

Igniting Mobile Investment in Middle East and North Africa

Evaluation of mobile infrastructure policy readiness



February 2025

Introduction

As demand for high-speed, high-quality mobile connectivity continues to grow across the MENA region, it is critical that stakeholders work together to promote policies that help mobile infrastructure development.

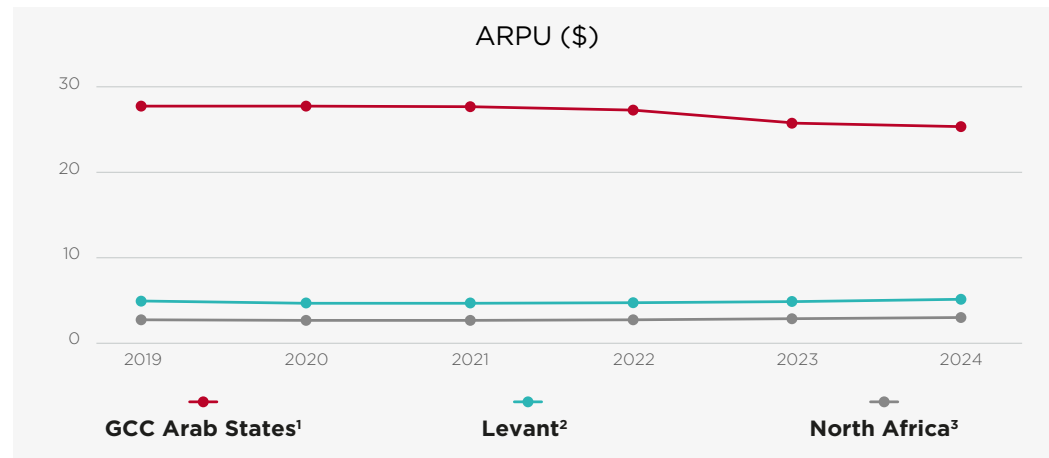
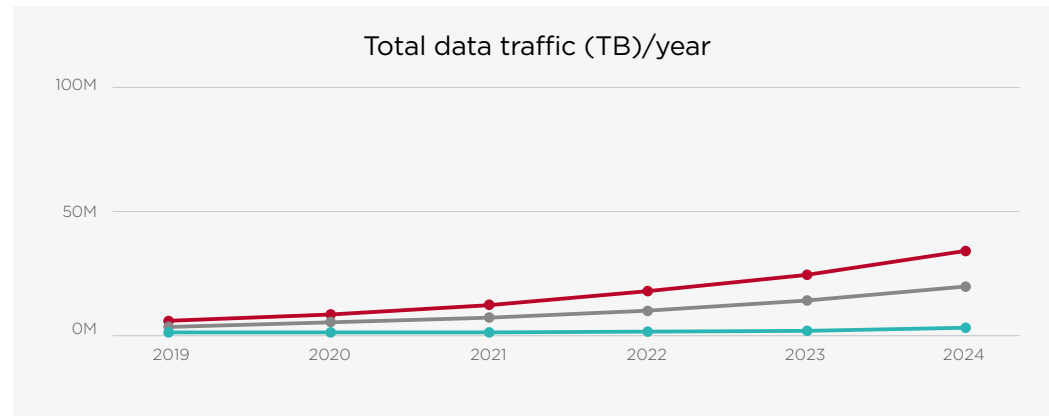
The GSMA has developed the Infrastructure Policy Readiness Framework, which supports regulators across the MENA region by providing an evaluation of selected countries' policies and regulations. This paper outlines key insights revealed by the framework's holistic approach, including the industry challenges, policy gaps and recommendations. By adopting these recommendations, regulators in the MENA region will create a more conducive environment for innovation and expansion of mobile connectivity.

