

It is a pleasure to be here with you today during this important workshop regarding Doing Business in Lebanon. I would like to start by thanking H.E President of the Council of Ministers, Fouad Seniora, for constantly supporting our initiatives and who is always willing to provide us assistance to our endeavors. I would also like to thank H.E Minister of Finance, Dr. Mohammad Chatah, for his personal support in our actions. Last but not least, I wish to welcome the private and public sector representatives for being here with us today.

Attracting investment and creating jobs in the private sector are top policy priorities in Lebanon. Lebanon's private sector has played a vital role in stimulating economic growth despite the lack of a conducive business environment. It's complex, timely, costly, inefficient and outdated administrative and regulatory environment continues to be somewhat hostile to Doing business. Many studies ( World Bank's "ICA" Investment Climate Assessment, IFC's Doing Business Report, FIAS's Streamlining Administrative Barriers to Investment, EU's economic Charter regarding the implementation of the Association Agreement and structural reforms, the late former minister, Dr. Basil Fuleihan's streamlining administrative barriers Report) have all highlighted the same disincentives that undermine the economy's vitality that market reforms are intended to unleash ( whether we're talking about acquiring a new license, trading across borders, enforcing contracts, or closing a business...). Overall, this requires Lebanon to strengthen its efforts towards a continuous improvement of the business and investment environment. This was clearly highlighted in the Governmental Declaration ( Article 42) regarding the General orientation regarding the economic, financial and social Policy.

Having said this, the Government has recognized the telecom market to be an important lever for economic development and highlighted its commitment in opening it to competition as stated in Article 56 of the Declaration. The Government will support TRA in implementing a set of reforms so as to be able to achieve its vision:

- 1) The privatization of the stat-owned fixed line operation as per law 431 and
- 2) The privatization of the two-state-owned mobile networks in accordance with best practices so as to ensure the greatest possible economic benefits to subscribers ( coverage, quality of service)
- 3) The issuance of new broadband licenses aimed at encouraging new investment in high speed fiber networks and services across Lebanon with effective utilization of the nation's radio frequency spectrum in addition to opening up the International Gateway so a to increase capacity, and lower prices

Accordingly, the Telecommunications Regulatory Authority ( TRA), mandated by law 431, has quickly laid the groundwork for a radical reform process. From its establishment since April 2007 until now, TRA has achieved many goals from developing a regulatory framework in line with best practices,

launching a transparent public consultation process, and issuing many key regulations necessary to promote competition and investment in the telecom market ( SMP, Interconnection, Regulatory Framework for establishing Call Centers, QoS).

Furthermore, recognizing that complex and bureaucratic licensing procedures impede market entry, the TRA is finalizing a new licensing regime which will encourage market entry through transparent, minimally burdensome rules and non-discriminatory minimum conditions for the licensing of Service Providers to offer Telecommunications Services. For example, in accordance with the Telecom law, and after a complete application has been filed in writing to the Authority, the TRA will grant individual licenses ( MVNOs, VSAT, BALs without spectrum) within 60 days, and class licenses ( ISP, VAS, SNG) within 30 days only, both valid up to a period of 20 years. The applicant may commence to offer his services immediately upon receiving the license.

Regarding restricted Licenses ( NBL, BAL with spectrum, Mobile), these will be awarded in an international public auction which will be conducted in a organized and transparent manner. The winning applicant will receive the License within 90 days following the auction day- this 90 day period comprises the issuing of a decree approving the sale by the CoM, the bidder providing a 10% performance bond, the incorporation and registration of the licensee, the payment of the 40% of the winning bid, the payment of the remaining 60% of bid due and the issuance of the license ( all steps are detailed in the RFA).

As for the procedures, the license applicant will be provided with one package consisting of one application, one payment and one contact point ( the TRA) in the application process, hence he will not need to go back multiple times to the same agency or provide the same information to different offices. In other words, applying for a license through TRA to offer telecom services will guarantee a simplified, and user friendly process, hence reforming the current licensing regime of dealing with long duration of visits, multiple payments at every step, high cost, bribery, complexity of procedures, short operating hours, and inadequate communication between various departments- an obstacle facing many investors applying for a license in Lebanon and a fact emphasized in the Doing Business Report (it takes 211 days and 20 procedures to obtain **a license in Lebanon**).

In addition, in order to facilitate competition in the supply of telecommunications equipment and to stimulate the availability of a wide variety of equipment at affordable prices, TRA has issued the Type Approval Regulation so as to minimize regulatory intervention and implementing, when possible, a regime based on self certification. Companies wishing to make an application for an Importer/ Manufacturer license have to complete only one form to TRA together with the payment. Accordingly, following a review of the application, the TRA will issue the license within 48 hours ( again, a streamlined and effective procedure) .

In its efforts to regulate the telecommunications market, the TRA has also re-issued the ISP's and Data DSP's licenses, authorized the use of new services (IPTV) , issued licenses enabling the use of ]

VSAT not to exceed 2 Watts, and authorized the temporary use of GSM frequencies granted to Ogero as part of a trial project.

I will not go into details with what we've achieved so far. For more in-depth information, you may view our Annual Report on our website. However, I would like to conclude by stating that our task is not easy, but just as the IFC's Business Registration Simplification Project brought forward, as a first step, a more effective and user friendly solution to register a company in Lebanon, and just as Egypt which was rated according to the Doing Business Report, the top reformer in the region and among the top ten worldwide, we can and must follow suit in 2010. Lebanon has a golden opportunity and the Government is determined, together with the private sector to seize it and build a new future.

We are gathered here to review how Lebanon's regulatory environment compares relative to the other 181 countries; assess the extent to which Lebanon's business regulations present an impediment to the private sector and discuss specific reform activities necessary to systematically improve Lebanon's investment climate. Having said this, I invite each one of you to actively participate in this conference, but more importantly, to become a partner in this task of introducing successful regulatory reforms in Lebanon, so as to develop an Action Plan which will finally enable us to move from the diagnostic to the implementation phase.