REPUBLIC OF LEBANON
MINISTRY OF
TELECOMMUNICATIONS

DARING PROGRESS

Telecommunications Public Policy
2014-2015

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Telecommunications public policy report
2014-2015

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MINISTRY OF
TELECOMMUNICATIONS

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FOREWORD

The primary observation that I had, upon my appointment to handle the Ministry of Telecommunications, was the tremendous role the Ministry had as a major contributor to the public finances that the Lebanese government so dearly relied upon. The Ministry was in effect perceived as the proverbial Golden Goose of the Lebanese Treasury, ensuring steady and reliable income to the government: On the surface, a great position for any ministry to be in.

A deeper look confirmed a different reality; the untenability of this model given the imbalance between what was taken out of the Ministry and what needed to be put back in. If the Ministry was to remain relevant to the overall development of the state, a new approach was to be devised, developed and deployed.

Our approach was rooted in our deep belief that the sustainability of the Ministry's role and financial obligations were dependent on the Ministry's ability to remain relevant as a provider of our citizens' aspirations, triggering economic, scientific and cultural modernization and growth.

Simply put, we needed to demonstrate a difference in improving peoples' lives if we were to persist; easier said than done given the context of the country's political situation and the lethargy of the current Lebanese political process. A situation in which a country is unable to ordinarily elect its new head of state is hardly the place to develop and deploy extraordinary measures that will affect the whole population. Defying the status quo became our new Ordinary.

Internally, the Ministry, reflecting a cross section of the overall national political dynamic, was our starting place. Our first challenge was to deploy our vision internally; this in itself required a delicate and engaging mandate that resounded with everyone. I lead with a mission to keep politics out of our daily activities and instead focus on the policies that would positively touch people's lives. Policies not Politics became the motto that helped us break through with results, despite the politicking that was directed towards the Ministry externally and at times from within.

Freedom of information is a basic human right and speed of communication is now a basic human need, and a social necessity, for more connected and knowledge rich communities.

Those simple facts were the drivers for developing our 2020 Vision; the Ministry's five-year plan aimed at improving the telecommunication infrastructure by offering fiber optic services and nation-wide 4G coverage. The plan has significantly closed the telecommunications gap between Lebanon and that of economically and technologically more developed countries. To date, and as corroborated by the International Telecommunications Union (ITU), the policies implemented by the Ministry of Telecommunications since 2014 have resulted in dramatic and tangible improvements affecting Lebanon's network of fixed landlines, mobile coverage and reliability, as well as internet speed and penetration.

The policies have also been reflected in the Ministry's balance sheet increasing its revenues from additional landline subscriptions whilst reducing the price of telecommunication services by up to 70%.

This result vindicates the Ministry's decision to reduce the cost of telecommunications to the population and to defy the Lebanese government's thinking of leaving the prices at their original high level.

This report shares the results of the Ministry's two year journey in trying to help meet our citizens' aspiration for a better future. It transparently shares the results of the goals that we successfully managed to achieve, as well as highlighting the objectives that are not yet met.

I consider it an assessment of the Ministry's performance over the past two years and our compass to help us better learn from what we did well, and help us identify what we need to do better. We believe that by publicly sharing our results, we are binding ourselves to maintain and perpetuate the efficient policies and procedures we implemented and force ourselves to continuously improve by holding ourselves accountable publicly, by sharing our information transparently and freely.

Daring Progress captures the essence of the challenges the Ministry was confronting. Progress constantly dares prevailing practices. Progress demands innovation, and innovation demands from us reinvention. In a highly charged and highly demanding political situation like Lebanon's, to think of reinvention is in itself a daring act. The Ministry's ultimate goal will remain the transformation of the telecommunications sector, keeping up with the world's technological advancements. We dare to believe that by upholding policies that put our citizens' interests at the center of our work, we will be constantly primed to achieve the progress that future development demands from us.

Minister of Telcommunications Boutros Harb

EXECUTIVE SUMMARY

"Daring Progress" is an objective assessment report measuring the quantitative and qualitative results of the telecommunication policies developed and implemented by the Ministry of Telecommunications since February 2014.

The report aims to document the results achieved by the strategic policies developed with the aim of improving the quality of services offered by the Ministry, as well as raising the overall telecommunications standards citizens have come to expect.

The report outlines Digital Telecommunications Vision 2020 (the five-year strategic plan) set forth by the Ministry of Telecommunications, and tracks the progress, to date, of the deployment of this vision against the preset schedule.

This report also highlights the reality of the telecommunications sector in Lebanon, and details the results of 2014-2015 telecom development initiatives and implementation services benchmarked and indexed against those of the precedent years (2012-2013).

At the core of the Digital Telecommunications Vision 2020, the Ministry's strategic five-year plan aimed to enable and empower Lebanon to keep up with technological development and bridge the digital gap with other countries and regain its role in the region as an ICT leader. The results achieved by the Triple A strategy and the determination to raise Lebanon's ability to keep pace with the technological development led to improving Lebanon's global ranking by 21 positions on the ICT Development Index (IDI).

The Triple A strategy's (Activate-Abate-Ameliorate) objective was to activate public administration, reduce ICT tariffs (to allow all segments of society to fully benefit from the technological development), as well as to improve the telecom infrastructure and capabilities.

The purpose of improving the telecommunications infrastructure, through the deployment of 4.5G services and the installation of nationwide optical fiber networks (FTTX technologies, was meant to deliver tangible improvements to citizens across the entirety of the Lebanese territory.

According to the report of the International Telecommunications Union (ITU), the significant growth in the telecommunications sector and the results achieved constitute a turning point on the world's telecommunications services graph. The strategy's continuous implementation is expected to achieve even better results and maintain the growth momentum achieved in the year 2015 throughout 2016.

Decisions taken to improve the landline infrastructure, by expanding the capabilities of existing central offices and adding new landlines, increased the total capacity of the landline network to 1,244,384 subscribers in 2015.
The capacity and the potential of the Ministry to install new fixed telephone lines increased to reach 834%, and an average of 198 new subscribers were connected on daily basis in the years 2014-2015, as opposed to 21 new subscribers daily, in the years 2013-2014. The total number of new landline subscribers reached 142,849 in the years 2014-2015 compared to 15,000 in the years 2012-2013.

The internet services also achieved outstanding results. The capacity of the Ministry's departments to meet the needs of citizens' connectivity to the internet has increased by up to 891%, reaching 764,384 new subscribers in 2014-2015.
The reactivation of the relevant Ministry departments had an apparent effect in optimizing the Ministry's ability to connect more subscribers to the internet, at an average of 1,061 new subscribers per day in the years 2014-2015, up from 107 daily subscribers in 2012-2013.
These results led the ITU (International Telecommunications Union) to rank Lebanon first among all Arab countries in terms of the growth rate of DSL services in 2014.

Increasing internet speeds continues to be a strategic objective for The Ministry of Telecommunications. An increase resulting in growth translating into 67% of DSL internet users with a subscribed speed between 2 and 10 Mbps in 2015, an increase from 13% in 2013, representing an overall positive rate of 415%.

The international capacity dedicated to the private sector resulted in a growth of 570% in E1 lines in 2015 translating into a numerical growth of 33, 652 E1 lines (39,200 E1 lines in 2015 compared with just 5,848 E1 2013).

The cellular mobile network grew by an impressive 9% during 2014-2015 adding 183,338 new subscribers to reach a total of 4,504,631 subscribers.

This growth paralleled an improvement in the quality of services whereby in 2015 the rate of dropped calls was measured at just 0.41%; a significant decline from the previous rate of 0.56%. For comparison the international rate of dropped calls is 1%.

While the strategy stipulated the reduction of mobile services costs, the state income from the mobile telecom sector increased by 65 million US dollars in the years 2014-2015. This was no paradox. It was a policy decision that prioritized the expansion of the mobile cellular coverage by improving the infrastructure and installing new cell site base stations to cover new areas; a policy that led to an increase in the rate of mobile penetration, reaching 94% in 2015 versus 88% in 2013, an increase of 6%.

Ameliorating the Ministry of Telecommunications' services had to start with providing citizens with a tangible improvement when interacting with the Ministry's services. A creative vision and a new approach were adopted by the Ministry that ensured the cutting of red tape and the simplification of processes, tangible performance improvement and measured quality of services. One example of the improved and simplified processes was the creation of common sales centers, or One Stop Shops, for both fixed and cellular telecommunications services covering the entire Lebanese territory; ensuring that rural and remote areas enjoyed the same benefits as the main urban centers. Other noticeable improvements were the creation of an online bill payment system, the set up of a dedicated internet services hotline,1516, and the establishment of a complaints office with a direct reporting line to the Minister's office.

The Ministry's five-year Digital Communications Vision 2020, and its policies and Tripe A strategy dedicated to the development of the telecommunications sector, were envisaged to uphold the Ministry's long held commitment to public and private institutions and activities. Key beneficiaries of the Ministry's commitment to social efforts include the Lebanese armed and security forces, municipalities, educational initiatives, cultural activities, sports clubs, tourism, civil society and skilled Lebanese youths. Internationally, the Ministry had a distinctive presence through active participation in global conferences, as well proposing initiatives that were presented in both Arab and international conferences and meetings. The ambitious and challenging vision the Ministry adopted in 2014, to introduce fundamental change to the Lebanese telecom infrastructures set a five year time frame. However, results of the policy and its triple A strategy became apparent almost instantly and progressively. Recognition of the Ministry's efforts were rewarded locally, regionally and internationally. Regionally, the initiative on Arab Internet Governance presented by Lebanon in the Arab forums and known as the "Cairo Declaration" was unanimously approved by the Council of Arab Telecommunications Ministers.
Recognition was also reflected in the symbolism of the first time election of Lebanon to the vice presidency of the Arab Telecommunications Ministers Executive Council.

Internationally, 2015 saw Lebanon's rank advance from the 70th to the 56th position according to the IDI report issued by ITU. The ranking placed Lebanon in 7th among Arab countries; superseded only by the countries of the Gulf Cooperation Council with more developed infrastructures.

The progress in ranking, acknowledges Lebanon among the first three most dynamic countries in terms of the ICT development index; an achievement that was echoed by the World Economic Forum which categorized Lebanon as the second biggest mover in the year 2015 on the Network Readiness Index (NRI), gaining 11 ranks to land in the 88th place in the overall NRI.

The policies instigated by the Ministry of Telecommunications in 2014 and strategic decisions have set Lebanon on a path to meet the daring challenges progress demands from its public institutions and public servants.
What was achieved in a two year period between 2014 and 2016 highlights that the Ministry of Telecommunications dared progress and prevailed.

