

Syrian Arab Republic

The Syrian Arab Republic has the lowest level of mobile penetration in the region, and among the lowest number of phones in use at 11.9 million subscribers. There are only two mobile operators active in the market and operators give a share of their profits to the state.

TELECOMMUNICATIONS MARKET

In 2001, Syrian Telecom launched the Network of Mobile Operators – BOT (building, operation, transfer) to cover Syrian territories – and in 2002, the Market of Mobile Communications in Syria began, which was restricted to two companies – Syria Tel and 94 Areeba (which in 2007 merged with MTN).

Indicator ⁷³	Measurement	Value
Computers in Households	Per 100	30.0
Internet Users	Per 100	20.7
Fixed Lines	Per 100	19.9
Fixed Broadband	Per 100	0.33
Mobile Subscriptions	Per 100	57.7
Mobile Broadband	Per 100	n/a
International Bandwidth	Per 100	n/a

Rami Makhlouf, a cousin of the Syrian President, has the largest stake in Syria Tel, and MTN-Syria is owned by MTN group in South Africa. MTN Syria is controlled by some influential people in Syria - including Rami Makhlouf.

There is inadequate competition between both companies; all prices and special offers are always identical.

The public sector's profit share is uncertain. When the contracts were signed, the public sector's profit share was agreed as 30% for the first 3 years from the start of the contract, 40% for the second 3 years, 50% for the next 9 years, and 60% if they renew the contract.

⁷³ www.worldbank.org and www.mtn.com.sy and www.moct.gov.sy and <http://www.syria-today.com/index.php/component/content/article/978-business-news/18979-profits-fall-at-syriatel-and-rise-at-mtn->

QUICK FACTS SYRIAN ARAB REPUBLIC

Quick facts Syrta
Land Area: 183,630 sq km
Population: 20.5 million (2010)
GNI per capita, PPP \$5,120 (WB, 2010)

TLD: .sy
Fixed Telephones: 4.1 million (2010)
GSM Telephones: 11.9 million (2011)
Fixed Broadband: 0.07 million (2010)
Internet Hosts: n/a
Internet Users: 4.2 million (2010)



In 2011, the revenue of SyriaTel during the first half of year amounted to SYP 25.832 billion. The share of Syrian telecom was about SYP 12.306 billion, while the total net profit was about SYP 5 billion.

For MTN, the financial statements confirmed that its revenues during the same period amounted to SYP 20.747 billion. Syria Telecom's share was about SYP 9.862 billion, and the net profit reached SYP 3.119 billion.

Since the start there have been no new entrants into the market, although Syria's Ministry of Communication and Technology has issued a prequalification call for a third mobile network license in September 2010. Qatar Telecom and Saudi Telecom Co. (STC) were the only companies bidding for the mobile license after a number

of competing firms abandoned their bids amid concerns over the Syrian government's revenue sharing plan⁷⁶.

	Number of Clients	Coverage of Residential Areas	Geo-graphical Coverage	Number of Employees	Service Centers
Syria Tel	6,135,000	99%	90%	2,000	55
MTN	5,632,000	99.5%	80%	1,335	63

Customers are currently very frustrated. At the beginning of the revolution, there were a corruption charges against the mobile operators. The fact that prices are identical suggests that products are being offered with a prior agreement between the two companies; this destroys any potential competition in the market to fire up supply and demand. High taxes indicate the limited options in both companies, because they return more than half of their profit to the government.

Pricing Analysis (\$US)	Syria	All Countries Surveyed	
		Rank by Cheapest	Median Price
PRE-PAID Package Pricing			
Monthly Package Cost			
Cost per Minute National Call (First 3 Min)	0.13	7	0.09
Price for Data Traffic (Price per MB)	0.05	7	0.05
Price for One Text Message	0.13	11	0.02
POST-PAID Package Pricing			
Monthly Package Cost	7.47	5	7.53
Cost per Minute National Call (first 3 min)	0.08	6	0.06
Price for Data Traffic (Price per MB)	0.05	6	0.04
Price for One Text Message	0.08	10	0.03

In June 2001, Syriatel, which runs one of the two 3G networks along with rival MTN, charged SYP 3,000 (US\$ 63) a month for "medium" usage of 3 gigabytes. (Fixed-line broadband is also expensive, costing at least SYP 1,000 (US\$ 21) a month for speeds of 256 kilobytes per second).

People are using internet for text chat, Skype, live video streaming and web browsing. The number of mobile internet users is approximately 20% of all mobile users.

