

PAKISTAN TELECOM REPORT 2008

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Recession is becoming more threatening gradually and seems set to swallow the economies of the World. Banks, MNCs and many other industries are watching their inevitable fatality; companies are cutting jobs, resulting in high unemployment rates, lower buying power and resulting loss of financial cycle. This present day recession is mere act of time as it was bound to come, almost predicted, and as we are relying on interest based system to finance our economy and industry and also the buyer to buy the same product, actual money seems to be hidden in either museums or central reserves bank. This happened at the time of Great Depression and this time looks no different.

This outcome is even fierce for our great country, and the matter of fact can be worse than any other country because problem is not the just interest based capitalism but also the corrupt politicians; American, Jew and Hindu funded Islamic Jihadists and a secular group of so-called intellectuals. It seems that the Pakistan economy will have to pass through the difficult year(s). The economy registered growth rate of 5.8% this year as against the target of 7.2%. Real GDP is as low as 4.2 percent from 6% last year. Government figures of inflation reached at 25.3%, though the reality is much worse. More than 30% of people are living under the poverty line.

The FDI in the telecom sector has dropped by 21 per cent this year. According to the third quarterly report of the PTA, the total FDI in the sector was \$1,824.3 million in 2007 which dropped to \$1,438.6 million in 2008.

On average 2.3 million subscribers were added every month during 2006-07. But at present, the cellular subscriber base is closing a maturity stage, though the growth rates will continue to be in the double digits. According to PTA, the cellular subscription has declined by 69% YOY in Sept 2008. The government has stopped granting licenses to cellular operators, and this decision has had a significant monopolistic impact on the overall performance of the existing telecom sector. The existing players may experience high growth opportunities as the number of players are put on hold.

This may trigger major investments from key players, such as Orascom – Mobilink, who has invested in excess of US\$2.5 billion in its continuing network expansion program. This includes state-of-the-art technology deployed via its own nationwide optic-fiber spread and a robust infrastructure of sales and customer services. Warid plans to invest USD 500mn in cellular business, whereas Wateen has recently emerged as the largest wireless player and has launched its WiMAX services.

The growth rate of cellular subscribers was robust but afterwards the downward trend starts

and continues till date, the main reasons behind are slumping economy coupled with Governmental policies. Government is charging taxes from cellular subscribers more than any country in this region. Phone subscribers are paying Rs 33.10 as government tax on Rs 100 scratch card while in India it is Rs 12.24, in Bangladesh Rs 15, Sri Lanka Rs 17.50 and Nepal Rs 23. The cellular companies operating in Pakistan have witnessed eight to nine per cent reduction in usage of mobile phone owing to increased taxation to 21% on telecom services after the announcement in budget 2008-09.

Another hurdle is the crackdown against unregistered SIMs, as many as eight million SIMs have been blocked

| | Mobilink | Ufone | Zong | Instaphone | Telenor | Warid | Total | Growth Rate % |
|-----------|------------|------------|-----------|------------|------------|------------|------------|---------------|
| June-2008 | 32,032,363 | 18,100,440 | 3,950,758 | 351,135 | 18,125,189 | 15,489,858 | 88,019,812 | 39.4 |
| Dec-2008 | 28,479,600 | 19,301,180 | 5,503,274 | 321,134 | 19,387,956 | 16,914,054 | 89,907,198 | -0.6 |

* Instaphone Data Apr-08

Mobilink had lost 3.5 million subscribers in this period and going down to 32% of market share from more than 36%. Zong added 1.5 million users showing highest growth in terms of subscribers. Telenor increased 1.25 million subscribers and managed to grab second slot. Even Warid Telecom, in their time of crises, added 1.42 million. Having spent humongous ATL budgets, Ufone managed to capture approx 1.2 million subscribers. Noteworthy, the growth rate was 119 percent during 2000 to 2007.

Cellular mobile numbers now of eight digits as PTA has announced shifting of numbers from seven to eight digits. The dialing codes of all mobile companies have also been changed from four digits to three digits; (i.e. 0333-51xxxxx would now be 033-351xxxxx).

