requirements include at least three years of experience in operating a cellphone license in addition to operating in two countries with at least 1.5 million customers in each. Details of the tender state that one bidder may comprise more than one operator. Additionally Syria's state telecoms company will hold a 20 percent stake in the company that will be awarded the license.

Telecom Authority Struggles to Assess Mobile-Phone Service Quality

Telecommunications Regulatory Authority (TRA) of Egypt has stated that it has yet to establish a way of assessing the quality of cellphone signals inside buildings. TRA Operations Manager Hisham Abdel Rahman said that the regulatory body was currently working on the issue with network operators. He also added that service quality for state-owned land-line operator Telecom Egypt had not yet been officially assessed and disclosed that TRA was planning to devise a mechanism to assess service quality. No significant violations on part of the operators in terms of either service interruptions or sound quality were revealed in the TRA's 2010 second quarter report. The cause of the recent service interruptions is currently being investigated by the TRA.

Tunisie Telecom Awarded 3G License

According to Reuters the Tunisian government has awarded a 3G license to state controlled telecommunications company Tunisie Telecom (TT) for TND116 million (US$ 80 million). The move has put TT in competition with Orange Tunisia, a local unit of France Telecom. Orange Tunisia had launched a joint 2G/3G network in May 2010. The government owns 65% stake in TT, while the rest is owned by Emirates International Telecommunications (EIT).

RE-INVENTING THE TV EXPERIENCE

The home communications dynamics are rapidly evolving. For over a decade now, global fixed-voice revenues have been declining at steep rates due to the shift in usage from fixed to mobile and from circuit-switched to Voice over Internet Protocol (VoIP) communication. Furthermore, today's broadband subscribers, in general, are not just looking for fast internet, but the ability to run multimedia applications and Value Added Services (VAS) such as media conferencing, tele-presence, video and music downloads, personal media management, etc...
In light of this turnaround in telecom economics and user sophistication, fixed telecommunication operators are now urged to revise their strategies and transform their businesses from a pure access to end-to-end multimedia providers.

One promising move by telecom operators along this way is their venture into IPTV which offers a good value proposition allowing customers to personalize their TV experience with features such as time shifting, as well as user-friendly electronic program guides, and access to tens of thousands of video-on-demand titles that can be watched on the TV at any time. Aside from television services, IPTV applications include TV gaming, music, text, commerce, and user-generated content. For example, viewers could have one-touch access through their remote control to real-time local weather, traffic updates, stock market fluctuations, and horoscopes on their TV screens, without interrupting the program they are watching.

"Aside from television services, IPTV applications include TV gaming, music, text, commerce, and user-generated content."

Verizon's IPTV service offers a good example of IPTV's features. It has a library of 14,000 video titles and the FiOS TV IMG, its TV program guide, provides viewers with integrated on-screen control of several applications: Customers can find and manage a vast array of digital content, including television programming, movies, Internet video, games, music, and photos. This allows a customer, for example, to watch a movie about an action hero, play a video game about the same character, and buy retail items associated with the character, all on the same home system. It allows customers to effortlessly find what they want, when they want it, with advanced search capabilities that lets them look for videos by channel, show, actor, director, genre, day, time, or topic. It also lets viewers pause the TV or fast-forward through scary parts.

IPTV's popularity is quickly gaining momentum with subscribers slated to reach approximately 98 million worldwide in 2014 (see Exhibit 1). This represents approximately 13 percent of total broadband subscribers.

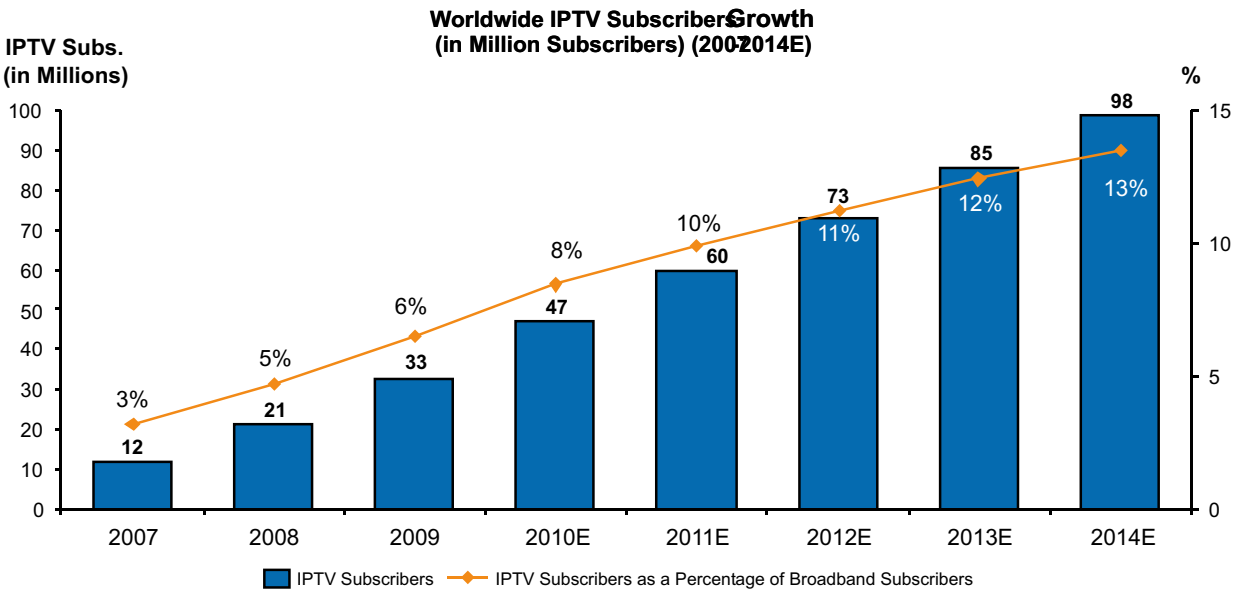
Is OTT a Threat ?

A rising consideration for IPTV operators is Over-The-Top (OTT) competition. In the Video industry, competition is going in parallel with innovation. The IPTV boom created an environment for new business models: LG electronics for instance is now providing exclusive access to Orange's interactive portal through its connected televisions; Virgin Media, now offering 3D content, has partnered with Samsung to promote its new 3D TVs. The OTT phenomenon is reshaping the video landscape allowing easy access to video services on any device. A recent survey shows that in countries like China and Korea, 75% of people watch a lot less TV as a result of their internet video consumption; a factor that might signal dramatic implications on traditional TV. In fact, with the growing trend of OTT, 13% of Americans are likely to "cord cut" from pay TV in the next year; a trend that is expected to strengthen with some international giants seeking to exploit this opportunity, such as Apple's iTV, Google TV, and Amazon TV.

While accessing free content could be a key driver for OTT demand, the service offers other interesting features like content search and simultaneous engagement in other online activities. Users can build their channel list from a variety of different content providers including the main studios, broadcasters and content aggregators. Google TV for instance, promises to offer attractive features like the ability to use smartphones as a remote control, use voice commands to control the EPG, and advanced search features. Google is also putting in place an open-source Android platform which will open the TV for a multitude of applications giving even more control to the end user on the way they consume content, be it movies, music, games or User Generate Content (UGC).

