

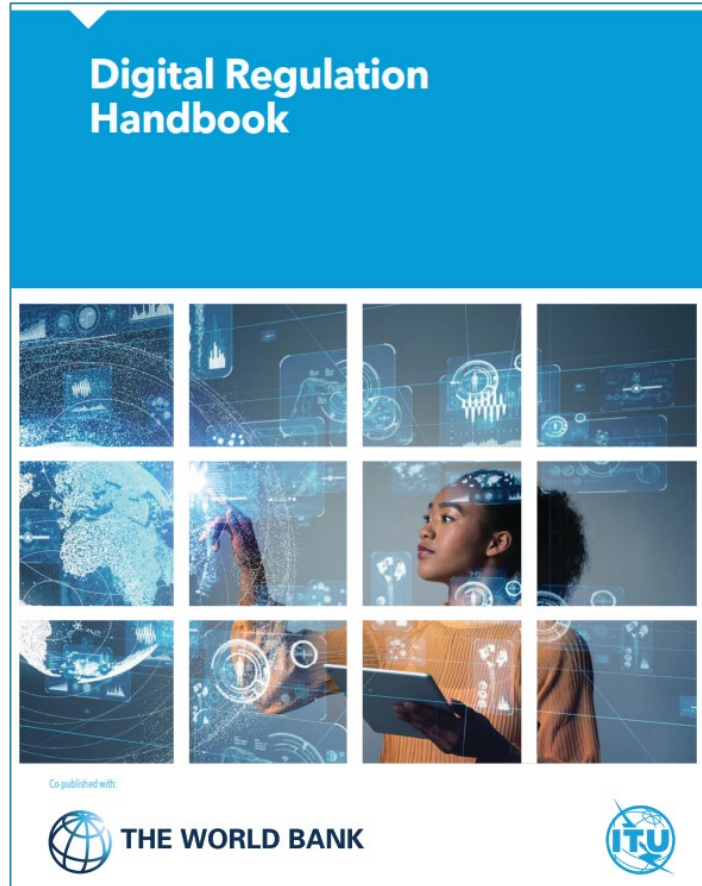
ITU GSR-21 REGIONAL REGULATORY ROUNDTABLE (RRR-ARB21) AND
REGIONAL ECONOMIC DIALOGUE (RED-ARB21)
FOR ARAB STATES

Virtual 2-3 June, 2021, 12h00 - 15h00 (CEST time)

Policies, regulations and
economic approaches for
Digital Transformation in
the Arab States



Origins of this presentation



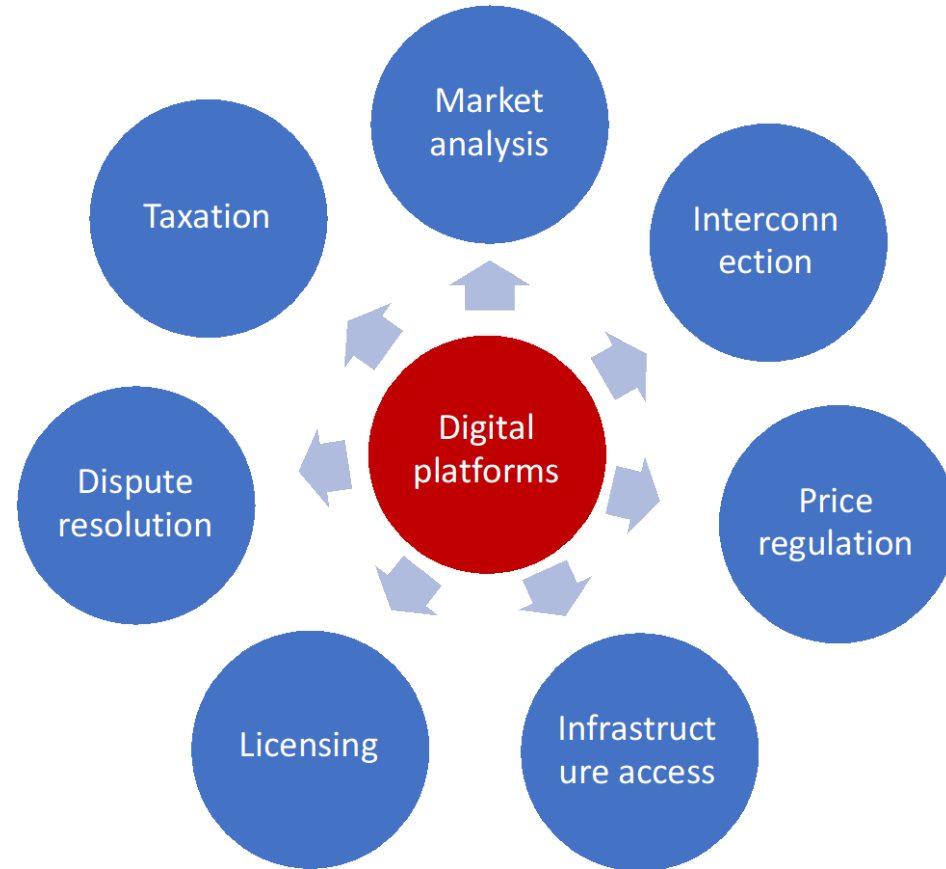
- The primary source of this presentation is the **Digital Regulation Handbook** and the associated Digital Regulation Platform.
 - Regulatory reference work that is now available in all the official languages of the ITU, including Arabic.
- Other material in this presentation comes from **Digital Competition Policy and Regulation in the Africa and Arab Region** (which was introduced by lead author Simon Molloy in yesterday's session)



