Deregulation in the GCC

Licensing

- Saudi is accepting license applications for fixed line operators by June, 2006.
- Oman is accepting license applications by Jan, 2007.
- Qatar is looking at 2010.
- UAE is looking at 2015.

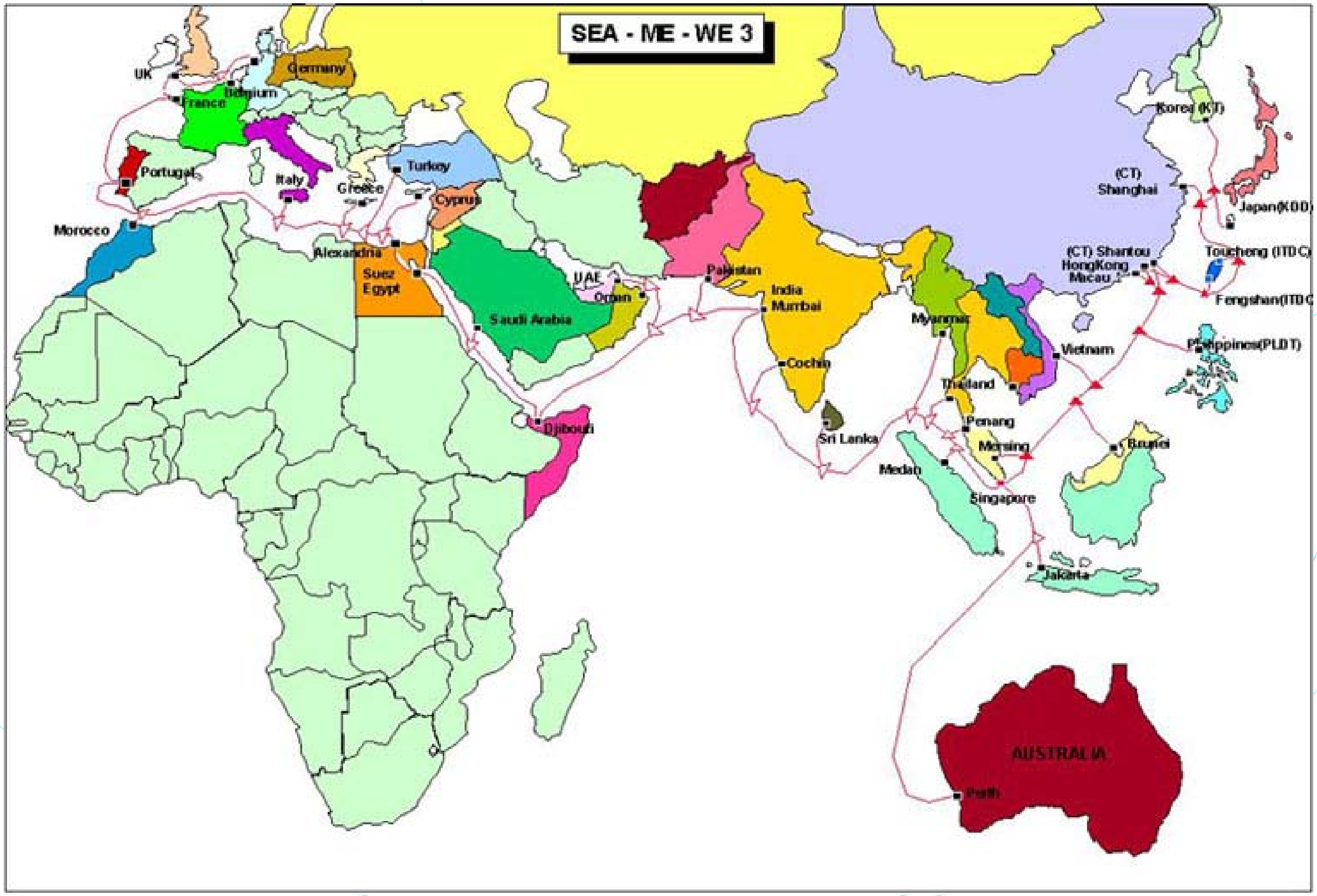
- Bahrain supposedly fully deregulated.
- Kuwait open to some competition on the ISP arena.
- Saudi ISPs underwent consolidation.

So are they Deregulated?

