

SAMENA TRENDS

EXCLUSIVELY TO SAMENA TELECOMMUNICATIONS COUNCIL'S MEMBERS

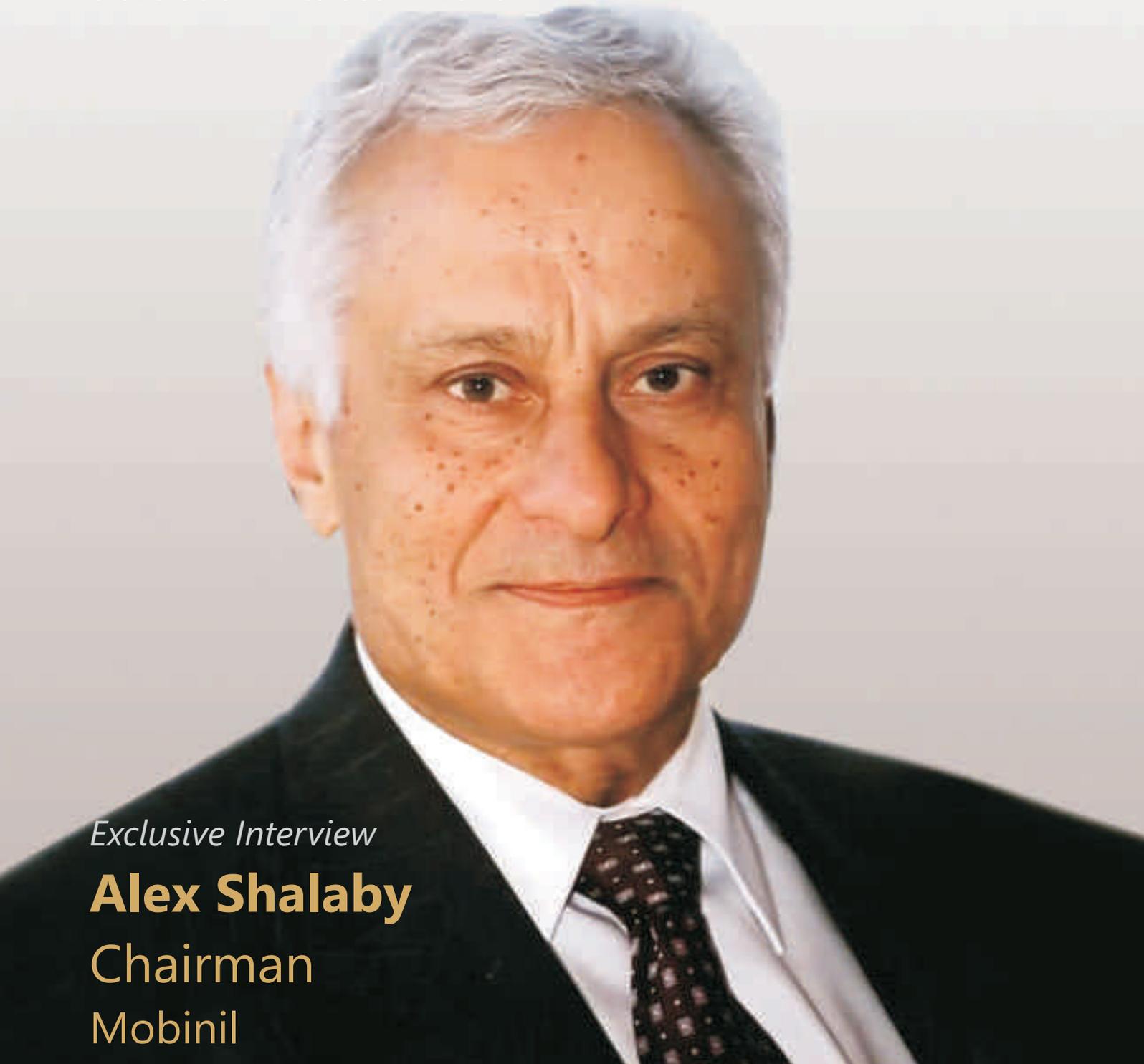
BUILDING DIGITAL ECONOMIES

A SAMENA Telecommunications Council Newsletter

Volume 02
Issue 04
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Mobile Content, Entertainment in your hands

The evolution in telecom world



Exclusive Interview

Alex Shalaby

Chairman

Mobinil

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EDITORIAL



SAMENA Telecommunications Council and its members are meeting in Abu Dhabi for the first time in its history. The SAMENA Council is anxious to have a good meeting and deliver on its promise of bringing the very best of the best on subject matter that is paramount in today's very challenging days. To add to that, Abu Dhabi is a capital city in more ways than one. Yes, it is the national capital of the United Arab Emirates but it is also home to Etisalat, one of SAMENA's largest operator members. However, du, another major operator in the UAE is participating heavily, especially in the "content day" in Abu Dhabi, as are many other operators and industry participants. It is apropos that SAMENA and its membership, make its platform announcement for the oncoming three years in this bustling capital city.

The SAMENA Council is anxious to go to Beyond Connectivity for it has much to discuss and bring to the forefront. The organization is presently going through a metamorphosis in maturity, where it is working hard to take on greater challenges and reach out to build new ideas and concepts. SAMENA's effort on a long term basis is more or less "Building Digital Economies" and in recent weeks, Mr. Bocar Ba and I were in many meetings across the landscape, where we were ascertaining the relevance of SAMENA's objectives (more on this later) with regard to actual real world member interests and needs. Many of the same issues were brought up in each discussion, which, definitively mirrored our newly listed objectives. Items such as spectrum management, the digital dividend, international roaming, digitization policies that supported investment and development of all too important topics such as MHealth, M-Payment and E-Inclusion as well as roaming quality.

The essentials of any strong case study are the actual issues that are current in the market place which support the supposition of demand or need. There are many which can be written here, but three which have been topics of great interest recently include the upcoming Oman National ICT

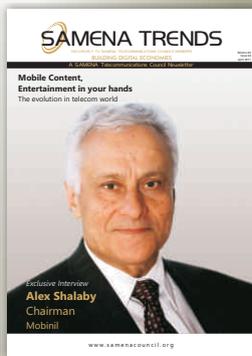
Policy program, activities in Saudi Arabia where the CITC is driving activities with regard to deployment of fiber and other means of transportation broadband services meeting specific specifications on a nationwide basis and of course the recent announcement by the ICTQatar, to which it will be establishing a new company, owned by the government that will create a new fiber establishment to help develop a stronger broadband application penetration nationwide in Qatar. SAMENA's promulgation of new applications, theories and concepts, as well as new potential business models will help establish an accumen in the industry that is at once supportive of all stakeholders, specifically to a responsible socio economic scale.

The GSMA and ETNO recently have taken a supportive role toward the Digital Dividend and harmonization across the entire European continent and activities like this, SAMENA will address, as the Digital Dividend should be applied smartly and aggressively toward mobile technology supporting and augmenting the Digital Agenda initiative. A coordinated focused effort to afford a spectrum plan allowing affective long term efficient planning would be most advantageous to all industry stakeholders. Along side this development, SAMENA is also viewing digitization policy with a very interested eye, wanting to create a positive environment for industry stakeholders to have viable business application building the new digital business model, which most certainly will incorporate M-Health, M-Payment and varieties of E-Inclusion. The SAMENA region, albeit via research stating broadband penetration still remains low, however if provided a positive operating environment attributed to all stakeholders interests, shall rise to global standards quickly and aggressively attempting to take a leadership role in the digital domain on a global scale.

Truly Yours,

A handwritten signature in black ink, appearing to read "L. Wilson" or similar, written in a cursive style.

Thomas Wilson
CEO & Managing Director
SAMENA Telecommunications Council



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EDITORIAL





TOP REGIONAL & MEMBER NEWS

Alcatel-Lucent's ISAM Introduces Industry's First Commercial 10G GPON

Alcatel-Lucent announced the deployment of next-generation fiber technologies and has become the first company to move from the "trial and demonstration" stage to commercial availability of 10G GPON. Technology innovation supports the various Digital Agenda, Broadband Stimulus and Universal Broadband initiatives around the world, aimed at the rapid extension of the socio-economic benefits from very high-speed broadband services.

Accenture becomes a Member of the SAMENA Telecommunications Council

SAMENA Telecommunications Council has announced that Accenture has become its member. Established in 1989 primarily as a technology consultant and systems integrator, Accenture soon began offering a new breed of business integration solutions to clients—solutions that aligned organizations' technologies, processes and people with their strategies. Accenture's CEO, Pierre Nanterme said, "this is a special time in our company's history as we celebrate our 10th anniversary as Accenture. We introduced our new name to the world on January 1, 2001, and have spent the past decade continuing to build our brand, which has now become synonymous with our commitment to helping our clients achieve high performance."

Analysys Mason becomes a Member of SAMENA

Telecommunications Council

SAMENA Telecommunications Council has announced that Analysys Mason has become its member. Mr. Bocar A. BA, President of SAMENA, said that the council has been focusing on wide-ranging collaboration amongst the telecoms and ICT industry stake holders by offering a supportive platform. Analysys Mason advises its clients on regulatory matters, support multi-billion dollar investments, provides advice on network performance and recommends commercial partnering options and new business strategies.

Mobily Cuts International Rates for Prepaid Subscribers

Saudi operator Mobily has announced that its Hala International prepaid subscribers can now make international calls to Egypt, Pakistan, Bangladesh and India for SAR 0.55 per minute, while voice call rates for the UAE, Kuwait, Bahrain, Sudan, Turkey, Oman, Qatar, Yemen and Sri Lanka on Hala International have been reduced, starting at SAR 0.69 per minute. Mobily has also added Australia, Canada, USA, Singapore, Malaysia and many other countries to its Hala International package that offers reduced rates.

Nokia Siemens Networks to run Vodacom Tanzania Network

Nokia Siemens Networks has won a 5 year order to manage telecom network of Vodacom Tanzania. According to the agreement both companies aimed at reducing operating costs, improving efficiency, saving energy and offering competitive tariffs to customers of Vodacom Tanzania. 124 Vodacom Tanzania employees will transfer to Nokia Siemens Networks.

Inmarsat and SkyWave to Launch New Global Low Data Rate Service

Inmarsat has announced that it is working with SkyWave Mobile Communications to develop a new low data rate tracking, monitoring and messaging service that is planned for launch in the third quarter of 2011. IsatData Pro will deliver a significant increase in capability over other services already in the market. Near real-time messages of up to 10,000 bytes to the device and up to 6,400 bytes from the device will meet the increasing demand for higher data speeds in machine-to-machine (M2M) solutions.

du, Batelco Partner to Launch MPLS IP VPN Services

du and Batelco partner to launch MPLS IP VPN services. Under the agreement, du will provide end-to-end MPLS VPN services to businesses in UAE and Bahrain that wish to establish secure inter-office connectivity between both locations. This facility will provide seamless IP data services between UAE and Bahrain.

Tetra Communications to Distribute Thuraya's Broadband and Voice Solutions in Europe

Thuraya and Tetra Communications have reached an agreement, through which Tetra Communications will market Thuraya's voice and broadband data services in Greece and surrounding NATO countries. Executive Vice President of Tetra Communications said, "Thuraya's portfolio of data and voice products will uniquely attract a lot of market attention due to their superior design and functionality."

STC Launches Mobile Internet with 42 Mbps Speed

STC launched its newest mobile internet package "Quicknet Pro 1", which is the fastest mobile internet broadband service in the Kingdom with a speed that reaches up to 42 Mbps. Customers can enjoy new internet speed that reaches 42 Mbps for downloads and 11 Mbps for uploads, as well as a free postpaid SIM card with unlimited internet usage, and a free WiFi service for more than 1000 sites

Mobiserve Implements Saudi Arabia's First 4G Network

Mobiserve announced the rollout of Saudi Arabia's first Long Term Evolution (LTE)-WiMAX fourth-generation (4G) network. Mobiserve was selected by vendors Samsung and Huawei to deploy the landmark project on behalf of Saudi operator Mobily. Mobiserve's scope will cover the project implementation including survey, hardware and Radio Frequency (RF) installation.

Gulf Bridge International Completes its First Cable Landing in UAE

Gulf Bridge International (GBI) submarine cable operator, has announced the landing of its cable at Fujairah in the UAE. The cable will connect to du's landing station. The GBI Cable System is a high capacity, fiber-optic communications cable which will connect all the countries of the Gulf region to each other and provide onward connectivity to Europe, Africa and Asia. This connectivity will ensure that the GBI Cable System will offer the most comprehensive geographic reach of any subsea network in the region.

Mobilink Supports 3G Launch

Mobilink supports the introduction of 3G (Third Generation) telephony services. Mobilink CEO and President said, "We support efforts of the government and Pakistan Telecom Authority in the introduction and regulation of new technologies in the cellular mobile sector, we give our assurance and commitment in cooperation for early launch of 3G and we also would like to recommend an appropriate approach for allocation of the 3G spectrum."

Turkcell Poised to Enter Germany's Wireless Market

Turkcell is set to launch wireless services in Germany. The company will aim its services at the more than 3 million Turks living in the country by offering packages that would allow customers to make or receive calls from Turkey at local rates. According to Turkcell, mobile phone penetration among the Turkish population in Germany is 92%, providing an opportunity for growth. The company hopes to capture about 4% of the German wireless market, selling voice, mobile broadband and other data services.

Bangladesh Mobile Networks Confused by New Radio Spectrum Fees

Bangladesh's mobile networks are protesting against proposals by the telecoms regulator to not only raise the radio spectrum fee, but also to set the fee based less on the amount of spectrum they have than their respective customer bases. Director of Banglalink said, "We have conveyed our concerns to the ministry and are now waiting for their response to discuss on the issues."

PTCL Introduces PCPM to Facilitate Customers

Pakistan Telecommunication Company Limited (PTCL) introduced public cash/card payment machines (PCPM), bill payment points for the convenience of its customers. PTCL bill payments points in the first phase are being installed in Karachi Lahore and Islamabad; points will be operational 24 hours. These points accept currency notes from Rs. 20 to Rs. 5,000 and provide the option of English or Urdu as the medium of instructions.

Orange Jordan Expects 3G Subscribers to Triple

Jordan Telecom Group expects the number of subscribers of Orange Jordan's 3G services, which currently exceed 300,000, to triple by the end of this year. Nayla Khawam, CEO of Jordan Telecom Group said, "By the end of 2011, we expect the number of 3G services users on our network to hit one million, especially after we provided high speed broadband internet in the market."

The telecom group launched the 3G services in March last year.

SLT Awarded "People's Telecom Services Brand" of the Year Sri Lanka Telecom (SLT) was adjudged as the "People's Telecom Services Brand" of the Year at the SLIM-Nielsen People's Awards 2011. The award is jointly conducted by the Sri Lanka Institute of Marketing and AC Nielsen. SLT CEO, Greg Young said, "We are proud and privileged to receive this award this year. At SLT, we believe in providing our customers with quality, choice, efficiency and most importantly, overall value for money. We assure our customers across the island of our continued commitment towards understanding your needs and exceeding your expectations in delivering product and service excellence."

