



**REPÚBLICA DEMOCRÁTICA DE TIMOR-LESTE
MINISTÉRIO DAS INFRA-ESTRUTURAS**

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Timor-Leste will license Digicel and Telin to enter the telecommunications market

Dili, 28 June 2012: The Government of the Democratic Republic of Timor-Leste today announces that the first new telecommunications licences awarded pursuant to liberalisation of the sector will be issued to:

- Digicel Pacific Limited (Digicel)
- PT Telekomunikasi Indonesia International (Telin)

The licensing of these two major international telecommunications companies marks the introduction of competition and follows quickly after the Government ended Timor Telecom's monopoly and introduced a new Telecommunications Decree-law to regulate a competitive telecommunications sector. The introduction of competition and extensive service coverage commitments from the new operators means that Timor-Leste is poised to experience a revolution in availability of telecommunications across the country.

The Ministry of Infrastructure received four applications for the two new licences. The highlights of the successful applications are as follows:

- Digicel commits to launch GSM mobile telephone and high speed 3G Internet access covering over 91% of the population within 4 months. Its strong operational readiness, including familiarity with the Timor-Leste market and well developed network plans, positions it well to roll out information and communications technology (ICT) services rapidly across the country. Digicel brings to the Timor-Leste population its vast experience and success competing in over 30 small island developing economies.
- Telin promises to commence services within less than 6 months and commits ultimately to reach 94% of the population with GSM mobile telephone and high speed 3G Internet access. A substantial performance bond and support from mobile operator Telkomcel, its sister company in the Telkom Indonesia group, back up Telin's operational readiness and commitments. Its large financial scale and geographic proximity put it in good standing to sustain the development of its business in a competitive market.

Competition among Digicel, Telin and the incumbent operator Timor Telecom will deliver extensive benefits to the population and business community of Timor-Leste, particularly in terms of pricing, quality, variety and coverage of ICT services.

The applicants' commitments already demonstrate the benefits of competition. The new operators promise to match and exceed Timor Telecom's latest reported GSM mobile telephone service coverage.

They will also vastly exceed Timor Telecom's current 3G service coverage, bringing Internet access to rural villages and communities. Such access will make ICT services available to medical clinics, agriculture management, schools and other social and economic activities that are essential for development.

Under the Telecommunications Decree-law, areas not initially covered by services may benefit from universal service fund support to facilitate investment in telecommunications networks covering such areas.

The Ministry of Infrastructure thanks the other applicants for their participation in the tender process and their interest in Timor-Leste's telecommunications sector. The registration regime under the new Telecommunications Decree-law ensures that barriers to entry into the market will be low. As a result, the other applicants still have the opportunity to become service providers in Timor-Leste, providing alternative services to the population and business community.

More information about the liberalisation of Timor-Leste's telecommunications sector can be found at www.telecomsliberalisation.tl.