هيئة الإتصالات وتقنية المعلومات
Communications and Information Technology Commission

www.citc.gov.sa

Annual Report
2014


بسم الله الرحمن الرحيم
١٤٣٠

The Custodian of the Two Holy Mosques

King Salman Bin Abdulaziz

His Royal Highness

Prince Mohamad bin Naif bin Abdulaziz

Crown Prince & Deputy Prime Minister

His Royal Highness

Prince Mohamad bin Salman bin Abdulaziz

Second Deputy Prime Minister

Table of Contents

CITC Board of Directors

The CITC Board of Directors

H.E. Eng.
Dr. Mohammed I. Al-Suwaiyel
Minister of Communications
and Information Technology (MCIT)
Chairman

H.E. Eng.
Abdullah A. Al Darrab
CITC Governor
Deputy Chairman

Dr.
Abdul Aziz M. Al Suwailem
KACST
Member

Mr.
Fahad A. Al-Dakkan
Ministry of Finance
Member

Mr.
Omar M. Al Turky
Ministry of Communicaions
and Information Technology
Member

Mr.
Majed A. Al Bawardi
Ministry of Trade and Industry
Member

Dr.
Abdulaziz A. Al Gwaiz
Private Sector
Member

Dr.
Saeed T. German
Private Sector
Member

Dr.
Khalid S. Al Rajhi
Private Sector
Member

Chairman's Statement

In a period during which regulation played a pivotal role in driving global Information and Communications Technology (ICT) sector development, the regulatory role in the Kingdom evolved in line with global trends and by creating an effective competitive environment, contributed directly to growth, diversity and quality of ICT services. Studies have shown that there is an inverse relationship between the level of competitiveness and maturity of ICT markets, and the amount of regulation required. In other words, the more sector markets are liberalized and operate efficiently and competitively, the less the need for regulatory measures to be applied.

The ICT sector is a major driver of national economic growth. It is one of the key factors supporting development and the rise of dynamic industries based on skilled manpower development. The Government of the Kingdom of Saudi Arabia under the leadership of the Custodian of the Two Holy Mosques, and His Royal Highness the Crown Prince and His Royal Highness the Deputy Crown Prince – may God protect them – realized the importance of the ICT sector and worked to support and vitalize it given its distinct ability to enhance development of the national economy; to raise productivity through private sector development that is open to competition; to attract investment and modern technologies; and to improve the performance of government agencies and organizations.

The Ministry of Communications and Information Technology and the Communications and Information Technology Commission had a leadership role during the past years in creating a positive and stimulating investment environment in the Kingdom. Liberalization of the ICT sector was executed successfully. Modern technologies were introduced into the ICT networks, the variety of services offered was increased while raising their quality and lowering prices.

Despite the challenges presented by the large area of the country and the wide distribution of its population, the Kingdom has achieved great success in the deployment of ICT services and in promoting their use, especially after it pursued a privatization program, liberalizing the services markets and opening them to competitive provi-

sion of advanced ICT services throughout the Kingdom in a comprehensive manner, with high quality and with affordable prices. It is the great support of the government that is the primary enabler for reducing the developmental gaps between regions through funding of CITC universal service projects for the delivery of voice and Internet services to all remote areas in stages with the aim of providing coverage to all towns, villages and populations with basic telecommunications services.

As a result, the Kingdom today has a strong ICT network infrastructure, capable of providing all modern services and accommodating the high data flow resulting from the use of these services and applications, thus supporting a knowledge-based economy, and achieving our government's goal of building an information society. The Kingdom recorded a high penetration of mobile phones in 2014, reaching 170%. The broadband Internet network has assumed a leadership role in the process of ICT growth, with a high prevalence of broadband services via mobile communications networks, which grew from 9.7% penetration in 2010 to 94.5% by the end of 2014, while penetration of broadband services over fixed telecom networks grew from 27.3% in 2010 to 54% by the end of 2014. In the field of e-Government Readiness, the Kingdom reached a world ranking of thirty-sixth in 2014 compared to forty-first in 2013.

With availability of all the above, and with the Kingdom's implementation plans starting in 2015 relating to the national strategy for transition to an information society and a knowledge economy, as well as the second five-year plan for Communications and Information Technology (2015- 2019) currently in the process of approval, this will put Saudi Arabia in a leading position in the era of knowledge and informatics.

From these optimistic and promising starting points, on behalf of the Board of Directors, I am pleased to present the CITC Annual Report for 2014. The report contains the overall achievements of the Commission and its activities and programs during the year. I would also like to take the opportunity to give thanks to His Excellency the Governor of CITC, and to Their Excellencies the members of its Board of Directors, and to all employees for their sincere efforts to achieve its objectives, and their determination - God willing - to achieve the vision and expectations of our government, and to accomplish our mission with faith and sincerity, so that our contribution to the achievements of our dear homeland will continue.

.

Dr. Mohammed I. Al-Suwaiyel
Chairman of the Board

Governor's Statement

The Communications and Information Technology Commission continued to carrying out its key responsibilities in the development of ICT services. It undertook liberalization of the services markets and their transformation from monopoly to competitive status by involving the private sector, developing regulatory frameworks and mechanisms for proper implementation of each liberalization stage, and issuance of licenses to many qualified companies; and in this way, fair competition was regulated and encouraged. These efforts have made ICT a reality which is present in our daily lives.

In most countries, access to ICT resulted in fundamental changes in peoples lifestyle, and has become as important as access to water and electricity. This radical change emerged in the past decade, and was not limited to use of ICT services. It also changed the way we communicate through the establishment of a "global village" with which everyone everywhere is associated and through which everyone can stay in constant contact. The changes also contributed to defining the shape of world economies. Thus, the ICT sector has become an essential contributor to economic growth and job creation. It has also become an essential source of financing for treasuries, and contributes indirectly to economic development in general. Many sectors such as health, education, government, business and commercial sectors, among others, use ICT solutions to achieve significant benefits, and accomplish work smoothly and effectively. Thus, the so-called double effect on economic growth and employment opportunities was created.

Pursuant to the vision of the Government of the Kingdom led by the Custodian of the Two Holy Mosques, His Highness the Crown Prince and His Highness the Deputy Crown Prince – May God Protect Them - that investment shall be the main driver of economic development, CITC has continued its efforts to create a suitable environment for investors based on the establishment of a transparent and fair regulatory environment which ensures fair competition for all investors, while attracting the latest ICT technologies in order to provide the end user with the most modern and highest quality services.

During 2014, CITC carried out many tasks, most notably the granting of two new licenses for providing Mobile Virtual Network Operators services in order to encourage competition in the mobile services market and to increase choice for users. CITC also initiated procedures for licensing broadband satellite services

in order to extend the reach of broadband services which have become essential for electronic applications, especially e-government applications, and to meet the needs of individuals and of the business sector. The number of issued licenses increased to 325 from 309 at the end of 2013. This demonstrates the desirability of investment in ICT markets in the Kingdom.

Pursuant to its approach of promoting competition, protecting the interests of users and encouraging the provision of reliable ICT services at reasonable prices, CITC initiated a project to regulate the prices of wholesale national voice call termination services, in addition to regulating the prices of ICT services provided to end-users and working to reduce them. Also CITC prepared guidelines and rules covering the implementation of shared ICT network infrastructure to encourage the deployment of services within a fair competitive environment; allowing all licensees to provide their services while minimizing excavation works or their duplication by licensees; reducing inconvenience and inefficient utilization of the roads; in addition to reducing the costs and duplication of investment associated with these network deployments. This year also witnessed further efforts to raise the readiness of the Kingdom to move to IPv6, which will allow the provision of a large number of Internet addresses to meet the current and future global requirements. The Kingdom's experience in this regard was highly appreciated worldwide.

In the area of ICT services and end-user protection, around 31,656 user complaints were addressed representing 0.055% of subscribers of fixed and mobile telecommunications services. A call center dedicated to receiving and following–up complaints was established for the convenience of ICT service users and to resolve their issues. Also, work was started on an integrated electronic system designed to address violations of the Telecommunications Act and to shift from a paper-based to an electronic work process; as well as to conduct online supervision of performance and escalation; to standardize procedures and forms, to ensure statutory procedures are respected, and to enable issuance of the necessary reports and indicators. In addition, an online system was developed to provide Frequency Spectrum Services via the Internet. All these processes were established as part of CITC's plan for transition to a smart environment.

As part of the deployment of telecommunications services to remote areas which are not commercially viable, voice services and Internet services were provided to about 4,326 localities. Several other projects were also established and are currently being implemented to provide services to more than 17,108 localities in non-commercially viable remote areas in the Kingdom.

This report addresses many of the projects and programs that aim to develop the ICT sector and extend its benefits to various areas of development. I would like to take this opportunity to thank His Excellency the Chairman of the Board and Minister of Communications and Information Technology, Their Excellencies the Members of the Board, and all the CITC staff for their efforts. I'd like to also thank all those who contributed to the success of the work of the Commission.

.

Eng. Abdullah Abdulaziz Al Darrab
Governor

1. Executive Summary

Pursuant to Royal Decree No. 53703 dated 19/12/1433H, which emphasized the importance for all Ministries and other Governmental Agencies to act on article 29 of the Council of Ministers Rules that were issued under Royal Decree A/13 dated 03/03/1414H, and which required raising to the Chairman of the Council of Ministers, within ninety days from the beginning of each fiscal year, a report on achievements relative to what was stated in the general Development Plan during the elapsed financial year, identifying difficulties faced and proposals for improvements; and pursuant to the stipulations in Article 16 of the CITC Ordinance, this Report has been prepared and includes the most important achievements of the Commission during the fiscal year 1435/1436H (2014G), what was accomplished compared to the Ninth Development Plan 1431/1432 to 1435/1436H (2010-2014G), as well as the main activities and tasks carried out by the Commission during the past year.

This Report highlights the major activities, achievements and studies of CITC during fiscal year 2014. These are summarized below:

I- Promotion of Competition and Sector Development:

CITC issued new licenses for a number of different services. The total number of licenses issued reached 325 by the end of 2014 compared to 309 at the end of 2013, which demonstrates the attractiveness of investment in Information and Communications Technology (ICT). Two licenses were issued for Mobile Virtual Network Operator (MVNO) services with a view to promoting competition in the mobile services market, increasing investment in this important sector and enhancing choice for users. In addition, CITC initiated the preparation of necessary documentation for a public consultation on licensing of broadband satellite services with the objective of extending the reach of broadband services, which have become essential for e-based applications, in particular e-government applications, and to meet the needs of individuals and businesses.

Furthermore, pursuant to its mission of promoting competition, protecting the interests of users and encouraging the provision of reliable ICT services at affordable prices, CITC undertook the following:

- Studied the prices for wholesale termination of voice calls on mobile and fixed telecom networks
- Initiated a project to update the ICT Market Definition, Designation and Dominance report with a view to establishing regulations to prevent anti-competitive behavior
- Initiated a project to study the ICT market and to develop indicators for that market
- Worked on updating the Interconnection Guidelines as well as developing Guidelines on implementation of shared fiber infrastructure

- To further promote competition, implemented new procedures for mobile number portability and worked to resolve related user complaints, which amounted to about 1100 in 2014. This resulted in 500,000 numbers being ported between licensed service providers.
- Continued to update disaster recovery plans.
- Continued the role of the Saudi Network Information Center (SaudiNIC) in registering and administering Internet domain names.
- Continued working on increasing readiness of the Kingdom for the transition to Internet Protocol version 6 (IPv6).

II- Consumer Protection:

CITC worked to deal with the complaints of users of ICT services. 31,656 complaints were received, representing 0.055% of fixed and mobile telecommunications service subscribers. 97% of the complaints received were handled during 2014. In order to facilitate the process for ICT users and expedite resolution of their issues, a dedicated call center was created to receive and follow-up complaints. During 2014, 58,126 calls were received to follow-up complaints filed through the center. Furthermore, a link was established with the National Contact Center, which responds to public inquiries and to users of e-government services and provides technical support services.

In addition, a number of automated systems were developed to improve the effectiveness of CITC operations through internal and external process automation, with the objective of moving from paper to electronic transactions and to enable e-management of performance and escalation and standardization of procedures. These included systems for processing of telecommunications statutes violations, for following up juridical cases, as well as for licensing and type approval of ICT devices to enable electronic submission of applications, follow-up on their status, and printing of certificates of conformity directly from the system.

In addition, CITC continued to perform its duties by:

- Regulation of the prices of ICT services.
- Application of quality of service indicators.
- Providing Internet filtering services.
- Following up on the performance of telecommunications service providers to ensure high-quality services to those performing Hajj and Umrah.
- Conducting field measurements on the levels of electromagnetic radiation.
- Continuing National Center for Information Security activities to promote cyber security and provide a safe environment for electronic transactions.

III- Management of Scarce Resources:

In the field of management of scarce resources, CITC continued its spectrum management activities and followed up on establishing an up-to-date spectrum management system. CITC also continued managing numbering resources in accordance with the updated National Numbering Plan (NNP).

IV- Regulatory Environment and Transparency:

CITC initiated the development of rules and regulations to be observed by parties implementing ICT infrastructure in new residential, commercial and government developments. The aim of these regulations is to encourage the deployment of services in a fair competitive environment that will allow all licensees to offer their services within those developments while reducing the costs and limiting duplication of investment, and at the same time, minimizing repetitive excavation work that causes inconvenience to residents and disrupts the efficient use of the roads.

In line with its role of monitoring the performance of ICT services markets, CITC has studied the data from the markets and from the service providers and has developed and published performance indicators. CITC also undertook media related activities with the objective of increasing the awareness of ICT users.

Further to the initiatives taken by CITC in past years to build the IT infrastructure it needs to carry out its duties, and in executing the Council of Ministers Decree 40 article 16, which requires that all government entities establish plans for transition to e-government within a specified time frame, CITC has launched an electronic correspondence system, in collaboration with the e-government program (Yesser), as part of the transition to a fully electronic environment. Other elements of this transition include development and launch of an electronic system that aims to automate the receipt and study of requests for legal support, development and launch of a system to provide spectrum services electronically via the Internet, and a complaints system for frequency spectrum. In addition, a system to receive proposals from licensed service providers to be studied and addressed in accordance with CITC statutes.

V- Universal Service Fund (USF) and Deployment of Telecom Services in Unserved Areas:

With regard to deployment of telecommunication services to remote locations that are not commercially viable; CITC, through the USF, has tendered 11 projects for the provision of voice and Internet services to a large number of communities in remote areas of several Governorates. Service has now been provided to about 4,326 residential communities in remote areas, while work is currently underway to provide USF service to the remaining locations. Also, preparation and adoption of the sixth annual operating plan for 2015 was completed. The plan covers a number of Regions and Governorates of the Kingdom and comprises three projects covering the provision of voice and Internet services to about 3,846 additional remote localities.

VI- Studies

CITC conducted a number of studies in order to develop the sector and extend its services. A study was conducted on the prices for telecommunications services in the Kingdom. These prices were compared to prices in other countries in the region and the world, in order to ensure that the prices for telecommunications services in the Kingdom consistent with average prices regionally and internationally. The study showed that the proliferation of smartphones and tablets along with availability of applications has increased the demand for mobile Internet services, along with text messages and voice calls services. In addition, increased competition has led to the provision of a variety of service bundles with increased benefits designed to address the needs of a wider range of customers at significant discounts compared to prices of the individual component services. This has impacted positively on the prices of services, and has led to significant price reductions for voice calls and online data. As a result, prices for telecommunications services in the Kingdom have in general declined in the recent period, with telecommunications sector prices in the Kingdom falling by about 6% during the period 2007 to 2014, which has in turn contributed positively to reducing the annual inflation rate for goods and services. This price reduction is the result of a number of factors, most notably the stimulation of competition through continuation of the licensing of mobile service providers, the most recent of which was the licensing in 2014 of two MVNO's, bringing the number of providers of mobile communications services in the Kingdom to five.

In addition, a study was conducted with the aim of addressing the current situation, future plans and challenges facing the ICT sector in the Kingdom, raising public awareness of important issues in the sector, stimulating the involvement of stakeholders by highlighting the key challenges facing development of the sector, and encouraging the transition to the information society and the adoption of ICT services and their application in the business environment. The study included three major themes: investment in ICT in the Kingdom, the status of professional skills in ICT and the status of local software development.

2. Regulatory Framework

CITC is responsible for regulating the ICT sector in the Kingdom. The Telecommunications Act, enacted in 2001, and the Bylaws, issued in 2002, provide the basis for the regulatory framework. The Act lists a number of objectives for CITC including to provide advanced and adequate telecommunications services at affordable prices, ensure creation of a favorable atmosphere to promote and encourage fair competition, ensure effective and interference-free usage of frequencies, ensure transfer and migration of telecommunications technology to keep pace with its development, ensure clarity and transparency of procedures, ensure the principles of equality and non-discrimination, and safeguard the public interest and the interests of users and investors.

The CITC Ordinance was issued in 2001 and amended in 2003. It defines the mandate, functions, governance, and administrative and financial independence of CITC.

The goals of CITC at the present time are to: continue to attract investment in the ICT sector and to enhance the competitive environment in all its markets and services by enabling a transparent regulatory environment designed to ensure equality and non-discrimination between licensees and to protect users of the ICT services; and to continue to work on reducing prices to a level that is affordable to end users and is consistent with International and regional levels; as well as to encourage establishing new infrastructure, deploying new networks and services including broadband, and providing network redundancy in case of failures and emergencies, and ensuring universal availability of ICT services throughout the Kingdom.

3. CITC Roles and Responsibilities

Within its mandate, CITC regulates the ICT sector according to the principles of clarity and transparency in order to achieve a fair competitive environment providing high-quality services at affordable prices throughout the Kingdom. CITC strives for balance among all stakeholders: service providers, investors, government, and individual and institutional users. CITC also implements the strategy and sector policy adopted by the Ministry of Communications and Information Technology (MCIT).

The CITC Ordinance specifies the duties and responsibilities of CITC, as the ICT regulator and catalyst for the development of the ICT sector. The main duties include:

- Implementing the policies, plans and programs adopted for development of the ICT sector.
- Issuing the necessary licenses for the provision of ICT services.
- Protecting the interests of users of ICT services including the Internet.
- Ensuring that service providers and users fulfill their roles, while taking into account the public interest.
- Establishing the basis for telecom services tariff regulation as appropriate for the level of competition.
- Establishing policies related to universal access/universal service.
- Encouraging reliance on market forces for the provision of ICT services.
- Attracting investment and promoting the provision of high-quality services at affordable prices in all regions of the Kingdom.
- Effectively managing the frequency spectrum and striving to achieve optimal use of this limited resource.
- Developing, managing and maintaining the National Frequency Plan.
- Developing, managing and maintaining the National Numbering Plan.
- Encouraging modernization of networks and services and promoting research and development, technology transfer and local enterprises.
- Coordinating and participating in e-government and e-commerce programs and related projects.
- Encouraging investment in ICT services and manufacturing.

4. Vision and Mission

Vision:

{ Universally available, high quality and affordable communications and information technology services }

Mission:

- Provide a fair, clear and transparent regulatory environment to promote competition and safeguard the public interest and stakeholder rights.
- Enable universal availability of advanced ICT services and optimize utilization of scarce resources.
- Increase ICT awareness and usage to enhance national efficiency and productivity.
- Build a professional and motivated CITC team.

Values:

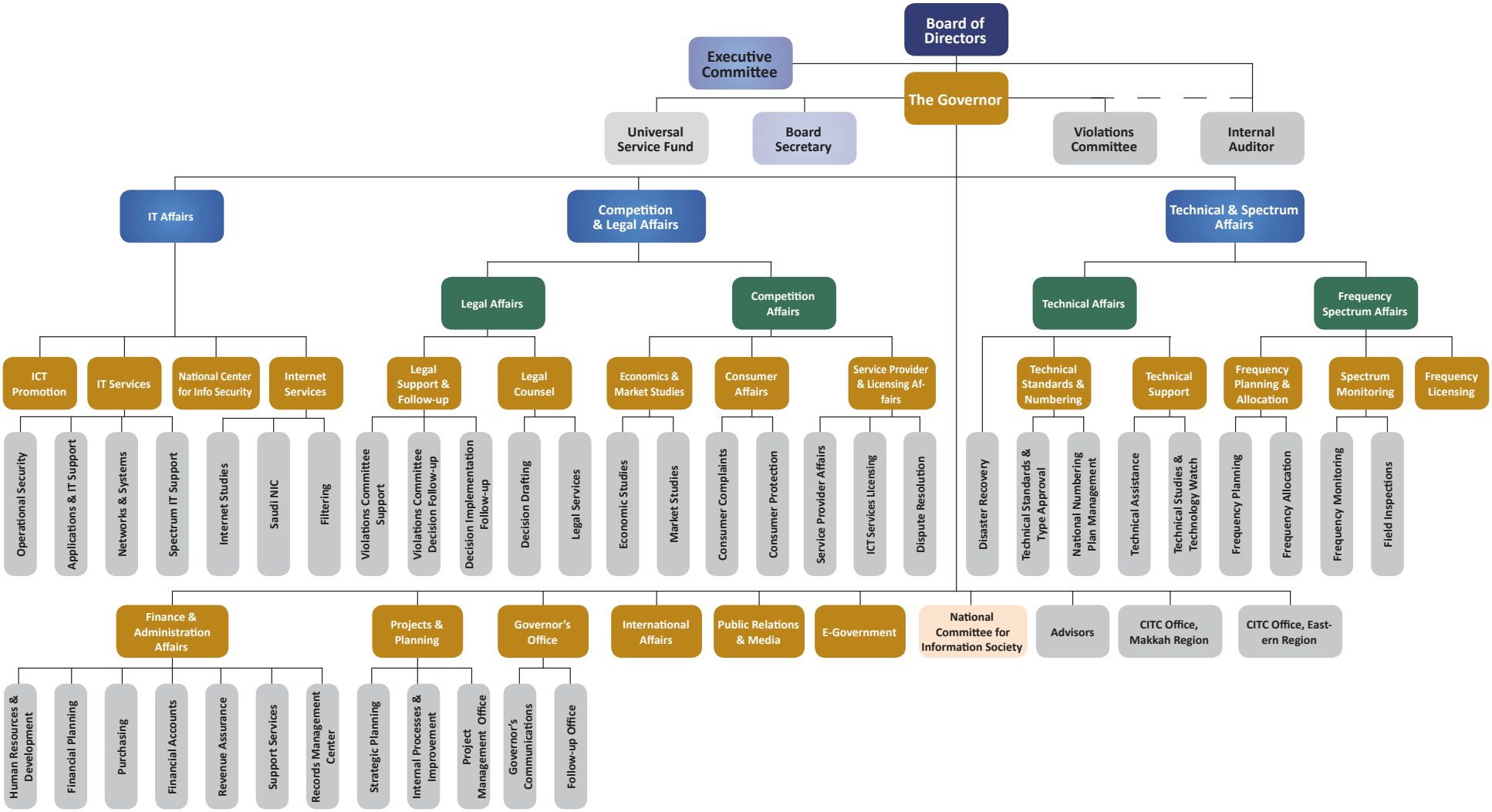
- Demonstrate transparency and clarity in all dealings.
- Demonstrate integrity and honesty.
- Consider the views of others.
- Benefit from the experiences of other countries.
- Protect the rights of users and all other stakeholders.