STC "Groupy" Service Allows Subscribers to Build Groups via AlJawal Portal

STC is now offering the exclusive "Groupy" service that allows subscribers to build groups and invite their friends to join via the AlJawal website www.aljawal.net.sa. The "Groupy" service allows postpaid Jawal, SAWA, and LANA customers to create up to five private groups for friends, colleagues or family members and to connect with them by sending SMS or MMS to multiple members with one simple and fast click. The group creator will be charged only SR 5 as a monthly subscription fee and subscribers to the service will receive special discount rates of 15 halalas for SMS and 40 halalas for MMS messages sent to other members of the group.

Nawras Launches the Latest WiFi Modem with New Customer-Friendly Features

Nawras has introduced the latest model of WiFi modem, which is the most affordable in the market and the easiest to use, for customers in Oman. After subscribing to any 3G+ Broadband plan, customers can buy the new E5 II modem for only 43 Omani Rials and up to five customers are then able to get closer by creating their own WiFi spot. The modem even comes with a free Nawras Ajel (post paid) SIM card included in the price.

du Inks Partnership with STC

du has joined hands with Saudi Telecom Company (STC) to launch Point of Presence (PoP), a multiservice node that will enable delivery of secure and reliable inter-office connectivity in the country. du said the PoP partnership with Saudi Arabia's leading telecom operator is aimed at helping its enterprise customers and carrier partners to benefit from seamless data services between the UAE and the Saudi Arabia.

Etisalat Elucidates its Stand to Acquire Shares in Zain

Etisalat spokesperson, Ahmed bin Ali has reiterated that Etisalat's stand towards Zain acquisition has not changed, and Etisalat is still interested in the Zain deal. Bin Ali added that pertinent and suitable information related to the due diligence has been collected and "Etisalat" is in the process to study and analyze the collected information. Consequently the results will be discussed with the sellers at a later stage, and the final results will be presented to Etisalat's Board of Directors to make a decision in this regard. Etisalat will inform its stakeholders with the progress of the Proposed Transaction in due course.

MTN Zambia Launches 3G, Edge Services

MTN Zambia has launched mobile internet services based on 3G and Edge technologies. The new service builds on its existing offering of GPRS services. CEO Farhad Khan said that the operator targets an increase in its subscriber base to 2.5 million this year, from the current 2 million. MTN also plans to invest another US\$150 million in the period 2011-13, after US\$200 million spent since its launch in mid-2005.

STC & Level 3 Sign International Network Pact

Saudi Telecom Company (STC) has tied up with Level 3 Communications in a reciprocal agreement to enhance the reach of both companies' international online connections, thereby improving IP services and content distribution for their customers across the Middle East, Europe and the US. "Leveraging STC's terrestrial connectivity in eight Middle Eastern countries, combined with the broad reach of Level 3's international IP and CDN networks, we're able to expand our offerings to new and existing customers around the world," said James Heard, President of European Markets at Level 3.

Fujitsu Wins New Field Services Contract with Virgin Media

Fujitsu has announced that it will support Virgin Media in its residential and business installations and help provide engineering services. After the start of the multi-year contract, Fujitsu's Transition Team will ensure a seamless integration of Fujitsu services. Technicians at the company will work in partnership with Virgin Media to deliver an outstanding installation experience to customers in Scotland, North East England and Northern Ireland. The contract also covers assisting Virgin Media to streamline its post-install operational processes by providing residential and network engineering support.

Orascom Extends Lebanon Firm Contract

Orascom Telecom said that it had extended its management contract with Lebanese mobile firm Alfa for one year, in a bid to tap a growing market. The company said that the extension would allow it to continue its development plans for Lebanon's mobile phone services, which include installing third generation (3G) services and expanding Alfa's network coverage. The terms of the contract remain unchanged, whereby Orascom Telecom receives \$2.5 million per month, plus 8.5 percent of revenues. Orascom will cover network operational expenses, and the Lebanese government will be responsible for capital expenditure during the contract period.

Ufone Leading the Pack in the Android Market

Ufone one of the leading telecom companies in Pakistan recently launched the much awaited HTC Incredible S. HTC one of the leading brands for Smartphones worldwide has had one successful launch after the other and the last HTC Desire handset did fairly well in the Pakistani market. This affiliation will allow Ufone customers to be the first to own this high end handset as the handset is being launched with this amazing joint venture and only later will it be available in the market. Ufone customers will also get 30 mega byte free data usage every month for 12 months which will allow customers to enjoy this amazing phone to the maximum. Alongside customers who get a new postpay connection will get a special discount on the purchase of the handset.

Mr. Abdul Aziz, CEO Ufone, said, 'With this launch Ufone has further strengthened its promise to always be the first to give its customers the latest in technology whether it be value added services or handsets'. 'Our customers need and satisfaction are our top priority, we wish to empower the customer with the best of the best so that they can remain at par with technological advancements around the globe', he added.

Some of the key features of the HTC Incredible S are: A standout cinematic experience

The HTC Incredible S brings everything you view to life on a stunning 4? Super LCD screen. So you can browse the web in style, admire your photo gallery, or lose yourself in a video viewing experience. And when you really want to immerse yourself in a movie, plug in your headset and enjoy virtual surround sound via SRS WOW Hd™.

Lights, Camera, Action

This is your all-in-one 8MP camera and high definition video recorder that will capture and replay every one of your experiences in crystal clear clarity.

Intelligent buttons that rotate with you

When you turn your phone enjoy the view, the buttons turn too, for an even smoother experience. It's one more detail that makes your phone truly intelligent

Here's an idea- a phone with HTC sense and powered by Ufone

HTC sense is an experience full of surprises and ideas that make sure your phone fits with you, not the other way round. Like a phone with meeting etiquette- softening your ringtone while you check who's calling. Or just flip it over to silence it. Or a phone that integrates map and compass so it always points in the right direction.

And with the coverage you get from Ufone, U can enjoy brilliant HTC sense all across the country.

What's more ... It's a phone you can't lose

- You can manage your phone remotely from a secure web portal
- Send an instruction to lock your phone, or ring it (even if on silent)
- Back up your contacts and messages
- Send a text message to the home screen requesting for a safe return of your phone
- Delete all stored content if necessary

At a glance Size

64mm (2.52"), 11.7mm (0.46"), 120mm (4.72")

Weight: 135.5 grams (4.78 ounces) with battery

Display: 4-inch touch screen with 480 x 800 resolution

Screen size: 101.6 mm (4")



Ufone Leading the Pack in the Android Market

Detailed specifications

CPU speed: 1 GHz

Memory

Internal phone storage: 1.1 GB

RAM: 768 MB

(The actual available internal phone storage may differ depending on the software configuration of your phone.)

Expansion slot:

microSD™ memory card (SD 2.0 compatible)

Connectors:

- 3.5 mm stereo audio jack
- Standard micro-USB (5-pin micro-USB 2.0)

Battery

Battery type: Rechargeable Lithium-ion battery

Capacity: 1450 mAh

Talk time:

- **WCDMA:** Up to 380 minutes
- **GSM:** Up to 580 minutes

Standby time

- **WCDMA:** Up to 370 hours
- **GSM:** Up to 290 hours

Network

HSPA/WCDMA:

- Europe/Asia: 900/AWS/2100 Mhz

Quad-band GSM/GPRS/EDGE: 850/900/1800/1900 MHz

Platform: Android™ with HTC Sense™

Camera: 8 megapixel color camera with auto focus and **dual LED flash**

- 720p HD video recording
- 1.3 megapixel front camera

Sensors

- G-Sensor
- Digital compass
- Proximity sensor
- Ambient light sensor

Multimedia

Audio supported formats:

- Playback: .aac, .amr, .ogg, .m4a, .mid, .mp3, .wav, .wma (Windows Media Audio 9)
- Recording: .amr

Video supported formats:

- Playback: .3gp, .3g2, .mp4, .wmv (Windows Media Video 9)
- Recording: .3gp

Internet

3G:

- Up to 14.4 Mbps download speed
- Up to 5.76 Mbps upload speed

GPRS: Up to 114 kbps downloading

EDGE: Up to 560 kbps downloading

Wi-Fi®: IEEE 802.11b/g/n

Bluetooth®

- Bluetooth® 2.1 with FTP/OPP for file transfer
- A2DP for wireless stereo headsets
- PBAP for phonebook access from the car kit

GPS: Internal GPS antenna



Operator Leader's Vision



Alex Shalaby
Chairman
Mobinil

On September 1, 2008 Alex Shalaby was appointed Chairman of the Egyptian Company for Mobile Services (Mobinil) by Board consensus; prior to that he was its President and CEO since 2005. This step came because of Shalaby's remarkable achievements at Mobinil over the preceding three years where the company witnessed continued market share leadership, tripled its subscriber base from six to 19 million, doubled the revenues, and increased net profits by 30%.

Shalaby came to Mobinil from Washington, DC where he was AT&T Director for Public Affairs, serving as the company's link to lawmakers on Capitol Hill and lobbying the executive branch of the U.S. government. He helped in achieving more liberalization of the telecoms sector internationally for the emerging nations of the Middle East, Africa, and Eastern Europe through the relevant bi-lateral and multi-lateral agencies. During these years, he served on the boards of the American Chamber of Commerce becoming its president during the period (1991-1992), the Bi-national Fulbright Commission, and Seeds of Peace; he currently chairs the board of Injaz & SIFE in Egypt. Between 1993 and 1995, Shalaby became Regional Director for International Public Affairs for AT&T, based in Cairo, Egypt, where he was the principal interface with key agencies within the governments in the region on matters impacting AT&T's operations.

In 1966 Shalaby graduated with a Bachelors of Science degree in Electrical Engineering from the University of Alexandria and earned a Masters of Science degree in Electrical Engineering and Computer Science from San Jose State University in California.

Q. To what extent has the telecoms industry been able to show its resilience to the economic meltdown?

A. In past recessions, telecommunications has typically been one of the most resilient sectors. Up until now the Telecom sector seems to have been extraordinarily resilient in the face of the economic downturn, knowing that in most of the SAMENA countries the recession has not hit as hard as in other regions. GDP growth rates have fallen in Egypt for example from around 7% in 2008 to an expected 5.5% in 2010. During H109 Egyptian telecom companies reached around 4Bn EGP in net income and 24BNEGP in total revenues which indicates that at the time when other sectors of the economy are feeling the pinch, the mobile market is still strong, even in markets where the local economy has entered into recession

Q. How have operators leveraged economic downturn to strategize better?

A. Our perspective is always that "any crisis always generates opportunities" - so we have been working on doing more with less Accelerating cost-reduction - reducing unnecessary spending, sharing networks, outsourcing network operations Leveraging crisis to renegotiate contracts - acquiring better terms from vendors and suppliers Using the slowdown to recruit the best talent Focusing on customer retention and churn management focus on customer that brings more revenues and work on how to keep them satisfied- acquiring new customer is more expensive than retaining one!

Q. Where have the operators been the most creative in creating or discovering better revenue-generation opportunities?

- A.
- ◆ Mobile broadband
 - ◆ Credit transfer – mobile banking applications
 - ◆ Mobile advertising

Q. How do you look at the debate between WiMAX being either "dead" whereas LTE hasn't even yet arrived?

A. The debate is still a long way from being resolved, especially in our region knowing that for example 3G was only recently introduced (in Egypt in 2007) and we have still not capitalized on our substantial investments in both license fees and network rollout.

In Egypt for example - we still have a constraint in terms of numbers of 3G handsets available, although that will be reduced in time as prices fall.

Although most wireless operators are probably thinking along LTE lines, we can't completely write off WiMax.

Each technology must have a solid ecosystem of suppliers, devices and retailers to take off - so we still have some time to wait and see what WiMax proponents are able to deliver

Q. What have operators learned from the experiences of others, especially with regard to wireless broadband access technologies and failed business modeling?

A. Broadband market is a main challenge in the long term because as wireless operators many of us have not yet figured out how to position ourselves - whether as bit pipes or more than that - developing partnerships and alliances with device manufacturers and content producers In Egypt we have a huge potential in fixed and mobile BB market – if we are able to overcome the following constraints:

- ◆ Coverage – fixed BB and mobile BB (3G rollout)?
- ◆ Consumer access to devices (PCs, netbooks, USBs and 3G handsets)
- ◆ Appropriate pricing structures – to balance stimulating usage with ensuring operator profitability
- ◆ Overcoming literacy and language constraints (basic + computer literacy and lack of Arabic content)?
- ◆ Developing business models based on mutual benefits between operators, producers and suppliers – growing the BB pie – rather than competing over a bigger slice

Q. What main areas are operators focusing on to cater to the needs of the enterprise market?

- A.
- ◆ Convergence and data offers
 - ◆ Roaming and international agreement
 - ◆ Tailored corporate solutions
 - ◆ With more vertical focus ex: pharmacy – construction industry
 - ◆ Multinational agreement

Q. How have business relations between operators and manufactures been affected - both positively and negatively - as a result of restrained economic activity over the past year?

A. Increased recognition that we are in the same boat – operators and manufacturers have to collaborate more closely to weather the crisis – so it is about creating more long term relationships – increasing give and take

Q. Where are operators focusing the most, in order to achieve economies of scale?

A.

- ◆ Infrastructure sharing
- ◆ Competitive pricing- to stimulate revenues while exploiting under used network resources (off peak promotions, dynamic discounts)

Q. How do operators view the idea of "unified roaming rates"?

A. Our perspective to stimulate customer to use Mobile is good for us especially if it counters the threat from VOIP

Q. What are now the key issues to address, to remain competitive and at the same time profitable?

A. Accelerating price pressures – as competition increases between operators Increasing churn – by which we mean rotational churn – with subscribers exploiting competitors offers

Increased dual & triple SIM phenomenon – which is another side of the churn issue – leading to ARPU dilution

Increased split between traffic growth and revenue growth.

Maintain leadership position in market share – build on customer intimacy and loyalty - generate more value from HVC (Postpaid and prepaid) – Enhance coverage to go into regions – new retention offers – adopting a segmented approach to target customers – MBB positioning

Q. What are operators doing to offset the impact of weak customer retention rates?

A. The customer is going to where he is getting a better deal.

In Egypt recently that has been about where he is getting the lowest prices – which has led to increased churn rates and exploding double SIM ownership

As an operator, we are focused on creating a more balanced value proposition - where we are offering the customer not only the most affordable service but other important elements - like best in class customer service, superior coverage – to increase stickiness and loyalty

Mobinil is also focused on branding and positioning – where we are stressing being the only locally grown brand – enhancing the emotional connection closeness between us and our subscribers

Q. How tough has deal-making become in the regional telecommunications business?

A.

