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## Egypt's third mobile license to benefit from the Egypt National Post Office's distribution network

By Daily Star Egypt staff

CAIRO: The consortium comprised of Etisalat, Egypt National Post Office (ENPO), Commercial International Bank (CIB) and National Bank of Egypt (NBE) won the bid for the Third Mobile License on Tuesday with LE16.7 billion offer. Concord International Investments, in their capacity as adviser to ENPO, was a member of the committee that had the task of selecting the appropriate telecom operator for ENPO, and the choice rested on Etisalat, along with

National Bank of Egypt, as the largest public sector bank in Egypt, and CIB as the largest private sector bank.

Sherif Raafat, vice chairman of Concord, states that ENPO was not interested in merely being a financial investor, but also in being an active strategic partner that could contribute to the success of the third mobile operator by capitalizing and taking advantage of ENPO's assets, particularly where it relates to its extensive nationwide distribution network of 4,000 branches and utilize them to offer and sell mobile

prepaid card and accessories, as well as other services to Egyptian consumers.

Certain branch locations can also be utilized as sites for the new physical network of the operator. The Giro-Nil Company specializing in utility payment services, for example, and in which ENPO is the largest stakeholder, will also be able to offer bill payment services. In addition, ENPO has 15 million customers with savings accounts, who can be earmarked to be future clients of the new license. There are also other services that ENPO

can also provide, such as the utilization of its printing facilities and its mailing and delivery network. All of these are commercial services which ENPO will be compensated for

For Etisalat, the benefits are also evident, as it is a major coup to enter the Egyptian market after establishing itself in Saudi Arabia, Pakistan and the UAE, and it will also now be able to offer dedicated services to Egyptians working in these countries, including pilgrims in Saudi Arabia, whose home base is Egypt. Etisalat can now become the largest

regional telecom operator with a state of the art network in the Middle East.

As for the banks in the consortium, in addition to being financial investors, they are also motivated by the future financing opportunities to become the financiers for the building of the third license company network.

Raafat adds that given that the market currently has 14 million telecom subscribers, there is room for a third operator in Egypt's mobile market, which is estimated at 40-45 million potential users. More-

over, there is a large potential for the new 3-G technology.

It is estimated that the third operator could capture 30 percent of the total mobile phone market. He also made the point that the news of this third license has positive effects on the Egyptian economy as a whole. It gives a substantial vote of confidence in the economy and a substantial foreign direct investment, effective in terms of job creation, providing returns to the government, reducing the government deficit and activating the telecom and technology sectors.