• CITC BUILDING

5. Current Situation

5-1 Organizational Structure

The following chart depicts the CITC organizational structure that was put in place in 2011. The new structure was developed in order to better keep up with developments in the ICT sector, focus on protection of end-users of ICT services, and to monitor the markets to ensure an effective competitive environment based on transparency, fairness and non-discrimination.



5-2 The CITC Board of Directors

The Board of Directors is the highest governing body of CITC and oversees its administration, the conduct of its affairs, and the development and implementation of its general policies. The Board is chaired by His Excellency the Minister of Communications and Information Technology, Dr. Mohammed I. Al Suwaiyel. During the year, the CITC Board members were:

- H.E. Eng. Abdullah A. Al Darrab — CITC Governor (Deputy Chairman).
- Dr. Dr. Abdul Aziz M. Al Suwailem — KACST.
- Mr. Fahad A. Al-Dakkan — Ministry of Finance.
- Mr. Omar M. Al Turky — Ministry of Communicaions and Information Technology.
- Mr. Majed A. Al Bawardi — Ministry of Trade and Industry.
- Dr. Abdulaziz A. Al Gwaiz — Private Sector.
- Dr. Saeed T. German — Private Sector.
- Dr. Khalid S. Al Rajhi — Private Sector.

The major Board decisions are listed in Appendix A of this Report.

5-3 Manpower

CITC strives to attract the qualified and professional workforce it needs to execute its mission and attain the goals for which it was established. It maintains a stimulating and highly productive work environment. The total number of staff at the end of 2014 was 410 of which around 97.5% were Saudi nationals. Over 60% of these are professional staff, consisting of highly qualified engineers, technicians, IT specialists and legal and financial specialists.

In view of its regulatory responsibilities, including monitoring of competition in the sector, and its concern for conducting its activities in a manner consistent with its values, CITC has developed a Code of Conduct and Professional Ethics for its employees in order to: ensure that the rights of all stakeholders are respected and that they are treated courteously, fairly, im-

partially and in confidence, establish the principles and values in the work environment, safeguard against conflicts of interest and protect against misuse of authority. The Code of Conduct and Professional Ethics is published on the CITC website and is reproduced in Appendix F of this Report.

5-4 Buildings

CITC completed its new headquarters building in the West Nakheel District of Riyadh on a land area of 50,000 square meters and with floor space of 84,000 square meters. The building is one of the prominent landmarks in Riyadh. Its construction took into account the use of the best products and the latest technologies for intelligent buildings. The transfer of all CITC employees from four leased buildings to the new building was completed by the end of January 2014. The move was executed smoothly without interruption of the services provided by CITC to its customers.

CITC also awarded a project to an engineering consultancy firm to prepare the design and tender specifications for its offices in Jeddah and Dammam. It is expected that the project for implementation will be awarded by the end of 2015.

5-5 CITC Certificate of Excellence

The Kingdom participated in the work of the High Level Event on the World Summit on the Information Society (WSIS) outcomes. The event was organized by the International Telecommunication Union (ITU) in Geneva from 10 to 13 June, 2014 in collaboration with the United Nations Conference on Trade and Development (UNCTAD), the United Nations Educational, Scientific and Cultural Organization (UNESCO), and the United Nations Development Programme (UNDP). At that Event, a Certificate of Excellence was awarded by the Secretary-General of the ITU to Saudi Arabia in its capacity as Vice President of the Working Group for the preparation of the High-Level Event, in recognition of its effective leadership role which led to the success of the Event.

5-6 Internal Audit

An Internal Audit plan was approved which was based on risk assessments and prioritized for the period 2014 to 2017. Internal audits were conducted for 2014, and outcomes from the audit reports were followed up to ensure implementation of their recommendations.

6. Main Activities and Achievements

6-1 Promotion of Competition and Sector Development

6.1.1 Licensing and Market Liberalization

CITC continued its efforts to promote competition by issuing new licenses for a number of different services and terminating others. The total number of licenses issued was 325 at the end of 2014 compared to 309 at the end of 2013. The licenses are listed in Appendix D.

CITC also continued to monitor the compliance of facilities-based fixed, mobile and data service providers against their license obligations.

6.1.2 Licensing Mobile Virtual Network Operator (MVNO) Services

CITC strives to achieve a large number of objectives, the most important of which are: improving the level of ICT services, reducing prices, improving customer care, increasing job opportunities for Saudis, fostering competition, attracting investment, and increasing the contribution of the sector to the GDP. CITC prepared a study of the development of the mobile services market in the Kingdom. The study found quality of service had decreased according to subscribers, with limited choices for users among the three licensed service providers and fewer available alternatives than would be expected for a market of 30 million people.

CITC therefore concluded that there was a need to enlarge the retail and wholesale mobile services sales structure by initiating a procedure for issuing new licenses for MVNOs, to improve customer care, to increase customer choice and innovative services bundles, and to provide greater competition at the retail sales level. This will benefit both the facilities-based service providers (FBPs) and the MVNOs. While the MVNO's will gain some retail mobile market share, those FBPs that host MVNOs will attract new and valuable traffic to their networks, realizing higher revenues from wholesale services without incurring the costs of acquiring subscribers.

Accordingly, after having prepared public consultation documents, reviewed and analyzed the comments received, and coordinated with the Ministry of Finance regarding license fees, the following was accomplished during 2014:

- Licensing of Virgin Mobile Saudi Arabia (Virgin), Inc. and Etihad Jawraa (Lebara).
- Virgin Mobile Arabia launched their services on 01/10/2014
- Etihad Jawraa (Lebara) launched their services on 14/12/2014
- An application for an MVNO license was received from Etihad Axiom, hosted by the Saudi Mobile Telecommunications Saudi-(Zain). The application was analyzed and the results raised to the CITC Board of Directors where it was agreed not to award a license to Etihad Axiom since it did not conform to the evaluation criteria and requirements specified in the Request for Application document issued by CITC.

6.1.3 Licensing Broadband Satellite Services

CITC promotes the expansion of broadband services in all areas of the Kingdom. The objectives of this project are to study global trends in currently available broadband satellite services, assess the need to license such services in Saudi Arabia, review appropriate licensing options, assess the economic impact on the ICT sector and determine an appropriate time frame for introducing these services in the Kingdom. In this context, and building on the previous studies of the types of current and future satellite services, and international benchmarking on a variety of issues, the most important of which were the range of services offered by broadband satellite, types of licenses, spectrum requirements, fees for the services, numbering requirements, filtering requirements for Internet services, and other important regulatory matters, the following was accomplished in 2014:

- Preparation of a Public Consultation Report and a draft of the license to provide broadband satellite services.
- Preparation of a draft information document for applicants for a license to provide broadband services in the Kingdom

Submission of these documents to the Board is currently underway, in preparation for publishing a public consultation document inviting comments from the public. This will be followed by analysis of the comments and finalization of the documents.

6.1.4 Update of the Market Definition, Designation and Dominance Report for the ICT Sector

The objective of this project is to update the Market Definition, Designation and Dominance report for the ICT sector, which was approved in 2010, in light of the sector developments since that time. The intent is to update the markets that are subject to dominance, designate the Service Providers that are dominant and determine the regulatory remedies required to prevent anticompetitive practices. In this regard, specifications and related terms and conditions were prepared for selecting international consultants to assist CITC in undertaking the work. The project was then tendered, bids were received and analyzed, a consultant was selected and execution of the work was begun.

6.1.5 Project to Regulate Wholesale Prices of National Voice Call Termination on Fixed and Mobile Networks

Pursuant to CITC's role of promoting competition, protecting customer interests and encouraging the provision of reliable services at affordable prices, the Commission studied the prices of wholesale voice call termination services with the help of international consultants specialized in the subject. The study showed that the prices of wholesale voice call termination on mobile and on fixed networks was high relative to the prices for the same services in the other countries studied.

Based on the results of the study, CITC prepared a public consultation document to obtain the views of stakeholders and of the public on the prices of wholesale voice call termination on mobile and fixed networks. The submitted views were analyzed and recommendations developed in light of the international benchmarking and of the public inputs. The results of the study are currently being submitted to the CITC Board in preparation for issuance of the required Decisions.

6.1.6 Study of the ICT Market in the Kingdom

This project aims to provide quantitative and qualitative analysis of the overall status of the ICT sector in the Kingdom for the three years from 2014 to 2016. The focus is primarily on the ICT markets, investments, consumer behavior and use of technology, level of use of computers and the Internet, consumer behavior, consumer level of satisfaction with services as well as barriers to use of the Internet. A request for proposal has been issued, proposals from competing universities have been evaluated, and a winning university has been selected. The following was accomplished during 2014:

- Development and implementation of a program for conducting field surveys and related performance reports for the first phase.
- Issuance of analysis reports and recommendations relating to the surveys of individuals and households, establishments, education centers, and government agencies.

Work is currently underway to prepare for and implement a program to conduct field surveys and prepare performance reports for the second phase of the project, and then issue analysis reports and recommendations for that phase.

6.1.7 Interconnection Guidelines Update

CITC has undertaken a project to update the Interconnection Guidelines originally issued under Decision 25/1424, dated 23/09/1424H. The aim is to ensure technology neutrality in the transition to next generation networks, and to incorporate a number of new interconnection services to stimulate competition. In this regard, the following was accomplished during 2014:

- Preparation of a draft of updated Interconnection Guidelines and the of Guidelines for Access to Physical Facilities after consultation with concerned departments.
- Publishing of the public consultation to obtain views from the public. The public views will then be analyzed and the documents finalized and submitted for approval prior to coming into effect.

6.1.8 Performance Indicators for the ICT Services Markets

In order to monitor the ICT sector in the Kingdom and the performance of the licensees, CITC publishes comprehensive quarterly reports on performance indicators for the ICT services markets. The data provided by the licensed service providers is then analyzed and the indicators calculated based on the data. The indicators were prepared and published at the end of each quarter of 2014, and this will continue in the future. Chapter 10 of this Report is a summary of the most important performance indicators for the ICT markets as of the end of 2014. In addition, CITC participated in ITU meetings to update the performance indicators relating to the ICT sector of the Kingdom.

6.1.9 Guidelines on Implementation of Shared Fiber Infrastructure

CITC is working on issuing guidelines covering many of the technical and commercial aspects for service providers to implement shared fiber optic network infrastructure. The document recommends technical standards for excavation and construction, as well as commercial arrangements for shared infrastructure to be applied to network extensions in cities and along highways. A draft has been prepared and is being reviewed with the Ministry of Municipal and Rural Affairs (MOMRA) and other stakeholders to incorporate their views. It will then be submitted for approval and put into effect.

6.1.10 Mobile Number Portability

CITC developed new procedures for mobile number portability in order to facilitate and expedite number transfers, thereby encouraging competition and contributing to improved service, improved operational efficiency and lower prices. CITC also encouraged dominant service providers to upgrade the level of their networks' performance in order to retain their subscribers. In addition, it contributed to increasing the effective use of numbering resources.

In the area of managing mobile number portability, CITC monitors the actions of the service providers, oversees the number portability database, ensures the effectiveness of the number portability procedures and that the operators conform to the procedures, and works to resolve user complaints of which there were around 1,100 in 2014, representing 0.002% of all mobile service users. CITC also resolved related disputes between the operators. This resulted in more than 500,000 number portability transfers between service providers.

6.1.11 Disaster Recovery Plan Updates

As part of its efforts to develop the ICT sector, CITC previously developed the Regulatory Framework and Guidelines for disaster recovery planning. During 2014, CITC reviewed the disaster recovery plans submitted by the Facilities-based Service Providers (FBPs) and provided comments on conformance to the requirements of the Regulatory Framework and Guidelines. The plans are now being amended based on CITC's comments in preparation for their approval.

6.1.12 Saudi Network Information Center (SaudiNIC)

SaudiNIC continued its role of registering and administering Saudi (.sa) Internet domain names. SaudiNIC has also approved a number of important additions to the services provided to users through the electronic services portal giving greater flexibility and speed. The following was accomplished during 2014:

- Preparation of a technical report on the problems faced by Arabic users of Arabic domains for the various applications. This report provides a clear picture of the extent of Arabic user acceptance of these domains, and the quality of their implementation in current ICT environments.
- Conducting a study to explore and identify options and opportunities for providing the services of the Center to government and commercial entities through the Government Services Bus (GSB) and opening communication channels with the entities after implementation of full connectivity through the GSB. In this regard, the following was accomplished:
  - Communication with the Ministry of Commerce and Industry to reach an understanding on the feasibility for connection and obtaining their agreement to do so.
  - Establishing a general framework for the processes for connection and provision of the service and for the required planning.
  - Developing the internal systems required for establishing the connection.
  - Establishment of a direct connection with the Ministry of Commerce and Industry through the Government Services Network (GSN).
  - Development of the final concept on how to establish the connection and documenting related procedures.

- Prepared a study on adopting the secure domain names service protocol (DNSsec) for Saudi Arabia domain names. This study aims to assess the current international situation regarding this secure extension, and the extent of adoption through international registrars, and then to review some trials and operational models for application of these domain names by the international centers that have implemented them. Also, the study draws a road map for the application of this extension to the Saudi High Level TLDs (.sa and .السعودية).
- Registered 4,042 new domain names in 2014, bringing the total number of registered domains to 37,547.
- Received about 11,268 requests for new domain names.
- Modified the registration information on 6,893 domain names, changed the registrant identity on 966, made 2,588 domain name account changes, transferred 90 domain names and established 1,762 keys specific to domain names.
- Renewed domain name information for about 16,335 parties, cancelled 88 names and retrieved 179 user accounts.
- Created 5,087 accounts in the registration of domain names portal, and modified information for about 1,038 accounts.
- Responded to about 8,292 inquiries from customers.

6.1.13 Support for the Deployment of Internet Protocol Version 6 (IPv6)

Due to rapid development in the use of the Internet, the large increase in IP-based networks and the consumption of over 90% of the available addresses within the currently used IPv4 space, CITC continued its efforts to increase the Kingdom's readiness for the transition to IPv6. IPv6 will provide an enormous increase in IP addresses to meet present and future requirements.

During 2014, CITC accomplished the following:

- Prepared a final report on the survey assessing the status of IPv6 in the Kingdom
- Prepared a final report on the international benchmarking of countries and organizations deployment of IPv6.
- Initiated action to encourage entities to adopt IPv6, and to bring to an end the mechanism that enables parties to decide whether or not to participate, and began working with three of those entities.
- Established a test laboratory to conduct IPv6 tests.

CITC has played a leading role in supporting the transition to IPv6 and in driving the activities of the National IPv6 Task Force. The Kingdom has received international recognition as a world leader in this area, and this experience will have a significant impact on the readiness of the Kingdom.

As part of the support effort, CITC organizes annual meetings of the IPv6 Task Force, in addition to organizing training workshops. The 15th and 16th meetings of the IPv6 Task Force were held in Riyadh and Al Khobar. In addition, CITC cooperated with the Middle East Network Operators Group (MENOG) and the Regional Internet Registry (RIPE NCC), to hold two more IPv6 training sessions concurrently with IPv6 Task Force meetings. As a result, the number of Saudi entities with IPv6 address space has increased to 60.

6.1.14 ICT Equipment Type Approval

To ensure that ICT equipment conforms to its technical standards which are based on the latest international standards, CITC reviews and updates its technical standards on an ongoing basis and updates its processes for type approval and customs clearance to ensure efficiency and timeliness. CITC considers applications from individuals, companies, licensed operators for ICT equipment type approval, ensures they conform to the technical standards and CITC regulations, and issues the appropriate approvals. More than 18,500 applications for customs clearance and licensing were processed in 2014. Appendix B2 provides a summary of the main achievements in this regard.

6-2 Consumer Protection

6.2.1 User Complaints

Pursuant to the CITC statutes regarding end-user protection, CITC worked to deal with the complaints from ICT service users. 31,656 complaints were received, representing 0.055% of fixed and mobile telecommunications service subscribers. 97% of the complaints received were dealt with during 2014. Most complaints pertained to billing, nuisance calls, quality of service, disconnection of service, and service interruptions.

In order to achieve the highest levels of satisfaction in the areas of user complaints, consumer protection and consumer rights, CITC accomplished the following in 2014:

- Created a dedicated call center to receive and follow-up on complaints. This was done in order to facilitate the process for users of ICT and expedite resolution of their issues. During 2014, 58,126 calls were received which followed up on complaints filed through the center. It should be noted that besides striving to resolve user complaints, CITC analyzes the complaints and their causes, then seeks fundamental solutions to reduce their recurrence.
- Established a link with the National Contact Center which responds to public inquiries and to users of e-government services and provides technical support services to them. The Center uses various communications channels to communicate with users including telephone, email, their web site, text messaging and fax.

6.2.2 Violations of the Statutes

The CITC Violations Committee investigated violations and issued 1984 rulings in 2014. Most were related to cable cuts, illegal routing of calls, selling unapproved ICT equipment, selling prepaid SIM cards in a manner that does not conform to regulations or that does not tie recharging to the user's ID, and unapproved promotional offers and packages, in addition to violations related to telecom license terms and conditions, number portability and others.

CITC developed and launched a system that automates the treatment of violations to the statutes, including conversion from paper to automated procedures, automatic monitoring of performance and escalation, standardization of procedures and forms, and issuance of required reports and indicators.

6.2.3 Legal Proceedings System

CITC developed and launched an automated system to follow up the status of legal cases initiated by or against the Commission. The objective is to track dates to ensure deadlines are not missed, track the status of each case, produce reports and indicators, and monitor and follow up related sittings. It should be noted that a number of cases that were filed by service providers opposing CITC regulatory decisions have resulted in rulings in favor of the Commission.

6.2.4 System for requesting Legal Support

An automated system for requesting legal support was launched. The purpose of the system is to automate the receipt of legal inquiries and to direct them to the appropriate person for study, in conformance with specified time frames.

6.2.5 Tariff Regulation for ICT Services

In order to protect consumer rights and promote fair competition, CITC aims to implement best practices both in tariff regulation for all operators and in developing specific procedures for dealing with service offerings. CITC also aims to foster competition between service providers to offer additional advanced services at competitive prices. In this spirit, CITC has implemented a decision that no longer requires approval of temporary promotions for mobile services but only notification of promotion launch by the service providers.

During 2014, about 250 offers were launched by service providers.

6.2.6 Quality of Service

In order to protect consumer rights and ensure high-quality ICT services, CITC conducts a comprehensive review and analysis of all the quarterly technical reports submitted by the service providers in conformance with CITC Decision 229/1430. CITC maintained a continuous review and follow-up process with the service providers to improve the quality of their services in accordance with CITC standards. In this regard, a workshop was held to follow-up commitment to coverage and quality of service with the participation of the service providers and a number of universities and the experts from the relevant sectors of CITC. The workshop addressed a number of important topics, including the procedures and rules for the regulation of quality of service, the role of the Commission, the methodology for field verification of coverage and quality of service as well as international experience in this area.

6.2.7 Internet Filtering

Cabinet Decree No. 51 dated 6/2/1435 vested the task of moral and information content regulation for all communications channels, including traditional and electronic, to the General Commission for Audiovisual Media. Pending transfer of this task, which is being coordinated with them, CITC accomplished the following in 2014:

- Received 466,983 requests nominating sites and undertook required action in coordination with licensed service providers. 94.3% of the requests were for blocking; the proportion that were pornographic sites was 85.6%.
- Set up a communication mechanism with major content providers to combat pornography. Coordinated with a number of international content providers to remove pornography from their websites. Identified over 40,000 links for review and take down.
- Addressed over 3,400 requests for clarification from numerous agencies.
- Pursued the development of an analysis system to search for domains attempting to override blocked sites.
- Continued operation of the system developed by CITC to monitor domains using changing IP addresses in an attempt to override blocked sites. To date 2500 addresses were identified pertaining to blocked sites.
- Developed an independent blocking URL for application by service providers specifically for the Ministry of Culture and Information, and related to sites that the Ministry decides to have blocked, after coordination with them.
- Addition of a new category to the commercial filtering list, for sites that bypass filtering.

