

# Possible wholesale fixed broadband regulations in Jordan

EMERG WORKSHOP

WHOLESALE REGULATION OF VERY HIGH CAPACITY NETWORKS  
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# Introduction

Population : 10 Million

Inflation : 3.7%

Unemployment: 18.7%

GDP growth:1.8%

GDP Per capita: 4100\$

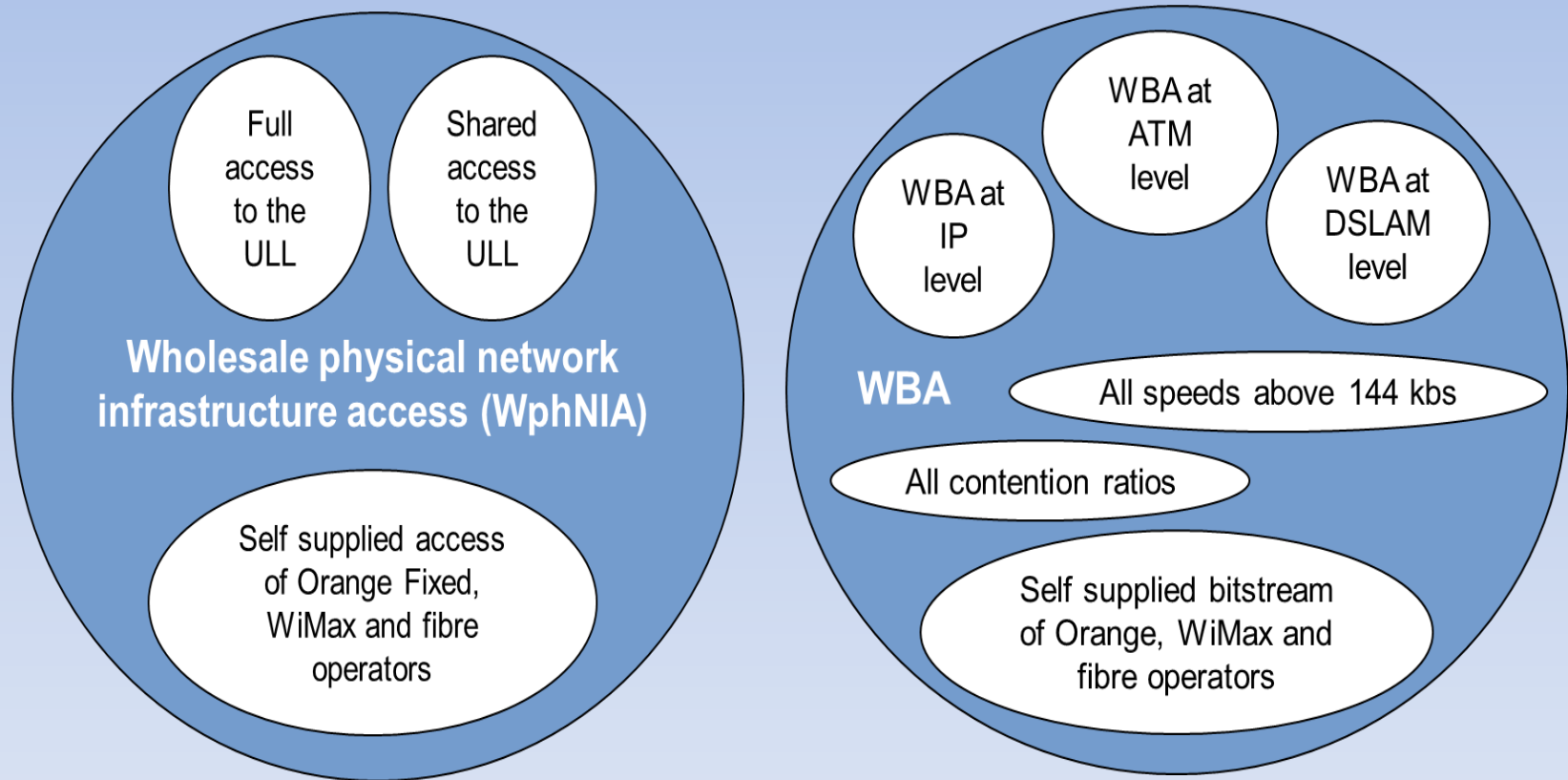
Estimated ICT contribution to GDP: 3.5%

# Introduction

- Mobile penetration: 85%
- Fixed Broadband penetration:3.9%
- Fixed telephony penetration:3.1%
- Number of licensees: 70 where 47 have class license.
- All Telecommunications markets are liberalized
- 3 MNOs
- 10 ISPs
- 2 TDD fixed LTE
- 7 FTTH providers