On the other hand, several obstacles arise to OTT becoming the exclusive video choice of consumers, the most important being Quality of Experience (QoE). Consumers still prefer instant viewing capability instead of buffering, they want access to premium content and better picture quality, all in a lean-back experience. Other obstacles include the requirement of new supporting devices, bandwidth limitation reducing video quality, and potentially operators restricting the carriage of this type of traffic. Depending on its positioning, OTT could be leveraged as a complement to operators' IPTV offering, instead of a replacement. While announcing their new OTT service, Time

Exhibit 1
The Number of Worldwide IPTV Subscribers Will Increase Substantially in the Next Three Years



> The OTT phenomenon is reshaping the video landscape allowing easy access to video services on any device.

Warner's CEO stated "Time Warner [is] offering over-the-top access to its networks to help protect its cable system". Should OTT be considered a cannibalizing threat to IPTV operators, or a complementary service, is a strategic decision that operators need to make.

IPTV's Prospects in MENA

The MENA region has all the characteristics needed to enable the growth of the digital content market; mainly good macroeconomic, young demographics and favourable ICT policies. The total nominal GDP reached around US 1.6 trillion, representing 2.8% of global GDP, the MENA region mobile and broadband penetration are expected to reach 112% and 41% respectively by 2014, and the Arab nations' population count around 358 million, with 50% of the population being extremely young and vibrant under the age of 24.

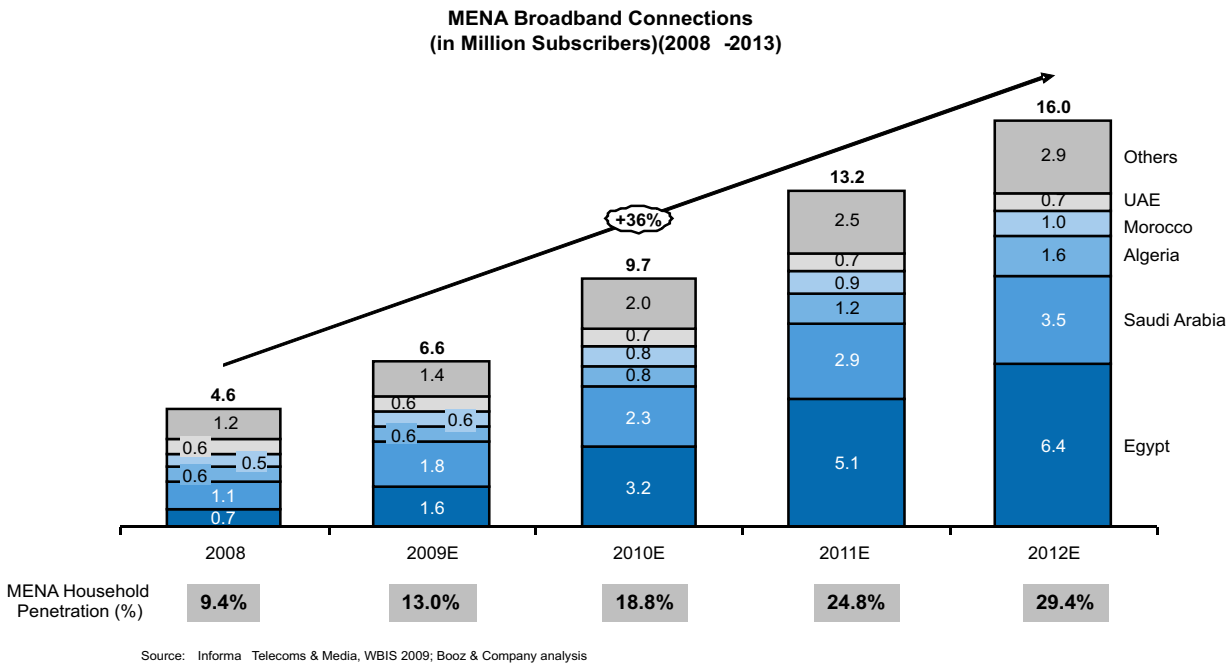
Nevertheless, the existing MENA television landscape presents both a challenge and an opportunity: It is dominated by free-to-air (FTA) satellite service and illegal distribution. On one hand, these free options could make it difficult to convince consumers to pay for TV service; on the other hand, these services offer consumers no real interactivity. Video on demand and pay per view, especially, could be popular in the region and convince consumers that IPTV is worth the money.

The number of MENA broadband connections is expected to multiply with household pen¬etration forecasted to increase from 9.4 percent in 2008 to around 30 percent in 2012 as indicated in Exhibit 2. While MENA IPTV household penetration is still very low, 0.2 percent in 2008, a large broadband subscriber base will enable the MENA region to leverage the advantages IPTV offers and eventually grow the IPTV market. Few telecom operators have already launched IPTV, such as Etisalat, Du, Qtel, and more recently Saudi Telecom with a hybrid solution offering both FTA and premium linear channels, catch-up capabilities, and VoD.

> *"The MENA region has all the characteristics needed to enable the growth of the digital content market; mainly good macroeconomic, young demographics and favourable ICT policies."*

However, IPTV may not be the right choice for all operators. Ventures are expensive and complex, and, as noted, IPTV requires consumers to pay higher monthly bills than they are used to. Most homes receive television services from FTA satellites or illegal distribution; these represent as much

Exhibit 2
The Number of MENA Broadband Connections Is Expected to Triple in the Next Three Years



Source: Informa Telecoms & Media, WBIS 2009; Booz & Company analysis

as 90 percent of TV subscribers in some MENA countries. Moreover, many FTA channels are able to transcend national boundaries, since MENA countries share a common language and culture; as such, there has been huge growth in their number, which reached around 500 in 2009. According to a recent survey, a majority of viewers are satisfied with FTA offerings.

Operators that decide to launch or expand IPTV ventures will face several challenges. First, although broadband penetration in the region is slated for growth, it is still low, except in Bahrain and the United Arab Emirates. Speeds are also slow, with insufficient bandwidth to support streaming television service.

> Operators should position IPTV as a complement to the FTA offering rather than a substitute

Second, IPTV providers will need to offer premium content to attract subscribers. There's little regional premium content production in the MENA, so shows must be produced elsewhere-a considerable investment. Furthermore, as operators start offering IPTV, their market power in terms of IPTV subscribers base and customer insights is still at its infancy, which sways the balance of the revenue share and minimum guarantees to the content suppliers' side putting more pressure on the IPTV business case.

Getting IPTV Right in the MENA Region

Telecom operators that decide IPTV is right for them must consider the factors critical to successful rollout and strategic positioning. For those that don't have the ability to meet these criteria, IPTV is probably not a viable option.

Hybrid solution

Operators should position IPTV as a complement to the FTA offering rather than a substitute. A hybrid IPTV-satellite set-top box could provide the dual benefits of IPTV services with FTA programming.

Features

Innovative interactive services will have significant appeal and should be a key part of any IPTV offering. Digital video recorders, time shifting, video-on-demand, and pay-per-view could be popular. Operators should con¬stantly define, prioritize, and introduce innovative interactivity features. A clear position vis-à-vis OTT is also necessary to determine the overall positioning of the service.

Content

Successful IPTV entry requires operators to secure exclusive or premium content that can differentiate them from their competition. Premium content acquisition is expensive, but the investment is justified—if content is carefully chosen with the audience's needs in mind so that they will be willing to pay for it, and if the operator has sufficient scale and a large enough customer base to secure a viable return. Operators need to carefully define their role along the content delivery value chain and establish the right partnerships accordingly.

Operational and infrastructure readiness

IPTV imposes new requirements in customer care and field and video operations, which must be appropriately handled via insourcing, outsourcing, or "managed services" models. It is paramount that operators ensure they have the necessary access and core network resources in place for a high-quality customer experience.

