



Regulatory Regime for Telecom Growth in Pakistan

By

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PTA's Vision

Create a fair regulatory regime to promote investment encourage competition, protect consumer's interest and ensure high quality ICT services

Challenges for PTA

- **Deregulation/Liberalization**
 - **Interconnectivity**
 - **Co location**
- **Rural Access**

Scope of Telecommunication in Pakistan

- **Over 149 million population**
- **Huge unmet demand**
- **Over 6 million expatriates who need to communicate**
- **Telecom Infrastructure - Potential for Growth**
- **65% villages without telecom infrastructure**
- **Overwhelming interest by foreign investors**

State of Telecommunication in Villages*

		Villages	Without Telecom	Rural Teledensity
Punjab	-	25875	16584	0.72
Sindh	-	5871	2650	0.60
NWFP/FATA	-	9933	7200	1.66
Balochistan	-	6557	4931	0.37
Federal Area	-	132	-	-
Total	-	48368	31365	0.87

***Having population less than 5000**

Overview of the Growth

- **Teledensity** - **2.7%** (4.01 M. ALIS)
- **Mobile Penetration** - **2.3%** (3.4 M. Subs.)
- **Fixed-line digitalization** - **100%**
- **NWD Stations** - **2017**
- **F.O. Backhaul (3500 km)** - **10 GB/pair**
- **Internet Access** - **1900 cities/ towns**