# Current Ex-ante regulations in fixed broadband markets

# Fixed broadband Markets susceptible for *Ex-ante* regulations



The incumbent Orange fixed has dominance position in both markets

# Ex-ante remedies

## Competition problem:

Denial  
of access, bundling

Discrimination (price  
& non-price; internal  
& external), vertical  
leveraging, margin  
squeeze

Excessive  
prices

## Prime remedy:

Access on reasonable  
request ( LLU, WBA)

Non-  
discrimination

Price  
control

## Supporting remedy:

Transparency  
(Reference Offer)

Accounting  
separation

Cost  
accounting (topdown  
LRIC)

# Fixed broadband challenges

- The regulations adopted in 2011 but the flowing factors affect the structure of the markets:
- Long time to negotiate Reference offers
- 5 years to approve RUO.
- No demand for all types of WBA .
- LLU become not attractive.
- New technologies deployment fiber and TDD LTE.
- Entry based of WBA products is not attractive due to low profit margin and no willingness to enter the market.
- Acceleration of FTTH deployment change the nature of competition.



# Structure of fixed markets in Jordan

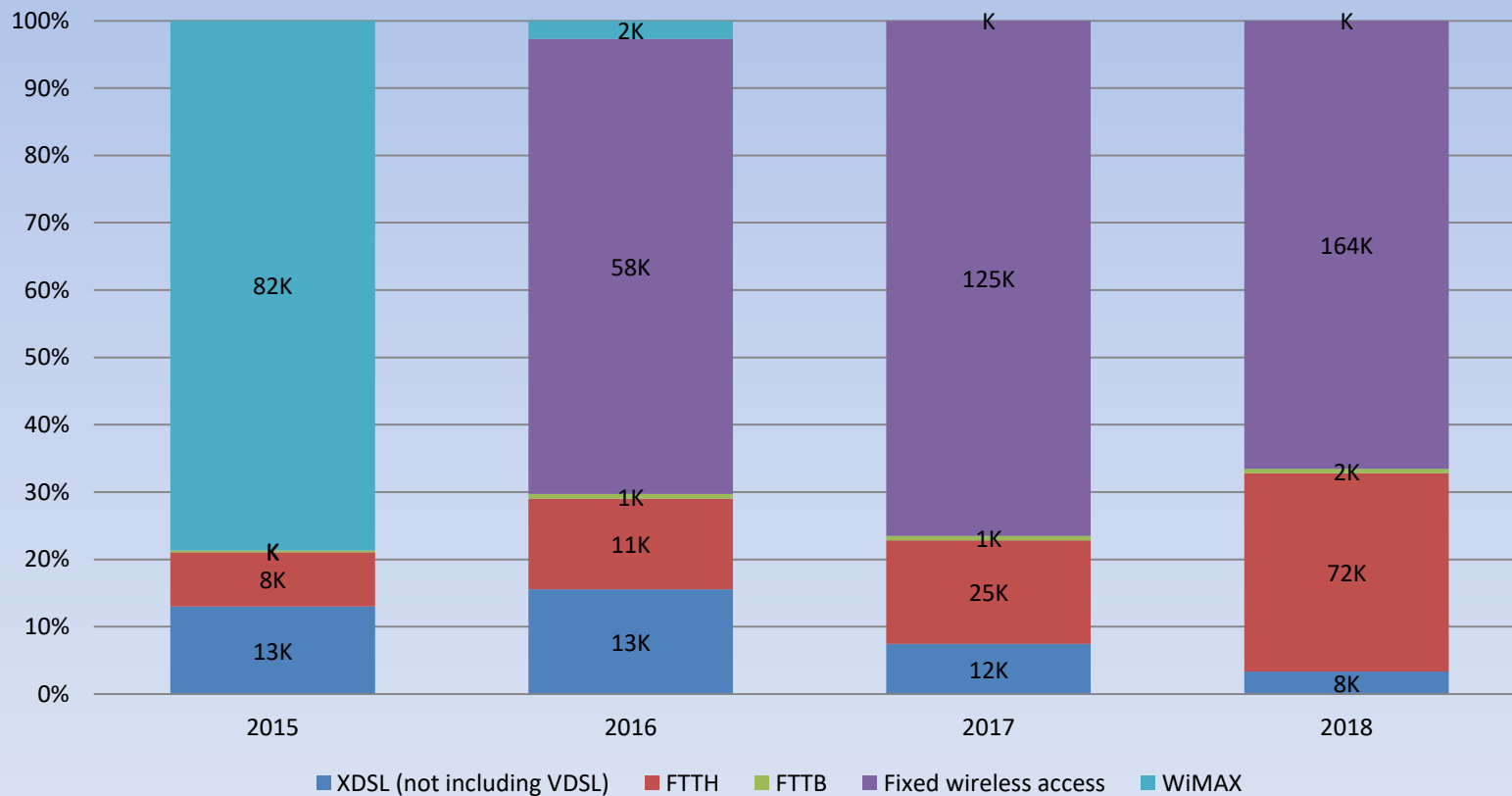
# Increasing trend toward fixed Broadband

