

# TRA Annual Report 2008 & Update

## Press Conference

19<sup>th</sup> August  
Ritz Carlton



هيئة تنظيم الاتصالات  
Telecommunications Regulatory Authority

# Agenda

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- Review - Mohammed Al Amer, Chairman TRA
- Update - Alan Horne, General Director
- Q&A
- Lunch



# Contents of Annual Report

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- Chairman's Statement
- General Director's Statement
- Highlights of 2008
- Working for Consumers
- Building a Competitive Market
- Forging Links
- Inside TRA
- Statement of Accounts
- Annexes



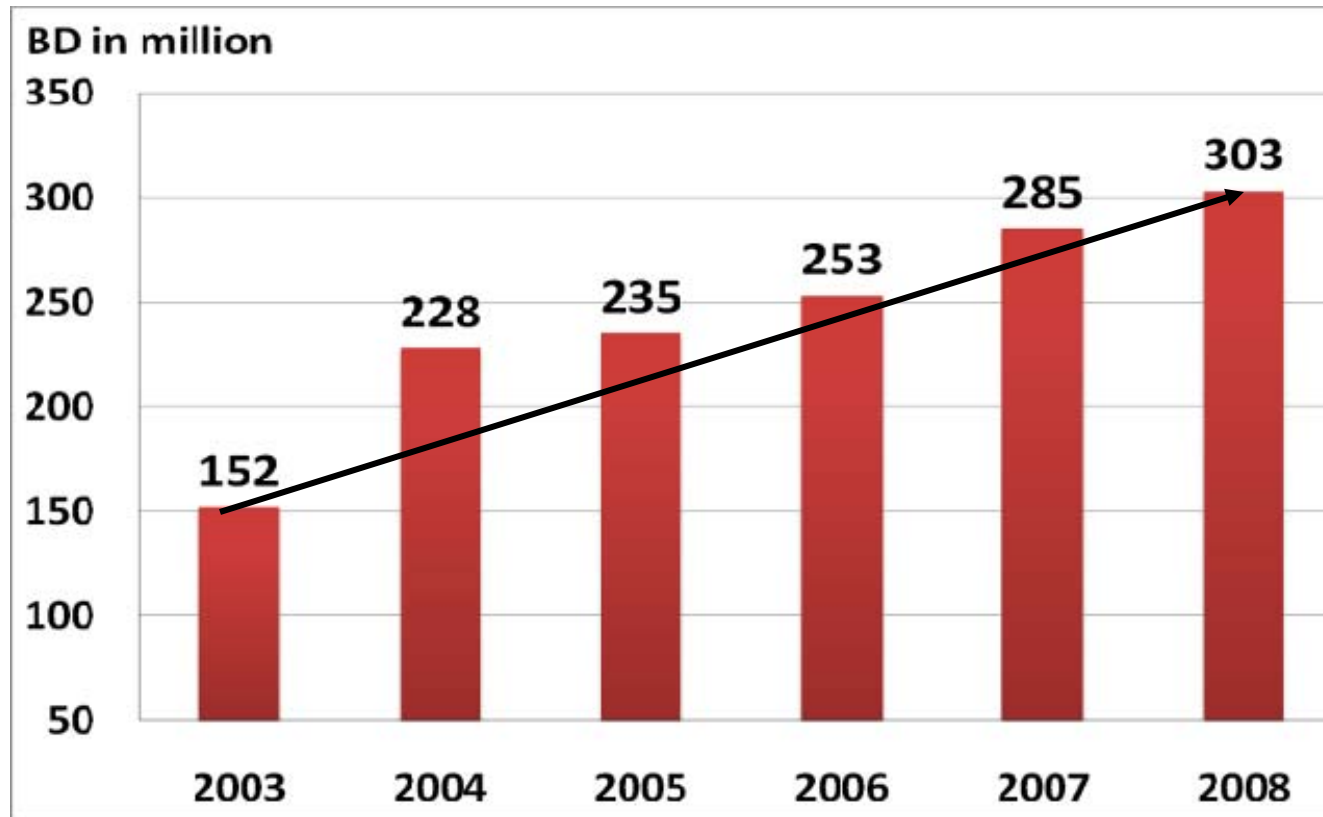
# Achievements

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- Consumers have real choice of services and service providers
  - First to have 2 Nationwide coverage using WiMax;
- Prices are coming down e.g.:
  - 50% reduction in Business BB price in 2008;
- Confidence in the regulatory and policy framework attracts inward investment;
- 3<sup>rd</sup> Mobile Auction conducted (Completed in Jan 2009) raising \$240 M for the Kingdom
- Expansion of TRA team with sound development policies for Bahraini staff
- TRA considered a role model by PM's Excellence Programme