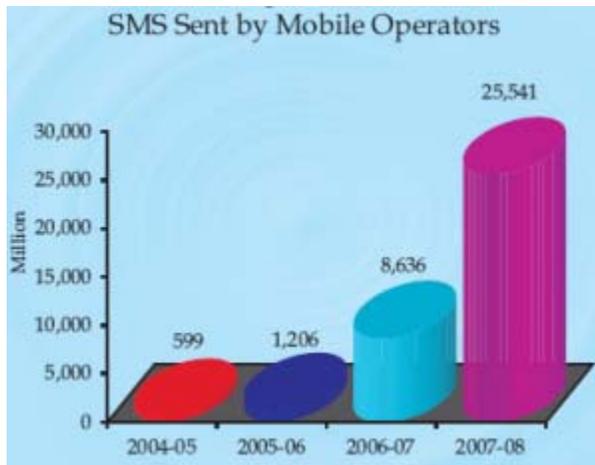
The contribution of telecommunication sector in national tax revenue generation is expected to increase between 30 to 35 percent for the fiscal year 2008-09, owing to the continuous growth in sector and increases in taxes.

While cellular companies were busy in expanding their Infrastructure, ZTE and CMPak entered into a USD100 million base station deal. Ufone added the highest number of cell sites: 1,827. Next was Mobilink which added 1,817 cell sites, taking its total sites to 7,339, the highest number among all operators. Detail of cell sites in Pakistan by operator:

| | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 |
|--------------|--------------|--------------|--------------|---------------|---------------|
| Mobilink | 1,164 | 2,392 | 3,935 | 5,522 | 7,339 |
| Ufone | 327 | 808 | 1,094 | 1,644 | 3,471 |
| Telenor | | 403 | 1,738 | 3,255 | 5,017 |
| Warid | | 505 | 855 | 1,930 | 3,152 |
| CM PAK | 248 | 218 | 872 | 1,163 | 2,328 |
| Total | 1,739 | 4,326 | 8,492 | 13,514 | 21,317 |

Note: Instaphone is not included

SMS has become one of the most profitable services, the usage boost by over 200% in Pakistan. Report issued by PTA shows that over 2.5 billion SMSs were sent in 2008.



PTA received 4500 complaints against 5 cellular companies in 3 years, and fine of Rs. 60 million was imposed against Telenor while other mobile phone companies were directed to further improve their services. 1112 complaints were received against U-Fone, 793 against Warid, 648 against Telenor while 464 complaints were received against China Mobile Company.

The sale of mobile handsets has declined. Imports showed a 21 percent dip in Feb, 2008 alone, with the accumulated plunge of 68.5 percent in second half of the year. Customs duty of Rs 500 per imported mobile phone and weakening rupee values against the dollar has led to a rise in the price of mobile handsets. While the price of an ordinary handset increased by Rs 250 to 500.



Fixed line phones are declining very rapidly. Only PTCL is losing its customers mainly due to their QOS, rest is showing graph upward. PTCL has lost more than 14 percent or 7 million fixed

line customers in a span of two years. Current fixed line density is 2.7% from 3.39% in 2006.

Fixed Line Subscribers

| | PTCL | NTC | Brain Limited | World Call | Union Communication | Naya Tel | Total |
|------|-----------|---------|---------------|------------|---------------------|----------|-----------|
| 2006 | 5,128,442 | 92,163 | 5,880 | 13,327 | 200 | | 5,240,012 |
| 2007 | 4,676,204 | 99,665 | 6,089 | 10,748 | 2,500 | 11,000 | 4,806,206 |
| 2008 | 4,405,161 | 103,059 | 7,376 | 11,347 | 3,500 | 16,000 | 4,546,443 |

SCO Fixed Line Subscribers for June-2008 are 101,168

PTA has directed all Long Distance & International (LDI) operators to maintain approved settlement rates for international calls at the level determined by the Authority and decided to issue show cause notices to the LDI operators involved in illegal call terminations.

Wireless Local Loop subscribers' base has widened by 22 percent in the country during 2007-08. PTA reported that the number of WLL subscribers has increased to 2.34 million in 2008 from 1.02 million in 2006, adding around 658,828 subscribers in a year. Wireless Local Loop (WLL) is growing at a rate of about 100 per cent per year, PTCL covers over 11,500 cities, towns, and villages. It is expected that by the mid 2009 the WLL operators will be able to provide coverage in all major cities of the country.

Wireless Local Loop Subscribers

| Year | PTCL | TeleCard | World Call | Great Bear | Burraq | Wateen | Mytel | Link Direct | Total |
|------|-----------|----------|------------|------------|--------|--------|-------|-------------|-----------|
| 2006 | 661,532 | 229,292 | 115,637 | 21,407 | | | | | 1,027,868 |
| 2007 | 1,128,272 | 396,873 | 273,616 | 51,311 | | | | | 1,850,234 |
| 2008 | 1,133,462 | 571,022 | 551,189 | 44,821 | 400 | 39,310 | 138 | 5,183 | 2,345,525 |

