

# UAE welcomes mobile number portability

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Most people are closely attached to their mobile numbers and some people even pay a considerable sum for a distinctive number, usually one which is memorable. Over time, a mobile number seems to become a part of a person's identity.

The Telecommunications Regulatory Authority ('TRA') reported in July 2013 that the UAE mobile services market had almost 15 million active mobile subscribers with approximately 1.8 mobile subscriptions per person.

Currently, if a person wishes to change operator they will lose their mobile number. This makes people reluctant to change operators and so stifles competition. The TRA however has now announced measures that will allow a person to keep their mobile number despite changing operators. This article looks at these new measures and the likely impact they will have.

## **The Telecommunications Market**

Traditionally, telecommunication markets have one large operator (usually the original Government-owned telephone company, also known as the 'incumbent' operator), smaller operators, a well developed local and international infrastructure and a large customer base. In the UAE, the incumbent operator is Etisalat and the smaller operator in the mobile services market is du.

In order to stimulate competition in the mobile services market, barriers that hinder competition need to be removed or their impact reduced. In some markets, the solution may be the introduction of more mobile operators, or the licensing of Mobile Virtual Network Operators ('MVNO') e.g. FRiENDi in Oman. MVNOs do not own their own physical telecommunications networks but have agreements with the other telecoms operators to use their networks.

Further, as mobile numbers are a limited resource, the management of the numbering system needs to be closely regulated so that the competing operators are treated fairly and equitably in the issuing of mobile numbering blocks.

The TRA has carefully considered the various approaches to increasing competition in the mobile market at this time of the technology cycle. It has decided that now is an appropriate time to introduce "Mobile Number Portability" ('MNP') to pursue this goal.

## **The mobile telephone numbering system**

Mobile telephone numbers are given out by the TRA, in large blocks, to each of the mobile operators. The operators then effectively have exclusive control over those particular numbers for a lengthy period.

At present, if someone has an account and a mobile phone number with one operator and sees a better offer from another operator, moving the account is generally a time consuming and sometimes costly endeavour. The subscriber will need to cancel the existing mobile contract and give up the mobile number to the original operator. The subscriber will then need to open a new account with the new operator and receive a new number. All the subscriber's previous contacts will need to be informed of the new number,

with the risk that some contacts will be lost as a result of the change.

## **What is happening?**

The situation described above is about to change. After discussions between the TRA and the two mobile operators in the UAE, the TRA plans to introduce Mobile Number Portability to the market, possibly as soon as December this year. This will allow subscribers to move from one operator to another operator and keep their original mobile number (also known as 'porting' the number).

## **How will it work?**

MNP can be a difficult technical solution for operators to introduce, and requires close collaboration between regulators and operators on matters such as the technical architecture, guidelines on cost allocation, recovery, tariffs, rules for porting numbers and the ability for the solution to integrate with future technologies.

Porting mobile numbers in the UAE will be a 'recipient-led' process. This means that if a subscriber wants to change to a new operator, all they will need to do is contact the new operator. That operator will then contact the old operator on behalf of the subscriber and make arrangements for the mobile number to be ported to the new operator's network. This avoids the need for the subscriber to make contact with the original operator.

In every case where MNP is introduced there is a debate about the "porting time", or the time it takes to switch over the number from one operator to another. Regulators seek to keep this to a minimum, in some cases to a few hours, to give the greatest benefit to the consumer. Such short turnaround times can be challenging for the operators and the MNP service provider (who typically will run the MNP system on behalf of the operators and the TRA), especially in dealing with surge periods such as weekends and evenings. It will not be until the system is operational that we will have a true indication as to the porting time in the UAE.

## **The rationale for MNP**

There are many arguments for the introduction of MNP:

- From a regulator's perspective, it will increase competition in the mobile market and ultimately result in better services and choices for consumers between two strong competitors (Etisalat and du). It should also make the market more attractive for future investors.
- From an operator's perspective, it may be an opportunity to increase market share, offer new services and increase the loyalty of existing customers. These opportunities are driven by the knowledge that an operator's subscribers can more easily switch to another operator under MNP. There is every incentive for operators to become more competitive in holding on to existing customers and attracting new ones.
- From the consumer's perspective, MNP will lead to better value products, better quality solutions and eliminate previous problems such as losing the original number and needing to advise all contacts of a new mobile number, reprinting business cards and so on.

## **Impact on operators**

It is expected that MNP will increase customer "churn" (one operator losing customers to another operator) which, depending on the position of the particular operator, will either benefit it if it gains more customers, or will be detrimental if it loses customers to a competitor.

In order to attract or keep customers, it is expected that operators will become more competitive by launching products at attractive prices and further developing their product offerings.

Another factor which impacts operators is the cost of developing and maintaining a MNP system and the

porting process. Despite this cost, it is expected that the prices for mobile services will decrease.

### **MNP and the UAE**

There are a high proportion of prepaid subscribers in the UAE and, if experience in other countries can be a guide, it is expected that those subscribers are generally less concerned about retaining their mobile numbers than post-paid subscribers. The flip side of this is that pre-paid subscribers may be more sensitive to price, service and quality and as such, may continue to churn without using MNP despite its introduction. It will be interesting to see what impact, in any, MNP will have on how prepaid subscribers behave.

As with any major IT project and particularly one which requires complex new technical solutions, it would not be surprising if there were some teething problems when MNP is launched. This may range from how quickly the porting process takes place to how a person's bad debt with an operator may delay the porting of a number.

Regardless of this, the TRA is confident that MNP will ultimately improve the level of service available to customers.