Market Size - Active Lines Volume



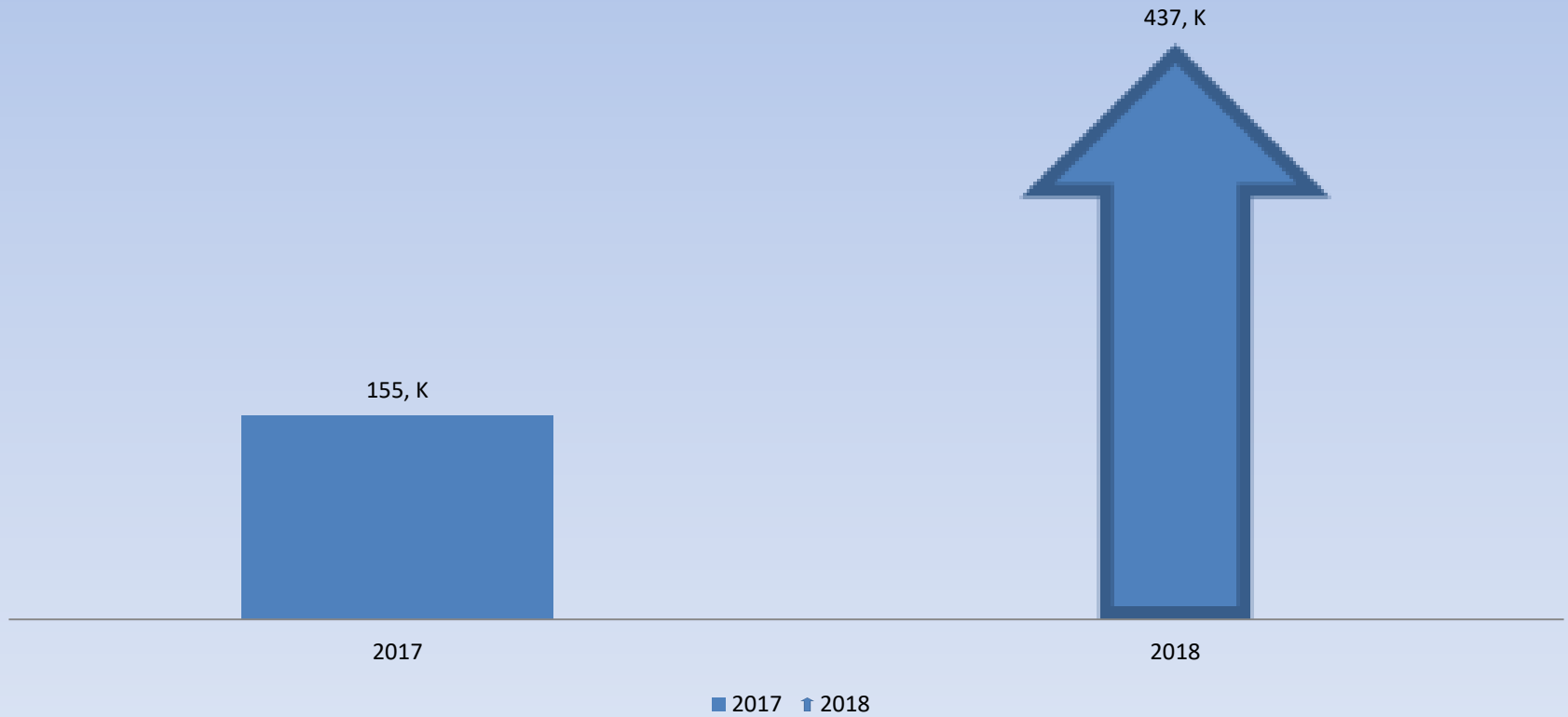
# FBWA is the leader with increasing FTTH and declining xDSL.