*Network Readiness Index
**The World Economic Forum's Global Information Technology Report 2016

IN NUMBERS

Landline

1,012,849

the total number of landline subscribers

142,849

new landline subscribers between 2014-2015, it was 15,000 compared to 2012-2013

198

new subscribers per day between 2014-2015, compared to 21 in 2012-2013

843%

increase of new landline subscribers

Internet

1,244,384

the total number of internet subscribers

764,384

new internet subscribers compared to 77,671 between 2012-2013

1061

the average of new internet subscribers per day in 2015, compared to 107 between 2012-2013

93,5%

the coverage ratio of fixed-network the DSL and the VDSL technologies

67%

of the internet users are subscribed to 2 and 10 MB/S compared to 13% in 2013

70,000 E1

the volume of international internet capacities shows an increase of 442% compared to 2013

39,200

E1s is the total international internet bandwidth dedicated to private ISPs show an increase of 570% compared to the year 2013

422%

increase in E1 numbers compared to 2013

Mobile cellular

4,504,631

the total number of mobile cellular subscribers

339,183

new mobile subscribers

1250

new data mobile cellular subscribers per day

65 TB

the daily data consumption

94%

penetration rate of mobile cellular

$65 M

increase in total state revenues from the mobile sector compared to the year 2013

TABLE OF CONTENTS

INTRODUCTION

This report presents the current state of the Lebanese telecom sector and shares the overall results of the telecommunications development services between 1/1/2014 and 31/12/2015. It highlights the national and social commitments that the Ministry of Telecommunications continues to support.

The report also tracks the development initiatives implemented, to date, as part of Ministry of Telecommunications Digital Telecommunications Vision 2020 (DTV 2020). The reports also tracks the results of the the plan to establish the optical fiber networks and the deployment of 4.5G services.

The report's first section refers to the results of the policies developed and pursued by the Ministry of Telecommunications: Policies that were translated into decisions taken and implemented positively affecting the fixed telephone network, the mobile cellular network, and the internet. The results benchmarked, with results from previous years, demonstrate the progress of the telecommunications sector in Lebanon and are validated by the International Telecommunications Union's report of 2014.

The second part shares the progress details of the Digital Telecommunications Vision 2020 implementation process as well as the status of key projects that are currently being implemented or soon to be implemented.

The third part shows the national and social commitments of The Ministry of Telecommunications and its contributions in supporting public and private institutions such as the armed and security forces, municipalities, tourism festivals, educational initiatives, cultural activities, sports clubs, civil society and promising talented youths.

The last part sheds light on the international activity of the Ministry of Telecommunications and the initiatives put forward by the Ministry through its participation in the Arab and international conferences.

MINISTRY OF
TELECOMMUNICATIONS

The current state of telecommunications and the Ministry of Telecommunications policy

THE CURRENT STATE OF TELECOMMUNICATIONS

The revolution in the telecom sector has rendered the telecommunications services, particularly data transmission services and broadband internet services, an essential need for social growth and prosperity; affecting economic, cultural, and national development.

The telecom revolution is considered the prime contributor to the knowledge economy. In Lebanon, this revolution manifested by becoming an integral part of the daily life of Lebanese citizens and an unofficial right. Accessing the multiple telecommunications services is no longer a luxury or a privilege; it has become a right and a route to improving life.

Ensuring the right of Lebanese citizens to gain access to high-quality and ubiquitous telecommunications services has become a strategic goal for the Ministry of Telecommunications. At the time, the capabilities and limitations of the national telecommunications backbone including the local network infrastructure in Lebanon were no longer capable of keeping up with the tremendous demand in data exchanges. This rendered the Ministry incapable of meeting the growth in demand for quality telecommunication services.

The possible measures that could have been quickly taken and the superficial repairing and patching up of networks would not have achieved the desired strategic changes needed to ensure the high quality telecommunication needs Lebanon and the Lebanese citizens had the right to.

In a country that was hamstrung by a political stalemate and traditional politicking, half measures would have been the typical approach.

For a Ministry that had the responsibility to help propel Lebanon into the league of nations with highly developed infrastructure, a new and different approach was needed. An approach that ensured the policies had primacy over politics and doing the right thing was the only option. This decision dictated how to find solutions.

The Ministry responded by launching an encompassing workshop at the Ministry and set up a team to diagnose issues and recommend appropriate solutions to address the needs: Solutions that could be implemented across the short, medium and long term time frames.

The above resulted in a courageous and bold strategic decision with a mission to develop the telecommunications sector, improve where possible and overhaul the local networks so that they would become capable of providing high-quality telecommunications services, especially internet services.

THE MINISTRY OF TELECOMMUNICATIONS POLICY

At the tangible level, the policy set and pursued by the Ministry of Telecommunications aimed to raise the capacity of the ICT sector and leverage it as an enabler to accelerate overall national economic development.

The policy aimed to revamp the infrastructure of the telecommunications sector to guarantee high-quality services to Lebanese citizens, allowing Lebanon a chance to regain its regional position as a leader in information and telecommunications.
Adopted to address the roots of the problems, the policy sought the implementation of an integrated plan, avoiding fragmentary and improvised solutions that lacked the proper planning.
What was needed was a strategy to address the structural problems of the Lebanese telecom sector to provide longer lasting solutions from the onset.

The realized policy: The Triple A Strategy :

1- Activate the public administrations in the Ministry and ensure their cooperation.

The founding tenet; an internal unified team that combined the various expertise within the Ministry to contribute to the formulation of the Ministry's policies, and championed the implementation of the projects in accordance with the goals set.

2- Ameliorate the telecom infrastructure at the national level.
This was to be done through a transition from the third generation (3G) to the fourth generation (4G) wireless networks as well as setting the stage to accommodate 5G services. The improvement was to also be implemented by transitioning the fixed networks from copper wires to fiber optics (FTTX).

3- Abate tariffs of telecommunications and information technology services.
This also included the lowering of the cost of mobile voice and data plans and democratizing the technologies allowing the the largest segments of society to benefit from these services.

1. DECISIONS AND RESULTS

In spite of the deteriorating political, economic, and security conditions, which generated a state of economic decline and negative growth, the policy pursued by the Ministry of Telecommunications achieved significant results in the years 2014-2015.

In contrast with the decline of public and private services in Lebanon, these results were the outcome of systematic planning and design work that was translated into procedures and proper decisions and measures. According to the report of the International Telecommunications Union (ITU), the achievements in the year 2014 and the significant growth in the telecommunications sector constituted a turning point on the world's telecommunications services graph.

It is also expected to achieve even better results and maintain the growth momentum achieved in the year 2015 throughout 2016; a glowing recognition that the Ministry's Triple A strategy (Activating departments, Abating prices and Ameliorating infrastructure) achieved, and continues to yield, outstanding results on the fixed, mobile and internet networks.

1.1 THE FIXED NETWORK

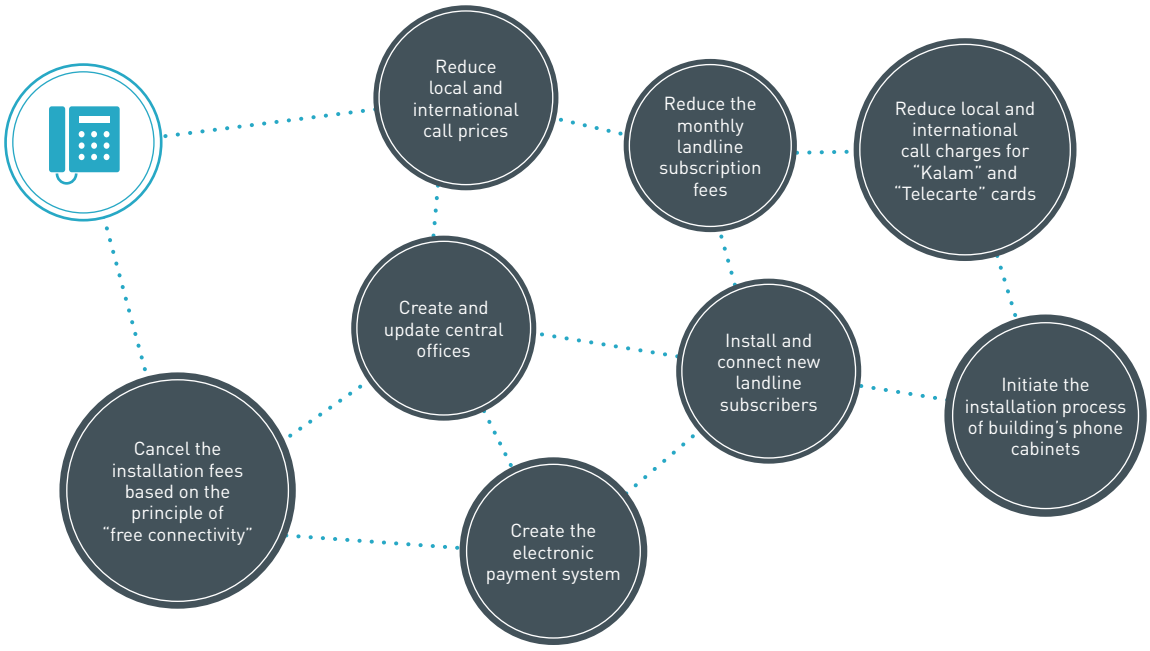
The activation of the various departments of the Ministry produced a dynamic operation that led to an increase in the capacity and potential of the Ministry to install and connect 198 new fixed telephone lines per day in the years 2014- 2015; an increase from 21 new subscribers daily in the years 2012-2013.

The decision to reduce the tariffs of local and international telephone calls, Kalam prepaid cards, Telecarte payphone cards, monthly subscription fees of fixed telephone lines, and to cancel the installation fees of a new telephone line in accordance with the principle of "free connectivity", all contributed to place Lebanon in first position in the Arab world in 2014 in the annual growth rate of the number of subscriptions in fixed telephony.

This index accounted for 1,012,849 subscribers in 2015, an increase of 16.5% from the year 2013, where the number of subscribers was 870,000. The total number of new subscribers in two years was 142,849, or an average of 5,952 subscribers per month. Comparatively, the years 2012-2013 only added 15,000 new subscribers.

It's worth noting that the decisions taken to improve the infrastructure by equipping and expanding central offices led to the increase of the total capacity of the fixed telephone network to 1,321,310 subscriptions in the year 2015.

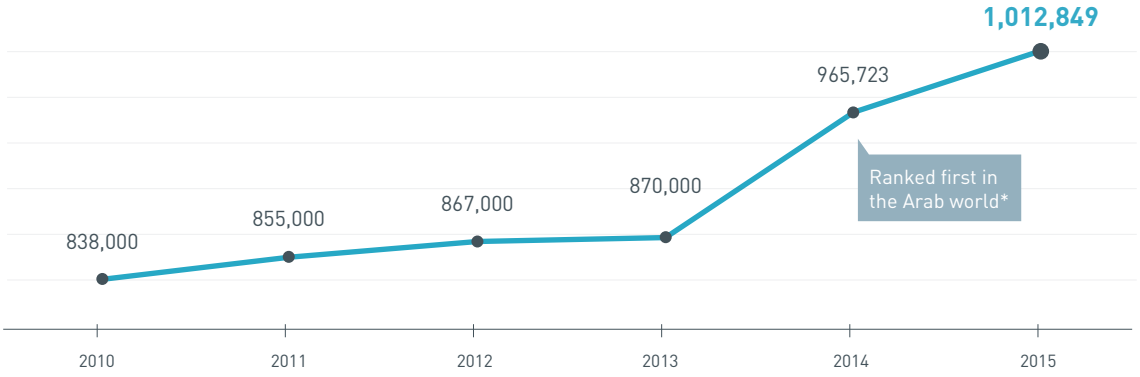
Main decisions



The indicators of growth of telecommunications services in Lebanon for the year 2014, according to statistics realized and accredited by the International Telecommunications Union (ITU).