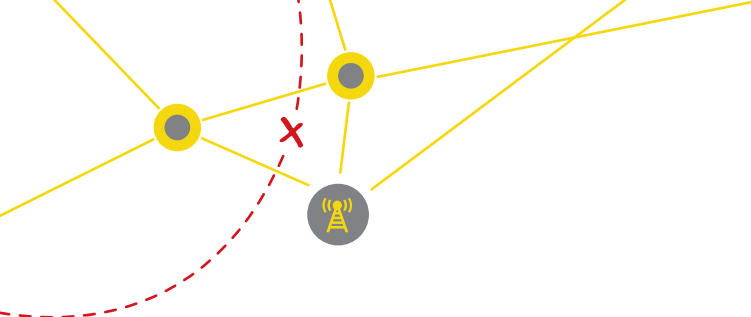
In terms of handsets, Nokia has the largest proportion of the market handset share (55%); LG, Sony Ericsson, Samsung, Siemens, Chinese Brands and other non-smart phones have 28.5% market share; then Android Mobile Phone (HTC, Samsung, Sony Ericsson) with 15% share, and iPhone at <1,5%. An average monthly subscription fee for the line is SYP 400.

Operator	Syria Tel	MTN
Brands		
Survey Respondents	53%	39%
Subscribers	6.1m	5.6m
Mobile Internet Users	0.5mm	0.33m
Ownership	National	MTN South Africa

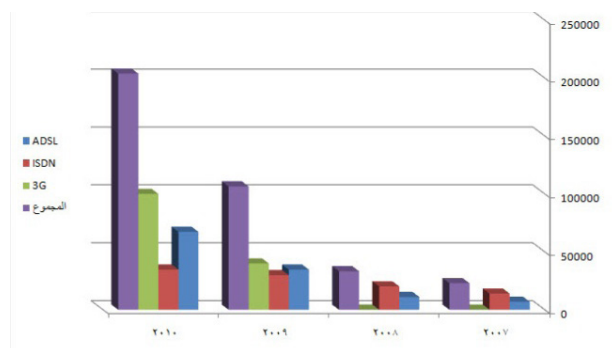
INTERNET ACCESS

Over 90% of respondents used mobile internet and less than 7% do not use mobile internet. 52% of these mobile internet users pay for usage of mobile internet with 21% paying for a limited volume of data with their subscription and a further 19% using WiFi. Almost 4% indicated they had no access to the internet using their mobile handsets. Over 73% owned a smartphone and almost 12% had "jailbroken" their phone. Over 34% had updated the firmware on their phone.

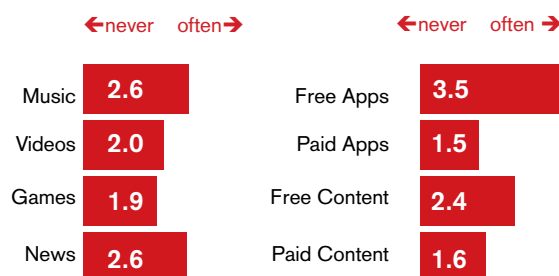
⁷⁶ <http://www.syria-today.com/index.php/may-2011/793-business-news/14931-mobile-licence-bidders-cut-to-two->



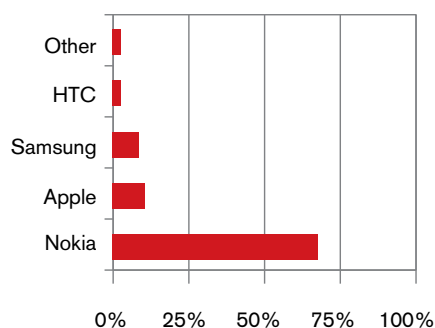
INTERNET CONNECTION TYPES, 2010 (MINISTRY COMMUNICATIONS AND TECHNOLOGY)



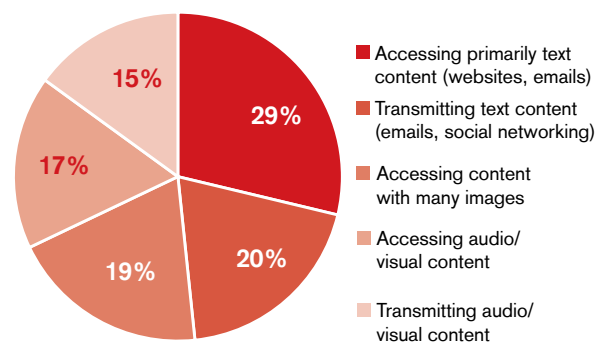
TYPES OF MOBILE DOWNLOADS INCLUDING CONTENT (LEFT) AND TYPES OF APPS (RIGHT)



