



A. Andreas Avgousti
General Director

General Director's Statement

It is my pleasure to welcome you to the second annual report of the Telecommunications Regulatory Authority of the Kingdom of Bahrain – the TRA. This has been a very exciting year for the TRA and, indeed, an historic one for telecommunications in Bahrain. It has been the year of TRAnSition to a fully competitive market. On 1 July we were able to declare that the Bahrain telecoms market was open. We had achieved full liberalisation less than two years after the first moves were made in October 2002. Bahrain is now firmly leading the way as the first country in the Gulf and Middle East region to have a fully liberalised telecoms industry.

This would not have been possible without the active and unfailing support of all the members of our Board of Directors, led by the Chairman, Dr Mohammed J. K. Alghatam. The hard work and enthusiasm of all the staff at the TRA, too, have ensured we met our milestones. I would like to say a personal 'thank you' to all these people.

Opening up the market has meant creating many new opportunities for investment and innovation. In turn, a vibrant market means customers – both business and domestic – are offered more choice, rising standards and a world-class range of modern telecommunications services. We hope to see these economic and consumer benefits fully realised over

the next few years. We are already beginning to get a taste of what is to come with two competing operators now offering a range of mobile telephony services.

The Kingdom of Bahrain is an area of rapid economic growth, and high-quality up-to-date telecommunications are essential in supporting and encouraging that growth. Rapid business growth also means an increasing demand for telecommunications services and opportunities for market entrants. While the Kingdom of Bahrain is not a large market in global terms, it has considerable strategic importance as the market leader for liberalisation in the region.

Up to this point, our activities at the TRA have focused on achieving our milestones in the liberalisation process. Now we need to concentrate on nurturing the competitive market and ensuring consumers are seeing the rewards. There is no room for complacency, as we will need to monitor the market carefully, stay alert to any barriers to fair competition and tackle anti-competitive behaviour effectively. While new entrants must be allowed to compete on fair terms, we also need to take account of the interests of Batelco, the incumbent operator. At the same time, the TRA will have to keep abreast of new developments in the ever-changing

telecommunications world, which will require it to take them into consideration in its decision making or event call for regulatory action.

The next few years will be years of growth and consolidation, building on what has been achieved so far, raising awareness of the opportunities offered by the new environment and ensuring a fair market develops for competitors and consumers alike.

Like any two-year-old, now we have started walking, we need to start talking too. During the year we began raising awareness of Bahrain's new regulatory environment both here and around the world. To this end we chose to speak at a number of selected international conferences and will continue to do so selectively next year, so that we can continue promoting the newly founded regulatory regime. International relations with other regulators are also important in sharing experience and making sure Bahrain telecoms keep up to date with the latest world telecoms developments. 2004 saw our first two agreements with colleagues in other jurisdictions, which will enable us to better learn from each other.

All these steps ultimately benefit our subscribers and users in Bahrain by setting up a healthy industry which competes to meet customer needs, thus increasing choice and ensuring they have access to the best on offer. With consumers always at the back of our minds in terms of what we are doing, this year has been an important one for the TRA's activities on that front too. We ran our first consumer campaign, promoting considerate use of mobile

phones and featuring 'Mr Mobile Menace'. A highlight of the year was the setting up of our first consumer group to advise us on issues relating to carrier pre-selection. Consumer advisory groups are an important element in establishing a strong dialogue with users of services, in order to increase mutual understanding and reach well-informed decisions.

From the outset, openness and transparency have been the watchwords in all the TRA's activities. We have honoured our commitment to consult fully, and this year we have improved our website, giving people easier access to TRA information and publications. We have also taken a groundbreaking step in setting up a panel of international experts to scrutinise the TRA's processes and activities – and all their recommendations will be published, of course. More on this in next year's report.

The telecommunications sector of Bahrain and the TRA still have many challenges ahead in expanding competition, regulating the market and promoting the interests of consumers. Our market is also inevitably affected by the ebb and flow of economies around the world. But we have made a very promising start indeed, and there is much success to celebrate already.

Last year, in the TRA's first report, I said our aim was to make the Kingdom of Bahrain the modern communications hub for the region. That is still our aim, and I am pleased to report that in 2004 we made very significant progress in that direction.



A. Andreas Avgousti