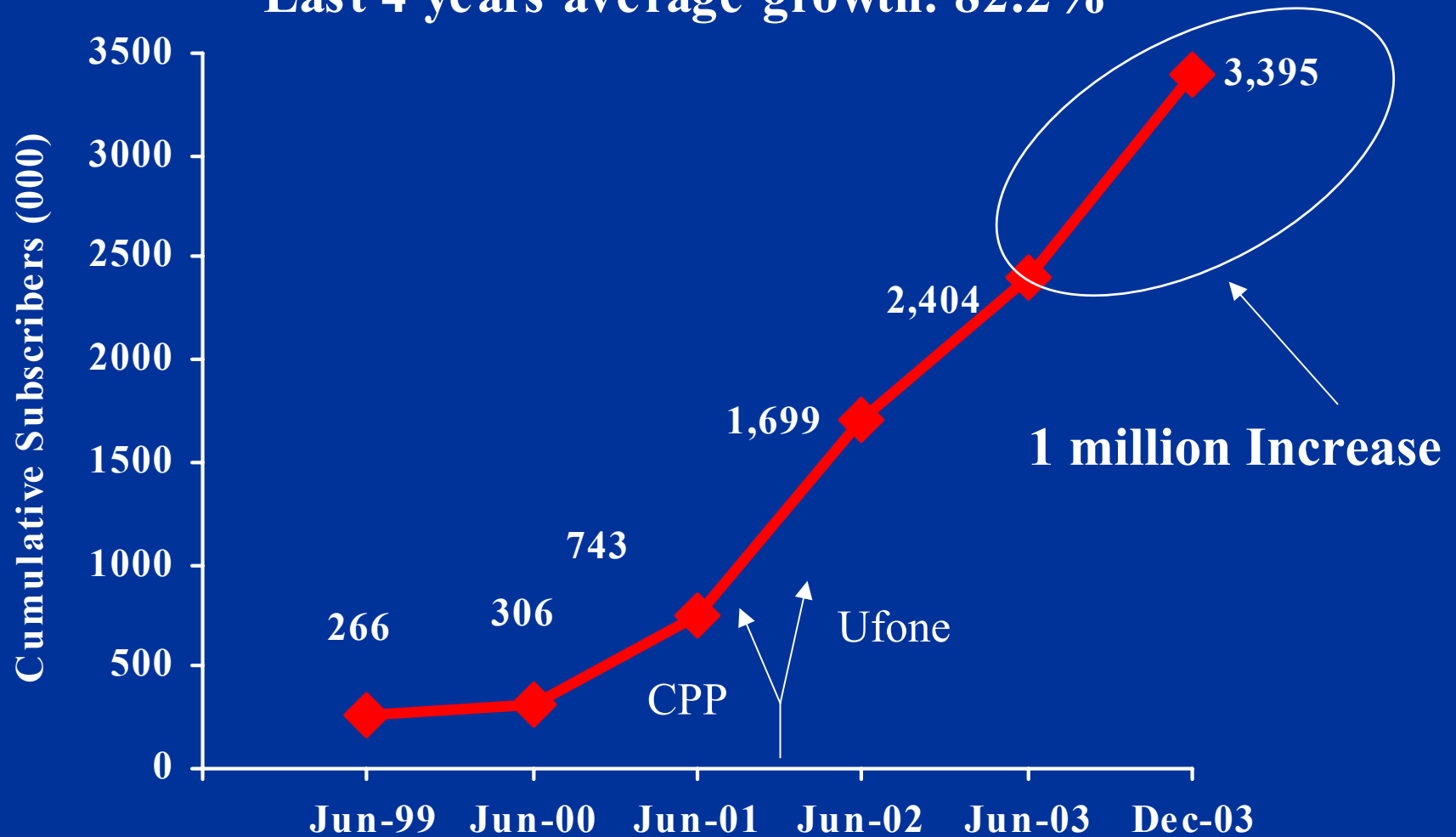
Cellular Market Status

- **4 Operators providing cellular services**
- **Low cellular penetration as compared to similar economies**
- **Subscribers base 3.4 million**
- **Increase of 1 million subscribers in last six months**
- **High pending demand and slow rollout.**

Mobile Subscribers Growth

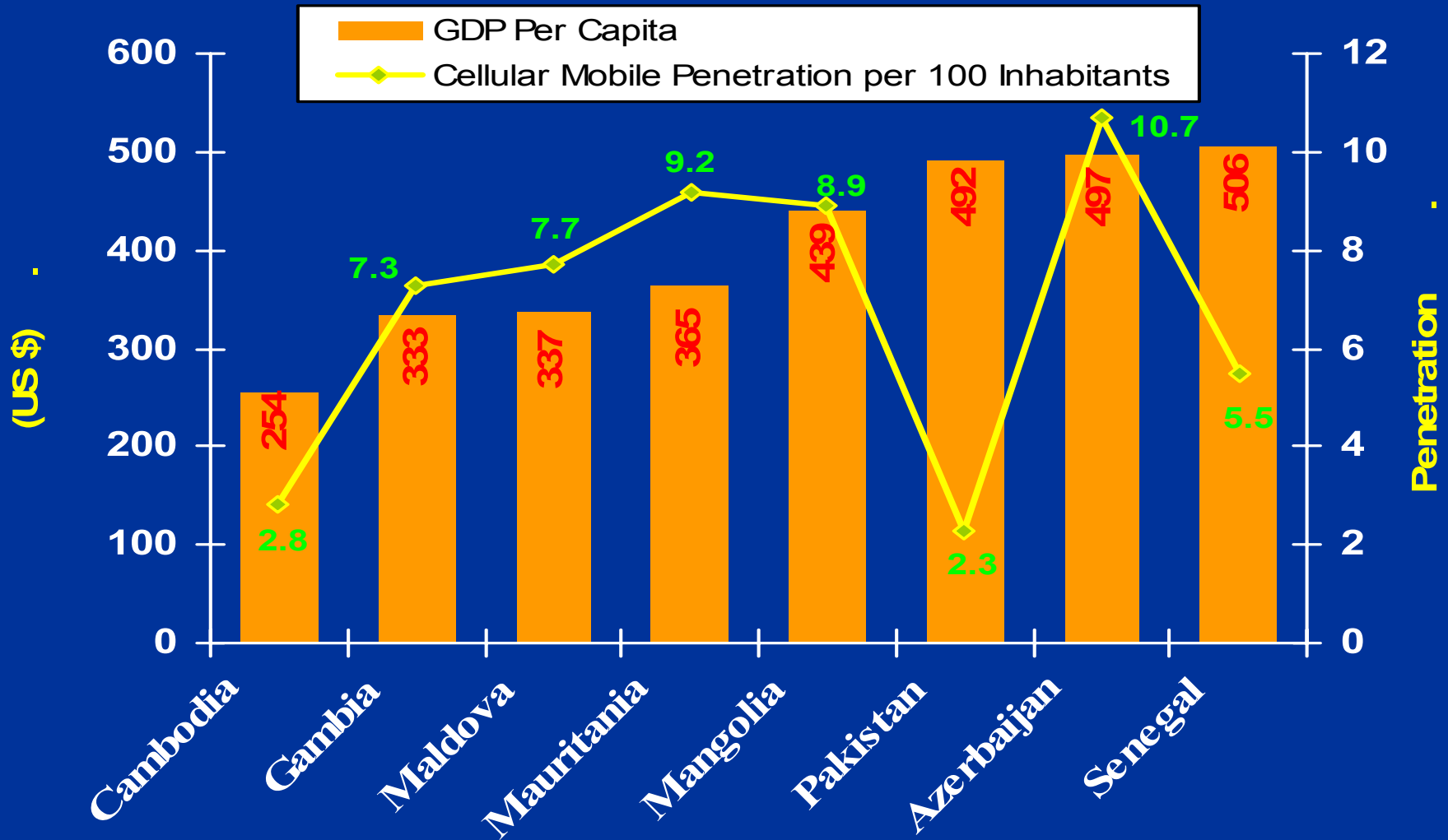
Market potential - 2 million/year approx.