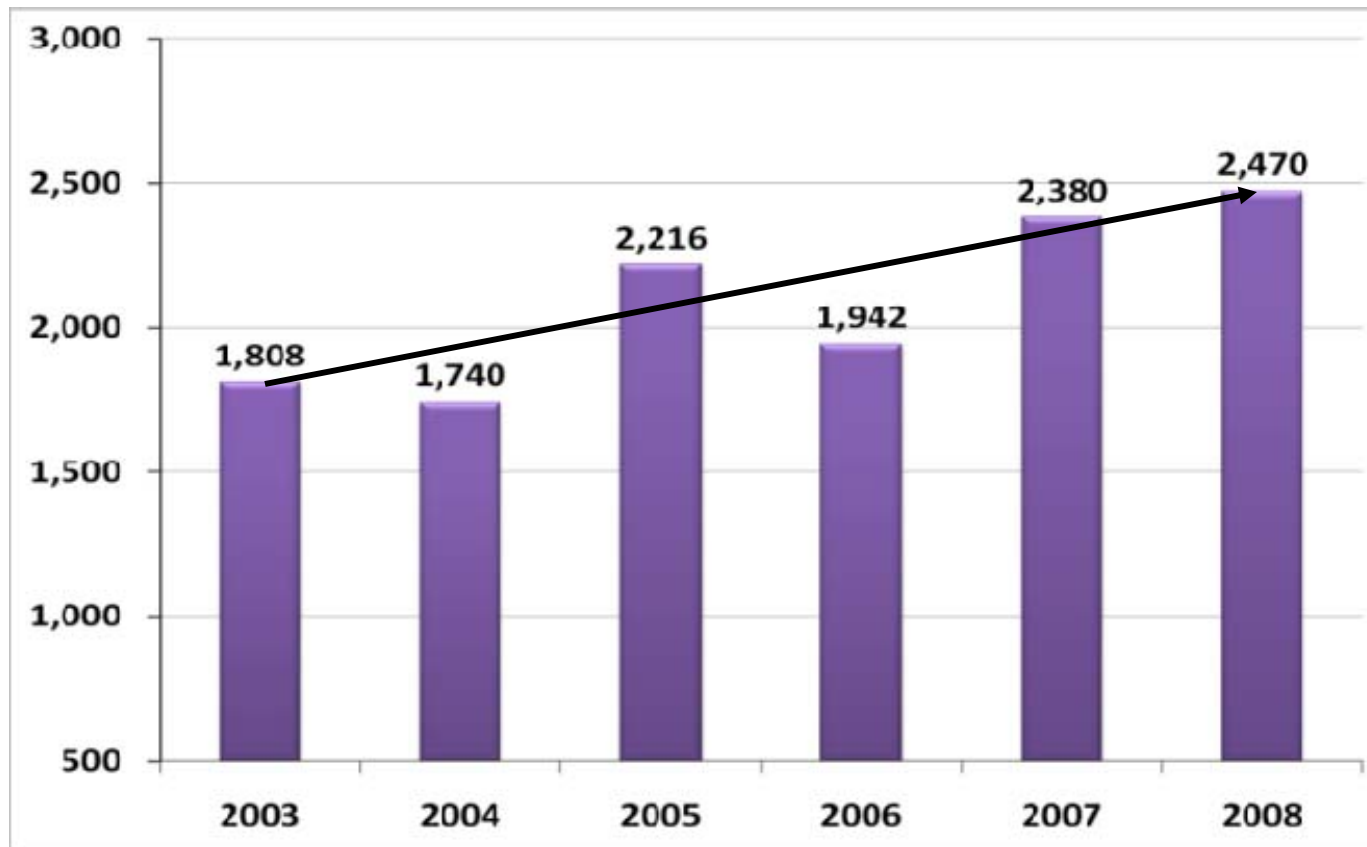
## 6.3% Growth in revenues between 2007 and 2008



Source: TRA analysis



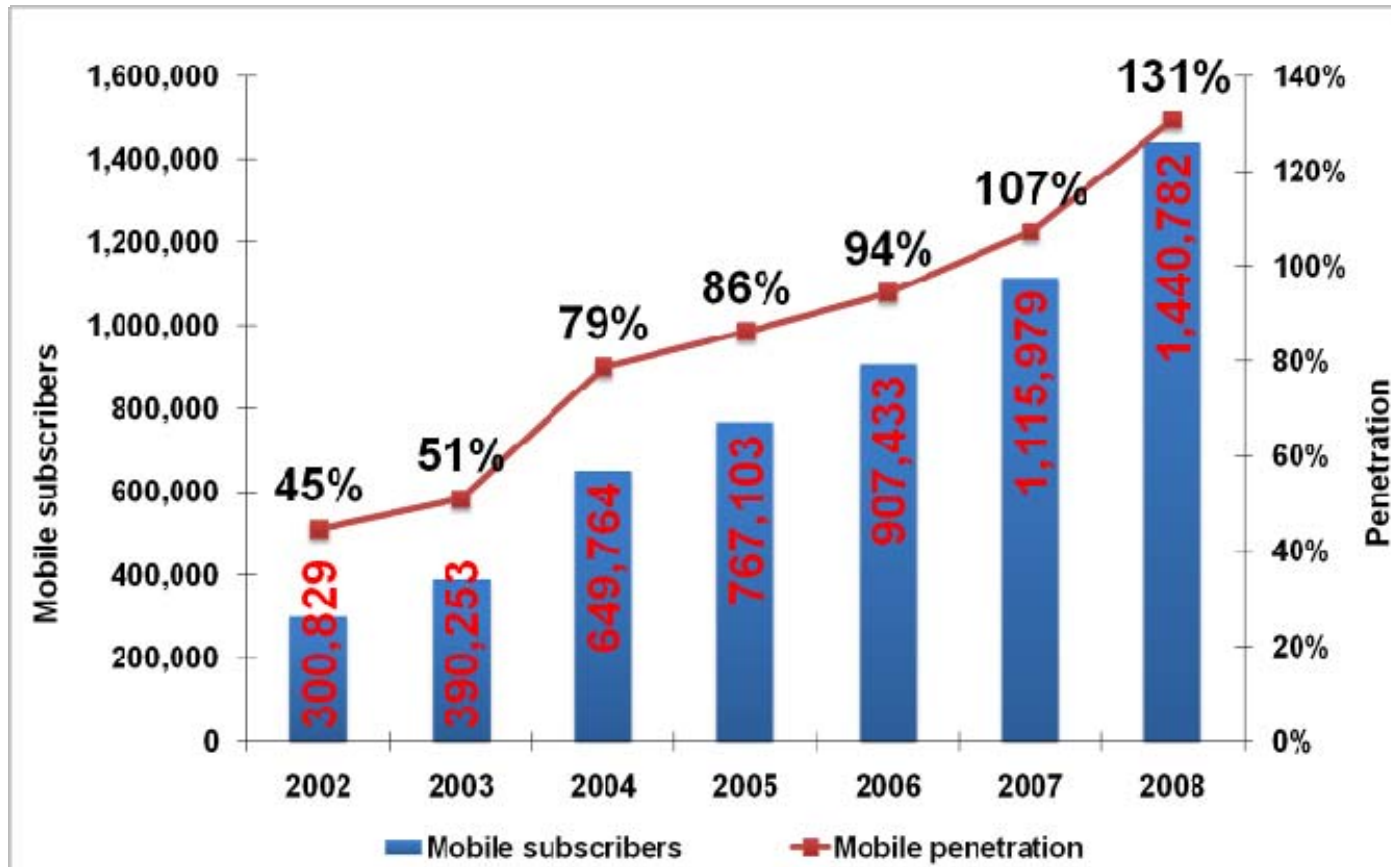
## 4% growth in number of employees between 2007 and 2008