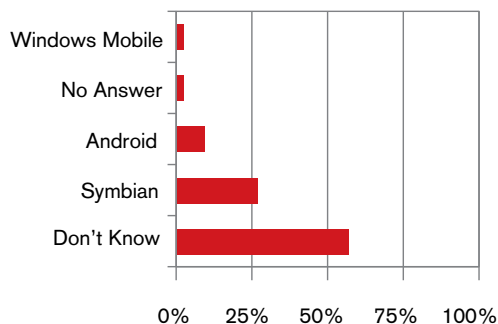
TOP 5 MOBILE HANDSET MANUFACTURERS



USE OF THE INTERNET 2012 (IN COUNTRY SURVEY)



TOP 5 MOBILE OS IN USE



CENSORSHIP AND CIRCUMVENTION

Many activists had been arrested through the use of the GSM tracking systems. Syria is using Sony Ericsson technology to trace the GSM handsets of activists. The operators now block many words being sent over SMS (e.g. freedom, demonstration, group, revolution, etc.).

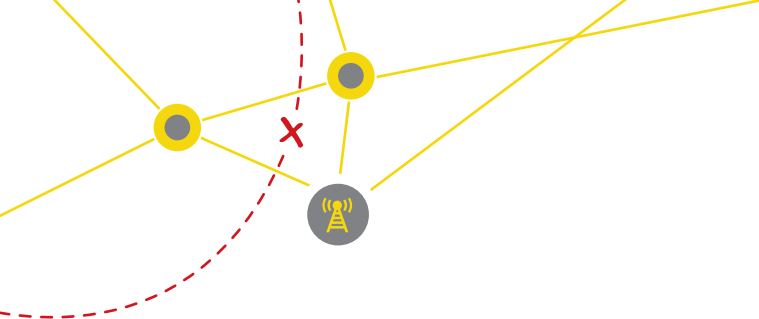


Syria uses Blue Coat Technology (Blue Coat SG8100 Series) to filter mobile internet and fixed line ISPs. Internet activists from Telecomix released 54 GB of log files created by the Syrian government between July 22nd and August 5th, 2011. According to the 2012 Enemies of the Internet Report⁷⁷ by Reporters Without Borders, mobile phones are used to create video and send that video straight to video-streaming websites. Sometimes events are recorded with video cameras and the video files are copied onto USB flash drives and then passed from hand to hand until they can finally be posted online. Skype and Mumble are used quite often for this purpose⁷⁸. Syrians who live the near border use Lebanese or Turkish servers to access the internet or mobile phone networks, thereby escaping surveillance.

In an attempt to limit the size of the protests, and the transmission of photos and videos, the authorities often temporarily suspend internet and mobile phone services in the localities where protests are taking place.

⁷⁷ http://march12.rsf.org/i/Report_EnemiesoftheInternet_2012.pdf
(last accessed 12 June 2012)

⁷⁸ <http://mumble.sourceforge.net/> (last accessed 12 June 2012)



SAMPLE PHONE BRANDS IN USE⁷⁹

Phone	E72	5530	Xperia ray (tbc)	Titan	Xperia Arc (tbc)
Manu	Nokia	Nokia	Sony Ericsson	HTC	Sony Ericsson
Released	October 2009	August 2009	August 2011	October 2011	March 2011
					
Data	GPRS/EDGE C32	GPRS/EDGE C32	GPRS/EDGE	GPRS/EDGE C32	GPRS/EDGE
Bluetooth	V2.0 with A2DP	V2.0 with A2DP	V2.1 with A2DP	V2.1 with A2DP, EDR	v2.1 with A2DP
Sensors	Accelerometer, Compass	Accelerometer, Proximity	Accelerometer, Proximity, Compass	Accelerometer, Gyro, Proximity, Compass	Accelerometer, Proximity, Compass
Internet	Yes	Yes	Yes	Yes	Yes
OS	Symbian 9.3 Series 60 v3.2 UI	Symbian OS v9.4, Series 60 rel. 5	Android OS 2.3 – upg to v4.0	Microsoft Windows Phone 7.5 Mango	Android 2.3 upg v4.0
GPS	GPS-A	GPS-A	GPS-A	GPS-A	GPS-A
Camera	5MP (gps)	3.15MP (gps)	8 MP	8 MP	8 MP
WiFi	b/g Nokia VoIP 3	b/g	b/g/n/DLNA/hotspot	b/g/n/DLNA	b/g/n/DLNA/hotspot

CONCLUSION

With only two operators, the Syrian market does not have significant competition. The market is tightly controlled by organizations that are closely aligned with the government. The government receives significant annual revenues from the mobile operators, as specified in their contracts. Mobile penetration has lagged behind other countries in the region.

FURTHER INFORMATION

Ministry of Communications and Technology –

www.moct.gov.sy

National Agency for Network Services –

www.nans.gov.sy

Syria Tel – www.syriatel.sy

MTN – www.mtn.com.sy

⁷⁹ Data and images from www.gsmarena.com