Sources and Further Reading

- The Digital Regulation Handbook (in Arabic) can be found at: <https://www.itu.int/pub/D-PREF-TRH.1-2020>
- The material in this presentation comes from Chapter 2: Competition and Economics
- There are also a host of supporting articles and case studies on the Digital Regulation Platform at: <https://digitalregulation.org/category/competition-and-economics/>
- Sample topics:
 - Explanation of externalities on digital platforms
 - Market definition in a digital platform environment
 - Amending German competition law for digital regulation
 - Access pricing for very high capacity networks in the EU.

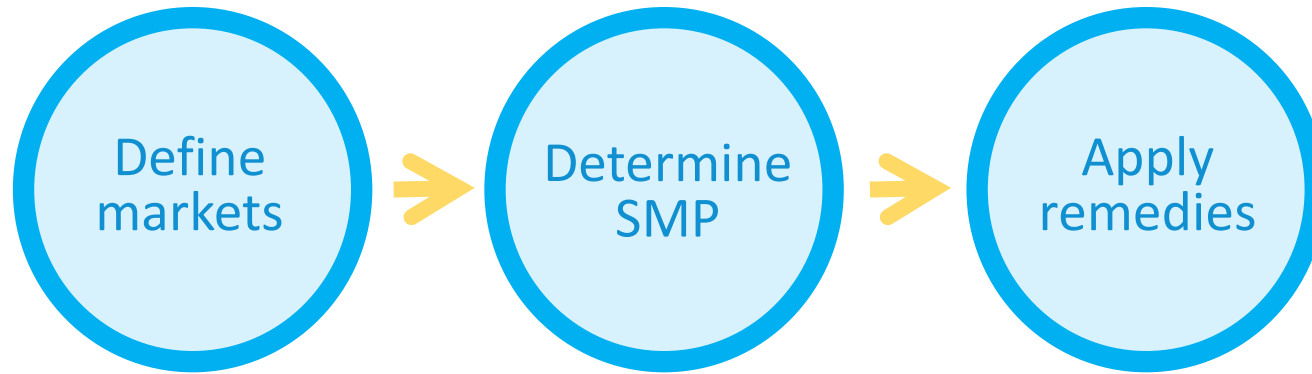
Digital platforms are at the centre of regulatory transformation