SCO WLL figures for Sep-2008 are 40,782

PTA issued 23 licenses to 14 telecom operators for providing fixed line as well as other telecommunication services in Azad Kashmir (AJK) and Northern Areas. Five WLL licenses have given to following companies:

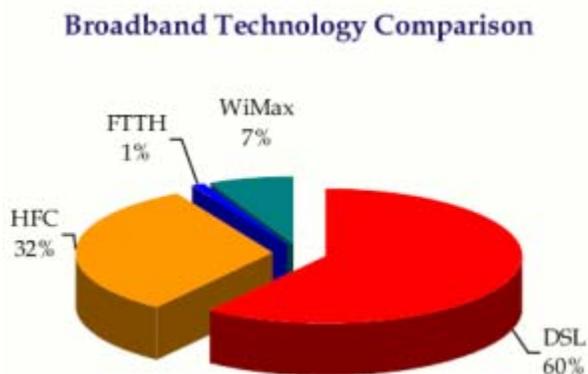
- PTCL TR1 Mirpur for 10 Mil PKR
- PTCL TR2 Muzaffarabad for 4 Mil PKR
- PTCL TR3 NA for 4 Mil PKR
- WATEEN TR2 Muzaffarabad for 4 Mil PKR
- WATEEN TR3 NA for 4 Mil PKR

Mix news about 3G license haunted most of the cellular companies throughout the year. The dates from mid to end of year kept on changing and now it seems that they will not be able to

auction this license in 2009 as well, political and economic conditions once again being major contributors.

Pakistan is ranked fourth in terms of broadband Internet growth in the world, as the subscriber base of broadband Internet has increased rapidly with the total base crossing 170,000 in the country. Broadband penetrates at a brisk pace in metropolitan cities, growing at the rate of 181.2 percent.

PTCL with a 35 percent share is the leader in broadband market, added IPTV in their range of services. Other notable players are Wateen with 17 percent; Worldcall enjoys 14 percent of the total and Linkdotnet holding 9 percent.



Wireless broadband is trying to grab the market. Wateen launched her wireless broadband services using WiMAX technology on December 16, 2007, this year Mobilink soft launch wireless broadband with same technology in July 2008, and commercial Launch on 21st October, 2008 with the brand name Mobilink Infinity in Karachi. Worldcall started soft launch of wireless broadband in the month of August, 2008 using EVDO technology in Karachi. PTCL is in soft launch phase in EVDO as well. Many other players are also planning to enter into the market, wi-tribe Pakistan limited (a subsidiary of Qatar Telecom) and Telecard (Augere) will be in the wireless broadband market this year. Dialog obtains license and plans for EVDO.

Finally laptops take command as the sale ratio of desktop and laptop is 65 percent and 35 percent respectively. On the other hand due to levy of sales tax on computers in the 2006-07 budget, the total import of PCs and servers in the country was 630,000 units, which dropped to 149,000 units at the end of 2007, thus registering a decline of 40 percent.

Acer Computer with a market share of 6.6 percent, have been very well received in Pakistan. Acer's year-on-year growth for notebooks for Q3 of 2007 was 335.1 percent.

Pakistan ranks 62 in the world in the 2008 Information Technology (IT) industry competitiveness index, falling two places; from its 2007 ranking of 60 in the index. In comparison, India ranked 48th, Sri Lanka ranked 54th and Bangladesh ranked 60th.

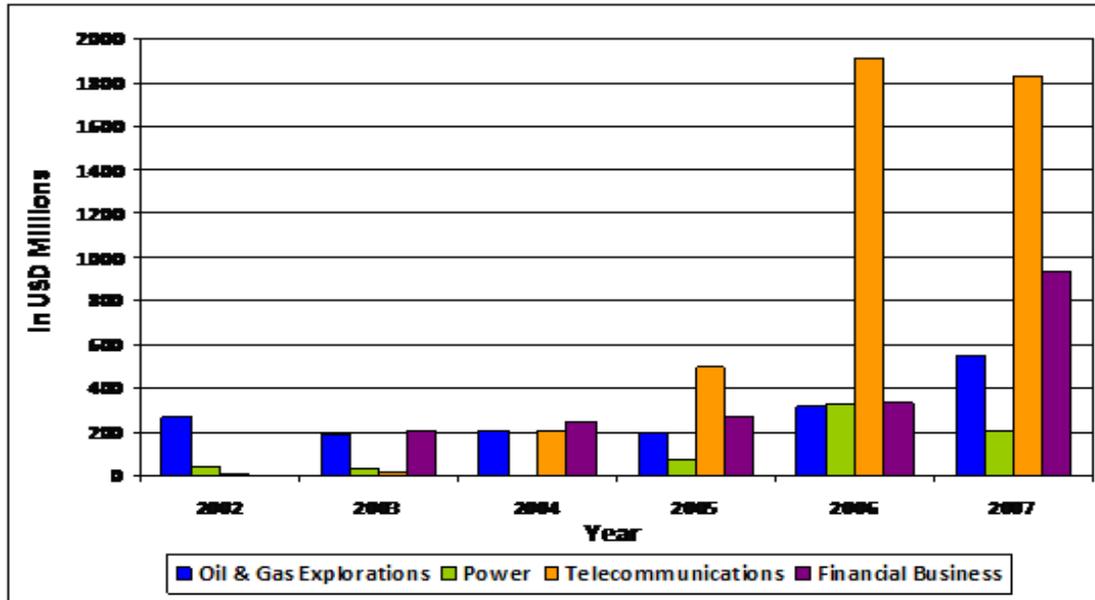
The size of Pakistan's Information Technology & IT-enabled Services industry stands at two billion dollar annually with a 50 per cent growth rate. The IT industry of Pakistan has the potential to increase exports to \$11 billion by 2011.

