

Welcome to the first report of the Telecommunications Regulatory Authority in the Kingdom of Bahrain. The report sets out our aims and ambitions, describes our approach to regulation, and records our activities since we were set up in October 2002.

Firstly, I would like to extend our thanks and appreciation to the Chairman of the Board Dr. Mohammed J.K. Alghatam for his work as the acting General Director of the Authority, prior to my arrival, as well as to his continued support since then. Our thanks and appreciation is also extended to each member of the Board of Directors for their support to the TRA.

As you are aware, in today's global markets, high quality telecommunications are a key factor in doing business successfully. Domestic customers too should have access to a choice of modern high-quality services at competitive prices. As part of its liberalization programme for the economy the Government decided to deliver these benefits through opening up the telecommunications sector to competition.

In the Telecommunications Law (issued on October 2002) the Government set us challenging targets and milestones for liberalization. In a relatively short time we needed to move from a sector with a virtual monopoly supplier - Batelco - to a vibrant market where competitors could enter without encountering artificial barriers. We needed to draw on international experience of similar markets and our own expertise in the sector.

We have already achieved many of the targets and the framework for fair and effective competition is almost complete. Significant milestones include the selection and entry of a competing operator, the resolution of how the networks interconnect - the fundamental agreement that allows subscribers on one to communicate with subscribers on the other - and the adoption of and migration to a new numbering system that allows for a rapid expansion in current

services and the addition of services only imagined, as well as giving customers information on the type of service they are calling and the cost of it.

When necessary, the TRA works around the clock to ensure that our duties and obligations are met. An example was when we helped Batelco and MTC Vodafone come to an agreement about call-forwarding - on New Year's Eve!

When the liberalization programme is complete we will still have a vital role to play in providing the checks and balances. Batelco will remain a very dominant supplier for some time. We need to ensure they are competing fairly with new entrants in the market, for example in reaching interconnection agreements and complying with license conditions on accounting separation of their services. In some areas we may need to create a competitive environment through regulation where real competition is slower to develop, for example price controls on basic services. We also recognize that Batelco is an important company in our economy and needs to benefit and thrive through liberalization too.

We act as an independent and impartial regulator in controlling key elements such as licensing and numbering. Our role here is to ensure openness and fairness so investors can have confidence in this new market. Last, but definitely not least, we need to make sure that all subscribers are getting the full benefits of a liberalized market - more choice, higher quality of service and lower prices. Already mobile customers are seeing prices fall and a greater variety of service as a result of a second operator in the market.

Our aim is to make the Kingdom of Bahrain a communications hub for the region, supporting economic development and providing the most up-to-date telecommunications available. At the time of writing, the basic framework is almost in place to achieve it and we look forward to an exciting future of opportunity and competitive advantage.

General Director's Statement



A. Andreas Avgousti
General Director