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# Telecommunications Sector in Egypt

## Achievements / Expectations

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- ICT Boom
- Framework for telecommunications development in Egypt
  - National ICT Plan
  - Legislative Reform
  - Infrastructure Development
  - Business Development
- Conclusion

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## International ICT Boom ('98-'00)

- Deregulation of the European Markets for communications services
- Expansion in the supply of services
- Confidence in the sector by investors
- Booming Industry
- Auctioning of 3G Spectrum in UK and Germany

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## Creating a New Framework in Egypt

- Separation between regulatory functions and service provisioning (Law 19/1998)
- Establishment of Telecommunications Regulatory Authority as an independent regulator (Decree 101/1998)
- Establishment of Ministry of Communications & Information Technology ( Decree 387/1999)
- Development of the first National Communications & Information Technology Plan ('99-'02).

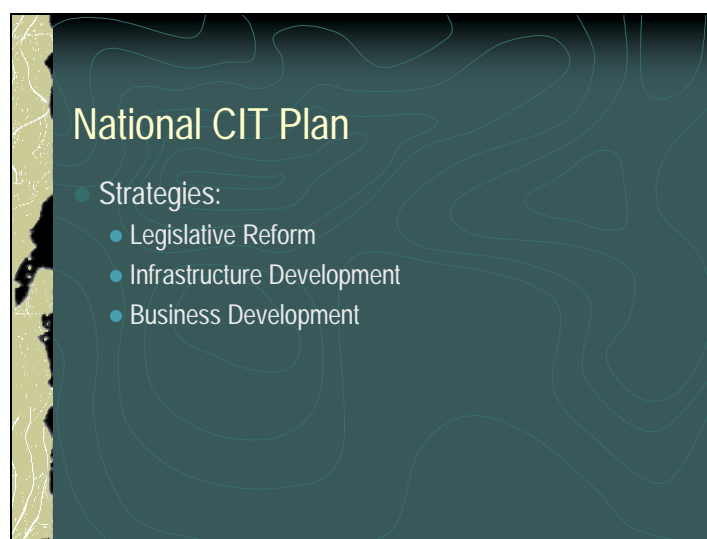
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## National CIT Plan

- Objectives:
  - Assuring the establishment of state-of-the-art telecommunications infrastructure and provision of world-class services
  - Promoting access to telecommunications services throughout Egypt.
  - Developing a competitive local industry and expanding opportunities in the region


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## National CIT Plan

- Strategies:
  - Legislative Reform
  - Infrastructure Development
  - Business Development

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I. Legislative Reform

- Issuing a new unified Telecommunications Law.
- Composed in a transparent and consultative process
- Approved by the Cabinet on 16<sup>th</sup> of January, 2002
- To be ratified in the current session of the People's Assembly

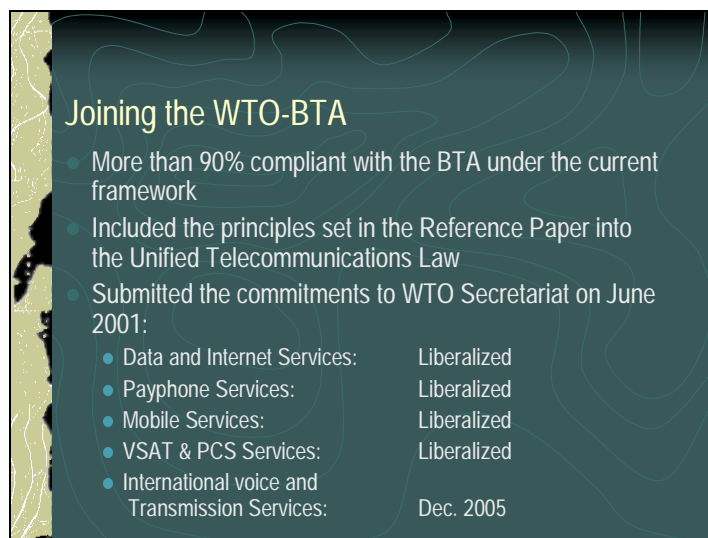
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The Unified Telecommunications Law

- Transparency in licensing process
- Consultation with stakeholders
- Institutionalizing Universal Services Regime
- Competition safe-guards
- Assurance of interconnection between operators
- Sharing of bottleneck resources
- Management of spectrum

