



**TRA OPENS CONSULTATION ON ANOTHER ELEMENT OF
COMPETITION PROVISIONS AS FULL MARKET
LIBERALISATIONS DRAWS NEAR**

***-- Public Urged to Comment on Regulations to
govern Mergers and acquisitions in telecoms sector --***

MANAMA – 20 June 2004 –The Telecommunications Regulatory Authority (TRA) today announced the start of a new public consultation with regard to the rules and regulations, which will govern mergers between market players or acquisitions of such players, in the Kingdom's increasingly competitive telecommunications industry which is set to become fully liberalised on 1 July 2004.

In line with international best practices currently being implemented in competitive global markets, the TRA seeks to adopt a regulation, which although encourages further economic efficiency and free trade it ensures that competition and consumers are also protected.

Mergers and acquisitions are a critical part of normal commercial activities and efforts to gain greater efficiencies by operators. These include economies of scale, numerous synergies and the spreading of risk.

With this in mind, this consultation and the resulting regulation is meant to form the basis for which the Authority will analyze mergers and acquisitions that may raise competition or consumer concerns.

Commenting on the announcement, General Director of the TRA, Mr. Andreas Avgousti said, "Competition is key in the development of a dynamic and advanced telecommunications market and this latest consultation is aimed at ensuring the Authority both adopts the most effective policies in this regard as well as provides investors and current and potential operators with clear guidelines and regulations that will allow them to make informed business decisions for the benefit of the industry and the Kingdom's economy as a whole. We invite comments from all interested and affected parties on this and other important issues as we work to establish the region's most competitive telecommunications market."

In line with its efforts to drive participation in the development of the sector, the TRA is taking measures to alert industry participants, government bodies, businesses and consumer organisations of the consultation process on this issue as well as relevant deadlines for putting forth their views.

Interested parties will have 28 days to comment on the document that includes the actual regulation, with the deadline set for 18th July 2004. Full contents of the consultation document can be viewed on the TRA's website at www.tra.org.bh.

Based on the comments that are received, the TRA expects to issue the final regulation as the current consultation includes the draft regulation text.

About the TRA

The Telecommunications Regulatory Authority (TRA) was established by Legislative Decree No. 48 promulgating the Telecommunications Law. The TRA is an independent body and its duties and powers include, among other things, protecting the interests of subscribers and users and promoting effective and fair competition among existing and new licensed operators. More information regarding the TRA can be viewed at www.tra.org.bh

- The TRA will be happy to provide hard copies of the consultation document for those interested parties who do not have access to the Internet. The TRA can be contacted on telephone number 17 540 120.