Source: TRA analysis



At the end of 2008 there were over 1.4 million mobile subscribers in the Kingdom of Bahrain

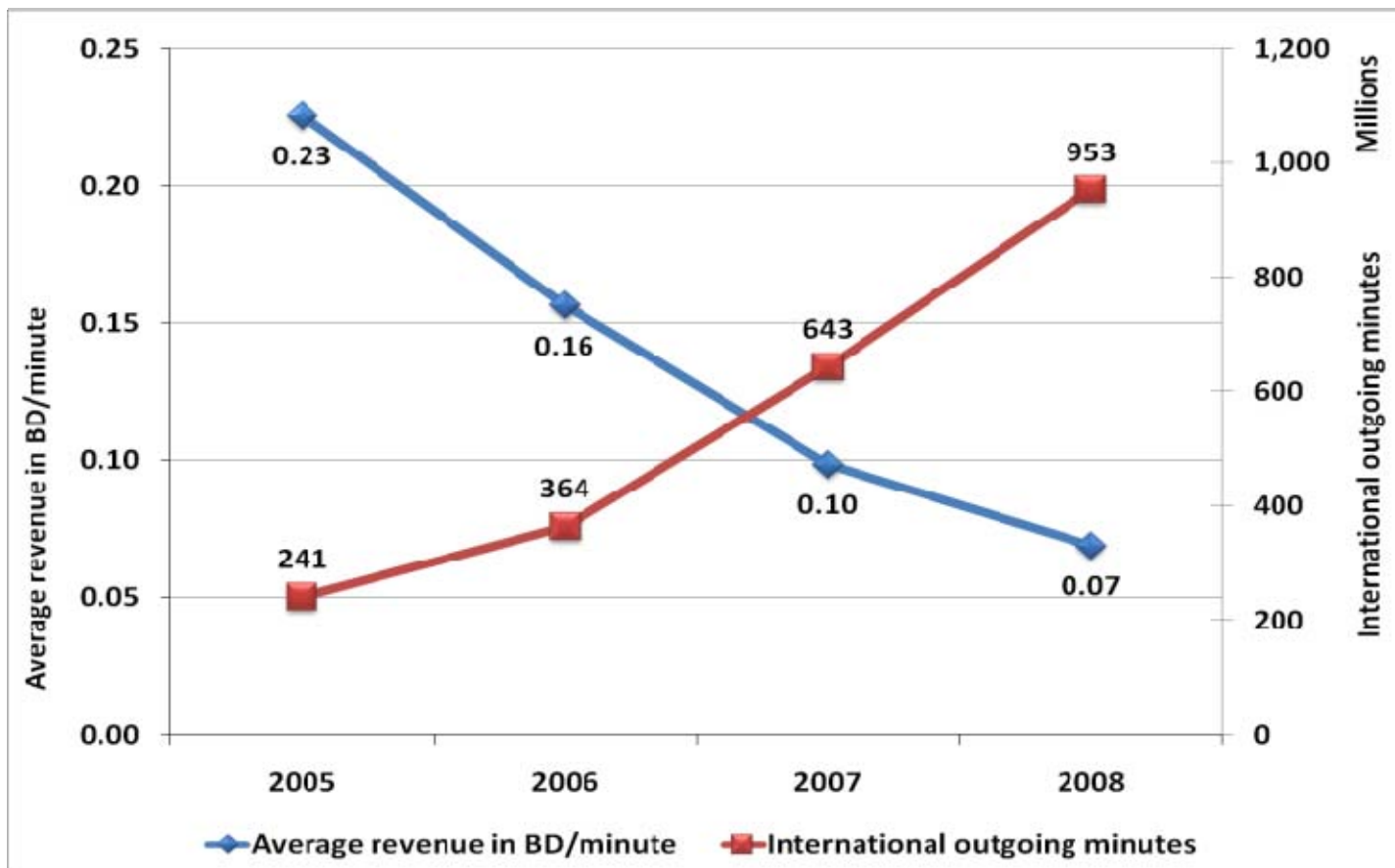


Source: TRA analysis



50% Growth in the international outgoing minutes between 2007 and 2008.