Digital platforms disrupt traditional regulation and demand new approaches



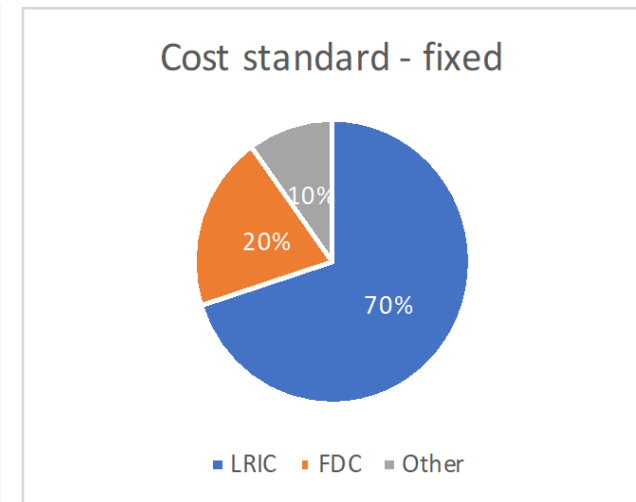
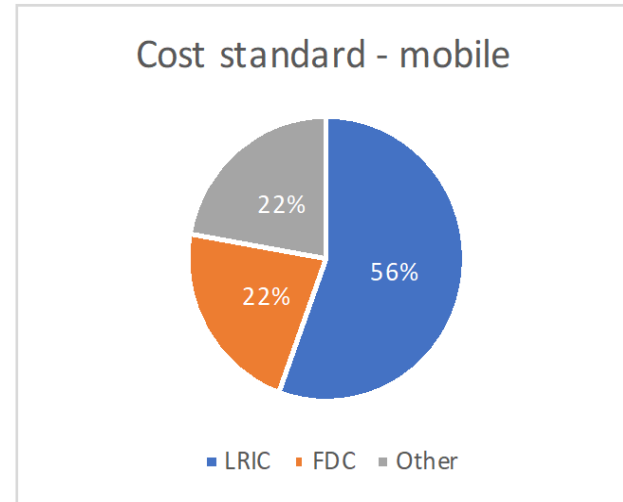
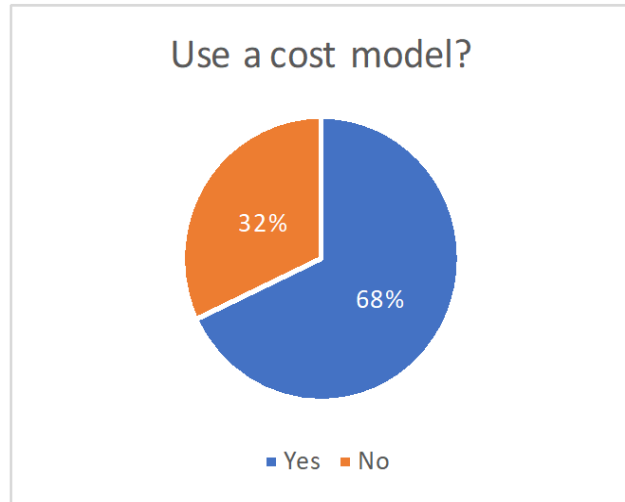
Market Analysis and Regulation



- **Impact of digital transformation** has altered the landscape in which regulators attempt market analysis
- Market definition and analysis is made more difficult by convergence of fixed/mobile, voice/data and traditional/OTT services.
- Traditional ex-ante regulation will continue to be important but refocus on ex-post symmetrical regulation with intervention targeted at specific cases of competitive harm.

Interconnection and Cost Modelling

ARAB REGION



Source: ITU Tariff Policies Database, 2020

Impact of digital transformation:

- The importance of regulated cost-based interconnection is declining, but there is a growing need for regulated cost-based access to facilities including access network infrastructure.

Price Regulation

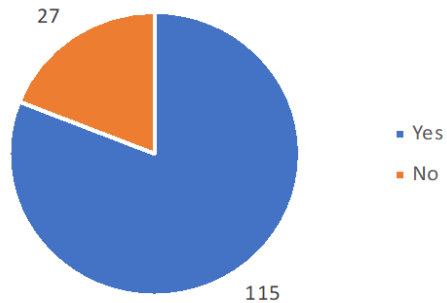
Impact of digital transformation:

- With increasing competition from unregulated digital platforms (OTTs), retail tariffs of all telecommunication providers, even those with SMP, are now constrained even without regulatory intervention.
- The role of price regulation is changing – it is more concerned with ensuring fair competition amongst facilities-based service providers rather than protecting end users directly.