Conclusion

IPTV presents a unique opportunity for MENA telecom operators. With little competition from cable on the supply side, careful positioning will boost IPTV significantly. On the demand side, consumers are likely to be receptive to IPTV and its benefits. To be successful, operators need to provide consum¬ers with attractive content and significant control over it. They must make sufficient investments in pre¬mium content and infra¬structure, and ensure they deliver a consistently high quality service. In a region where viewers are used to hundreds of free channels, only a compelling package will persuade consumers to start paying for IPTV.

Hadi Raad - Principal, Booz & Co.
Mahmoud Makki - Senior Associate, Booz & Co.

booz&co.

INNOVATION IN A WIRELESS WORLD

Constant evolution in the telecommunications industry from intelligent new devices and ubiquitous connectivity, to the increase in data services has demanded that operators balance their own innovation with close attention to the changing habits of consumers. Jay Srage, Vice President for Business Development for Qualcomm in the Middle East, North Africa and Central Asia, puts this balancing act into context, exploring the benefits of 3G for the region's operators and end users alike.

Connected Devices

Consumers today view their mobile device as a "communication platform" and no longer a traditional voice-only phone. As the communications industry has evolved, so has the choice of devices, giving consumers access to rich functionality across images, video and music, banking, shopping, navigation and social networking on a multitude of products, from smartphones and smartbooks* to new e-books and other newly launched 3G tablets. It is clear that we are no longer debating whether the industry is moving towards one "super device" or a series of specialised devices for each function. Instead, gadget-hungry users and operators are looking to the market for an optimal combination of both.

Smartphones have grown in capability and processing power, providing higher display resolution and faster access in ever smaller and lighter form factors. At the same time, the "Internet-effect" is driving an expectation that all machines can be connected to provide access to any service or information, anywhere, at any time. The A to Z of life from banking to healthcare, education to retail, sports, news and travel should ideally be manageable through the users' choice of device, or devices.

Driving the trend: The rise of Mobile Broadband Connectivity

Mobile broadband Internet connectivity is the single most important data function that a mobile device can provide today, and it is expected to increase in popularity in the coming years. A full Internet browsing experience is the foundation of any smartphone and the key to its success. This has led device manufacturers to recognise the value of bringing Internet-capable mobile devices to market.

The underlying driver of the smartphone success is 3G technology (UMTS and CDMA2000®), whose roll-out is viewed as an indicator of socio-economic development for countries worldwide.

These technologies benefit entire countries by enabling citizens to access vital communication services and promoting the development of technology advancements. According to Wireless Intelligence, it is estimated that mobile broadband usage will grow exponentially over the next few years, delivering high quality Internet access and a plethora of compelling online services to more than 1.3 billion people globally by 2012. Furthermore, mobile broadband is dominating growth in global broadband subscriptions and is expected to overtake new fixed line subscriptions by 2011. It is predicted that 70 percent of broadband subscriptions will be mobile by 2014, principally fuelled by high speed networks and availability of embedded devices.

New Dawn, New Device

Recent breakthroughs in 3G enabling technologies are not just taking user experiences to new heights, they are also inspiring whole new categories of connected devices and opening doors for new variations of wireless business models. Consider the Kindle e-reader device from Amazon, which is playing its part in a revolution of the publishing industry, or the new Zeebo gaming platform, a 3G wireless home entertainment and gaming console that brings affordable 3D games to consumers' homes.

Wireless capabilities are also being added to previously unconnected devices. The healthcare industry, for instance, is experiencing some of the greatest leaps in history. eHealth devices are enabling doctors to connect with patients' diagnostic equipment remotely, providing accurate, real-time health monitoring without the waiting room queues.

To date, 18 notebook manufacturers have launched 3G embedded broadband solutions, which are currently being sold by more than 30 operators worldwide. Contributing to this momentum, Qualcomm has introduced its global mobile internet solution, known as Gobi™, which enables any type of device to achieve ubiquitous, seamless and location-based 3G connectivity to the Internet. Currently, almost 100 models of Gobi™-based laptops have been launched by 13 different vendors including Dell, HP, Sony, Lenovo and Acer.

Qualcomm has also developed the new Snapdragon™ platform, which features the first processor for smart devices that breaks the 1GHz barrier and delivers 3G connectivity with ultra-low power consumption a powerful combination. With the commercial availability of Snapdragon, two new categories of wireless devices are emerging: "smarter" smartphones and smartbooks, both providing always-on connectivity, powerful mobile computing, all day battery life and integrated GPS functionality that dramatically enhances user experience. The mobile Internet experience is no longer a slow and frustrating second place to fixed-line connectivity.

Social Networking Services

With mobile broadband connectivity becoming more commonplace, a fast-growing trend is social networking on mobile devices. From Facebook to Twitter, WatWet and FourSquare, it is impossible to ignore the increasingly important role these networks play in the daily lives of users across countries and generations. In fact, results of a recent study conducted by O'Reilly Research estimated that 8.3 percent of active Facebook users come from the Middle East and North Africa.

The data speeds provided by 3G technologies have accelerated the transition of social media from the PC to the mobile device, and enabled a host of new location-based applications. In 2008, there were approximately 92.5 million people worldwide accessing social networks via their mobile phones. According to research firm Informa, this number is forecasted grow to 698.1 million by 2013. In line with this growth, they predict revenue from mobile social networking services will reach US$ 4.5 billion by 2013, up from US$ 1.1 billion in 2008.

The Future at our Fingertips

There are a number of changes on the horizon that will take us beyond multimedia and social networking as we know it in the Middle East today.

Let's look at Jordan for example. Just last year, the Jordan Telecom Group was awarded the first license to provide 3G services in the Kingdom. This marked a communications milestone for the country and opened doors for innovation by the operator and its subscribers. Earlier this year, Orange Jordan launched its 3G network, and it confidently expects the service to be adopted by 2 million Jordanians, approximately 70 percent of the population in urban areas, by the summer.

Behind the enthusiastic uptake in Jordan is a commitment by Jordan Technology Group to provide access to a host of new services that demonstrate the capability, connectivity and value offered by 3G technology for both business and consumer users. The Group has quickly launched a range of previously inaccessible services, including video calling, mobile broadband, and live TV from one of the region's broadcasters, MBC. This is only the beginning of what is in store for the Kingdom's mobile users.

With industry listening to users' needs, watching trends and addressing areas where mobile connectivity can benefit society, we foresee a proliferation of innovative services that will accelerate the availability, adoption and application of embedded connected devices such as smartphones, smartbooks, e-books and wireless health sensory devices. We will soon enter an era where traditional products such as TVs, cameras, "white goods" and even cars will truly embrace mobile broadband connectivity to deliver a new level of user experience.

Whilst many wonder what technology can do next, society is just in the early stages of fully leveraging 3G technology and its wealth of benefits. Qualcomm sees huge potential in the Middle East region and beyond as operators armed with network technology, a catalogue of rich connected devices, and an enthusiastic tech-savvy audience discover new business models and strategies to address vertical markets such as health, education and media; eventually achieving true convergence of services and connectivity.

Bocar A. BA, President - SAMENA

INTRODUCING THE OTT (OVER THE TOP) OPPORTUNITY

Over-the-Top, or OTT, is a widely adopted term used by the digital industry to characterize video services that make use of the open internet to transport content to end users. It refers to the fact that the service provider is using a transport network that they do not own, hence the name "Over-the-Top".