It seems that China is very much interested in increasing its stakes in Pakistan. Few examples are:

- Government is negotiating with Chinese companies to set up manufacturing plants for cell-phones in Pakistan.
- China is working to provide Pakistan a soft loan of 1.5 billion dollars to address its financial crisis and plans to invest over 3.7 billion dollars in the country's telecom and power sectors in the coming two to three years.
- China to launch telecom satellite for Pakistan in 2011
- A modern industrial park equipped with latest IT facilities and technology will be set up in Punjab with the cooperation of China and the Punjab government.

A very busy year for PTA, major activities are:

- Chairman PTA Maj. Gen (R) Shahzada Alam Malik was succeeded by Dr. Muhammad Yaseen
- PTA terminated Instaphone license on account of company's failure to pay its debts, and directed the Callmate Telecom Company Limited to clear half of Rs 132 million dues within six months otherwise its license will be terminated. PTA has also issued Show Cause Notice to Telecard Telecom Limited for allegedly violating telecommunication regulatory laws of Pakistan.
- PTA has decided to start automated blocking of Internet Protocol Addresses (IPs) involved in illegal termination of international traffic, in a bid to check grey traffic flowing into the country.
- PTA has deposited more than Rs 50 billion in exchequer besides 291 million dollars as license fees.
- PTA is seeking a consultant to develop a comprehensive study & strategy for development of ICT (Information & Communication Technologies) CPEs (Consumer Premises Equipment).
- PTA leadership performance analysis by Iirne Asia, recent telecom developments constitute a South Asian success story. The compound annual growth rate of 115 per cent a year, one of the highest in the world, and the highest in South Asia.



The government has planned to present a consolidated telecom policy in early 2009, the two policies of telecom sector namely, mobile and fixed line would expire this year and the third telecom policy relating to Broadband would expire in 2009.

Let's see what telecom companies were doing throughout the year:



Reduction in market share, highest churn rate ever turns 2008 a rough year for Mobilink as well. This is also been said that Orascom is waiting a right customer to sell Mobilink in right price. Orascom replaces Mr. Zohair (once a king without crown) with Mr. Rashid Khan. Mobilink earned \$378.9 million in consolidated EBITDA, a loss of 5% from \$398.3 million in the year-ago quarter. Overall Orascom Telecom reported net income in the second quarter dropped 64 percent to \$80.8 million, compared with the first quarter of the year, its first quarterly profit decline since 2007.

Mobilink is currently deploying a very large, 8,500 km fiber optic network in Pakistan (already more than 6,500 km has been covered), which will act as the backbone for its traffic by the end of 2008. Mobilink has already invested about \$2.5BN in telecom infrastructure development in Pakistan and is poised to spend another \$500M this year.

Mobilink has launched wireless broadband on WiMAX technology from the first of July, 2008 in Karachi, with the brand name Mobilink Infinity. The service is currently available only in Karachi and more than 4,000 people switched to this service. There are technical as well as customer service related issues and the service needs improvement.

Mobilink Infinity seems to be the step child of Orascom, as it has refused to release any more funds for the Mobilink Infinity expansion in the north and central regions of Pakistan. No major activity is noticed except few BTL activities in Karachi. Rumor has it that the Broadband Unit within Mobilink looking after WiMAX might be scrapped. The part of the Broadband Unit looking after the long haul network (DWDM, Next-Generation SDH etc) will survive.