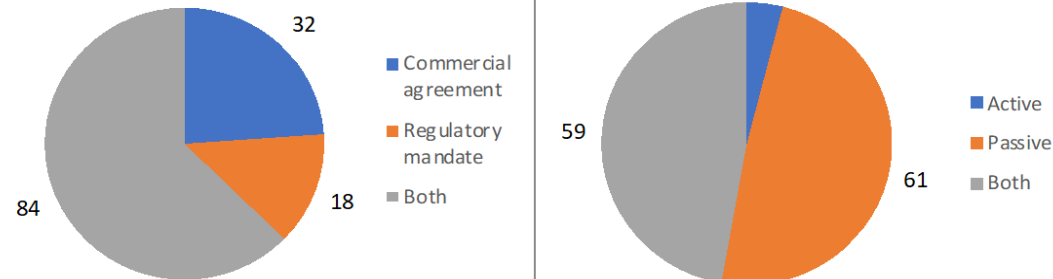


Infrastructure Access

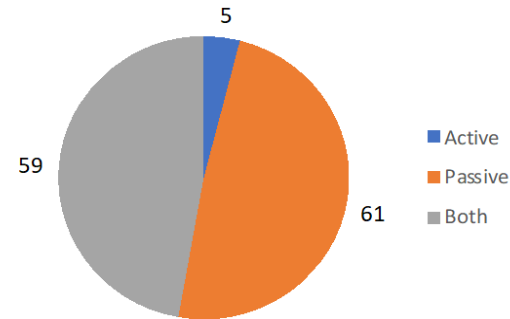
Is there infrastructure sharing on the fixed network?



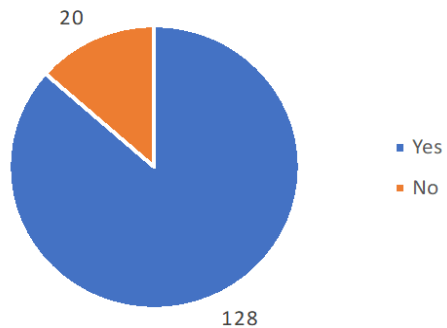
What is the basis for infrastructure sharing on the fixed network?



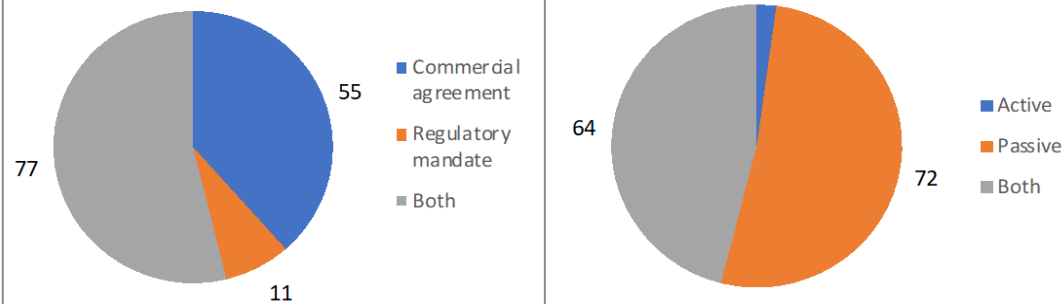
What kind of infrastructure sharing on the fixed network?



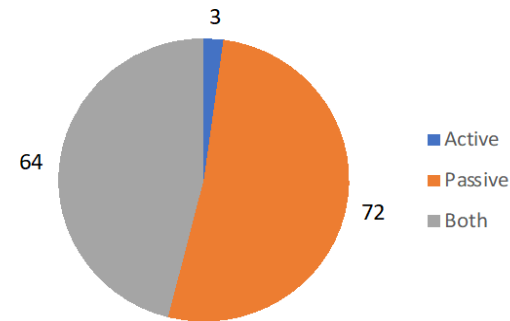
Is there infrastructure sharing on the mobile network?



What is the basis for infrastructure sharing on the mobile network?