- Studied the feasibility of automatically extracting download links for smart phones applications from major applications developers.
- Development of the first phase of software infrastructure for the filtering management system, and design of databases for increased efficiency and processing power, and to accommodate future expansion and compatibility with required new updates. A detailed study was conducted for developing the system, identifying alternatives and areas needing development and improvement.
- Development of the second phase of the system for analysis of records by developing a search mechanism using keywords for extracting links.
- Development of a system to identify infringing material, and to collect and link it to the filtering management system, the establishment of a software search capability in one of the social networking sites, and a records search system identifying links, and issuing a ticket to the filtering management system for each link.
- Development and management of interface access lists to enable direct addition of a group of addresses, and to better interface with sites that use encrypted protocol (https).
- Implementation of the first phase of the Information Collection System for the relevant web sites to identify them and save their information.
- Implementation of the second phase of the system to track and raise alerts (Munthir) by including the ability to add complex rules as well as additional alert tools.
- Development of capability for translation of the web sites when they are processed.
- Development of the 'Moalej' processing system.
- Continued tracking IP addresses to support blocking of access to bypassing programs as dynamically as possible, using the 'Sayyad' system.
- Maintenance and update access lists to international gateways.
- Continued to provide technical support and cooperation to the service providers to address technical problems related to filtering systems which are escalated to CERT.
- Continued technical cooperation and support for accredited providers of nominations to update filtering tools, testing, and increase their efficiency, and overcome emergency technical problems and propose solutions.
- Addition of explanatory texts and guidance on automated mail responses concerning the treatment by

CITC of requests from Internet users, so that users receive a reply message as soon as they submit a request or query by mail.

- Preparation and publication of a guide on how to deal with abusive users of some social networking sites.
- Represented CITC and participated in the work of the Standing Committee for the security of location information, the Media Committee on Moral Content of the Ministry of Culture and Information.

6.2.8 National Center for Information Security

CITC continued its efforts through the National Center for Information Security (CERT-SA) to enhance cyber security, provide a healthy environment for electronic transactions, and attract foreign investors to the IT industry in the Kingdom. The following was accomplished during 2014:

- CITC published through CERT-SA, the Information Security Policies and Processes manual for government agencies. 350 specialists in government agencies were trained in information security in order to enhance cyber security, and to ensure a more secure national environment for electronic transactions. This in turn will help to attract foreign investment in the ICT sector in the Kingdom
- Organized five consecutive workshops for more than 260 representatives of Saudi government agencies in the field of information security, policies and guidelines, and provided training on the Information Security Policies and Processes manual for government agencies.
- Sent six early warnings to all sectors of the State on the spread of viruses targeting specialized ICT infrastructure in the Kingdom.
- Sent 1,595 warnings to parties whose information is registered with the early warning service and the risk management system.
- Responded to 56 cyber-attacks targeting sensitive government and business entities in the Kingdom.
- Added 222 coordinators for the listed entities in the database of those registered to the services of the center.
- Provided specialized technical support in 19 electronic legal cases, including investigation and analysis of electronic evidence and preparation of the technical and legal case reports as appropriate.
- Coordinated with social networking sites, such as Twitter and Facebook, to remove 74 accounts not conforming with the anti-cybercrime law.
- Provided 10 consultations and specialized studies in the field of information security and cyber-crime, and participated in 10 committees and workshops related to the subject.

6.2.9 Electronic System for Licensing and Type Approval of ICT Equipment

The aim of this project is to develop a system that provides type approval of ICT equipment electronically and to create a database of approved equipment. A portal on the CITC website will be used to submit applications for equipment type approval and customs clearance, and to issue approval certifications. The system links to the customs system via the Yesser Government Services Bus.

During 2014, the following was accomplished in this regard:

- Launch of publicly available electronic services for customs clearance of ICT equipment at a number of customs locations.
- Launch of electronic Type Approval services for ICT equipment to the public.

Work is currently underway to make the electronic custom clearance service available to the remaining customs locations in coordination with the Customs Authority.

6.2.10 Overseeing Telecom Services during the Ramadan and Hajj Seasons

In order to fulfill its responsibility to ensure the provision of high-quality telecom services to pilgrims, CITC formed a task force of experts to monitor the performance of telecom services in Makkah, Madinah and the Holy Places during the Ramadan and Hajj pilgrimage seasons. Major activities are listed in Appendix B.5.

6.2.11 Field Measurements of the Levels of Electromagnetic Radiation

The objective of this project is to monitor conformance of service providers with the regulations on electromagnetic radiation from wireless base stations. This project was part of the cooperation program with leading academic and research institutions in the Kingdom. In this regard, the following was accomplished during 2014:

- Updated the technical and geographic information on the operators' radio stations to verify compliance with regulations on radiation from wireless stations, and for use in the selection of sites for conducting field measurements of the levels of electromagnetic radiation, as well as for use in matters relating to service coverage.
- Updated the geographic maps of tower locations, which were determined during the field surveys for measuring the levels of electromagnetic fields in the Kingdom.
- As part of the agreement with national academic institutions, field measurements were taken of a number of wireless base stations in the Kingdom to verify

their compliance with guidelines issued by the Commission that were prepared based on international standards. All measurements that were made to date on wireless stations have shown that the radiation emitted from most of their antennas were well below the levels permitted by international standards. The following describes the stages of the project that have been completed:

- Finalization of measurements for stages four and five of the five stage project, consisting of 302 sites in the Madinah region and in the northern regions of the Kingdom, in collaboration with Taibah University. With that, all the deliverables of the project were received and the project was closed with issuance of the project finalization document.
- Processed all necessary documentation for renewing the contract with King Fahd University of Petroleum and Minerals (ninth stage) for a period of four years.
- Finalization of measurements for the first and second groups in the eighth stage of the project, which represent measurement of 219 sites in collaboration with the King Fahd University of Petroleum and Minerals.
- Finalization of measurements at locations within the second group in stage six of the project, which represents measurement of 226 sites in the Central Region in collaboration with the University of Imam Muhammad bin Saud.
- Finalization of measurements of the third group within stage seven of the project, which represents measurement of 140 sites in the Western Region in collaboration with the Umm Al Qura University
- Coordination with licensed service providers for the purpose of correcting telecommunications towers that are in violation of the rules contained in the national guidelines, with a copy to the Violations Committee to take regulatory action against offending companies.

6-3 Management of Scarce Resources

6.3.1 Spectrum Management and the National Frequency Plan

The National Frequency Plan (NFP) was approved by the Council of Ministers in Resolution No. 61, dated 02/03/1429H. The NFP defines the allocation of frequency bands for different radio services and user categories to meet the needs of radio spectrum users in the Kingdom in line with international guidelines. The NFP went into effect on 02/05/1429H with an implementation schedule divided into two, three and five-year time frames. The following are the percentages of the frequencies that have been vacated as of the end of 2014.

	Assignment level	Clearance %
Frequencies to be vacated within two years	Kingdom-wide	45.41%
	Province-wide	26.57%
	City-wide	96.87%
	Specific locations	97.01%
Frequencies to be vacated within three years	Kingdom-wide	0.87%
	Province-wide	97.95%
	City-wide	27.39%
	Specific locations	14.55%
Frequencies to be vacated within five years	Kingdom-wide	15.78%
	Province-wide	23.59%
	City-wide	21%
	Specific locations	19.15%

It is evident from the table that there has been a significant delay in the execution of the Plan compared to the target. Most of the frequencies that have not been vacated are used by certain government agencies and have been reallocated for public telecom services in the Kingdom. CITC continues to follow up the NFP implementation and to require that frequency allocations not consistent with the Plan be vacated.

CITC continued to undertake other activities in the area of spectrum management as described in Appendix B.1.

6.3.2 Spectrum Management System

The existing spectrum management system is almost 20 years old and has become outdated and does not meet the requirements for administration of the spectrum and its modern technologies. CITC has therefore undertaken necessary procedures to develop a new system using state-of-the art technology and international best practices for management and allocation of frequencies, coordination at local, regional and international levels, conducting technical monitoring of the spectrum, control of frequency interference and unauthorized transmissions, a field inspection and monitoring system, a type approval laboratory, and spectrum monitoring stations. Accordingly, CITC prepared the technical specifications for the project which were released for general tender. Since none of the companies submitting bids met the requirements of the project, it will be retendered in 2015.

6.3.3 Update of the Second Version of the National Numbering Plan and its Management

In line with the updated National Numbering Plan that was approved by the CITC Board, the Commission oversaw the successful conversion of fixed-line geographic area codes to keep pace with future growth and provide the flexibility to accommodate new technologies and services. As a result, the Commission reviewed the second version of the National Numbering Plan, and updated it pursuant to the provision in the plan that requires the removal of any obsolete information that is no longer relevant to the status of numbering in the Kingdom. The new plan will be published after adoption of the amendments proposed by the Board.

With respect to ongoing management of the National Numbering Plan, applications for numbers and codes submitted by service providers and other agencies were studied and actioned. CITC also coordinated with the International Telecommunication Union concerning wireless network codes. The following are highlights of what was accomplished in 2014:

- Studied and actioned applications for more than 34 million number allocations from service providers and governmental agencies.
- Studied requests for cancellation of more than 300,0000 numbers.
- Allocated more than 16 million numbers to service providers.
- Studied a number of requests for allocation of short codes for government and service agencies in the Kingdom.
- Allocated more than 20 SMS codes that are used by humanitarian entities, including charity entities, associations for teaching the Koran, as well as some government agencies.
- Allocated 8 short access codes, which are used by service providers, government agencies and some other entities to facilitate communication with the citizens in all parts of the Kingdom using short easily remembered numbers.

- Conducted necessary tests to verify the use of more than 30 million number allocated to the licensed service providers in the Kingdom.
- Determined financial payments related to number allocation as well as annual fees for use of allocated numbering resources, and took necessary actions for collection.

6-4 Regulatory Environment and Transparency

6.4.1 Development of Regulations for ICT Infrastructure on Residential, Commercial and Governmental Properties and Developments

As part of CITC's efforts to protect, encourage and promote competition, and to manage it effectively on the basis of transparency, fairness and non-discrimination, as well as guaranteeing the right of access to public telecommunications networks and their elements and services, and to create the appropriate environment for competition, CITC is addressing the needs of rapid urban expansion in the Kingdom and the provision of ICT services to new private residential, commercial and governmental land developments. To achieve this, the need was identified for development of regulations and standards for implementation of ICT infrastructure in the new developments.

Accordingly, CITC prepared specifications for a project to engage international consultants experienced in the field to develop the required rules and regulations for implementing ICT infrastructure in new residential, commercial and governmental developments. The objectives include encouraging deployment of ICT infrastructure in a fair competitive environment that enables all licensees to offer their services within those developments, thus avoiding reliance on a single service provider, reducing excavation work to a minimum, ensuring non-recurrence of excavation work in the future to avoid inconvenience to residents and inefficient utilization of the roadways, minimizing associated costs and reducing duplication of investment and implementations. The project was tendered, the offers received were evaluated, and the project was awarded to the successful bidder. Work on the project was initiated.

6.4.2 E-Readiness and Procedures

Further to the initiative taken by CITC in past years to build the IT infrastructure it needs to carry out its duties, and in executing the Council of Ministers Decree 40 article 16, which requires that all government entities establish plans for transition to e-government within a specified time frame, CITC has accomplished the following:

a) Launched an electronic governmental correspondence system in collaboration with the e-government program (Yesser) as part of the development of the transition to a full electronic environment. This program targets the facilitation of correspondence between the various government agencies, which ensures savings of time and effort for those working in government agencies.

b) In the drive toward continuous improvement of procedures, and in seeking the best possible set of procedures for CITC, work was undertaken on improvement, development and automation of the procedures. During 2014, improvement of 32 procedures was completed.

c) Development and launch of an electronic system that aims to automate requests for legal support, which includes receipt of requests, analysis of the requests, routing them to the appropriate specialist for study, and presentation of the result to the concerned party within specified time frames.

d) Development and launch of an automated system of indicators to measure the performance of CITC's plans, projects and actions; to reflect the current situation and the actual performance compared to the required objectives; and to speed up identification of gaps and addressing them. This system contributed to execution of early corrective actions. It also leads to increased motivation of CITC employees to achieve the desired goals.

e) Development and launch of a system to provide spectrum services electronically via the Internet. Among the key capabilities of the system are to automate the following services:

- The provision of spectrum services over the Internet.
- Request for allocation of frequencies for fixed stations (new, modification, cancellation).
- Request for allocation of frequencies for mobile ground stations (new, modification, cancellation).
- Request for allocation of frequencies for broadcast stations (new, modification, cancellation).
- Request for allocation of frequencies for satellite ground stations (new, modification, cancellation).
- Request for licensing of marine equipment (new, modification, cancellation).
- Request for coastal stations license (new, modification, cancellation).
- Request for weather stations license (new, modification, cancellation).
- Request for amateur radio license (new, cancellation).
- Request for amateur radio station license (new, cancellation).
- Request for temporary use of frequencies (new, modification, cancellation).
- Request for information on frequency allocations and on licensing of wireless equipment.
- To view the fees that are due.
- To query bills and information on fees that are paid or due.
- To follow up on the status of an application (new, modification, cancellation).

f) Development and launch of a complaints system for spectrum, featuring integration of treatment of complaints with order control management, including the following:

- Submitting complaints in accordance with the International Telecommunication Union model.
- Follow up after a complaint is submitted to CITC (the complaint was received, is being processed, closed, pending, archived).
- Viewing of the final report on the complaint.

g) Development and launch of an electronic system relating to receiving offers from licensed service providers for study and decision on whether to approve or reject the offer in accordance with CITC statutes.

6.4.3 Media Activities

Recognizing its responsibility to increase user and public awareness, gauge public opinion, and promote investment opportunities in the ICT sector, CITC interfaces with the various public media through its media spokesperson, participates in media activities and events, and remains in contact with the public and interested parties through various communication channels. CITC also provides general news and press releases, reports and official announcements. In addition, an electronic bulletin is published, reporting on developments in the sector at the end of each quarter of the year (Annex B-4).

6-5 Universal Service Fund (USF)

6.5.1 Planning and Implementation Activities

Pursuing its efforts to achieve the objectives of the Universal Service/Universal Access policy and to implement the strategic plan within the approved time frame, the USF prepared operational plans containing the main programs and projects for each operational year. The plans identify the structure and implementation methods of the projects, clarify the USF program inputs in general, define the scopes of work, and the estimated expenditures required to support the USF programs and its projects In this context, the USF completed the implementation of four projects prior to 2014. Figure 1 depicts the governorates that were served as part of the first four projects, which are listed below:

- Pilot project (Project #1): The goal of the pilot project was to provide voice and broadband Internet services to unserved communities in Khulais and AlKamel in the Makkah region, and AlMahd in the Madinah region, representing a total of 483 communities with a combined population of 103,000.
- Project #2: This project covered 9 governorates including all the governorates in the Northern Borders area (Arar, Rafhah, Turaif and Uwayqliyah), and all the governorates in Jouf region (AlQurayat,, Domat al Jandal, Sakaka and Tabarjal) in addition to the governorates of AlDa'er, AlReeth, and AlDarb in the

region of AlJizan . In total 562 communities were served by this project with a combined population of about 175,000.

- Project #3: This project covered the governorates of Qunfudah and AlAardiyat in the Makkah region , and the governorates of Al-Nimas, Balqarn and Bishah in Asir region in addition to all the governorates in the Region of AlBaha (AlAqiq, AlBaha, Almandaq, AlMikhwah, AlQurah, Biljurshi, Qalwah, Bani Hassan, Faraat Ghamed AlZinad and AlHajrah. In total 2322 communities were served by this project with a combined population of about 610,000.
- Project #4: This project covered the governorates of Majmaa'ah and Rimah in the Riyadh region, in addition to the governorates of AlKhafji, Hafar AlBaten and Qurayat AlOlya in the Eastern Region. In total 261 communities were served by this project with a combined population of about 85,000.

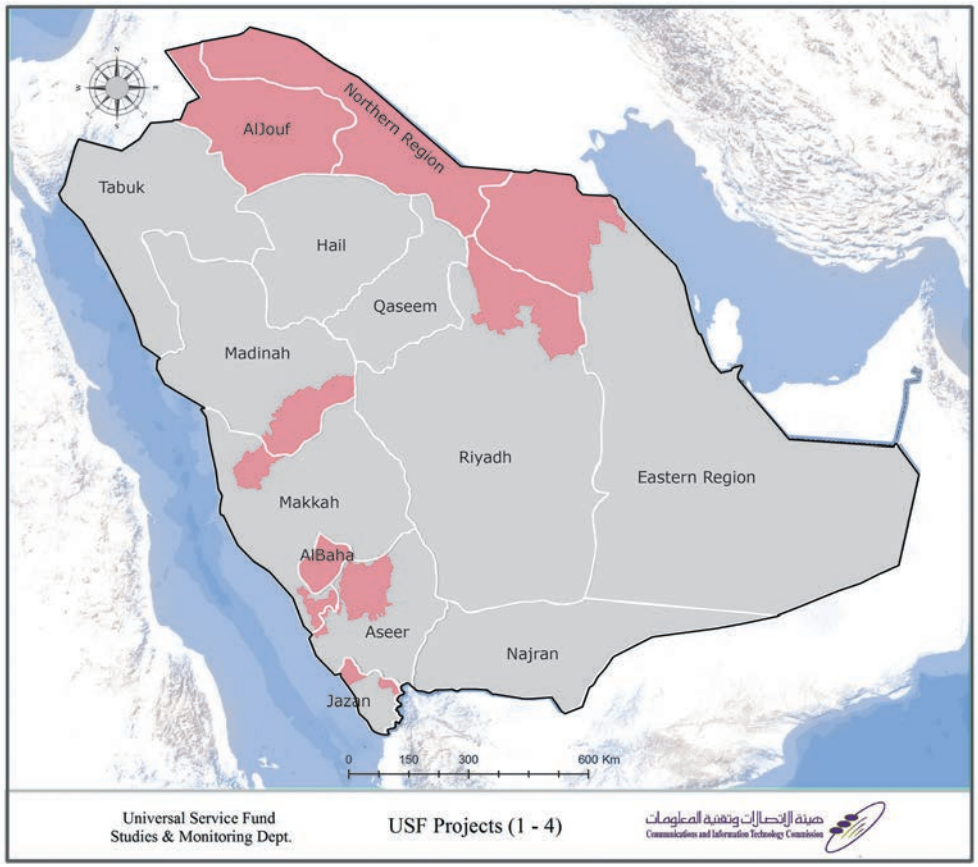


Figure 1: Status of Universal Service Funds Projects

Among the most prominent activities and achievements of 2014 are the following:

6.5.1.1 Third Operational Plan

The USF had previously prepared and obtained approval of the Third Operational Plan, as shown in (Figure 2) for the year 2012. The scope included two projects.

A. Project #5

This project covered 393 communities and more than 205,000 people in one governorate in Tabouk Province (Tayma) and in six governorates in Hail Province (Alshamli, Asshinan, Baqa, Hail, Mouqeq and Sumaira) the project was awarded in December 2012 and the implementation was in 2014.

B. Project #6

This project covered 333 communities and more than 91,000 people in all governorates of Najran Province (AlKharkhir, Badr Aljanoub, Hubuna, Khabash, Najran, Sharurah, Thar, Yadmah). The project was awarded in December 2012 and the implementation was in 2014.

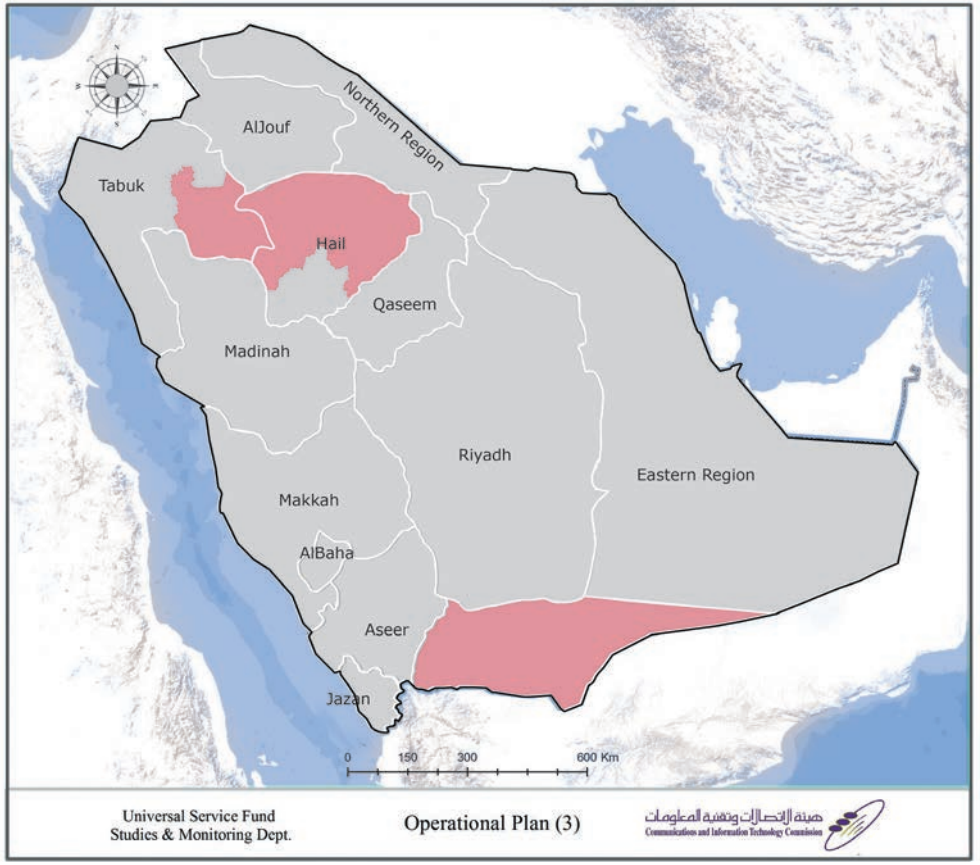


Figure 2: Third Operational Plan

6.5.1.2 Fourth Operational Plan

The USF had previously prepared and obtained approval of the Fourth Operational Plan for the year 2013. The scope included two projects as shown in (Figure 3).