For further information on this report and other infrastructure policy research studies, please contact: mips@gsma.com

1. Mobile operators face a challenging business environment

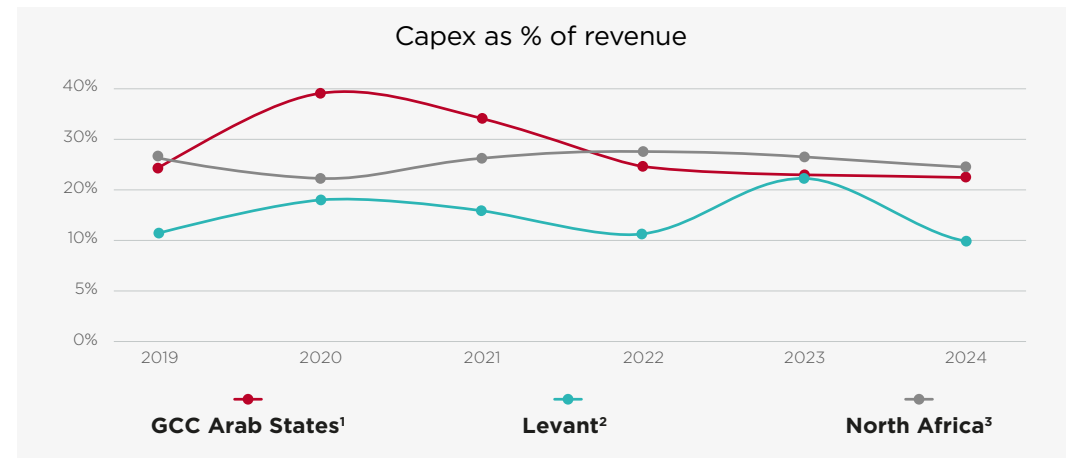
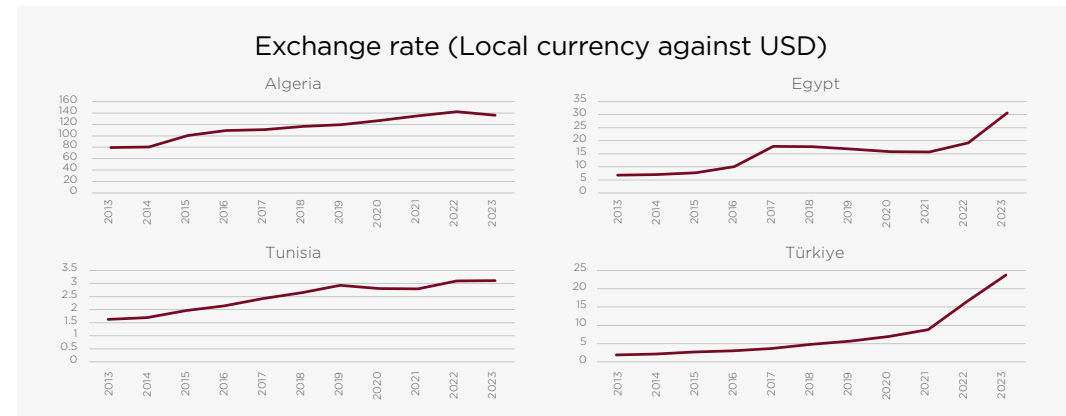
Mobile operators must continuously upgrade and expand to meet today's connectivity needs, while opening new possibilities for the digital future. Operators' ability to make these investments in the MENA region, however, is affected by an array of conditions.