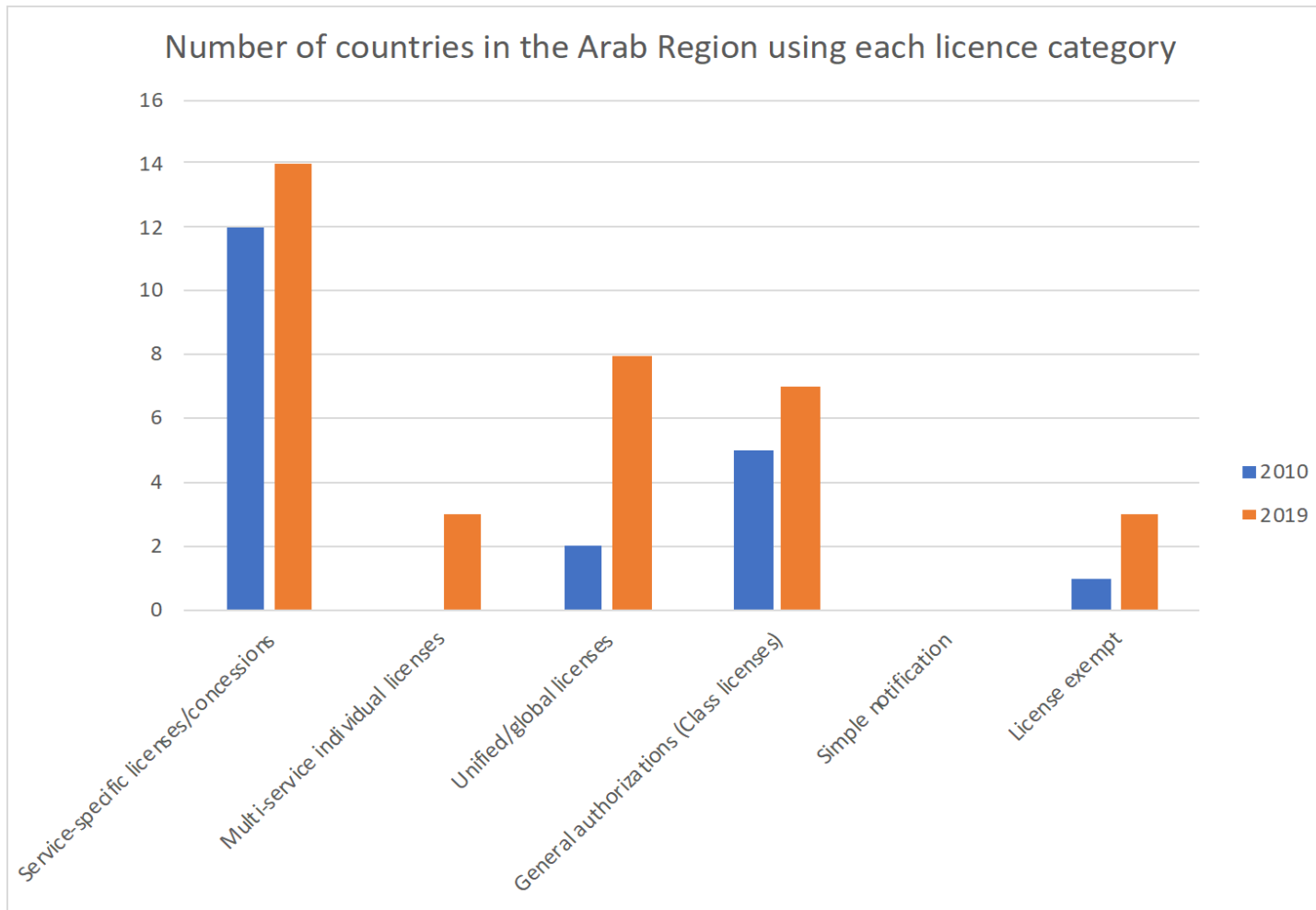
What kind of infrastructure sharing on the mobile network?



Impact of digital transformation:

- The ever-increasing demand for data puts pressure on national network infrastructure,
- Regulators must ensure access is available with sufficient capacity, at acceptable quality and on fair terms.