## Broadband by technology



# Rapid Deployment in FTTH coverage

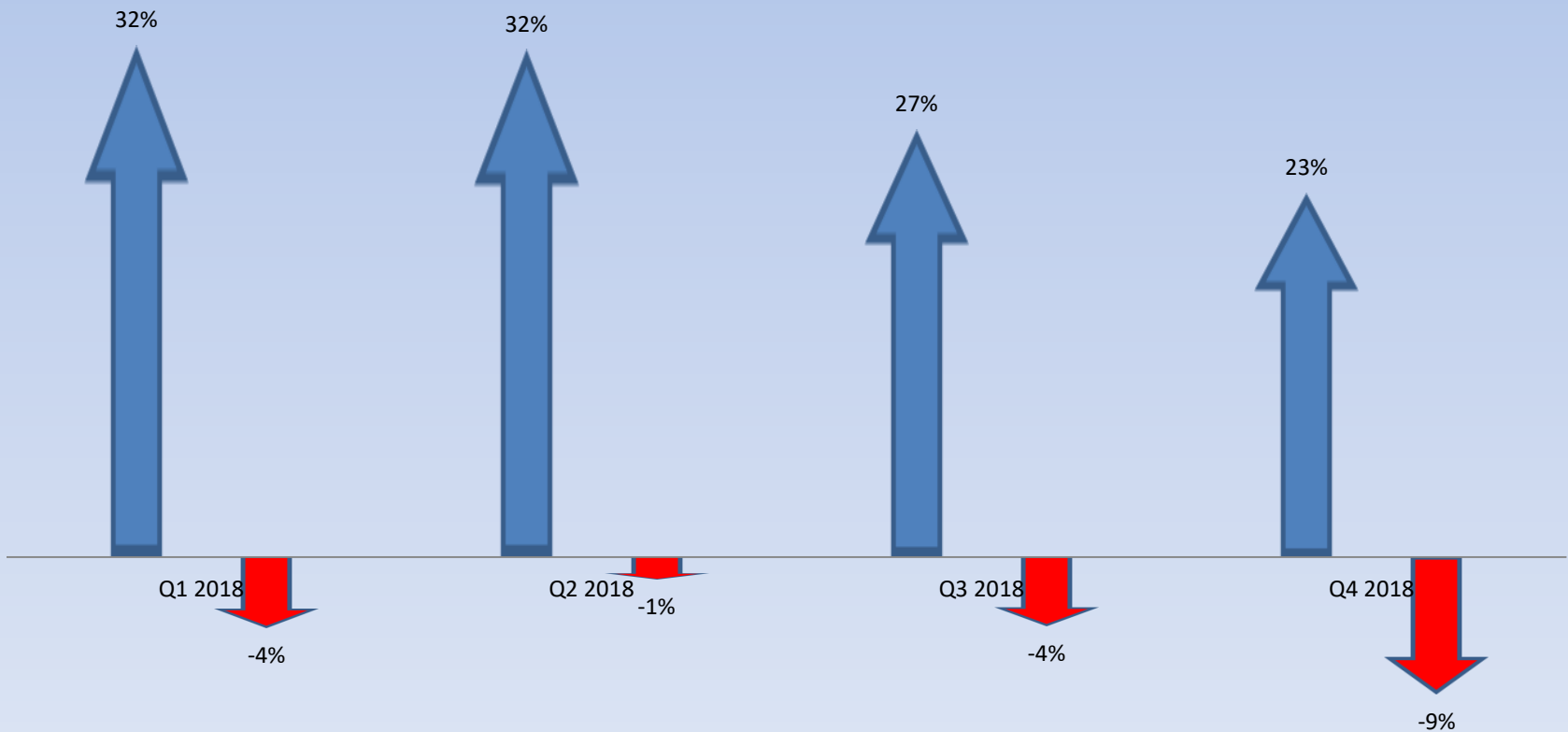
## FTTH Home coverage



# FTTH is the