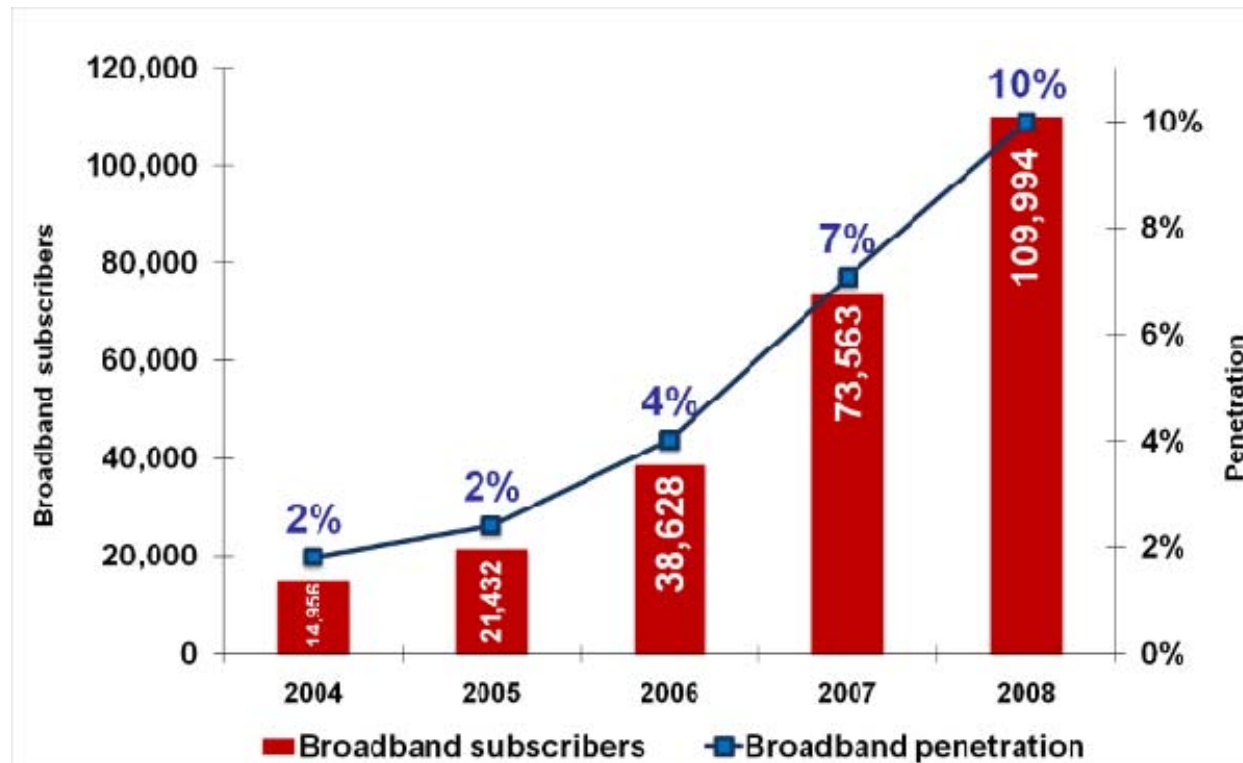
30% Drop in international average revenue per minute (2007 to 2008)



Source: TRA analysis



The number of broadband subscribers increased by 50%  
between 2007 and 2008



Source: TRA analysis

**Circa 50% of households**



# Priority Actions

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- Not yet fully effective competition other than Mobile
- International connectivity – availability, diversity, competitive, price
- Relatively high price of internet resulting in the majority of customers using low speed access
  - Limited thresholds for download data
  - Asymmetric speeds only
- Quality of Service
  - Concern over speeds received compared to what is being paid for
- Enforcement of intellectual property rights
- Development of National ICT Policy building on the strengths of the current framework
- Raising awareness within Government and Private Sector to have clear ICT Policy and procure services through open tender



## 2030 Economic Vision

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- Improve Bahrain's internet connectivity and international telecommunications infrastructure
- High bandwidth, secure and reliable networks - fixed and mobile are needed by businesses to support economic growth and attract many types of investment;



# 2030 Economic Vision

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- Objective:
  - market liberalization and
  - appropriate market regulation to ensure availability of:
    - reliable, diverse and affordable internet connectivity;
    - Diverse international telecommunications infrastructure;
- How: encourage the deployment of the high capacity fiber-optic networks including:
  - removing unnecessary barriers to the deployment of networks;
  - facilitating access to existing infrastructure and reduce costs via shared works;
  - appropriate public policy initiatives that support fair and effective competition



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Update

Alan Horne



# TRA

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- 12 Consultations
- 10 Regulations, Determination and Decisions
- 1 Order on Batelco for failure under the Reference Offer
- Telecommunications Technical Office (TTO) coordinating access to Telecommunications Corridors to allow OLOs to invest
- Workshops held on such matters as Number Portability, Lawful Access, Environmental issues and Consumer Protection
- Consumer Advisory Group (CAG) met 11 times