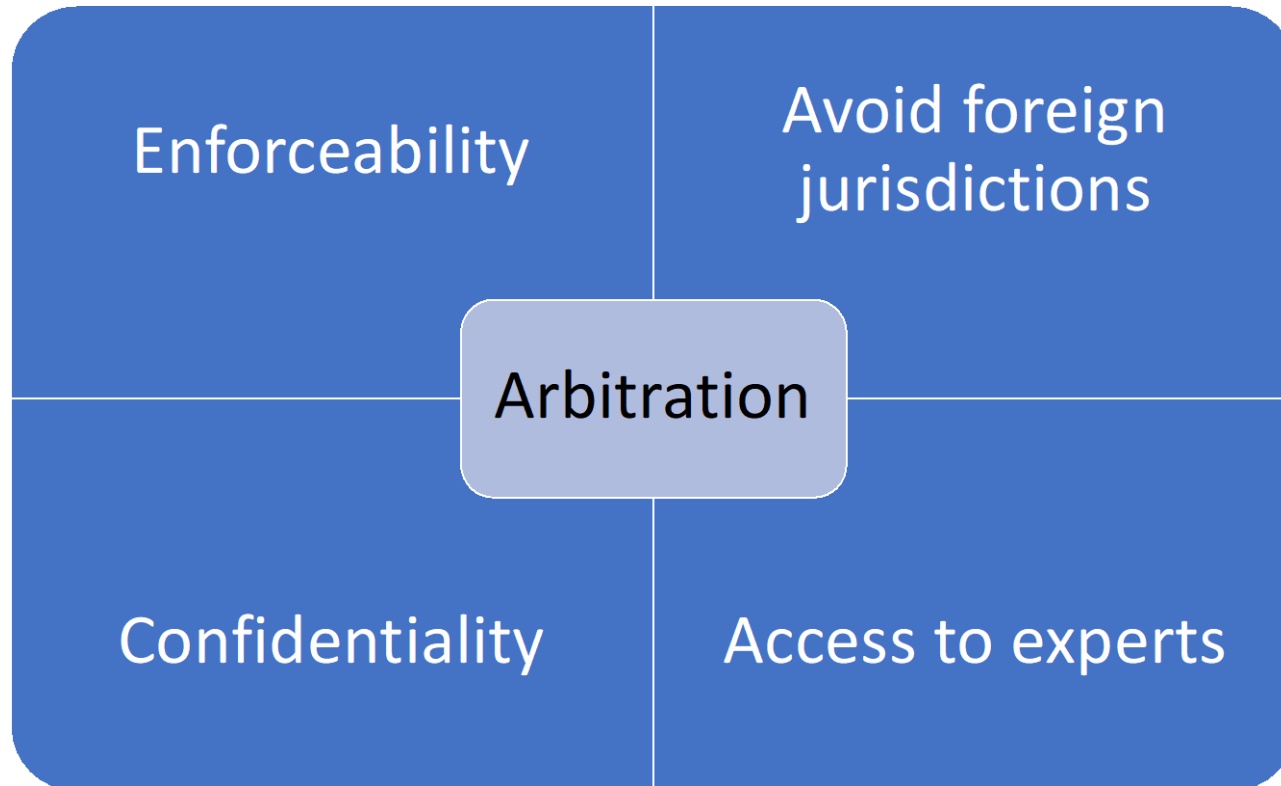
Licensing



Impact of digital transformation:

- A growing recognition that complex licensing rules and excessive fees have dragged down the sector and threaten the entire digital economy.
- The ITU's Global ICT Regulatory Outlook 2020 report concludes that having a general authorization regime, with fees set at administrative cost levels, is one of the golden rules for unlocking the power of broadband.

