

# 3

## Cellular Sector

Cellular Mobile segment of the industry is considered an engine of growth for telecom sector in Pakistan. Cellular Mobile sector continued to add 2.1 million subscribers per month during the year 2007-08. Cellular mobile operators continued their aggressive marketing and network expansion. Competition among operators became more intensive with aggressive entry of CMPak, a China Mobile subsidiary in Pakistan. CMPak with their brand Zong and Telenor have added significant subscribers very rapidly. Several cellular operators offered various Value Added Services at lower rates to attract more customers.

The sector exhibited slow growth than year before. Cellular Mobile teledensity jumped from 39% in 2006-07 to 54.7% in 2007-08. Collective Revenues of the sector have grown by 35% in the year 2007-08 against a record growth of 48% in the year 2006-07. Cellular subscribers grew by about 40% in the year 2007-08, as against 82% in 2006-07 and more than 100% during 2005-06. Main reason for its slow growth could be the rising inflation which affects the affordability, higher taxes, saturation of the urban markets and low tariffs.

Regulator remained vigilant in resolving all sector related issues. The most significant development was the shift from 7 to 8 digit numbering plan, which was completed during 2007-08. It was a huge task and PTA took it as a challenge. Not only all cellular MSC but also all fixedline switches have been enabled for 8 digits. It is considered as a great success of the regulator for implementing it in short span of time. Verification of unauthorized SIMs was another herculean task where tremendous progress has been made. In collaboration with NADRA and mobile operators, PTA has devised a comprehensive mechanism to verify the SIMs. It was observed

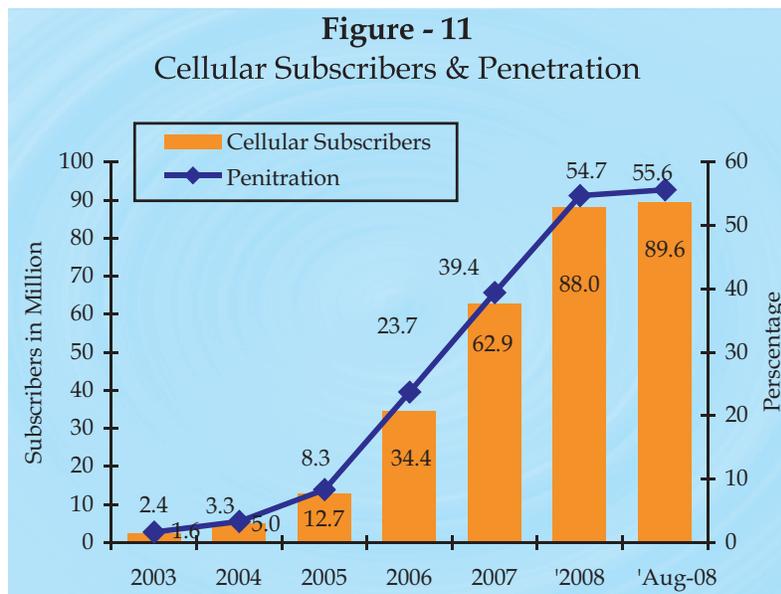


that approximately 7 million SIMS have not been registered properly registered who were warned by PTA and operators were directed to register immediately otherwise face disconnection. PTA launched a media campaign in this regard along with strong warning has been issued to unregistered user if they failed to register their connections, it will be blocked. Besides, PTA ordered closure of various Franchises who were not implementing the proper procedure for issuance of cellular mobile SIMs. PTA continued its IMEI system where it blocked number of mobile handsets stolen or reported theft by users.

### Subscribers Growth and Penetration

Cellular Mobile sector has shown an impressive growth over the years. Pakistan has been one of the fastest growing mobile markets among the emerging telecom markets.

Subscription of subscribers remained impressive for another year and all companies together added more than 25 million subscribers to their networks. Total subscribers crossed 88 million at the end of 2007-08. During the year 2007-08, Telenor added about 7.4 million subscribers as compared to 7.1 million in 2006-07. Mobilink comes second with the addition of 5.7 million subscribers during the



same period. Warid telecom succeeded to add another 4.8 million subscribers this year. Ufone added 4.0 million subscribers in 2007-08 as compared to its addition of 6.5 million in previous year<sup>1</sup>. CMPak entered the cellular market with aggressive marketing and infrastructure roll out. Its growth was negative previous year but this year it added 2.9 million subscribers in last few months. Cellular Mobile penetration in Pakistan reached 54.7% at the end of 2007-08, which is 15.3 percentage points higher than the last year.