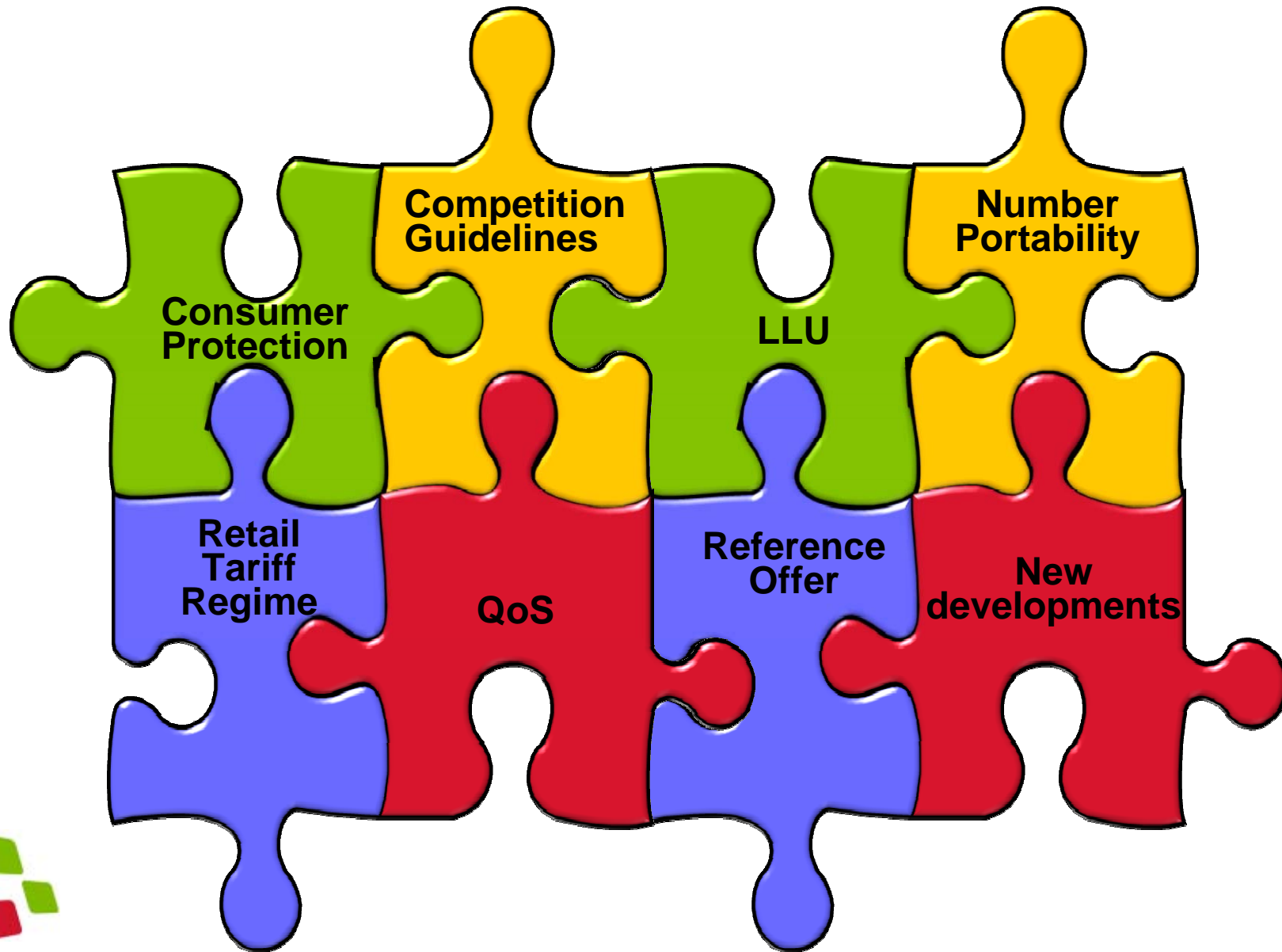


## *Choice in Services & Suppliers*

Operator Name	National Fixed	International Calls	Mobile	Internet	Leased Line	Other Data Services
2Connect	√	√		√	√	√
Batelco	√	√	√	√	√	√
BT Solutions LTD						√
Business Communication Networks		√				
Etisacom	√	√		√	√	√
Fakhro IT Services		√				
Fastelco ( TeleGulf)		√				
Kalaam Telecom	√	√		√	√	√
Light Speed	√	√		√	√	
Mena Telecom		√		√		
Northstar		√		√		
Nuetel Communications	√	√		√	√	
Orbit		√		√		
Viacloud		√				
Zain (Bahrain)	√	√	√	√		
STC		√	√	√		



# Regulations completing the competitive landscape



## Some concerns expressed over recent months

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- Value of TRA
- Effective working
- Fair treatment
- Transparent
- Flexibility
- Time to react to OLO's needs
- Creating awareness of TRA
- TRA stimulating interest in NP
- Radio Masts
- Internet access and QoS



# Does TRA deliver value for money?

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- TRA's expenditure represents 0.78% of the revenues of licensees
  - TRA expenditure of BD 2.5 Million for 1.1 Million people represents 2.1 BD per person
  - Licensee Revenues BD 300 M represents BD 270 per person
- Bahrain has gone from Monopoly to:
  - Freedom to choice, better value for money
  - Improve customer service
  - New services
  - Inward investment
  - Increased employment
- 3<sup>rd</sup> Mobile raised BD 87 Million for Bahrain and will result in:
  - BD 100 + Million network investment
  - BD 300 Million VC and 1% of revenue for social fund



# Effectiveness of TRA

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- There are more than 180 National Regulators responsible for telecommunications/ICT
- The work of a Regulatory Authority is largely the same independent of size of the country but is impacted by the number of operators
- Most regulators have staff of 100 to 300 people
- TRA Bahrain has a staff of 32 but will increase to just under 50
- TRA has a policy to:
  - Employ people based on merit, passion to make a difference to the Kingdom;
  - Pay competitive salaries;
  - Reward based upon performance;
  - Use specialist consultants when required for each piece of major work;
  - Not commission reports but pay for concrete deliverables;
  - Have in house staff lead the projects.



