

Enhancing Life

The NBN Policies in MENA region for a sustainable Broadband Development

Faris Awartani, Board Member

Our Mission

Our Vision: A sustainable future enabled by Fibre-to-the-Home

Our Mission: To accelerate FTTH adoption in Middle East and North Africa through information sharing and promotion in order to enhance the quality of life, contribute to a better environment and increased competitiveness

FTTH Council MENA is a non-profit organization, est. 2011.

About Us

With More than 50 members companies since 2011 FTTH Council MENA is fully committed to accelerate the deployment of FTTH in the Middle East and North Africa Region.

Platinum Members

Alcatel-Lucent



CORNING



Gold Members



Silver Members

aggaros



DETECON Consulting



FOLAN



intigral



NETadmin



salience consulting



Star

FIBERDK

Brief update on the FTTH Market in MENA

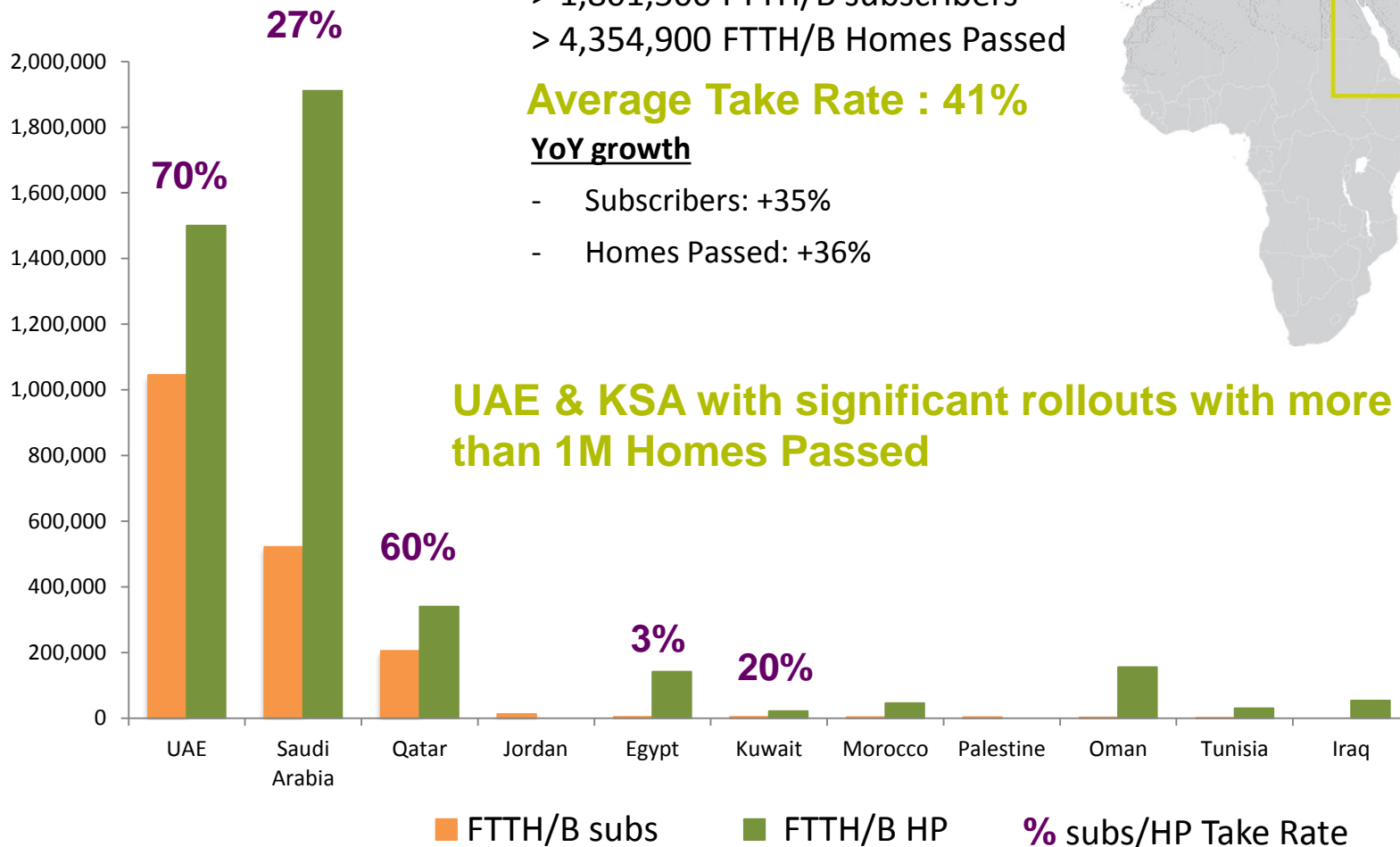
In December 2014

> 1,801,500 FTTH/B subscribers
> 4,354,900 FTTH/B Homes Passed

Average Take Rate : 41%

YoY growth

- Subscribers: +35%
- Homes Passed: +36%



UAE & KSA with significant rollouts with more than 1M Homes Passed

Main trends in MENA's FTTH/B market

- UAE is the leading FTTH/B market at 70% take rate(subs/HP)
 - 1,500,000 homes passed
 - 2 operators are involved in FTTH/B market
 - Etisalat is dominating the local market
- followed by Saudi Arabia w/ 1,900,000 homes passed
 - 522,000 FTTH/B subs leading to a 27% take rate
 - Market dynamism confirmed from one year to another (+71% subscribers growth between Sept 13 and Sept 14) with 2 players involved in rollouts
 - STC is the more important FTTH/B player
- FTTH/B market is growing in Qatar w/ 340,000 HP
 - 205,000 FTTH/B subs leading to a 60% take rate subs/HP
 - Ambitious objective from incumbent Ooredoo

**UAE is leading the
Global Ranking!!**

FTTH Market Drivers

- Several drivers might propel MENA's FTTH/B market

Mobile backhaul