A. Project #7

This project covers 1,868 communities and more than 705,000 people in all 13 governorates of Qassim Province (Alasiyah, Albadai, Albukayriyah, Almidhnab, Annabhaniyah, Arras, Ashimasiyah, Buraydah, Dheryah, Riyadh Alkhabra, Unaizah, Uyun Aljiwa and Uqlat Alsoqour) and 12 governorates in Riyadh Province (Addiriyah, Adduwadimi, Afif, Alghat, Alquwayiyah, Arriyadh, Azzulfi, Duruma, Huraymila, Marat, Shaqra and Thadiq). The project was awarded in January 2014 and was 75% complete by the end of 2014.

B. Project #8

This project covers 1,315 communities and more than 325,000 people in six governorates in Makkah Province (Alkhurmah, Almouyah, Altaif, Misan, Ranyah, and Turbah) The project was awarded in January 2014 and was 75% complete by the end of 2014.

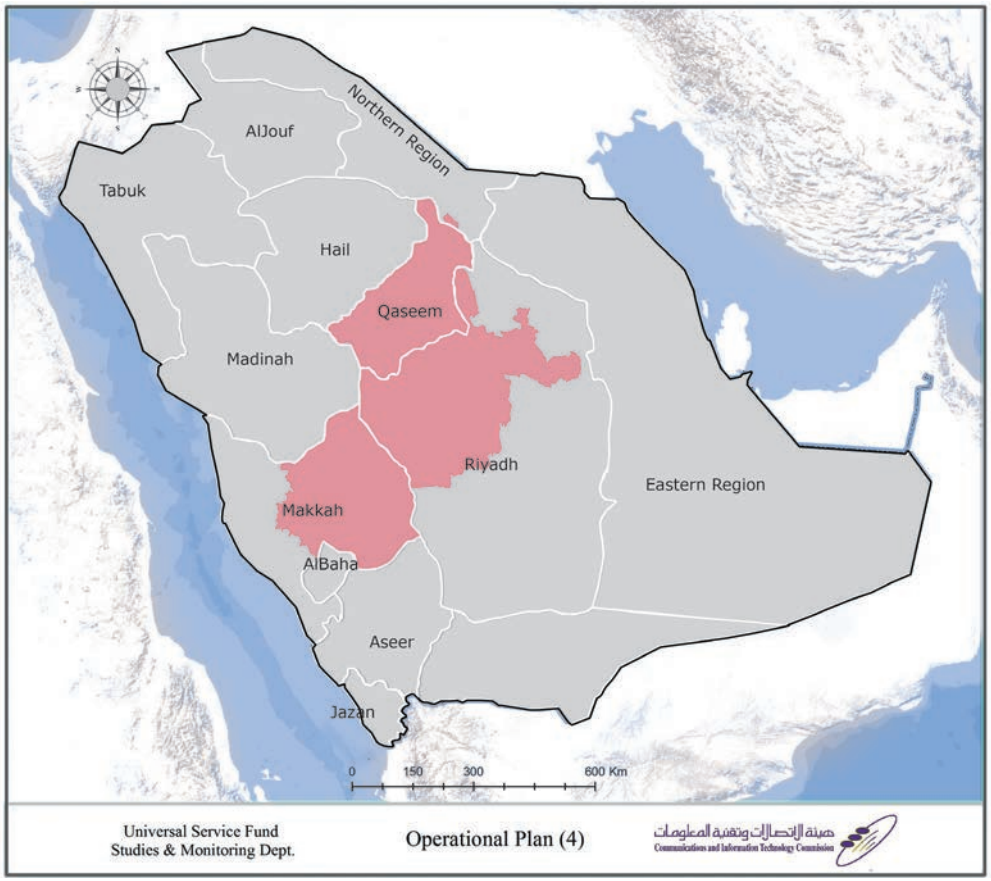


Figure 3: Fourth Operational Plan

6.5.1.3 Fifth Operational Plan

The USF prepared and obtained approval of the Fifth Operational Plan, as shown in (Figure 4) for the year 2014. The scope includes three projects.

A. Project #9

This project covers 1,901 communities and more than 345,000 people in seven governorates in Madinah Province (Aleise, Alhinakiyah, Almadinah Almunawwarah, Bader, Khayber, Wadi Alferae and Yanbu) and three governorates in Hail Province (Alhaet, Alghazalah and Alselimee). The project was awarded in December 2014.

B. Project #10

This project covers 7,055 communities and more than 1,255,000 people in eight governorates in Aseer Province (Abha, Albark, Almajardah, Bareq, Muhayil, Rihal Alma, Sarat Abidah, and Tannoumah) and 14 governorates in Jazan Province (Abu Arish, Ahad Ahmusarihah, Alaridah, Alharth, Alidabi, Altewal, Baysh, Damad, Farasan, Fifa, Jazan, Horoub, Sabya, and Samtah). The project was awarded in December 2014.

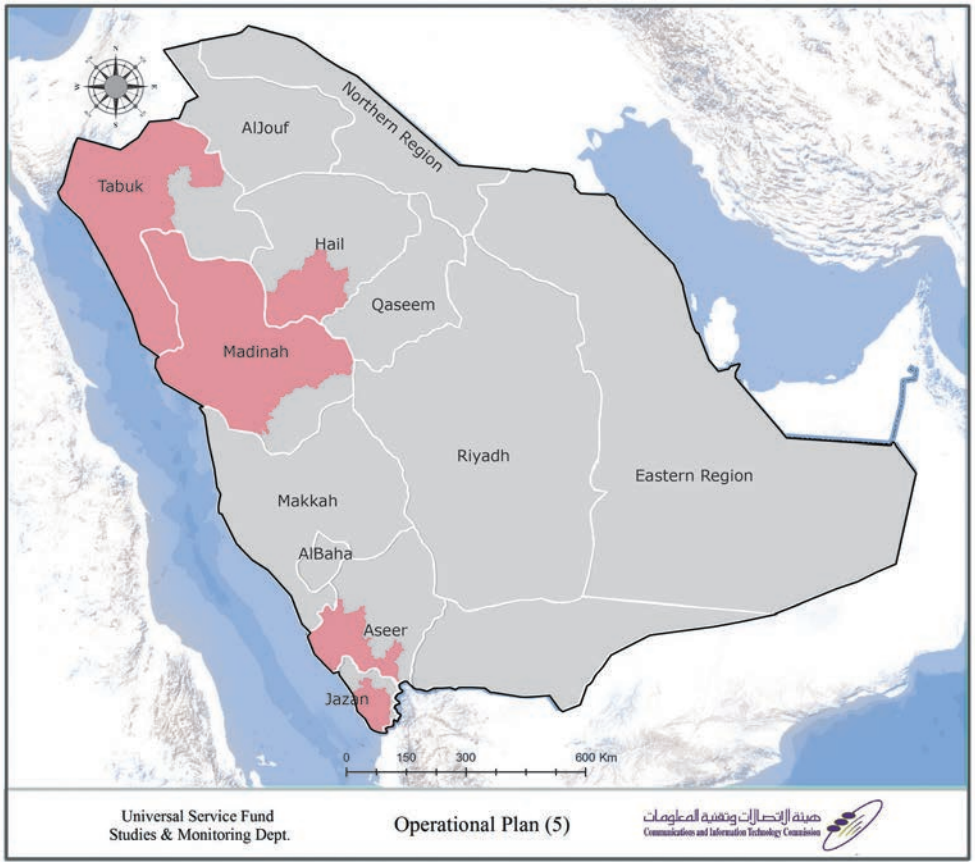


Figure 4: Fifth Operational Plan

C. Project #11

The project covers 643 communities and more than 142,000 people in six governorates in Tabouk Province (Albedea, Alwajh, Duba, Haqil, Tabouk and Umluj) and one governorates in Almadinah Almunawwarh (Alula). The project was awarded in December 2014.

6.5.1.4 Sixth Operational Plan

The USF prepared and obtained approval of the Sixth Operational Plan, as shown in (Figure 5) for the year 2015. The scope includes three projects.

A. Project #12

The project will cover 1,870 communities and more than 250,000 people in seven governorates in Makkah Almukaramah Province (Adhum, Aljamjoum, Allayth, Bahrah, Jeddah, Makkah Almukaramah, and Rabigh) The project will be tendered and awarded in 2015.

B. Project #13

The project will cover 414 communities and more than 162,000 people in nine governorates Eastern Province (Baqiq, Alihsa, Aldammam, Aljubail, Alkhobar, Alnaeryah, Alqateef, Ras Tanourah, Aladeed) The project will be tendered and awarded in 2015.

C. Project #14

The project will cover 1,562 communities and more than 387,000 people in five governorates in Aseer Province (Ahad Rofaida, Dhahran Aljanoub, Khamis Mushait, Tathleeth, Dhareeb) and seven governorates in Riyadh Province (Wadi Aldawaser, Alaflaj, Alsulayel, Hawtet bin Tamim, Muzahmiyah, Hareeq) The project will be tendered and awarded in 2015.

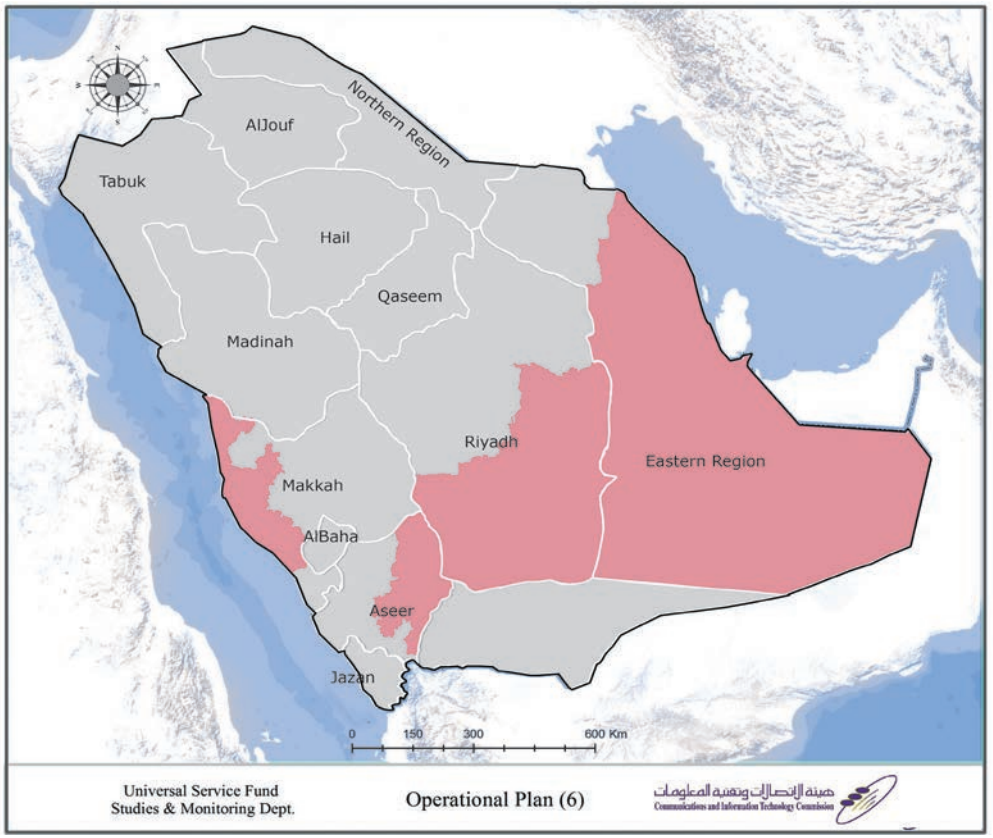


Figure 5: Sixth Operational Plan

6.5.2 Studies

The USF databases were updated primarily using the latest information received / issued by the Central Department of Statistics and Information (CDSI) and with the telecom service coverage maps provided by the service providers in the Kingdom and from requests for service by individuals. The update process included:

- The upgrade of administrative centers to governorates, and some villages to administrative centers.
- A review of the distribution of villages and settlements within provinces
- Analyzing and comparing information provided by the CDSI (settlements, provinces, census…) to the information in the current USF database.
- Updating the ICT services and coverage based on the data maps from the telecom services provided by the services providers as part of their bids for USF projects.
- Analyzing and evaluating the GIS data received from CDSI and the services providers in the Kingdom.
- Monitoring service requests for localities received from citizens and government entities and considering the possibility of including them within the USF projects in accordance with the policy and regulations that govern the work of the USF.

6-5-3 Financial Activities

The USF annual budget was prepared and approved, as well as the closing accounts and the payments transactions, in accordance with the approved procedures. The following is a summary of the most significant achievements in this regard:

- USF annual budget approval for 2015.
- Fifth operational Plan Project, (Project Number 9) awarded to Saudi Telecom (STC) for an amount of SAR (409,810,450).
- Fifth operational Plan Project, (Project Number 10) awarded to Saudi Telecom (STC) for an amount of SAR (116,810,450).
- Fifth operational Plan Project, (Project Number 11) awarded to Saudi Telecom (STC) for an amount of SAR (208,810,450).
- USF final accounts approval for financial year 2013.

6.6 Other Achievements

In addition to the major activities undertaken and highlighted in this section, CITC carried out many other activities as summarized in Appendix B.

7. Studies

number of studies were conducted during 2014 including those described in the following sections.

7-1 Status of ICT in the Kingdom

A study was prepared whose aims were to review the current situation, the future plans and the challenges facing the ICT sector in the Kingdom; to raise public awareness about important issues in the sector; to stimulate the interest of stakeholders by highlighting the key challenges facing the development of the sector in the Kingdom; to stimulate the transformation to the information society; and to encourage the adoption of telecommunications and information technology service, and applications in the business environment. The study included three major topics as follows:

- A study on investment in ICT in the Kingdom. This study aims to assess the current situation for ICT investment, and make recommendations on its development. The study included undertaking 413 Interviews with establishments in the private and government sectors, data collection and analysis, and preparation of a report that includes analysis of the survey results and related recommendations.
- A study on the development of specialized ICT skills in the Kingdom. This study aims to assess the current availability of specialized skills, and make recommendations for the further development of these skills. The study involved 413 interviews with establishments in the private sector, government and universities, citizens and residents to measure the availability of specialized skills in the labor market. The study also included preparation of a report covering analysis of the survey results and related recommendations.
- A study on the status of local software development in the Kingdom. This study aims to assess the current status of local software development, and make recommendations for its development. The study included lengthy interviews with 18 entities of the public and private sectors that are involved in the development of local applications in order to collect data, determine their views on the applications development market size, the extent of their dependence on local development, and to identify the challenges facing the Kingdom.

7-2 Study on Telecom Services Prices in the Kingdom

CITC periodically reviews the prices of telecom services in the Kingdom to ensure that they are in line with typical regional and international pricing. During 2014, the Commission conducted a comparative study using a scientific methodology specific to assessment of prices of mobile telecommunications services, taking into account the developments in the telecommunications markets, and the trends set by companies and service providers in marketing their products and services. The study showed the following:

- As a result of the proliferation of smartphones and tablets and their various applications, the demand for mobile Internet services has increased along with text messages and voice call services. This has led to the creation of a new approach for delivery of services in bundles that include a range of services, such as Internet service, voice call minutes, text messages, etc. for one monthly subscription fee, instead of the traditional style of paying a monthly subscription depending on usage, and payment for each service separately.
- Competition between companies for offering a variety of bundles with increased customer benefits became more evident through the diversity of packages targeting the needs of a wide range of customers. These also provided significant discounts on the prices of services compared to prices of individual components. This impacted positively on the prices of services, and led to significant reductions to price levels for voice, Internet and data services. In some packages offered by operators, on-net call prices amounted to less than 2 Hallalas, while the price per megabyte in the same package was less than 3 Hallalas. For example, some mobile service providers offer postpaid packages, at a price of not more than 150 Riyals per month, which contain more than 3,000 minutes voice calls and up to 2 GB of Internet data, in addition to 1000 SMS.
- The prices of these mobile service packages in the Kingdom are lower than the average for Arab countries and among the lowest worldwide.
- Prepaid mobile service prices were also affected by service packaging. The diversity of prepaid service offers became more evident with offers which address customer needs over different time periods through daily, weekly and monthly packages, allowing the customer to control usage as needed. Companies also provide recharging at competitive prices and support multiple SIMs. With regard to the prices for data, of-

fers include packages with unlimited capacities over a range of time periods, as well as limited capacities ranging from 1 GB to 60 GB, bringing the price to about 0.02 SR/Mb.

- The prices for telecommunications services in the Kingdom in general have seen a decline in recent times, with a negative inflation rate of about 6% during the period 2007 - 2014 which contributed positively to the reduction of the annual inflation rate for goods and services in the Kingdom. This reduction is the result of a number of factors, most notably stimulation of competition through continuation of licensing of mobile service providers, and most recently the licensing for launch in 2014 of two MVNOs, bringing the number of providers of mobile communications service in the Kingdom of five operators.
- The Number Portability service had a positive impact in stimulating competition and the diversity of offers from service providers. Since the Commission obligated the service providers in the Kingdom not to require payment before a number transfer, the number of requests for number porting has continued to increase. During 2014, more than half a million mobile subscribers transferred their numbers between all operators. This is the largest number since the launch of the Number Portability service in 2006, and resulted from the increased intensity of competition, the facilitation of transfer procedures and the coincident entry of new operators into the market.

7-3 Other Studies

In addition to the studies highlighted in this section, CITC carried out a number of other studies as summarized in Appendix B.6.

8. Accomplishments Compared to the Ninth Development Plan

Article 16 of the CITC Ordinance stipulates that: "The CITC Governor shall within ninety days from the start of each fiscal year submit to the Minister an Annual Report, after its approval by the Board. This Report should describe the Commission's accomplishments during the past year compared with the policies of the General Development Plan, the difficulties encountered, and the proposals for work improvement and progress. This Report will be submitted by the Minister to the Chairman of the Council of Ministers".

The following table details the relevant policies of the Ninth Development Plan, for the period 2010 to 2014, and a summary of the major accomplishments of CITC in this regard.

Policies of the Ninth Development Plan Relevant to CITC and Related Accomplishments

Policies of the Ninth Development Plan[1]	CITC Accomplishments
Continue efforts and programs to liberalize and regulate the ICT sector.	■ CITC continued its efforts to promote competition through issuing new licenses for a number of different services and terminating others. The total number of licenses at the end of 2014 was 325. ■ CITC continued its efforts to fulfill its responsibilities, including implementing a number of programs and projects such as the following: • Completed the procedures for licensing Mobile Virtual Network Operators (MVNOs) and issued licenses to two companies to offer those services. • Updated the procedures for tariff approval of retail and wholesale telecom services in order to reduce the burden on the operators, stimulate competition, lower prices, and improve quality of service. • Studied and defined the ICT markets in the Kingdom. Designated dominant service providers in these markets as well as their regulatory obligations. Four of the identified markets were fully liberalized leading to increased competition in these markets and better services at lower prices. Work began in 2014 on updating the study. • Initiated the procedures for licensing of broadband satellite services. ■ Continued to oversee the progress of the fixed, mobile and data service providers with respect to their network rollout plans and coverage, as described in the proposals they submitted to obtain their licenses.

Policies of the Ninth Development Plan[1]	CITC Accomplishments
Deploy broadband networks in all regions of the Kingdom. **Extend broadband networks and high-speed Internet to all schools, universities, government agencies and civil society institutions**	■ By the end of 2014, the number of subscriptions to fixed broadband services had increased to 3 million, representing 54% of households, and total mobile broadband population penetration had reached 94.5%. ■ Internet penetration increased rapidly over the past years; it rose from 13% in 2005 to about 65.5% at year-end 2014. The number of Internet users in the Kingdom is currently estimated at about 19.6 million. An increase in demand for Internet services and broadband was observed recently with greater use of social networking channels, resulting in users seeking higher speeds and greater bandwidth. The amount of data used also increased dramatically in the past few years. ■ Realization of the goals of the Ninth Development Plan, which includes 'direction towards the creation of a knowledge economy and an information society', requires provision of high quality infrastructure for broadband communication networks, to provide high-speed Internet access at affordable prices. This makes development of broadband services a cornerstone for the success of the Development Plan in the Kingdom over the next few years. In this regard, CITC has carried out a number of specialized studies of the ICT sector to determine the best ways to transition to a knowledge economy and to identify the major obstacles to the spread of broadband services of the required capacity and quality. In view of the importance of aligning efforts among all relevant agencies, several meetings have been held with a number of government agencies, public institutions, ICT service providers, and public and private sector companies, resulting in development of a long-term vision for the evolution of broadband services in the Kingdom. ■ Pursuant to the efforts to achieve the objectives of the Universal Service Policy and the Universal Service Fund strategic plan within the specified timeframes, operational plans were developed outlining the main objectives of the Fund and the related programs and projects it seeks to accomplish during each operational year. In addition, the operational plans define the structure of the projects and the processes for their execution, clarify the outputs of the Fund's programs in general, define the scope of work and determine the estimated costs for supporting the Fund's programs and projects.