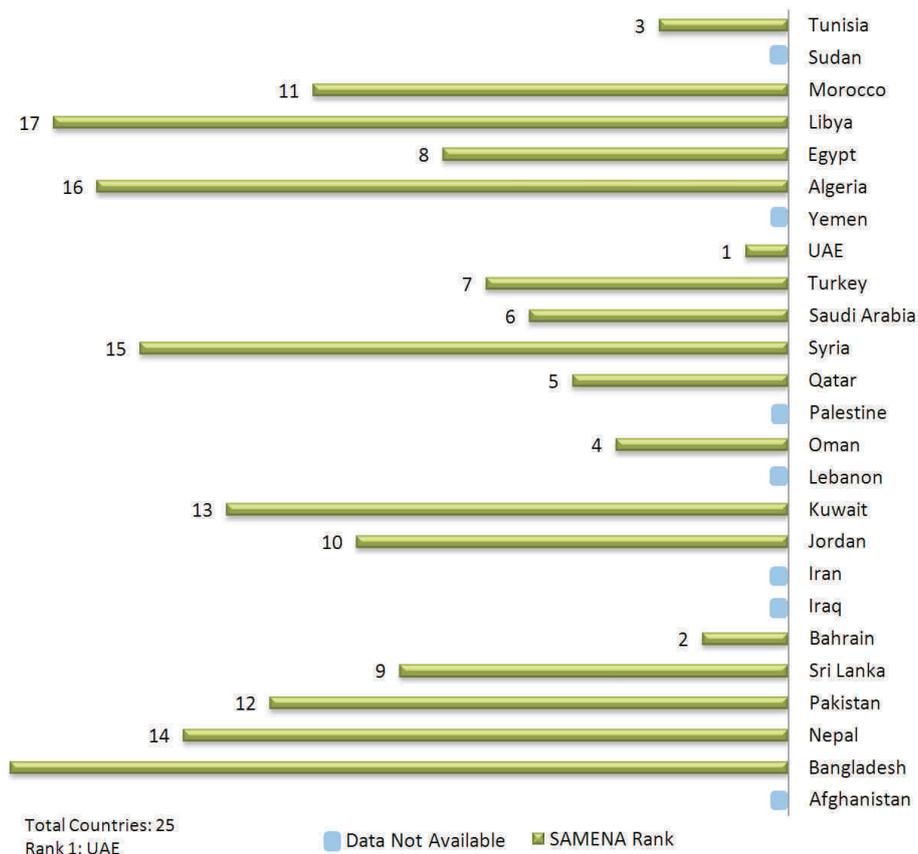
- ◆ Telco sector as impacted by more difficult financing conditions as elsewhere. Lenders more leery of lending - Mobinil to offer local bond for example
- ◆ At the same time, a recent report published by Bank Audi's MENA Weekly Monitor showed that Middle East M&A activity by value was up almost 19 percent year-on-year at the end of the third quarter, in contrast with global activity, which was down 40 percent during the same period.
- ◆ The report highlighted that the telecommunications, media and technology (TMT) sector remains the preferred sector this year for M&A activity in the Middle East, accounting for a 75.6% of deals by value and 21.8 % by volume.

Q. What will drive 2010?

A. Continuing focus on growth through expanding the market - Research has found that every 10 percent growth in mobile phone penetration brings about an increase of 0.6 percent in economic growth
Continued focus on increasing operational efficiency - new alliances and forms of collaboration – continuing to invest in the business – but rationalizing spending .



Laws Relating to ICT (SAMENA Ranking)

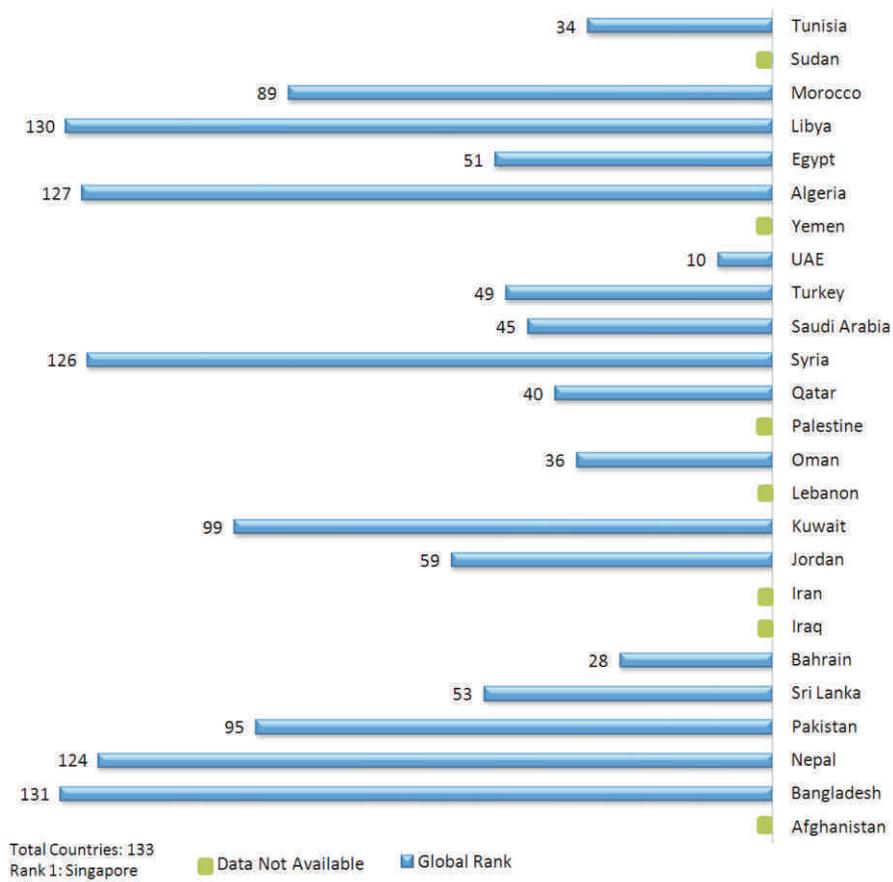


Research Note: Ranking done by SAMENA based on data from The World Economic Forum. Within the SAMENA region, the UAE appears to have the most highly developed and implemented laws relating to ICT. 4 out of the top 5 countries in SAMENA region are from the Middle East. Tunisia is the only country from North Africa to rank among top five regional markets, while there is no country from South Asia to rank among the top five countries of the SAMENA region with well-developed and enforced telecoms and ICT laws.

Data Source: The Global Information Technology Report 20092010 by World Economic Forum & INSEAD

Image Source: SAMENA Telecommunications Council

Laws Relating to ICT (Global Rank of SAMENA Countries)



Data Source: The Global Information Technology Report 20092010 by World Economic Forum & INSEAD
Image Source: SAMENA Telecommunications Council



REGULATORY NEWS

Wireless Carriers Call on FCC to Act on Data Roaming Mandate

Smaller wireless companies called on the Federal Communications Commission to quickly update the nation's wireless roaming rules to include data services reflecting the growing use of mobile phones for far more than just voice communications. The companies want the FCC to act on a rule that would ensure that their customers can access data networks operated by other providers when outside their own network area at fair rates and terms. Companies such as Cricket Communications, Sprint and T-Mobile held a news conference to call on the FCC to include a proposed rule mandating data roaming on its April agenda.

TRA Participates in Broadband World Forum MEA 2011

UAE's Telecommunications Regulatory Authority (TRA) participated in the Broadband World Forum MEA 2011. H.E. Mohamed Nasser Al Ghanim, TRA Director General, delivered a speech addressing the forum on broadband growth and regional regulations during the last 50 years. During the speech, Al Ghanim mentioned many facts that reflect the continuous growth of broadband; over 60% of UAE households are connected to the internet through fiber network. Meanwhile, the two local service providers Etisalat and du supply triple-play services to households and business customers.

Ofcom Unveils New Wholesale Price Proposals for Openreach

The UK's telecoms regulator Ofcom has proposed a number of new regulatory controls that will apply to the pricing of wholesale broadband and fixed voice services offered by Openreach, the access division of fixed line incumbent BT. Charges for both local loop unbundling (LLU) and wholesale line rental (WLR) are covered by Ofcom's proposals, and the watchdog claims that its recommended pricing structure "strikes a balance between providing incentives to invest in networks and ensuring that broadband and landline prices are good value for consumers."

BTRC Plans Audit of Mobile Operators

Telecommunications regulator in Bangladesh plans to audit mobile operators and has already appointed two firms for the project. The first two operators to be scrutinized by the Bangladesh Telecommunication Regulatory Commission (BTRC) are Grameenphone and Banglalink. The move comes as the operators, along with Roby and Citycell, have to renew their licences this year. Grameenphone's chief corporate officer said the company has no problems with the audit as it complies with the laws. Zakiul Islam, director of Banglalink, also welcomed the regulator's move.

Bahrain TRA Invites Expression of Interest in 1800 MHz Spectrum

Bahrain's Telecommunications Regulatory Authority (TRA) has recently published an Invitation for Expression of Interest (EOI) in the licensing on a temporary basis of an additional 30 MHz of spectrum to the three existing operators utilizing the frequency range 1710 - 1880 MHz. The spectrum on offer has been packaged into three, Sub-Band lots, each comprising two 5 MHz segments separated by 95 MHz. TRA will use responses to this EOI to analyze market demands for a release of additional spectrum.

VimpelCom Gets Regulatory Approvals for Merging with Wind Telecom

Russian telecom carrier VimpelCom received approval from regulators of all relevant countries for its proposed deal to acquire Wind Telecom. The merger, valued at US\$6 billion, is likely to create the world's fifth-biggest mobile company by subscribers. A statement by VimpelCom said, "Final approvals have now been received from the Italian Antitrust Authority, the Antimonopoly Committee of Ukraine, the Competition Commission of Pakistan and the Pakistan Telecommunications Authority." VimpelCom said it expects to complete the transaction in the first half of the year.

Ghana Communication Authority Awards Broadband Wireless Access License

According to news sources the National Communications Authority (NCA) has awarded a Broadband Wireless Access (BWA) license to GoldKey Properties Limited. The telecom operators paid US\$5.5 million for the rights to use frequencies in the 2500MHz-2690MHz band for the next ten years. The BWA licenses are intended to provide wireless broadband connectivity in Ghana and are technology neutral.

Ofcom Calls on ISPs to Advertize More Realistic Speeds

Ofcom is to introduce a new code of practice under which it hopes ISPs will be more realistic in advertizing broadband speeds. The watchdog has released figures showing that the average advertized speed in the UK is currently 13.8 Mbps, whereas the actual average speed being delivered to UK households is only 6.2 Mbps. The new code will be introduced in July and ISPs will be expected to accompany any "top end" speed boasts with a typical speed range (TSR) of at least equal prominence.

Operators Seek Incentives for Broadband Rollout

Telecom firms in Philippines are seeking tax incentives and lower regulatory fees to accelerate the development of broadband internet, particularly in rural areas. Globe Telecom said that an additional incentive in the form of lower administrative fees for the National Telecommunications Commission (NTC) and tax incentives from the Board of Investments will help speed up internet rollout in the country. Under the 2011 draft of the Investment Priorities Plan (IPP), the telecommunications sector will not be entitled to any income tax holidays. Globe says that a lower spectrum user fee, which is paid to the NTC, will also help infrastructure development.

NTA Mulls Plan to Use Digital Dividend for 4G Mobile Services

According to news reports, Nepal Telecommunications Authority (NTA) is considering plans to use the digital dividend for the operation of 4G mobile services. NTA director Ananda Raj Khanal added that to this end, the Ministry of Information and Communication (MoIC) has set up a committee to study the plan, and to make suitable recommendations to the government based on international best practice. Further, alongside the MoIC committee, the watchdog is also planning to create a separate committee to undertake an in-depth study on spectrum allocation, pricing, method and assignment for 4G mobile services, Khanal said.



A SNAPSHOT OF REGULATORY ACTIVITIES IN SAMENA REGION

The modern era phones have changed the entire paradigm of the usage of phone itself. The phones once used as connecting two people to listen each other's voice have become more than a phone to its user. It is being substituted as a bank, as mobile ticketing source, a 2D barcodes reader and online gaming gadget apart from other marvelous usages. The most important and popular usage of the mobile phone is the entertainment. A large number of entertainment applications have been produced and are readily available at the stroke of a key. As a result a full-fledged content producing industry has emerged globally. Mobile entertainment products like mobile portals, Mobile Gaming, Mobile Client applications, Flash Lite Music Client, Mobile TV, 3D Soccer, User Generated Contents, Aggregation and Sublicensing, Content production Services, Embedded Contents and many many more are available on the shelf. The phenomenon started with the contents like ringtones, wall papers, music and games. The Mobile Content Industry is growing exponentially worldwide, especially in the developed economies. Significant growth is also being visualized in users uploading and sharing their own 'User Generated Contents'. The mobile content alerts are ideal way for content providers as well as social networking vendors to introduce

their products in an interesting and fitting manner to their potential clients. Using SMS delivery system for new content alerts such as music tracks, games, videos or even user generated content is an easy and lucrative way to keep customers updated and make sales and revenue streams up. Voting via SMS can also easily be enabled for social networks and online communities. SMS is the ideal technology to reach a worldwide consumer base, because it has a global presence and is ubiquitous, which can be further improved in combination with mobile delivery, download and sharing. Despite the complicated multimedia nature of mobile content, SMS messaging is still the most popular delivery technology. Mobile content can be provided to the end-user in a quick and simple manner with SMS via WAP-Push. Because of the comprehensive and global nature of SMS, text messaging remains the best technology to handle mobile content delivery. Mobile content and entertainment providers can also enhance full mobile interaction with subscribers by implementing 2-way SMS. By enabling subscribers to request the mobile content they want in a user-friendly manner, these companies can directly benefit from increased customer retention and stronger revenue streams.

Country-wise Regulatory Activities

Afghanistan

The Afghan Cellular Operators with the help of Regulator and backed by the country's Banking institutions are on their way to implement the mobile money transfer. Due to friendly regulatory atmosphere in Afghanistan, Etisalat has planned to invest US\$100 million between 2011 and 2012 and is planning to launch a 3G network later this year. Etisalat expects subscribers base to more than double within two to three years, pushing its market share to between 30% and 35% and also expects its subscribers to reach six to 6.6 million in two to three years. The company has so far invested US\$300 million since 2007, also plans to acquire an existing internet service provider within the next two months as a strategic deal on the enterprise side.

Algeria

Till the filing of this newsletter the Algerian government and Orascom Telecom are eagerly awaiting a valuation report by consultants to determine the future of a row between Orascom's local Djezzy unit and the government. According to the Algerian government, it plans to nationalize the Egyptian parent company's assets after a battle over back taxes and the unit's ownership left the two entities rattled earlier this year. Algeria's Communications Minister told that the valuation was to determine the course of action monetarily with the Egyptian company. Uncertainty over how long the nationalization will take and how much Algeria will pay for the lucrative unit had hampered a multi-billion-dollar deal for Russia's VimpelCom to buy Orascom Telecom assets.