# Fair treatment

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- Batelco has lost its monopoly
- It has an obligation not to act in an anti competitive manner
- It has an obligation to provide access to its network to other operators at cost based prices (including a reasonable rate of return) in markets in which it has been declared dominant
- TRA has an obligation to ensure consumers are protected from unfair practices
- TRA has an obligation to take fair and reasonable actions balancing all stakeholders interests but with the consumer and the Nation uppermost in its mind
- TRA consults on its Regulations & decisions and Orders
- TRA produces a full analysis of why it has come to a particular decision - Transparent



# Transparency

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- TRA consults on all its Regulations
- TRA issues Draft Orders before issuing Final Orders
- TRA is required by Law to Publish an Annual Report
- In preparing its Final Orders, Decisions and Regulations TRA goes to great length to explain what and why its has taken specific actions or decisions



# Open Minded

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- Within the confines of the Law TRA seeks to be open minded and pragmatic
- We recognise that we must practice tolerance, recognizing and respecting the beliefs and practices of others and where required accept a variation from a standard
- We ensure that we take a full breadth of view when approaching any issue or task through the use of an experienced multi disciplined team made up of internal and external staff and through consultation of all interest stakeholders
- We have sympathy with all stakeholders irrespective of size, race, religion colour or creed
- We put things into proportion and tackle the bigger issues before the small ones



# Time to react to complaints

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- In an growing competitive market complaints from consumers and operators increase;
- TRA is increasing its legal and consumer affairs team
- Each complaint has to go through due process:
  - Ensure complaint is valid
  - Collect data from complainant
  - Request clarification from Licensee
  - Analyse and facts and information
  - Form view
  - Send draft decision
  - Considers responses
  - Make final decision
  - Deal with appeals



# Creating Awareness

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- Consumers' have to know that there is an Authority that they can turn to if they are having a problem with their service provider
- An educated user assists in raising the standard of competing service providers
- TRA has and will continue to have both advertising and PR to promote TRA and specific initiatives
- TRA will support knowledge building within consumers and Licensees to ensure a better educated consumer and market



# Creating Awareness

**We're here to help**

The Telecommunications Regulatory Authority (TRA) gives you the right to know and provides information. We help you learn about your rights so that you receive the quality of service that you signed up for. We do this by providing information and advice to those who request it. We also assist consumers in making choices with their telecommunications service providers and support them in voicing their concerns and objections.

To learn more about us, visit our website.



www.tra.org.jh

**We're here to protect**

One of the main roles of the Telecommunications Regulatory Authority (TRA) is to protect the interests and rights of telecommunications service consumers. We do this by ensuring that consumers are treated fairly, particularly with regard to tariffs, availability and quality of service, as well as the protection of personal data. We also work to ensure that telecommunications service providers uphold their commitments.

To learn more about us, visit our website.



www.tra.org.jh

**We're here to regulate**

The Telecommunications Regulatory Authority (TRA) is an independent organization that was created by royal decree No. 48 in 2002. Part of our mandate is to set standards and regulations for the telecommunications sector. We also work to ensure that telecommunications service providers meet the performance of the sector. Our ability to foster competition is essential to bring better service options and prices to the end consumer.

To learn more about us, visit our website.




www.tra.org.jh

**Make sure you're clear about what you're getting into.**

Although the Telecommunications Regulatory Authority (TRA) provides consumers with this section, it is important for you to get all the information you need before you sign a contract. Make sure you read and understand your telecommunications service contract. Check the fine print. It is important that you know and understand the terms, conditions, of use, and fee schedules, and always keep a copy of the contract safely with you.

To learn more about us, visit our website.



www.tra.org.jh

**With so much choice it's hard to choose.**

There is a lot of choice when it comes to telecommunications services. It's important to know what you're getting into before you sign a contract. Make sure you read and understand your telecommunications service contract. Check the fine print. It is important that you know and understand the terms, conditions, of use, and fee schedules, and always keep a copy of the contract safely with you.

To learn more about us, visit our website.



www.tra.org.jh

**Sometimes you need all the help you can get.**

Thanks to the Telecommunications Regulatory Authority (TRA), you can enjoy an enhanced level of quality communications in Jamaica today. However, if you do face a problem you should use your right to complain. Make sure you lodge a complaint with your service provider first. If it doesn't work, come to TRA. It is our duty under the law to make your complaint and work with you and your service provider to reach a solution.