ITU is the United Nation specialized agency for information and communication technologies. It is the telecommunications worldwide regulator. The reports issued by the ITU reflect the development and the progress of information and telecommunications sector worldwide through multiple accurate statistical indicators published annually and represented in the related international conference. The evaluation of these markets shows its credibility and seriousness and its extent of the dynamics and the economic feasibility of its investments. It presents also the extent of growth of social and scientific services in each of these countries.

Landline Subscribers



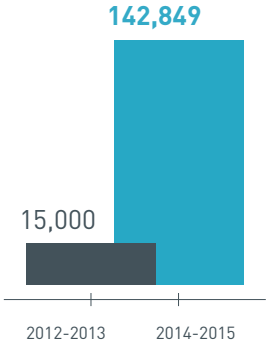
142,849

new landline subscribers between 1/1/2014-31/12/2015**, compared to 15,000 in 2012-2013

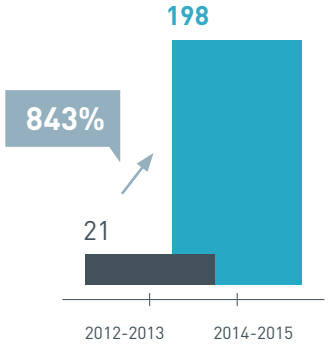
198

new subscribers per day between 2014-2015, compared to 21 in 2012-2013

The number of new landline subscribers



The daily average of new subscribers



*The indicators of growth of telecommunications services in Lebanon for the year 2014, according to statistics realized and accredited by the International Telecommunications Union (ITU).
**The date range of all graphs is between 1/1/2014 and 31/12/2015

1.2 THE INTERNET

Internet services and free access to information have become an essential need for Lebanese citizens in their daily life, their outreach and interaction with the rest of the world.
The activation of the relevant Ministry departments has resulted in a greater ability to meet the needs of citizens by connecting more subscribers to the internet.

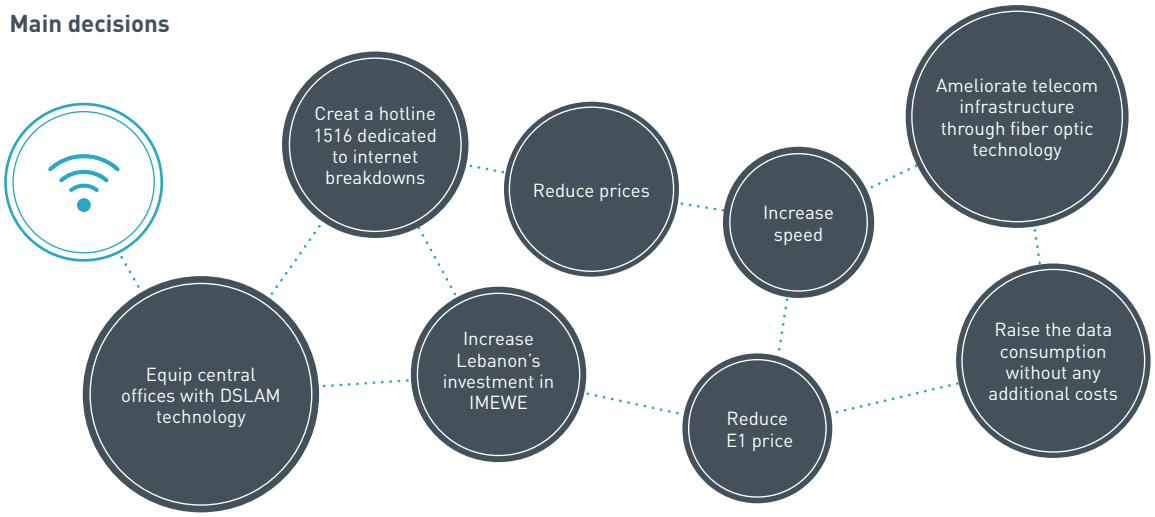
In 2014-2015, an average of 1,061 new subscribers were connected to the internet daily; a ten fold increase from the average of 107 new subscribers daily in 2012-2013. A testament to the increased capacity and effectiveness of the Ministry departments to meet the needs of citizens.

Internet connectivity also grew by 891% connecting 764,384 new subscribers in 2014-2015.

Thanks to the reduction of internet service pricing coupled with the increase in the data consumption quotas, Lebanon ranked on top of the list of countries with the highest number of fixed broadband subscribers growth index in 2014.

The report, issued by the ITU, praised the Ministry of Telecommunications' distinctive efforts in 2014 to achieve this goal. The report also commends Lebanon's success in reaching a total of 1,244,384 internet subscribers in 2015.

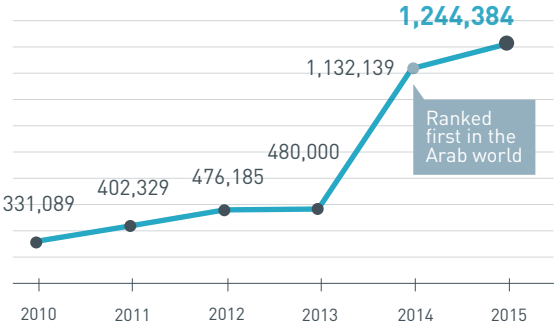
Main decisions



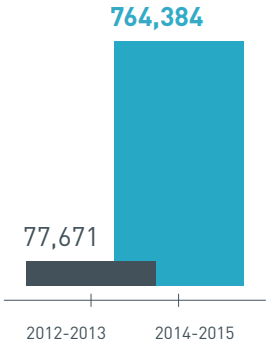
1061
the average of new internet subscribers per day

764,384
new fixed broadband subscribers

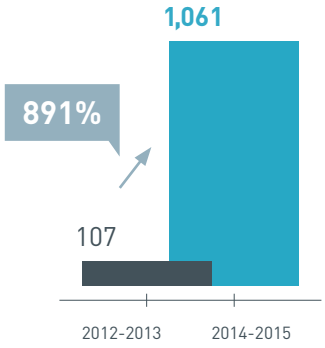
The total number of broadband internet subscribers



The number of new broadband internet subscribers



The average of new broadband internet subscribers per day

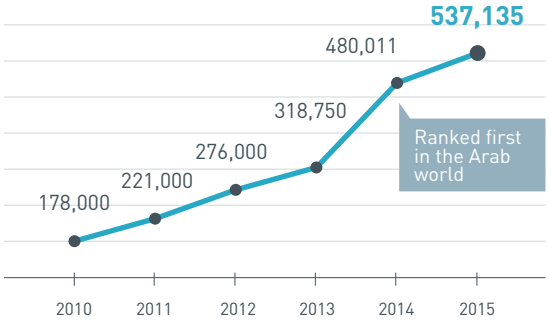


Improving infrastructure and equipping central offices with the necessary DSLAM technology led to significant proliferation of internet services in the country.

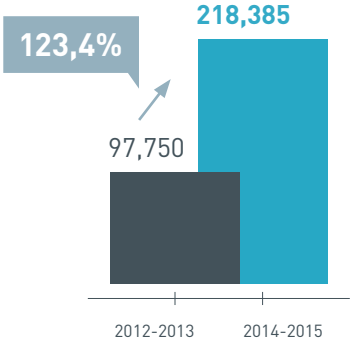
The number of DSL subscribers increased from 318,750 in 2013 to 537,135 in 2015. A total of 218,385 new subscribers or an increase of 123.4%: A number that is equivalent of 9,909 new subscribers per month or 303 new subscribers per day, more than doubling the number of 135 new subscribers daily in 2012-2013.

Lebanon held the top position among all Arab countries in terms of the growth rate of DSL services in 2014, and ranked 23rd worldwide according to ITU statistics.

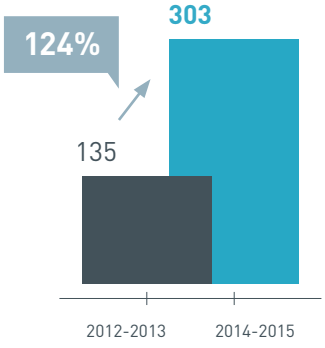
The total number of DSL subscribers



The number of new DSL subscribers



The daily average of DSL subscribers



93,5%

of central offices are equipped with DSL-VDSL technologies

74 new central offices were equipped with DSLAM technology in 2014-2015.
The total number of central offices with DSLAM technology reached 244 in 2015, up from 170 in 2013. Thus, 93.5% of central offices in the country became equipped with the DSL-VDSL technologies.

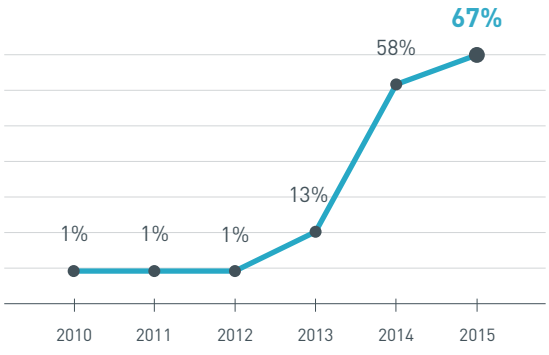
The total number of phone central offices with DSLAM technology

67%

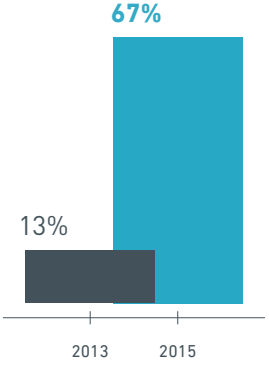
of subscribers with internet speed between 2 and 10 Mbps

Increasing internet speeds was a strategic goal for the Ministry of Telecommunications. Decisions taken to this effect contributed to having 67% of internet subscribers with a subscribed speed between 2 and 10 Mbps in 2015 as opposed to 13% in 2013, showing an increase of 415%. (Despite the limitations of the existing copper network which was gradually being replaced by optical fiber)

Broadband internet subscriptions (between 2 and 10 MB/S)



Broadband internet subscription (between 2 and 10 MB/S)

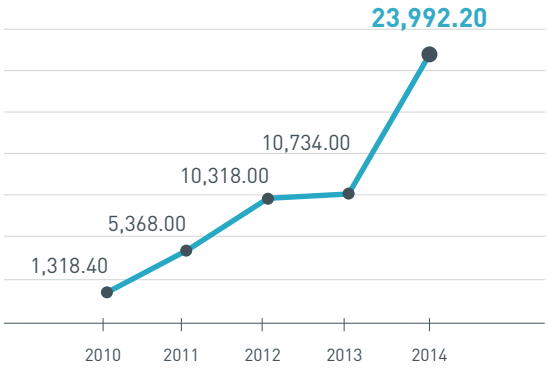


23.99 Kbps

the average international internet bandwidth of fixed internet service in the year 2015

Given the the increase in subscribed bandwidth and the rise in demand for bandwidth consumption, the Ministry, in 2014, increased the international internet bandwidth so that its average per internet user reached 23.99 Kbps, recording an annual increase of 421% compared to 10.73 Kbps in the year 2013.

