



Tower companies' regulation in MENA region

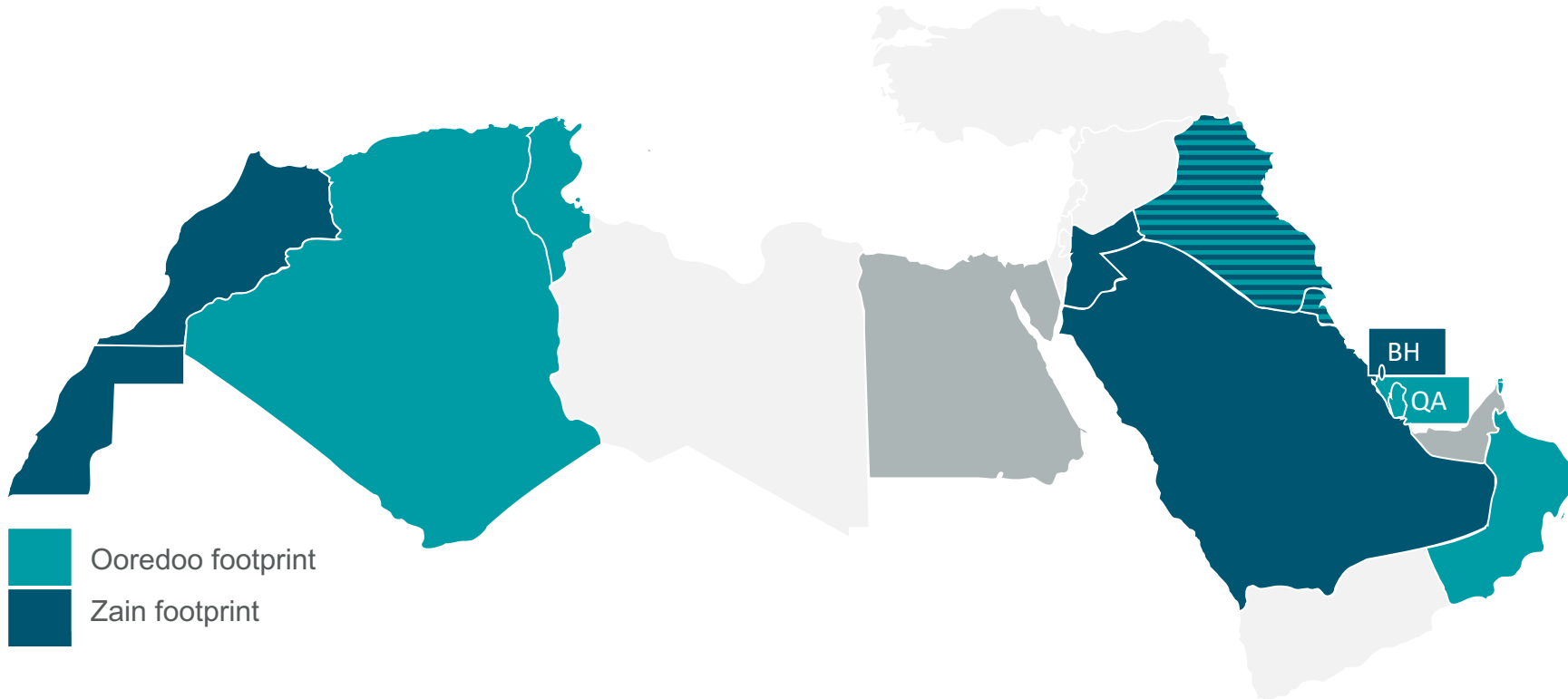
February 2024



What is going on with TowerCos in the region?

Country	Year	Seller/ operator	Buyer	Number of towers	Total amount
Iraq	Jan. 2023	Zain IQ	TASC Towers (25% owned by Zain Group)	4,968	US\$180m
Oman	Dec. 2022	Omantel	Helios Towers	2,519	US\$495m
Saudi Arabia	Oct. 2022	Zain SA	The Golden Lattice Investment Company (20% owned by Zain SA)	8,069	US\$805m
Jordan	Dec. 2021	Zain JO	TASC Towers (25% owned by Zain Group)	2,607	US\$88m
Kuwait	Feb. 2020	Zain KW	IHS Kuwait (30% owned by Zain Kuwait)	1,620	US\$130m

What is going on with TowerCos in the region?



