



reshaping communication

**Mobilink**

An ORASCOM TELECOM Company

GSMT

# Role of Private Sector in Mobile Infrastructure Development

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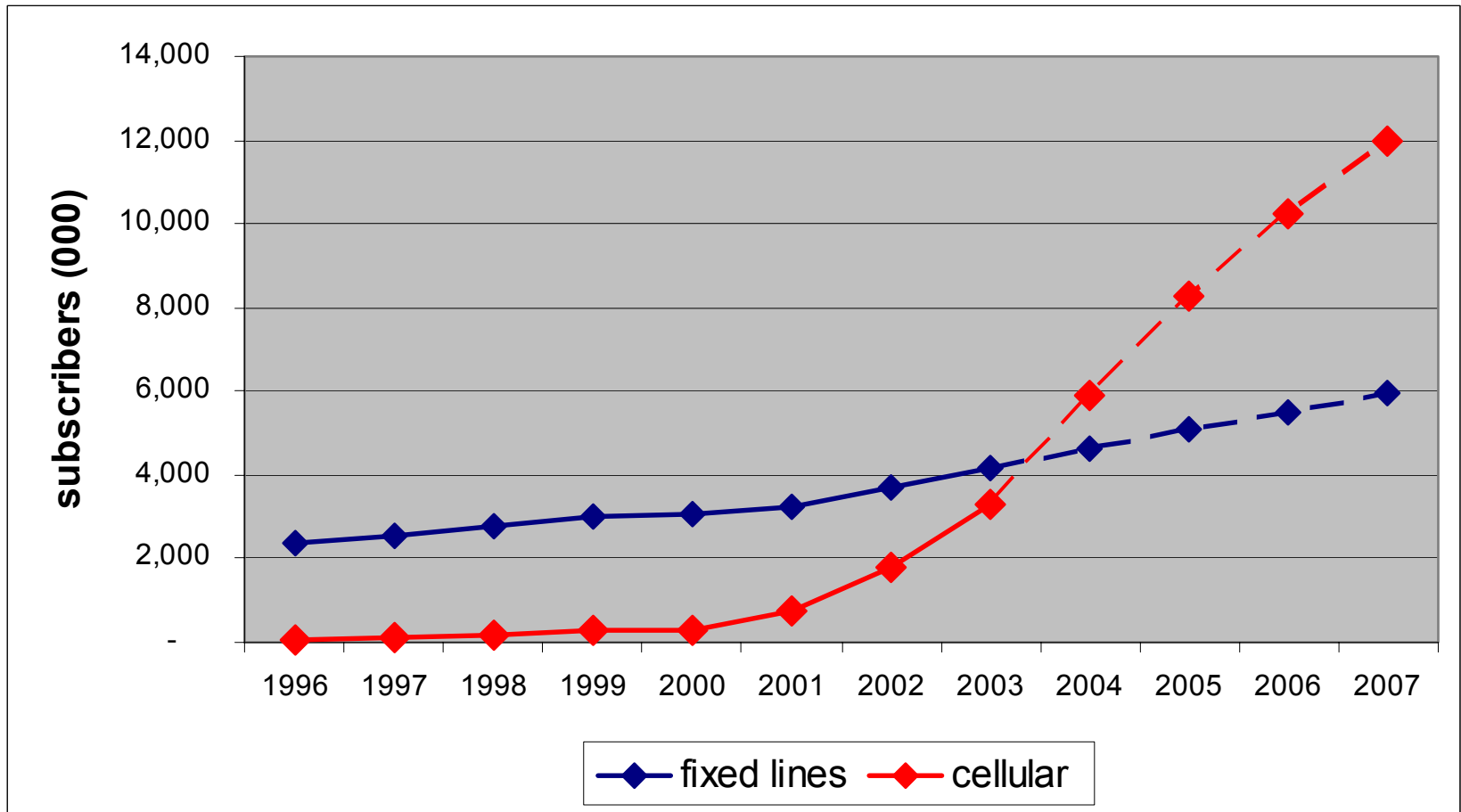
- The Communications Landscape in Pakistan
- Global Trends in Telecommunications
- Role of the Private sector in Pakistan

# The Pakistan Landscape

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Population	148 M
Landlines	4.2 M
Cellular Connections	3.3 M
Tele-density Cellular	2.2%
Tele-density Landlines	2.8%

# Pakistan Growth Trend in Fixed Lines vs. Cellular



# Private Sector role in Telecom Industry Growth

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- Pakistan telecom industry has traditionally been characterized by low growth rates
- Partial opening up to private sector witnessed the unleashing of great potential
- Supportive government policies accelerated this growth pattern
- Sectoral growth rates highest in areas where both public and private sector are operating e.g. Cellular and Internet
- Competition with private sector brings out the best in the public sector also. Examples: Ufone and Paknet

## Private Sector Role (cont'd)

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- Private sector owns more than 80% of the market share
- Substantial foreign investment in the country
- Played a major role in human resource development in the telecom sector
- Set the precedent for high quality customer service

## Mobilink's Pioneering Role in Pakistan

- Mobilink pioneered GSM technology in Pakistan - starting operations in 1994
- An unparalleled technology investment with 7 switches, 900 cell sites and over 1000 new cell sites planned for 2004
- Over \$520 M invested and another \$250 M investment planned for 2004
- Coverage in over 200 cities - 85 new cities planned for 2004
- Increasing coverage in rural areas - 35 of the planned cities in 2004 have a population under 50,000

# Global Trends in Cellular Markets

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- As early as 2002, more than half the world's countries had fully or partially privatized their incumbent operator
- Increasing move towards open competition between private and public players
- A trend of globalization:
  - Multinational operators
  - Regional and multilateral agreements
  - Global services