The products and services they are working on and will be offering soon are:

1. Online gaming service (I wonder how they are going to put up so many servers)
2. IP Video Surveillance
3. IPTV
4. VAS Portal (with music, movies and stuff)
5. Video Telephony

Their sales team is already trying to persuade various gaming cafes in Lahore and Karachi to come on board with them exclusively as they will be launching their Online Gaming Service soon.

Tariffs are as follows:

| DATA (PKR) | | | |
|--|----------------|----------------|--------------|
| | 256Kbps | 512Kbps | 1Mbps |
| 15 GB | 1,000 | 1,200 | 1500 |
| 5 GB | 450 | 700 | 900 |
| Additional data rate will be Rs. 30 per 100 MB. Fair usage policy applies. | | | |
| UPFRONT COST (PKR) | | | |
| | 5 GB | 15 GB | |
| Customer Premises Equipment (CPE) | 3,500 | 3,500 | |
| Security Deposit (Refundable) | 2,000 | 2,500 | |

Now we will see what Mobilink did, and is doing during whole year.

- Mobilink has crossed the figures of covering over 10,000 locations across the country
- Standard & Poor's Ratings Services said that it had lowered its long-term corporate rating on Pakistan Mobile Communications Ltd to 'B' from 'B+'
- Mobilink unveils in-flight mobile phone service
- Mobilink would help the Ministry of Health in enhancing the mobility and communication needs of Lady Health Workers (LHWs) in rural areas
- Mobilink to represent Pakistan at the United Nations Global Compact (UNGC) platform
- The Competition Commission of Pakistan (CCP) has said that Mobilink is involved in an unreasonably restrictive trade practice, prohibited under the provisions of MRTPO, 1970 by not allowing its blackberry subscribers to other service providers.

- Mobilink has launched 'Mobilink Genie'; the first to start mobile commerce in Pakistan. This service has been introduced with the collaboration of Inov8, CitiBank, KASB, Atlas Bank and Adamjee Insurance.
- Mobilink will equip 160 APIS systems at 30 railway stations nationwide which will display the arrival and departure timings of all trains including the status.



2008 was one of the worst years in the history of PTCL. PTCL has been losing its fixed line subscribers, number declined from 4.597 million in December 2007 to 4.405 million in March 2008, according to Pakistan Telecommunication Authority (PTA). Employees of PTCL are the real pain for the company. The profit falls at 20 percent in the first quarter of the year. Voluntary Separation Scheme (VSS) or I would rather say Forced (VSS) costs PTCL fortune of Rs. 35 billion, resultant laid off more than 28,000 employees (Case is pending in the Court).

Another case is in The Supreme Court of Pakistan, in which through a constitutional petition, highest court was moved against the privatization of the PTCL and several other steps taken by the Etisalat Group, the buyer of the company. The Auditor General of Pakistan pointed out that PTCL's value deliberately dropped from \$8 billion to \$2 billion.

The PTCL's workers end their long period strike after the issuance of notifications to regularize contractual employees on the New Compensation Pay Grade and increment of 35% in the salaries.

The PTA has received over 14,000 complaints against the PTCL, which is an over 20 per cent increase from the previous year. According to PTA, the main concern of most of the subscribers was the staff behavior and poor complaint handling – CRM issues. The other complaints were related to poor or no response to requests for new telephone connections, over-billing and mal-functioning of remote area exchanges. PTA once decided to take severe action against PTCL, but nothing happened. The charges were Pakistan Package, free nationwide calling packages etc.

PTCL launched its DSL service in May 2007 in around 13 cities with the brand name Broadband Pakistan, now they have extended this service to 108 cities. The service is growing at around 5,000 subscribers / month excluding churn rate with the customer base of more 100,000 customers. Entertainment portal was launched for its broadband subscribers in the end of May free of cost. New broadband packages were introduced in the first quarter of the year, where PTCL doubled the speed but kept the same price slots, and another 30% discount for students on every package.

PTCL started its Smart TV service in four metros in May. This service is free to its customers till date. Most recent package is 1 month free broadband and 6 months free IPTV.

Soft launch of wireless broadband (EVDO) with unlimited downloading is in progress, services is currently offered in 4 metros and only given to customers on referral bases. En'masse commercial launch will take another 6 months.