International internet capacities for every subscriber

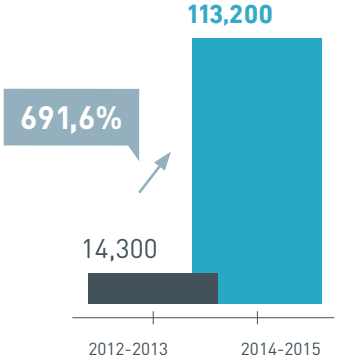


244%

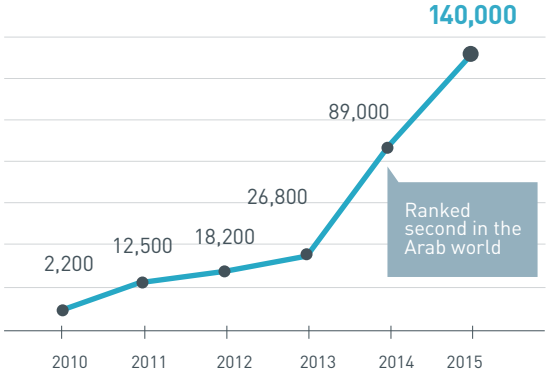
The total international internet bandwidth increased by 244% to reach 70,000 E1

Having held the second rank worldwide in terms of the average international internet bandwidth growth rate in the year 2014, the total international internet bandwidth in 2015 reached 70,000 E1, an increase of 422% vs 2013 (a total international bandwidth of 13,400 E1)

The growth of international internet capacities



The volume of international internet capacities

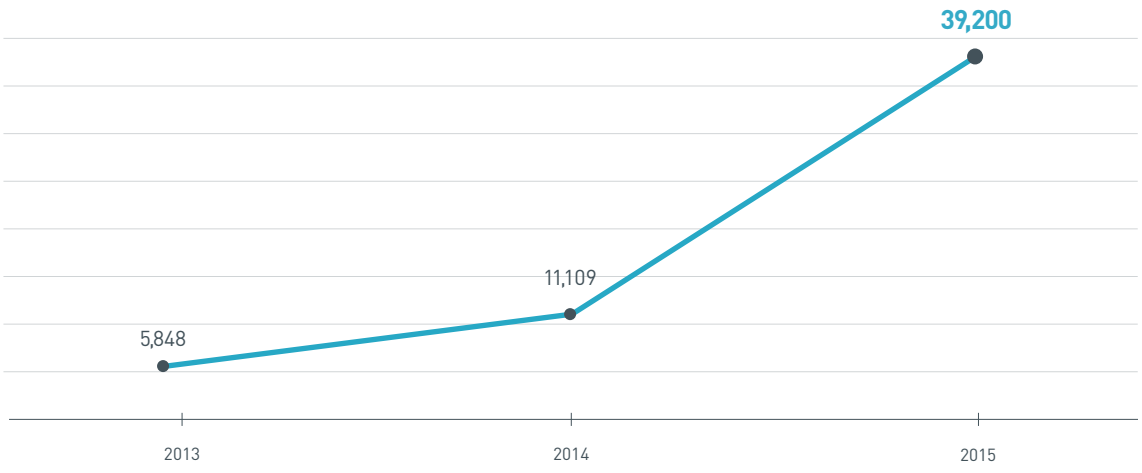


39,200 E1

Total international internet bandwidth dedicated to private ISPs showing an increase of 570% compared with the year 2013

The total international internet bandwidth dedicated to private internet service providers (ISPs) reached 39,200 E1s in 2015, showing an increase of 570% compared with the year 2013 (5,848 E1s). This increase reflects the policy of the Ministry of Telecommunications to collaborate with the private sector to develop internet services and expand its deployment. This public-private cooperation was associated with a tariff reduction of the E1 from a monthly USD 600 to USD 250.

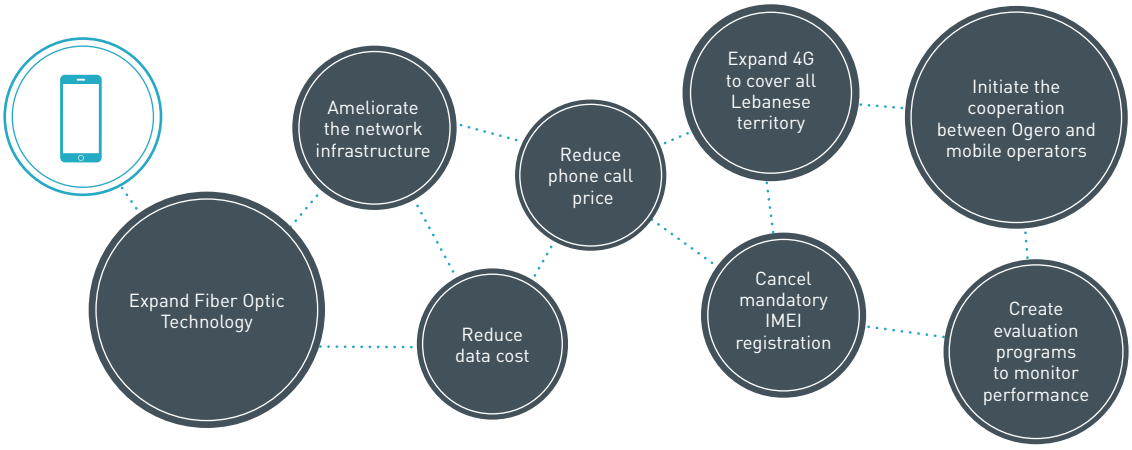
Total number of E1s dedicated to Internet Service Providers ISPs



1.3 THE MOBILE NETWORK

Pursuant to the Ministry's strategic goal to improve the quality of the mobile network services and expand its reach, and through the activation of cooperation and coordination between the relevant Ministry departments, and further to the price reduction in mobile services, the total number of mobile subscribers in Lebanon increased by 339,183 new subscribers in the years 2014-2015, an increase of 9%, to reach 4,504,631 subscribers. This growth came with an improvement in the quality of services in which the dropped call rate fell from 0.56% to 0.41%. The international rate of dropped calls is 1%.

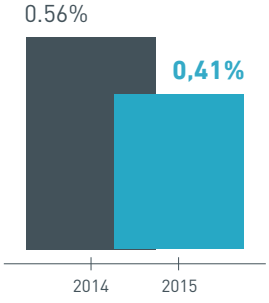
Main decisions



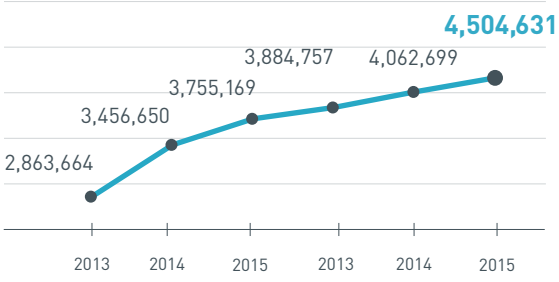
4,504,631

the total number of mobile subscribers

Dropped call rate



Number of cellular phone subscribers



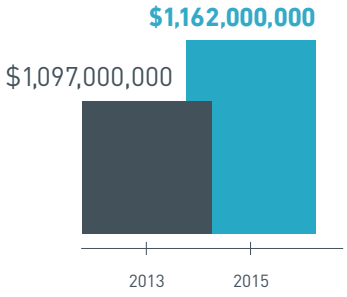
$65,000,000

increase in total state revenues from the mobile sector in comparison with 2013

The state income of the mobile sector increased by 65 million US Dollars in 2014-2015; an increase despite the overall price reduction decisions the Ministry implemented in the 2014-2015 period.

A confirmation that the policies pursued by the Ministry of Telecommunications to reduce pricing schemes of mobile services with the objective of growing the sector resulted in a dramatic increase of the contribution of the Ministry of Telecommunications in funding the State Treasury.

Revenues of the mobile sector



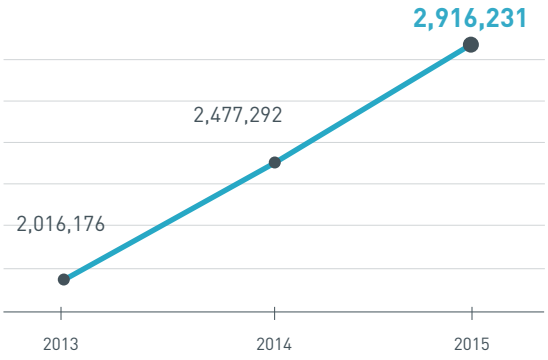
1,250

new data mobile cellular subscribers per day

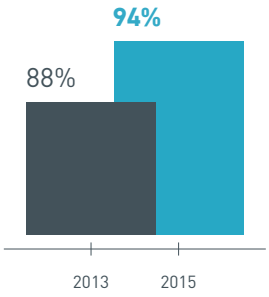
Meeting the growing needs of citizens for internet services on mobile and smart devices, the Ministry's decisions to deliver improvements on the the existing network coupled with the activation of the Ministry's internal departments, resulted in an unprecedented new subscribers connection rate of 1,250 subscribers per day during 2014-2015.

The number of new mobile data subscribers increased by an impressive 900,055 new subscribers by 2015; averaging 37,502 new subscribers per month between 2014 and 2015. The 45% total growth between 2013 (2,016,175 subscribers) 2015 (2,916,231 subscribers), positioned Lebanon in second place, amongst Arab countries, according to the International Telecommunications Union 2014 Annual Growth Index report.

Number of data subscribers



The penetration rate of mobile phones



94%

Penetration rate of mobile phones in 2015

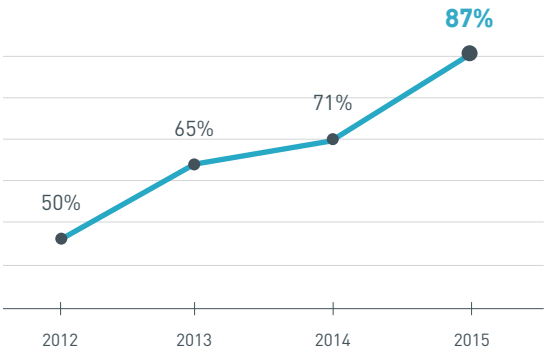
The 6% increase in mobile phone penetration reaching 94% in 2015, compared with 88% in 2013, was the direct result of the Ministry's decision to expand mobile services through the improvement of the infrastructure in sites that had not been covered by mobile services.

87%

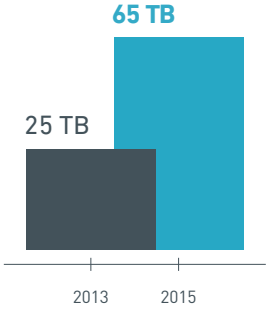
the penetration rate of smart devices

The penetration rate of smart devices increased to 87% in 2015 up from 34% in 2013. The increase in the number of mobile data subscribers coincided with a provision to make the necessary data capacity available.