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Joining the WTO-BTA

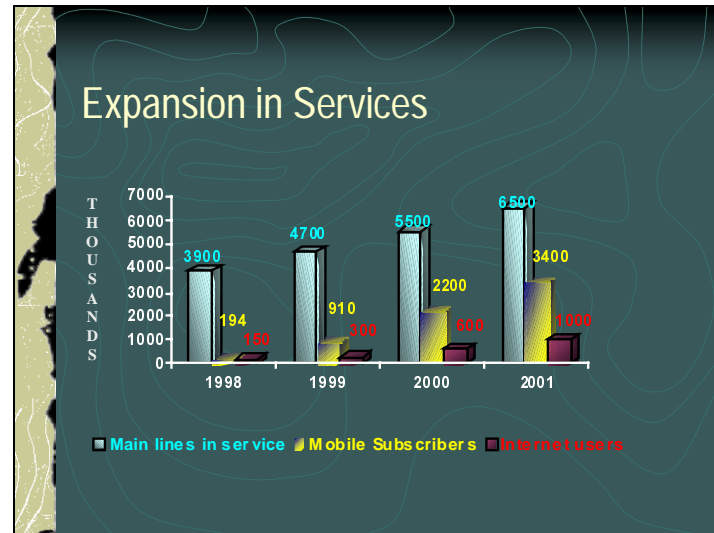
- More than 90% compliant with the BTA under the current framework
- Included the principles set in the Reference Paper into the Unified Telecommunications Law
- Submitted the commitments to WTO Secretariat on June 2001:
  - Data and Internet Services: Liberalized
  - Payphone Services: Liberalized
  - Mobile Services: Liberalized
  - VSAT & PCS Services: Liberalized
  - International voice and Transmission Services: Dec. 2005

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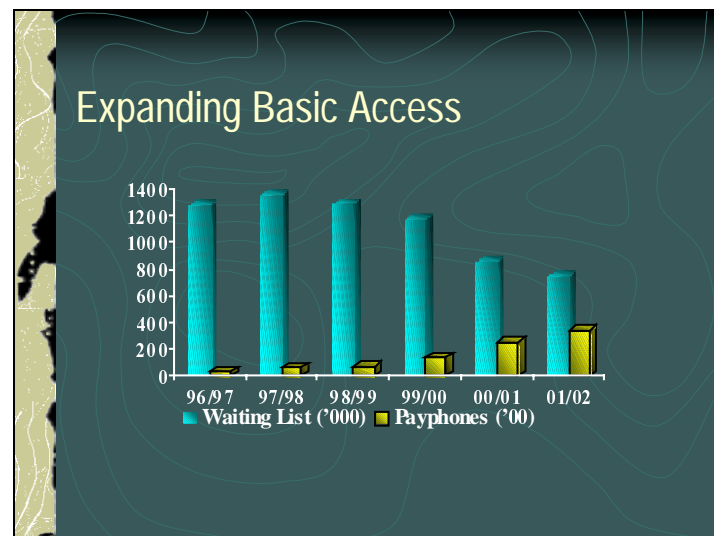
## II. Infrastructure Development

- Establishing a high-speed, packet switched backbone for integrated services:
  - DWDM
  - ATM
  - IP
- Introducing of new technologies for access:
  - ADSL
  - LMDS
  - CDMA
  - GPRS

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## Promoting the Information Society

- 4 licenses for Internet backbone providers
- 8 licenses for facility-based Internet providers
- 5 licenses for facility based PDN providers
- 30 licenses for service-based Internet providers
- 3 licenses for Frame-relay Gateways

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## Launching of the Free Internet Services

- Providing Internet access for low-speed dial-up users at cost of local calls
- President Mubarak launching the 'Free Internet' on 14<sup>th</sup> of January, 2002
- Phased expansion of the coverage of the service to cover the whole nation by mid 2002.


A photograph showing President Mubarak of Egypt at a podium, interacting with a laptop. He is wearing a dark suit and a red tie. Another man in a suit is partially visible behind him. The background features a blue banner with the word 'Tel' and 'TWO'.

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## III. Business Development

- Support of the Political Leadership for High-Tech industry
- De-regulation of the telecommunications market for private investments:
  - Payphones ('97)
  - GSM operators ('98)
  - PDN services ('99)
  - Internet Infrastructure providers ('00)
  - High-speed Access Services ('01)
  - Basic Services

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## Incentives for ICT Investments

- Human resources:
  - Multi-lingual population
  - Abundance of highly trained fresh graduates on state-of-art ICT
- Investment incentive package (Law 8/1997):
  - No restriction on ownership
  - No restrictions on flow of funds
  - No restrictions on labor
  - Tax exemptions for corporate and foreign employees

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## Promoting Egypt as a Regional Hub

- Special incentives for export-oriented ICT projects:
  - Support in deploying new technologies
  - Incentives in customs and taxes
  - Sharing in costs of training
- A new Telecommunications free-zone in the region
  - Telecom hotels
  - Data centers
  - Internet Exchanges
  - Call centers

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## Conclusion

- Liberalization has shown positive impact on telecommunications infrastructure and services
- Egypt is committed to complete liberalization of its telecommunications sector
- Egypt is competent to become a player in the international telecommunications industry
- Egypt is ready and looking for co-operating with the region

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