Despite impressive addition of cellular subscribers by operators during 2007-08, Cellular Mobile market could not maintain its growth patterns of the last 3-4 years. Generally, the growth of subscribers has declined considerably in 2007-08, which is evident in Table - 7. Total subscribers growth has been reported 40% in 2007-08, which has declined from 82% in the year 2006-07. Growth of cellular subscribers has declined by all major companies. Mobilink growth declined

<sup>1</sup>See Annex- 3 Net Addition of Cellular Subscribers



**Table - 7**  
Growth (%) of Cellular Mobile Subscribers by Company

|         | Mobilink | Ufone | CM Pak | Instaphone | Telenor | Warid | Total |
|---------|----------|-------|--------|------------|---------|-------|-------|
| 1997-98 | 58       |       | 52     | 24         |         |       | 45    |
| 1998-99 | 6        |       | 17     | 103        |         |       | 35    |
| 1999-00 | 31       |       | 15     | 4          |         |       | 15    |
| 2000-01 | 171      |       | 20     | 96         |         |       | 142   |
| 2001-02 | 159      | 200   | 126    | 50         |         |       | 129   |
| 2002-03 | 39       | 57    | 46     | 27         |         |       | 42    |
| 2003-04 | 188      | 46    | 47     | 28         |         |       | 109   |
| 2004-05 | 132      | 222   | 97     | (15)       |         |       | 154   |
| 2005-06 | 130      | 190   | 13     | (26)       | 228     | 856   | 170   |
| 2006-07 | 53       | 87    | (2)    | (1)        | 199     | 118   | 82    |
| 2007-08 | 22       | 29    | 286    | (4)        | 69      | 46    | 40    |

### Regional comparison

Growth of cellular mobile sector in Pakistan has placed Pakistan among emerging East Asian economies like Malaysia and Singapore. Cellular Mobile penetration of Pakistan surpassed all its South Asian counterparts.

Pakistan Cellular Mobile penetration in 2007-08 was over 54.7% which is 34.4 percentage points higher than India and 31 percentage higher than Bangladesh.

This tremendous growth is attributed to many internal and external factors starting from deregulation down to implementation of Mobile Number

Portability. The Government and Regulator are facilitating the sector and making every effort to provide mobile access to every corner of the country. Today almost 91% of population of Pakistan is covered with mobile, fixed and WLL networks. All operators are expending their networks to number of cities/towns/villages. By 2007-08 more than 9,369 cities/ towns and villages have mobile networks coverage by one or all operators.

### Mobile Penetration of Regional Countries (%)

| Countries  | 2004-05 | 2005-06 | 2006-07 | 2007-08 |
|------------|---------|---------|---------|---------|
| Hong Kong  | 123.1   | 124.4   | 137.2   | 140.9   |
| Singapore  | 93.7    | 100.7   | 109.5   | 121.9   |
| Malaysia   | 60.1    | 76.8    | -       | 87.8    |
| Pakistan   | 14.0    | 22.4    | 40.1    | 55.6    |
| Sir Lanka  | 17.1    | 17.4    | 21.5    | -       |
| India      | 6.8     | 8.1     | 11.3    | 20.7    |
| Bangladesh | 3.9     | 7.8     | 19.83   | 24.9    |
| Nepal      | 0.98    | 1.5     | 5.26    | -       |

Note: 2008 Latest Available

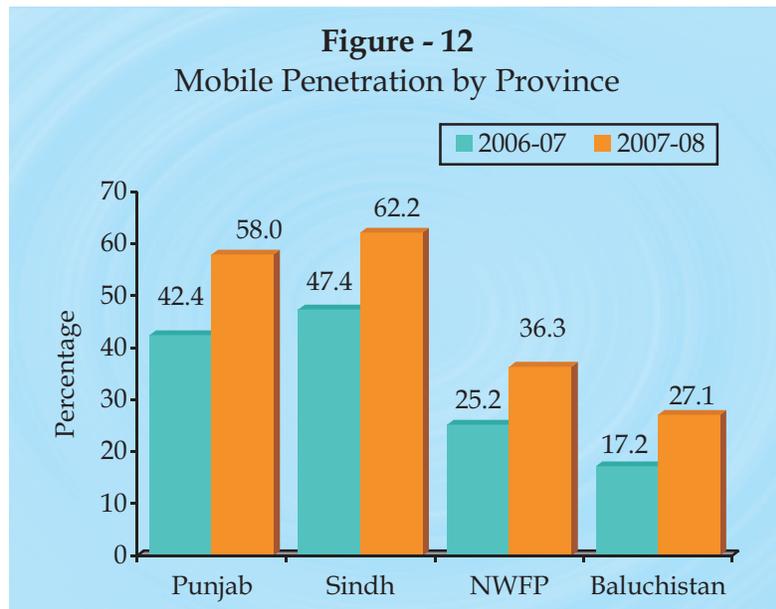
from 53% to 22% while Telenor growth has declined from 199% in 2006-07 to 69% in 2007-08. CMPak has entered the market recently and has shown positive growth.