Ooredoo and Zain together bought TASC Towers (a JV). They plan to transfer their towers portfolio to it

What is going on with TowerCos in the region?



IHS obtained a
licence in Egypt

They agreed to
build 5,800 towers

Are TowerCos regulated?

Some countries around the world imposed regulatory requirements on TowerCos

In some MENA countries TowerCos are regulated by telecoms regulators



Why are TowerCos regulated?



ESSENTIAL
INFRASTRUCTURE FOR
TELECOMS



HAVE AN IMPACT ON
COMPETITION



NEEDS TO COMPLY WITH
OTHER REQUIREMENTS

How are TowerCos regulated?

Licensing

Competition and access




Other obligations

TowerCo licensing

Some countries in MENA require TowerCos to obtain a licence by the telecoms regulator



Examples on TowerCo licences

	Country	Licence term in years	One off fee (US\$)	Annual fees
	Egypt	15	3m*	-
	Oman	25	-	Up to 1% of revenue
	Saudi Arabia	10	27,000	10+1% of revenue

* The fee paid by IHS

Deployment requirements

Deployment requirements may take several forms for example

Egypt

IHS committed to build 5,800 towers as part of the licence deal

Oman

TowerCos licences includes an obligation to build 250 towers in areas to be chosen by TRA

Saudi Arabia

A TowerCo should at least operate 100 towers

Competition rules/ Access obligation

Some countries set access obligations on TowerCos

Oman General prohibition of abuse of dominance

Saudi
Arabia Non-discrimination and not to enter exclusive
agreement



Competition rules/ Access obligation

Some countries set general access obligations on passive infrastructure

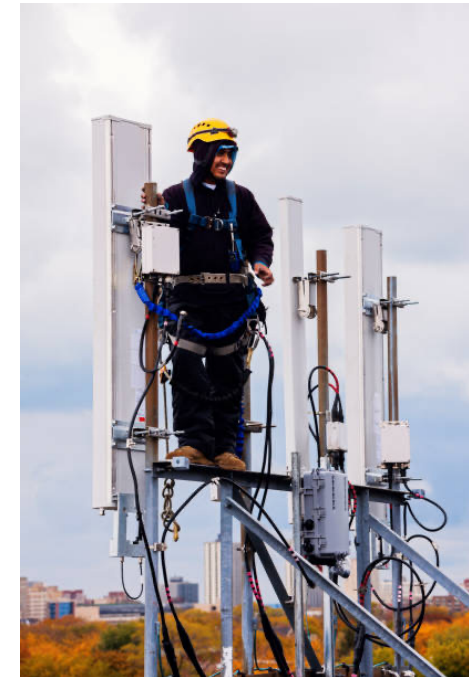
Qatar

Provide access on:

