

# Bassil vows to cut cellular rates before privatizing Lebanese telecom sector

*'I AM COMMITTED TO DO IT DURING THE TERM OF THIS GOVERNMENT'*

BEIRUT: Telecommunication Minister Jebran Bassil pledged on Wednesday to reduce the cellular rates before the privatization of the telecom sector.

"Of course I will cut the mobile rates. As I explained before, this issue requires some time to study it thoroughly. This will be done in the appropriate time and I am committed to do it during the term of this government," Bassil told reporters during a press conference at the Telecommunication Ministry.

The government relies heavily on revenues from the telecom sector to feed the treasury.

Revenues from land lines and the cellular networks are close to \$1.3 billion, or 27 percent of total government income.

Prime Minister Fouad Siniora's previous government promised the donor states that met



**Bassil: "I will cut the rates."**

in Paris in January 2007 to privatize the telecom sector and use all the proceeds to reduce the public debt which now stands at more than \$44 billion.

Bassil said it was not logical for a telecom sector to provide a big chunk of the government's revenues.

"The Lebanese must understand that the rates or tariffs of mobile phones in Lebanon are partly commercial and partly taxes," Bassil said.

He added that the bulk of the cellular rates are actually taxes and fees imposed by the previous governments.

Former Prime Minister Salim Hoss in 2000 raised the cellular rates by \$0.06 per minute in an attempt to boost the revenues of the state.

Observers agree that the cellular rates in Lebanon are among the highest in the world.

Bassil also said he was not against the privatization of the cellular networks.

"We made it very clear that

we are committed to the privatization of the cellular networks in accordance with the Lebanese laws and international criteria," he said.

He added that the ministry would try to improve the performance of the cellular companies and expand the capacities of the networks because these measures would raise the value of the networks during the privatization process.

Bassil said the privatization of the cellular networks should benefit the Lebanese, the private sector and the state.

He admitted that the cellular networks, which are operated by MtcTouch and Alfa on behalf of the government, need further upgrades and overhauls.

The minister indicated that the ministry plans to negotiate with the two mobile operators

before extending the contracts which expires in November.

He revealed that one of the cellular operators did not comply with a decision to reduce the international phone call rates starting from November 2007.

**|| 'As I said before, this issue requires some time to study it thoroughly'**

"The company informed us that it has complied with the decision finally. However, we are waiting if the company will compensate the subscribers who made international calls at the old rates," Bassil said.

He also promised to speed up the creation of LibanTelecom.

In July 2002, the Parliament

passed a new law that would lead to the introduction of a new telecoms operator called LibanTelecom out of the Telecommunications Ministry and state fixed-line phone operator Ogero. LibanTelecom will initially be state-owned. A strategic investor will then be brought in and shares will be offered to the public. The firm will run Lebanon's fixed-line network and eventually operate a third mobile network.

But many telecom experts and economists doubt that the current Cabinet will be able to sell the mobile networks in such a short period.

Some also fear that the opposition may use its one-third veto power to block any attempt to sell the mobile lines before the parliamentary elections. — *The Daily Star*