Cellular Mobile Penetration in all provinces has increased in last one year. The province of Punjab topped in numbers though its total teledensity is second to Sindh. Total subscribers in Punjab at the end of June 2008 reached 52 million compared to 37 million in 2006-07. Growth of cellular

<sup>2</sup>See Annex- 4 Mobile Subscribers by Province (2005-08)

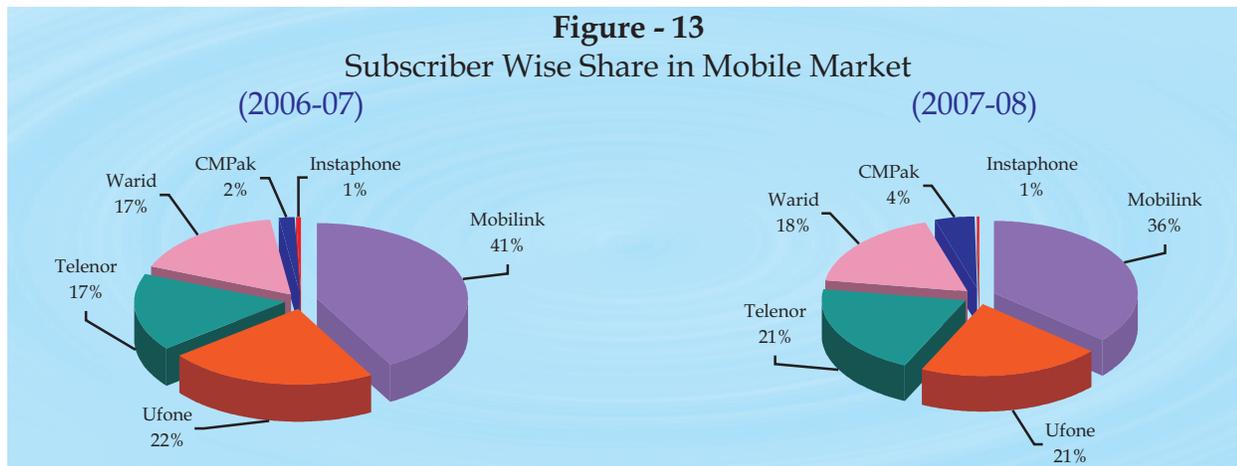


subscribers remained highest in the province of Baluchitsan where subscription grew by 57% in 2007-08 with total cellular subscribers approaching 2.2 million compared to 1.4 million in 2006-07<sup>2</sup>. When compared with 2006-07 and 2007-08, Cellular Mobile penetration has increased by 36.8 percentage points in Punjab and its total teledensity climbed to 58.0% at the end of 2007-08, which was 42.4% in 2006-07. A significant improvement in Baluchitsan has been noted where its cellular Mobile teledensity has reached 27% in 2007-08 which was just 17% at the end of 2006-07. This improvement is due to the special attention of regulator and Government of Pakistan for this province in telecom sector in last year.



### Market Share

Market share of operators is considered an important tool to gauge the level of competition in any sector of the economy. Market shares of Cellular Mobile Operators indicate that market is moving toward perfect competition where the share of major operators are declining and new entrants are able to grab more share in the market. During the year 2007- 08, Telenor has emerged as fastest growing operator who has improved its market share from 17% in 2006-07 to above 21% slightly higher than Ufone who also has 21% market share. On the other hand, the leading mobile operator,





