

Industry majors push for Asian regulatory benchmarks

A group of high-profile global companies including **AT&T**, **BT** and **MCI** has launched a new coalition in Asia, aiming to foster a uniform regional approach to national telecoms regulation and improve conditions for competitive carriers. Executives said the **Asia Pacific Carriers Coalition** would publish a regional regulatory scorecard and work to open doors for foreign companies in China and India.

While much has been done to improve the regulatory situation in Asia, the APCC believes that more work is necessary to break down the dominance of incumbent players and further develop industry sectors such as mobile telephony and DSL broadband. The group has already issued a joint submission to the **Infocomm Development Authority** of Singapore on local leased circuits pricing and begun meeting with policy makers and ministry officials throughout the region.

Joe Welch, MCI regulatory head and APCC chairman said, *"Incumbent carriers in Asia typically remain dominant in their markets, with ubiquitous networks deployed over many years as the monopoly provider of all communication services. Relatively recent liberalisation in the main has not yet resulted in markets which are competitive, and in access to bottleneck facilities which is unrestricted or reasonably priced."*

With members also including **Cable & Wireless**, **Deutsche Telekom** subsidiary **T-Systems**, Singapore mobile operator **StarHub** and Australian challengers **Macquarie Corporate Telecommunications** and **Pacific Internet**, the APCC claims to be in a unique position to influence national regulators. The group will focus on key developing markets in the region, including China and India, as well as more mature telecommunications markets such as Singapore and Japan.

According to Macquarie Corporate national strategy executive and APCC vice president Maha Krishnapillai, the new alliance will help overcome issues such as restricted access, anti-competitive behaviour and government ownership throughout the region. *"It's clear that the challenges we are facing with liberalisation are the same for almost every jurisdiction in almost all parts of the world. It's important that we give a unified message to government so that incumbents can't pick us off one by one,"* Krishnapillai said. He added that the APCC could eventually help set benchmarks for future free trade agreements.

Speaking with *CommsDayGlobal* yesterday, a senior BT spokesman said, *"Regulatory changes in Asia over the last few years have had a positive effect but there are still some ongoing issues to be dealt with and we see a joint approach to them as the best way to do it."* He said the group would draw on the experience of more developed markets like the US and UK to establish *"best practice regulatory frameworks."*

Key to the APCC's work will be an initial grading of Asia Pacific regulatory regimes with the first regional scorecard anticipated for release in early 2005. It said that it aimed to arm national regulators with objective comparative material to assist in assessing performance, *"borrowing from similar European studies to compare the various systems."*

Aligning itself with other industry groups such as the US-based **CompTel/ASCENT**, APCC said that developments in major emerging markets were of particular significant concern to its members. *"At this time, the APCC has particular interest in developments in the telecommunications markets of China and India,"* it said in a statement. The group pointed specifically to foreign direct investment limits in both countries as problem areas and said it would communicate its views strongly to the relevant government bodies.

- **Nortel Networks** has defended its ability to compete with emerging Chinese vendors, claiming that a strong range of technology options will keep it ahead. Nortel CEO Bill Owens told *AP* this week that Nortel's broad range of technologies would help it combat **ZTE Communications** and **Huawei Technologies**, which he said, *"lack key ingredients."* Nortel has partnered with **Datang Mobile** in China for the development of TD-SCDMA technology.

- **Ericsson** has won a US\$150 million contract from China's **Shandong Mobile** to supply the operator with system equipment and telecom services to support its capacity upgrades and service quality of its GSM network. Ericsson currently has a long-term strategic partnership with Shandong Mobile. Ericsson also said it would introduce the latest AXE810 switching platform and relevant software to the current GSM network expansion, to *"lay a solid foundation for future smooth migration into a third generation mobile communications network."*

- Overseas investors have reacted positively to a new **Telekom Malaysia** 10-year bond issue with reports that the US\$500 million offer has been oversubscribed by as many as eight times. Marketed by **Deutsche Bank**, **CIMB** and **UBS**, reports said that the Telekom issue had found strong appeal in Europe and throughout Asia following roadshows last week. The company plans to use the proceeds to refinance debt.