- Fibre will be necessary to deal with the development of mobile data consumption
- Leapfrog from 2G to LTE is possible, such as it could happen in other regions

New housing programs

- The growth of the Real Estate market is one of the highest, notably in GCC countries
- FTTH networks are more and more often considered as a commodity

National plans

- MENA's government are becoming more and more aware of the benefits of NGN
- Their involvement is a way to compensate and stimulate the current lack of large scale private initiatives

Low quality of existing networks

- The copper networks are generally not efficient enough to support the provision of value-added services such as TV and video

Cloud services

- SMEs and SOHOs are heavy users of new and innovative services among which cloud storage solutions
- The trust in networks is a key parameter and FTTH/B infrastructure is a good answer

Higher competition

- Some players are beginning to adopt a regional strategy in terms of Broadband and superfast Broadband
- As an example, Zain is already present in Jordan, Iraq, Kuwait...

OUR SOCIETY IS TRANSFORMING.....

E-education



E-health



E-government



Smart energy use



Local community



E-government: broadband is modernizing administrative burden

E-administration: broadband is modernizing administrative processes

E-health: electronic insurance card, electronic patient record

Broadband as an Engine for Social Development

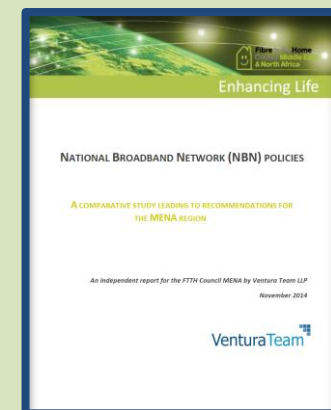
.....Why NBN Policies are critical

The concept of a national broadband network (NBN) has been developed by governments around the world who are:

- examining the status of their infrastructure,
- assessing the broadband sector and
- deciding whether existing networks need to be modernised or extended.

This process of examination has given rise to the concept of an open fibre broadband network stimulated by government for a national sustainable broadband development.

