

Nahas: Telecom sector victim of wrong financial policies

MINISTER SAYS HIS 'GREEDY' PREDECESSORS MISSED OPPORTUNITIES

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BEIRUT: Telecommunications Minister Charbel Nahas said Thursday that previous governments treated the telecom sector in Lebanon as a source of revenue for the treasury only and without even trying to develop it.

"The failure of the financial policies has prompted officials to turn their attention to the telecom sector which provided necessary funds to feed the treasury. Basically, this sector was the victim of some greedy people in Lebanon," he said.

The minister stressed that as a result of these financial policies, the telecom sector missed many chances to develop itself.

He accused certain groups of seeking to turn the state-owned telecoms from a public monopoly into a private monopoly under the pretext of privatization. "These people scrapped the Built-Operate and Transfer (BOT) contracts with the companies that ran the cellular networks and then tried to sell the idea of privatizing this sector. But thank God they failed in their task," Nahas said.

The minister was alluding to Cellis and LibanCell companies, which controlled a large stake of the telecom sector.

These companies won a lawsuit against the previous government and as a result won a huge sum of money.

Nahas praised the efforts of former Telecom Minister Jebran Bassil, who he said managed to expand the cellular networks, increase number of subscribers by 80 percent, cut the rates and at the same time maintain the same profits.

"In Lebanon we have a lot of stones that have been hampering our success. Lebanon is actually a success but its financial policies have been a failure and this is why Lebanon has turned into an exceptional financial place where a lot of opportunities were missed," he added.

Nahas said that some people had worked against the national interest and against the interest of the ministry.



Nahas addresses the conference in Beirut on Thursday.

Photo by Mahoud Khier

His remarks came during the opening of Arabcom 2010, which took place at Habtoor Hotel in the presence of IT experts from the Arab world. Dubbed "Broadband convergence for a sustainable future," the conference aimed at discussing the challenges facing the IT sector in Lebanon and the Middle East.

He added that the ministry has two contracts with mobile companies and the government had asked these companies to provide better services while it tried to increase competitiveness between them.

"We are trying to reestablish transparency in these two companies and we are trying to organize their work as well," the minister said.

Nahas also underlined the importance of the cooperation between the ministry and the Telecommunications Regula-

ry Authority (TRA).

"The ministry sets general regulations to organize the telecommunications sector by seeking for the advice of the TRA. On the other hand, the TRA which is free and independent implements these regulations in the private and public sector," he said.

"Moreover, the Lebanese authorities are committed to provide developed infrastructure and will give the private sector a chance to provide services and content. This is where we start," he added.

Nahas' views on the cooperation with the TRA were echoed by TRA Acting Chairman and CEO Imad Hoballah, who assured that the TRA is keen on cooperating with the Telecommunications Ministry despite all of the challenges that come in their way.

"Let us start by building a

Telecommunications Ministry under Law 428 in order to work in cooperation with this ministry and liberalize the communication market, revitalize it and adapt the latest technologies to provide them to customers with acceptable prices," he said.

He also disclosed a newly forged agreement between the ministry and the TRA. "It includes the implementation of the consumer's rights which was published in the *National Gazette* a few months ago. We are speaking about the mobile, the lines services and all the other services," he said.

The agreement includes cracking down on the black mobile market. "We are implementing this agreement and everybody in the telecommunications sector will start to feel the changes that are taking place in two months," he said.

Alfa's new chairman and

CEO Marwan Hayek gave a speech about the positive impact of broadband on economic growth and said that World Bank statistics reveal that every 10 percent increase in broadband services will lead to a 1 percent increase in GDP per capita.

"In a country like Lebanon the one percent GDP growth would translate into \$400 million on a yearly basis in terms of GDP increase. We can then imagine the impact of this growth on the larger economy of the region which would be quite significant," he said.

For his part, Zain's chief executive officer in Jordan, Abdel-Malek Jaber, pointed out that 5 percent of the world's population is Arabs but Arabic content makes up only 1 percent of the world wide web, while the good Arabic content on the internet is less than 1 percent.