The penetration rate of smart devices



The daily data usage



65 TB

the daily data usage

A 61% increase in daily data usage reaching 65 TB in 2015; an increase from 25 TB in 2013.

1.4 MODERNIZING TELECOMMUNICATIONS SERVICES

Allowing the citizens to experience the advancement of the telecommunications services required the Ministry to implement a simpler and more streamlined process at point of contact. A creative vision and a new approach were adopted by the Ministry of Telecommunications based on procedure simplifications, performance improvement and quality of services.

Telecom One Stop Shops (OSS)

Common sale centers (Telecom One Stop Shops) for Alpha, Touch and Ogero were set up to provide fixed and mobile telecommunications services. Telecom One Stop Shops were the first moment of truth in the process of developing and modernizing the telecommunication services; be it for fixed or mobile networks. The OSS were the implementation of the decentralized and sustainable management strategy that allowed consumers to experience improved services at a much lower cost across the Lebanese territory, be it at urban centers or rural areas.

The One Stop Shops implementation plan consisted of three phases. Twenty six centers out of a planned thirty six were set up as part of the OSS operation.

Operational telecommunication OSS

Zouk Mikayel, Jbeil, Miniyeh, Halba, Tripoli (4 centers), Batroun, Zgharta, Bcharreh, Amioun, Douma, Tanourine, Elyssar, Badaro, Aley, Hazmieh, Shekka, Jdeideh, Antelias, Mazraah, Sidon, Zahleh, Chtoura, Saghbin.

These newly introduced common centers for Alpha, Touch and Ogero provided consumers (citizens, residents and tourists) various services, namely the sales of fixed and mobile mobile lines, internet services, bill settlement, and prepaid cards, among others.

In addition to the existing 44 centers, 19 new Ogero centers were set up and in full operation bringing the total number of Ogero offices to 63 nationwide.

"The net positive to citizens is to deliver the necessary services with the optimum effectiveness, in the shortest time possible, at the lowest possible cost, and directly to his place of residence."

Boutros Harb

Introducing the Electronic Payment System

The Ministry of Telecommunications' objective to facilitate the needs of citizens, telecom subscribers, institutions, and companies, as well as to develop and update its ongoing working methods and procedures meant starting with e-government.
As a first initiative to implement e-government and e-payment procedures in the public administration, telephone and internet, subscribers were provided with an online payment system for monthly bill settlement using all major credit cards issued by local or international banks. This measure helped increase the rate of bill collections by the Ministry departments and Ogero.

1516, a hotline for internet support

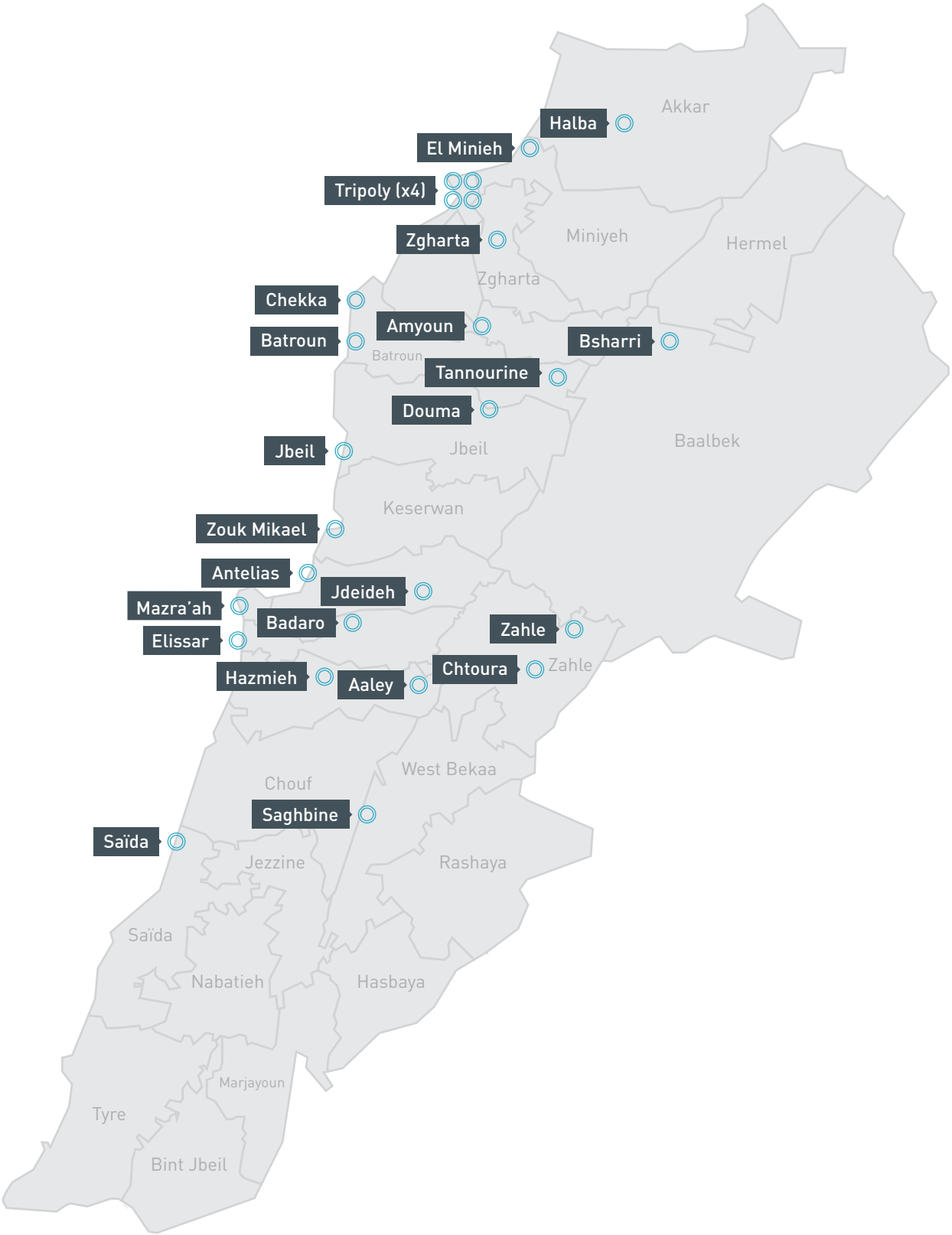
Improving the quality of services and facilitating access to it had to be complemented by a support team to troubleshoot and fix internet-related technical issues. Specialized technical teams were formed to receive complaint calls on the hotline 1516, and respond promptly.

Introducing the Office of Complaints

The "Office of Complaints", was a new service introduced within the Minister's office; established with the aim to follow-up on citizens' requests and complaints on all issues related to fixed and mobile telephony and internet. A special number, (01) 970 555, and a dedicated e-mail address talab@mpt.gov.lb were introduced to receive customers' feedback.

The website of the Ministry was also updated to make it easier for citizens to find the relevant information and services offered by the Ministry of Telecommunications.

The geographic distribution of the Telecom One Stop Shops



1.5 LEBANESE RANK AMONG ARAB AND INTERNATIONAL COUNTRIES ACCORDING TO THE ITU AND THE WORLD ECONOMIC FORUM REPORTS

Lebanon is one of the most dynamic countries in terms of the ICT development index (IDI).

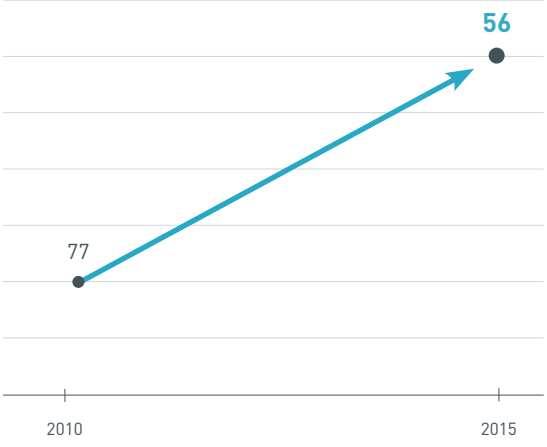
The Ministry's determination to increase Lebanon's ability to keep pace with the technological advancement within the telecommunications sector and its implementation of the successful Triple A strategy resulted in Lebanon achieving 56th place according to the IDI values issued by the ITU in 2015. This dramatic climb of 21 places from 77th to 56th, put Lebanon in 7th rank amongst Arab countries, superseded only by the much more technologically advanced Gulf Cooperation Council (GCC) countries.

This improvement in ranking positioned Lebanon among the three most dynamic countries in terms of ICT development, according to the report "Measuring the Information Society 2015" issued by the International Telecommunications Union.

"Positive regulatory frameworks have enabled a number of countries that occupied different levels of performance in 2010, to improve their rank between that year and 2015. The most dynamic countries in the index between 2010 and 2015 according to the change in access and value were Bahrain, Costa Rica and Lebanon."***

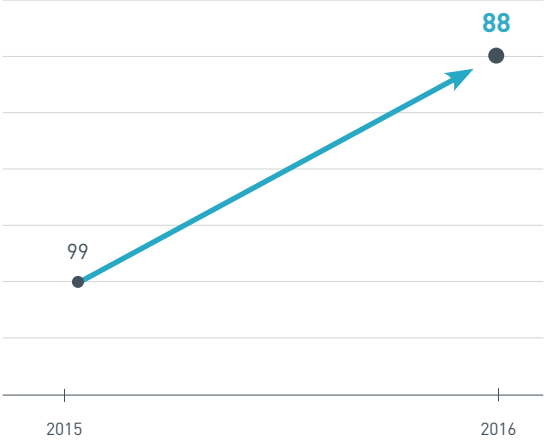
The "Global Information Technology Report 2016" published by the "World Economic Forum" indicates that Lebanon has achieved the second largest advance in the Networked Readiness Index (NRI) at the global level, gaining 11 ranks to land in 88th place in the overall NRI.

Lebanon's ranking ICT development index (IDI)



Source: ITU

Lebanon's ranking Networked Readiness Index



Source: World Economic Forum

*Network Readiness Index
**The World Economic Forum's Global Information Technology Report 2016
*** ITU, Measuring the Information Society 2015, p13

IDI RANKINGS, ARAB STATES REGION, 2015

Countries	Regional Rank 2015	Global Rank 2015	IDI 2015	Regional Rank 2010	IDI 2010	Global Rank Change 2010-2015
Bahrain	1	27	7.63	48	5.42	21
Qatar	2	31	7.44	37	6.10	6
United Arab Emirates	3	32	7.32	49	5.38	17
Saudi Arabia	4	41	7.05	56	4.96	15
Kuwait	5	46	6.83	45	5.64	-1
Oman	6	54	6.33	68	4.41	14
Lebanon	7	56	6.29	77	4.18	21
Jordan	8	92	4.75	84	3.82	-8
Tunisia	9	93	4.73	93	3.62	0
Morocco	10	99	4.47	96	3.55	-3
Egypt	11	100	4.40	98	3.48	-2
Algeria	12	113	3.71	114	2.99	1
Syria	13	117	3.48	106	3.14	-11
Sudan	14	126	2.93	127	2.05	1
Djibouti	15	148	2.19	143	1.69	-5
Mauritania	16	150	2.07	146	1.63	-4
Average			5.10		3.88	

Source ITU Report | Measuring the information society report 2015 | Page 24

LEBANON 2020
DIGITAL TELECOM VISION

2. DIGITAL TELECOMMUNICATIONS VISION 2020

The efforts undertaken by the Ministry of Telecommunications to improve the quality of telecommunication services, as well as to reduce their prices and render the technology more accessible to the consumer, were coupled with a strategic plan aimed at raising the quality of services, (to be at a par with the international development standards) through a comprehensive revamping of the network infrastructure to eradicate technological deficiencies.

