



REPUBLIC OF LEBANON
MINISTRY OF
TELECOMMUNICATIONS



The Lebanese Ministry of Telecommunications speech

LARP III Mission to Lebanon Conference

June 26, 2015 - Phoenicia Hotel

Your Excellencies,

Ladies and Gentlemen,

Good Morning,

We are living in the digital age. The internet and associated devices such as computers, laptops, tablets, mobile devices, etc., have become a necessity rather than a luxury.

The internet has revolutionized communications to the extent that it is now our preferred medium of everyday communication. It has become the essential infrastructure of the 21st century.

- The number of internet users in the world will exceed /3.2/ billion users by the end of 2015, around 40% of the world populations, compared to /400/ million users in the year 2000.
- Global Internet penetration between 2000 and 2015 jumped from 6.5% to 43 % (almost 7 times).

- The number of mobile phone subscriptions will be more than /7/ billion by the end of 2015, compared to /738/ million subscriptions in the year 2000.
- The number of mobile users having Broadband subscriptions exceeded /2/ billion subscriptions in 2015.
- Active Social Media Accounts is /2.1/ Billion.
- Total number of websites is around /950/ million.
- The number of Google searches conducted each day is 3.5 billion.
- The number of emails sent each day is around 205 billion.

Digital technologies have an enormous effect on the interactivity of individuals and organizations that communicate now using multiple forms of media in environments that are mobile, fast, and virtual.

There is no doubt that demand on the networks will continue to grow. We have quickly become a “connected” world and it is only just the beginning. High-speed, high-capacity networks are

critical to our future because they power the world's internet and digital economy.

According to a recent study by Accenture and Oxford Economics, the increased use of digital technologies could add \$1.36 trillion dollar to total global economic output in year 2020. The growth spurred by digital technologies will occur across all countries and regions, and contribute even greater gains in emerging markets.

Ladies and Gentlemen,

The Lebanese economy depends mainly on the services sector, particularly tourism, information technology, telecommunications, banking, finance and trade institutions. It is worth mentioning that these sectors account for about 60 percent of the GDP and they employ about 73 percent of the labor force. This indicates their importance in relation to the economy.

Knowing its effect on the overall national development, the Lebanese Ministry of Telecommunications (MoT) and Ogero Telecom, took an essential and strategic decision to ameliorate the current telecommunications sector condition in Lebanon,

especially at the internet and mobile level, in a way to satisfy the big future demands of the Lebanese market for modern telecom. services, and to develop the national economy, and to make ICT engine drive sustainable development.

Starting March 2014, and despite of the political and security conditions in Lebanon and in the region, The MoT and OGERO Telecom., which is the national operator of the fixed network, have launched, many projects aimed at the development of the Lebanese telecommunications sector.

I will quickly brief these projects.

MoT is investing in international submarine cables. Lebanon represented by MoT and OGERO Telecom. is a partner in the largest consortium for the submarine cable project called “IMEWE”, among a group of major international telecom operators, The work is under way to study the establishment of a new submarine cables with a number of countries in the region.

More than 75 percent reduction on the prices of mobile, fixed, and internet services, has taken place. The number of Lebanese Internet Services Providers (ISPs) working effectively in 2015 is

/61/ companies, including /38/ companies that got new licenses in 2014.

The number of International Digital Lines known as (E1s), which are placed at the disposal of the Lebanese private sector, and ISPs, has increased from Five thousands eight hundred /5,800/ E1s in February 2014 to become Thirty one thousand seven hundred /31,700/ (E1s) in June 2015, or equivalent to **64** Gbps, with an increase of (600%). The total international bandwidth capacity that is placed at the disposal of public, private and mobile sector for Internet services only is **125** Gbps. Besides, the prices of E1s dropped significantly to become around /230/ dollar per line, knowing that the price for E1 in 2006 was /4000/ dollar.

Moreover, MoT and OGERO telecom increased the ADSL coverage in 30 telephone exchanges in the rural areas in all the Lebanese regions, allowing about one hundred thousand /100,000/ new telephone subscribers to benefit from DSL services, and bringing the number of fixed telephone subscribers that can have DSL services up to four hundred seventy five thousand /475,000/ subscribers.

The total number of internet users in Lebanon (Mobile, xDSL, Wireless, Cable, VDSL2+) on 2015 is /3.820.000/ users, assuring a penetration rate of internet service equal to 86 %.

Besides, MoT and OGERO telecom. are also working on increasing the number of Commercial Centers, and they are currently working on the establishment of unified sale centers with the 2 Mobile Network operators (Touch and Alfa) to provide easy to reach fixed & mobile telecommunications services to Lebanese citizens . Besides, work is ongoing on the expansion of Local Loops and on the expansion of telephone switches in all the Lebanese territories.

The number of fixed telephone subscribers has increased about one hundred thousand /100,000/ subscribers during a year, bringing the total number of fixed line subscribers to nine hundred fifty thousand /950,000/. Besides, the number of mobile subscribers became /4.6/ million subscribers in 2014. MoT also worked on increasing the coverage of third-generation (3G) and fourth generation (4G) services. Moreover, MoT recently deployed /1/ million new cellular numbers, and the work is under way to complete the “Integrated Mobile Numbering Plan” to meet the growing needs of Lebanese market in the light of current and future technical developments, in particular the 4G

and 4G+ and 5G networks, the FTTX, and the NGN, and the Internet of things.

All of the above projects had a positive impact on the revenues despite the prices reductions that took place on the telecom. services.

Ladies and Gentlemen,

On the first of July 2015, MoT will launch the Lebanese Telecom. strategy for the coming five years under the title "**Digital Communications Vision - Lebanon 2020**", in a big celebration that will take place at the Grand Serail under the auspices of the Prime Minister Tammam Salam.

The cost of the project will be around \$ 700 million dollar paid from the funds of the Ministry of Telecommunications. The project will be implemented in phases. The first phase will target government offices, major companies, and universities, and will end within four months of the launch of the project. The second phase will focus on big and coastal cities and residential places,

and will end within 2 years of the launch of the project. The work will continue down to the year 2020 so that Lebanon by this time will be covered with optical fibers in all its regions.

A quantum leap will happen through the transition from copper wire to fiber optics, which allows for higher internet speed, better quality for telecommunication services, and the introduction of new ones. This will enable Lebanon to keep pace with the rapid international development and progress in this area. Also a website named "Lebanon 2020" will be launched in conjunction with the launch of the vision on the first of July, where all Lebanese can precisely monitor the stages of implementation.

In parallel, plans are set to develop 4G mobile Networks, in preparation for the fifth generation Networks in 2020, which will allow the MoT to provide modern communication services for Lebanese citizens and keep abreast of the latest technologies.

On the other hand, the launch of a tender for the operation of the two GSM networks will take place in September 2015. Major International Telecom. operators will participate in the tender.

Finally, I would like to express my appreciation to LARP for all the efforts that have been done to support the civil society and civic institutions of Lebanon, and to increase communications between the diaspora and the homeland.

Thank you for your attention.

Beirut,

26-June-2015