Session: Regional CEO Roundtable

Date: 15 October 2012, Monday

Time: 10:30 a.m. until 12:00 p.m.

Session Moderator: Stewart White, CEO, Akhet Consulting FZ LLE, UAE

Speakers:

1. Dr. Khaled Al Ghoneim, CEO, STC Group, KSA
2. Dr. Amer Bin Awadh Al-Rawas, CEO, Omantel, Oman
3. Osman Sultan, CEO, DU, UAE
4. Sheikh Mohamed Bin Isa Al-Khalifa, CEO, Batelco Group, Bahrain
5. Ross Cormack, CEO, Nawras, Oman
6. Dr. Bassam Hannoun, CEO Wataniya Telecom, Kuwait

Summary:

The region is experiencing a time of great change with increasing costs and falling revenues. We have moved from a time/distance charging mechanism to an unsustainable unlimited data model. The industry must reinvent itself; by understanding different ways to collect revenues it needs to evolve itself to sustain in the long run.

The operators collectively agreed that the business model has to change, focusing mainly on customer satisfaction. The old adage 'Customer is right' is truly now the name of the game for the operators. Not only that but it can be said that "the game is now a service game". Responsiveness to customers is key and taking note of not only the next generation but even the younger generation. Online retail is a prime example, which is being led by customers and responsive to them especially the youth. Operators need to change and be more like the Over the Top players and embracing them as business partners rather than seeking artificial rules to constrain and retard their growth.

So being savvy; transformed and transmogrified; embracing the market; resisting more regulation as market principles expand business opportunities… operators offering the "Shopping Mall" experience…

Cutting costs and moving away from expensive infrastructure competition in the world of NGN with full open network access… Sharing infrastructure and open access is the future which provides the competitive edge and may even embrace full separation of the licensed and unlicensed businesses of operators as they transform.

Regional operators feel within 10 years, separation of infrastructure and services will be the norm and will be a natural evolution across the region which governments and regulators should encourage.

Infrastructure costs will have to be shared as the cost is too great for any single operator - competition will occur in value-added services. The economies of scale that can be attained by the operators by sharing infrastructure, which would lower costs, and servicing the customers would widen the profit margins for the operators.

Regulators must change their attitude to collaboration between operators - the necessary investment requires such collaboration in the short and long term.

There was a consensus that the challenge operators faced from the OTTs was best dealt with by commercial negotiation – there was no support for regulatory intervention or the imposition of a sending party pays principle for internet services. While some saw the OTTs as a challenge; others on the panel saw them as an opportunity and said that operators must work with OTT providers to monetize through commercial arrangements by negotiating service agreements.

Some specific regional issues were discussed, relating to access to content and the role of government ownership.

Although change must happen they want to embrace it and despite all the uncertainty "the future is bright"…