The challenge of fundamentally revamping Lebanon's telecommunications infrastructure dictated a deep vertical and a broad horizontal implementation plan that affected every touch point of the telecommunications sector.

The challenge was formulated as a policy labelled The Digital Telecommunications Vision 2020 (DTV202); a strategic long-term national plan that addresses the current shortcomings of the telecom sector in Lebanon and aims to set the right framework for future developments

A challenging project that required ample time and a consistent stable political environment to see the changes through. An ambitious five year limit was mandated to the full implantation of the The Digital Telecommunications Vision 2020 (DTV2020).

Whilst the five year timeline was considered a risky challenge given the enormity of the task, good news started to emerge about the timely progress of the plan, reassuringly confirming the Ministry's strategies and dedication to the project's speedy implementation.

The DTV2020 was formulated to address a national need and as a road map policy for the Ministry of Telecommunications' independent development goals. It was developed as a politics neutral policy that would allow current and future ministers the freedom to work towards keeping the Lebanese telecommunications sector one step ahead in meeting the consumers' future needs.

DTV 2020 twofold strategic objectives
1. Enhancing data and internet services over the fixed network
2. Improving mobile cellular services

2.1 THE FIXED NETWORK: THE TRANSITION FROM COPPER WIRE TO FIBER OPTICS (FTTX)

This strategic objective aimed to connect homes, institutions, office buildings, and neighborhoods with the "FTTX" technology, which has become standard in developed countries. That objective required the development of the telecom national network infrastructure, namely the "local loop" as well as the "last mile". It also required a complete transition from the current copper network to the optical fiber network: Ambitious developments that were to be implemented according to a tight schedule based on technical and economic criteria associated with the cost of implementation and existing quality of service.

Fiber to the Office or Organization	**FTTO**
Fiber to the Node	**FTTN**
Fiber to the Cabinet or the Curb	**FTTC**
Fiber to the Building	**FTTB**
Fiber to the Home	**FTTH**

The benefits of this integrated project aimed to be available to all technology consumers across the Lebanese territory. A specific area of interest is the knowledge economy. It aimed to provide consumers with high-speed broadband connectivity to meet all of their business and personal needs thus contributing to the development of cities, towns and villages.

The benefits were to be experienced not only in urban areas, but also in rural and remote areas, allowing citizens to conduct their businesses directly from their homes no matter how remote they were from urban centers. A secondary benefit of this objective was the belief that a successful implementation of the project would contribute to limiting the labor force migration towards cities; in turn helping the decentralization of economic development and thus helping increase growth, attract investment, and create new jobs across the various other economic sectors.

Project implementation phases

Set up in 2014, The Digital Telecommunications Vision 2020 (DTV2020) is half way through its implementation time line with positive transformational results being experienced by the overall population. Indications suggest that the entirety of the vision will be completely implemented by the end of 2020.

Phase one:

Includes the deployment of the XDSL services over the copper network in existing central offices that lack internet services, especially in remote and disadvantaged areas. It also aims at the completion of the deployment of VDSL2+ services to meet the needs of subscribers at speeds between 30 and 50 megabits per second; particularly for companies and institutions that are limited by technical and financial conditions to use these over the existing copper network.

Phase Two:

Launching the fiber optics project and introducing this technology within the telephone terminal network extending from central offices to the subscribers. The second phase also includes the establishment of a fiber optic network linked directly to institutions through the FTTO technology. Currently, this network connects over 1,500 economic, industrial, commercial, banking, financial, educational, academic, health and media institutions as well as government agencies and administrations, which accounts for a major part of the country's productive sector and the knowledge economy.

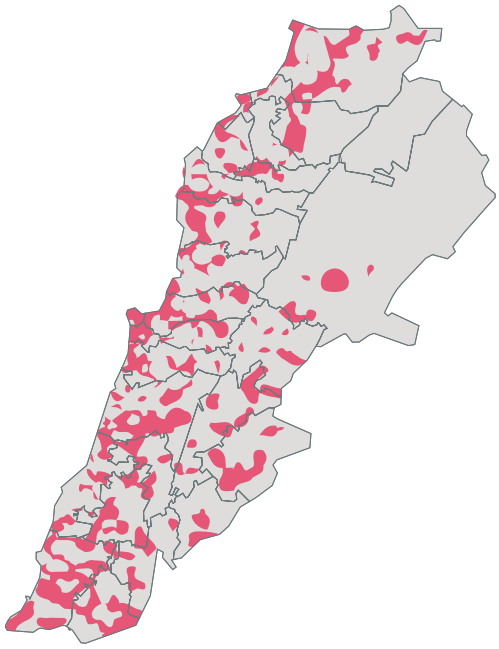
The establishment of the optical fiber network through the FTTC technology, coupled with the VDSL2+ technology. It kicked off in "Green Field", areas and towns with no internet services, followed by areas with weak internet services due to their remote locations away from center offices.

The establishment of an optical fiber network through FTTH technology, which connects directly to eligible residential units and offices in areas and neighborhoods with high density population.

FTTX

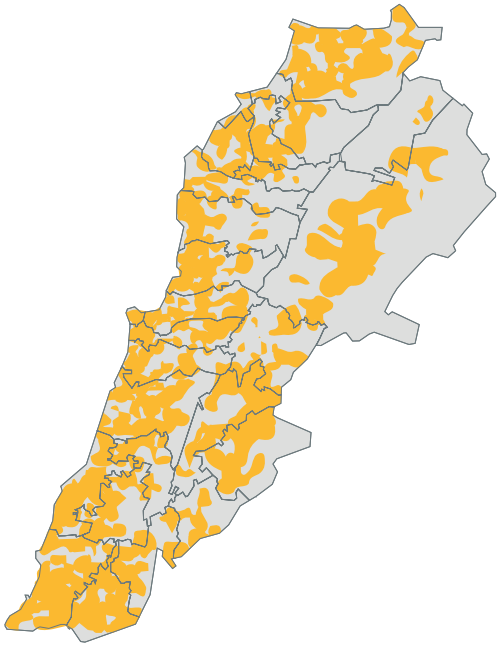
Directive Plan FTTH Phase 1

Directive Plan FTTC Phase 1

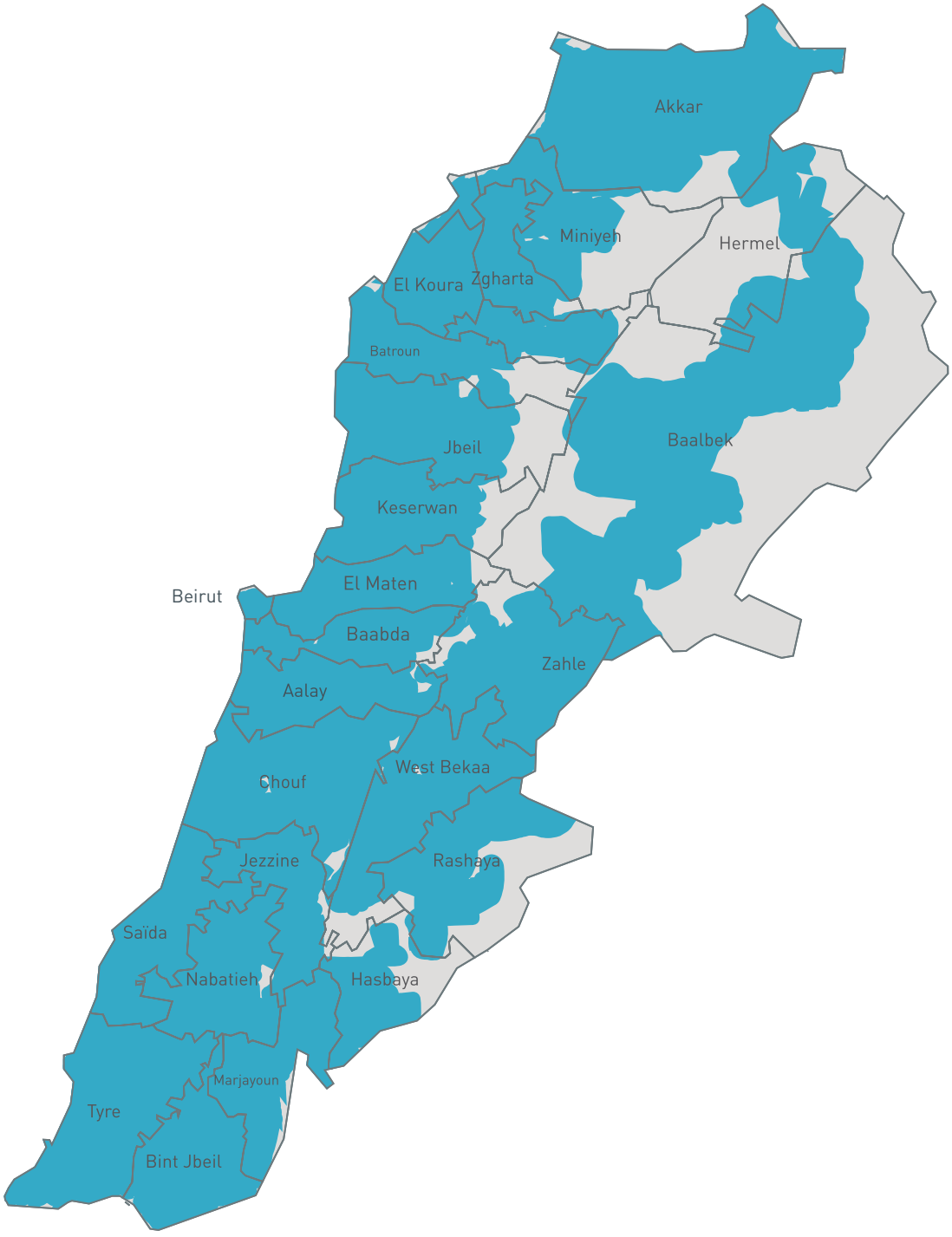


Directive Plan FTTH Phase 1-2

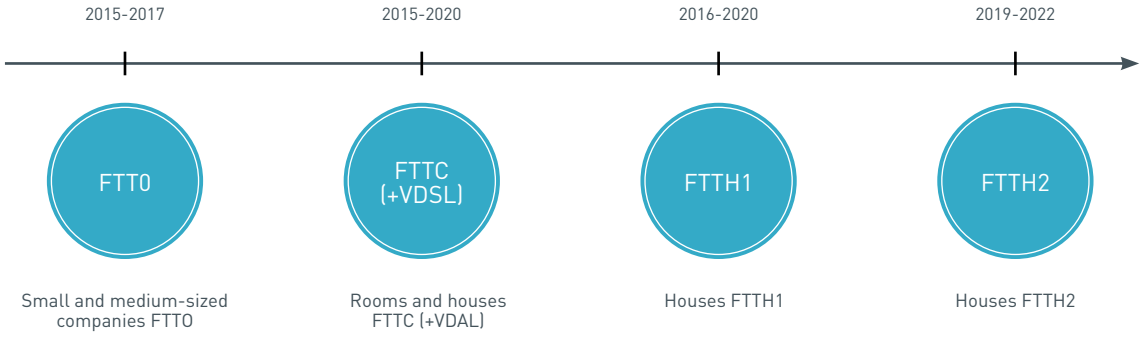
Directive Plan FTTC Phase 1-2



FTTX Project Final Phase



The road map



The cost

The Ministry of Telecommunications has made the necessary financial arrangements for the implementation and will set the appropriate annual budget for its completion in compliance with the laws and applicable rules and regulations. The estimated total cost of the the project runs in the hundreds of millions of US dollars; an amount that is variable and will evolve over the coming years given the dynamics of construction and real estate development.