NewSat adds VPN capability with Encore

Emerging regional satellite broadband operator **NewSat** will soon add virtual private networks to its bundle of service offerings following confirmation of a new product partnership with **Encore Networks**. NewSat, which has developed a remote broadband business in regional Australia and is now expanding throughout Asia, North Africa and the Middle East, said it would add Encore's complete line of IP only and IP/legacy VPN security product.

"Our mission is to open new frontiers for networks in any location, with video, Internet, voice and data communications that make traditional broadband services look dated," said NewSat marketing director James Kellett. *"Encore's VPN security solutions insures our quality of service to these locations by providing the only appliance to date with selective layer encryption which guarantees our high, two way throughput."*

With new clients including the US **Department of Defense**, the United Nations, telecoms operators and the retail chain **Woolworths**, VPN and site-to-site capability is a key addition for NewSat, which to date has focused on high-speed Internet, next generation video, VoIP and data communications. The company said last week that it anticipates significant growth in new markets in the near term based on its experience in Australia and reliable service delivery record.

According to Encore broadband network solutions VP Bill Grant, *"NewSat has taken the lead in deploying products that can provide end-to-end secure remote access over satellite and terrestrial connections to remote Australian locations. Encore's site-to-site satellite VPN solutions will be instrumental in NewSat's ability to continue delivery of bundled broadband VPN solutions."*

Thai state carriers to be listed by 2005

Thai communications minister Surapong Suebwonglee yesterday said the listing of state carriers **TOT Corp.** and **CAT Telecom** will occur by next year. *"Regarding the listing plan of the two agencies, the earliest possible is over the next six months, but it could be later than that,"* he told reporters after a cabinet meeting. *"However, it should be no later than the second half of next year."*

The listings are intended to presage the liberalisation of the telecom sector in 2006. Surapong said no decision has been made on whether to merge TOT and CAT prior to listing, or how to end current concession contracts between the pair and rival private carriers.

Meanwhile, Surapong said that new regulator the **National Telecommunications Commission** is waiting for royal endorsement before it launches operations. The regulator will require three months to establish its office after the endorsement, and another three to draft new regulations. *"I think we will see a clearer picture of the new regulations within six months,"* Surapong said.

Pakistan launches new IT projects

Pakistan has earmarked US\$4.5 million for spending on 15 new ICT projects in the public and private sectors. According to an official government statement, five of the new projects will focus on developing communications services in rural areas while the remainder aim to further develop the nation's IT industry while improving public access to IT services.

Meanwhile, the launch of new mobile and fixed-line telecom carriers in Pakistan later this year is expected to result in the creation of around 8,000 new jobs. The two latest mobile licencees, **Ward Telecom** and **Telenor**, have already begun recruiting, according to the *Daily Times*.

Success for Hong Kong's Sunday ahead of 3G launch

While rivals ramp up new data services to combat tough market competition, Hong Kong mobile operator **Sunday Communications** said that a persistent focus on specific market segments was keeping it ahead. The company posted a 38% increase in net profit to US\$2.3 million for the six-months to June 30 despite a 10% decline in revenues to \$66.81 million as a result of falling call tariffs.

- **Nortel Networks** has become a principal member of the **WiMAX Forum**, an industry-led organisation that promotes interoperability and certification of broadband wireless products. Based on the Institute of **Electrical and Electronics Engineers** 802.16 standard for wireless metropolitan area networks, WiMAX is expected to be in widespread use within the next three to five years. The WiMAX Forum strives to ensure industry standards are in place to provide interoperability on a wide range of WiMAX Forum Certified communications products across all networks and vendors.

- Indian telecom minister Dayanidhi Maran said reaching the 200 million subscriber mark by 2007 will require US\$21.7 billion in investment. *"The value of present manufacturing in India is not even a small fraction of the investment on equipment,"* he told reporters, adding that the industry must decide *"whether the country would like this value to come from outside or do we want the country to benefit by way of indigenous manufacturing."* India currently has about 85 million telephone subscribers.

