



THE TELECOMMUNICATIONS REGULATORY AUTHORITY DECLARES BATELCO DOMINANT IN WHOLESALE MARKETS

MANAMA – 22 January 2006 – The Telecommunications Regulatory Authority (TRA) issued today its determination on the dominance of Batelco in wholesale markets in the Kingdom of Bahrain. The determination document identifies markets where Batelco is declared dominant, including broadband access, access to international cables and links, as well as other areas. This determination follows the consultation process on the same topic, which was concluded in November 2005.

The determination declares Batelco dominant in the specified markets, in the geographic area of the Kingdom of Bahrain, excluding the Amwaj Islands.

According to the Access Regulation that was issued by the TRA last year, operators which are declared by the TRA to be dominant in access markets are obliged to provide certain access services and to set out these services and the terms and conditions on which they are provided – including their charges – in a reference access offer. This offer is subject to the TRA's approval. This in turn means that Batelco is required to prepare a document setting out the terms, conditions and prices of acquiring access products from Batelco within two months of today and submit it for TRA approval.

The TRA will review this determination no later than 24 months from today, in order to assess whether the market circumstances at the time require changes to the determination.

Commenting on the announcement, the General Director of the TRA, Mr. A. Andreas Avgousti, said: "The issue of access is of great importance in liberalized telecommunications markets, as new operators need to access, at appropriate prices, existing telecommunications networks and facilities in order to provide services to their customers. The determination issued today is another step in opening the market to competition."

Notes to Editors:

What is Access?

Access means allowing a licensed telecommunications operator to use the telecommunications networks or facilities of another licensed telecommunications operator at a regulated price with the aim of providing telecommunications services, including the link-up of equipment. It also covers access, for example, to any installations that include buildings and pipes for wires and cables.

Why is Access important?

Without Access it would not be possible for ISPs and VAS licensees (who do not have telecommunications networks of their own) to offer their services to customers.

What is a Dominant Position?

A licensee in a dominant position is one that is able to act independently – to a material extent – of competitors, subscribers and users in a relevant market.

About the TRA

The Telecommunications Regulatory Authority (TRA) was established by Legislative Decree No. 48 of 2002 promulgating the Telecommunications Law. The TRA is an independent body and its duties and powers include protecting the interests of subscribers and users, and promoting effective and fair competition among established 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 determination document for interested parties who do not have access to the Internet. In addition, the TRA is happy to provide copies in Braille or large print upon request and free of charge. The TRA can be contacted on telephone number 17 52 0044.