Bahrain

The Telecom Regulator released an invitation for expressions of interest in 30MHz of mobile spectrum in the 1800MHz band to be available for temporary release for a period of six months, extendable for further periods of two months duration. The available spectrum includes the following band segments, which have been packaged into three 2x5MHz paired sub-bands (uplink, downlink): 1750MHz-1755MHz, 1845MHz-1850MHz; 1755MHz-1760MHz, 1850MHz-1855MHz; and 1780MHz-1785MHz, 1875MHz-1880MHz. It is intended that this spectrum will be included in a future tender for full mobile licenses, which together with additional spectrum (yet to be decided) should be capable of facilitating advanced, fourth-generation mobile systems such as Long Term Evolution (LTE). Therefore the current planned release of unallocated spectrum will be on a temporary basis only. The deadline for responses is April 21, 2011. The Regulator also revoked all licenses held by alternative telco 2Connect (WLL Operator). A statement from the Regulator added that as a result of this revocation, all telecommunications services provided to

2Connect's customers will be permanently disconnected once the deadline stated in the resolution comes to pass, under article (24)(a) of the telecommunications law which prohibits the provision of telecommunications services without a license, but no reason for the move was given.

Bangladesh

Bangladesh's mobile networks are protesting against proposals by the Telecoms Regulator to not only raise the radio spectrum fee they pay, but also to set the fee based less on the amount of spectrum they have than their respective customer bases. Different spectrum charges have been imposed on the operators in line with their subscriber bases. During the month the Regulator decided to review its decision of March 2010 to close down the operations of five fixed line telecoms providers for their involvement in illegal VoIP telephony provision. The Regulator is reviewing decision in response to an appeal from an operator. The Regulator also plans to audit mobile operators and appointed two firms for the project. The first two operators to be scrutinized by the regulator are Grameenphone and Banglalink. The move comes as the operators, along with Roby and Citycell, have to renew their licenses this year.

Egypt

As per recent regulatory report the Egypt's 3G market is expected to grow five times in the next two years. The report argued that they envision the 3G market to expand to around five million users by the end of 2012. The country's 3G market has been expanding at a significant rate since 2007 and is projected to grow fivefold by the end of 2012. However, the report failed to discuss the high costs of purchasing 3G in Egypt as until costs begin to come down dramatically, 3G will only be affordable for a very small segment of the population and even this estimate is high without reductions in costs to the consumer. The report finds that the main reasons for huge investments in the 3G infrastructure by the three mobile operators in the country, is the saturation in existing 2G networks and declining ARPU in the 2G segment. Operators are trying to convince their customers to move into the new 3G services as a way of freeing up 2G capacity and halting the steady erosion of the ARPUs. According to the figures released by the regulator, the number of mobile phone subscriptions in Egypt rose 27.7% to 70.66 million as of last December, from a year earlier. In December 2009, the total number of subscribers of Egypt's three mobile operators, Etisalat Egypt, MobiNil and Vodafone Egypt, stood at 55.352 million.

Iran

The Telecom Regulator during the start of new Iranian calendar year constantly monitor the networks of operators; and mobile teams were deployed to check quality of service (QoS) of all mobile and fixed line services. In a most recent research report it has been discovered that mobile data revenue in Iran is limited by the lack of 3G licenses and by the poor quality of the incumbent's core network, as well as limitations on online content. These circumstances are changing, however, and with strong demand, mobile data revenue is expected to grow at a CAGR of 15% from 2010 to 2015. Due to infrastructure limitations and legal restrictions on Internet websites, Iran's data segment is still in its infancy, generating less than a fifth of the telecom industry's US\$9.1 billion revenue in 2010. As per the researchers, Iran has a national ban on many websites, including political, human rights and women's sites and blogs expressing dissent or deemed to be pornographic and un-Islamic. The ban has also targeted such popular social networking sites as Facebook and YouTube, as well as news sites. They added that network improvement and creation of local content in Iran will be crucial as growth in data services is triggered by the entry of a third operator, Tamin Telecom. It is expected that data's share of total revenue to reach 29% by the end of 2015, reaching US\$3.1 billion. Once the third entrant launches 3G services in late 2011 and other operators launch 3G after the two-year exclusivity period, it is expected that 3G service adoptions will boom.

Iraq

During the reporting month the Telecom Regulator ordered all operators to stop interconnections with "unlicensed lines". Due to this regulatory intervention it is expected that Zain Iraq could lose some 5 million mobile subscribers. In January, the Regulator accused Zain Iraq of using 5 million SIM cards without regulatory approval. The Regulator also imposed US\$262 million fine on Zain Iraq. The Communications Ministry hopes to auction a fourth mobile phone operator license for around US\$2bn by the end of the year, and it has planned to divide the fourth license into three main shares and 40% of the shares (will go) to the operator, 35% of the shares to the public, and 25% of the shares to the government. Iraq hopes to raise around US\$2 billion from the auction of the country's fourth mobile phone operator license, expected to take place by the end of the year. Plans for the license tender received final cabinet approval in May 2010, by which time 15 firms had expressed an interest in entering bids, including US-based Verizon Communications, South Africa's MTN, Turkcell of Turkey and the UAE's Etisalat. According to the Minister, Iraq has allocated US\$500 million to spend on upgrading outdated and damaged infrastructure after decades of war and economic sanctions. The government also aims to boost fixed line phone penetration and internet reach to 25% within five years. The funds include 37% of last year's unspent budget allocation. The regulator also held a meeting with Kalimat Telecom on the issue of retroactive

fees and frequency interference among companies, as well as the possibility of allocating frequency spectrum to the company in all Iraqi provinces.

Jordan

The Telecom Regulator after receiving comments from the Operators issued a position paper on draft decision 'Access Deficit Contribution'. In another development CEO of Jordan Telecom Group has said the number of subscribers to Orange Jordan's 3G services, which currently exceeds 300,000, is expected to triple by the end of this year. By the end of 2011, the expected number of 3G services users on its network to hit one million, especially after high speed broadband internet service is provided in the market. The telecom group launched the 3G services in March last year.

Kuwait

During the reporting month it was revealed that the new Kuwaiti capital market laws related to takeovers will not apply to deals agreed before the rules are published this month, exempting Etisalat's US\$12bn bid for a stake in Zain. The Capital Market Authority officials told that they have nothing to do with any takeover deal that happens or is agreed on or before the bylaws is published in the official gazette. Etisalat offered in September to buy a 46% stake in Zain from major shareholder, Kharafi Group. In another development the Ministry of Information told that it cannot take legal actions against any violations committed by news agencies through the medium of text messages since no legislation has yet been introduced to cover this medium. As the only body authorized to register SMS news services, the Information Ministry has to date granted permission for the launch of 29 such services after the agencies signed an undertaking to comply with the audiovisual and press media laws. Presently the licensing process for SMS news services has been put on hold until regulations can be introduced which would allow the prosecution of any violations by agencies via this medium. Under the current legislation, any prosecution in such a case would be carried out in coordination with the Ministry of Communications, which would work with telecommunications firms to take legal action against the agency in question. The complex and lengthy nature of such cases, however, means that this is less of a deterrent to such agencies than it might otherwise be, the insider explained, which is why the ministry wishes to introduce new legislation.

Lebanon

The Telecom Regulator as part of its efforts to protect consumers' rights launched a new leaflet destined to focus on its work and efforts in terms of consumer protection. This leaflet destined to the widest public is part of the Transparency and Accountability Grant (TAG) project funded by USAID. The leaflet highlights the TRA objectives and main actions to improve the quality of telecom services and solve users' complaints. It also stresses on the regulatory efforts and field levels to help telecom services

consumers secure their rights. In another development the BroadMap and the New America Foundation announced their joint partnership is enabling BroadMap's State broadband mapping partners to provide speed tests to users. The resulting data also will allow BroadMap to verify the coverage areas displayed on these States' broadband maps, to identify potential discrepancies and to support the States' future broadband planning efforts. Currently, broadband speeds displayed on State websites are based on advertised maximum download speeds supplied by each broadband provider, which may or may not represent actual speeds experienced by users. Visitors to BroadMap-powered State websites now can test their Internet connection speeds by running a speed test, enabled by the New America Foundation, that analyzes information including download speed, upload speed and latency to get a more accurate view of their actual performance.

Libya

During the month due to world's stepping up military pressure on Libyan leader and economic sanctions in place, the country's telecommunications sector is facing an uphill battle to maintain operations as civil war has taken hold of the country. The country's telecommunications company is worried that the unrest is threatening its investments in Libya and abroad. "Certainly this is a cause for concern for the country and for the region, where it has a number of assets and investments that they are unable to deal with at the present moment," Egyptian securities analyst Heba Mansour said. She argued that although right now the situation looks detrimental, she compared it to the Egyptian aftermath after its own revolution and the optimism that has created. "We saw the telecom companies here in Egypt lose a lot of money during the protest movement, but now that the country is moving forward, investment has never been so positive, with a number of international companies looking to get involved. The same can happen in Libya," she added. Libya's telecom company has been a major player on the continent and under its LAP Green brand, has become a pan-African mobile operator with presences in Zambia, Uganda, Niger and the Ivory Coast. However, many of those contracts are under threat as the violence continues. The LAP Green brand is struggling to make ends meet throughout this turbulent time and a number of regulators have been looking at alternatives if Libya cannot pull through the tension in a timely fashion.

Morocco

The Telecoms Regulator ruled that Maroc Telecom and Medi Telecom (Meditel) broke regulations on mobile subscriptions of less than one-year duration, following complaints from rival Wana (Inwi). Concluding the case dating back to June 2010, the Regulator gave all mobile operators until the end of March to present their revised contract clauses conforming to the stated regulations, to be applied to existing and future subscribers. The Wana won by demonstrating that its two rivals were breaking rules on contracts less than one-year in duration. According to

Wana, 'subscribers [on two-year contracts] who cancel after one year can be required to reimburse the difference between the handset's price on two-year and one-year contracts.'

Nepal

The Telecom Regulator is considering plans to use the digital dividend – the Very High Frequency (VHF) and Ultra High Frequency (UHF) bands that would be freed up in the switchover from analogue to digital television – for the operation of 4G mobile services. The regulator informed that to this end, the Ministry of Information and Communication (MoIC) has set up a committee to study the plan, and to make suitable recommendations to the government based on international best practice. Further, alongside the MoIC committee, the Regulator is also planning to create a separate committee to undertake an in-depth study on spectrum allocation, pricing, method and assignment for the 4G mobile. The Regulator is currently carrying out preliminary work on the issue. Local operator Ncell recently applied for 4G spectrum, while Nepal Telecom (NT) has also hinted that it would be interested in offering the service in the future. According to the figures issued by the regulator, Nepal had 11.52 million telephony users on February 15, comprising 10.04 million mobile subscribers, 842,230 fixed-line subscribers, and 635,827 other telephony users (satellite and limited mobility services). The number of mobile customers grew from 9.20 million on December 15. Of the total, 9.17 million were GSM users, up from 8.33 million in December, and the remainder use Nepal Telecom's CDMA service called Sky Phone. Nepal Telecom led in GSM subscribers with a customer base of 4.69 million, followed by Spice Nepal (Ncell) with 4.48 million. The number of fixed telephony users in Nepal stood was up from 841,698 in mid-December. Of the total, 602,073 were PSTN users and 240,157 were WLL users. Nepal Telecom had 593,685 PSTN users, followed by STM Telecom Sanchar with 5,033 customers, Nepal Satellite Telecom with 2,215 customers, and Smart with 1,140 PSTN customers. Nepal Telecom also had 169,905 WLL users and United Telecom had 70,252 WLL subscribers. Furthermore, Nepal counted 2.27 million internet users, up from 1.90 million reported in mid-December and the penetration rate stood at 7.93 percent. Some 1.98 million people connect to the internet using GPRS, followed by 181,536 internet users that connect through CDMA 1X. Some 43,547 internet subscribers use ADSL and there were also 32,500 cable internet users, and 19,827 dial-up users. Furthermore, 13,000 internet users connect through wireless or fiber optic technologies.

Oman

During the reporting month the telecom professionals from the across the Middle East and North Africa met in Muscat to discuss the future of Broadband technology at a Summit organized by the SAMENA Telecommunications Council under the patronage of Dr. Mohammad Wahaibi, Under Secretary for Communications at the Ministry of Transport and Communications. The keynote speeches and debates

covered a broad spectrum of issues including the challenge for broadband technology from Next Generation Access, general growth and strategy issues for the sector in both the fixed and mobile area, the importance of building effective Public Private Partnerships for broadband growth and infrastructure and how to stimulate greater demand in the SAMENA region. Highlighting the importance of creating public private partnership to build next generation national broadband networks as a prerequisite for economic and social development, Dr. Mohammed Ali Al Wohaibi in his opening speech said, "In many countries building a next generation national broadband network constitutes the single largest infrastructure investment." Commenting on the Summit, Thomas Wilson, CEO of SAMENA Telecommunications Council said, "We are delighted to be hosting such a major event in Oman which is increasingly becoming a major regional hub for the telecommunications industry thanks to its excellent geographic position and the leadership role played by Omantel in introducing modern and highly sophisticated telecommunications technology to the nation." In another development the telecom regulator contracted AusRegistry International, a leading provider of Domain Name Registry Services to provide Domain Name Registry Software and supporting services for the establishment of a new Domain Name Registry System. The new Domain Name Registry System will encompass both the existing .om country-code Top-Level Domain (ccTLD) and the planned (.oman) Arabic script Internationalized country-code Top-Level Domain (IDN ccTLD). The regulator's decision to select AusRegistry International for this critical national infrastructure project was made at the conclusion of a global open tender process and confirms AusRegistry International's position as a global leader in the Domain Name Registry Software industry.

Pakistan

During the reporting month the Universal Service Fund Company (USF) of Pakistan become the world's foremost USF institutions to join SAMENA Telecommunications Council, a multi-regional membership of operators, technology companies, regulatory authorities, and government institutions. USF, established by the government of Pakistan to expand basic telephony and broadband connectivity to impoverished and under-served areas, and ranked globally among a handful of most successful and exemplary implementations of the universal service fund, has been at the forefront of bridging the digital divide within Pakistan since 2007. In a market of 170 million inhabitants and where GSM coverage exceeds 80%, USF has been achieving its targets of financing the expansion of telecommunications services in collaboration with and by being solely reliant on private sector telecommunications operators' financial contributions. USF is now in the process of starting citizen-centric services in the rural areas of the country, thus propelling the use of information and communication technology tools and e-services. Mr. Parvez Iftikhar, USF's chief executive officer, feels that "In joining

SAMENA, USF Pakistan would be able lead a cross-regional dialogue on universal service funding. It is one more area in which Pakistan has excelled and we believe our country has served and can continue to serve as a role model for other regional countries – just like World Bank and ITU recently asked us to help improve universal service implementations in Indonesia and Thailand. SAMENA now has this region's most active and successful universal service implementation agency on board to take on leadership roles." SAMENA Telecommunications Council's membership platform, since its creation in April 2006, has been active in voicing and communicating information on telecoms and pertinent regulatory challenges. USF Pakistan is the 82th member to join SAMENA. The Telecom regulator updated the list of advanced Telecom Equipment, which is subject of its type approval by its manufacturers, importers and users for the purpose of trade and operate within the boundaries and airspace of the country. The Authority has identified equipment of eight categories under its type approval with varied fees separate for imported and locally-manufactured telecom equipment. Local manufacturers, importers and users are provided certificates while maintaining full details and information about equipment and accessories supplies, its purpose of use and place of installation. PTA's regulation said that "It issues Type Approval Certificate to any person, class of persons, company or corporation. Following categories of Telecom Equipment require Type Approval: Wireless Module, Wireless Radio Sets, Vehicle Security Devices, RFID Equipment, VoIP Terminal Equipment, Fixed Wireless Terminal Equipment, Broadband Terminal Equipment and PABX/IP-PBX. The regulator is also working with State Bank on third party regulations and would be able to come up with these regulations this year, said Dr. Mohammad Yaseen while addressing at 4th International Mobile Commerce Conference-2011. Addressing the conference he said that mobile money is still in its emerging phases, there is consensus that regulations must be implemented gradually and designed to evolve as the industry expands and matures – an approach that seeks to respond to risks in the mobile money space as they emerge. The introduction of third party payment networks also known as MPSP (Mobile Payment Service Providers) would be of immense advantage since these third-party payment handing agents can work with many providers, rather than the closed networks. At the end of session Dr. Mohammed Yaseen distributed mementos and awards. He also received "Visionary Telecom Leader 2010" on the occasion.