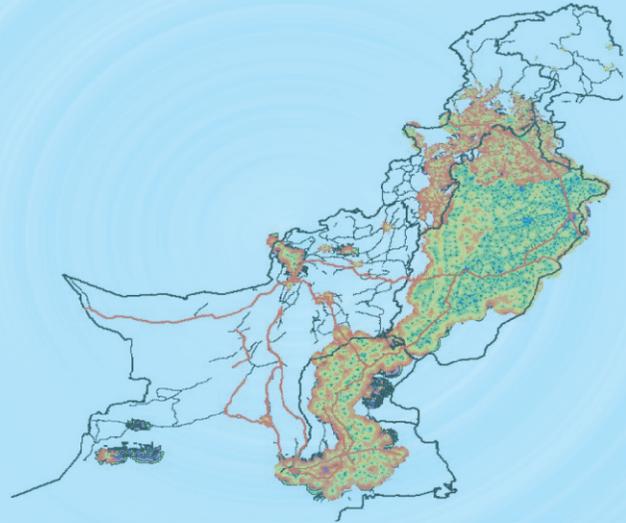
Mobilink is losing its Significant Market Power place rapidly and its share has declined by about 5 percentage points and reached 36% in 2007-08 compare to 41% in 2006-07. CMPak is also growing very fast and it has added 2.9 million subscribers, which is an impressive number and one could hope that in future it will grab more market share. CM Pak has added more subscribers in last few months and it has continued its aggressive media campaign along with infrastructure rollout which helping it to grab more market share in short span of time.

### Coverage

Low Average Revenue Per User (ARPU) and tough competition in cellular mobile market of Pakistan compelled all operators to expand the network rapidly so that they can add more subscribers on their network to improve their revenue. Currently more than 91% of the population has access to cellular mobile service all across Pakistan though the access is more in thickly populated localities. Some areas of Baluchistan and NWFP remained uncovered due to disturbances in those areas; rest of the country is almost covered by now.

To expand the infrastructure, operators are rapidly installing new cell sites all across the country. During the year 2007-08 all operators have added around 8,000 new cell sites, which is an impressive figure because it takes huge investments to install the cell sites. Ufone has added the highest number of cell sites in 2007-08 and that addition was

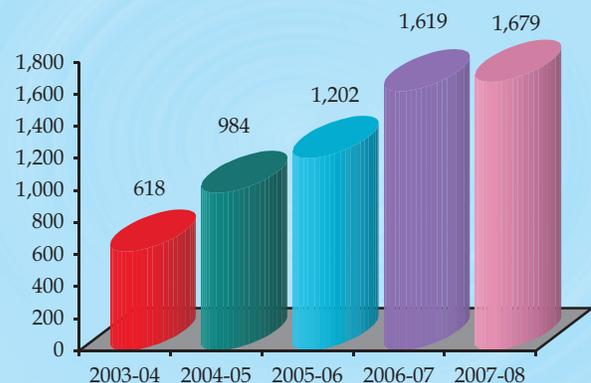
### Cellular Mobile Coverage



**Table - 8**  
Cell Sites by Company

|              | 2003-04      | 2004-05      | 2005-06      | 2006-07       | 2007-08       |
|--------------|--------------|--------------|--------------|---------------|---------------|
| Mobilink     | 1,164        | 2,392        | 3,935        | 5,522         | 7,339         |
| Ufone        | 327          | 808          | 1,094        | 1,644         | 3,471         |
| Instaphone   | 211          | 211          | 211          | 211           | 211           |
| CM Pak       | 248          | 218          | 872          | 1,163         | 2,328         |
| Telenor      |              | 403          | 1,738        | 3,255         | 5,017         |
| Warid        |              | 505          | 855          | 1,930         | 3,152         |
| <b>Total</b> | <b>1,950</b> | <b>4,537</b> | <b>8,705</b> | <b>13,725</b> | <b>21,518</b> |

**Figure - 14**  
Cellular Mobile Franchises





1,827 new cell sites during 2007-08. With addition of these, Ufone total cell sites have reached to 3,471. Next was Mobilink who added 1,817 cell sites, its total sites stand at 7,339 which is the highest among all. Total Cell sites in Pakistan reached 21,518 which were only 13, 752 in 2006-07. In terms cell sites growth, Ufone growth was 111% while CMPak growth remained 100%.

Despite aggressive cellular subscriber growth, franchises increased normally at 3%. During the year 2007-08, total cellular operators franchises increased to 1,679 which were 1,619 the pervious year. One reason for this slow growth could be the closure of some franchises by PTA being involved in unauthorized sale of SIMs which was causing problem of law and order in the country. Other reason could be that expansion is going on unpopulated areas where the operators already allotted franchises.

## Financials

Financial health of the cellular mobile industry seems to be volatile and most of the operators are operating in loss though their revenues have increased significantly over the last few years. The only operator, Ufone has reported profit of Rs. 1.3 billion in 2006-07 who is not dependent on off shore loans and rapid infrastructure roll out. Most of the operators are engaged in rolling out infrastructure and operators have to spend a huge amount on import of machinery and equipments. Depreciation of Pakistani currency has further exacerbated the financial position of the industry. Particularly those operators who are engaged in rapid infrastructure rollout and dependent on foreign loans from off shore sources have to bear loss due depreciation of currency.