The ubiquitous availability of broadband and advances in internet delivery technology have gradually transformed a phenomenon that was initially limited to the PC world into a new reality where OTT content delivery is now feasible on the widest spectrum of devices. Broadband video capabilities are becoming the norm for new entertainment devices. Connected TVs, game consoles, tablets and mobile phones are all new platforms that can be used by consumers to access video content. Add to this the growing pressure for content providers to put their content online and you have a formidable mix of ingredients that could lead to a radical change in the DTV landscape.

Traditional pay TV operators are now facing competition not just from the pure OTT -players, but also from the major CE vendors who have shown they have big plans for their brands and most notably the content creators and rights owners themselves who find with OTT the ability to reach directly to the eyeball.

So should Pay TV Operators be Afraid of OTT?

Actually quite the opposite; signals from the market tend to show that if people were to switch from their Pay TV subscription to an OTT service, it would not be for any service. People expect to be able to access their list of favorite channels to a large choice of quality on-demand movies, web videos and other interactive services. The reality today is that even with the on-going dynamic that is taking more and more quality content to the net, the vast majority of premium content is still in the hands of the operators. This, however, should not undermine the clear call-for-action sent by the market to the Pay TV industry.

> *Broadband video capabilities are becoming the norm for new entertainment devices.*

Because operators today have an established relationship with their customers, because they control the best professional content and because they have the ability to combine multiple network delivery mechanisms so as to be able to combine the strength of their dedicated networks with the ubiquity of the internet, OTT is in fact a fantastic opportunity for the operators to increase the value of their services and their brands by seamlessly integrating OTT into their ecosystems.

> *People expect to be able to access their list of favorite channels to a large choice of quality on-demand movies, web videos and other interactive services.*

OTT is not Web Versus Pay TV, it is the Addition of Web and Pay TV.

It is also important to distinguish the various use cases of OTT as the drivers behind them can be significantly different. Note that these use cases are not mutually exclusive and in fact the operators would most likely address a combination of them.

- OTT as a complementary content offering to Pay TV
- Interactive VOD, Web content, other interactive services
- OTT as a cost effective way to build up a Pay TV offering from scratch, without the need to manage a dedicated IP network
- OTT to enable a multi-room viewing experience
- OTT to make the experience portable
- OTT to reach more eyeballs beyond the operator's network coverage ('off-net')

So what are the key Success Factors when it comes to Deploying OTT?

OTT reinforces the need for a federated head-end that is capable of seamlessly working across multiple networks (broadcast and IP), multiple devices (Hybrid STB, PC, Mobile,..) and multiple content types.

The head-end needs to offer an easy way to integrate with third party platforms such as web social networks and should provide advanced content discovery mechanisms to enable the end user to find what they are most interested in and to respond to these trends for finding any type of content from a one-stop shop.

Delivering a seamless and integrated user experience across devices and content sources is what should fuel innovation in our industry.

> *Delivering a seamless and integrated user experience across devices and content sources is what should fuel innovation in our industry.*

Major Operators in Europe are fine tuning their commercial offers for Christmas session. Those Operators are deploying Federated Head-End which enables to Secure that Content. The major OTT technological providers are curiously not coming from the traditional Telco infrastructure vendors.

Finally, just as Web2.0 has become increasingly TV-ish from a content point of view, the TV is becoming increasingly Web-ish from the user experience and navigation point of view. TV widgets provide another effective way to blend Internet content with the TV viewing experience.

Bocar A. BA, President - SAMENA

Applying Lessons Learned from Rapid Product Innovation

Francis Haysom, Executive Director, Strategy Office, Telcordia

Last year you probably had 10 good ideas to take to market; next year you may have 100 or 1000 to operationalize. Rapid innovation is a key ingredient in maintaining value to customers and business partners, but when each innovation requires a re-tooling of systems and processes, there is a risk of organizational "thrashing". Communications about converged services offer the raw materials necessary to meet customer demands and growing expectations, but actually delivering converged services is a complex operationcharacterized by manual work and one-off OSS, and product innovation that all too often ends up driving operational processes. So, as you face a future of greatly increased service variety, how can you allow a customer to order services in a generic way, facilitating rapid product change, across an exponentially expanding supply chainwithout changing the order process every time?

Others Have Been There

Well, for starters, you are not alone in this dilemma. Other market sectors have faced this problem, and provide lessons learned that are applicable to telecom. Personal computer (PC) manufacturers have been automating product introduction for years, allowing customers to order products in a generic way through abstraction and re-use. When hyper-competition hit the personal computer industry, many companies responded with a lean manufacturing approach, primarily focused on automation and outsourcing certain links in the supply chain. For the most part, the industry was preparing for an all-out price war driven by the half-life of the cost of computing and storage. The lore in the PC industry was that the new head of a consumer division at a major computer manufacturer challenged his team to design and deliver a personal computer that could be offered to consumers for "less than 9999." Nine months later, the cross-functional engineering-manufacturing-marketing team presented the business unit president with a prototype of a new PC that could be made for $9,999 as requested. "No," said the executive, "I meant 99 dollars and 99 cents ($99.99)."

Clearly, product innovation didn't always include the customer. And so, the industry moved from trying to anticipate consumer demands, to opening their walled gardens to allow their customers to build devices that suited their various and ever-changing needs. Such rapid "product introductions" would require not only a streamlining of the manufacturing and assembly processes, but would require an abstraction of all the components on the shelf from which consumers could piece together to "build" their specific products. This abstraction would provide a common language of assembly as well as repeatable functions of assembly. PC manufacturers would employ an standard assembly process in their manufacturing, characterized by:

- Clear definitions of customer product options;
- Clear definitions of integration options and assembly process; and
- Clear definitions of supplier widgets.

They wanted to be in the business of assembling reusable widgets. Get the latest technology into the hands of the consumer as quickly as possible. And let them have at it. But before they could expose their processes to customers, lean manufacturers had to first componentize and standardize. Then, and only then, could they offer their customers a more complex experience and customer value on top of that strong structure and process.

Mass Customization? No Problem

So as a communications service provider looking to expose triple-play assets and processes to interactive consumers and innovative retailers, what changes to your business will enable you to more efficiently design and deliver much greater numbers of lower volume services, while avoiding the custom workflows, interfaces, and one-off OSS that inhibit growth and innovation today? What will be that $99.99 challenge for telecom, and when we figure it out, will you be ready? Maybe it will be mass customization: more interactive services that can be personalized, packaged and priced in real time. But telcos have not tackled the standardized factory approach yet, having grown up on mass market offers (You can have any color that you like, as long as it is black.) As an industry, we used to introduce a product with some acceptable levels of manual work upon rollout, and look to automate as we hit a level of scale. Not so with mass customization. Mass customization requires a new level of efficiency and effectiveness. Automation plays an important role here, but what exactly are you automating?

The telecom industry has done a good pretty job in recent years of automating certain, high-volume functions (Activation for residential services). It was primarily a response to cost cutting, and it has served to free up cash for investment in bringing new products to market. But going forward, the act of bringing new products to market will be less and less of a unilateraland internally focusedprocess. Networks and processes become an asset that can be accessed by third parties as they build offers to the marketplace. Users will look to service providers to provide an environment that allows players up and down the supply chain to innovate new products in an open and efficient way. The basic building blocks in this "service factory" will need to be componentized and standardized into more manageable and more flexible parts that can be used at any point along the supply chain.

Controlling Your Future

Let us look at bit at the "From" and "To" as they say in consulting-speak. From customer workflows that support high volumes of identical orders...To a provisioning control approach which can support lower volume (aka "long tail") services with a low investment point and rapid time to introduction. The path in between "From" and "To" will be to abstract the product introduction process entirely, and to make it an everyday activity across the enterprise.