A. Revenues have not kept pace with data traffic growth



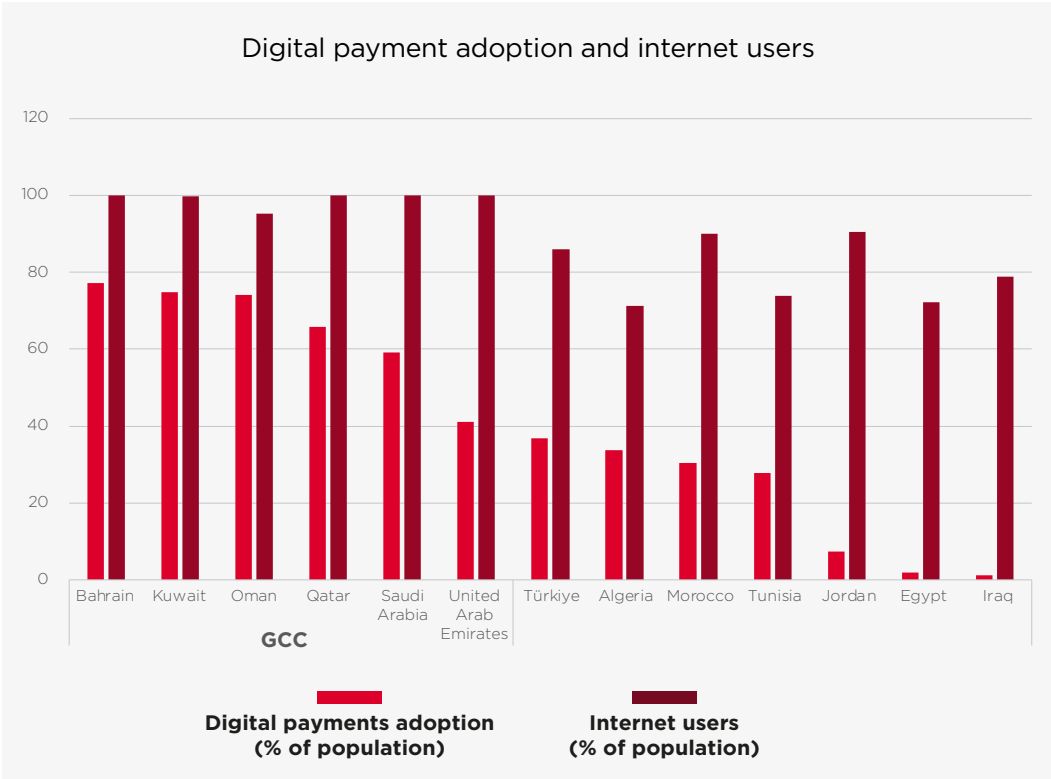
Source: GSMAi
 1. Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates
 2. Iraq, Jordan, Lebanon, Palestine, Syria
 3. Algeria, Egypt, Libya, Mauritania, Morocco, Tunisia

B. Tough business and macro-economic environment



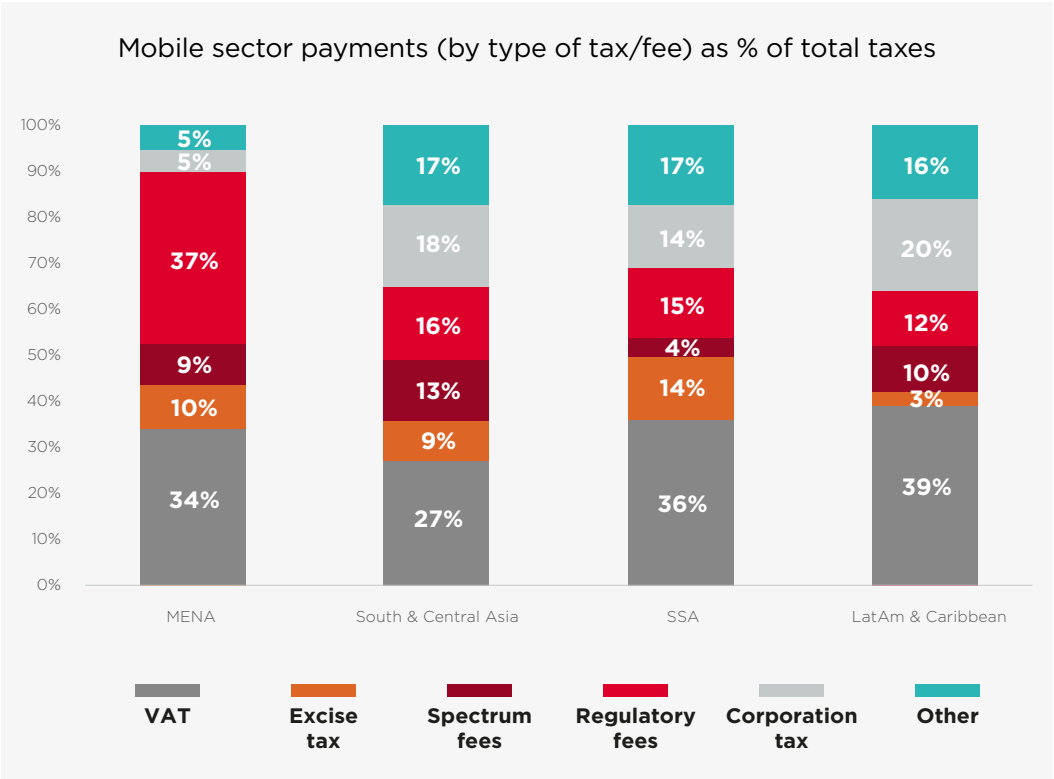
Sources: World Development Indicators- World Bank, GSMAi

