<u>Press Release</u>

ICDL GCC Foundation hails Etisalat's move to cut Internet rates as a breakthrough for the region's IT sector

Internet penetration poised to record sharp increase as more affordable prices are introduced

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ICDL GCC Foundation, the governing body and certification authority of the International Computer Driving License (ICDL) programme in the Gulf region, has praised Etisalat, UAE's Internet Service Provider (ISP), for substantially reducing its Internet access fees in a move that is in line with ICDL GCC Foundation's call for more affordable rates to accelerate the development of a digital knowledge-based society. ICDL GCC Foundation pointed out that Etisalat's decision to slash its IP Connect service access rentals by as high as 70 per cent was unprecedented in the entire GCC and one that should be emulated.

Responding to a study in 2006 showing that GCC rates were up to 271 per cent higher than the rest of the world, ICDL GCC Foundation earlier issued a statement urging governments and ISPs in the region to work on providing more reasonable Internet rates to consumers. ICDL GCC Foundation continues to call on all concerned authorities and organizations in the region to help further improve Internet usage by decreasing access fees and providing more options for individual and business clients.

"ICDL GCC Foundation is delighted with Etisalat's recent decision to reduce the rental fees for its IP Connect service, which will definitely provide substantial benefits to businesses all over the UAE. Etisalat's move only shows that reducing Internet rates is indeed highly feasible as it delivers strategic advantages and long-term economic gains to the business community. In return, this move will help escalate the demand for Internet connectivity and enhance a wider adoption of e-government initiatives," said Jamil Ezzo, Director General, ICDL GCC Foundation.

Etisalat's new pricing structure for its IP Connect service took effect on October 1, 2008 and also included a new billing set-up that further enhanced the practicability and cost-efficiency of securing

Internet access for business establishments. The move is also predicted to influence other ISPs in the region to implement similar measures to attract more Internet subscribers.

"When we officially announced our call for better public access to the Internet and more affordable rental fees, the GCC was lagging behind in Internet penetration with an average broadband penetration rate of only 5.24 per cent, while Bahrain and the UAE, the leading countries in the GCC, were checking in at just 12.94 per cent and 12.90 per cent respectively. On the other hand, countries such as South Korea were enjoying penetration rates as high as 25.58 per cent. Despite the challenges, we are optimistic that we will eventually change the Internet landscape in the GCC as ISPs start providing more innovative and cost-efficient solutions to individual and business consumers," Ezzo pointed out.

"Moreover, we are seeing the positive benefits of having multiple ISPs serving the GCC markets with the emergence of a wider range of connectivity options and more competitively priced access fees. Opening the market to competition has definitely delivered great dividends to the whole society and will open even more exciting new possibilities if initiatives such as the one implemented by Etisalat will be emulated by ISPs across the region," added Ezzo.

"ICDL GCC Foundation has been actively campaigning with ISPs and technology providers to make their products and services more affordable as well partnering with governmental and private institutions to promote digital literacy among the general public. We are also assisting governments in implementing their own e-government initiatives, which are designed to boost productivity and efficiency, and open more access points for public services. Our efforts to promote IT will deliver even greater impact if more people are able to access the Internet through reduced rates and better connectivty options," concluded Ezzo.