The "From" is characterized by silo provisioning stacks, custom workflow processes (BSS and OSS for every product; process dictated by product), and custom interfaces (BSS to OSS, with boundaries different for different products). OSS processes are constrained by BSS processes. OSS data and process are replicated in BSS in order to support customer interactions. The results: slow idea to implementation times; late to market; large system integration effort for each new product. Sound familiar?
The "To" is all about Re-Use. Utilizing a service-factory-like provisioning control to enable rapid "idea to implementation" time for the fulfillment of new products by providing:

- Lightweight control environment for fulfillment
- Single consistent fulfillment interface to BSS
- Standard provisioning processes for all products
- Orchestration/assembly of provisionable components

Assembly data characterizes the product, not workflow Standard framework for the integration of legacy fulfillment, order management and external business Much of this provisioning control approach to rapid product introduction will be supported by telecom service catalogs designed to centralize product management and increase automation. Service catalog software lets you quickly create new products and services from reusable components, assemble offers and orchestrate the handling of orders through the service fulfillment process. But as we learned from the PC industry, a rapid service innovation is not just about software or data. It is a change in mindset...a new methodology. To achieve re-use, you have to think in terms of re-use. Software without the methodology change will remain just thatsoftware. Customers and value-added partners who can reach into your service factory and design new products will be creating new, profitable revenue streams by the hundreds, or thousands--for themselves and for you. But they can only do that if you change the way you interact with them.

For more information, please contact
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fhaysom@telcordia.com or visit our website.

Gitex News, Dubai UAE
October 2010

Etisalat & du Pay Kiosk

AVAILABILITY
USABILITY
SAFETY
RELIABILITY
PERFORMABILITY
TIME AND COST SAVING

Express Pay Kiosk - is a modern, convenient and fast way to pay for the various types of services. The Kiosks make the process of the payment easy to access for all users, even children, by using an interactive dialogue with the customer. Among the benefits of the Kiosks is substantial time saving for the payment transactions. No need to wait for a long queues, you can make payments in minutes, without delay and hitches. Another indisputable advantage of Kiosks is their convenient locations for all customers. They can pay anywhere in the city, whether it is a supermarket, shopping mall, restaurant or bus, metro and petrol station. Express Pay Kiosks is the first Kiosks in the UAE, designed to provide the widest range of payment services, including e-commerce.

Advantages for customers:

- Kiosk's interface usability
- No commissions & No extra charges
- No time wasting and no queues - All-round convenient locations - 24|7 operating time and customer support
- Multiservice online payment services
- Reliable and secure payment services

Locations where you can find our Kiosks:

- Office and Business centers
- Supermarkets
- Shopping Malls
- Hotels and Residential buildings
- Airports
- Petrol stations
- Bus Stations
- Medical Centers
- Museums and Exhibition centers
- Universities, colleges, schools

SATELLITE NEWS

Thuraya Provides IP Services in Turkey Through TEKNOMOBIL

Vertical market segments in Turkey such as government, maritime and industry users as well as private customers will now be able to take advantage of Thuraya's satellite based high-speed data services. This comes after the signing of a commercial agreement between Thuraya and the Turkish firm TEKNOMOBIL, whereby the latter was appointed as a service provider for Thuraya IP, the world's smallest and most portable satellite broadband solution.

Thuraya IP is a uniquely compact A-5 sized satellite broadband solution that offers full mobility with its speeds up to 444 Kbps.

"Our partnership with TEKNOMOBIL combined with Thuraya's blanket coverage over Turkey will extend our satellite broadband service to several industries in Turkey, especially those in remote areas where telecom access might not be convenient or sufficiently reliable. Our IP terminal is unprecedented in its size, portability and innovative features ensuring that key customer can utilize any high speed data service and streaming capabilities with full availability," said Thuraya's Chief Technology Officer, Mr. Ali Al Mazrooei.

On a similar note Mr. Selim Gencler, Chairman of the Board from TEKNOMOBIL said, "Thuraya IP is a great addition to our range of Thuraya products due to its cutting-edge technology, speeds and advanced features. Users can very easily carry it wherever they may be located and are ensured high-quality service in all regions of Turkey."

Inmarsat Unveil 176kb/s Streaming BGAN Service in Europe

Inmarsat recently unveiled its new 176kb/s streaming rate for its BGAN service in Europe and launched a series of low-cost media solutions targeted at smaller broadcasters. The new 176kb/s streaming capability is suitable for talking-head shots, low movement and relatively static backgrounds. It is compatible with existing video codec solutions and accessible through the existing BGAN hardware, such as the Hughes HNS9201 and the Thrane & Thrane Explorer 700. BGAN X-Stream offers fast, on-demand streaming service at an IP data rate of at least 384kb/s, with an estimated top end of 450kbps.

PCCW Global
Connected with your world

PCCW Global designs, builds and manages IP, Fiber, Satellite and Voice communications worldwide, while enabling service providers to take their business overseas and run operations across regions.

Able to reach virtually any part of the world, PCCW Global addresses markets from a presence in the Middle East, Africa, the Americas and Europe, as well as in mainland China and other parts of Asia.

Resilient global infrastructure & robust network

- Covering over 1,300 cities and 110 countries, PCCW Global strives to achieve best-of-breed performance based on leading-edge network design that incorporates full redundancy and resilience.

Service excellence

- Regional and global projects are managed by our teams who utilize on-the-ground support, while world-class systems and processes ensure superior service delivery and operations management on a 24/7 basis.

Innovative solutions based on leading-edge technology

- PCCW Global offers the widest range of integrated communications solutions over a fully-meshed IP, fiber and satellite network. With a track record for innovation, PCCW Global pursues a philosophy of continuous improvement by developing new solutions to enhance network performance and provide a better user experience to satisfy all IP, voice, data and video communications requirements.

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To connect & serve

PCCW Global

ON THE PROSPECTS OF CDMA BASED INTERNATIONAL ROAMING IN SOUTH ASIA

SAMENA region in general and South Asia in specific has huge potential for CDMA based international roaming. CDMA based roaming can be an important area because traditional/ GSM roaming has already very high rates in South Asia. A large part of South Asia's population has no access to phones. Most of the telecom subscriber base in the region is wireless and this is growing swiftly. CDMA is growing at fairly good rate and thus in addition to GSM it could be the possible contender for international roaming. South Asia, representing a major part of the SAMENA region, is experiencing impressive growth in terms of CDMA based wireless telephony and data subscriptions. Unlike the other two regions, namely the Middle East and North Africa, every country in South Asia has at least one operator with a commercial CDMA network.