C. While Internet users have grown, adoption of digital payments show marked disparities



Sources: World Development Indicators 2023, Global Findex Database 2021

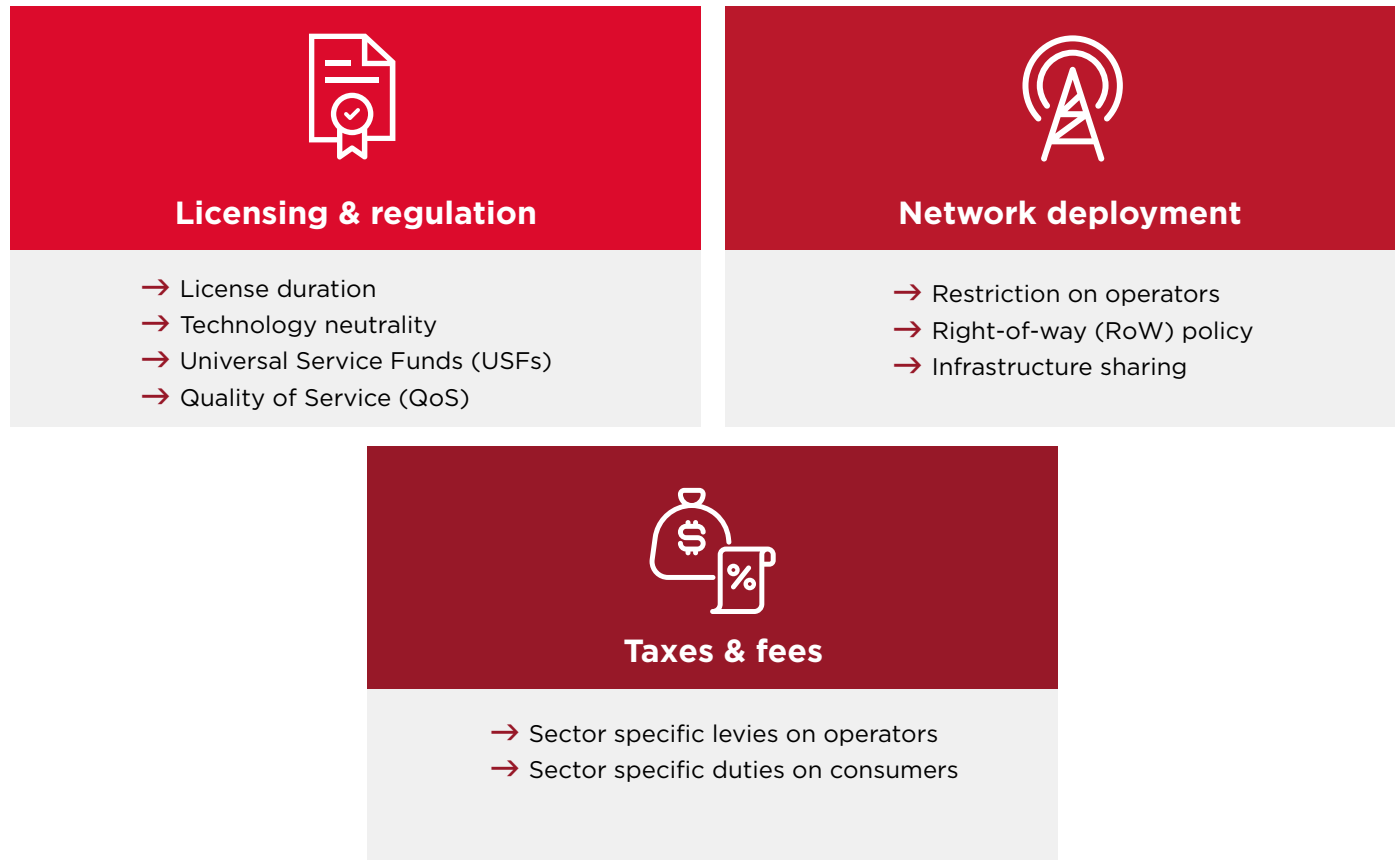
D. High sector specific taxes, with significant revenue-based levies