big winner

## xDSL Vs FTTH Growth

↑ FTTH ↓ xDSL



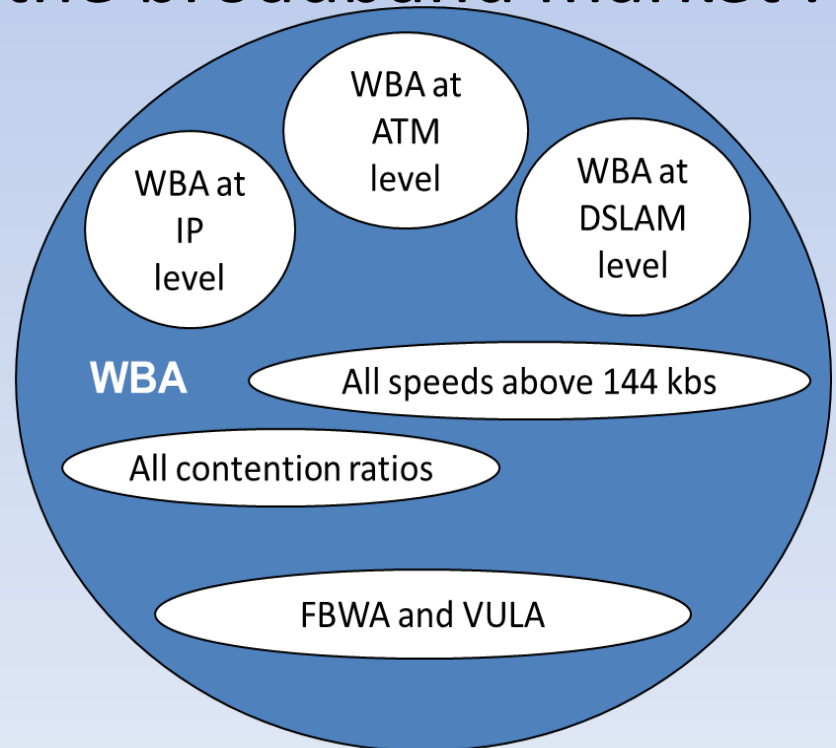
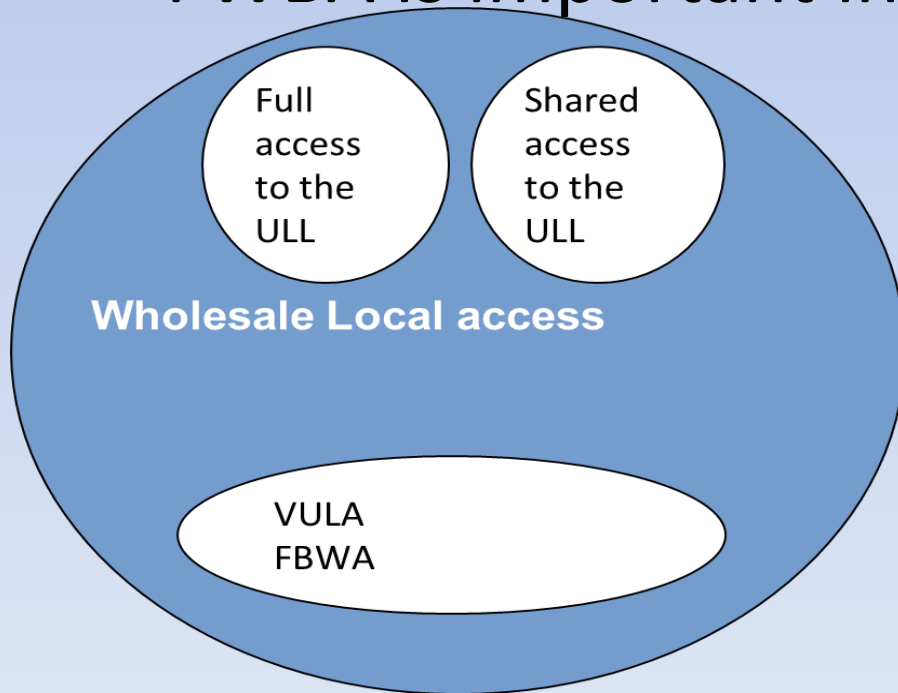
# Also .