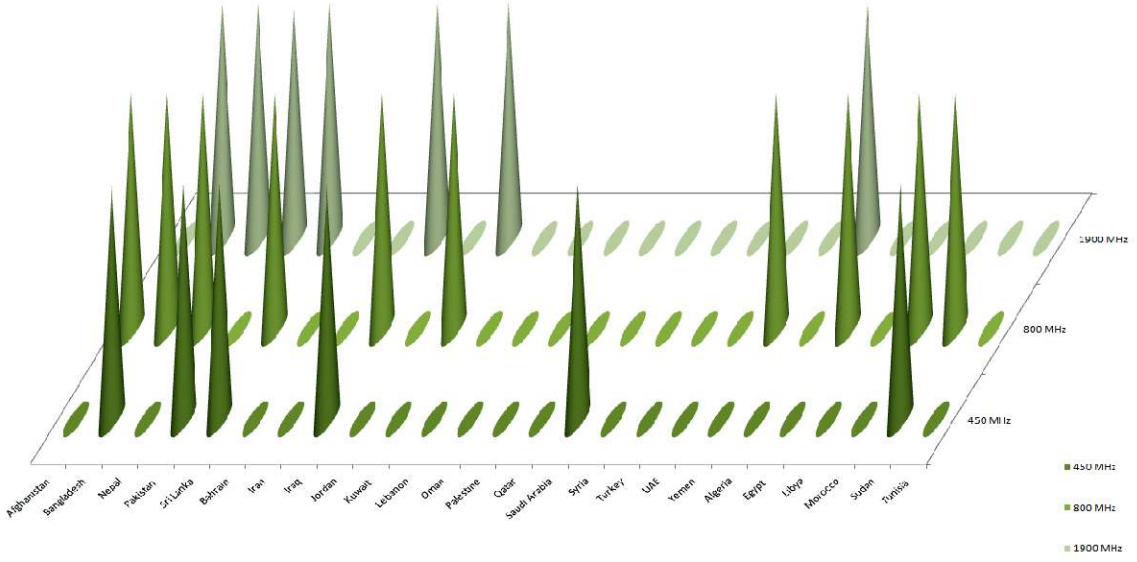
Technically speaking, CDMA operates in three different frequency bands (450 MHz, 800 MHz and 1900 MHz) and most countries tend to support all three spectrum ranges. However, Afghanistan is the only country in the region where 450 MHz CDMA does not exist. With an upgrade to EV-DO, using a 450 MHz spectrum could prove to be a strong tool for bringing wireless broadband connectivity to mountainous areas.

> *"SAMENA Region In General And South Asia In Specific Has Huge Potential For CDMA Based International Roaming."*

CDMA is playing a decisive role in expanding telephony penetration in South Asia, especially in the rural areas of the region. According to CDMA Development Group (CDG) currently CDMA subscribers are over 547 million, and this number is increasing at fairly good speed. According to PTA statistics, CDMA market in Pakistan showed a healthy growth of 4.2% in April last year, making it one of the highest growth rates noted in the telecom sector for the year 2008-09. Similarly, according to statistics revealed by Afghanistan's Ministry of Communications and Information Technology, the number of CDMA subscribers, totaling at 83,809, has exceeded the country's fixed-line subscriber base, which stands at 56,357.

Citycell, the only CDMA operator of Bangladesh that covers all 64 national districts, is offering some attractive features like roaming services on theire network for foreign visitors from ten countries. Further, Citycell has made roaming experience in Japan much simpler and easier for Bangladeshi travelers there. KDDI, Citycell's roaming partner in Japan, recently launched the standard CDMA 1X and EVDO network to support regular CDMA roamers from around the globe.

CDMA in South Asia (Compared to MENA)



The rise in CDMA subscriptions in South Asia is triggered by various factors such as wireless broadband offerings in the shape of EV-DO, CDMA removable user identity modules (RUIM), reduced call charges, free minutes and SMS, and other value-added services. International Roaming on CDMA networks can prove to an important revenue stream for operators. On this note, PTCL's introduction of RUIM cards in various regions across Pakistan has been a key factor behind the recent highest growth rate in CDMA subscriptions witnessed across the country. Adoption of CDMA 2000 1x EV-DO is also a key factor behind CDMA's overall success in the region. However, at present, this advanced wireless broadband technology has its footprint mainly in the region's metropolitan areas.

> *"International Roaming On CDMA Networks Can Prove To An Important Revenue Stream For Operators."*

Worldcall, now an Omantel company, launched Pakistan's first high-speed wireless broadband service based on CDMA 2000 1x EV-DO. PTCL has also launched its EV-DO service in metropolitan cities and the service is currently being extended to rural areas of the country. Before launching the EV-DO service, PTCL had already started offering CDMA connections in the shape of RUIMs, thus allowing subscribers to have a supported CDMA phone of their own choice; an option readily available to GSM users.

Nepal also has a vast CDMA 1x network that covers more than 75 districts and is operated by Nepal Telecom (NT). Nepal Telecom, reportedly, will also be starting its CDMA coverage to the world's highest mountain peak Mount Everest in the nearest future. Mobile towers will be set up in Thakdin, Manjo, Pheriche and Gorak Shep, to bring the summit of Mount Everest within the network coverage. The operator will install satellite antennas at an altitude of 5,160 meters in the region which will provide coverage at the top of Everest.

Sri Lanka, another key CDMA market in South Asia, has CDMA 1x operators introducing some very innovative value-added services to users. Lanka Bell has taken an initiative to offer innovative VAS to its CDMA subscribers. With this service, Lanka Bell subscribers can create accounts and deposit money through their CDMA phone operating on Lanka Bell's network.

In markets where GSM operators are in the 2.5G era and regulators have yet to offer spectrum required for high-speed 3G services like HSPA and HSDPA, the CDMA model is expected to continue gaining momentum. Here the point of interest lies in the fact that CDMA has an inbuilt benefit of offering 3G CDMA (EV-DO) in the same frequency spectrum while GSM operators need to upgrade their systems to WCDMA in order to provide 3G services, which, undoubtedly, is a matter of bearing high costs. CDMA operators in South Asia can play a vital role in developing a win-win roaming rates model for CDMA where the entire stake holders are benefited. Take for example the best practice of Citycell- Bangladesh which provides roaming service on its network for foreign visitors. Similar practices needs to be extended to South Asia and to the entire SAMENA region after consensus among industry stake holders.

INTERNATIONAL ROAMING AND OPERATORS' CONCERNS

The Roaming rates regulation was and still since years the talk of the Samena region and Europe and the concern of the mobile operators.

After having applied the roaming regulation in Europe almost 4 years ago to decrease the Roaming rates for Voice and SMS, the EU commission applied another rules in march 2010 for the implementation of a policy control to limit the Data roaming usage in order to avoid the Bill shock effects due to the unlimited usage of data while roaming across the internal Europeans countries. These operators have to limit the usage of Data roaming up to 50Euros/month per subscriber.

Same in the Gulf countries, Regulators have started regulating the roaming rates to be applied by the operators starting September with almost the same pricing model as in EU for the first and the consecutive years.

This has created a big concern for the operators concerning the impact of this regulation affecting their roaming revenues. In return some operators have applied self-regulation models by increasing the preferred roaming agreement with their roaming partners based on bilateral discounted roaming rates.

Despite all the regulation applied since 2007, analysts such as Informa Telecom still think that the global roaming market is expected to grow 86 per cent over the next five years, delivering revenues of US$67 billion by 2015, or 6.3% per cent of total mobile service revenues worldwide.

It also predicted a slowdown until at least 2012 as a result of the economic downturn and customer cost saving initiatives, but also forecasts a marked upturn from this point onwards as markets recover and as mobile data roaming becomes increasingly prevalent.

"Data roaming, new pricing models and technologies, as well as regulation are just some of the forces that will transform the roaming market over the next five years," said Paul Merry, senior analyst at Informa. "Bill shock remains a

> *"the global roaming market is expected to grow 86 per cent over the next five years"*

major issue for mobile roaming users in those markets where pricing regulation has not been implemented. Moreover, the legacy of bill shock is such that even in regulated markets there is a perception that mobile data roaming is expensive. Overcoming this sensitivity will take time but is critical."

> *"Western Europe will remain the largest roaming market delivering approximately 41 per cent of roaming revenues by 2015"*

Informa found that Western Europe will remain the largest roaming market delivering approximately 41 per cent of roaming revenues by 2015, followed by Asia Pacific with approximately 18 per cent and North America with approximately 10 per cent.