Other activities in 2008 included:

- PTCL invested \$50 million in submarine cable project.
- Introduced 'Local Call Package' offered a landline to landline call, charged at Rs 4.60 (Rs3.99 plus 15 per cent tax) whether user talks for one minute or one hour between 4pm and 8am.
- Offers free Dialup Internet.
- PTCL launches three new customized calling packages - Pakistan Plus, Value Plus and Basic Plus
- PTCL will deploy fibre-to-the-home (FTTH) technology, announcing that pilot projects will take place in KLI. The pilot networks are already being deployed.
- Call from UK to Pakistan (fixed & mobile): 6 pence / minute: PTCL direct is an international pre-paid calling service from PTCL.
- PTCL introduce plus Call Package, cost 1,000 for 1,200 minutes for international outgoing calls.
- Naqi Senior Executive Vice President Corporate Development said that PTCL is also planning to introduce WiMAX technology nationwide very soon including AJK and Northern Areas as well. "
- PTCL selects Alcatel-Lucent to deliver broadband access solution. Alcatel-Lucent will also provide network integration services including project management, application/software integration, installation, deployment, and testing
- ZTE wins WDM deal in Pakistan
- PTCL will provide the Skylink satellite communication solution to enable backhaul of GSM traffic from Telenor Pakistan
- PTCL signs agreement with wi-tribe Pakistan limited to offer METRoWay(r) Services
- The LMKR and PTCL recently signed an agreement for the deployment of a turnkey GIS solution
- PTCL and the Universal Service Fund (USF) have signed an agreement of Rs 324 million to provide fixed line telephone connections in the remote areas of Baluchistan
- PTCL won the Best Banking Technology Award and the Best Stall Award at the Pakistan Banking Expo 2008



Having a high retention rate of employees, Ufone is becoming number one choice for professionals to work. Not only that they are a good pay masters, give you sufficient workload but also work related environment. Adding second highest subscriber's base, Ufone is able to create hype through their advertisement on electronic media. The moral of the story:

To penetrate and grab hold of the market and increase the base of more satisfied and delighted

external customers, one has to first delight its internal customers.

Ufone is involved in certain activities including:

- Introduces mobile internet USB with 6 months free unlimited high speed Internet access
- Announced to open new job opportunities in 2009 for over 900 young graduates through its newly established, state of the art three million USD IP based contact centre
- Launched UExcel, a program for undergrad students in collaboration with the School of Leadership (SoL). This program consists of a series of sessions whereby special teams from SoL and Ufone will visit 18 different universities in Karachi, Lahore and Islamabad
- Self Service Kiosks are launched initially in the four main cities but will soon be expanded to all other cities as well
- Launched "Qur'an on Mobile" along with translations in English and Urdu through their mobile phones
- Launched "Video News Service
- To spend 200 million dollars on network expansion in Pakistan
- Launches BlackBerry service
- Ufone and Warid sign an agreement for infrastructure sharing
- Launched a new product "Ur Number." Through this service, customers will be able to translate their names, nicks, email ids etc
- Ufone has signed Rs 4.5 billion Syndicated Term Loan Facility agreement with National Bank of Pakistan (NBP) and Habib Bank Limited (HBL)

The question arises if Ufone is going so strong based upon its customer base, customer retention both internal and external and tailored marketing tactics, why isn't Ufone not financially strong? To me the very reason is poor strategic management and a typical public sector approach. The direction might be correct but financial spending decisions are not balanced according to earnings, same situation like rest of the government sector, with PIA and Pakistan Railway being another out of scope but very relevant examples.

I would like to quote one example here on how the creative agencies in Pakistan trap the companies to get the maximum dollar out of them, creating a win-win situation, but believe me in the end the winners are these creative agencies. The concept for the print ad undoubtedly clicks and successfully creates hype across the board, but the heavy amount which Ufone is paying, does not seem appropriate. This sort of ATL requires heavy spending and is not advisable especially when the life cycle of the industry is beyond maturity.



Since Jon Eddy Abdullah joined as CEO replacing Tore Johnsen, Telenor is mainly focusing on cost cutting. En masse Telenor is going good and Pakistani market brought fortunes as they have reached at number 2 in Pakistan and at number 7 in the World.

With the highest ARPU in the industry in Pakistan, Telenor almost doubled the revenue to Rs. 45.1 billion. It has invested as much as \$1.8bn in Pakistan till 2007, and ready to invest \$2.5bn more if gets a 3G license.

Once against 3G services in Pakistan, Telenor is now ready to hit the road. Trails for this technology have been completed in Islamabad and they are only waiting when PTA will open this auction. Till date they have not found any activity which leads TP to start wireless broadband service in Pakistan.

