

Iraq mobile firm urges government to switch to 3G

BAGHDAD: As Iraq readies consultations over how to move its mobile telecoms industry to 3G technology, its biggest operator has called for the government to move quicker to the latest wireless standards.



While the communications minister has said no decision has been made on how to move the country from older 2G mobile phone technology, the chief of the Iraqi arm of Kuwaiti firm Zain called for all of the country's operators to be awarded 3G, or third generation, licenses immediately.

"It's in their interests, it's in the country's interests, in the people's interests, in the government's interests, in the operators' interests, to give us 3G immediately, without any hesitation," Emad Makiya, chief executive of Zain Iraq said.

"Let the operators go and innovate, and offer a good service."

From 2G to 3G

Older 2G technology allows mobile phones to make and receive calls and text messages and browse basic websites, while 3G dramatically increases the capacity, or bandwidth, of a network, allowing users to browse more complicated websites at a faster speed.

While mobile phones in much of the Western world and several countries in Asia and the Middle East largely operate on 3G technology, some countries have moved on to even faster 4G wireless standards that allow customers to download still larger files and view videos on demand, all at varying fees.

In Iraq, however, all mobile phones operate on 2G networks, with Makiya saying an upgrade to 3G would generate more money for the government as operators' incomes increased.

"In 2010, we paid about \$350 million, between revenue sharing and taxes, customs and all that," said Makiya. "Imagine if we were running 3G today; we would have paid them more."

Government considering 4G standards

On April 25, Communications Minister Mohammed Tawfeeq Allawi said the government was carrying out consultations on how to upgrade to 3G, and whether or not to consider 4G standards.

Allawi said that while back-end 3G equipment was ubiquitous and easy to find, 4G technology was state-of-the-art, though equipment was more limited.

"So there are a lot of factors that should have to be taken into consideration," he said after a speech to businessmen in Baghdad's heavily fortified Green Zone.

"So we haven't decided for the moment. We want to take the right decision."

However, Makiya implored the government to decide quickly: "Everything (in Iraq) is 2G, while all neighbouring countries operate in 3G and some countries are already investing in 4G."

"What are we waiting for? To become obsolete in 3G? This is really bad."

With 3G-capable phones able to handle data and applications, popularised first by Apple's iPhone and increasingly in use by a wider variety of so-called "smart phones," operators are able to charge for a wider array of services than simply calls and text messages.

Growth areas

Asked what he envisioned as growth areas once Zain Iraq eventually moved to 3G services, Makiya replied: "Data. Data. There will be huge access to data."

"Once you have 3G available, with massive speed, things are going to get better. Data is the way to go.

"If you go to the United States today, everything is done through your mobile phone. All the applications, things are going to be driven through this."

He noted, however, that Zain was only willing to pay "a few million dollars right now" for licensing to provide 3G services, arguing that the technology was "entering into an obsolete phase right now ... so we don't think it's worth that much."

"We don't think it's worth hundreds of millions of dollars. We think it's way below that."

Mobile phone penetration

Mobile phone penetration in Iraq is currently around 70%, shared among three operators.

Zain Iraq says it is the industry leader, with an estimated 12 million subscribers, while Asiacell and Korek are second and third.

But customers have long complained of poor service, primarily low call quality, with the networks having been fined by the Iraqi government in 2009.

A small group of Zain's own customers have also threatened a one-day boycott of the network later this month to protest, organising through Facebook groups, as well as web message boards and e-mail chains.

Makiya insisted that Zain follows international standards for call quality, and said the number of complaints had fallen off dramatically in recent years. He described the proportion of those voicing concern today as "a fraction" of his firm's total subscriber base.

"I'm not trying to brag about our team here. We've done remarkable changes as far as the networks," he said.

"We've made some changes in the coverage quality, and the perception has changed."

Source: AFP

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