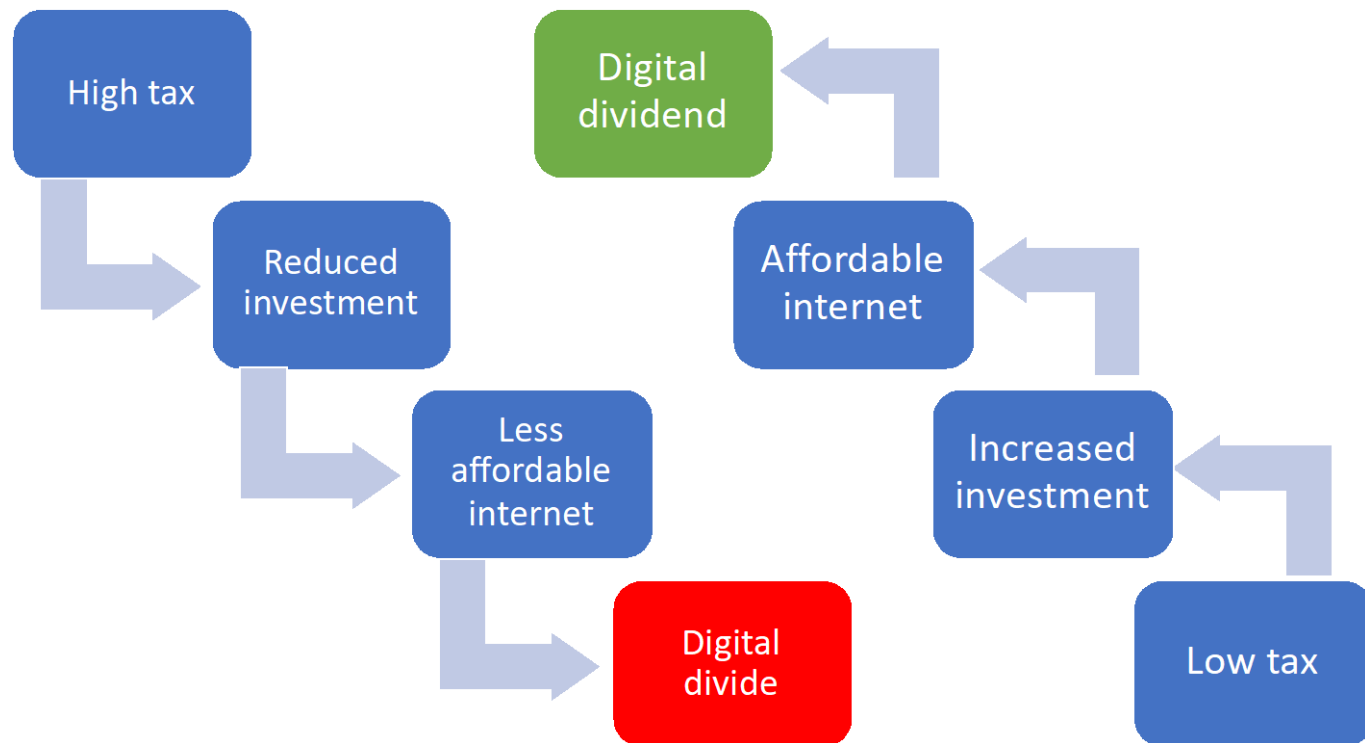
Dispute resolution



Impact of digital transformation:

- Arbitration is a better solution than litigation for disputes involving international businesses such as digital platforms.