Palestine

During the reporting month the Palestinian Ministry of Telecom and Information Technology (MTIT) reportedly agreed to allow the Jerusalem District Electricity Company (JDECO) to offer broadband internet access over power lines. It is understood that the regulator's decision has in part been prompted by continued complaints regarding the quality of service offered by fixed line incumbent Palestine Telecommunications Company (Paltel). The

ministry also told that JDECO had been granted a temporary license 'to create a competitive atmosphere, after Paltel failed to deal adequately with the complaints of users about bad service and high prices.'

Qatar

The Telecom Regulator during the reporting month launched the Qatar Domains Registry (QDR). QDR will begin making Qatar-specific Internet domain names in Arabic and Latin-scripts available to select organizations in Qatar immediately, with general domains available to the public by August of 2011. Qatar-specific Arabic domain names will be made available more broadly to government entities, and registered trademark and IP holders during the next phase of registration. By the end of August 2011, the Qatar-specific domain names will be publicly available. In another development the Middle East submarine cable operator Gulf Bridge International (GBI) announced the landing of its international fiber-optic GBI system in Qatar. Vodafone Qatar has set up a cable landing station north of Doha to link the country to the new high-capacity undersea network, which will add voice/data capacity and redundancy between all Gulf States and provide onward connectivity to Europe, Africa and Asia. The regulator also announced the establishment a new independent company Qatar National Broadband Network Company (Q.NBN) tasked with accelerating the rollout of a nationwide accessible high-speed broadband network Fiber to the Home (FTTH) so that it will cover 95 percent of the country by 2015.

Saudi Arabia

During the reporting month the quarterly e-newsletter of the Regulatory Commission informed that mobile-phone subscriptions in Saudi Arabia rose 15 percent, to 51.6 million, by the end of 2010, from 44.8 million a year earlier. Internet users in the Arab world's largest economy rose 11 percent, to 11.4 million, from 10.3 million. In another regulatory development the Saudi Telecom has selected US firm JDSU to provide a comprehensive IPTV end-to-end service assurance solution, giving STC the ability to detect and resolve service and network quality issues for its IPTV service 'InVision'. The solution selected is comprised of several products and services and consolidates all troubleshooting software and hardware elements, and offers an efficient view of key performance indicators (KPIs) to identify issues throughout the entire network.

Sri Lanka

During the reporting period according to the figures from Telecom Regulator the country ended 2010 with 3.58 million fixed-line subscribers, up from 3.44 million at the end of 2009. Fixed teledensity stood at 17. The number of mobile subscribers grew to 17.36 million from 14.10 million a year earlier, and the mobile teledensity was 82. Sri Lanka also ended the year with 280,000 fixed internet subscribers and 294,000 mobile broadband subscribers. In 2009, Sri Lanka had 249,756 fixed internet subscribers

Sudan

The Government of Southern Sudan (GoSS) has requested that telecoms companies operating in the region suspend work there until the administration publishes new regulations for the sector. South Sudan is expected to become Africa's newest nation in July 2011 after voting to secede earlier this year. The GoSS's decision could force Zain, Sudan's largest mobile operator by subscribers, to postpone some work on base stations and the rolling out of fiber-optics. Kuwait-based Zain has reportedly invested US\$300 million – or about 20% of total capital expenditure in Sudan – over the past five years in the south, and has rolled out around 150 base stations in the region. In the framework of capacity building activities and the field of work development in a communication environment and exchange of regional and international experiences and expertise, the telecom regulator hosted a three day regional workshop on "the infrastructure sharing and LLU" to discuss all the issues that related to trends in the sharing of infrastructure for telecom and information technology. The workshop was attended by representatives from various telecom sectors, regulatory, and academic bodies, as well as local and regional companies under the supervision of local and international experts.

Syria

Qatar Telecom (Qtel) has confirmed that it will bid for the Syria's third mobile operator license, despite the ongoing political turmoil in the country from democracy activists. Syria's forthcoming auction for the country's third mobile network license is reportedly set to have a minimum reserve price of US\$122 million. The country is estimated to have had just over 11 million mobile phone subscribers at the end of March 2011, which represents a population penetration level of 54%. The two incumbent operators will have to buy out their current BOT agreements and convert to a conventional license agreement. The buyout price has been reported as being around US\$500 million. The company also confirmed that it would be restructuring its debt within the next few months, and might consider further capital raising at the time. The company also signed, in association with Wataniya Telecom, an agreement to acquire another 25% shareholding in Tunisiana, raising its stake to 75%.

Tunisia

In a regulatory move anticipated by analysts and observers in Tunisia, the government has taken over 51% of Orange Tunisia. The telecom operator is owned by the son-in-law of former Tunisian President and has been under pressure from both the public and private sectors after the ousting of the former President in January. The move would see the government take controlling power of the company. Earlier the government had frozen the assets of Orange Tunisia executives. That came after the government published a decree in an official newspaper on March 21, making the seizure official. France Telecom told that "nothing changes

on the operational level and that for Orange Tunisia, it is business as usual." Already, the Tunisian government has established a commission to run for 6 months before deciding what they will do with the confiscated assets of the former President and his family and friends. In early reactions, analysts say the 51% stake acquired by the Tunisian government could be sold to a third party or "floated on the stock market." A possible buyout by France Telecom is "unlikely" in the near future as a result of license terms that prevent it from owning a majority stake in the company before April 2014.

Turkey

As per a survey conducted by the research company GfK showed, Turks spent 17.5 billion liras (US\$11 billion) on technology products last year, 19.4 percent more than in 2009. Spending on telecommunications products, including smartphones, grew 41.8 percent, to 4.2 billion liras. The telecom Regulator issued a draft regulation on 'administrative fines and measures' for public consultations from the stake holders. The submission date has been fixed as April 21, 2011. Regulator also issued a draft regulation pertaining to consumer complaint resolution. Feedback from the stake holders can be submitted by April 25, 2011. The Regulator has sought the public opinion on mobile call termination rates. The deadline to submit the opinion is April 23, 2011.

UAE

The Telecom Regulator organized a two day the 'Middle East Spectrum Conference'. ITU Secretary General, Dr. Hamadoun Toure attended the opening ceremony of the conference in addition to international spectrum management experts, government officials, representatives from the regulators, telecom operators and private entities from the UAE and other regional countries. The conference discussed new approaches on spectrum enforcement and also shed more light on challenges of GSM reframing and finding the spectrum for 4G networks. The conferences analyzed other topics such as reaping the digital dividend and the status of the public sector spectrum in the 21st century. The Conference was an important event which focused on upcoming trends and challenges in spectrum management while discussing innovative methods and solutions for the efficient utilization of spectrum.

Mr. Thomas Wilson CEO of SAMENA Telecommunications Council also participated in the conference as a panelist. His discussion was regarding Spectrum Allocation for 3G networks. He was of the opinion that as SAMENA region's ICT industry continues its remarkable progression; broadband is progressively becoming the nexus of digital content and other value added services. Growth in the mobile content space-which is especially evidenced in the Middle East shows a strong demand for content and introduces challenges that the industry stake holders must address to embark on widespread success in this demanding region. In most of the market in SAMENA

region, the content sector is still under-served as far as local content is concerned. Technologies for content delivery (WiMAX, LTE, HSPA, and EvDO) together with content can contribute towards formulation of ICT-based economy.

The Regulator organized the event for the first time in cooperation with Policy Tracker and expected that high number of participants from GCC and other Arab countries. The topics of the conference were designed to converse on the most pertinent challenges facing the industry at the current time especially the radio frequency spectrum management and the discussions yielded prolific and creative results. In another development the UAE telecoms firm Etisalat has scrapped its US\$12 billion offer to buy a controlling stake in Kuwait-based group Zain. Etisalat has reportedly blamed the collapse of the deal on Zain's divided board of directors, the extended period of due diligence and widespread regional unrest.

Javaid Akhtar Malik

Director of Regulatory Affairs

SAMENA Telecommunications Council



TOP TECHNOLOGY UPDATES

Ericsson Aims to Establish Global LTE Test Center in Taiwan

Ericsson, the provider of telecommunication systems and equipment, is intending to locate its second global LTE (long-term evolution) IOT (interoperability test) center in Taiwan, according to Philip Tseng, GM of Ericsson Taiwan. Ericsson has operated one world-caliber LTE IOT center running in Canada, and aims to set up a second one in Taiwan mainly to focus more Taiwanese makers of network and related end-user devices to develop LTE-based products.

Optelian Announces 80 Channel High Bandwidth Optical Networking Platform

Optelian has announced that its LightGAIN optical networking platform now has 80-channel DWDM capacity. This high capacity is supported using 50 GHz spaced 80-channel multiplexers, two and four degree ROADMs, optical channel monitors, higher powered optical fiber amplifiers, high linearity fiber Bragg grating dispersion compensation modules and tunable DWDM transponders. This new high-bandwidth system will benefit long-haul and metro network operators who anticipate high growth in their networks.

Mindspeed Brings Commercially Available 10G-EPON Burst-Mode Receiver Chipset

Mindspeed Technologies Inc., a supplier of semiconductor solutions for network infrastructure applications, announced the first commercially available 10 Gigabit Ethernet Passive Optical Network (10G-EPON) burst-mode receiver chipset. "Mindspeed's breakthrough solution will accelerate the adoption of 10G-EPON networks by enabling multi-service access equipment to handle higher data rates and more broadband users," says Hasnain Bajwa, SVP and GM of the lightspeed connectivity solutions (LCS) business unit at Mindspeed Technologies.

T-Mobile to Double HSPA+ Speeds to 42 Mbps in 25 Markets

T-Mobile USA has announced that it intends to double the theoretical download speeds of its DC-HSPA+ network from 21 Mbps to 42 Mbps in 25 markets by mid of 2011. T-Mobile estimates that around 140 million Americans in 25 different markets will benefit from increased transmission speeds. Neville Ray, CTO at T-Mobile USA, said: "As T-Mobile continues the aggressive expansion of 'America's largest 4G Network', starting with big cities we are doubling our maximum speed in more than two dozen markets. We will continue to build on our 4G network advantage this year, providing customers with an industry-leading mobile data experience."

iBurst Trialing "New Generation" WiMAX/LTE Network

iBurst is currently trialing a new WiMAX network which can easily be upgraded to LTE if needed.

iBurst is quietly building a significant fiber network and trialing the latest WiMAX and LTE equipment for future use. iBurst's Technical Director Sasan Parvin explains that they are currently trialing Huawei WiMAX equipment which provides them with better throughput, better spectral efficiency and future proofing with easy migration to LTE if needed.

Deutsche Telekom Outlines Fiber-to-the-Home and LTE Plans

Deutsche Telekom discussed rollout plans for both its fiber-to-the-home (FTTH) and wireless LTE network. As many as 160,000 households in 10 German cities will connect via FTTH this year. The company claims download speeds in excess of 1 Gbps and upload speeds of 500 Mbps will be available. Deutsche Telekom will also expand its HSPA/UMTS network in 2011 by doubling available bandwidth to 42 Mbps. When LTE finally rolls out, the company is hoping for speeds of more than 100Mbps. Business customers will be the first to test LTE coverage during the summer of 2011.

Ucell Adds 3G Roaming Partners

Uzbekistan's mobile operator, Ucell has signed agreements with new roaming operators. Subscribers can now roam on "One network" in Macedonia. Ucell also added new 3G roaming partners: Zain in Jordan, Espresso in Senegal, Dauphun Telecom in French Antilles, Qcell in Gambia and Airtel in Ghana.

Sprint Unveils New Novatel 3G/4G MiFi

Sprint has announced the availability of their latest mobile hotspot, the Sprint Novatel 3G/4G MiFi. As the name suggests, the device lets Sprint mobile broadband users share both EVDO and Mobile WiMAX connectivity with up to five WiFi enabled devices. The device costs US\$80 if you sign a new two year contract and obviously requires a Sprint 3G/4G Mobile Broadband Plan, which start at US\$50 a month (5 Gigabytes cap for EVDO, unlimited service over Mobile WiMAX).

TELUS to Launch 4G Plus Wireless LTE by 2012

TELUS plans on giving its customers faster mobile Internet access speeds by early 2012, with the launch of the company's next generation Long Term Evolution (LTE) network. The construction of the 4G Plus LTE network will begin in late 2011 in major urban markets throughout Canada, and will operate on the Advanced Wireless Services (AWS) spectrum that TELUS purchased through an Industry Canada auction in 2008. "The LTE upgrade means our customers can enjoy even faster speeds when they want to be entertained on-the-go, stay connected with family and friends, visit their favorite social media sites, remain engaged with business contacts wherever they are, and access healthcare applications," says Darren Entwistle, President and CEO of TELUS.



DIGITAL NEWS IS THE WAY OF THE FUTURE

Over the next few years, the idea of a “newspaper” will undergo a radical transformation, and most readers in the UAE and throughout the Middle East will prefer to get their daily news not from a printed paper but from a screen if they don’t do so already. Digital formats will offer not just traditional stories but also video footage, an expanded selection of photos, access to primary source material, and the ability to comment on stories. And all of this will come packaged in an attractive and intuitive user interface, such as an iPad or smartphone application.

Media analysts in the Middle East have been predicting this switch to digital news for years, as broadband access spread throughout the region, and thus far those predictions have been wrong. Nearly 90 percent of UAE consumers currently have fixed broadband access, and 60 percent have mobile broadband, which is comparable to markets such as the U.K., Japan, and Korea. Yet readers in those markets have migrated to digital news in significant numbers, while printed newspapers in the UAE and much of the Middle East remain a strong business. In fact, the number of daily papers sold in the UAE has been rising in recent years.

Why weren’t those earlier predictions correct? There are three main reasons: an underwhelming supply of compelling content on digital platforms, low penetration of smartphones and laptops, and problems with the speed and capacity of fixed broadband service. However, there are clear signs that all three limitations will fade in significance over the next few years.