- **Bahrain:**
  - No Ducting Available
  - No Local Loop Unbundling
  - No Spectrum Licensing Policy
  - No International Facilities
  - Regulator More Concerned About Regulating than Deregulating

- **Kuwait:**
  - Obtaining Licenses is Difficult
  - Ministry of Transport Driven rather than regulator driven
  - New Entrants at this point in time need to lobby more than build
- **Saudi:**
  - Playing Field change. Can now buy IP-Transit from any Data License Holder
  - Cannot buy local access unless through incumbent
  - No regulation to force incumbent to yield services

International Connectivity



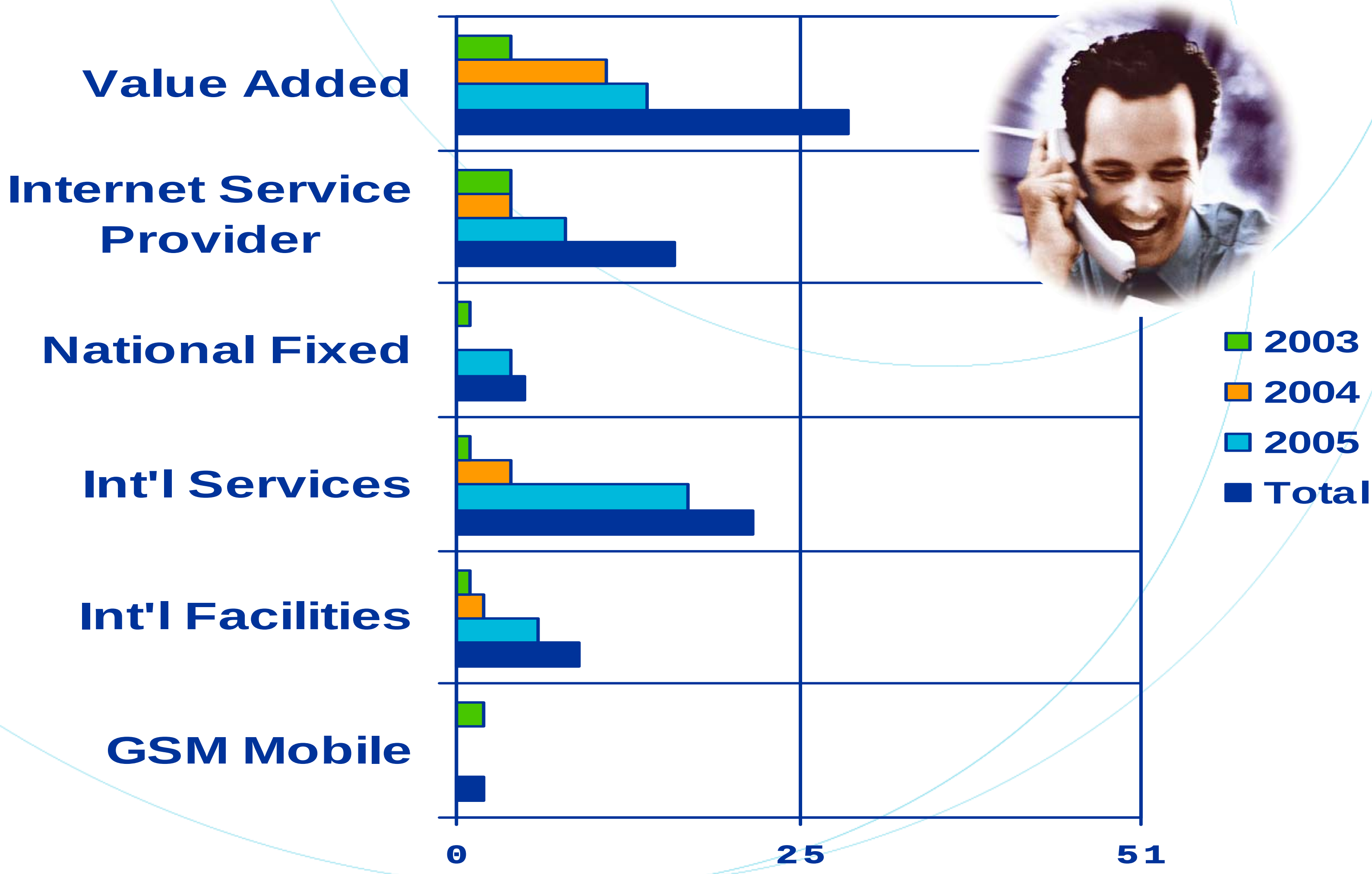
Peering Today

04-2006

Initiative to Peer

- **Spearheaded by Etisalat and Qtel.**
- **The idea is to create STM1 connections from each country to two neighbouring countries.**
- **It is believed that Qatar and UAE are already so connected.**
- **Initiative relies on Incumbents accepting it, or country Exchanges.**
  - Where’s the money?

Licenses '*Issued*' in Bahrain by TRA



Source: TRA Website

The Reality of Licenses '*Issued*'

- Some Licensee's applications are Speculative
- Some ISL Licensee's have already exited the Market after crashing the wholesale international price.
- Some VAS Licensee's are concentrating entirely on Pre-Paid calling cards to the Indian Sub-Continent.
- Connectivity is Limited

Issues

- Different Agendas
- Young Industry
- High Costs
- Knowledge is limited