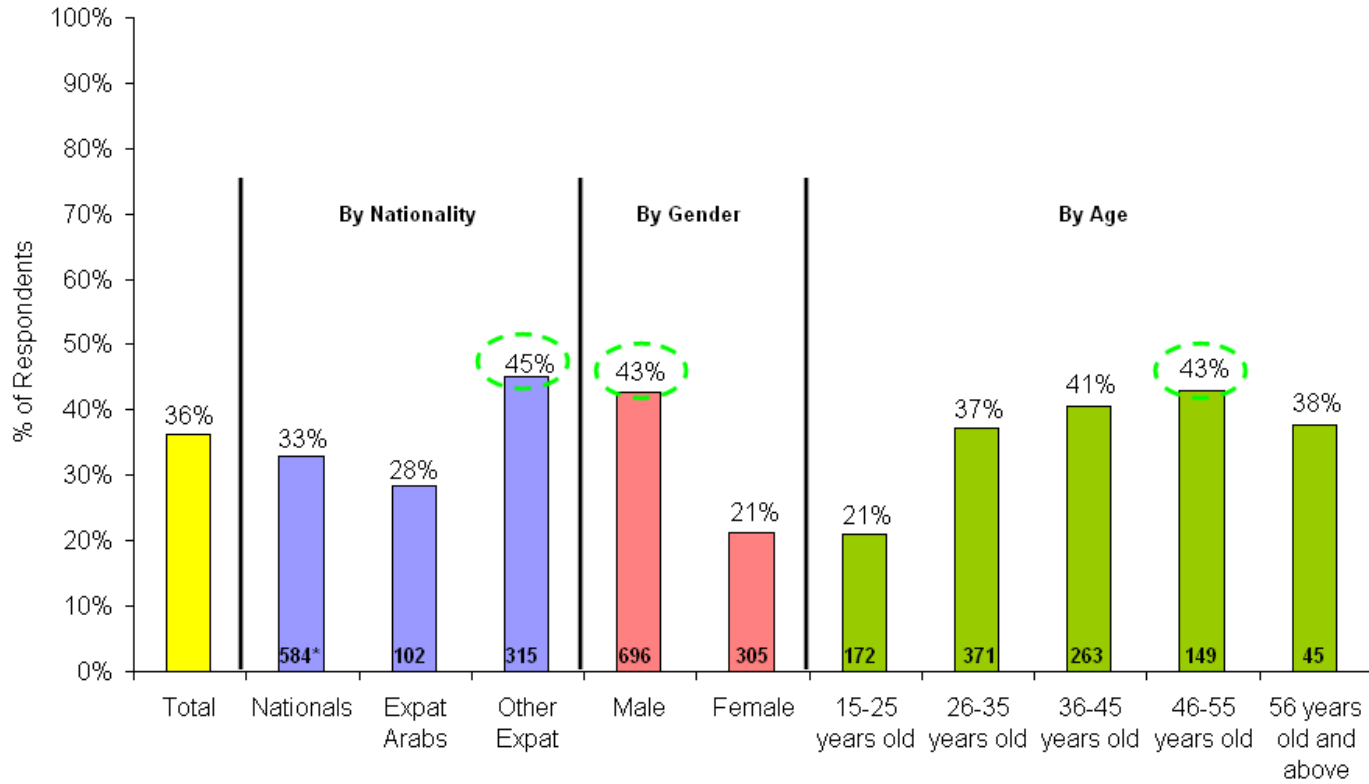
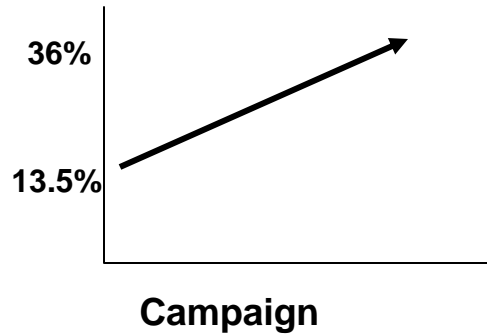
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13.5% to 36% awareness

# Awareness of TRA



\* Numbers at the bars bottom are the related sample for each segment.

Awareness is higher among the non-Arab expatriates, males and those from older age groups.

Conversely, Arabs, female respondents and those from younger age groups were less aware of the TRA.

Newspaper was the most effective media channel, followed by outdoor. 24% recall seeing TRA ads in the newspaper compared with only 7% from outdoor advertising.



## Stimulating Interest in NP

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- Number Portability has been introduced in most developed competitive markets
- The Law recognises that NP should be introduced when the Authority is satisfied that sufficient demand exists for the service
- TRA had to demonstrate that there is a demand
- Customers' needed to know that NP is a possibility and being considered before they make a request





**I my number.**  
But want to change  
my phone company

**To keep  
your  
phone  
number**

**VOTE  
HERE**



**ITS Regional Conference in Bahrain October 09**

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Telecommunications Regulatory Authority

About Us Events **Make Investments of TRA** Legal Instruments by TRA Consumer Consultancy

More Information on:  
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 Market Information  
 Market Operations  
 Interconnection Fees  
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Apply for 3.4 GHz and 5 GHz Frequency License online

2030  
البحرين  
BAHRAIN

Bahrain 2030 Economic Vision

Fact  
 Consumer  
 an Operator  
 looking for Legal Information

Site Search




**To keep your  
phone number**

**ENTER YOUR  
DETAILS BELOW**

As part of our duties to promote effective and fair competition in the telecommunications market in the Kingdom of Bahrain, as an authority TRA is in the process of implementing Number Portability (Number Forward) by which enable fixed line and mobile subscribers to change their service provider without having to change their numbers.

As part of the TRA's consultation process, we invite you to register your details if you are interested in having Number Portability as an option. To register your preference for Number Portability, please complete the following short questionnaire.

Alternatively, you can express your interest in having Number Portability as an option by sending an Email message to "consumers@tra.org.bh" consumers@tra.org.bh or by calling our toll free Consumer Affairs Line on 800 889 88.