There are three main reasons: an underwhelming supply of compelling content on digital platforms, low penetration of smartphones and laptops, and problems with the speed and capacity of fixed broadband service

In terms of content, there are simply not enough digital news sources here for readers to change their habits and give up their daily paper. In particular, newspapers still hold a relative monopoly on local news. This is likely to change, though: Global news companies such as CNN, the BBC, Al Jazeera, and Al Arabiya already offer free international and regional news on their Arabic websites and table applications. Although these companies don’t yet cover local news, they soon will, either through syndication deals with local news brands or even through citizen reporting programs. As a result, newspaper publishers will have little choice but to compete for local readers in the digital forum.

Social media will also play a role in catalyzing the spread of digital news sources by driving readers to seek them. The GCC now has more than 5 million Facebook users, who increasingly use the site as an aggregator of content, with links to articles and other digital resources. In fact, social media have become leading drivers of online traffic, rivaling search and other major sites. Worldwide, Facebook is now the top driver of traffic for major news and entertainment portals, and it is becoming more popular every day.

A second reason for the slow migration to digital content so far has been low penetration of smart mobile devices, which are major drivers for the consumption of digital news. Only about 15 percent of consumers in the UAE have smartphones, compared to more than 50 percent for the U.S. and western Europe. There is a behavioral element at work as well many consumers in the region simply prefer the simplicity and physical feel of a printed newspaper.

A second reason for the slow migration to digital content so far has been low penetration of smart mobile devices, which are major drivers for the consumption of digital news

However, these factors are also likely to change. The Middle East is among the fastest-growing markets for mobile devices, with sales of smartphones up 121 percent last year compared to 2009. The price of mobile technology has fallen sharply, and will continue to drop, making these devices more accessible to more consumers. And a burgeoning young demographic will soon enter the workforce and begin earning salaries that will allow them to make these kinds of discretionary purchases. On the behavioral front, technology advances are now allowing digital content to more closely replicate the print experience, particularly publications that use Apple's iPad tablet.

The final reason why readers haven't yet shifted to digital news is the slow download speed of fixed broadband service in some key markets. A recent study found that the UAE, Saudi Arabia, and Qatar had download speeds that were just one-fifth as fast as those in countries with the most robust networks, like South Korea.

The final reason why readers haven't yet shifted to digital news is the slow download speed of fixed broadband service in some key markets

Yet, as with the first two factors, the quality of broadband access in the region is changing in ways that will make digital news more attractive. By the end of this year, every home in the UAE will have access to fiber optic lines, with fixed-broadband speeds of up to 100 megabytes per second. Mobile broadband service is about to get a lot better too: Wireless providers Etisalat and du are currently in trials of 4G technology, representing a big step forward over existing technology.

This enhanced mobile broadband could be the most decisive factor in the switch to digital news. A recent Booz & Company survey of news consumers called "The Advent of Digital News in the GCC" found that 89 percent of mobile broadband users prefer to get their news on mobile platforms. In other words, once more people have access to smartphones with broadband connections, mobile has the potential to drive mass adoption of digital news content.

In short, the limitations on digital news in the region have been a legitimate constraint, but they will not be for much longer. Printed newspapers will not disappear: There is something inherently pleasing about reading a newspaper, and some readers will probably always prefer to get their news in that format. However, those readers are a minority of the current newspaper readership. The Booz & Company survey shows that 76 percent of the respondents had reduced or stopped reading newspapers in the last two years, or planned to do so in the next two years.

For newspaper publishers, this will likely be a disruptive period, with far greater competition than they have experienced in the past. The loss in revenue from print newspapers is unlikely to be replaced by a simple shift of content to digital platforms. In order to survive, publishers will need to restructure existing operations, develop robust digital strategies, and seek out new business models and revenue streams. However, for readers, this competition is undoubtedly a good thing. It will create more choices, in both the sources of daily news and in the ways they will access and interact with that information.

Chahine, Partner, Booz&Co
Jayant Bhargava, Principal, Booz&Co
Amer Lahham, Senior Associate, Booz&Co



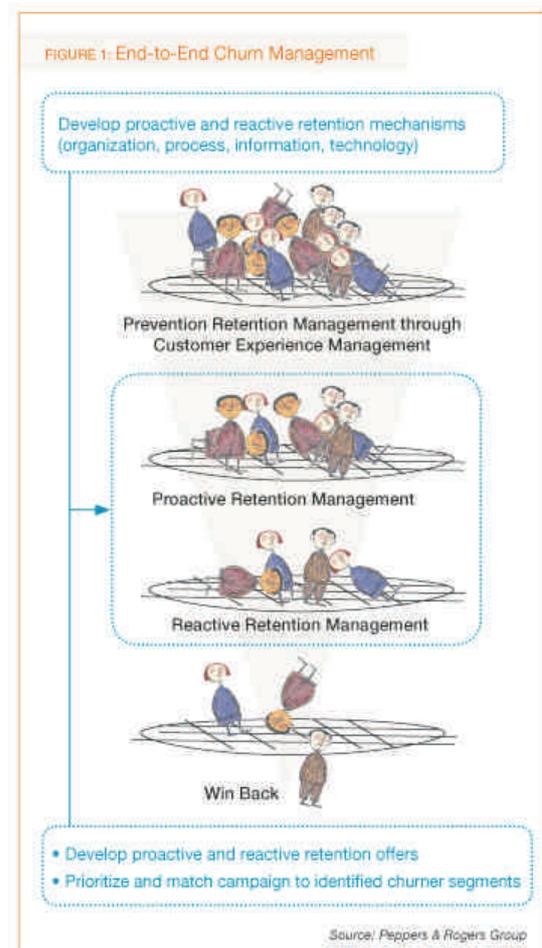
SAFETY NETS: THE BEST DEFENSE AGAINST CUSTOMER CHURN

Customer churn plagues the telecommunications industry. By applying three "safety nets," telecom providers can quickly decrease costs, increase profitability, and retain valuable customers.

In today's telecommunications industry, acquiring potentially high-value customers is costly. According to industry analysis, on average only 20 to 30 percent of a telecom's entire customer base generates revenue and is profitable. Additionally, the industry experiences an average of 30 to 35 percent annual churn, with only 25 percent of the acquired customers staying with a telecom provider after a year's time. Churn is creating a chasm in companies' balance sheets.

Retaining customers and creating a loyal customer base is critical for the continued success of telecom providers. Rather than having one single initiative addressing customer retention and growth issues, organizations should construct a set of three safety nets around their customers to minimize churn: customer experience management, total relationship loyalty, and churn prediction and prevention. This approach gains importance as competition and price pressure increase and products get more commoditized.

Once customers are acquired, telecoms must use customer experience management (CEM) to keep customers satisfied. Proactively managing the customer experience is a key delivery vehicle of a company's brand promises and, therefore, allows a company to either make or break its promises to customers. Research shows that





telecommunication companies with a branded customer experience management approach achieve higher customer satisfaction and retention rates. However, no organization can offer a flawless experience to all customers all of the time. There will be service delivery failures, and some customers will slip through that first safety net.

A compelling Total Relationship Loyalty (TRL) program that engages customers will catch many of the customers who fall through the first safety net. Customers experiencing a loyalty program relevant to their lifestyles are less likely to switch to a competitor as long as they are earning relevant rewards. Research shows that engaged customers (with high redemption rates) are less likely to switch operators.

However, even the best loyalty programs do not engage all customers. The industry average for a loyalty program is to have more than 60 percent of the operator's customers enrolled, with about 50 to 70 percent redemption rates. Some customers will still churn. This is when the operator needs to be able to predict churn and work proactively on retaining high-value customers. Churn prediction and prevention measures allow a telecom provider to develop models that assign a churn probability score to each customer, generally with an eight- to 10-week prediction window. The operator would then develop a library of churn prevention campaigns with automated rules based on customer behavior, customer value, and churn risk (see Figure 1).

In this article we examine each of the three safety nets and look at their critical success factors, as well as their areas of impact.

Safety Net #1: Customer Experience Management

Companies are increasingly realizing the importance of managing the customer experience throughout a customer's lifecycle, with the goal of turning satisfied customers into loyal advocates. Telecom providers must proactively create the desired customer experiences and effectively manage them to successfully create long-term trusted relationships.

Peppers & Rogers Group defines customer experience as all interactions that happen between a company and its customers as seen through the eyes of the customers. The Peppers & Rogers Group Customer Experience Framework (see Figure 2) outlines how customer experience leads to Return on Customer (ROC equals a firm's current-period cash flow from its customers plus any changes in the underlying customer equity, divided by the total customer equity at the beginning of the period). The framework shows how customer brand perception is transformed to brand realization with customer experience. CEM is vital for telecom providers because it builds customer trust while promoting the brand promise. CEM is a companywide, multiphase, multiyear project, so when implementing it, there are a number of factors to consider.

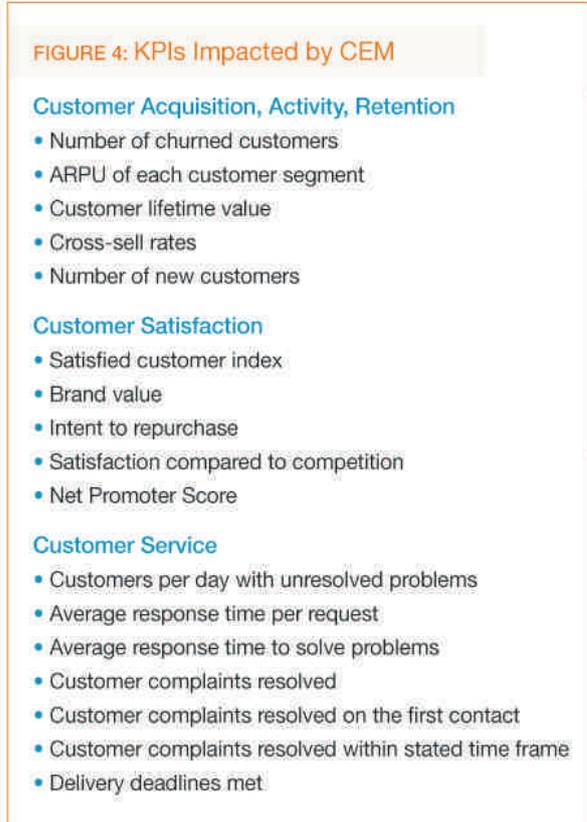


FIGURE 5: Indicators Used to Track Effective Total Relationship Loyalty

- ROI
- Return on Customer
- Customer acquisition rate
- Retention rate
- Customer growth rate
- Enhanced customer insight and profiling
- Customer advocacy and referrals



most important benefit will be from reducing customer churn, but the level of correlation between CEM and churn varies from segment to segment. Establishing a business case and key performance indicator (KPI) targets in the beginning of the program is critical to having standards to measure against along the way (see Figure 4, page 41).

1. Customers: Different customers should belong to different program tiers. Customers can be tiered based on their value to the telecom and also based on their lifestyle. Tiering is essential to be able to treat different customers differently and provide customized rewards and treatment for them.

2. Products and services: Products and services are the core program rewards; they can also be the main drivers for customers to earn points. TRL can guide different marketing strategies, e.g. by offering upsell as rewards.

3. Channels: Channels represent other forms of rewards and allow the expansion of loyalty engagement across all customer interactions. TRL can contribute to a successful channel strategy by designing earn-and-rewards rules to drive desired customer behavior related to channel usage.

There are four key success factors required to ensure the effective fulfillment of TRL. First, TRL should be an integral part of telecom providers' customer strategies. Although a TRL program should have its own defined

ROUTE 1: Initiated to Combat Churn

- Reach out to customers with customized, multi-channel marketing campaigns at different client levels based on usage patterns.
- Engage offers with a customer's lifecycle (e.g., add-on early life, dormancy, re-engage welcome call, explain the fine print) and increase engagement with free services offers.
- Check differentiated service levels to offered value customer.
- Identify customers who are low-value price shoppers and stop wasting marketing budgets on them. Not all churn is bad (if some customers go).
- Use social media to track and respond to customer feedback.
- An omnichannel marketing strategy and system that works and enables them at the front-end of touch.
- Educate customers about offer details (e.g., giving discounts, experience new offers) to customers' buying about their churn intent.



Safety Net #2: Total Relationship Loyalty

Total Relationship Loyalty (TRL) is used to differentiate the customer experience based on customer tiers. It represents a platform to communicate to customers about their differentiated privileges, while CEM represents the basis and lays down the fundamentals of the different treatments.

TRL goes well beyond mere points-based loyalty programs. While basic points programs reward customers for their use of services through earning and redeeming points, TRL helps telecoms manage and nurture all types of customer interactions.

The objectives are two-fold: first, to increase customer insight, learn more about customers, and consequently, serve them better with customized rewards; and second, to develop and strengthen customer relationships, further engage them, and engage them recurrently. TRL is composed of three pillars:

strategy, objectives, and KPIs, it's essential to ensure alignment with other customer initiatives whenever and wherever it is needed.

Second, TRL should be endorsed by the whole organization and managed by a dedicated and centralized team, as well as championed by a proactive person within that team. The team should include members with analytics competencies who can collect and process customer insight and profiling, and assess program performance by processing and analyzing KPIs.

Additionally, a TRL program's business case and ROI model should be developed and tracked over time to accommodate its budget, evaluate program performance, and add required improvements and refinements. A TRL program also should be well positioned and communicated to customers. The right communication is a critical lever that is capable of turning TRL into a key differentiator over the competition.

Finally, a TRL program with different components should be

designed, operationalized, and aligned with personalized customer needs and other customer-centric strategic initiatives. The program should be simple with a rich customer experience for program interactions. A successful and effective TRL program should bring a positive impact on the telecom provider's business. This impact is measured through a number of indicators, including positive ROI, improved Return on Customer, and increases in customer acquisition, retention, and referrals (see Figure 5).

Safety Net #3: Preventing Churn

Managing customer churn is universally challenging for telecom providers, but retaining highly profitable customers can prove to be even more arduous.

That's due to the fact that predicting churn and then designing cost-effective strategies to reduce it are extremely difficult undertakings for most telecommunications companies. Such projects require organizing and analyzing huge volumes of data that are often difficult to access and consolidate. Many telecom organizations simply lack the ability to support the complex data mining and analytical tasks that are essential to combating churn. Churn affects the profitability of a company most when a customer churns before the company can earn back the investment it incurred when acquiring the customer. Therefore, it is critical to identify profitable

customers and retain them, especially in today's highly competitive market. But what is churn? Customer churn describes the rate at which a company loses its customers. In telecommunications, there are two different types of churn:

1. Voluntary: This occurs when the customer initiates termination of the service contract. Most telecom operators find that the major stated reasons for churn include price, quality, network coverage, customer service, and image.

2. Involuntary: This occurs when people are churned for fraud, non-payment, and under-utilization. The best way to manage this type of churn is to determine who is likely to be fraudulent or create credit problems and prevent them from subscribing in the first place.