# Global Emerging Trend: Mobile Usage Overtaking Fixed Lines

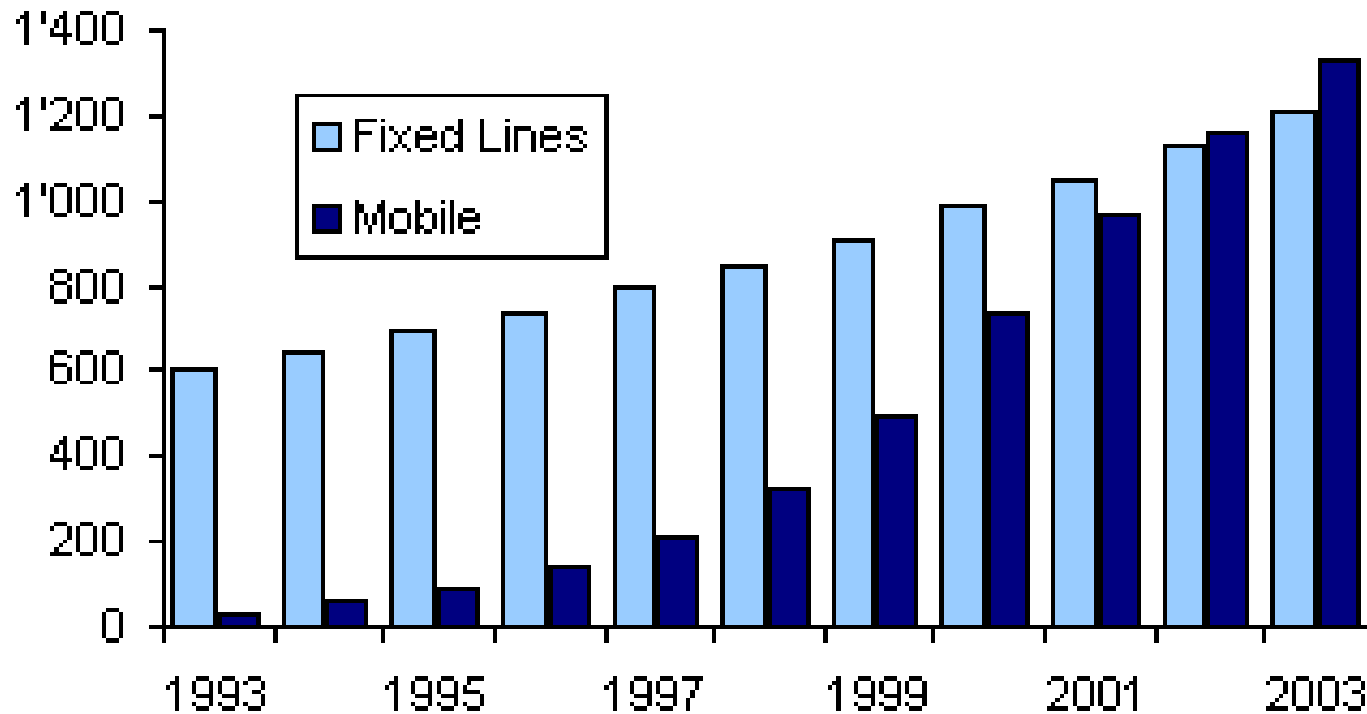
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- In increasing number of markets, Cellular subscribers are overtaking fixed line subscribers
- In several developing countries, users are going straight from un-connected to mobile connectivity
- This puts a tremendous responsibility on the shoulders of private sector providers
- Need to create an enabling environment where private sector can operate profitably while also contributing to national growth and development



# Worldwide Mobile and Fixed Line Numbers

**Mobile overtakes fixed: total subscribers, world, millions**



Source: ITU

# Mobile Telecom in Emerging Economies like Pakistan

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- Once seen as luxury items, mobile communication is now becoming a necessity
- Contributing towards job creation and enhanced economic activity
- Reducing Information asymmetries
- Essential for small and large businesses alike

## Mobile for Small Businesses

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- Fishermen returning with their catch can now find the prevailing market prices before reaching shore - getting the best prices for their catch
- Cotton farmers selling their commodities to traders can now discover prevailing prices from all sources
- Small Tradesmen like carpenters, plumbers can connect with their clients, going directly from one job to the next and generate more business

# Mobile for Life Quality Improvement

- A low cost solution for low income families
  - The setup cost is low at Rs. 499 + Rs. 2000 tax (plus a handset)
  - Cost of maintenance can be as low as Rs. 100 a month
- Connecting people with friends and families home and abroad
- Making people more informed about events and giving them an avenue to make their voices heard
- Improving security in remote locations
- Giving access to medical advice from remote locations

# Critical Elements for the Path Forward in Pakistan

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- Pakistan market is following trends similar to the global landscape
  
- To continue moving in that direction, we need:
  - Economic Stability and continuation of policies
  - Overall Reduction in Regulations
  - Continuation of the Reforms in the Telecom Sector
  - Further rationalization of Bureaucratic Process
  - Increased Involvement of Private sector in policy formulation and decision making
  - Availability of funds at attractive rates and terms

## Closing Remarks

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- The Private sector has played a dynamic role in developing the cellular infrastructure in Pakistan
- This is contributing towards the country's socio-economic development
- Mobilink is proud to be a major part of this development effort and is very cognizant of the responsibilities this entails
- The private sector must be allowed to continue this role in a free, open, and constructive regulatory environment
- Private sector providers must provide a commitment to value, coverage and service to all areas of the country