Full Name or Company Name

Fixed Line or Mobile Number  
(e.g. 30043000 or 110030033)

CPR or CR Number  BD

Email ID  
(e.g. abc@ah@gmail.com)

How much would you pay to keep your number?  
(Amount in BD)



**To keep your  
phone number**

**VOTE  
HERE**

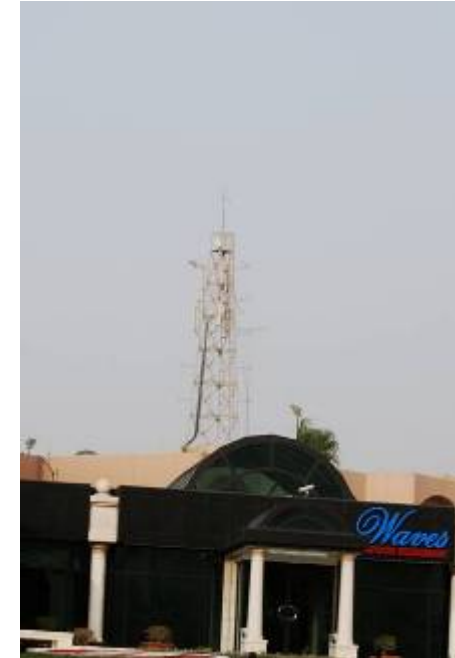
Do you want to switch to a different phone company yet keep your old fixed line or mobile phone number? Then vote for change!

As part of our duties at the Telecommunication Regulatory Authority (TRA), we wish to promote effective and fair competition in the telecommunications market in Bahrain. So if consumers like you want to keep your phone numbers and enjoy the flexibility of choosing another phone company, then we will work to make it happen.

## *Masts - What is the issue?*

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1. Public concerns arising from:
  - health effects of signals radiated from antennas on masts; and
  - many masts look ugly – spoil the look of the environment
2. As a result operators have been experiencing difficulties in obtaining permissions from Municipalities to erect new masts.



## *What Actions has TRA taken?*

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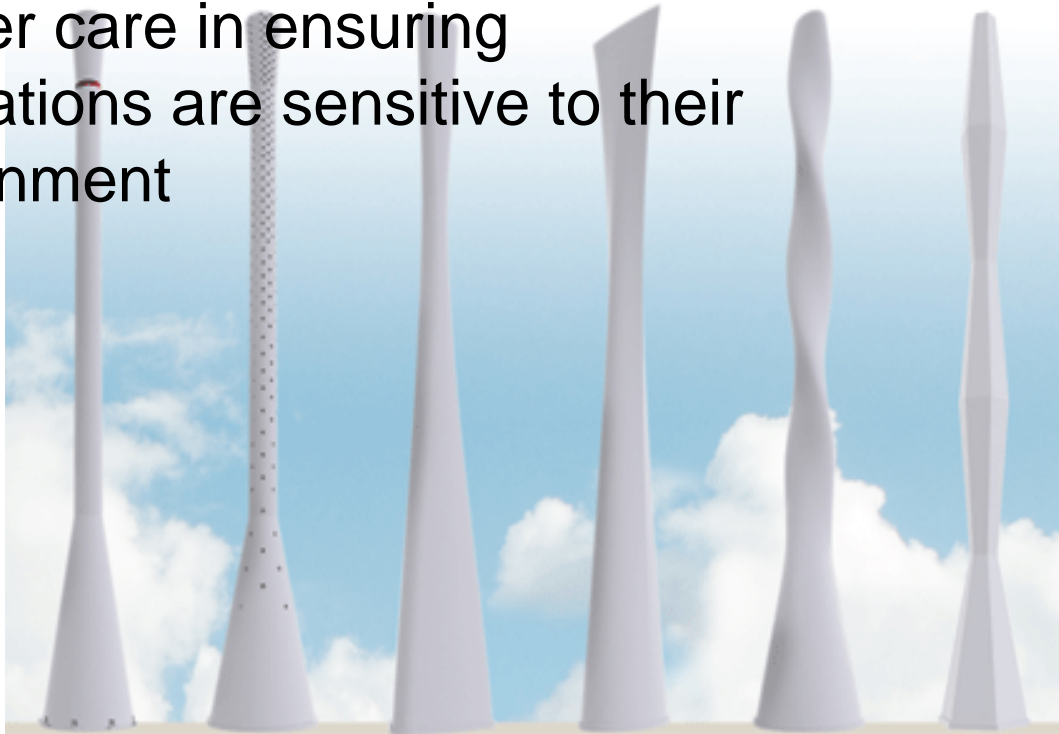
1. Standard set for radiation levels in conjunction with the Commission responsible for the environment – ICNIRP standard adopted;
2. Mast sharing regulation to be published imminently;
3. Campaign in progress promoting that radio masts are not harmful;
  - Started measuring RF signal levels throughout the Kingdom
  - holding workshops and bringing international experts to Bahrain
4. Procedure being developed with Municipalities and the Commission responsible for the environment for the planning of new masts.



## *The way forward*

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- Greater cooperation between licensed operator.
- Greater care in ensuring installations are sensitive to their environment



If you can't fix it feature it



## Internet Access & QoS

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- A very high priority
- Require additional competitive capacity being made available at lower costs
- Investments are being made to achieve this but this takes time
- In the mean time the high price impacts the capacity being made available, download and upload thresholds and speed
- TRA is working with the industry to tackle the short term issues
- Success will pay dividends for the Kingdom



## Conclusion - Chairman

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- Bahrain is recognised as being one of the most open and competitive markets in the region
- TRA is widely recognised as being one if not the leading regulator in the region
- Regulations, Decisions, Order all supported the market growth
- 2008 saw an increase in the market revenues, customers, services, choices and lower tariffs
- 2009 - a realization of a number of key regulatory initiatives to complete the regulatory framework
- Focus on awareness building to support a healthy growth in the market for consumer benefit





Q&A



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