After defining the extent of their churn, telecom companies must develop a mechanism or strategy to predict and prevent it from happening in the future (see Figure 6). This should begin with using analytical models to understand customers' likelihood to churn. Using historical analysis of customer behavior, telecoms can create reliable predictions of future behavior.

In order to effectively fight churn, companies need to focus

FIGURE 7: The 3 Main Phases of Churn Prevention

1. IDENTIFY:

- Define the problems, reasons, and root causes of churn.
- Develop hypotheses.
- Prepare data sets and test the hypotheses to validate their correlation with churn.
- Develop alternative predictive churn models.
- Evaluate models based on prediction accuracy, robustness, and comprehensibility.
- Deploy selected models to score the customer base and depict "value at risk."
- Flag customers with high churn scores in your database.

2. AVOID:

- Customize proactive offers for usage behavior/patterns; prioritize for value and risk propensity.
- Customize reactive offers based on specific churn reasons, emphasizing the company's strengths and adjusting customers' price perception. Try to persuade customers without giving offers.
- Predict possible competitive moves and develop alternative counter-tactics; one company's acquisition strategy is another's churn problem.

3. OPERATIONS:

- Design end-to-end retention processes.
- Design a retention-focused organizational structure with a save team, establish joint management accountability, and align the employee culture.
- Define the technology requirements to facilitate implementation.
- Define information requirements to ensure ideal data availability for increased effectiveness.

Mounir Ariss, Partner at Peppers & Rogers Group
 Banu Célin, Manager at Peppers & Rogers Group
 Michel Naime, Senior consultant at Peppers & Rogers Group
 Julide Tiglay, Manager at Peppers & Rogers Group



TRANSFORMATION OF MOBILE GAMING IN NEW ERA

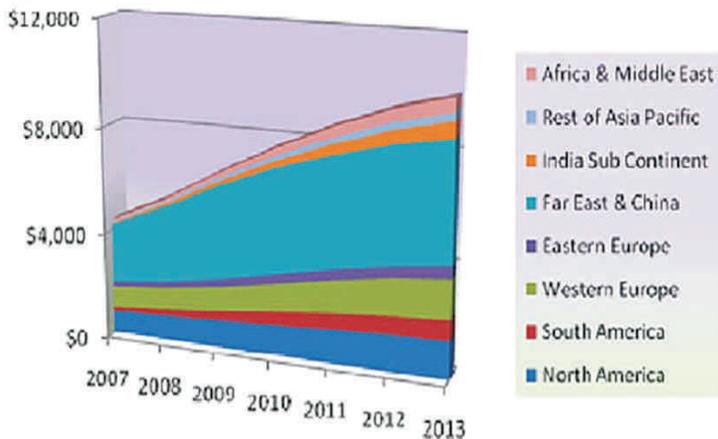
Rapid expansion in smartphones and their adoptions has stimulated a wave of mobile gaming. Not long time ago, there wasn't a single smartphone among top 10 devices for mobile downloads, while presently (according to PC world), the top 10 mobile phones are all smartphones that ranges from Motorola Atrix 4G, HTC Thunderbolt, Samsung Epic 4G, T-mobile myTouch 4G, HTC EVO 4G, Apple 32 GB iPhone 4 and Google Nexus one among others.

iPhone and BlackBerry Curve have taken over the low-end flip mobile phones which were among the well-liked gaming platforms. Game downloading on smart phones has been increasing with the course of time on the other hand mobile game downloads on feature phones is constantly dipping.

Since the smartphones has emerged as an ultra high-tech platform for merchandising as well as playing, the mobile games market has also shown a remarkable growth. Over the period of time mobile gaming industry has developed and expanded regionally thus broadening its demographics with immense growth among teens.

Mobile games in the SAMENA region could emerge as an imminent opportunity for telcos to generate more revenues. This tendency is expected mainly because of the region's large population of young people. Almost 70 percent of the region's population is below the age of 32 that makes a good case for telcos to come up with infotainment and other attractive value added services.

Total End-User Revenues (\$m) from Mobile Games. By Region 2007-2013



What's more, quite few alternate entertainment choices are available, and the recent growth of online social networks, advanced mobile platforms, increasing number of smart phones, and above all mobile broadband deployments are setting aside the mobile games industry to begin to mushroom. According to booz&co, MENA region's online gaming revenue could reach \$110 million in 2014; similarly, online music revenues are also expected to grow sharply at a CAGR of 60 percent, reaching \$33 million in 2014. Even though, the potential for mobile games has been there in the SAMENA region, particularly in the Middle East for quite some time but the infrastructure to support these services is insufficient in the region. Nonetheless, industry stake holders which includes, governments, operators, and vendors among others, have started to realize the significance of national broadband networks. Both, hardware and software vendors are taking more interest in mobile game than ever. For example, Microsoft and Sony are watching at the mobile games industry with ever more expectation to be able to gain the maximum out of this emerging industry. With strong push from such players, it appears that there is strong potential in the mobile gaming industry for all the stake holders alike, most importantly for telcos, content developers, software/game developer, and hardware vendors. According to Onda Analytics mobile broadband revenue will increase manifold in the SAMENA region by 2014. Only Egypt, Morocco, Saudi Arabia, and UAE are expected to generate 60% of MENA region's mobile broadband revenue by 2014. The availability and growth of mobile games can be further encouraged and pushed by deploying high speed broadband access networks. Juniper Research divulges that mobile games revenues reached \$5.4 billion in 2008. Not surprisingly, markets that led this growth include India, Africa & Middle East, as well as developing nations across the Asia Pacific region.

According to a report from Juniper Research, development of mobile games has experienced a positive trend after the introduction of iPhone while paid mobile games' sector has not shown much growth; the growth has not reached its potential due to various reasons, including inadequate marketing and publishers exiting the market due to revenue sharing issues. Apple has been offering a decent amount of revenue share to games publishers, however it is also feared that if the competitors do not respond with same strategy, publishers with reduced profit margins would probably exit java entirely, hence user would be reduced in the long run.

The report also states the despite increased popularity of advertisement-funded downloads; revenues generated from advertisements are not enough to become the prime source of revenue for developers or operators. The report also finds that South Asian, Middle Eastern, African, and South American markets have a huge potential for mobile games as mobile devices have become primary gaming device due to increasing mobile adoption and low number of fixed-internet users and game consoles.

Far East and China are most likely to remain the major market for mobile games and global in-game revenues are forecasted to increase radically, while data charges need to be reduced to promote more mobile internet utilization thereon fueling the mobile entertainment market.

Mr. Bocar A. BA

President

SAMENA Telecommunications Council



Riding the Mobile Innovation Wave in Emerging Markets

The extraordinary growth of the mobility industry has been one of the most remarkable business and technology success stories of all time. Much of this growth has come from a relatively small percentage of the global population consumers in industrialized nations.

Access to mobile networks is now available to 90% of the world population and 80% of the population living in rural areas. In developed countries, the mobile market is reaching saturation levels with on average 116 subscriptions per 100 inhabitants at the end of 2010 and a marginal growth of 1.6% from 2009-2010. In the developing world, mobile cellular penetration rates have reached 68% at the end of 2010 mainly driven by the Asia and Pacific region. India and China alone have added over 300 million mobile subscriptions in 2010. Finally, in the African region, penetration rates have reached an estimated 41% at the end of 2010 (compared to 76% globally) leaving a significant potential for growth.¹

New Accenture research has found, in fact, that interest in consumer technologies and mobile services is in many instances higher in emerging markets than in mature markets. Although many consumers in these areas live in rural areas and rely on more limited means, their disposable income has risen in recent years. Many such consumers have become more confident about the future, and are now willing to buy products such as mobile phones and services, even on credit.

Knowing and serving customers is more challenging because of the diversity of the markets and the presence of multiple cultures and sub-markets. To achieve profitable growth through innovation in emerging markets, mobile products and services providers must understand today's most important mobile trends and the key success factors that can make them more competitive in these challenging years ahead.

Mastering eight mobile trends to drive high performance

Serving consumers in emerging markets requires understanding some of the key trends in mobile technologies and how they are likely to be embraced by consumers in these economies.

Accenture research and experience point to eight trends in particular that must be well understood. Applied innovation in these areas drives electronics, high tech, communications and media & entertainment companies to chart a course toward growth and achieve high performance.

1. Devices targeted to the population and environment of emerging markets

Although incomes are rising in emerging nations, manufacturing and communications companies still

must be attuned to the need to provide lower cost handsets that also retain relatively sophisticated capabilities. Research and development teams also must take account of the varied and harsh environments in many emerging markets, necessitating unique features in phones such as dustproof keypads and dust-resistant paint to adapt to tough weather; built-in flashlights for security; and long battery life to accommodate the scarcity of reliable power supplies or a device that can be recharged using renewable sources of power (e.g. solar and wind).

Manufacturers will also need to create innovative device features that integrate with the ways of life in emerging markets, in an attempt to shift consumer perceptions of mobile devices from “nice to have” to “necessity.”

2. Mobile gaming

Because of insufficient wireline infrastructures in many developing nations, many consumers are experiencing Internet services, including entertainment, for the first time through a mobile device. Because of its convenience and portability, and because of the available of applications for downloading, the mobile phone has become a preferred device for entertainment such as gaming.

According to Pyramid Research, the number of gamers globally grew from about 55 million in 2005 to about 183 million in 2008, and global revenue in 2008 amounted to \$6.9 billion.² Emerging markets contributed significantly to this growth, with China and India being among the most important in terms of new mobile gamers. Companies are responding to this opportunity. Some have estimated that 40 percent of the mobile gaming industry will come from emerging markets by 2012.³

Accenture sees an important opportunity for game developers and operators to create more applications with local relevance, rather than only importing game ideas from developed nations.

Accenture also sees an important opportunity for game developers and operators to create more applications with local relevance, rather than only importing game ideas from developed nations.

3. Mobile reading

Mobile reading refers to the consuming of books or other publications on a mobile device, which could be a specialized device such as the Amazon Kindle or a portable media player, PDA or smartphone. There is good reason to believe that the ability to read various kinds of content on a mobile device will drive uptake of mobile usage in emerging economies.

Public sector interest will also spur greater take-up. Governments in emerging nations are interested in mobile reading applications as a way to promote literacy and greater educational opportunities. Mobile reading applications can also be a compelling component of a service bundle which can increase usage and improve the overall customer experience and improve retention.

Some publishers are rushing to develop reading applications unique to the capabilities of a smartphone capabilities that a standalone reader cannot duplicate. As these kinds of applications increase, it will put a burden on providers to become much more well-versed in digital rights management (DRM) and cross-border intellectual property rights. Failure to get such rights will be an impediment to grabbing greater consumer market share.

4. Mobile social networking

Mobile social networking has experienced explosive growth around the world, driven especially by younger users, and this holds true in both emerging and mature economies. In emerging economies, 3G networks are becoming increasingly available, creating new opportunities for driving revenue growth (both usage-based and advertising -based) through social networking applications. In these emerging areas, one important trend is the manner in which short messaging service (SMS) and 3G can come together to create a social networking experience more geared to the realities of the consumer base and technology environment. For example, services such as communications or location updates can occur over SMS, because only a small amount of data is involved; while image uploads and sharing can take place over 3G. These kinds of innovative models will be critical to capturing market share in emerging economies. Various kinds of collaborations between providers, social networking sites and software companies are increasing each month.

5. Mobile video

Accenture believes that one key to success in the mobile video area is the creation of more locally relevant content. Video sharing services, for example, are more likely to spur increased usage if the content feels more local to key consumer segments.

Standards, as usual, will play an important role in driving competitive advantage in mobile video. In China, for example, the China Mobile Multimedia Broadcasting (CMMB) is a mobile television and multimedia standard developed and specified by the Chinese State Administration of Radio, Film and Television (SARFT). Thanks in part to the establishment of the CMMB standard, the pace of mobile video and TV development has increased over the past couple of years, and the standard shows strong potential as a candidate for becoming the national mobile TV standard. Although the standard will initially be deployed in China, it is expected that, longer-term, it will expand outside China into the international market. Pyramid Research estimates that, globally, the number of users paying for mobile video services delivered directly to their handsets will grow five-fold between 2008 and 2014. Emerging markets will be an important part of the story of mobile video growth.⁴

6. Mobile finance

The ability to use a mobile device to conduct a range of financial activities mobile banking as well as payments is valuable to consumers everywhere, but especially in emerging and rural markets where traditional financial services are not as prevalent.

Accordingly, mobile operators worldwide are looking for ways to establish themselves in the mobile finance segment, which to date has been largely dominated by financial institutions.

Recent Accenture research reports that consumers in Asia were the most enthusiastic about mobile commerce. Overall, 69 percent of survey respondents in Asia indicated they favored using mobile phones for most payments, led by Chinese consumers (76 percent) and India (75 percent, followed by Korea (56 percent) and Japan (47 percent). Outside of Asia, the next highest positive response was in Brazil, where 70 percent of consumers favored using mobile phones for most payments. Africa has been one of the most active markets of mobile banking and payment offerings, taking advantage of the lack of banking and Internet infrastructure and high penetration of mobile services. In the U.S. and Europe, combined, however, only 26 percent of respondents favored using mobile phones for most payments.

7. Location-based services

Location-based services (LBS) are mobile services that provide location specific information to users such as personal navigation, points of interest and location-specific information, as well as services that help locate friends and family. An ever-increasing number of handsets are equipped with this capability. Location-based services offer carriers and other companies several advantages. For example, more relevant services can be pushed to mobile devices, improving customer satisfaction and retention. At the same time, information gained through these services can make it possible for companies to improve their knowledge of the customer base.

Beyond navigation services, companies must be thinking about the power of various kinds of mashups for example, combining restaurant and shopping information with a mapping application, or offering family location services.

8. Mobile advertising

Slowly but surely, mobile advertising is beginning to gain a foothold in different markets around the world both as a stand-alone format and as part of multiplatform campaigns by advertisers.

Mobile operators are pushing mobile advertising to help drive mobile data adoption, and also to stimulate calls and reinforce their own customers' loyalty.

Through advertising-sponsored messaging and content applications, customers can become more familiar and comfortable with data services and, as a result, more frequent users of paid connectivity products. Pyramid Research expects that in most emerging markets, mobile advertising will grow to be as relevant as Internet based advertising initiatives. By 2013, mobile and Internet platforms combined will account for roughly 12 percent of overall advertising spending in emerging markets and 30 percent in developed countries. South Africa and Indonesia stand out as markets where the mobile sector's share of overall advertising spending will surpass that of the Internet medium in the near future.⁵

Keys to achieving high performance with mobile services in emerging markets

Based on Accenture analysis, here are some of the important strategies and activities that companies must get right if they are to achieve high performance by successfully riding the wave of mobile services in emerging economies:

1. Gain a deeper understanding of the distinctive service needs of customers in emerging markets.

Companies must build and develop customer intimacy as a key differentiator. This begins by engaging in more detailed customer segmentation. A one-size-fits-all approach will not be successful. Across developing markets are a myriad of regions, segments and sub-segments, each with different needs and attributes. Deep segmentation analysis of target customers must be performed. Marketing capabilities capable of being "rural centric" must also be developed.

