



AGENDA ITEM 4 : Competition

Country Session: The Republic of TURKEY
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Content

- Liberalisation
- Mobile Market
- Fixed Market
- Internet Services
- Frequencies
- Directory Services
- Satellites
- CaTV networks



LIBERALISATION

Liberalisation-I

- ❑ 1994:
 - ❑ Two GSM 900 mobile operators (Turkcell and Telsim) and cable TV operators started operation under revenue sharing agreements with Turk Telekom.

- ❑ 1995:
 - ❑ VATS regulation was put in place that allows to liberalize VATS.

- ❑ 1997:
 - ❑ Turkey made commitments under the GATS agreement on basic telecommunication services to liberalise the Turkish basic telecommunication services market by 2006.



Liberalisation-II

- ❑ 1998:
 - ❑ Revenue sharing agreements of the two mobile operators were transformed to 25-year licences issued by the Ministry of Transport.

- ❑ 2000:
 - ❑ Telecommunications Authority was established as the sector specific regulatory body.

 - ❑ Two GSM 1800 licences granted to Aria (Is Bankasi-Telecom Italia consortium) and Aycell.

Liberalisation-III

2001

- Authorizations powers transferred to TA.

- All telecommunications services liberalised except national and international voice telephony services provided through fixed telecommunications infrastructure.

2004

- Turk Telekom's monopoly rights concerning voice telephony and establishment and operation of telecommunications infrastructure abolished.

- Market liberalised.

- 43 long distance telephony service providers authorized.

- Foreign ownership restriction at Turk Telekom was abolished. (Law No. 5189)



Liberalisation-IV

- ❑ 2005 and 2006:
 - ❑ Cable TV services of Turk Telekom structurally separated.
 - ❑ Infrastructure licenses granted.
 - ❑ Cable TV licenses granted.

Liberalisation-V

- Telecommunication industry and legislation in Turkey has gone through a number of significant changes in the last few years.
 - Laws
 - Law No.4502 ended monopoly rights of Turk Telekom
 - Law No.5189 abolished foreign ownership restriction at Turk Telekom.
 - TA's implementation
 - Authorization
 - Necessary regulations for liberalized market.



Mobile Market-I

- Two private company granted in 1994.
- Fixed line operator did not take part in mobile business until 2000.
- Two additional licences granted in 2000.
- Up to 2002 : 4 Mobile operators
 - Merger of Aycell and Aria (Avea, Feb. 2002)

Mobile Market-II

- Currently 3 mobile operators.
 - 2 operators: 900 Mhz
 - 1 operator: 1800 Mhz
- Number of subscribers : 46.2 million (May 2006)
- Penetration rate: % 66
- Telsim has recently been sold to Vodafone for 4.55 bn \$.



Fixed Market-I

- The state-run monopoly Posts, Telegraphs and Telephone (PTT) was divided into the General Directorate of Posts to provide postal and telegraph services and Turk Telekom created as a state company to provide telecommunications services in 1994.
- Turk Telekom became a commercial entity in 2000.
- The privatisation of Turk Telekom was initiated in 2004.
- Block sale of 55 percent of Turk Telekom's shares in 2005.
- The highest bid of USD 6.55 billion was provided by Oger Telecom.



Fixed Market-II

- The number of subscribers : ~19 million
- Penetration rate: % 27
- The number of data transmission service providers: 22
- The number of infrastructure service operators: 4



Internet Services-I

- Private ISPs have been operating since the second half of the 1990s under revenue sharing agreements with Turk Telekom.
- TA began to authorize ISPs in 2002.
- The number of internet service providers: 73



Internet Services-II

- TTNNet legally separated from Turk Telekom on 15.05.2006.
- TTNNet operates the internet backbone and provides internet access service to end users.
- Turk Telekom is obliged to provide ADSL with the methods of
 - Resale,
 - Bit-stream accessto ISPs.



Frequencies

- No exclusive or special rights for the use of radio frequencies except for military frequency band. (National Allocation Table)

- The assignment of radio frequency is made with basic principles such as equal treatment, transparency and non-discrimination.



Directory Services

- No exclusive or special rights with regard to the establishment and provision of directory services including both the publication of directories and directory enquiry services.

- Authorisation principles and procedures regarding directory services determined by the TA and relevant annex to “Authorization By-Law for Telecommunications Services and Infrastructure” published in Official Gazette on 6 July 2006.



Satellites

- There is not any regulatory prohibition or restriction on the offer of space segment capacity to any authorized satellite earth station network operator.
- Public institutions have to purchase satellite services from Turksat according to amended Annex Article 33 of Law No.406.

CaTV network

- No operators having special or exclusive rights in cable networks.
- Structurally separated from Turk Telekom in 2005.
- TA granted 4 Cable Platform Service Operators on 24 April 2006.
- Penetration rate of CaTV network % 1,6.



Thank you...