Policies of the Ninth Development Plan[1]	CITC Accomplishments
Employ the resources of the Universal Service Fund to provide services in the areas most in need.	■ The Commission, through the Universal Service Fund, tendered 11 projects to enable the provision of voice and Internet services to more than 82% of the targeted population centers in a number of provinces and regions of the Kingdom. ■ The sixth annual operating plan for 2015 was prepared and approved. The plan covers a number of regions of the Kingdom and its provinces and comprises three projects to provide voice and Internet services to about 18% of population centers, representing the remainder of the targeted populations
Manage the frequency spectrum efficiently, enhance its capacity, and accelerate the implementation of the National Frequency Plan.	■ CITC continued to follow up on the implementation of the National Frequency Plan (NFP) and to require all agencies with frequency allocations that no longer conform to the NFP to vacate those frequencies within the time frame approved in the Plan. (See Section 6.3.1 and Appendix B.1 of this Report.) ■ A system was established to provide spectrum services electronically via the Internet. ■ An electronic system was developed and launched to handle frequency spectrum related complaints, in accordance with ITU models.
Continue to develop and update ICT standards.	■ The ICT equipment technical specifications were updated. ■ CITC staff were trained on the application of the updated technical specifications and on the mechanisms for updating the technical specifications in the future. ■ An electronic system for licensing and type approval of ICT equipment including a database of approved equipment was launched. An Internet portal was established through CITC's website to enable submission of applications, including applications for approval to import equipment. The system was linked to the Customs Authority system in order to achieve the desired efficiency. ■ Field measurements were conducted at a number of wireless sites in the Kingdom to ensure service provider compliance with regulations on electromagnetic radiation issued by CITC. All measurements taken to date indicate that radiation levels are hundreds of times below allowable levels based on international standards.

Policies of the Ninth Development Plan[1]	CITC Accomplishments
Provide various incentives to attract direct foreign investment in the IT industry.	■ CITC has sought to attract foreign investment by undertaking periodic studies of the ICT markets in the Kingdom and quantifying all indicators related to these markets which are of interest to local and international investors. CITC has published all information related to these studies on its website and has updated it on a regular basis. The most important information for investors is penetration of mobile, fixed and broadband services in the Kingdom, as well as data on revenues and investments in the sector. ■ To support competition, increase investment in the mobile telecommunications services market and increase options for users, two new licenses to provide MVNO services were awarded. CITC also started the procedure for licensing of broadband satellite service providers with the aim of increasing the penetration of broadband services, which have become a necessity for electronic applications, in particular e-government applications, and to meet the requirements of individuals and businesses. The number of licenses issued increased from 309 to 325 at the end of 2014, confirming the desirability of investment in the Kingdom's ICT markets. CITC issued reports on the status of the IT sector in the Kingdom as a means of increasing public interest in these issues. The IT Reports also encouraged decision makers in public and private agencies to remove any barriers to sector growth and the creation of a transparent and competitive environment that generates sector investment and increases development. A Forum was also organized to raise awareness of the issues in the IT Reports and to discuss recommendations and ways to increase stakeholder cooperation in the sector. ■ CITC, through the National Center for Information Security (CERT-SA), pursued its efforts to promote cyber security. This provides a healthy environment for electronic transactions which will attract and help build foreign investments in the IT sector as well as enhance its attractiveness for ICT manufacturing in the Kingdom. CITC also published the "Government Guide to the Policies and Procedures of Information Security" and has been training 350 specialists in information security from government agencies, in order to enhance cyber security, and to ensure a more secure national environment for electronic transactions. This will also help to attract foreign investment in the ICT sector in the Kingdom.

Policies of the Ninth Development Plan[1]	CITC Accomplishments
	■ Continuing its efforts to develop the ICT sector, CITC has prepared a study on the status of ICT in the Kingdom. This study addresses new services, such as data centers, managed services and cloud services, in order to raise awareness and identify ways of developing these services. The study also made recommendations on using ICT to automate small and medium businesses, attracting more local and foreign investment that will contribute to creating job opportunities in the sector, and raising the competitiveness level in the Kingdom.
Provide various incentives to attract direct foreign investment in the IT industry.	■ CITC launched a national program to increase awareness of information security. The program contained a range of time-based plans, information campaigns, measurement tools, objectives and strategies that focused on public awareness of information security for all segments of society in the Kingdom. This program consisted of tools for measuring the level of public awareness of information security nationally by using information mechanisms and campaigns to raise the level of awareness according to a time based plan, with measurable goals, and a specific strategy. ■ CITC continued to provide a variety of free domain name registration services allowing investors efficient and easy access to reliable national websites. ■ CITC opened the way for registration of Arabic domains under the Arabic Top Level Domain (السعودية). CITC plays a leading role at the global level in support of Arabic domain names, and has developed a national capability in this field. ■ CITC developed an electronic system for licensing and type approval of ICT equipment by creating a database of approved equipment and establishing a portal on the CITC website for electronic submission of applications for type approval and customs clearance for ICT equipment and for deciding electronically on the outcome of applications. The service is offered free of charge. ■ A study was prepared on the status of the ICT sector, which aims to discuss the current situation the future plans and the challenges facing the sector in the Kingdom, raise public awareness about important issues in the sector, stimulate the interest of stakeholders by highlighting the key challenges facing the development of the sector in the Kingdom, stimulate the transformation to the information society, and encourage the adoption of ICT services and applications in the business environment.

Policies of the Ninth Development Plan[1]	CITC Accomplishments
Develop the capacity of companies and enterprises and increase their usage of ICT.	■ CITC undertook a detailed study and field survey of a number of public and private enterprises. The outcome of the study appeared in the IT Reports. The Reports highlighted the opportunities for growth and investment in the IT sector and identified the skills gaps and employment opportunities in the sector. The Reports provide stakeholders in the public and private sectors with basic data that will enhance their capabilities in recruitment, training and attracting investment, and they contributed indirectly to developing the capacity of companies and enterprises. ■ Continuing its approach of encouraging the provision of reliable ICT services at affordable prices, CITC regulated the prices to end-users, and worked to reduce them. CITC also prepared guidelines and rules for shared use of ICT network infrastructure. The guidelines aim to encourage the deployment of services in a fair competitive environment that allows licensees to offer their services, while reducing duplication of investment in the implementation of networks. This year also saw further efforts to raise the readiness of the Kingdom to move to Version 6 of the Internet Protocol (IPv6) which will allow the provision of a large number of domain names to meet the current and future global requirements. All of this results in increased availability of services and their use by all segments of society who rely on electronic services to facilitate the operation of their business. ■ CITC launched an initiative, the Tahfeez program, to stimulate the ICT industry in the Kingdom by addressing the shortage of products and services offered by small and medium local ICT businesses and encouraging them to improve their competitiveness. The program aimed in the long term to pave the way for leading national companies to contribute to growth and employment in the ICT sector in the Kingdom.

9. Growth and Indicators of the ICT Sector in the Kingdom

9-1 Mobile Services Market.

There were about 53 million mobile subscriptions at the end of 2014, representing a population penetration rate of 171.4%. Prepaid subscriptions constitute the majority (over 87%) of all mobile subscriptions. Toward the end of 2014, CITC awarded MVNO licenses, which should contribute to improving customer care and increasing the variety of services offered, as well as to growth of the telecommunications market and greater choice for subscribers will be made available. A reduction in the number of subscribers can be noted in 2012 and 2013 compared to 2011, this was the result of the efforts undertaken to limit the spread of SIMs with unknown IDs.

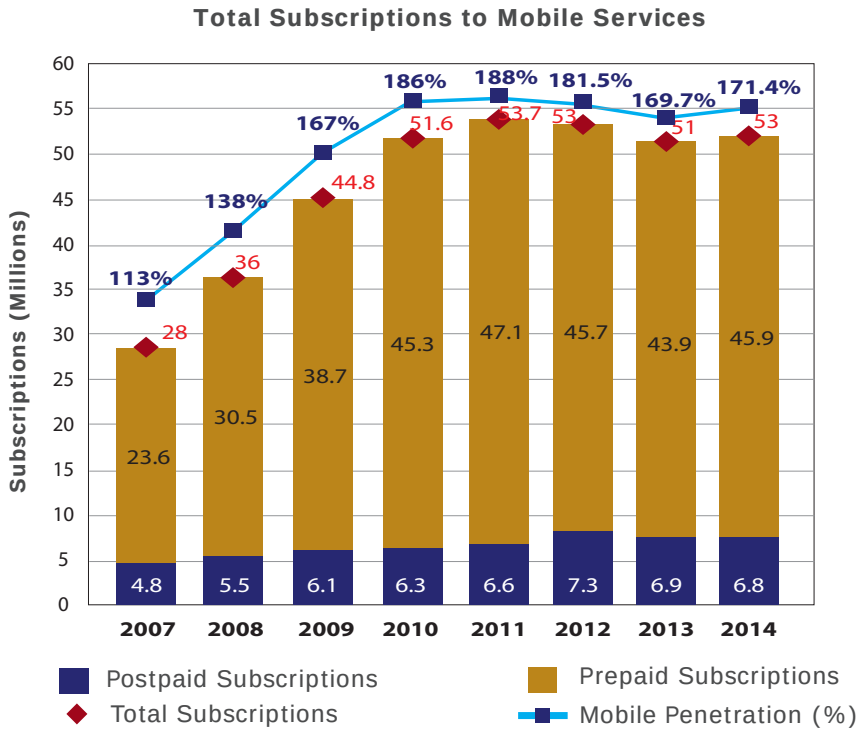


Figure 6: Mobile Services Market Growth

Source: CITC

9-2 Fixed Telephone Market

There were about 3.62 million fixed telephone lines at the end of 2014 of which about 2.53 million, or 70%, were residential lines. This represents a population teledensity of about 11.8% and a household teledensity of about 45%. A reduction in the number of subscriptions to fixed services can be noted. This reduction is due to competition from mobile services and the comparability of their prices, as is the case in most countries in the world, where subscribers are counting on mobile as a basic service and a substitute for fixed. In addition, settlement of some unpaid accounts and cancellation of the accounts of expatriates who left the country permanently have contributed to the reduction.

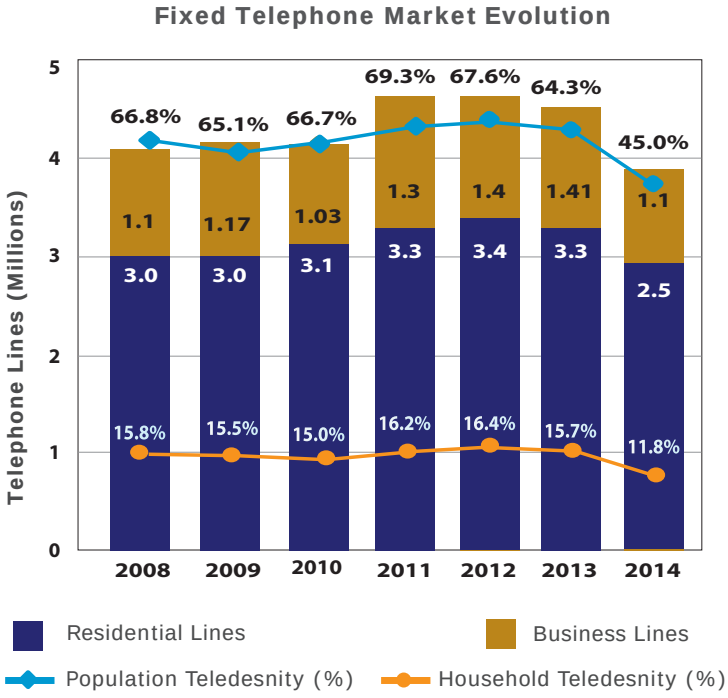


Figure 7: Fixed Telephone Market Growth

Source: CITC

Note: *Population teledensity is calculated by dividing total fixed telephone lines by the population, while household teledensity is calculated by dividing residential lines by the number of households*

9-3 Broadband Market

Demand for broadband services has increased significantly in recent years due to the growing need for high-speed services throughout society, especially given the strong support of the Government for high-tech projects requiring good digital infrastructure, as well as the increase in e-government transactions. Another factor is the increase in Internet usage in the Kingdom for communication, access to information, and business processes. It is also caused in part by the large number of programs and applications downloaded to smart devices. These applications, which require large download capacities and high speeds, include social networking, business applications, word processing, chat programs, security tools, games and many others.

A) Fixed Broadband Services Market

Fixed broadband subscriptions including Digital Subscriber Line (DSL), fixed wireless (WiMAX), fiber optics (FTTx) and other fixed lines have grown to about 3 million at the end of 2014. The fixed broadband household penetration rate was about 43.2%. It should be noted that a conversion is underway from copper based DSL lines to fixed wireless and FTTx, as well as to mobile networks which offer packages that include internet as a result of the rollout of 3G and 4G services.

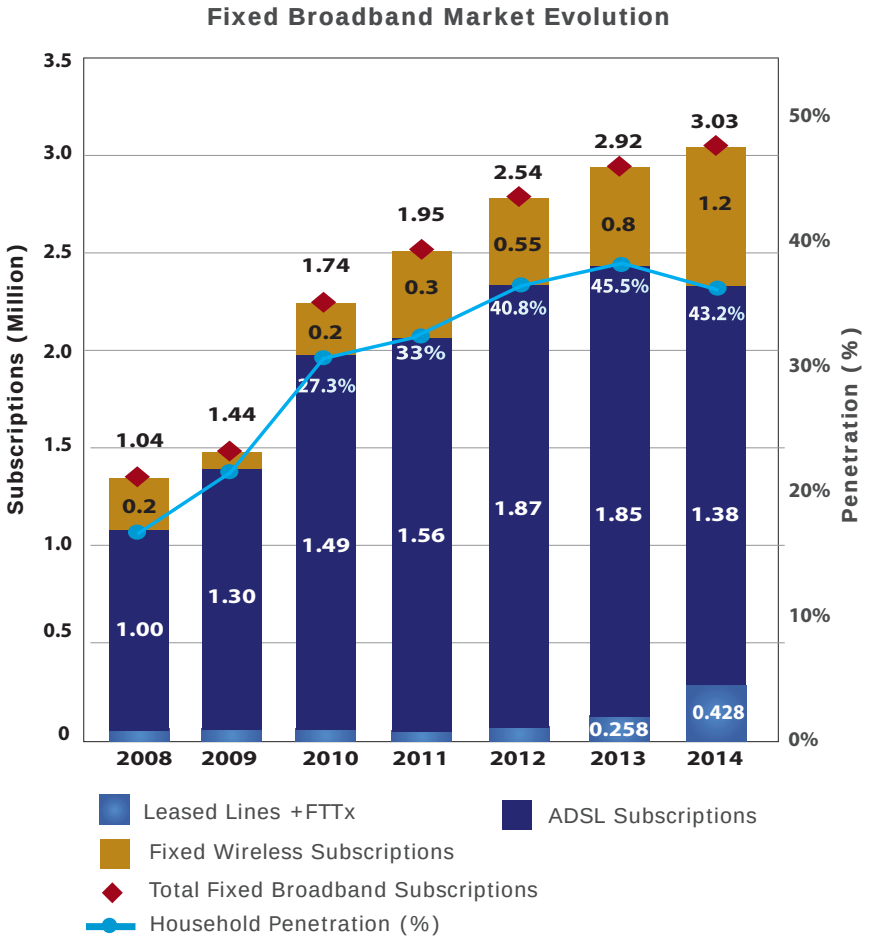


Figure 8: Fixed Broadband Services Market Growth

Source: CITC

B) Mobile Broadband Services Market

Total mobile broadband subscriptions reached about 29 million at the end of 2014. These include subscriptions to broadband services and to voice services bundles. As a result the population penetration rate of mobile broadband services reached about 94.5% The increasing prevalence of smart phones has led to the rise in the number of users in recent years. The increase in data traffic using these devices has been supported by extensive 3G and 4G coverage in various regions of the Kingdom.

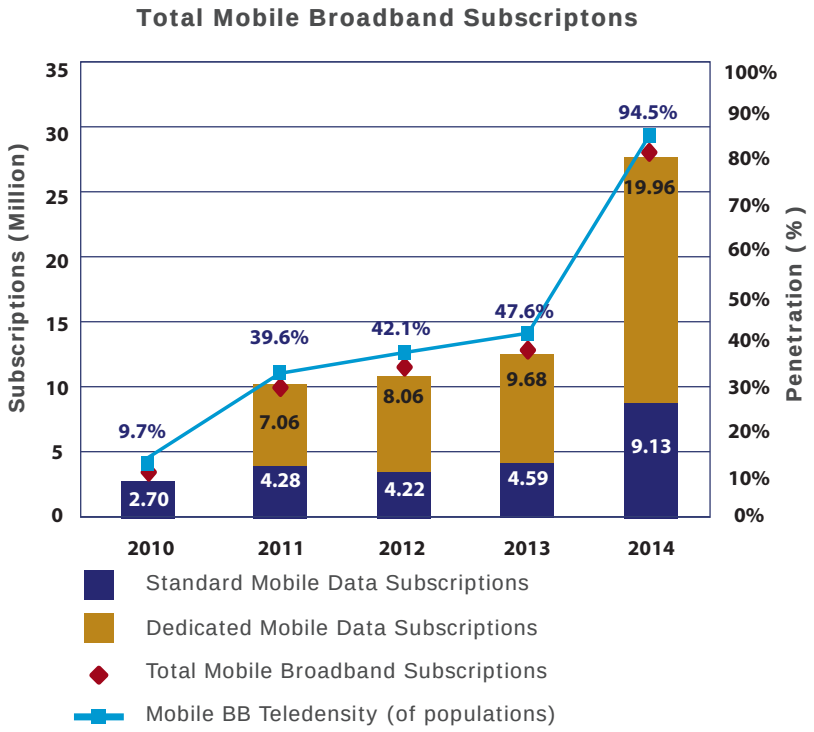


Figure 9: Mobile Broadband Services Market Growth

Source: CITC

9-4 Internet Services :

The penetration of Internet usage in the Kingdom increased significantly in the last few years. It rose from 13% in 2005 to about 63.7% at the end of 2014. The number of Internet users in the Kingdom reached about 19.6 million. The increased demand for Internet services and broadband was due to high usage of social networking applications, video downloading and gaming. Customers are seeking higher speeds and larger data packages, resulting in heavy data traffic on both mobile and fixed networks in the last few years.

It is expected that the demand for Internet services will continue to increase significantly over the next few years as a result of the availability of high speed fiber-optic networks (FTTx), especially in the larger cities, and the spread of 3G and 4G to in the various regions of the Kingdom, combined with other factors such as increased Internet content, and the spread of smart handheld devices and their applications that rely on Internet connection.

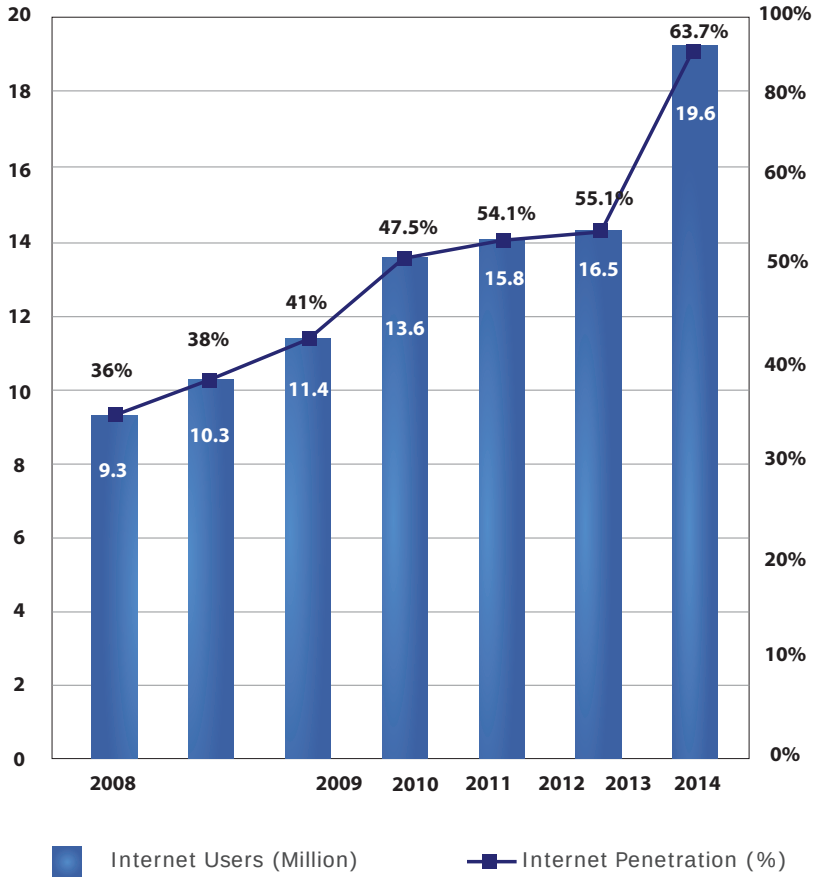


Figure 10: Number of Internet Users

Source: CITC

9-5 Telecom Services Sector Revenues

Telecom services revenues from operations in Saudi Arabia reached about SAR 68.18 billion in 2014, representing a decrease of about 4.3% from 2013. This decrease resulted from the reduction of prices for services in general, combined with CITC's efforts in regulating prices in non-competitive markets. In addition, there was a decline in the number of subscriptions for fixed telecommunications services. This decline was as a result of competitive mobile telecommunications services at affordable prices, and the adoption of mobile by subscribers as a basic service substitute for fixed voice service. Finally, some unpaid accounts were settled and accounts of expatriates who left the country permanently were cancelled. Mobile revenues represent 77.8% of all telecom sector revenues, with fixed and data services accounting for the remaining 22.2%.

