

# Arab ministers warn digital divide with developed world is widening

Experts say billions of dollars are needed to develop the infrastructure

BY MOHAMMAD EZZ AL DEEN  
Staff Reporter

**Dubai** Arab communication ministers warned against the widening of the digital gap between the Arab world and the developed countries.

Experts say development of the ICT infrastructure could require tens of billions of dollars up to 2015.

Political issues and sectarian differences hinder the economic development, which also reflects on the telecom and information sectors, they said.

The warning was issued by telecom experts at a two-day conference, Arabcom 2006, which began yesterday.

Six Arab telecommunication ministers and 300 spe-

## TELECOM

### Al Mansouri hopes du will improve services

Sultan Bin Saeed Al Mansouri, UAE Minister of Governmental Sector Development, hopes the level of telecom services in the country will improve when du begins operations.

Mobile phone penetration in the UAE reached 95 per cent in 2005, while the internet usage has risen by 15 per cent every year to 59 per cent.

cialists and experts from around the world are participating in the two-day conference.

Jamal Naji Al Khudhari, Palestinian Minister of Communications and In-

formation Technology, said the project linking Palestinian cities through fibre-optic cables had not been completed because Israel refused to separate the network connecting it to Arab countries.

Dr Joan Fuad Ma'soum, Iraqi Minister of Communications, said: "We seek to increase phone capacity from 3 per cent to 15 per cent in three years. But the telecom system in Iraq is bad and unorganised, and we plan to expand the national network from STM4 to STM64 and provide internet services."

Iraq said it would set up an undersea fibre-optic cable line with a capacity of 20 GB per second as part of FOG2 project to link Iraq to UAE and Saudi Arabia.

# UAE officials hope to settle differences between operators

Al Mansouri says government is planning to reduce royalty to Etisalat

BY MOHAMMAD EZZ AL DEEN  
STAFF REPORTER

**Dubai** Government officials yesterday expressed optimism regarding the settlement of differences between the UAE's two telecom operators.

"We hope an agreement will be reached in due time, but the authority will not accept further extension of negotiations, and will enforce the new company's right to use the networks, so that it can start offering its services to the public," Mohammad Nasser Al Ghanim, chairman of the Telecommunication Regulatory Authority (TRA), said at Arabcom yesterday.

Othman Sultan, executive chairman of du, did not comment on the issue, but he said that the company would offer its services in the second half of this year.

"We will have special prices and packages for mobile and fixed phones and the internet, but will not enter into a price war with Etisalat," Sultan said.

Sultan Bin Saeed Al Mansouri, Minister of Governmental Sector Development, said that the government is considering reducing the royalty, which will



KARL JEFFS/Gulf News

### Making a point

Sultan Bin Saeed Al Mansouri, Minister of Governmental Sector Development, delivers keynote speech at Arabcom.

be presented to the cabinet for approval, without disclosing the rate of reduction. Etisalat, which enjoyed a monopoly in the market, used to pay 50 per cent of its profits as royalty to the federal government.

"We will soon take a decision regarding the reduction of the royalty, and there will be a strategy to achieve equality between the two companies, and preserve the government's right," Al Mansouri said.

He also said that the government, through the authority, is playing a neutral part between companies, to prevent any negative impact on prices, and subse-

quently, markets and the UAE economy.

Al Mansouri ruled out the possibility of allowing new mobile or fixed phone licenses in the UAE, saying: "du has not taken its part yet, and opening the market in a random way is not something we encourage. There had been negative effects for the countries who did."

He said that the government is still studying the allowance of new companies to provide high-speed internet services, but it has not decided yet, and denied there was going to be a new telecom law in the UAE.