

# Morocco: liberalisation of telecommunications

Ewan Sutherland

**GSTIT**.edu.et

Graduate School of Telecommunications & Information Technology

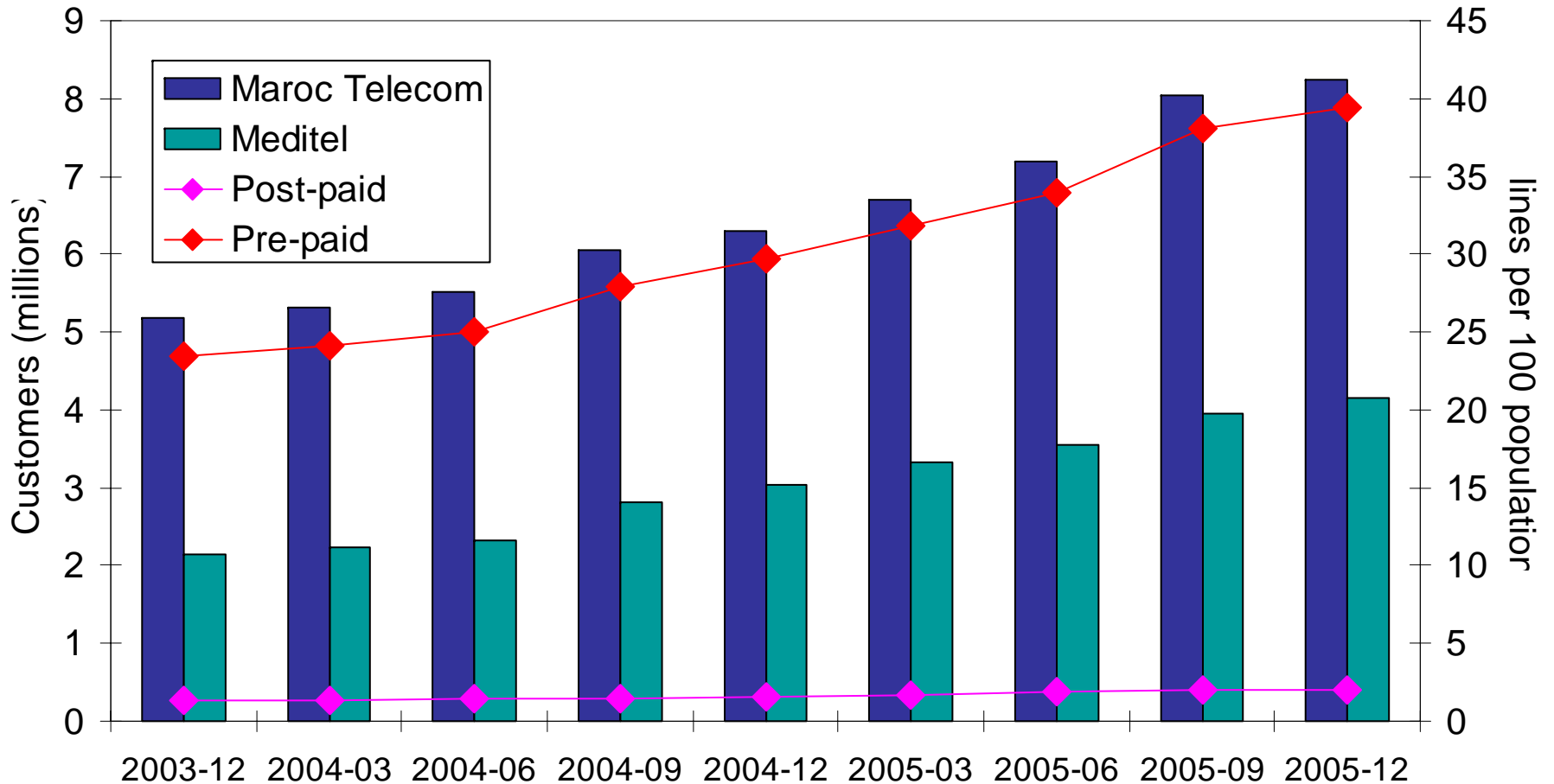
# Introduction

- Introduction
- Pro-competitive policies
- The national regulatory authority
- The results
- Conclusions