- FTTH prices is very closed to xDSL but speeds are not comparable.
- FBWA is very attractive with high amount of data usage.
- FTTH prices is very dynamic in 2018.
- ISP attract customers by upgrading speed.
- So the regulation doesn't cope with current market structure and its burden on TRC and the incumbent.

# Possible future wholesale regulations

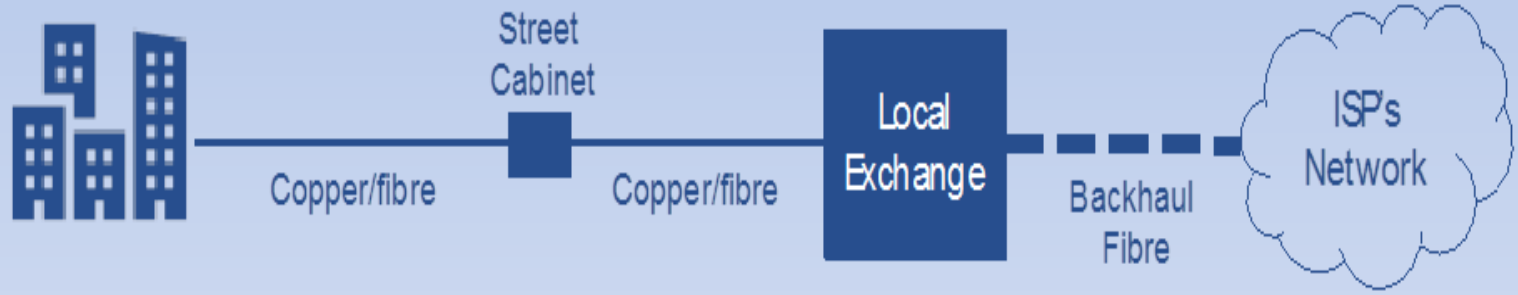
# The need to revise the markets

- Where the market moving toward fiber so physical unbundling is not feasible.
- FWBA is important in the broadband market .





Wholesale Local Access



Wholesale Broadband Access

# Effective remedy needed by considering the challenge of the market.

- General access obligations:
- Access upon reasonable request , but no demand on LLU and limited fiber deployment?
- Does access to Civil Engineering Infrastructure a good choice?
- The need to define the reasonable request( technical feasibility, sufficient demand)
- Reference offer before or after providing the service?

# Effective remedy needed by considering the challenge of the market.

- Non discrimination and transparency obligations:
- Non-discrimination monitored by KPIs about:
  - Ordering and supply of services: ( actual time taken to connect a service; average time to connect to a service; quality of supply could be measured by number of faults )
  - Maintenance: (time taken to repair any faults; overall number of faults)
  - Migration: ( time required to migrate between different services or products)

# Effective remedy needed by considering the challenge of the market

- Accounting separation or general accounting information?
- Cost accounting and price control but the relevant products is an issue? so cost based prices or margin squeeze test?
- If margin squeeze test how to deal with bundles and what are the cost standard.

-Thank you-