Last 4 years average growth: 82.2%



Comparable World Economies

'GDP per capita' Vs. 'mobile penetration'



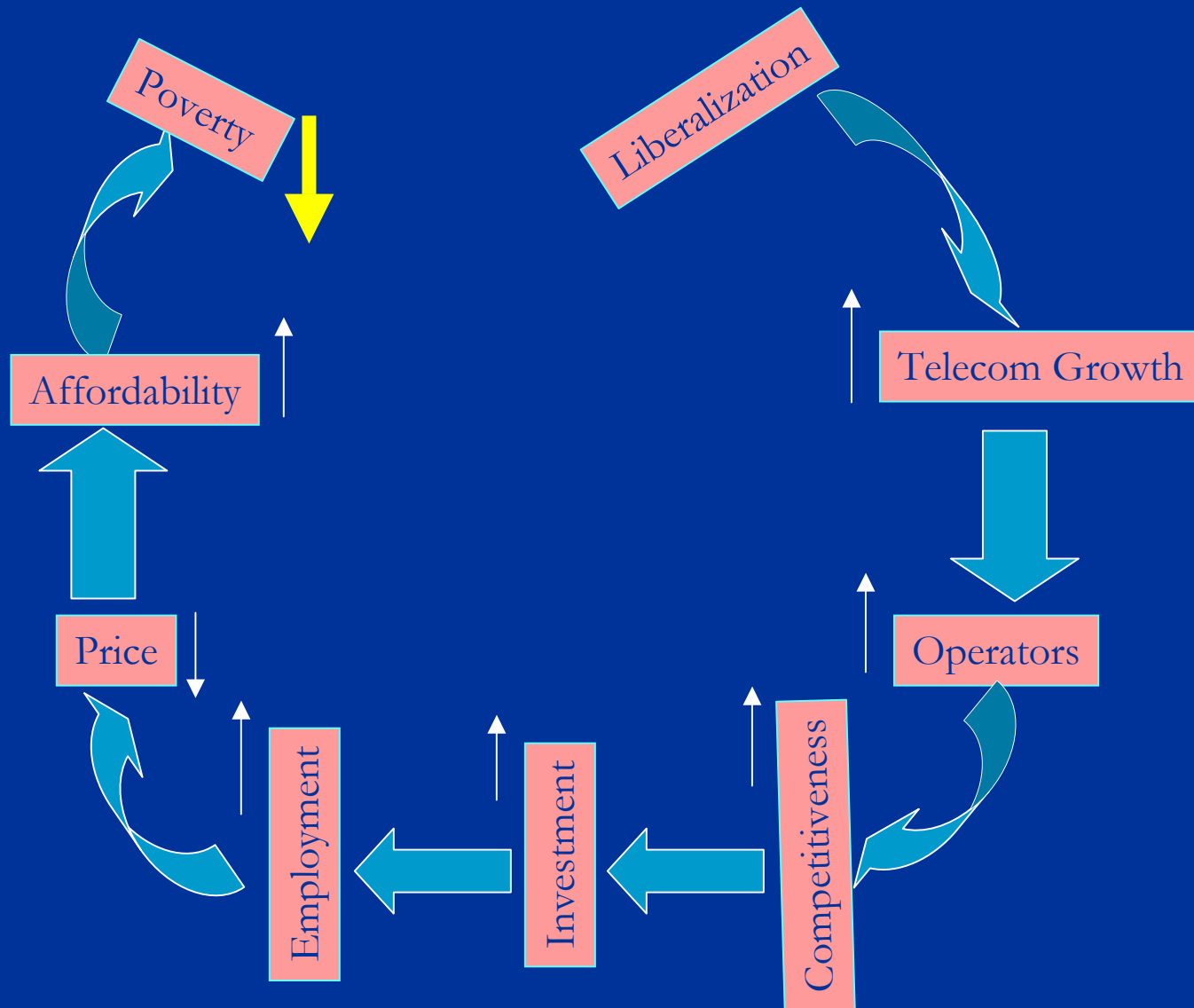
* Pakistan: 2003, Others: Dec 2002

Incentives to Industry

(Reduction in Royalty/Fees)

- Mobile - From 4% to 1.5%
- ISPs - From 4% to 0.66%
- Card Pay phone - From 4% to 2%
- Equipment sale - From 5% to 0
- Type Approval Fee
 - Locally manufactured equipment - 50%
 - Foreign manufactured equipment - 33%
- License Fee
 - ISPs in Baluchistan - 50%
 - Satellite Service - Fee and license abolished, only registration
- Reduction in leased line charges

Poverty Alleviation through Telecommunication



Affordability of Telecom Services