Telenor was involved in the activities during the whole year:

- Selects Nokia Siemens Networks to enrich customer experience; it can also give valuable insight into user's behavior
- Going to acquire Tameer Microfinance Bank Limited with an investment of Rs one billion
- Chosen for this award by Voice & Data which is the leading magazine in SAARC that traces the business, technology and regulatory aspect of telecom and networking
- Become the part of Pakistan IPv6 Core Project i.e. *6Core. Also it is reachable to IPv6 Internet
- installed solar-based BTS
- Integrated with Facebook! Now upload pictures to Facebook accounts directly from your mobile phones
- Signed a contract with Huawei Technologies to deploy Caller Ring Back Tone (CRBT) system platform, Huawei has also deployed Home Location Register (HLR) solution for Telenor Pakistan in Islamabad, Karachi and Lahore
- Pakistan's Universal Service Fund (USF) and Telenor have signed an agreement for the latter to provide basic telephony and data services in the Bahawalpur region
- Telenor Pakistan and the Initiator Human Development Foundation (IHDF) joined hands to launch emergency phone service, where children in distress can call and seek expert help
- Telenor Pakistan in collaboration with AeroMobile has commercially launched the world's first in-flight mobile service

Telenor's teledoctor services received high criticism, in the first hand Telenor should not start this service if she will not be liable for any loss or damage caused to any subscriber or any other party as a result thereof. Above all Telenor is claiming not to accountable for the malpractices, genuineness or authenticity of the advice/information given through this service or for the credentials of the medical experts giving the information/advice.



2008 brought problems for Warid as she is in serious crisis, downsizing has started, and other strategic decisions have to be taken to survive in this competitive market. Let's see can \$250 million save Warid?

The problem of Warid Telecom is the HR of the company itself related to un-necessary manpower induction, without a JD and absence of a post induction appraisal system based on merit, which are all big question marks. Marketing strategy is the amalgamation of all other telcos of Pakistan, and heavily playing on price without much of a result, as it is not being tailored according to Warid's Vision. Most of the Middle East Company's favorite strategy is the price war, and the only positioning they know is cheaper rates.

Warid Telecom was involved throughout the year in the activities below:

- Planning to expand its coverage to approximately 250 more cities. No timeframe has been announced for the expansion, but Warid has said it aims to include remote and rural areas, focusing on the Northern Areas (NA), Azzad Jammu and Kashmir (AJK) and Baluchistan, which came to me as a surprise, as such areas have already not been covered and why?
- The GM marketing of Warid has resigned from the company fearing questioning of lapsing 80% of the total marketing budget in just 3 months.
- Total investment in Pakistan will touch \$1.5 billion by the end of this year while the company will further increase its investment in the telecom sector by \$1 billion by the end of 2009.
- One good thing which came concrete this year is change of company's logo to something more 3D.
- Started its commercial launch of in-flight connectivity with AeroMobile.
- Ericsson signs pact of \$300 million to expand its GSM network, including its Core, Radio, Transmission network equipment and VAS platforms
- Launched in collaboration with AMES the entertainment and digital media portal in Pakistan
- Deployed a solar powered BTS site using Huawei's Solar Powered Macro Base Station (BTS)
- Launched a new Public Call Office (PCO) scheme in ZEM Pocket PCO
- Launched Location Based Services. Service enabled subscribers to locate the whereabouts of their family members, friends or colleagues



Wateen, sister concern company of Warid telecom and a business unit of Abu Dhabi Consortium, had once beaten the drum of establishing the World's largest WiMAX network, is in serious trouble too, sounded truly unprofessional in such a cut throat competitive World.

Wateen is not been able to mainly solve her technical issues and issues with CRM. Wateen has the highest churn rate and customers place their complaints on different blogs on the Qos. They have been accused of hiring writers to post comment spam on local blogs and use unethical tactics to promote their services. They have changed their entire package line twice but nothing goes in favor of the company. My advice to Wateen: Please hire a new CEO and a new team of people having true work related experience instead of opening newer projects and creating niches of the same product / project.

The activities of the firm throughout the year are:

- Wateen won the award for the most “Challenging and Interesting Work” at “The PSHRM HR Awards 2008”.
- Entered into an agreement with Motorola to expand the company's WiMAX network in Pakistan, enable the company to double the capacity of the network which covers a population of 30 million across 22 cities in Pakistan.
- start services for business users, services include:
 - Managed Solutions
 - Contact Center
 - Data Center
 - Security & Surveillance
- Placed order for IP-based telecom devices and Consumer Premises Devices to add to its nationwide deployment of the WiMAX network



Prime year for Worldcall's management, as Omantel acquired 65% stakes and paid \$193 million. The first milestone attained by Worldcall after Omantel's acquisition was wireless broadband services through EVDO technology in Karachi. The step is a success and strive to remove stain of bad quality of Worldcall's other services. Started their soft launch in August, they are reasonable acquire the customer share and mind share as well.