# Pro-competitive policies

- Creation of an independent national regulatory authority
- Licensing a second GSM operator in 1999
- Competition resulted in frequent and substantial reductions of domestic communication prices
- Prices are expected to decrease further with a third mobile operator expected to enter the market in 2006

# Growth of the mobile market



Source: ANRT

# Mobile market



- Second entrant
- Solid growth
- Ownership:
  - Telefónica de España (30.5%)
  - BMCE-Bank (20%)
  - Afriquia (11%)
  - Portugal Telecom (30.5%)
  - Caisse de Dépôts et de Gestion (8%)

<http://www.meditel.ma/>



- 51% owned by Vivendi International (France)
- Incumbent fixed operator
- First mobile operator

<http://www.maroctelecom.ma/>

# Fixed market

- Long delays in licensing second operator
- Eventually, acted on
- Allocation of 2 fixed-line licences to:
  - Méditel
  - Maroc Connect

<http://www.meditel.ma/>

<http://www.marocconnect.ma/>

# Maroc Telecom

## Strategy

- Stimulate the growth of the mobile market by increasing both the penetration rate and the use of services
- Reinforcing competitiveness on fixed services, given the impending opening of the market
- Remaining the principal driver of Internet development in Morocco
- Capitalising on its brands to be the service reference for customers in Morocco
- S'appuyer sur une infrastructure de réseau conforme aux standards technologiques les plus récents
- Maintaining rigorous financial management and a stable financial structure

## Mobile strong growth:

- 8.8 million customers (+ 2.4 million)
- Growth 38.3% since 2004
- Market share: 66.7% (67.5% in 2004)

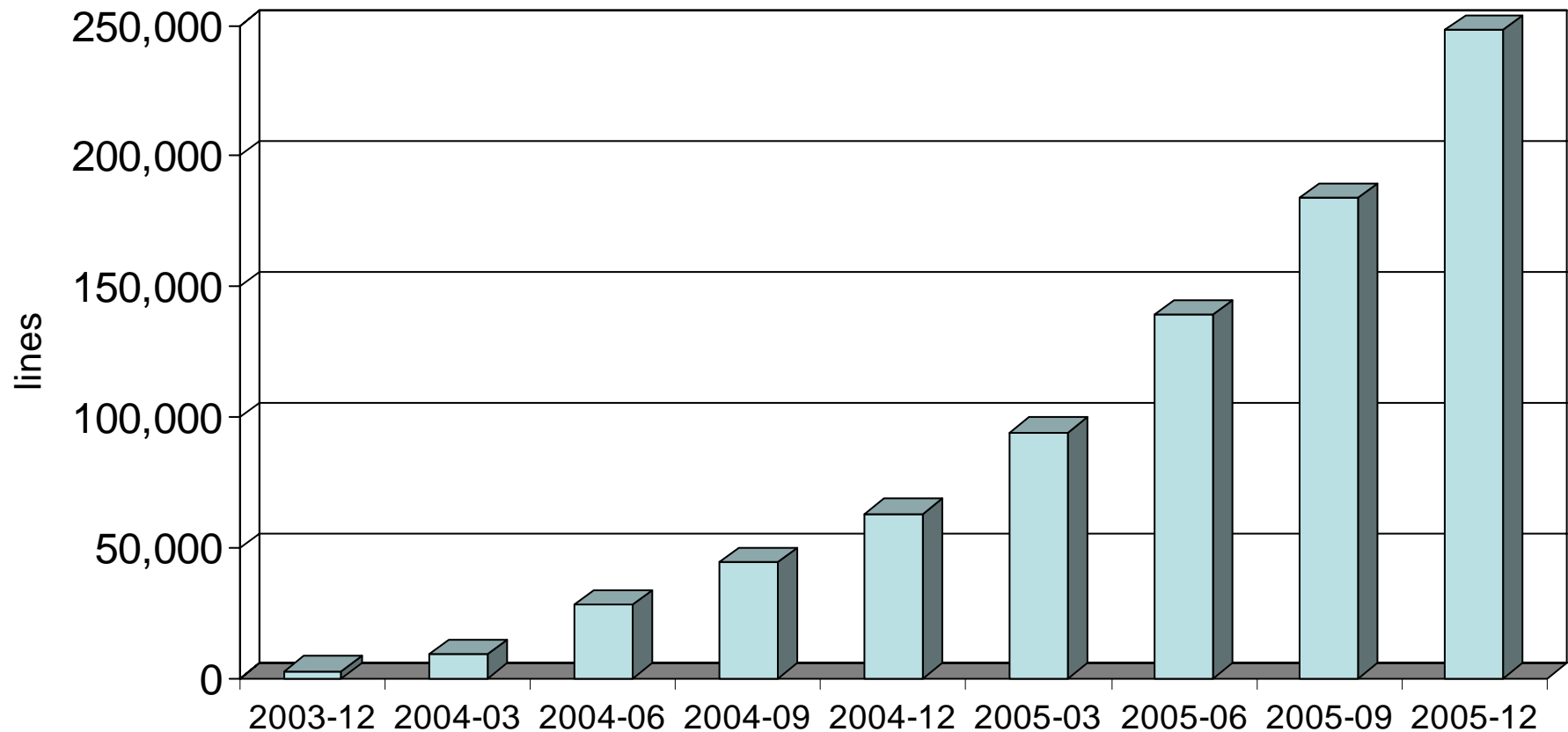
## Broadband take-off:

- 242,000 lines (+182,000)
- Market share: 96%

## Fixed-line positive stance:

- 1.3 million lines (+32,000)
- Growth 2.4%

# Morocco ADSL growth





# Agence Nationale de Réglementation des Télécommunications

- ANRT is a public organisation responsible to the Prime Minister, with financial autonomy
- Created in February 1998 by the Law N°24-96
- The law was modified in 2004 as Law N° 55-01
- ANRT participates in:
  - ITU
  - Arab Regulators Group
  - Francophone Regulators Group

<http://www.anrt.net.ma/>

[http://www.anrt.net.ma/admin/download/upload/file\\_eng2.pdf](http://www.anrt.net.ma/admin/download/upload/file_eng2.pdf)

# Ensuring a high level of fair competition

- Legal missions:
  - adapts the legal and economic framework
  - prepares and issues licences
  - maintains and updates the rights and obligations of public network operators
  - ensures observance of legal framework
- Economic missions:
  - sets price caps for universal service
  - approves operators reference interconnection offers
  - monitors competition
  - ensures dispute resolution on competition issues
  - follows the development of IT sector
- Technical missions:
  - specifies technical standards for terminal equipment
  - manages scarce resources (spectrum and number)
  - regulates encryption technologies

# Institut National des Postes et Télécommunications

- National college of posts and telecommunications
- Founded In 1961 at Rabat
- Its mission has moved from the training of technicians to the education of engineers and managers for the sector
- Since 1998 it has been affiliated with the ANRT
- It also has links with equivalent specialist schools in France
- It has research groups in:
  - signaling
  - information technology
  - electronics
  - mathematics
- A doctoral programme in conjunction with the Faculty of Science in Rabat
- Expanding and will be renamed an *Ecole Nationale Supérieure* (ENS)

<http://www.inpt.ac.ma/>

# Morocco in 2004

- Population 31 millions
- Urban: 58% of population
- GNI per capita US\$ 1,520
- Adult literacy 54%
- Government prioritisation of ICT 4.3 out of 7
- Telephone main lines 4.3 per 100
- International voice traffic 28 minutes per person
- Mobile subscribers 30.5 per 100
- Population covered by mobile telephony 95%
- Internet users 8.2 per 100
- Personal computers 2 per 100
- Households with television 76%

# Conclusions

- Enormous progress
- Delay in opening fixed market was counter-productive
- It cost Morocco leadership in Africa and the Arab world
- Nonetheless, the prospects once again look good

# Ewan Sutherland

- <http://www.3wan.net/teaching/strategy2006/>
- 3wan [at] 3wan.net
- ewan [at] gstit.edu.et
- skype://sutherla
- +44 141 416 06 66

**GSTIT.edu.et**

Graduate School of Telecommunications & Information Technology