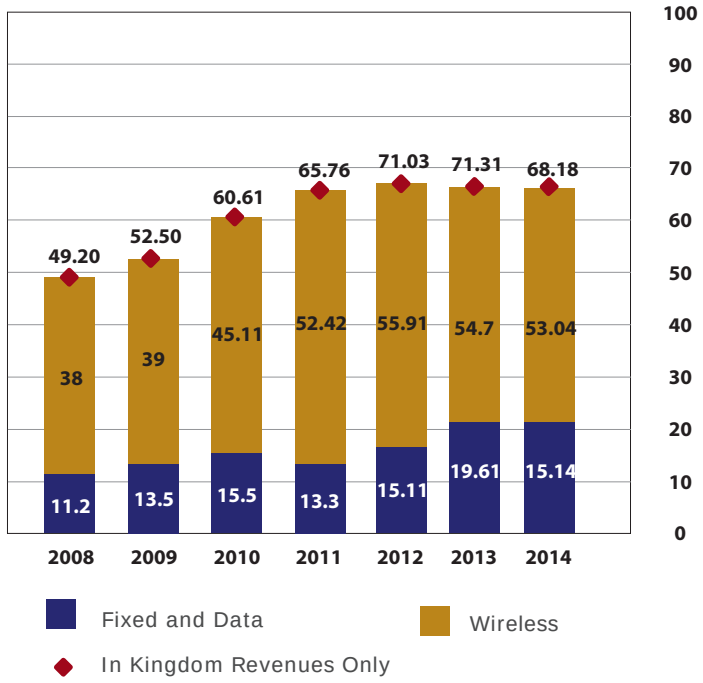


Figure 11: Telecom Services Sector Revenues
Source: CITC

9-6 International Internet Bandwidth

The total capacity for international Internet connectivity in 2014 was about 1321 Gbits/s compared to 318 Gbits/s in 2010.

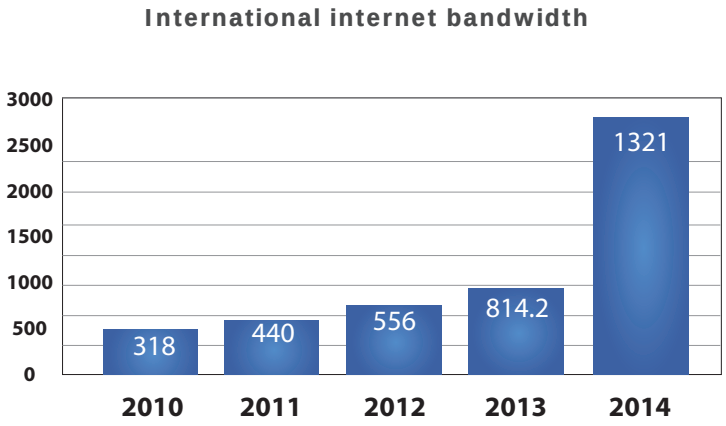


Figure 12: Telecom Services Sector Revenues

Source: CITC

9-7 Domain Names Registered in the Kingdom

The cumulative number of domain names registered in the Kingdom reached 37,547 by the end of 2014 compared to 2,817 in 2000 and it can be seen that the number of domain names is continuing to grow.

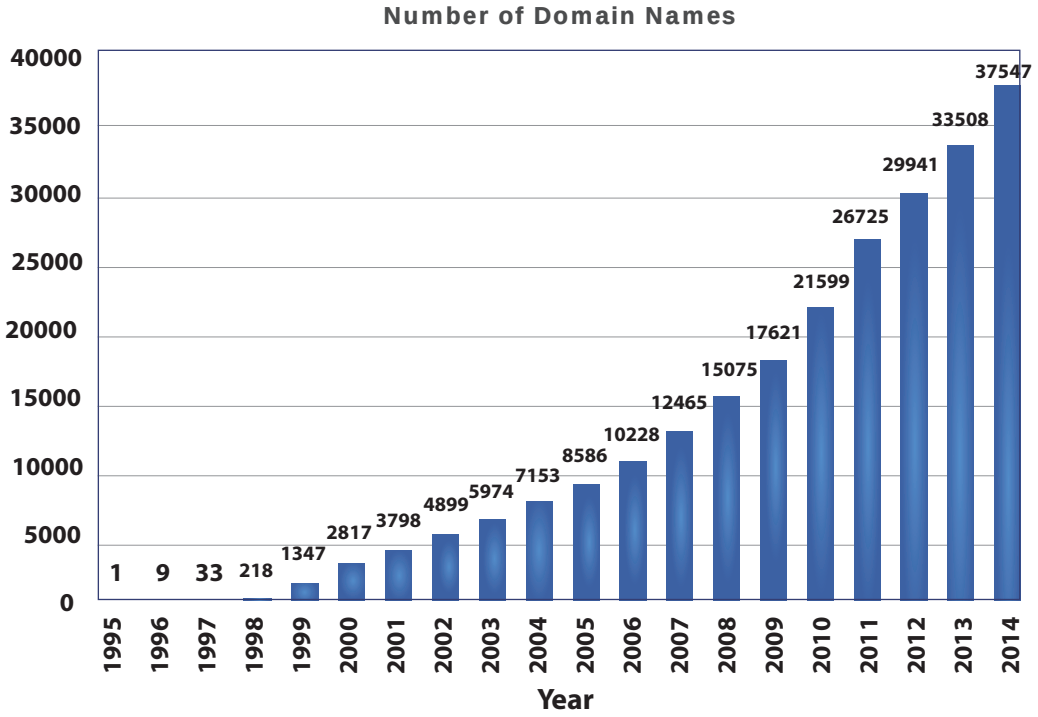


Figure 13: Number of Domain Names

Source: CITC

9-8 Telecom Service Prices and Inflation:

The liberalization of the telecommunications sector and the opening of its markets to competition has led to improved coverage and quality of services, increased choice of suppliers, in addition to lowering of service prices over the past years. It is worthy of note that while in recent years the Saudi market has seen a noticeable rise in goods and services prices, the prices of telecommunications services have been in continual decline.

The cost of living index in KSA increased by 2.7 percent in 2014 compared to 2013. This is due to the rise in the major expenditure groups of the consumer price index except for the telecommunications services group which decreased by about 0.1 percent in 2014.

Figure 14 shows that the general cost of living index increased by around 30.1 percent cumulatively over the period 2007-2014, while the prices of telecom services decreased by around 6.3%. This decline is mainly due to the accelerating pace of competition in the ICT market and the diversity of promotions offered, which reflected positively on the prices of services.

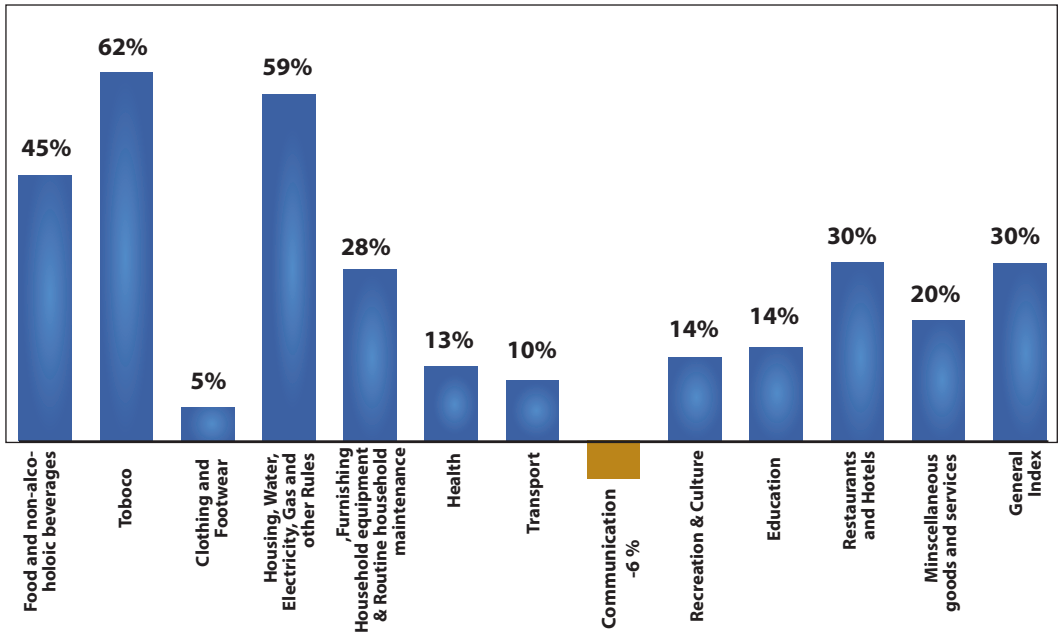


Figure 14: Relative Change in Cost of Living (Inflation) 2007-2014

Source: Central Department of Statistics

9-9 ICT Contribution to the National Economy

The ICT sector plays an important role in the national economy. The impact can be measured through several indicators including contribution to the gross domestic product of the economy, investment in the ICT sector, and the level of spending on ICT services.

9-9-1 Contribution to the National GDP

The growth of capital investment, and the development and expansion of ICT networks as the result of market liberalization, has significantly contributed to the national gross domestic product (GDP). This growth is the result of liberalizing the telecommunications sector and opening the markets to competition. According to CITC estimates, the contribution of the ICT sector represents around 2.78% of total GDP in 2014 and has been rising over the past three years. If the oil and mining sector components of the GDP are excluded, it is estimated that the ICT contribution to the national GDP is up to 8.7% in 2014. In addition, the huge investments in infrastructure and networks currently underway, particularly broadband services, will further enhance the contribution of telecommunication services to GDP. Studies show that there is a direct correlation between the availability of broadband services and the rate of growth to GDP.

The published data indicates that the communications and transport sector is the fastest growing economic sector. This sector has achieved a growth of about 6% in 2014, and the average annual growth rate during the past five years (2010-2014) is about 8.72%.

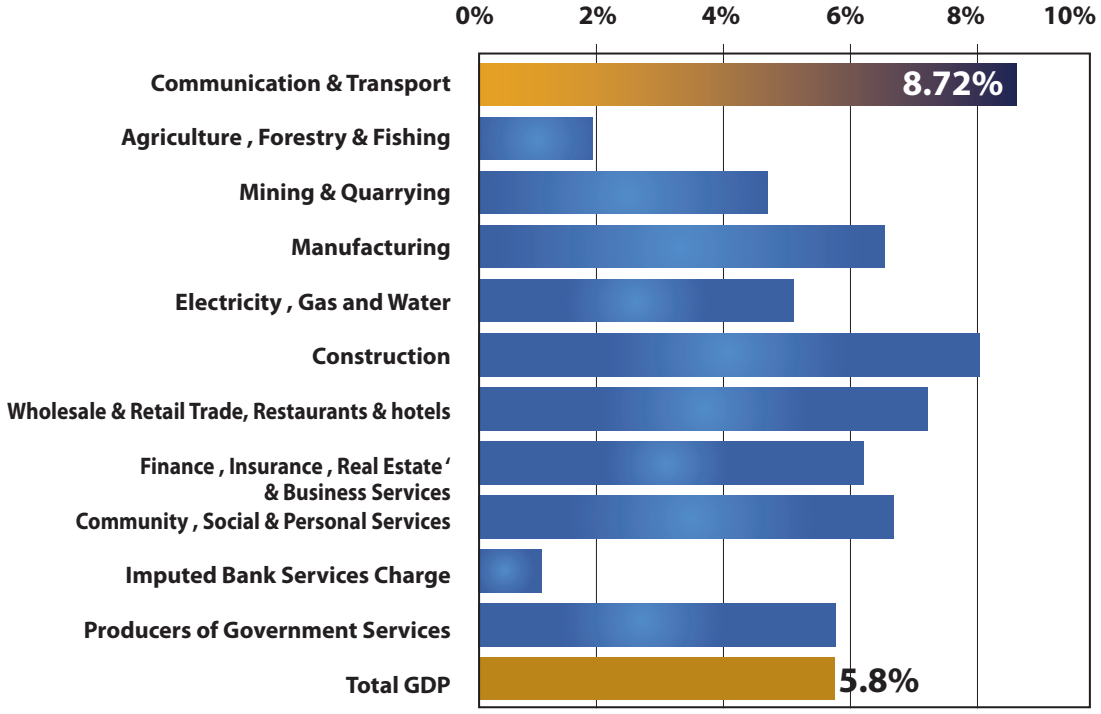


Figure 15: Average Annual Growth of GDP by sector (2010-2014)

Source: Central Department of Statistics

9-9-2 Investments in ICT

The investment environment in the Kingdom is distinguished by its continuous evolution and high returns to investors, reflected in investment growth in both the government and private sector, the recovery of consumer confidence, as well as the growing focus by companies in enhancing their efficiency and support capabilities. The aim of the Kingdom is to evolve into an information society and to become a leader in the field of ICT. The Kingdom is looking to achieve this by attracting investments that enhance competitiveness, help to create quality jobs, and contribute to the diversification of income sources and to technology transfer. The Kingdom has attracted local and international investments in strategic areas among the most important of which is the ICT sector. This has resulted in the Kingdom having one of the largest economies in the world, ranking 19th globally and first in the MENA region.

The current capital investment in the ICT sector in the Kingdom is estimated at more than 30 billion riyals ($US 8 billion), mostly concentrated in infrastructure projects, particularly fixed and mobile broadband networks, and in solutions for information security, managed services, and Layer 3 technologies. CITC expects the investments in the sector to increase in the next few years with the growing demand in the ICT market for broadband and data services, and Layer 3 applications, as well as with the entry of MVNOs to the market, which will undoubtedly contribute to enhancing market efficiency, improving services levels and lowering prices.

9-9-3 Spending on ICT Services:

CITC conducted a study to estimate the spending on ICT services, equipment and software in the Kingdom. The study estimated that about SAR 111 billion was spent in 2014, representing a growth rate of about 9% over 2013. The telecommunications sector accounts for the lion's share of spending with 64%, while the proportion of spending on IT services is about 36%. This magnitude of expenditure results from investment in infrastructure for Next Generation Networks and 4G mobile networks, the adoption of electronic services (e-government, e-health, e-education, e-commerce, etc.) as well as spending on information security. It is expected that the telecommunications market and information technology will continue to grow on a regular basis, to exceed about 120 billion riyals in 2015.

Spending on Telecommunications Services and Information Technology

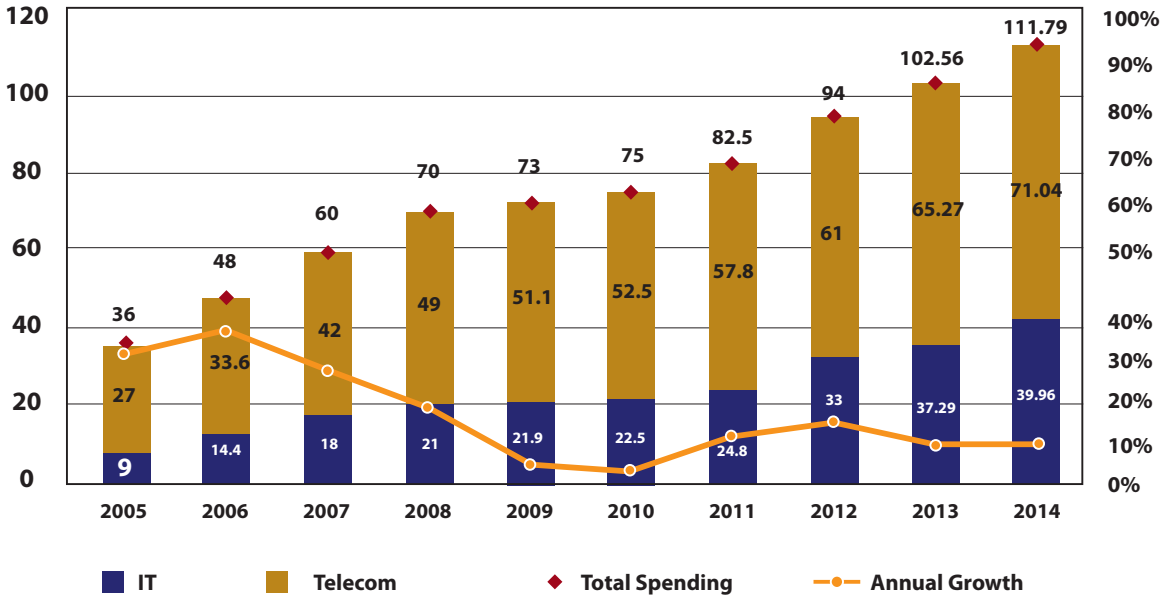


Figure 16: Growth of Expenditure on ICT services

Source: Central Department of Statistics, and CITC analysis

10. Work Program for 2015

CITC will continue to carry out its duties and responsibilities, and plans to implement a number of programs and projects during 2015 including the following:

- Licensing broadband satellite services.
- The project on updating the definition and designation for dominance of ICT markets in the Kingdom.
- The project on regulating wholesale national voice call termination rates in the Kingdom.
- The project to study ICT markets in the Kingdom.
- Continue regulation of tariffs for ICT services and complete the update of the relevant procedures.
- Start of the project to study the effect of the telecommunications sector on the Saudi economy.
- Start of the project to study prices.
- Start of the project on price approval procedures.
- Start of the project to study amendment of the Bylaw.
- Develop procedures for the assessment of violations that increase the timeliness of the process and minimize issues that could result in overturning the decisions of the Violations Committee.
- Follow up on procedures for implementation of the decisions of CITC and the Violations Committee, ensuring that those procedures conform to the CITC Statutes and the laws of the Kingdom.
- Continue to follow up on the CITC cases before the Grievance Diwan by launching and applying the Legal Proceedings System.
- Continue to follow up and resolve the technical issues relating to number portability.
- Continue to study requests for number and code allocation from concerned parties including service providers and others, consistent with the relevant rules and the National Numbering Plan.
- Continue to develop and periodically update technical standards for ICT equipment and devices in accordance with international standards, and issue related conformance certifications.
- Launch the electronic system for licensing and type approval of ICT equipment and pursue its application at all Customs entry points in the Kingdom.
- Complete the Interconnection Guidelines update and the Guidelines for Access to Physical Facilities.
- Continue to monitor the performance of the communications networks throughout the Kingdom and during the Ramadan and Hajj seasons at the two Holy Mosques and the Holy Mashaer.

- Continue to perform field measurements of the level of electromagnetic radiation in the Kingdom within the framework of the technical cooperation program with universities and research institutions.
- Start the project for follow up on ICT and its indicators.
- Project for regulation of ICT infrastructure in residential, commercial and governmental properties and developments
- Develop guidelines for sharing of fiber networks infrastructure.
- Continue to execute necessary activities relating to the Regulatory Framework on Disaster Recovery including a benchmarking study on the international best-practice to assess the need for updating the Regulatory Framework.
- Review and update the procedures for notification of major telecommunications outages.
- Continue to follow up the implementation of the National Frequency Plan.
- Implement an updated spectrum management system.
- Prepare a report on the current ICT situation.
- Continue to ensure that the CERT executes the tasks and activities assigned to it.
- Continue the activities related to the provision and filtering of Internet services .
- Establishing a portal on the activities of the ICT sector.
- Continue activities in support of the deployment of IPv6 throughout the Kingdom.
- Continue the activities of the Saudi Network Information Center
- Implement USF Projects #7 and #8 of the Fourth Operational Plan.
- Implement USF Projects #9, #10 and #11 from the Fifth Operational Plan.
- Prepare tender documents for Projects #12, #13 and #14 of the Sixth Operational Plan, launch the tender and complete the analysis and award process.
- Prepare tender documents for the technical surveillance project, launch the tender and complete the analysis and award process.
- Prepare tender documents for the GIS project, launch the tender and complete the analysis and award process.
- Continue to update the USF database in light of the projects currently underway and according to the population and housing census issued by the Bureau of Statistics.
- Prepare the closing accounts of the Universal Service Fund for the 2014 fiscal year
- Start the building of the ICT corner.
- Continue the internal audit work in accordance with the audit plan for 2015 and the new CITC organizational structure, and follow-up on issued audit reports.
- Issue the annual internal audit report.
- Prepare interactive documentary films to enhance awareness.

11. Appendices

Appendix A: Decisions of the Board of Directors

The Board held 8 meetings in 2014. The major decisions taken during the year include:

- Approval of the CITC budget for the 2015 fiscal year.
- Approval of the budget of the National Committee for the Information Society (NCIS) for the 2015 fiscal year.
- Approval of the USF budget for the 2015 fiscal year.
- Approval of the CITC, NCIS and USF financial statements for the 2013 fiscal year.
- Approval of the USF financial statements for the 2013 fiscal year
- Approval of the appointment of an external auditor for fiscal years 2014, 2015 and 2016.
- Approval of issuing an MVNO license to Saudi Virgin Mobile
- Approval of issuing an MVNO license to Etihad Jawraa
- Approval of the amended Request for Application (RFA) for licensing of an MVNO to be hosted by the Saudi Mobile Telecommunications Company (Zain)
- Approval of the award of USF Projects 9, 10 and 11 of the Fifth Operational Plan to STC.
- Approval for awarding the project for development of a modern spectrum management system to Saudi Detecon Ltd.
- Approval to cancel the award the project for development of a modern spectrum management system to Saudi Detecon Ltd due to the company's failure to fulfill CITC comments regarding the open source agreement within the specified time frame.
- Approval for retendering of the project for development of a modern spectrum management system.
- Approval for CITC to continue, in coordination with the Ministry of Finance, to take action and appropriate steps regarding the collection of dues from telecom service providers, institutions and individuals based on the rulings of the Violations Committee, as well as collection of the commercial provisioning fees due from service providers.
- Approval of CITC's 2013 annual report, which covers (in accordance with the rules for the preparation of annual reports of the ministries, institutions and government agencies) the overall work and activities and programs of the Commission during the reporting period.