2. Localize content and offerings.

Communications companies should consider new and simple services which can be extremely valuable to local population, for example, services that can help farmers monitor their crops, or that provide education to rural masses and assist in public health efforts. Media and entertainment companies need to make their content relevant to local audiences. Electronics and high-tech companies should define local products and features or customize global products to local needs.

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3. Adapt technologies and processes to the rural environment

Processes and information systems at most companies were created to serve mature, more urban markets. A fresh perspective will be required to deliver the necessary business processes and systems support to profitably expand their presence into emerging markets, especially rural areas.

4. Invest in distribution networks

Many electronics and high tech companies will need to invest in a distribution network to reach rural markets. Accenture research has found that rural consumers have a preference for retail outlets located in the nearest city, rather than in a customer's village or a nearby village. One executive participating in the research study discussed how his company's rural customers would travel for many hours to get to a service center, just because they wanted to resolve their queries face to face. His company executed a plan to reach the after-sales service to the customer by establishing low-cost contact points at multiple locations.

5. Collaborate to address infrastructure challenges and meet local needs

A number of critical infrastructure issues need to be addressed to serve many emerging markets. Collaborative initiatives or an industry-wide collaborative strategy is of paramount importance. Companies should also consider working with local incumbents who know the market dynamics more intimately.

To achieve high performance in this environment, companies must understand the key mobile trends as they evolve in developing economies. They must develop a deeper understanding of the mobile value proposition to emerging market consumers as well as their distinctive service needs.

These challenges will require new models of collaboration to succeed in a more complex ecosystem.

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Endnotes

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- 2 *Pyramid Research*. "Mobile Gaming in Emerging Markets" www.pyr.com.
- 3 *GDC: Nokia's Ojanpera Talks Mobile Gaming's Future*, by Leigh Alexander
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SATELLITE NEWS

Telkom to Launch Telkom-3 Satellite

According to news sources, Indonesia's largest telecoms group PT Telekomunikasi Indonesia (Telkom) plans to launch the Telkom-3 satellite before the end of this year. According to the company's Corporation Communications Director, Eddy Kurnia, the US\$200 million satellite is being built at the ISS-Reshetney factory in Russia, while French firm Thales Aleniaspace is working on the sub-system. According to Telkom's President, Rinaldi Firmansyah, the satellite is not only designated for commercial purpose but will also fulfill government needs and support the operations of state-owned firms.

SES Gives SpaceX First Geostationary Satellite Launch Deal

Luxembourg-based satellite operator SES said that it had reached an agreement with SpaceX for a 2013 launch that will be the first geostationary satellite placement using the US firm's Falcon 9 rocket. The agreement supplements SES's existing multi-launch agreements with its traditional launch providers Arianespace and ILS, and includes an option for a second launch. The SES-8 satellite is scheduled to launch in the first quarter of 2013 from SpaceX's Launch Complex 40 at the Air Force Station at Cape Canaveral, Florida. To be placed into the orbital position of 95 degrees East, it will help respond to the strong demand for additional direct to home (DTH) capacity in Asia.

SingTel-Optus Set to Expand Satellite Coverage across Australia

SingTel-Optus has revealed plans to expand its satellite capacity across its Australia and New Zealand coverage areas. The carrier has commissioned a new satellite from California-based Space Systems-Loral, which is expected to be delivered in 2013. Optus Wholesale and Satellite Managing Director Vicki Brady said the satellite would increase the company's ability to deliver two-way voice and data, and broadcast services. "Optus 10 will provide more capacity to the Optus satellite fleet as well as enhancing the resilience of the fleet for the benefit of the entire Trans-Tasman market." Ms. Brady said.

Inmarsat to Buy Ship Equip

Inmarsat, the global satellite communications provider, said that it was buying Norway's Ship Equip for US\$159.5 million. Ship Equip would allow it to expand its high-speed communications business, which provides services to the shipping, offshore oil & gas and fishing industries. Inmarsat said it would finance the deal with existing liquidity facilities and that it expected the transaction to close in a matter of weeks. Ship Equip will continue to operate as a separate subsidiary alongside Inmarsat's Stratos and Segovia businesses.



ROAMING NEWS

MTN Enhances Seamless Roaming Services

MTN South Africa enhances its seamless roaming services by including the introduction of free incoming calls and SMS for both postpaid and prepaid customers travelling in the South and East Africa (SEA) region. Seamless roaming has been implemented in the SEA region and the benefits offered will be available to both MTN PayAsYouGo and MTN contract customers roaming across MTN operators in Botswana, Rwanda, Uganda, Swaziland and Zambia. Chief Marketing Officer at MTN South Africa said that the company realizes that customers avoid roaming due to associated costs and MTN is trying to facilitate easy roaming.

UK Regulator Announces 80 Percent Cut in Mobile Termination Rates

Ofcom has announced a cut in mobile termination rates that will come into effect from April 2011. The phased introduction will lead to around an 80 percent reduction in termination rates over the next four years. According to Ofcom research, the volume of data traffic over mobile networks has increased by 104% over the last year. As Mobile Termination Rates only apply to calls rather than data, over the four year charge control period, they are likely to become a less significant element of mobile companies' revenue.

Cricket Enters into 4G Roaming Agreement with LightSquared

Leap Wireless International and LightSquared announced that they have entered into a long-term 4G roaming agreement. The new agreement will allow Cricket, Leap's operating subsidiary, to supplement the LTE coverage that Cricket plans to deploy across its own networks over the next few years with LTE roaming services from LightSquared. This new roaming agreement will offer customers greater 4G service and will help Leap to meet its customers' demand for universal and affordable broadband connectivity.

Vodafone Germany Introduces New Data Roaming Product

Vodafone Germany has introduced a new mobile data roaming product called "ReisePaket Data World", offering mobile surfing outside of Europe for 24 hours or 7 days. The 24-hour option includes a 5 MB data allowance and costs US\$21.02. The 7-day option includes a 10 MB allowance and costs US\$41.96. Customers will get a text message when they have reached 80 percent of their data allowance.

Vodafone Germany Unveils New Data Roaming Tariffs for Business Users

Vodafone Germany has announced new business tariff plans called Professional Plus and Mobile Connect, developed specifically for the overseas data communications needs of business customers. These overseas tariffs cover two zones: Europe and the Rest of the World. The Professional Plus tariffs are targeted at business customers looking to use their smartphones across Europe. The Mobile Connect tariffs are targeted at customers who want to add international mobile data services to their existing mobile contract.

Free Mobile, Orange France Sign National Roaming Agreement

Free Mobile (Iliad) and Orange signed a national roaming agreement for their respective 2G networks in France, following several months of negotiations. Free Mobile and Orange have decided to extend this agreement to cover their 3G networks. This agreement will take effect once Free Mobile has deployed a network that offers coverage for 25 percent of the French population, giving it coverage over the remainder via Orange's base stations. Free Mobile plans to launch service at the start of 2012. Under the terms of its license, Free Mobile has taken a commitment to deploy a network that offers coverage to at least 90 percent of the population by 2018.

Vodafone Roaming Services Teams Up with BICS

BICS and Vodafone Roaming Services are pooling their resources to connect their two communities and achieve greater efficiencies. BICS consists of Belgacom, Swisscom and South Africa's MTN and it will initially use the partnership to manage their roaming traffic with Vodafone operators. According to Daniel Kurgan, CEO of BICS, this cooperation is a major step for the mobile industry to guarantee seamless roaming for all mobile users when they cross national borders.

MTN Leads with Seamless Roaming Innovation

MTN South Africa is paving the way once again with enhancements to its seamless roaming services, which include the introduction of free incoming calls and SMS for both postpaid and prepaid customers travelling in the South and East Africa (SEA) region. MTN now offers the lowest voice and data roaming rates in the region. "We realize our customers sometimes do not want to roam or even receive incoming calls due to the costs associated with doing so. Now, with free incoming calls on offer, MTN is empowering its customers to roam with ease," says Serame Taukobong, Chief Marketing Officer at MTN South Africa.



SAMENA'S EVOLVING LANDSCAPE AND THE NUANCE OF NATIONAL ICT POLICIES IN THE REGION

Information & communication technology plays an influential role and has thus become an imperative part of life today. The swiftly growing ICT sphere and the associated domains necessitate congenial ICT policies and regulations to help bridge the digital divide on a global scale. SAMENA region has shown strong commitment toward telecommunications development and has leveraged the markets' potential well, to bear direct influence on the overall telecoms ramp. Yet, much growth potential continues to exist in its emerging markets that drive the need to focus on the region-wide call for digital content, more specifically mobile content. Today, telcos cannot have an aversion to the escalating significance of high-end, localized content in the emerging markets.

As the Opex and Capex are rising, operators are looking for new revenue streams in terms of content. The need for regulatory policies and broadband progress thus need to accentuate each other's development to produce development and progression in the ICTs. However, regulatory bodies also have to take into account evolving trends and ensure a competitive business environment between carriers and vendors to ensure effective development of technology. Constant progression of broadband technology has lead to a considerable increase in convergence and hence been extremely valuable with

“ For the purpose of development in broadband and the overall ICT sector, governments and other stake holders are expected to shift their roles due to the augmented spotlight on applications, content, e-Health, e- Learning and e-Government, as well as establishing national broadband networks ”

respect to the development of the ICT sector. However, this has also opened up the doors to data security issues in the wake of possible cyber threats. Taking measures to subside such threats and ensuring security and integrity of data is considered as one of the major concerns. It appears that the growing demand for wireless broadband access will lead to greater investments in infrastructure by operators. In SAMENA region there has been less attention towards universal services obligations in terms of broadband. For the purpose of development in broadband and the overall ICT sector, governments and other stake holders are expected to shift their roles due to the augmented spotlight on applications, content, e- Health, e- Learning and e- Government, as well as establishing national broadband networks. For that reason, the connotation of public private partnership and universal services obligations, in providing broadband access has amplified considerably.

M&A activities have been shaking up the ranking order lately. Last year, we saw some very aggressive M&A activities globally. Some telcos were buying for rising technology while others are buying for rising in the global ranking. Today, carriers are in the quest for innovative business model that helps them to triumph over the challenges posed by the rising Opex and Capex. Adjusting their current business model to optimize the Opex and Capex, carriers need to understand the emerging areas and trends thus highlighting potential opportunities that will result in increased revenues and profits. However with M&A, the potential markets can be effectively presented with the ICTs which in turn, may substantially facilitate optimal utilization of capital resources and would help to set up new, more advanced passive infrastructure. This becomes more important with the increasingly important role of mobile content in revenues generations.

Within the SAMENA region at large, service providers and governments are showing an ever more readiness to invest in and expand broadband connectivity. This will result in a supportive ground for high speed internet to the end users. Today, broadband is being used in the areas like education, health care and public safety while creating massive opportunities in the infotainment. According to a recent research report by Informa, the future growth of broadband in Africa and the Middle East will be driven by mobile broadband, with the subscriber total increasing at a CAGR of 34 percent to reach around 38 million by 2014, slightly faster than the global average.

SAMENA Council's interaction with key regional players is building up. The Council is actively working with a number of operators as well as regulatory bodies and more importantly with ITU. Additionally, SAMENA is actively working to develop relationship with other similar organizations such as, ETNO, FTTH Council, AREGNET, and Policy Tracker, among others. To help reorganize and reprioritize it agenda, SAMENA is working in enhancing its regional presence and its role in the region-wide digital policies dialogue. The outcome of these efforts will materialize in the nearest future. SAMENA is also keeping a monthly check on industry's hottest issues, in line with its six main areas of focus that includes Broadband, Optical Networks & Applications, Mobile TV, Content, International Roaming, and Regulatory Issues. The monthly monitoring of issues would help the SAMENA team prioritize its conferences/workshops' agenda more aligned with the operator's needs. Our daily news archive already keeps a daily account of roaming related updates from around the region and the globe. The Council's daily newsletter now carries much more elaborative sections reporting important updates especially on policy & regulation, 3G & 4G networks, international roaming developments around the world, mobile content, and global telecom update. The Council also publishes its Policy and Regulatory Insider fortnightly.

Within the SAMENA region at large, service providers and governments are showing an ever more readiness to invest in and expand broadband connectivity. This will result in a supportive ground for high speed internet to the end users

To help reorganize and reprioritize it agenda, SAMENA is working in enhancing its regional presence and its role in the region-wide digital policies dialogue. The outcome of these efforts will materialize in the nearest future

The Middle East mobile broadband market is expected to reach 50 million subscribers by 2013 from seven million in 2008 as technologies such as 3.5G gain popularity this year. With just around seven million mobile broadband subscribers in the region in 2008, and after experiencing an industry project CAGR rate of over 45%, 50 million subscribers are expected after three years (2013). General predictions can be made that over the next two years, there could be at least 1 billion users of the broadband; by 2013, this may easily reach to about 2.5 billion broadband users. Mobile broadband revenue will increase manifold in the SAMENA region by 2014. Only Egypt, Morocco, Saudi Arabia, and UAE are expected to generate 60% of MENA region's mobile broadband revenue by 2014.

The Council's daily newsletter now carries much more elaborative sections reporting important updates especially on policy & regulation, 3G & 4G networks, international roaming developments around the world, mobile content, and global telecom update

Predominantly, the telecoms vista in SAMENA region substantiate that digital technology provides one of the few opportunities for telcos to obtain additional spectrum to tape into the market more effectively. Digital technology utilizes the spectrum more efficiently as compared to analogue, thus after switchover there will be more spectrum available for new services such as wireless broadband, Mobile TV and High Definition Television (HDTV). The foreseeable evolution of broadband technology is vital with respect to the growing content industry in the region. This also has opened up the doors to certain issues that include DRM, IP, and data security issues among others. Within the SAMENA region at large, the focus toward ICT is no different; both companies and governments are showing an increasingly willingness to invest in and expand high speed connectivity in their markets.

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

Today, it's imperative to identify the key elements that make it viable for a country to get involved in country-wide broadband availability, and usage. Today, there seems to be no stern factor as to why this region is behind in broadband proliferation. This is because we have some very good markets in terms of investments potential that makes a good case for prospective investors in the sphere of telecoms and ICT. Following the emerging trends in the broadband policies and technologies alike, it's continuously increasing contribution to the telecoms & ICT landscape of SAMENA region, SAMENA is committed to help bring innovative telecommunications technologies and congenial policies to this region. The Council is doing everything possible to provide its members with the platform to exchange ideas, and to collaborate on regional issues as well as provide the opportunities to be part of SAMENA's meetings and conferences to embark on the industry challenges together. In our efforts to continue facilitating collaboration and knowledge sharing in the region, our upcoming events are:

Beyond Connectivity 2011

25th, 26th, 27th April 2011
The Yas Hotel, Abu Dhabi

Mobile Broadband Summit 2011

24th & 25th May 2011
Serena Hotel, Islamabad, Pakistan

Convergence to Qatar 2011

19th, 20th & 21st October 2011
Qatar



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