Sources: Operator data (2022) and GSMA analysis

2. Policies impacting mobile infrastructure development

Utilising the MIPS¹ framework, the GSMA reviewed relevant policies in the MENA region to identify policy barriers, hindering mobile infrastructure investment. These are grouped under three broad themes, i.e. licensing & regulation, network deployment and taxation.



1. <https://www.gsma.com/solutions-and-impact/connectivity-for-good/public-policy/mips-evaluating-your-national-policy-environment-for-mobile-sector-investment/>

Key policy issues requiring improvement

The key policy issues for the above themes are highlighted for 13 markets in the region. The dot (●) highlights the areas where there is scope for improvement.

		GCC												
Theme	Issue	Algeria	Egypt	Iraq	Jordan	Morocco	Tunisia	Türkiye	Bahrain	Kuwait	Oman	Qatar	Saudi Arabia	UAE
Licensing & regulation	Short license duration ¹	●	●	●			●	●	●		●	●	●	
	License not technology neutral		●	●		●	●	●						
	Presence of USF ²	●		●		●	●	●					●	
	Extensive QoS Regulation (E.g. Stringent Call drop ³)	●	●	●	●	●	●	●	●	●	●	●	●	●
Network deployment	Operators not allowed to deploy fiber		●	●					●	●				
	Operators not allowed to deploy international gateway			●						●				
	Absence of RoW policy/ guidelines		●	●	●	●				●			●	
	Active infrastructure sharing not allowed			●						●		●		
	Spectrum sharing not allowed		●	●	●		●	●	●	●				●
Taxes & fees	Sector-specific revenue-based levies on operators	●	●	●	●		●	●	●	●	●	●	●	●
	Sector-specific excise duties on consumers	●	●		●		●	●						

1. Less than 20 years, 2. Doesn't measure its effectiveness, 3. Compared to ITU recommendations

3. Recommendations: Policies to enable infrastructure investment

Policymakers should actively create an investor-friendly environment for infrastructure development. Reducing investment risks would also support the sustainable expansion of telecommunication networks, particularly as the demand for high-speed connectivity continues to rise. By learning from other markets that have successfully implemented best practices, policymakers and regulators can take specific steps to boost investment in advanced mobile connectivity.

In this section, we provide recommendations based on our Mobile Network Investment Framework¹, where each policy action is based on broad principles and has been tailored to be relevant to the policy barriers specific for the MENA region.



Flexibility to operate

- ✓ Modernise licensing framework
- ✓ Convenient network deployment rules



Fairness of regulatory framework

- ✓ Minimise regulatory intervention
- ✓ Legal and regulatory certainty
- ✓ Transparent and evidence-based decision-making



Fiscal burden reduction

- ✓ Minimise sector-specific revenue-based fees on operators
- ✓ Remove sector-specific levies on consumers
- ✓ Adopt broad-based taxation



Facilitation by government

- ✓ Digital transformation in public service delivery
- ✓ Promote development of digital economies
- ✓ Enabling regulatory environment for telco and financial services

1. Energising Mobile Network Investment: <https://www.gsma.com/publicpolicy/resources/Energising-Mobile-Network-Investment>