Implementation of pilot projects

Several large-scale pilot projects were launched, and include various techniques: FTTB, FTTO, FTTH, FTTC

The Ministry has implemented three pilot projects, including the commercial phase and the final service delivery:

1- An FTTH project, located in a new building "Beirut 2020 Bldg" (Green Area) in Beirut, with internet speeds reaching more than 500 Mbps.

2- An FTTC / VDSL2+ project in the northern town of Ras Maska in Al-Kurah. This project was implemented in cooperation with the municipality to install an optical fiber cabinet and the necessary VDSL2+ exchanges in a public property, with internet speeds exceeding 100 Mbps.

3- An FTTO project with Audi Bank linking its head office in Starco, Beirut to its archive and emergency center in the town of Fatka, Keserwan

The implementation plan
The projects implemented according to DTV2020:

The projects	The geographical framework
Achrafieh FTTH/FTTB	Byblos Bank (head office)- Rizk Hospital- Hayek Building – Le Gabriel Hotel- Jerbeka building - Park Tower Suite
Mina Al Hoson FTTH/FTTB	Future TV Blue - Building - AUB building – IC - Clemonceau Center - Saudi Embassy
Al-Adliyah	General Security (building number 3) - Lebanese University - Military Court - Palace of Justice – Beritech USJ
Batroun center FTTO	From Kfarabida Square to Selaata town passing by Batroun village, neighborhoods and commercial markets to Basbina
Al Mansourieh Faculty of Engineering	From Al Mansourieh center- to the Faculty of Engineering passing by the Civil Defense Center KABANA company
Khaldat The Internal Security Forces barracks	From Khaldeh center to Aramoun crossroad - Aramoun - Barracks from Khaldeh center - The coastal road - Dawhet Al Hoss crossroad
Jbeil	From Jbeil center passing by Innaya – Al Maounat Hospital – Jammal Trust Bank – Credit Bank
Bednayel	Bednayel center – DISP / ISP : NET PRO
Batroun District	FTTO - FTTC (3)
Tannourine	FTTC (2)
Jal Eldib	Jal Eldib center - The Internal Security Forces barracks
Al Mansourieh	Maronite project
Al Nabatieh	From Al Nabatieh center – the Serail-domestic markets - Ghossein Hostital - ISP DOT spot
Al Rabieh	FTTC (2)

With the implementation of these projects, the total number of FTTC subscribers reached 8253, and the number of FTTO subscribers rose to 228 versus a total of 12 only in 2013.

2.2 THE MOBILE NETWORK: THE TRANSITION FROM THE THIRD GENERATION (3G) TO THE FOURTH GENERATION (4G ADVANCED)

Mobile telecommunication is now an essential component of daily life. The progress and diversity of human needs have exposed the necessity to reconsider adaptive rather than technical solutions to challenges .

Looking at the state of the internet, it was evident that quick fixes to inherent issues were no longer an option.It was essential to develop an integrated plan to transition the Lebanese mobile network from the second and third generation (2G/3G) to the fourth generation and the fourth generation advances (4G/4.5G).

This was crucial given the imperative planning to be ready for the fifth generation (5G). A technological advancement fast approaching and set to become the prevalent mobile telecommunications system by 2020.

The Ministry of Telecommunications adopted a plan to deliver 4G services to all citizens over the inhabited Lebanese territory.

The cost

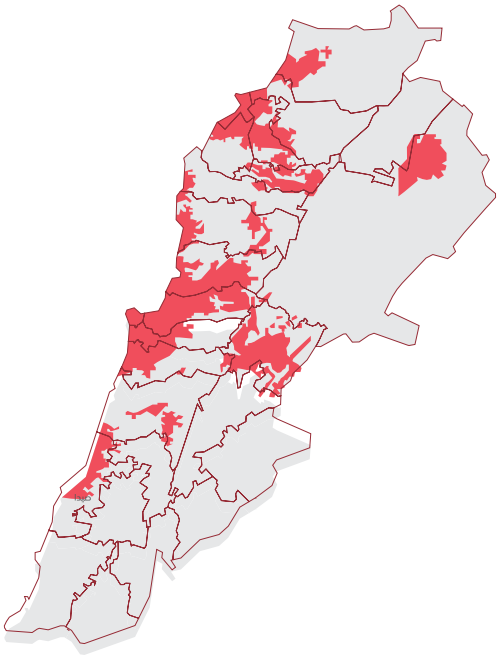
The cost of deployment of the fourth generation mobile network was in part funded from the revenues of the mobile sector, within the overall framework of the Ministry's capital expenditures budget.

The implementation

The Ministry of Telecommunications has issued a tender, solicited, and accepted offers to deploy 4G networks over the Lebanese territory.
The implementation is expected to be completed by end 2016.

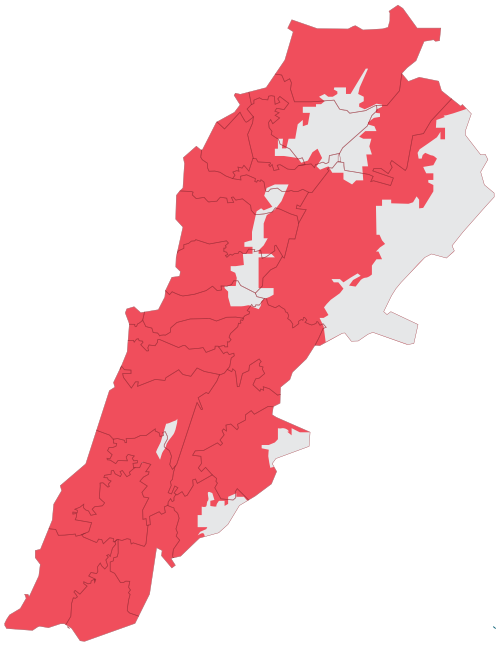
ALFA

The situation at launch 1/7/2014
39% of inhabited areas are covered by 4G network



ALFA

After implementation
97, 2 % of inhabited areas are covered by 4G network

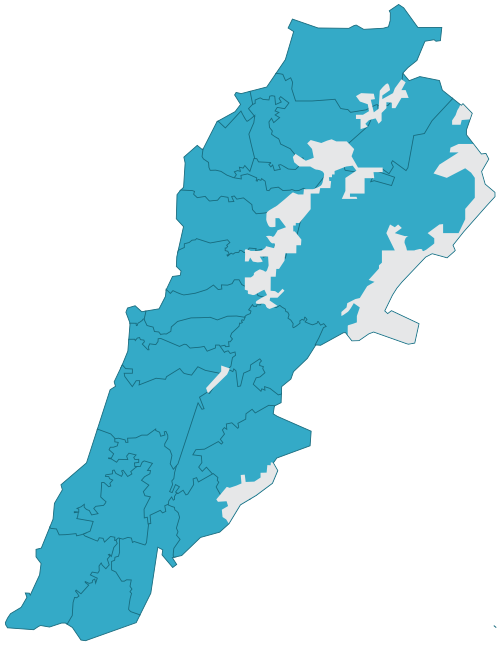


TOUCH

The situation at launch 1/7/2014
31% of inhabited areas are covered by 4G network

TOUCH

After implementation
99,4 % of inhabited areas are covered by 4G network



3. NATIONAL AND SOCIAL RESPONSIBILITY OF THE MINISTRY AND AN ACTIVE INTERNATIONAL PRESENCE

In addition to its primary role of managing and developing Lebanon's telecommunications sector, the Ministry of Telecommunications has been committed to supporting development initiatives by both the public and private sectors.

The Ministry has also committed to supporting national institutions such as security forces, municipalities, tourism festivals, educational initiatives, cultural activities, sports clubs, civil society organizations, as well as supporting gifted and talented youths with promising prospects.

3.1 SUPPORTING MUNICIPALITIES

The Ministry reactivated the transfer of due funds to municipalities. The funds represent the municipalities' shares of telecommunications revenues collected by the Ministry.
Three million, two hundred and ninety two thousand seven hundred and eight US dollars (3,292,708,000 USD) were transferred to the municipalities, supporting the vital role the municipalities play within the services sector.

Municipalities constitute an extension of the central government, being the closest to the concerns and the needs of the citizens, embodying the extended administrative decentralization model approved by the Taif accord. The Ministry was keen to release the municipal tax funds that were frozen for years, a practice considered illegal.

The transfer was a milestone following many years of Municipal grievances that their funds were blocked under a legally questionable practice.

To ensure that there would be no repeat of Municipal blocked funds, the Ministry developed and implemented an integrated information (IT) system to calculate the municipalities' dues from national landline revenues. The system ensured that the municipalities' shares of the revenues were transferred to their individual accounts across BDL branches.

$3,292,708,000

the total transfers to municipalities in 2014 - 2015

3.2 SECURITY COOPERATION AND PRIVACY PROTECTION

The Ministry of Telecommunications is cooperating with the security agencies and is backing them in their investigations by providing them with the required data according to the telephone communication interception law (#140/99), maintaining at the same time a balance between 2 basic rules:

1- Security of the country and its citizens, preventing crimes and helping to achieve justice.

2- Protection of citizens' personal rights and privacy.

This cooperation carried out by the Ministry contributed to the prevention and termination of the illegal communications to and from the Roumieh prison by terrorist prisoners who were threatening the country's security.

The Minister of Telecommunications issued a memorandum to the concerned departments in the Ministry and to the mobile operators asking them to give a priority to requests by the Special Tribunal for Lebanon, and to meet those requests as soon as they are received, and in the fastest way possible, so that the course of justice is maintained.

The Ministry of Telecommunications is also working on provisions for national cybersecurity in cooperation with wellknown international bodies in the field.