On the other hand, the European Commission has implemented price caps to cut the maximum fees mobile networks can charge for roaming voice and data services. The caps began on voice fees in 2007 and have lowered since, but the Commission has said that more action is needed.

"The cost of using mobile phones or devices when abroad in the EU has fallen continuously since the adoption of the first roaming rules," said Kroes earlier this year. "But three years since the rules came in, most operators propose retail prices that hover around the maximum legal caps. More competition on the EU roaming market would provide better choice and even better rates to consumers."

> *"I want the gap between roaming and domestic prices to approach zero. The sooner the better.*
>
> *Neelie Kroes*

"I want the gap between roaming and domestic prices to approach zero. The sooner the better. Significant differences between roaming charges and national tariffs cannot be justified in a true single market," this is what Neelie Kroes told operators at an EU telecoms conference that she would give them "a while longer" to reduce data roaming costs, but that the Commission would act if necessary to reduce the extra costs of using data abroad to close to zero. She also stated that a mobile network traffic is increasingly data there is less and less reason for costs to be much higher when users are roaming within Europe than when they are in their own country.

She also said that In the future, when all transmission in networks is data, the different approaches we see to pricing for these different services should logically converge. Therefore she has set the achievement of such a true Single Market for telecoms as a key objective of her Digital Agenda for Europe. She will assess the structural, economic and legal barriers to such a true single market in order to propose the necessary measures to overcome these.

"A true single market is one where the price differences between voice, SMS and data relate only to the actual cost of providing these different services" she concluded.

As a conclusion, operators seem to follow more and more the self regulation methods showing their national regulators the healthy initiatives they are implementing in order to protect the consumers' rights and benefits.

As Per Different Media Sources Some Important Regional Initiatives For Roaming Self-regulation Have Took Place.

Vodafone Malta Adds Libya to Roaming Network

Vodafone Malta has extended its data roaming service to Libya after an agreement with mobile operator Al Madar. Prepaid and postpaid Vodafone customers travelling to Libya may now access data on their smartphones or Vodafone internet key from EUR 1.75 per MB on a postpaid plan. Vodafone has 384 network partners in more than 155 countries. The operator's data roaming service has a default spending cap with an alert that notifies customers when they reach their desired spending limit to avoid bill shocks.

Vodafone Cuts Mobile Data Prices

Vodafone customers wanting to take their mobile data devices to Australia will get a new rate from today as its data roaming prices in Australia will drop permanently from $10/MB to $5/MB.

Vodafone points out that Telecom customers in Australia pay $8/MB and 2Degrees customers pay "a whopping" $30/MB. Customers will also be able to better monitor their usage while travelling overseas, with notifications send from Vodafone at 2MB, 5MB and 10MB of data.

Vodafone has launched New Zealand's first International TXT add-on for its Supa Prepay customers. The initiative is aimed at international students, travelers and long distance relationshippers and offers a bundle of 100 TXTs to 30

nations for only $8 per month, which works out at 8c per TXT. The deal includes destinations such as Australia, UK, USA, Japan, South Korea, India and China.

Supa Prepay customers who top up by $20 a month will get 100 free minutes of weekend calling to any Vodafone New Zealand mobile, and any landline in the country.

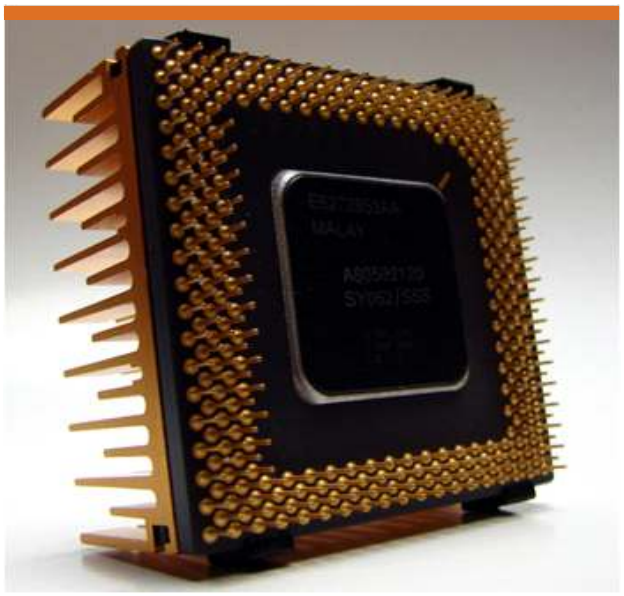
2degrees this morning said that its mobile pricing plans will remain the same after the GST increase on October 1st.

Vimpelcom Slashes Roaming Rates for Subsidiaries Within CIS

Russian mobile operator Vimpelcom, working under its Beeline brand, has introduced special discount roaming rates on the Beeline networks in Armenia, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan and Ukraine. The new rates also apply to the networks of Vimpelcom's other overseas subsidiaries: Kyivstar in the Ukraine and Velcom in Belarus. All incoming and outgoing calls are now priced at RUB34 (USD1.1) per minute, whilst an SMS will cost RUB9.5. Vimpelcom suggested that call prices have been cut by roughly 30%, whilst the rate for SMSs has dropped by 50%. Mobile internet usage will now be charged at RUB6 per 20kb, a decrease of almost 60%.

Clearwire Launches International Roaming Day Pass

Clearwire Corporation has announced that it has launched 4G roaming services with UQ Communications of Japan. Clearwire and UQ have collaborated to offer their customers the ability to take 4G speeds beyond their borders and to leverage true mobile broadband like never before. Available today, Clearwire and UQ customers using Intel(TM) WiMAX embedded netbooks and notebooks will be able to sign-up for a Day Pass and use unlimited data while travelling throughout the covered markets in Japan and the United States.



"The ability to offer mobile broadband access at home and abroad will quickly become a key differentiator for wireless data providers around the world," said Dave Maquera, Chief Strategy Officer at Clearwire. "This initial effort lays the groundwork for additional international roaming options and demonstrates Clearwire's commitment to developing global roaming capabilities now and into the future."

"Expanding our customers' access to true mobile broadband service in the U.S. is an important step for UQ," said Akio Nozaka of UQ Communications. "Clearwire's rapidly growing 4G footprint and unmatched spectrum position will provide our users with the speed and capacity needed for advanced wireless data services as we expand our services globally."

> *"When there is a lot of trade, people need to coordinate and low tariffs will facilitate the trade among the SAARC nations"*

Clearwire and UQ currently offer 4G services in their respective domestic markets. Clearwire provides CLEAR 4G mobile broadband service to consumers and businesses. With CLEAR, anyone can use the internet at speeds four times faster than 3G* -- whether at home, in the office, or on-the-go within the CLEAR coverage area. CLEAR subscribers traveling to Japan can get a UQ WiMAX day pass for 600 JPY (approximately USD$6-7). UQ provides UQ WiMAX wireless internet service to more than 90 percent of the population in 15 of Japan's largest cities, including Tokyo, Osaka, and Nagoya.

Clearwire is actively working with its Global Alliance Partners and other international service providers to offer the same capability in different countries around the world.

Uniform Tariff Within Saarc Key to Regional Ties

Low and uniform telecom tariffs across SAARC nations will help improve trade relations between member countries, as well as bolster regional cooperation, says a study.

"The government must, through telecom operators, provide low and uniform telecom tariff across SAARC nations. As of now one is spending 64 times more if using the roaming phone within the SAARC nations," Sri Lanka-

based non-profit research organization LIRNEasia said in a report on Information and Communication Technologies and Services Trade within the South Asian Association for Regional Cooperation (SAARC).