- US telecom software provider **AsiaInfo Holdings** has inked a deal to supply an electronic business system for China's **Liaoning Mobile**. The WAP-enabled system will enable mobile subscribers to conduct transactions online.

"Our results reflect the success of Sunday's core strategies to segment the market to provide specialised services to specific customer demographics," said Sunday GMD Bruce Hicks. "We reported a higher net profit as post-paid subscriber numbers rose, data services revenue grew strongly and churn improved."

Having signed a 3G network supply agreement with Huawei Technologies, Sunday claims that it is on track with the development of its next-generation service, although it is yet to detail launch plans. With one 3G operator already on the market and three more to come, including Sunday, and a stiff voice price war underway, Hong Kong mobile operators are on notice that they are part of an extremely volatile market. 2G operators **Peoples Telephone** and **New World Mobility** recently announced launch plans for their respective EDGE mobile data services aiming to spoil upcoming 3G launches.

Nokia joins GSM Association

Nokia has finally joined many of major rivals to pledge its support of the **GSM Association**, the global trade group representing GSM operators. As an associate member of the GSMA, Nokia said that it aimed to further strengthen its working relationship with operators, from both a handset and infrastructure point of view.

Formed in 1987, the GSMA already boasts the membership of 140 manufacturers and developers, including the likes of **Motorola**, **Ericsson**, **Nortel Networks** and **Huawei Technologies**, which take part in joint initiatives with operators to develop GSM services. GSMA chairman Rob Conway said, "With its insight and experience as a market leader in mobile handsets, and a major force in the infrastructure sector, Nokia can make a major contribution to the success of many of these key industry initiatives."

Cisco launches Indian leasing unit

Cisco Systems India has launched leasing arm **Cisco Capital** to help expand its regional market share. "The time is ripe right now in India," Cisco India president Rangnath Salgame told reporters. "In the developed nations companies spend more than 8% of their revenues on IT infrastructure while in India it is only one percent. So there is a huge market expansion possible." Salgame declined to reveal specific investment or hiring plans.

DoT urges Indian control of telecoms despite FDI hike

India's **Department of Telecom** has reportedly told the Prime Minister's Office that should the foreign direct investment limit be raised to 74% as per current plans, at least 75% of the board of the relevant companies should be comprised of that company's representatives and headed by an Indian. "There are issues regarding management control. In our note on FDI, we have suggested that the majority control should remain with Indian partners even with 26% stake and up to 80% of the board of such a company should be represented by local partner. The Indian partner should head the operations," an unnamed insider told PTI.

VeriSign says domain registrations hit new record

VeriSign registered 4.6 million new domain names in the second quarter, pushing the total number of registered domains to a new record of 64.5 million. The company said 70% of the figure was comprised of entirely new domains, rather than new registrations for lapsed properties. In its report, VeriSign said that country code Top Level Domains such as .cn have surged to account for 39% of all registrations.

- **NTT** subsidiary **NTT-Resonant** announced a service that delivers information about songs and artists to subscribers via their mobile phone. The offering, which sends information about music subscribers play into their handsets, launches in November.

- IP telephony operator **Net4India** yesterday launched an "unlimited calling" service between India and the US via its **Phonewala International Services**. Under the prepaid plan, subscribers are given a telephone number in the US, Canada, France and the UK, which local contacts can use for calling. "Our aim is to bring the benefits of Internet telephony to a larger audience and *Unlimited Calling* is a step in that direction," Net4India CEO Jasjit Sawhney, adding that the company intends to target southeast Asia.

COMMSDAY GLOBAL

CommsDay Global is produced by Decisive Publishing ABN 13 065 084 960.

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Publishers of: Communications Day, Telecom Week, 3G&WiFi Pacific, VoIP & Broadband Insider, Bandwidth Magazine

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