



Press Release

TRA Introduces a Package of Regulatory Measures to Further Promote Competition

-- The award of a third mobile network operator license is one of the main measures proposed --

Thursday, 28 February 2008

Today the Telecommunications Regulatory Authority (“TRA”) released a Draft Statement that details a comprehensive package of proportionate regulatory measures that will further promote competition and the interest of consumers. These measures are the result of the August 2007 Consultation on the Strategic and Retail Market Review.

TRA’s General Director, Mr. Horne commented on the announcement of the results of the Strategic and Retail Market Review saying: “The Strategic and Retail Market Review results will move the telecommunications market in the Kingdom of Bahrain to a next major stage in the development of the telecommunications industry, through implementing a package of balanced regulatory measures that will further promote competition and benefit the consumers. Continuous improvements to the services offered to residential and business users in terms of availability, range and prices will be a priority in the next phase of the market’s development. The package of regulatory measures proposed is consistent with the Telecommunications Law and supports the Government’s objectives outlined in the Second National Telecommunications Plan”.

The key objectives of the Strategic Review were to assess and define the type and level of regulation required to enhance competition. As such, TRA defined telecommunications markets where competition should be assessed, and appropriate regulatory measures have been identified. TRA has focused on removing and/or minimising unnecessary regulation and restrictions in order to allow the markets to develop through competitive forces.

Some of the measures proposed to enhance competition involve the withdrawal of retail regulation, whilst others involve the introduction of more tightly focused new regulatory instruments to replace some of the existing measures. Additional wholesale regulations are defined together with measures to remove barriers to entry and to strengthen competition.

The nine main measures developed out of the strategic and retail market review include;

- Removal of tariff approval process for all mobile services
- Review of the retail tariff regime
- Introduction of local loop unbundling
- Introduction of carrier selection (call-by-call selection of telephony service providers)
- The award of a third mobile network operator licence
- Removal of mobility restrictions for New Fixed Wireless services licences
- Introduction of number portability for fixed and mobile
- Development of competition guidelines
- Data collection and reports of operators' performance.

Mr. Horne stated: " I would like to praise operators, financial institutions and all other stakeholders for their involvement and investments and for their faith in the telecommunications industry in Bahrain. It is also important to thank TRA's team for their dedicated efforts of moving the market to the second phase of liberalisation and aligning it with the second National Telecommunications Plan. The implementation of the proposed measures will contribute to creating an equal and fair competitive environment, it will give Batelco more flexibility to compete, and will lead to significant economic development through the enhancement of competition".

The details and timing of these measures will be worked out in consultation with the industry once the implementation phase begins.

Together with the Draft Statement, TRA releases today: a Request for Comments, a Report setting out TRA's analysis and rationale behind the Draft Statement, and a Draft Significant Market Power Designation Determination.

About TRA

The Telecommunications Regulatory Authority (TRA) was established by Legislative Decree No. 48 of 2002 promulgating the Telecommunications Law. TRA is an independent body and its duties and powers include, among other things, protecting the interests of subscribers and users and promoting operators effective and fair competition among existing and new licensed. More information regarding TRA can be viewed at www.tra.org.bh