a reasonable term and conditions

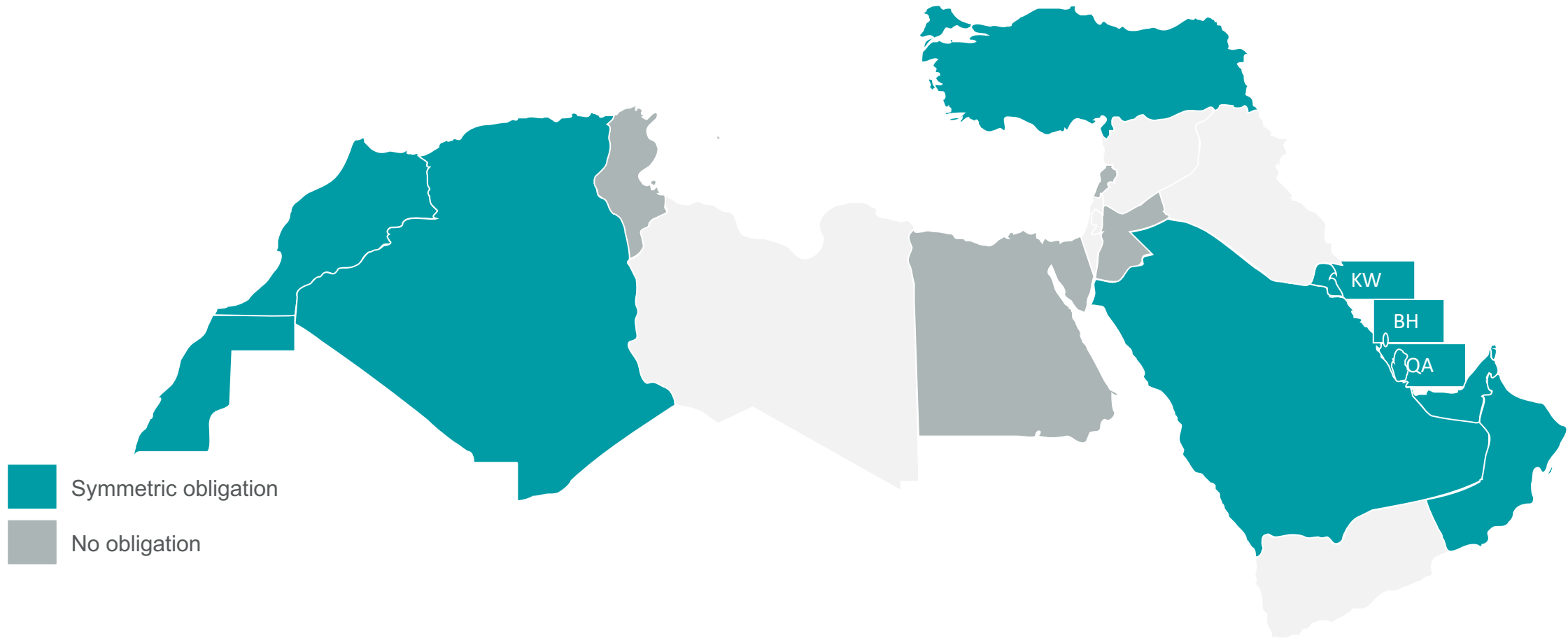
Non-discrimination

Publish a reference offer



Competition rules/ Access obligation

Some countries impose tower access on mobile operators



■ Symmetric obligation
■ No obligation

Competition rules/ Price control

In all countries prices are set commercially.

However, Some regulators may intervene in specific case

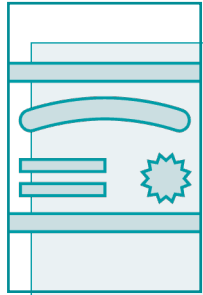
Bahrain

- if provider of tower service fail to justify prices

Oman and Saudi Arabia

- if parties fail to agree on prices

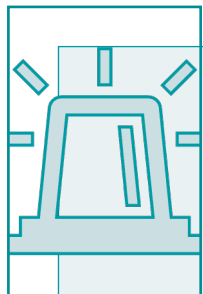
Other requirements



Building permits



Local authorities' requirements e.g. beautification



Other requirements (security and safety)



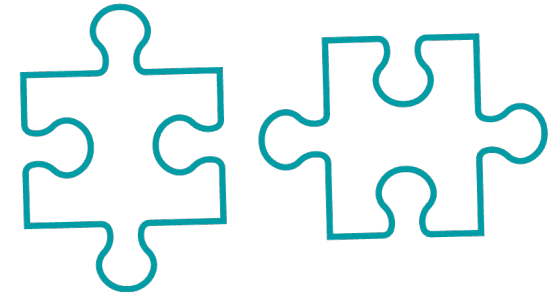
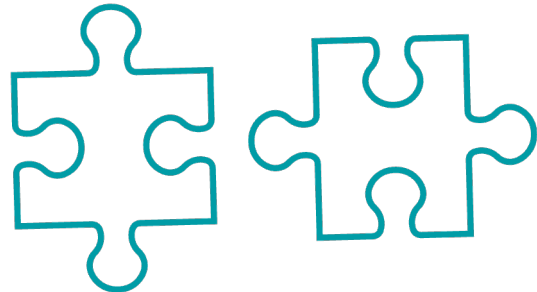
Can regulators help?

Some regulators
established a
one stop shop
for radio
communication
sites approval



Situation in Europe

Who regulates?	Licence	Deployment	Access
Telecoms regulator	✗	✗	✗
Competition Authority	✗	✗	✓



Competition authorities approved TowerCos mergers with conditions related to access such as:

- Make space available for certain type of access seekers (e.g. FWA)
- No early termination for existing contracts
- Protection measures for third parties hosted on acquired towers in case of decommissioning

Such measures are temporary.



Thank you

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