A study commissioned by FTTH Council MENA with the intention to aid policy makers, governments and regulators in matters of NBN policy and help them make the best decisions leading to a successful NBN deployment.



Why is fibre the clear technology of choice for NBN?

Cheaper

- TCO materially lower than copper or copper upgrade
- Reliability = 20%-80% network opex reduction and happier customers (fewer calls)
- Simple but powerful (wholesale) products mean much higher productivity and less spent on IT
- No more treadmill of endless upgrades, new technologies

Better

- Customers moving from copper generate 2x-5x the traffic – the Internet is more useful
- Greater value leads – over time – to greater pricing power
- Greater economic impact and benefits
- Flexibility through special platforms for subscription to increase the number of users thus revenue.

Future Proof

- “Do it right, do it once”
- There is no technology risk with fibre and Active Ethernet
- A fibre infrastructure will serve the country for the next 50-80 years
- Long fibre asset life ideal for infrastructure finance

Source: FTTH Council MENA Study by Ventura Team

Overview of MENA region development

As mentioned in the previous panorama figures, the MENA region is very disparate economically ranging from the abundant wealth of the Gulf, through emerging economies to the extremely difficult situation facing conflict zones.

In terms of broadband infrastructure, at one end of the spectrum the UAE is now all fibre whereas at the other in some countries there are still significant areas without any (or only basic) service.

NBN policies also vary widely ranging from the formative stage to the already complete as shown in the next slide .



National broadband initiatives - status 2014

Formative		Emerging	Implementation	Achieved
Discussions about NBN policy are at an early stage without yet reaching a conclusion or have stalled.		There is a desire for ubiquitous high-speed broadband and policy is developing in parallel with initial investments.	The general strategy is mature and the focus is now on implementation.	The NBN goal of ubiquitous high-speed broadband has been achieved.
Egypt Iraq Iran	Lebanon	Jordan Morocco Bahrain ----->	Oman Qatar <small>(redefined in 2014)</small>	
No NBN Policy (Market Lead) or Informal				
Either there is a) an informal NBN policy directing State controlled operators to invest or b) there has not yet been a serious discussion about NBN policy, or c) the decision is to rely entirely on market activity.				
Algeria Kuwait Libya	Palestine Tunisia		Saudi Arabia	UAE

Source: FTTH Council MENA Study by Ventura Team

9 key dimensions of an NBN are identified with few recommended positions

Policy Dimension	Essence of Recommendation
Geography: Competitive v Complementary	Complementary is more efficient
Copper Switch Off / Incumbent Migration	Should be guaranteed
Consistency of Regulation with NBN (especially pricing)	Aim for high consistency although it need not be perfect
Execute via Incumbent or New NBN Organisation(s)?	New focussed organisation preferable
Single v Multiple NBN Companies	Multiple companies to reduce execution risk
Clear, accountable, stable Governance of NBN	Essential for any endeavour
Degree of Structural Separation	High degree of separation likely more effective
Government v Private Finance	Significant private finance adds discipline
USO or other Ongoing Contractual Revenues	Universal service should be modernised to fit NBN

Source: FTTH Council MENA Study by Ventura Team

CONCLUSION

These generic recommendations and the best policy in any particular country will vary depending on local circumstances.

we believe that moving as far as possible towards our generic idea on each dimension will bring benefits to any particular NBN.

We fully agree that achieving some practical progress in the real world is infinitely preferable to doing nothing.

More studies are coming soon during 2015 in terms of Regulation and Technology which we will help refine and improve ideas and strategies in each case for NBN and FTTH deployment.

Learn more in our next Conference

In Oman, 29 Nov.-1 Dec. 2015

An opportunity to showcase, learn, take decisions and actions based on insights from case studies, success stories, and best practices



FTTH, The Edge of A Brighter Tomorrow

7th Edition of FTTH Council MENA Conference

Muscat, OMAN

29 November - 1 December 2015



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Thank you!

Faris Awartani

Board Member FTTH Council MENA