

**DOUBLE GROWTH
WITH TELECOM**

According to the 2008 report of the Telecommunications Regulatory Authority (TRA), liberalization of the telecommunications sector could double the Gross Domestic Product (GDP) in five years. TRA estimates that the liberalization of the broadband market will increase the number of subscribers to 400,000 by 2019, creating an estimated 54,000 new jobs in ten years. Mobile penetration is forecasted to reach at least 60 percent by 2014 if the privatization of the two current mobile operations takes place in 2010 and the licensing of the third mobile network happens in 2011. This would translate into 2.66 million subscribers in the mobile market by 2014. TRA calculates an increase of 1.2 percent in GDP for each ten percent

increase in mobile penetration, which results in a cumulative GDP growth of 16 percent by 2014, compared to an estimated eight percent growth in the absence of opening up the market. The delay in implementing the structural reforms is due to the absence of the required decisions by the Council of Ministers. It said that the licensing and privatization of the mobile network assets, a necessary requirement for introducing competition in the mobile market, was suspended and has yet to resume. But this has not stopped the opening up of certain services such as broadband. TRA aims to liberalize the market for key telecommunications services such as mobile, broadband, and international calling. According to the TRA, fixed line household penetration rate for residential subscribers was 68 percent at the end of 2008 and is expected to grow to 80 percent this year. DSL services reached a penetration rate of about nine percent of households, lagging behind other countries in the Middle East. The DSL market is still underdeveloped in terms of bandwidth and services, and does not meet the needs of both residential and business users.