Flexibility to operate

Principle	Recommendations
Modernise licensing framework Licensing authorities should progressively modernise the licensing framework	<ol style="list-style-type: none">1. Provide longer license periods for investment certainty and include presumption of license continuity. Example: Jordan provides 25 years of license2. If an existing USF cannot be managed effectively within a reasonable time frame, it should be phased out. Example: Bahrain, Kuwait, Jordan, Oman, Qatar & UAE don't have USF contribution.3. Allow technology neutral licensing. Example: Algeria, Bahrain, Kuwait, Türkiye, Jordan, Oman, Qatar, Saudi Arabia & UAE provide technology neutral licensing.
Convenient network deployment rules Countries should use network infrastructure policies to promote investment	<ol style="list-style-type: none">1. Remove restrictions that prevent operators from deploying fibre. Example: Saudi Arabia, Türkiye, UAE, Jordan, Oman & Qatar allow operators to deploy fibre.2. Countries in MENA region should have streamlined processes for securing Right of Way to help faster deployment. This includes facilitating installation of towers. Example: Türkiye, Qatar, UAE have provided some RoW details within the existing laws. Other countries like Bahrain and UAE have separate regulations.3. Create enabling framework that encourages and allows voluntary infrastructure sharing (active, passive) and spectrum sharing/trading. Example: Saudi Arabia allow spectrum sharing. Bahrain, Türkiye, Jordan, Saudi Arabia, UAE & Egypt allow active infrastructure sharing.



Fairness of regulatory framework

Principle	Recommendations
Minimise regulatory Intervention In competitive mobile markets, the regulator should keep interventions to a minimum	Competitive markets with different commercial offerings and information that allow consumers to make informed choices are best able to deliver the quality of mobile service. Regulation that rigidly defines a particular service quality level is unnecessary. If regulatory authorities are concerned about service quality, they should engage in dialogue with the industry to find solutions.
Legal and regulatory certainty Provide certainty and clarity on key regulatory issues	In markets with licensing frameworks that do not already provide for the operation of independent tower companies, regulatory authorities should either permit independent passive infrastructure companies to operate without sector specific authorisation or establish a registration scheme for such companies.
Transparent and evidence-based decision-making Transparency in stakeholder engagement process help improves the quality of regulatory decisions and regulatory certainty	<ol style="list-style-type: none">1. Consult operators before amending existing or proposing new regulation supported by detail market assessment. Example: Bahrain, Jordan, UAE & Qatar publishing documents on their websites.2. Consider mechanisms such as regulatory impact assessments and regulatory appeals.



Fiscal burden reduction

Principle	Recommendations
Minimise sector-specific revenue-based fees on operators	<p>Regulatory fees on operators' gross revenue should be reduced and adjusted to account for revenues from non-regulated activities.</p> <p>Example: Kuwait imposes a regulatory fee of only 1% on revenue.</p>
Remove sector-specific levies on consumers	<p>To promote digital and financial inclusion, levies such as excise duties on mobile services should be eliminated.</p> <p>Example: Tunisia, Saudi Arabia, Bahrain, Qatar & Kuwait do not impose sector-specific levies on consumers.</p>
Adopt broad-based taxation	<p>The mobile sector should be taxed under a broad-based tax regime rather than through sector-specific levies.</p> <p>Example: In most advanced markets like the UK, USA & EU countries, there are no sector-specific taxes on the mobile sector.</p>



Facilitation by government

Principle	Recommendations
Digital transformation in public service delivery	<p>Promote the adoption of digital technologies across various sectors and applications in public service delivery to stimulate citizen demand for e-government solutions.</p> <p>Example: The UAE, Egypt, Jordan, Kuwait, Qatar, Saudi Arabia, Türkiye, Oman & Tunisia have implemented online government service portals.</p>
Enabling regulatory environment for telco and financial services	<p>Create an enabling environment for collaboration between mobile operators and fintech firms, leveraging widespread mobile network access to enhance digital commerce and payment solutions.</p> <p>Example: Fintech sandboxes have been introduced in Dubai, Egypt, Saudi Arabia & Qatar.</p>
Promote the development of digital economies	<ol style="list-style-type: none">1. Support data safety and security Example: Bahrain, the UAE, Egypt, Jordan, Qatar, Saudi Arabia, Oman & Türkiye have enacted cybercrime and cybersecurity laws.2. Push digital literacy Example: The UAE National Program for Coders trains coders and supports the creation of digital startups.3. Encourage digitalisation of companies Example: The UAE NextGenFDI initiative facilitates the expansion of global digital businesses.



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