Below is the tariff - for shared connections: There's no cap on downloads.

- 256 Kbps 1200/-
- 512 Kbps 1800/-
- 1 Mbps 2500/-

Device is ADU-510A, cost Rs. 4500.

On the other hand, the deployment of fiber optic in Islamabad is in final stage and even in some area they have started their triple play services. Allow me to give you some brief on this project;

The whole project commenced without any felt need for a license from any Authority, let alone telecom infrastructure license from PTA or Cable Television License from PEMRA. The CDA, amid their unforeseen revenues from a service which is long since existence, stopped all renewals of previously issued NOC to existing and licensed holding companies including Nayatel etc. Civil works alignments were issued which are not on conformance with existing services, due to pressures to complete the project within stipulated time of 30 months, leading to enormous damage to existing underlying services.

SBUs of Worldcall Pakistan are broadband service, pay phone operations, wireless telephone and prepaid calling cards in about 40 cities at present and cable TV and VOD in Lahore and Karachi.

The details of the services available are:

- Worldcall is deploying Fiber Optic in Islamabad with the collaboration of CDA; they are planning to offer triple play services in future through FTTC (fiber to the curb).
- Might deploy WiMAX in future.
- More than 550,000 WLL subscribers.
- More than 36,000 customers for its cable broadband service.
- Deployed optical fiber in Karachi and Lahore.
- Obtained a NOC (No Objection Certificate) from Ministry of Information and PEMRA (Pakistan Electronic Media Regulatory Authority) and have deposited the required fee for DTH (Direct to Home) satellite service in Pakistan.
- Issued 53,738,212 ordinary shares of Rs 10/- each to Amatis Limited pursuant to the Loan Agreement
- profit after-tax of WorldCall Telecom Limited has declined to Rs 76.218 million in the year ended June 30, 2008 (FY08)
- The Pakistan Credit Rating Agency (Pacra) has removed the entity and TFC ratings of Worldcall Telecom Limited (WTL) from the Rating Watch



w-tribe is an emerging telecom operator offering wireless broadband services in the MENA region. Jordan was the first country where wi-tribe launched its services in 2008. Pakistan and Philippines will be coming online in 2009 followed by many other countries in the future.

wi-tribe Pakistan has already established an LDI network with POPs in 15 cities, involved in activities:

- Signed a multi-year WiMAX contract with Motorola to deploy the network in the 3.5GHz spectrum, with a commercial launch during 2009
- Start their services in 2009



TeleCard is rolling out infrastructure in Karachi for WiMAX Service through Huawei. The company has chosen Augere as the principal contractor to design and build the network. The equipment deployment for the initial phase has already commenced and the company expects the service to be commercially ready by the 2nd quarter of 2009.

Telecard Limited appointed Syed Aamir Hussain as the COO of their Wireless Local Loop (WLL) Business.

CONCLUSION:

Human nature seems to prevail a little more for us, as we don't tend to learn lessons from our mistakes. Mistakes made in 2008 by telecom sector are bound to be repeated by the companies this year as well. I feel, that there has to be someone who should stand a little away from the tree to look into the woods and cast a picture, more like a bird's eye view and then make strategic decisions for all of us, rather than living the life as it comes, because it is coming dirty these days.

Economic slump, new SIM verification system and who knows verification of already issued SIMs through the same mechanism, lower customer and corporate buying power, increasing advertisement budgets and in turn increasing product cost or an unaffordable product altogether, all are leading towards the same great depression, a mistake which was made by the western world through its financial system and an adhoc approach, but we are still so reluctant to superimpose any image of the same on our industry and make a change. In Pakistan most of the companies are not even following GO GREEN policy, let alone any other contribution towards mankind, and seems to be least of the priorities if at all, by the governmental authorities.

For 2009 I think:

- PTA will not be able to auction any 3G license in this year owing to its high price and market saturation, not through customer density or governmental policies but simply due to inability of the company to sell such a high priced product, while keeping it market competitive in terms of prices.
- Cellular subscribers will decrease like the stock market
- Companies will cut their marketing budgets, and will and should focus on customer retention rather than new customers, coming at comparatively lower cost.

- If same trends are projected, I feel that by Q4 2009 heavy downsizing in most of the telecom organizations will start leading to unemployment and hiring people at a lower payroll. This will follow the beloved rule of GODZILLA
- Telenor will be the most beneficiary in 2009
- Broadband will take flight and people start taking interest in these services

Major Contribution:

- <http://www.pta.gov.pk/>
- <http://www.ispak.com.pk/>
- Tariq Rahman