"The roaming market is very expensive...," LIRNEasia Chairman and CEO Rohan Samarajiva said.

The SAARC grouping includes Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

When there is a lot of trade, people need to coordinate and low tariffs will facilitate the trade among the SAARC nations, Samarajiva added.

"By making uniform tariff among the SAARC nations... government in a way are encouraging people to use their own phones with international roaming instead of local phones here," Samarajiva said.

As far as intra-SAARC fixed telephony is concerned, Sri Lanka offers the lowest rates, treating all SAARC countries equally.

It must be cheaper or easier to communicate within SAARC. Maldives has the highest intra-SAARC calling rates for most of the SAARC countries, followed by Bhutan, the study says.

Answering a question on the role of private telecom players, Samarajiva added, "They provided the connectivity, but they themselves have not really solved this issue... The respective governments should exert pressure on them even now so that telecom tariff is low and uniform within the region."

He pointed out that in the European Union, no matter where a telecom customer is, he can roam within Europe at no extra cost.

Even Google seems to be offering lower tariffs than the mobile operators, he added.

Roaming Revenues to Jump 86% by 2015

Informa Telecoms & Media has forecasted that the global roaming market will grow 86% over the next five years. Revenues of US$67 billion by 2015 or 6.3% percent of total mobile service revenues worldwide are expected. The firm had predicted a slowdown until at least 2012 due to the economic downturn and customer cost saving initiatives. It has also forecasted a significant upward trend after 2012 as markets recover and mobile data roaming becomes increasingly prevalent.

10gbps Intelligent Network Adapters from Cavium Based on its Octeon Processors

Cavium Networks has introduced new line of intelligent network adapters based on OCTEON II CN63XX processor family. These adapters deliver 10Gbps performance and are suggested for a wide variety of applications such as Data Center security, Cloud Computing, Network and Storage data compression, Deep Packet Inspection, WAN optimization, TCP/IP Offload and iSCSI Offload. These adaptors are capable of effectively addresses the emerging Enterprise and Data Center requirements. This family delivers high performance networking, compression, storage features, DPI functionality with dual 10 Gigabit Ethernet interfaces in a single PCI-Express Gen2 form factor. The Intelligent Network Adapters also support non volatile memory (NVRAM) for data retention and failover in SSD deployments.

Radius Infratel Sets up World-class FTTH-Based Communication Infrastructure

Radius Infratel has built FTTH (fiber-to-the-home) infrastructure to provide last-mile connectivity for the delivery of various telecom and entertainment services at the Commonwealth Games Village (CWGV). The unified last mile connectivity implemented by Radius Infratel termed as NANOnet Neutral Access Network Operations Network utilizes Ericsson's GPON system and facilitates multiple service providers to concurrently allocate the same network to cater a bundle of services to the end user. At the CWGV, each and every apartment is connected by optic fiber on which MTNL and Airtel are delivering voice, broadband and IPTV services. Further, NANOnet is enabled for Wi-Fi coverage with in the village along with GSM/ CDMA coverage from mobile operators to the entire village including the huge basements to ensure quality of service.

ITU-T's first IPTV Interoperability Test Event

International Telecommunication Union Telecommunication held its first IPTV Interoperability Event. It was a demonstration and testing event to promote conformity and interoperability. Participants included manufacturers of products, technologies, software and solutions for IT services distribution and constructions. OKI demonstrated the OKI MediaServer that was found to be the only IPTV-compatible video delivery server, and compatible with other IPTV devices from other manufacturers. The ITU-T H.700 series defines the terminal interfaces that are needed to broadcast over an IP network by using IP multicasting. This is considered to be the standard while considering VOD, high-definition digital broadcasts over IP.

Convergence to Casablanca 2010

26th - 28th October, 2010

Casablanca, Morocco, Hyatt Regency Hotel

"Transforming Challenges into Growth"

The Souk@ SAMENA

Subsea Cable Workshop

26th October2010

SAMENA AWARDS 2010

Under the Patronage of His Excellency
The Minister of Industry, Commerce and New Technologies
H.E. Ahmed Reda CHAMI

CONFERENCE AGENDA

Broadband

- Government subsidies for speeding up broadband (and general telephony) for rural and underserve areas
- What does it entail to develop a sound mitigation path to 4G?
- Challenges in connecting users to fiber based networks and providing coverage to rural areas

Optical Networks and Applications

- IPTV: Accelerating via FTTx.
- Why may IPTV be among the key services capable of stimulating investments in FTTx networks?
- Can IPTV help generate a return on fiber rollout costs by helping to increase ARPU?
- How is FTTx developing and what regulation is there on fiber access?

Mobile TV

- Mobility and mobile TV
- "Free" Mobile TV: A way to encourage take up in the SAMENA region
- Mobile TV ecosystem: Integration with broadcast, cable TV and movie industries

Content

- Content Industry: How is it a new "revenue" supermarket for operators?
- Localized Mobile Content: An emerging trend in SAMENA
- Mobile Content: How to get the right content to the right user
- Ownership, copyright and content security

Roaming

- International Roaming rates: Re-evaluation
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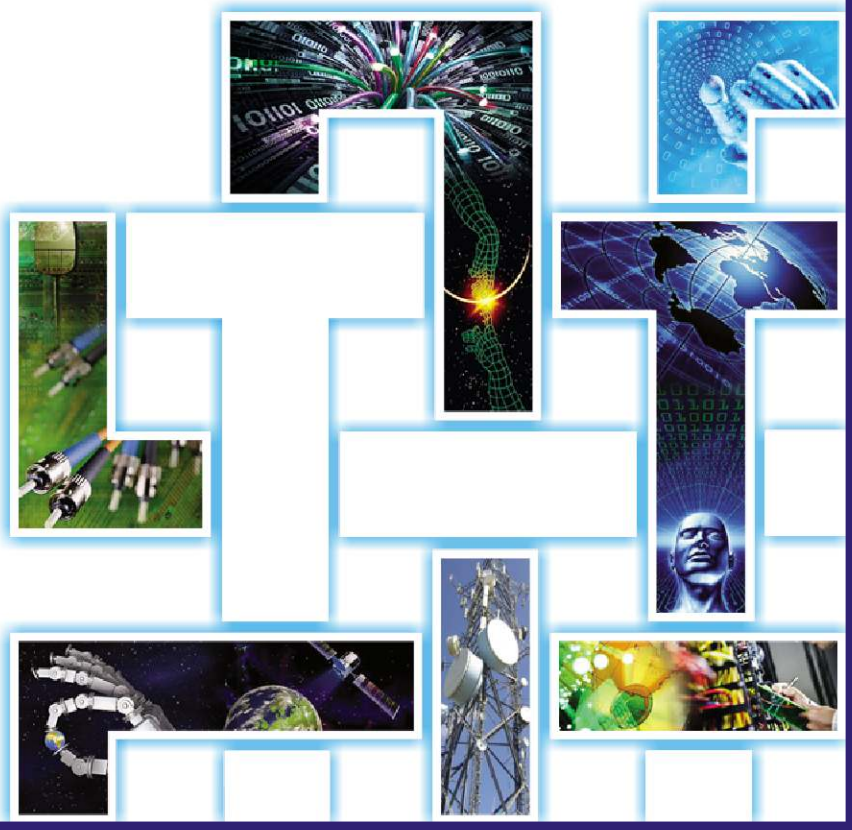

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