3.3 PRESERVING THE DYNAMISM OF THE LEBANESE SOCIETY

The Ministry of Telecommunications is probably the only ministry that provides support to the community through a program that is distinguished by the diversity and magnitude of the support it offers to the society.
This support contributes to maintaining the dynamics of Lebanese society and to the success of the various activities and initiatives and secures the sustainability of civil society institutions, associations and sports clubs.

This support impacts civil society associations, cultural initiatives, tourism festivals, information technology conferences, traffic safety awareness campaigns, environmental initiatives, education initiatives, sports clubs and federations, and security institutions.

3.4 ACTIVE INTERNATIONAL PRESENCE AND INITIATIVES

The Ministry of Telecommunications had a distinctive global presence through its participation in international conferences and through initiatives put forward in Arab and international meetings. The active presence of the Ministry in the Arab and international events was an important occasion to consolidate and develop bilateral relations and exchange experiences with major Arab and global telecom companies that have expressed interest in investing in the Lebanese market, and meeting skilled Lebanese youths to benefit from their expertise in the field of telecommunications. The most important initiative presented by Lebanon in Arab forums was the "Cairo Declaration" on the Arab initiative of internet governance and endorsed by the Arab Council of Telecommunications Ministers, which unanimously elected Lebanon for the first time as vice-president of its executive council.

"He who controls the operations and the management of the internet and its tools, controls in our view a large number of the key factors of growth in the world. This fact necessitates that the Arab world pays close attention to this serious matter, and realizes the importance and the dangers of this issue."

Boutros Harb (Arab Council of Telecommunications Ministers, 22014/12/)

ANNEX

ANNEX 1

Price decrease of telecommunications services, activated on June 1st 2014

The Landline

Service type	Before the modification (L.L)	After the modification (L.L)
Initial subscription fees on connection to fixed telephone network	50,000	Zero
Monthly subscription	12,000	9.000 (equal to 300 every day)

The Internet

Before the modification		After the modification	
The cost (L.L)	The service type	The cost (L.L)	The service type
24,000	1Mbps-4 GB	-------	Canceled
38,000	1Mbps-10 GB	-------	Canceled
75,000	2Mbps-20 GB	24,000	2Mbps-40GB

Before the modification		After the modification	
The cost (L.L)	The service type	The cost (L.L)	The service type
-------	-------	75,000	New service: 2Mbps-Unlimeted
115,000	25 GB - 4 Mbps	50,000	50 GB- 4 Mbps
172,000	2Mbps-20 GB	65,000	8 Mbps to 6 from 60GB

Before the modification		After the modification	
The cost (L.L)	The service type	The cost (L.L)	The service type
100,000	New service: More than 8Mbps and 100GB	-------	-------
12,000	80 GB – HDSL	225,000	40 GB- HDSL
2,000	-------	6,000	Additional consumption 1 GB Extra

Before the modification		After the modification	
The cost (L.L)	The service type	The cost (L.L)	The service type
250,000	-------	450,000	International line rental E1
100,000	-------	150,000	To connect and link through the International Contract of Internet

The mobile cellular

The landline	Before the modification	After the modification
Monthly subscription	15 $ → 0 minute	15$ → 60 minutes

Prepaid	Before the modification	After the modification	The discount rate
The cost of a local minute	0.25$	0.36$	-30%

Prepaid	Before the modification		After the modification		The discount/increase rate
The price	10$	MB/2¢	10$	MB/2¢	-70%/MB
The quantity	150 MB		500 MB		+233%

Prepaid	Before the modification		After the modification		المدفوع مسبقاً
The price	19$	MB/2.5¢	19$	MB/1.3¢	-48%/MB
The quantity	750 MB		1,500 MB		+100%

Prepaid	Before the modification		After the modification		The discount/increase rate
The price	29$	MB/2¢	29$	MB/0.6¢	-70%/MB
The quantity	1,500 MB		5,000 MB		الكمية

ANNEX 2

The "Cairo Declaration" put forward by minister Boutros Harb and endorsed by the Arab Council of Telecommunications Ministers

Over the past two decades, which is a very short period of time in human history and the time necessary for the development of urban life and its related economic and productivity models, the internet has positioned itself as one of the most important infrastructures needed for the development of modern societies.

This is primarily due to the vast flow of information, knowledge, and services the internet encompasses, and the economic, social, and political implications on almost three billion people who use it today. However, for the same reasons, the structure of this network, its engineering, propagation, management, and governance have all become a subject of conflict and differences between various commercial and industrial stakeholders, which started silent and latent, then ended up at an international level of public political conflicts; all of this with the background of political and economic control over the network.

The secrets and sensitive information exposed to the public by Mr. Edward Snowden during the summer of 2013 about the extension of the scope of surveillance and spying by the US National Security Agency (NSA) on the internet and on private personal information of internet users, electronic correspondence, confidential data over social networking sites, and financial and commercial transactions carried out over the network, with what this fact represents, when proven, as an infringement of the privacy of individuals, communities and nations, was a great shock that led to shaking of users' confidence in the current management model of the internet and in the institutions and bodies overlooking the administration of this network, which are all affiliated with the US administration, especially ICANN, which has been tied to the US Department of Commerce since 1998 by a management and operation contract governed by commercial laws in the state of California.

The declarations and testimonies of Edward Snowden have raised legitimate concerns among internet users all over the world. The issue was considered seriously among industrialists, service operators, service integrators, investors, decision makers, politicians, and government officials, up to the level of loss of confidence and fear for the security of data and the protection of private life in their communities and causing them to take measures to protect the economic and national security in their countries. Some decision-making politicians and economists in major countries have gone to the extent of calling for a reconsideration of the structure of the internet, its engineering, and its managing bodies and to think seriously about changing the foundations of governance and management of the global internet.

The reactions resulted in demands by heads of state and governments, and regional political councils to establish regional internet networks independent from the global internet. (Proposals of German Chancellor Merkel and Russia.) This has led to disputes and conflicts, and to a lack of trust among stakeholders, and to the emergence of two opposing camps:

The first camp, on the far right, supports maintaining the status quo, retaining the current working methodologies of administration and the current governance mechanisms, depending mainly on ICANN and on the functions of specialized units associated with it, held by the US Department of Commerce (especially the function of ICANN.)

The second camp, on the far left, supports the need to transfer the management and governance of the internet to governments and to the public official departments they represent. This camp strongly criticizes what it calls the dominance of existing institutions (IAB, IETF, ICANN) on the management of the internet, and objects to the unilateral approach, not engaging others effectively in this business.

In this tense scene where opposing parties are in conflict over internet governance issues, which runs the risk of transforming into a conflict that threatens the future of the internet, its development, growth, impartiality, integrity, independence, security, and its sustainable integration and unification,..., I see that the fierce confrontation does not lead to a solution, but rather complicates matters. Lebanon sees no point in engaging in this conflict, but is keen to adopt a constructive dialogue and discussions based on good intentions. Lebanon supports every approach and initiative in the context of consultation and dialogue to find the solutions. This is what we

are asking you to adopt in your honorable council assembled today.

The US administration has grasped positively the nature and magnitude of the problem, and has declared its initiative to end the existing contract with ICANN during the second half of 2015 and took the initiative to launch a preparatory transition phase, announcing its intentions to transfer the function of IANA to an independent body to be determined by the internet stakeholders. ICANN has also announced that it will be ready for accountability of all kinds.

All of these steps are positive signs that drive the international community and the governments in turn to react positively, hence Lebanon's proposal for convergence of views to find solutions and take concrete initiatives in this regard.

The economic and commercial nature that characterizes the exchange of knowledge and data across the internet, and the interventions and actual effects on work and performance models, and on the behavior of individuals and human societies, and its impact on countries and entities within, overcoming borders and customs without any barriers or obstacles or controls, make it also a political subject par excellence.

He who controls the operations and the management of the internet and its tools, controls in our view a large number of the key factors of growth in the world.

This fact necessitates that the Arab world, which extends over the entire southern and eastern coasts of the Mediterranean sea, the Arabian Peninsula and the entire Middle East, pays close attention to this serious matter, and realizes the importance and the dangers of this issue.
The era of international trusteeship is gone. Our independence and sovereignty are no longer limited to our rights to self-determination in political and social issues. We are facing new challenges imposed by technological development. I fear that the Arab world and its peoples enter a new era of digital colonialism.

This issue imposes on us, as on other similar regional economies, to maintain our strategic role and our political, economic, security, and sovereignty rights. Recently, many international and regional initiatives on the future of the internet governance were launched. We note initiatives by the European Union, initiatives by ICANN and Brazil, and other initiatives from India and from the World Economic Forum..., all of them aiming in the end to introduce new solutions and directions. The Arab world and the African countries were left out of this strategic movement as they were not ready to propose new solutions and discuss proposals and projects to ensure their position and role in internet governance, in line with the magnitude of their markets and communities.

Without delving into the effectiveness and correctness of these initiatives, or whether we agree or we disagree with them, what remains important to note is the total and unfortunate absence of the Arab countries from the international arena of these discussions and initiatives. Moreover, Arab countries have very often appeared fragmented and unbalanced.
The great importance carried by this subject, and the strategic consequences of its nature and the direction it takes puts it at the highest levels of our concerns, and makes it a subject worthy of the attention of political leaders of the Arab states, and at the highest levels.

From this perspective, and based on the strategic motives that I mentioned above, and to complement the rich and useful discussions that took place during the meetings of the Permanent Committee on Telecommunications in the past two days about the working paper submitted by the Lebanese government in this regard, and the accompanying side conversations, I announce today, on this important podium, and from this dear city, a major initiative we call the "Cairo Initiative", which proposes holding a special Arab summit at the levels of kings, princes and presidents, to be held during the fourth quarter of the next year before the General Assembly of the United Nations in December 2015, in accordance with resolution 302/68 on the review of the World Summit on the Information Society (WSIS) outcomes, especially with regard to the internet governance.

This summit will be exclusively devoted to discuss the issue of internet governance, and concludes in adopting a unified document named the "Cairo Document", which serves as a basis to hold a global summit on internet governance (World Summit on Internet Governance – WSIG), which will be a platform to discuss all international and regional initiatives, and a place of dialogue among all governments and with various stakeholders.

This special summit will be preceded by preparations, meetings, measures, and procedures described by the "Cairo Declaration",

which I propose to Your Excellencies.

This initiative comes to maintain the role of the Arab world in this advanced field, and to emphasize its ability to take the necessary initiatives to protect its rights, interests, and security, and to ward off the dangers of technological, cultural, economic, social, and security underdevelopment.
In accepting the proposal to launch this initiative, and coming to hold a special Arab summit, we send from our Arab world to the rest of the world an important and clear signal that reflects the interest of the Arab world in internet affairs and issues, and its governance.

Minister Boutros Harb also submitted a draft of the "Cairo Declaration" appended with an action plan for its implementation. Arab delegations unanimously declared their support for the initiative and decided to send it to the concerned committee to develop an implementation mechanism, which will be submitted to the executive office of the Arab Council of Telecommunications Ministers to take appropriate actions for its implementation.*

* This declaration was provided by the Ministry.