Taxation

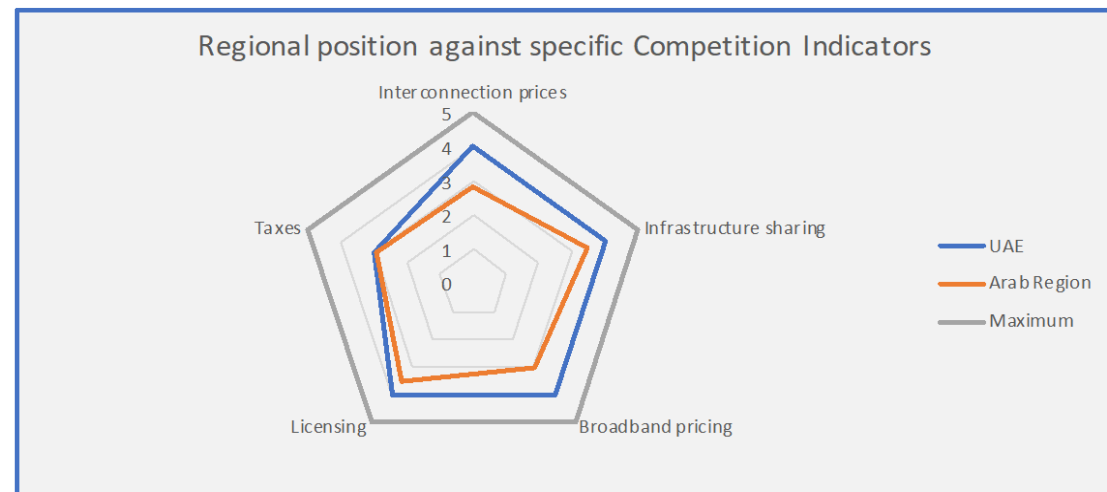
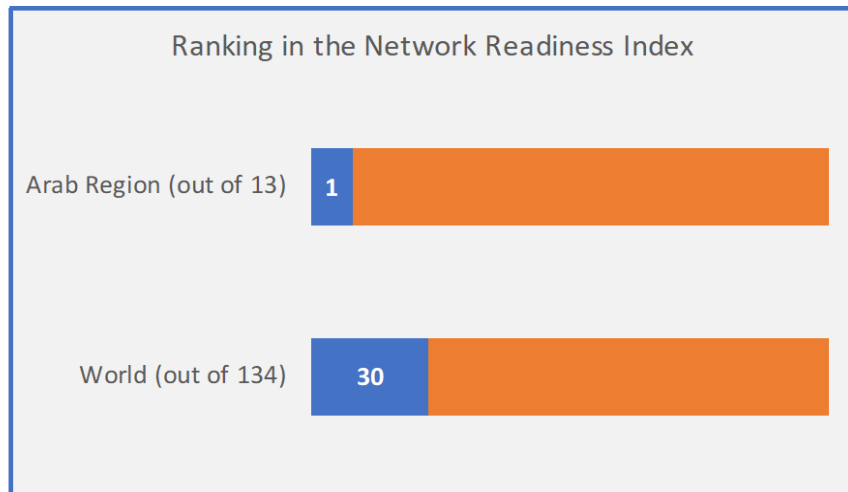
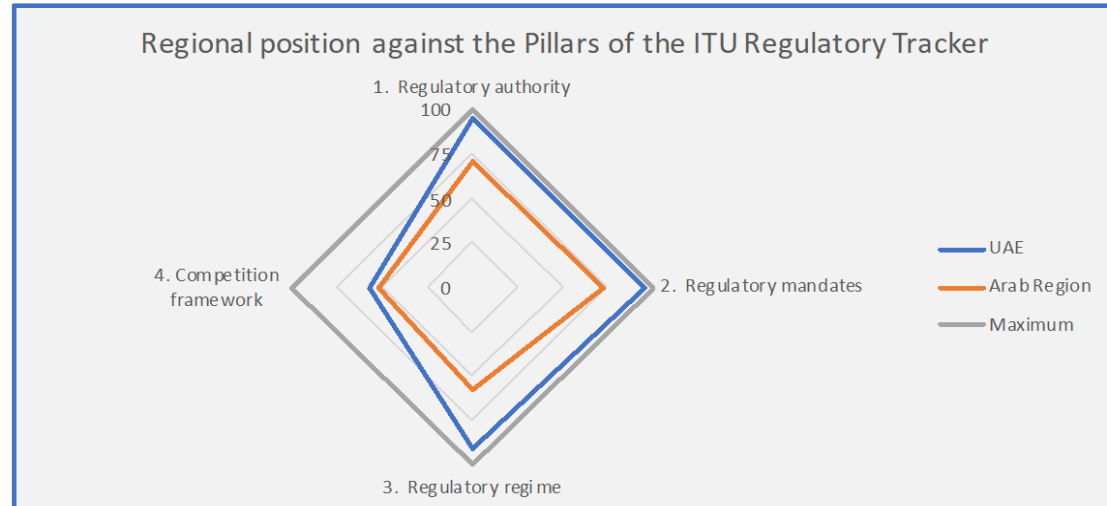
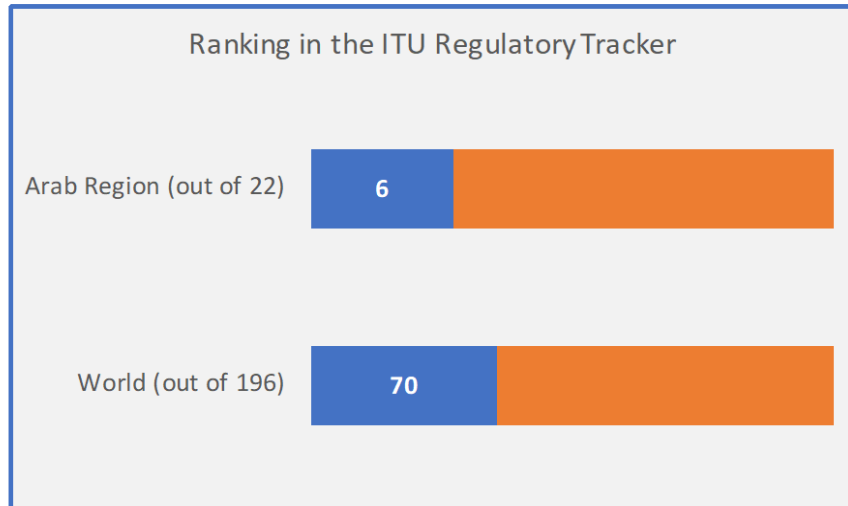


Impact of digital transformation:

- Taxation regimes need to be re-examined both to extract value from digital platforms and to ensure that money is used to fund network deployment and improve affordability in order that the digital economy can be further developed.

Tracking the progress of digital regulatory

Example: United Arab Emirates



Thank you

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