Appendix B: Other Activities and Achievements

In addition to the major activities described in Section 6 of this Report, CITC undertook many other activities including those described in the following sections.

B.1 Spectrum Management

- Carried out 9,500 frequency allocations to government agencies, service providers, international organizations, and individuals in the Kingdom for use in the provision of private telecommunications services, and to enable licensed service providers to offer services to the public. Some of the frequencies were registered with the ITU in order to protect them from interference from other countries.
- Canceled 4,955 frequency allocations, either to implement the National Frequency Plan or because the allocations were no longer needed by their users.
- Issued and renewed 113 licenses for fixed and mobile wireless equipment, 240 for maritime wireless systems, 127 for amateur radio operators, 187 for amateur radio stations, and 551 for aeronautical navigation services.
- Studied 16 license applications for frequencies for use with air navigation devices.
- Canceled 12 licenses for aeronautical navigation stations.
- Reviewed 190 applications for amateur radio licenses.
- Conducted 120 exams for amateur radio users.
- Calibrated 333 instruments and repaired 125 instruments used in spectrum management, and performed technical measurements on 667 wireless devices.
- Conducted technical inspection of 5,529 wireless devices and 39,483 spare parts.
- Studied 22 requests for licensing of wireless devices
- Monitored 2,892 cross-border emissions causing interference in the Kingdom and coordinated with neighboring countries to address them.
- Coordinated 121 requests for frequencies for use during the visits of foreign dignitaries, or by foreign vessels during their passage through the Kingdom's territorial waters.
- Reviewed and took appropriate action on 54 applications for frequency coordination between the Kingdom and other GCC countries.
- Carried out 33,992 frequency monitoring measurements to detect unauthorized signals causing interference.
- Carried out 12,882 measurements on allocated frequencies to verify compliance with the conditions of their allocations.

- Monitored 5,636 unauthorized emissions and addressed them with the concerned authorities to make the necessary hardware adjustments, and took appropriate actions.
- Carried out field surveys of 36 locations to ensure that users of frequencies conform to the technical specifications for the licensed frequencies in order to prevent harmful interference.
- Monitored 25,464 frequencies in accordance with the data base of users to verify proper usage of the frequencies
- Investigated 817 interference reports within the Kingdom and took steps to resolve and eliminate them.
- Carried out 110,000 measurements of frequencies used for safety and emergency services to ensure that they are free of harmful interference.

B.2 ICT Equipment and Devices

- Reviewed over 2,600 applications for ICT equipment type approval.
- Processed over 18,500 applications for type approval and customs release of imported ICT equipment.
- Studied and responded to over 3,000 enquiries related to technical standards.
- Provided technical support and consultations on over 150 seizures of ICT equipment.

B.3 Technical Support to Internal and External Entities

- Provided ongoing technical support to many government agencies and the Red Crescent on a variety of subjects.
- Communicated and coordinated with the General Presidency of the Two Holy Mosques and the operators regarding indoor wireless coverage in the mosques and the use of shared antennas.
- Studied the requests from the Ministry of Housing regarding the procedures for provision of telecommunications infrastructure to housing developments of the Ministry of Housing.
- Provided support for the Baha Emirate area in order to respond to the comments from the Regional Council on the level of service coverage, and on coverage in locations that are commercially viable.
- Provided specialized technical advice and coordination on restrictions faced by network operators due to the rules of the municipalities.
- Provided specialized technical advice and coordination regarding the large increase to the service provider rents by the Municipal Authorities of the Holy Capital.
- Coordinated with Municipal Authorities on the subject of the cost of providing service to new developments.
- Coordinated with Aramco on the requirements for con-

structing shared ICT infrastructure, in conformance with international standards, related to the project to construct 11 sport stadiums in various parts of the Kingdom

- Coordinated with the facilities-based mobile service providers with regard to the mass transport project in Jeddah and its requirements, and the provision of service on its routes.
- Addressed requests for service coverage, including reviewing the obligations of telecommunications service providers, and determining whether or not provision of such coverage is part of the service providers obligations, and taking necessary steps towards providing the required services.
- Coordinated with service providers regarding the need to retain customer data for a period of 12 months.
- Conducted an inspection of systems of some licensed service providers to verify fair policies for bundles offered to end users and to check for charging of visitors' SIMs without entering their ID numbers, and to verify the application of content blocking on the codes of violating short messages.
- Provided technical support with regard to the service interruption in Asir region resulting from the fire in the STC exchange in Khamis Mushait, including supporting the execution of the STC disaster recovery plan.
- Provided technical support with regard to the interruption of all lines and circuits to the passport department in East Region, and the execution of the STC disaster recovery plan.
- Coordination and follow-up with the service providers to implement civil defense emergency measures and plans in respect of ICT services in the Holy Capital during the holy month of Ramadan and the Hajj season for the year 1435.

B.4 Media Activities and Events

- In Q1 of 2014, CITC launched an extensive awareness and information campaign about cybercrime and particularly about the Anti-Cyber Crime Law. The campaign has been conducted through numerous news media.
- Produced several short awareness videos on a number of CITC services, and on procedures that need to be observed by ICT users in KSA.
- Pursuant to CITC's efforts in the context of the cooperation project with government agencies, a number of workshops and awareness lectures were launched for certain universities, chambers of commerce and others. In addition, CITC provided government agencies awareness publications and brochures relating to data security. A total of 189,000 leaflets and brochures were distributed.

- Activated communications channels in social networks by establishing accounts, and intensifying the broadcast of awareness messages, and providing information through those channels on CITC services, and on procedures that need to be observed by ICT users.
- Prepared over 70 news articles in both Arabic and English and published them in various national and international communications media.
- Developed a special guide standardizing CITC's logo and circulated it to the Commission's employees and to advertising agencies and printers used by CITC.
- Developed a comprehensive communications strategy covering the years 2014 to 2016.
- Issued four quarterly electronic letters in both Arabic and English covering the most important performance indicators for the ICT sector in the Kingdom.
- Updated the fact sheet highlighting the Commission's most important facts and figures for the year 2014.
- Prepared an annual report covering all views that were published in the press concerning the Commission and its activities for the year 2014.
- Participated as a supporter and sponsor of the Arabnet Forum, the Cisco Conference and the Tulsa Conference 2014.
- Organized the Gulf meeting tasked with preparing for the World Radio Conference 2015.
- Coordinated the celebration for inaugurating the new CITC building and associated exhibition.
- Produced a documentary film on the history of the telecommunications sector in the Kingdom
- Participated in organizing Kingdom receptions at international conferences.
- Defined public relations methodologies and procedures and internal communications mechanisms.

B.5 Overseeing Telecom Services During the Ramadan and Hajj Seasons

- Conducted field measurements in Makkah and Madinah for the Ramadan and Hajj seasons to ensure that the mobile operators are meeting the technical standards and quality of service criteria set by CITC in accordance with international standards and best practices. Tasked four universities to conduct field measurements for a period of three years starting from 2015.
- Reviewed the preparations of the service providers in Makkah and the Holy Areas, as well as the ports of entry in Jeddah, to ensure the provision of telecom services worthy of the reputation of the Kingdom and sufficient to meet the needs of the pilgrims.

- Monitored the performance of the service providers during the Ramadan and Hajj seasons 1435H in Makkah, Madinah and the Holy Areas. Developed fault reporting procedures for the pilgrimage.
- Prior to the Hajj season, monitored wireless frequencies around the Grand Mosque and the Holy Areas to ensure that there was no harmful interference that may affect services to pilgrims or to government agencies.
- Temporarily allocated additional bandwidth to service providers to improve the level of mobile service for the pilgrims in Makkah and Madinah during the Hajj season 1435H.
- Coordinated the activities of government agencies and the service providers to ensure compliance with relevant Hajj regulations.
- Conducted field visits to the service provider sites to assess network performance.
- Conducted daily visits to the network operations centers during the Ramadan and Hajj seasons.
- Oversaw the service providers in augmenting the mobile networks to cope with the increased traffic during the Hajj season.
- Received user complaints regarding telecom services in the Holy Places and expedited their resolution.
- Provided daily reports to the Supreme Hajj Committee during the Hajj season.
- Prepared an evaluation of telecom performance following the Hajj season 1435H for future reference.

B.6 Other Activities and Studies

- Studied the World Bank report on the subject of Broadband in the MENA region and prepared a comprehensive summary of the report and provided a number of comments and views on its contents.
- Studied the draft Guidelines on the adoption of cloud computing in the Arab countries.
- Studied a request from STC to establish a centralized system supervised by CITC to monitor termination of incoming international calls.
- Studied a request from the Ministry of Municipal and Rural Affairs concerning the desire of certain private companies to use municipal lamp posts exclusively for the provision of Internet and communications services.
- Studied a proposal to establish a national roaming system between mobile service providers operating in the Kingdom for use in emergency situations.

Appendix C:
Participation in Meetings and Conferences

CITC participated in many local, regional and international meetings, conferences, seminars and exhibitions in 2014, including the following.

C.1 Regional Participation

1. Meetings of the Gulf Cooperation Council (GCC):

- 8th meeting of the working group on international roaming rates in the GCC. Muscat, 6-10 Jan 2014.
- 9th meeting of the working group on international roaming rates in the GCC. Abu Dhabi, 10-13 Feb 2014.
- 2nd preparatory meeting of the GCC team to prepare for the World Telecommunication Development Conference and the Conference of Delegates. Manama 18-20 Feb 2014.
- 6th meeting of the working group to organize and restructure the working committees of the GCC Ministerial Council Committee for Posts and Telecommunications. Manama, 25-26 Feb 2014.
- Joint meeting between the Executive Committee for e-Government and the GCC Committee of MOPT Deputy Ministers in the GCC. Kuwait 9 Mar 2014.
- 35th meeting to discuss radio interference and to coordinate use of frequencies in the GCC. 16-17 Mar 2014.
- 10th meeting of the National Centers for Computer Emergency Response, 8-9 Apr. 2014.
- 3rd meeting of the GCC team to prepare for the World Radiocommunication Conference (WRC 2015). Manama, 12-13 Apr 2014.
- Preparatory meeting for WRC 2015, and the 35th meeting of the Technical Committee of the Technical Office of the GCC. Manama, 12-17 Apr 2014.
- The GCC meeting in charge of preparations for the World Radiocommunication Conference 2015, Manama 12-13 Apr. 2014.
- 35th Meeting of the Technical Committee of the Gulf Cooperation Council, Manama 14-17 Apr. 2014.
- 2nd meeting of the working group on regulation of applications and services provided through the Internet in the GCC. Kuwait, 27 Apr 2014.
- 6th meeting of the GCC ICT Steering Committee. Kuwait, 28-30 Apr 2014.
- Meeting of the Committee of Deputy Ministers of Telecommunications and Information Technology in the GCC. Kuwait 26 – 27 May 2014.

- Meeting on interference on the LTE network in Qatar emanating from STC. Manama 29 May 2014.
- GCC and America forum on Investment and Economy. Washington 10-13 Jun 2014.
- Meeting of the Ministerial Committee on Telecommunications and Information Technology in the GCC countries. Kuwait 11 Jun 2014.
- Third Gulf preparatory meeting and second Arab preparatory meeting for the 2014 Plenipotentiary Conference. Manama 21-26 Jun 2014.
- Coordination meeting with Bahrain representatives on cross-border interference in the 800MHz frequency and to discuss the mechanism for WiMax measurement in the border area. Manama, 2 Sept 2014.
- Fourth Gulf preparatory meeting for the 2014 Plenipotentiary Conference . Manama 3-4 Sept 2014
- Meeting of the Gulf Working Group for visiting the major Internet companies in San Francisco. Dubai 22-28 Sept 2014.
- Meeting of the Gulf Working Group for visiting the major Internet companies. Dubai 29 Sept 2014.
- Meeting to conduct joint field measurements with Bahraini representatives on the WiMax networks. Manama 27 Oct 2014.
- Meeting to conduct field measurements from the Qatari operator Ooredoo's sites. Doha 3 Nov 2014.
- 2nd coordination meeting between GCC and Republic of Iran to discuss mutual interference and coordination of broadcast channels. Geneva 23-28 Nov 2014

2. Meetings of the Arab League States:

- 2nd meeting of the Arab working group to prepare for WTDC-14, Cairo 2-3 Mar 2014.
- 18th meeting of the Permanent Arab Working Group for Spectrum, which is charged with preparing for WRC-2015. Dubai, 19-23 May 2014.
- 2nd Arab coordination meeting for the digital terrestrial TV broadcast service. Hammamat, Tunis 8-12 Sept 2014.
- Fourth Arab Preparatory Working Group meeting for the 2014 Plenipotentiary Conference. Dubai 14-16 Sept 2014.
- Meeting of the Steering Committee for Arab TLDs. Cairo 30 Sept -1 Oct 2014.
- 8th meeting of the Arab Standardization Working Group. Kuwait 23 -27 Nov 2014.
- Meeting of the Arab Standing Committee for Communications, and the agenda for the 36th Session of the Executive Office of the Council of Arab Ministers of Communications and Information Technology, and the 18th Session of the Council of Ministers of Communications and Information Technology. Cairo, 16-18 Dec 2014.

- Workshop on strengthening protection and security of cyberspace in the Arab region. Muscat, 08-09 Dec 2014.

3. Meetings of the Arab Network:

- 13th meeting of the Arab Network for ICT Regulators. Muscat, 28 Apr - 01 May 2014.
- Third meeting of the working group on communication applications via Internet protocols OTTs, Cairo (09-10/09/2014).

C.2 International Participation

1. ITU meetings:

- Regional meeting for the coordination of HF broadcast frequencies for HF A142. Kuala Lumpur, 24-30 Jan 2014
- Meeting of ITU-R Working Parties 4A. and 4C. Geneva, 5–19 Feb 2014.
- Meeting of the Joint Task Force 4-5-6-7, Geneva 20-28 Feb 2014.
- 3rd meeting of the Working Group on Enhanced Cooperation and of the Council Working Group on International Internet-related Public Policy (CWG-Internet). Geneva, 24 Feb – 4 Mar 2014.
- 4th meeting of the Council Working Group on International Internet-related Public Policy (CWG-Internet). Geneva, 3 – 4 Mar 2014.
- Meeting of ITU-T Study Group 15 to approve the revised draft Recommendation ITU-T G.9901. Geneva, Mar 24 to Apr 04 2014.
- Meeting of the World Telecommunication Development Conference 2014 (WTDC-14). Dubai 30 Mar-10 Apr 2014.
- Fourth preparatory meeting for the ITU High-Level Event, Geneva 14-17 Apr 2014.
- Workshop on optimal use of orbital positions and frequency spectrum, Limassol 14 Apr 2014.
- Multi-year Expert Meeting on Trade. Geneva, 15-17 Apr 2014.
- 4th meeting of the Working Group on Enhanced Cooperation. Geneva, 30 Apr – 2 May 2014
- ITU Council session 2014. Geneva, 6 -15 May 2014
- 17th Session of the Commission on Science and Technology for Development, and preparation for the Kingdom reception at the International Telecommunication Union Council session. Geneva, 8-16 May 2014.
- Meeting of ITU-R Working Group 5B. Geneva, 19-30 May 2014.
- Meeting of ITU-R Working Group 5A. Geneva, 19 -29 May 2014.
- Meeting of ITU-T Study Group 2. Geneva, 28 May – 6 Jun 2014.

- Fifth preparatory meeting for the ITU High-Level Event, Geneva 28-31 May 2014.
- 14th Global Symposium for Regulators (GSR 2014). Manama, 2-5 June 2014.
- ITU Workshop on television broadcast service and first Arab meeting to coordinate digital terrestrial television channels, Dubai 17-20 May 2014.
- The ITU-R Study Group 1 and Working Group 1B meeting for studies on spectrum management standards and economic strategies, Geneva, 3-12 Jun 2014
- Meeting of ITU-R Working Group 1A. Geneva, 03-11 Jun 2014
- Meeting of ITU-R Working Group 1C. Geneva, 03-11 Jun 2014
- Meeting on the Electromagnetic Project of the WHO. Geneva, 4-5 Jun 2014
- ITU WSIS+10 High-Level Event. Geneva, 09-13 Jun 2014.
- Meeting of the Telecommunication Standardization Advisory Group (TSAG) and of the Review Committee. Geneva, 16 – 20 Jun, 2014.
- 21st Meeting of the ITU Radio Advisory Group (RAG). Geneva 24 – 27 Jun 2014.
- Meeting of Working Group 5D. Halifax, 18 – 25 Jun 2014
- Meetings of ITU-R Working Group 4A and of ITU-R Study Group 4. Geneva, 2 – 11 July 2014.
- 6th meeting of the Joint Task Team (4-5-6-7) on items 1.1 and 1.2 of the ITU World Radio Communication Conference 2015. Geneva, 21-31 July 2014
- Regional Coordination meeting on HF broadcast frequencies for season B14. Sophia, 25 -29 Aug 2014.
- Meeting of the ITU Expert Group on ICT Indicators (EGTI) and of the Expert Group on ICT Household Indicators (EGH). Geneva, 19 Sept 2014.
- Presentation at the ITU's workshop on the challenges of standardization in the field of Information and Communication Technology security. Geneva, 15-16 Sept 2014.
- Second meeting of the Expert Group on ICT Household Indicators. Geneva, 15-19 Sept 2014.
- Meeting of ITU-R Working Group 5D, Geneva, 15–22 Oct 2014.
- 2014 ITU Plenipotentiary Conference (PP-14) including the Closing Session. Busan, 18 Oct – 7 Nov 2014.
- Meeting of ITU-R Working Group 5A. Geneva, 27 Oct – 7 Nov 2014.
- Meeting of ITU-R Working Group 5B. Geneva, 27 Oct – 7 Nov 2014

- Participation and presentation to the second regional workshop on preparation for the World Radio Communication Conference 2015. Geneva, 12-13 Nov 2014.
- 5th Study Group as Vice-Chairman. Geneva, 10–11 Nov 2014.
- 11th World ICT Indicators Symposium. Tbilisi, 24-26 Nov 2014.
- Inter-sessional Meeting of the Commission for Science and Technology for Development 2014-2015, where CITC has the role of Vice-Chairman for the Asia-Pacific region. Geneva 26-28 Nov 2014.
- ITU-R Committee Meeting. Geneva, 1-5 Dec 2014.
- ITU-R World Radio Seminar – 2014. Geneva, 8-12 Dec 2014.

2. Participation in other International events:

- 8th Session of the Saudi - UK Joint Committee. London 4-6 February, 2014
- Second session of the Intergovernmental Summit 2014. Dubai, 10-12 Feb 2014.
- Asia Pacific TLD Association meeting and the Asia Pacific Regional Internet Conference on Operational Technologies (APRICOT). Tallinn Jaya 18-28 Feb 2014.
- GSMA Conference. Barcelona, 24-27 Feb 2014.
- CeBIT Conference 2014. Hannover, 10-14 Mar 2014.
- Presented at the meeting of the Network Operators Group in the Middle East (MENOG) meeting. Dubai, 3 March to 1 April 2014.
- Meeting to benefit from the expertise, modern telecommunication technologies and experience of developed countries. Istanbul, 1-3 April 2014.
- Cyber-Security Summit. Prague, 8 -10 April 2014.
- World Congress 2014 on virtual networks. Berlin, 8-10 April 2014.
- Meeting to review the Korean experience in e-government. Seoul 14-18 Apr 2014.
- Regional Conference on cyber-security and related workshops. Muscat, 20-22 April 2014.
- Global meeting of stakeholders on the future of the Internet. Sao Paulo, 23-24 April 2014.
- Telecoms Regulation Forum. London, 28-30 Apr 2014.
- Central Region Communications Conference. Washington, 29 Apr - 1 May 2014.
- Detailed knowledge of Machine to Machine (M2M) communication, to help determine the appropriate numbering resources for such services. Dubai, 11-12 May 2014.

- Meeting of Asian Society for TLD's. Muscat, 11-13 May 2014.
- 8th Session of the Intergovernmental Council for the Information for All Program. Paris, 19-20 May 2014.
- Workshop organized by the US Department of Justice on procedures and methods for research and investigation of cybercrime. Rabat, 20-22 May 2014.
- Digital Services World Congress 2014. London, 2-4 June 2014.
- First Forum for Computer Emergency Response Centers. Boston, 22-29 June 2014.
- Annual meeting of LS systems users to review new ideas and recommendations and to exchange experiences with users in the field of spectrum management systems. Lichtenstein, 30 Jun to 3 Jul 2014.
- Attend negotiations with Azerbaijan on goods and services. Geneva 4 Jul 2014.
- Meeting of the Pan American regional group CITEL on preparations for the Plenipotentiary Conference and to determine the positions of the other regional groups. Buenos Aires, 11-12 Sept 2014.
- Meeting of EU countries. Berlin, 17 Sept 2014.
- Workshop on satellite systems. Cairo, 21-25 Sept 2014.
- Workshops at the Dubai International Forum on project management. Dubai, 28-30 Sept 2014.
- Meetings with a number of Internet companies. Dubai, 29 Sep 2014.
- General Forum of the World Trade Organization. Geneva, 2-3 Oct 2014.
- First Economic and Trade Forum between the Kingdom and the Republic of Korea. Seoul, 29-31 Oct 2014.
- Forum on the best practices in internal capacity building and management, which will help in improving processes and performance. Florida, 2-6 Nov 2014.
- RIPE69 Forum. London, 3-7 Nov 2014.
- Meetings related to the Internet. San Francisco, 21-24 Nov 2014.
- European summit on cloud computing Law. London, 25 Nov 2014.
- WTO meeting and conference. Geneva, 27-28 Nov 2014.
- Meeting with Google on how to deal with the offending content on the YouTube service. Dubai, 18 Dec 2014.

Appendix D: Licenses Issued

D.1 Total Number of Licensees by Year

Service	2004	2006	2008	2010	2012	2013	2014
Fixed Telecom Services	1	1	1	2	2	2	**2**
Mobile Telecom Services	2	2	3	3	3	3	**3**
MVNO's	-	-	-	-	-	_	**2**
Data Services	23	47	53	56	40	2	**3**
Internet Services	5	7	14	18	19	41	**50**
VSAT (very-small-aperture terminal for satellite) Services	2	3	3	3	2	19	**19**
Global Mobile Personal Communication Services (GMPCS)	1	1	1	1	__	2	**1**
Internet Service on Aircraft	__	1	1	2	__	_	**_**
Mobile Service on Aircraft	6	24	26	44	64	_	**_**
Automatic Vehicle Location (AVL) Services	6	92	135	137	127	74	**89**
Bulk SMS Services	__	26	24	14	6	131	**116**
Audio Text (700) Services	__	7	10	11	15	5	**6**
Call Center Services	__	2	5	5	__	20	**24**
Electronic Wallet Services	__	4	4	5	1	_	**_**
Prepaid Card Recharging Services	_	3	3	4	4	_	**_**
Network Operations Centers (NOCs)	_	_	_	__	__	4	**4**
Telecom Hotel Services	_	_	3	6	7	6	**6**
Interactive Voice Message Services	_	_	1	_	_	_	**_**
TOTAL	**48**	**222**	**289**	**313**	**292**	**309**	**325**

D.2 List of Companies Licensed to provide Telecommunications Services :

Fixed Telephone Services	
1	Saudi Telecommunications Company (STC)
2	Etihad Atheeb Telecom Co.
Mobile Telecom Services	
1	Saudi Telecom Company (STC)
2	Etihad Etisalat Company (Mobily)
3	MTC Saudi Arabia (Zain)
Data service Providers	
1	Saudi Telecom Company (STC)
2	Integrated Telecom Co. Ltd (ITC)
3	Bayanat Al Oula for Network Services
Mobile Virtual Network Operators	
1	Etihad Jawraa for Telecom and Information Technology Company
2	Etihad Virgin Mobile Saudi Arabia
Global Mobile Personal Communication Services (Operator)	
1	Thuraya Telecommunications Company

VSAT Services	
1	Saudi Telecommunications Company (STC)
2	Saudi Net Link Co. Ltd.
3	Atlas Advanced Technology Co. for Telecommunications
4	Integrated Telecom Co. Ltd.
5	Baud Telecom Co. Ltd.
6	Channel Centre for Electronics
7	Shahad Al-Sahra Trading Est.
8	Petroleum and Energy Trading Services Est.
9	Science Network Communications Est.
10	Etihad Etisalat Co. (Mobily)
11	Smart Link Co. Ltd.
12	Novasat Co. Ltd.
13	Saudi Capabilities for Telecommunications and IT Est.
14	Arabian Internet and Telecommunications Services Co. (Awalnet)
15	Luna Space Telecommunications Co. (Skyband)
16	High Capabilites Telecom Co.
17	Detecon Al Saudia Co. Ltd. (DETASAD)
18	Nasser H Al Harbi Trading Establishment (Al Harbi Telecom)
19	Global Electronic Channel Center

Internet Services	
1	Integrated Telecom Co. Ltd.
2	Detecon Al Saudia Co. Ltd. (Detasad)
3	Gulfnet International Telecommunications Co.
4	Link.Net Saudi Arabia Ltd.
5	Gulf Computer Services Co. (SPSNET)
6	International Systems Engineering Co. Ltd
7	Saudi Research and Publishing Company (SRPC)
8	Saudi Business Machines Ltd. (SBM)
9	Arabian Internet and Telecommunications Services Co. (Awalnet)
10	MTC Saudi Arabia (Zain)
11	Seven Eyes Co. Ltd
12	Luna Space Telecommunications Co. (Skyband)
13	Sultan bin Abdulaziz Medical & Educational Telecom-munications Program Co. Ltd. (MeduNet)
14	Sahara Network Co. Ltd
15	Dhawiyat Telecom Co.
16	Wideband Est.
17	SAMBA Financial Group
18	Al-Jazirah Network for Internet Services
19	Etihad Etisalat Co. (Mobily)
20	Business Quality Co.
21	Prime Gate Co. for CIT
22	Applied Technologies Company Ltd.
23	Digital Technology Co. Ltd
24	Jeraisy Electronic Services Co.
25	Integrated Networks Co.
26	Middle East Internet Co. Ltd (Cyberia)
27	Perfect Presentation Co. for Commercial Services
28	International Computer Co. (ICC)
29	Interkey Co. for Telecommunications and Computer
30	Wafa'i International Co. for CIT
31	P - Group Saudi Arabia Co.
32	British Telecom Al-Saudia Co. Ltd
33	Bayanat Al Oula for Network Services
34	Saudi Net Link Company Ltd.
35	Shabakah Integrated Technology Co. for Telecom and IT
36	Zajil International Telecom Co.
37	Shahad Al-Sahra Trading Co.
38	Standard Technology for Trading Co. (jawraa)
39	Top Net Group for Trading
40	Mohamed M.Alesayi Group & Ali H.AlSawadi Group Co. Ltd (DreamNet)
41	Prolific Technology Co. (Branch of Muhammad Alesayi Trading Est.)
42	Integrated Information Est. for CIT
43	Embro Information Technology Est.
44	Saudi Call Trading Est.
45	Shabakat Al Aqmar For Telecommunications
46	Nasser H Al Harbi Trading Est. (Al Harbi Telecom)
47	Icc Sat Channel Centre for Electronics
48	NourNet Branch of Nour Communications Co.
49	Etihad Atheeb Telecom Co.
50	Digital Solution Provider Co.

Automatic Vehicle Location	
1	Etihad Etisalat Company (Mobily)
2	Saudi Company For Site Technology
3	MTC Saudi Arabia (Zain)
4	Seven Eyes Solutions Ltd
5	Leader Investment Company
6	Mohammed Bin Aboud Al Amoudi Co. for Security Services (Al Majal)
7	Branch of Almawared Alfanya for Security Equipment
8	Bundle Development Est. for Information Technology
9	Saudi Transportation Co Ltd
10	International Electrical Works Est.
11	Saudi Abyat Co. for Building Materials
12	Ahmed Soliman Al Fahhad and Sons Co.
13	AL Sari Co. International
14	E Smart Dimension for Trading
15	AL-Ojra AL-Zakia Co. for Communications and Data Systems
16	Handhelds Pro Co.
17	Advanced Electronics Co. Ltd.(AECL)
18	Advanced Programs Trading Co.
19	Developed Dimension Information Technology Co.
20	Aerial Imaging Saudi Arabia Ltd Co
21	Al Dahna International Co. For Marketing
22	First Arrow for Technology Ltd. Co.
23	Saferoad Co. Ltd. for IT
24	AL Amoudi Trading Co. Ltd
25	High Capabilities Telecom Co. Ltd.
26	Al-Motabei for Modern Electronic Systems Co. Ltd.
27	Forum Contracting Co. Ltd
28	AL-Maharat for Communication and Technology
29	AlNafitha International Co. for IT
30	Strategic Business Systems Solutions Inc
31	Logistic Technology Services Co.
32	Third Dimension Technology Co. Ltd.
33	Traffic Hi-Tech Trading Company
34	Industrial Projects Technology Co.
35	Fleet Tracking Technologies Co.
36	Tawasul al Riyadh Co.
37	Hail Agricultural Development Co.
38	Hassan Mohammed Ajami and Sons Co.
39	Locations Solutions for IT Co.
40	SeQure Middle East
41	Future Services Co. Ltd. for marketing.
42	Guide Co. for Logistics Services
43	Dawaer Technologies Co.
44	Saudi Net Link Company Ltd.

45	Zultec Fleet Management Company Ltd.
46	Shahad Al-Sahra Trading
47	Abdullatif Alarfaj & Brothers Holding Company
48	Abdul Latif Jameel Retail Co. Ltd
49	Alamat International Co.
50	Farhan Commercial Company Ltd. (Thuraya Services)
51	Navtec Saudi Arabia Co Ltd
52	DataStar CO. LTD.
53	Nomd Co. for CIT
54	Branch of Al-Shafi Est.
55	Saleh Ali Saleh Alamri Telecommunications Branch
56	Abjud For Information Systems Est.
57	Amazing Technology Est.
58	Tech Buttons for IT Solutions Est.
59	Ather Trading Est.
60	Afaqy for Technology Trading Est.
61	Digital Legend for Computer Systems Est.
62	Renewed Development for CIT Est.
63	Prolific Technology Est. Branch of M.A. Al Esayi Trading Est.
64	Useful Technology For Information Systems Est.
65	Digital Map Trading Est.
66	Integrated Network Trading Est.

67	Shamal Electronics Trading Est
68	Basmah Supplies for Trading Est.
69	Traceroute Trading
70	Jibal Establishment for Information Technology
71	Integration Experts For Information Technology Est.
72	Dar Moja for Electronics Est.
73	Arab Dynamics for Trading Est.
74	Rayat Technology for Trading Est.
75	Shuaa Systems for Technology Est.
76	Advanced World for CIT Est.
77	Abr-Al-Abaad for United Communications Est.
78	Kirra for Mapping and GIS Est
79	Mubkar Electronics EST
80	Muhammed Mumtaz Ansar for Computer Services Est.
81	Gulf Axis Contracting Establishment
82	Star Electronics for CIT Est.
83	Steps for International Business Trade Group
84	Electronic Speed Trading Co.
85	Arkan Al Mustaqbal for Teleommunications Est.
86	Tracking Systems Est.
87	Digital Planning Trading Est
88	First Information Technology Trading Est.
89	Global Electronic Channels Service Center

Audio Text Services (700)	
1	Sky Telecommunications Ltd.
2	Mobilink Co.
3	New Orbit for CIT Co.
4	Mawarid Electronics Co. Ltd.
5	Saudi Pearl for Construction and Road Works Co.
6	Rockville Technologies Est.
Network Operation Center	
1	International Electronic Telecommunications Co. (Inteltec Saudi Arabia)
2	Detecon Al Saudia Co. Ltd. (DETASAD)
3	Integrated Networks Co. Ltd.
4	British Telecom Al-Saudia Co. Ltd.
Bulk SMS	
1	Arabian Internet and Communications Services Company (Awalnet)
2	Arab Company for Media Advertising, Ltd.
3	Ara Media and Advertising Services Ltd. (AMS)
4	Asaig United for Telecom Co.
5	BAB International Corp. for Specialized Services
6	Bait Alelam Media Production Est.
7	Tajseed Co. Ltd.
8	Sky Telecommunications Co. Ltd.
9	Misyan Marketing Group Co. Ltd.
10	Madar Sadeem for C IT Co. Ltd.
11	World Future Communications Co.
12	Messaging and Data Trading Est
13	Al-Jazirah Establishment For Press, Printing and Publishing
14	Okaz Establishment for Journalism and Publishing
15	Saudi Research and Publishing Company (SRPC)
16	Information Progress Co.
17	Al-Elm Co. for Information Security
18	AL Fifa Contracting Co.
19	Optimal Technology Solutions Co.
20	Mobile Innovative Solutions Co.
21	Rawafed Information Co.
22	Saudi Sara Good News 4Me Co.
23	Sara Telecom Co.
24	Nomd Co. for CIT
25	Ola Almajd Branch of Rowabi Majd Co. for Production and Distribution
26	M-Buzz Est.
27	Added Telecom Trading Est.
28	Typical Network for Trade Est.
29	Faisal Abdllaziz Yousef Al-Gnaee for Trade Est.
30	Qyadat for Trade and IT Est.
31	Makkah AlMokarramah Est. For Printing and Media

32	First Co for Information Technology Services.
33	First Gulf Contracting Co. Ltd.
34	Arabian National Co. for Supplies & Equipment Ltd.
35	Arabian Co. for Science & Technology
36	National Informatics Co.
37	Business Research and Development Co.
38	M-Health Co. Ltd
39	Al-Ojra Al-Zakia For Telecommunications And Information Systems Co.
40	Interactive Media Co.
41	Advanced Electronics Co. Ltd.(AECL)
42	Ideal Business For Investment &Trading
43	Typical Gulf Co. for Digital Media Ltd.
44	Interactive Messaging Co.
45	Smart Messaging for CIT Est.
46	Middle East Internet Co. Ltd
47	7i solutions ltd
48	New Orbit Co. for CIT
49	Value Added Co.
50	Al Mawarid Electronics Co. Ltd.
51	Emerging Technology Co.
52	Mobilink Company
53	Taqneaat AlJawwal AlMalomatyah Co.Ltd.

54	iTelgent Technology Co. Ltd.
55	TechSup Marketing Co.
56	TIMWE Saudi Arabia Co.
57	Holol Abda For IT Co.
58	Zafa Ltd. Co.
59	Sarmad Trading Co.
60	SAB Communications Co. Ltd.
61	Ghraa Telecom Company
62	Qanawat Saudi Co.
63	Saudi Kastana For CIT
64	Condor Gulf Technologies Co. Ltd.
65	Saudi Pearl Co. for Construction, Building and Road Works
66	Technology Touches for Telecommunications Co.
67	Top Net Co.
68	Mohamed Munassar Alesayi Group & Ali Hussein Alsawadi and Partners Co. Ltd. (DreamNet)
69	Marhab Saudi Telecom Co.
70	Arab Stars Company
71	Wesam Eletehad Trading Co.
72	Ezz Elkhir for Development and Support, Branch of Ezz ElKhir for General Contracting
73	Ocean Dreams Trading Est.
74	Communication and IT Systems Est.

75	SME Trading Est.
76	E-horizons for Telecom and IT Est.
77	Alawtar Aldahabia Est.
78	Technology Development for Trading Est.
79	Alqatabh Trading Est.
80	Golden Channels For Electronic Marketing Est
81	Golden Cave Telecom Est.
82	The first Content for CIT Est.
83	Technical specification Trading Est.
84	Technical Systems For Computer Est
85	Inteshaar Commercial Ventures Est.
86	Data Technology for Trading Est.
87	Quality Call for Trading Est.
88	IDEX Est.
89	Link Services Est.
90	Gulf Hill for Communications and Information Technology Est.
91	Dar Al-Ikhtera Aldualia Co. for Trading Est.
92	Danah Al-Hasib for Trading Est.
93	Delta Intelligent Technology Est.
94	Linki for Communications Est.
95	Roazin International for Trading Est.

96	New Sky for IT Est.
97	Sada Arrannah for CIT Est.
98	Abdulrahman A. Almossa for Trading Est
99	Abdullah Mohammed Al Othman Trading Est
100	Aseer Est. for Press & Publishing
101	FANA International for Communications Est.
102	Art Vision Est.
103	Rockville Technologies Est
104	Qimam Almulumat For Trading .est
105	Kaseb Establishment for Trade
106	Digital Zadcom for Computer Services (Zad Group)
107	Mohamed.A. I. Ashoor Trd Est
108	Mada Al Mustaqbal for Trading Est.
109	Smart Call Est.
110	Hash est
111	Perfect Presentation Co. for Commercial Services
112	Tjari Commercial Co. Ltd.
113	Tawasul Communications Co. Ltd
114	Branch of Third Millennium for International Investment Co.
115	Branch of Egypt Network for Internet
116	Max Media Communications Branch Est.

Call Center Services	
1	National Company for Business Solutions
2	Etisal International Co. for Marketing Services
3	SOLEX Plus - Bright Gulf Mobile Services Company
4	AlKhaleej Training and Education Co.
5	Excellent Solutions Trading Co.
6	Contact Center Company
7	Sanabis Communication Technology, Training & Development Co.
8	M-Health Co.
9	Computer & Systems Engineering Co Ltd
10	Forum Contracting Co. Ltd
11	Emerging Technology Co.
12	Sultan bin Abdulaziz Medical & Educational Telecommunications Program Co. Ltd. (MeduNet)
13	TechSup Marketing Support Co.
14	Pioneers Outsourcing co
15	Medical Call Centers Co. Ltd
16	Novasat Co. Ltd.
17	Nomd for CIT Co.
18	Handba Co.Ltd
19	Branch of Al Musanadah Support Services and Call Center Co. Ltd.
20	Professional Communications for Commercial Services Est.
21	Inteshaar Commercial Ventures Est.
22	Silat Albayan Commercial Services Est.
23	Perfect Presentation for Commercial Services Co.
24	Telecare Company

Telecommunication Hotel Services	
1	International Electronic Telecommunications Co. (Inteltec Saudi Arabia)
2	Gulfnet International Telecommunications Co.
3	Dhaweyat Liletisalat Combany
4	Saudi Unicom for Communications Technology and Programming Co.
5	Saudi Capabilities for CIT Est.
6	Nour Communications Company (NourNet)

Appendix E: CITC Websites

Main CITC website:	www.citc.gov.sa	هيئة الاتصالات وتقنية المعلومات Communications and Information Technology Commission
National Center for Information Security (CERT-SA):	www.cert.gov.sa	CERT.sa المركز الوطني الارشادي لامن المعلومات Computer Emergency Response Team
Saudi Internet service portal:	www.internet.gov.sa	انترنت.السعودية Internet.gov.sa
Saudi Network Information Center:	www.nic.net.sa	.sa المركز السعودي لمعلومات الشبكة Saudi Network Information Center
National Committee for Information Society:	www.ncis.org.sa	اللجنة الوطنية لمجتمع المعلومات National Committee for Information Society

Appendix F: Code of Ethics and Professional Conduct

Employees of CITC shall:

1. Respect the rights of all stakeholders who interact with CITC and deal with them courteously, fairly and impartially.
2. Refrain from any actions, dealings or work activities which are considered improper or are seen as inconsistent with moral and honorable conduct.
3. Not accept or request any gifts, compensation, invitations or other benefits of any kind from parties who have a direct or indirect business relationship with CITC.
4. Not directly or indirectly exploit their position at CITC for personal advantage or profit or for the benefit of a relative or friend.
5. Refrain from any activity that can lead to conflict of interest, real or perceived, between their own personal interests on the one hand and their professional responsibilities on the other. In the case where such conflict exists or may exist, or if they are subjected to conflicting external pressures, or if in doubt of the proper course of action, refer the issue, in confidence, directly and in writing to their immediate supervisor.
6. Refrain from any action that might lead to preferential treatment of persons or entities involved with CITC or might negatively impact the reputation of CITC.
7. Avoid establishing personal working relationships with people, establishments or companies whose self-interest is linked to CITC decisions, and refrain from offering advice or revealing information which is not publicly available and which might provide unfair advantage to any party.
8. Not reveal confidential information obtained during the exercise of their duties, whether verbally, in writing or electronically.
9. Not, either directly or indirectly, exploit or utilize information, which is obtained during the course of employment at CITC and which is not publicly available, for personal gain or for the benefit or harm of others.
10. Not get involved in any business or undertake any independent work activities of a similar nature to that of CITC. To be involved in any other business activity which is not of a similar nature to that of CITC, prior approval must be obtained from the Governor.

Appendix G: CITC Financial Accounts

Description	31 Dec 2013 (audited) SAR (000)	31 Dec 2014 (not audited) SAR (000)
Revenues:		
- Commercial Services Provisioning Fees	5,045,202	4,538,748
- License Fees	382,190	355,873
- Spectrum Usage Fees	3,811,851	487,028
- Other Revenues	63,767	372,775
Total Revenues	9,303,010	5,754,424
Expenditures:		
- Employee Costs	185,020	220,344
- General and Admin Expenditures	66,724	86,401
- Consulting	7,792	26,965
- IT Systems and Software	1,959	3,221
- Capital Expenditures	329,298	14,329
Total Expenditures	590,793	351,259
NET REVENUES	**8,712,217**	**5,403,165**
	Eight billion, seven hundred and twelve million, two hundred and seventeen thousand	**Five billion, four hundred and three million, one hundred and sixty five thousand**

Note: CITC bills for and collects revenues, and turns them over to the Public Treasury.

هيئة الاتصالات وتقنية المعلومات
Communications and Information Technology Commission

ص.ب ٧٥٦٠٦ الرياض ١١٥٨٨ | المملكة العربية السعودية | هاتف: ٩٦٦١١٤٦١٨٠٠٠+ | فاكس: ٩٦٦١١٤٦١٨١٩٠+ | هيئة الاتصالات وتقنية المعلومات.السعودية | www.citc.gov.sa
P.O.Box 75606 Riyadh 11588 | Saudi Arabia | Tel. +966114618000 | Fax. +966114618190 | Communications and Information Technology Commission.KSA | www.citc.gov.sa