**Table - 9**  
Total Revenue by Operators

| Company      | Rs. Million   |               |                |                  |
|--------------|---------------|---------------|----------------|------------------|
|              | 2004-05       | 2005-06       | 2006-07        | 2007-08          |
| Mobilink     | 34,456        | 54,065        | 64,654         | 79,936.0         |
| Ufone        | 8,599         | 16,098        | 21,867         | 27,455.2         |
| CM Pak       | 2,400         | 3,329         | 2,897          | 2,585.3          |
| Instaphone   | 2,693         | 1,539         | 472            | 259.7            |
| Telenor      | 565           | 6,338         | 22,837         | 45,081.2         |
| Warid        | 168           | 8,527         | 20,405         | 26,804.7         |
| <b>Total</b> | <b>48,881</b> | <b>89,896</b> | <b>133,132</b> | <b>182,080.9</b> |

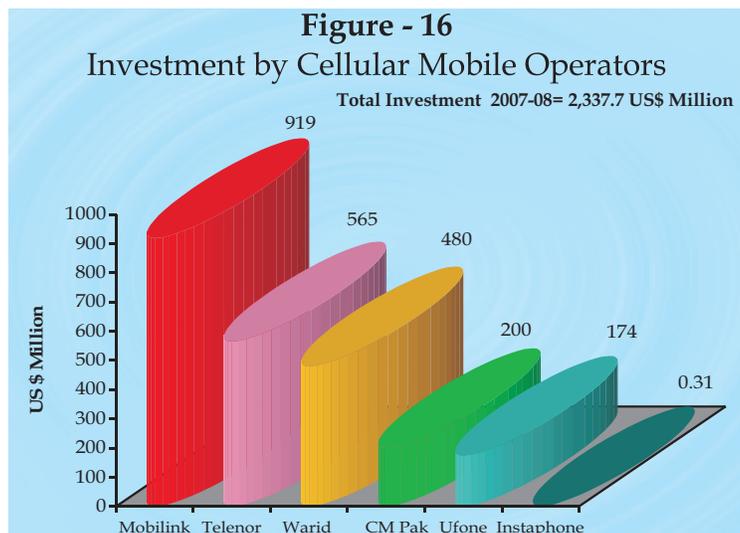
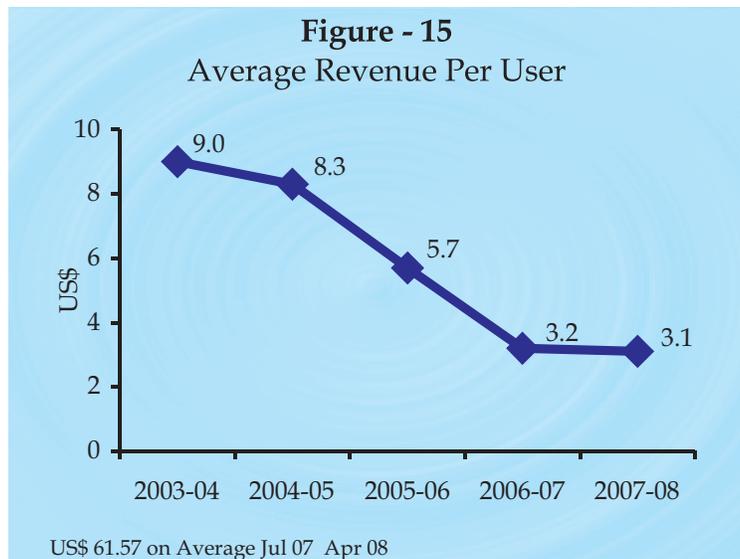
Depreciation of local currency has increased the cost of doing business considerably. Moreover, low tariffs and increased tax rates could also be responsible factors for low profit margins in the industry. However, the revenue growth seems quite comfortable of all operators though it lower as compared to previous years. In the year 2007-08, revenue grew by 35% compare to 48% last year. Among the operators, Telenor is the most efficient operator in terms of revenue generation who has increased about 97% revenue in 2007-08 compared to previous year and reported Rs. 45 billion revenues in the fiscal year 2007-08. Mobilink earned about Rs. 80 billion revenues, which is 24%



higher than the last year. Mobilink and Telenor hold about 70% of the total revenues of the industry while 29% is held by Warid and Ufone. Warid and Ufone have 15% and 14% of total revenue respectively.

### Average Revenue per User

Average Revenue per User (ARPU) is an important tool to measure the financial health of any telecom sector. The emerging markets of cellular mobile segments in South Asia are considered the low ARPU markets. In Pakistan ARPU has declined significantly over the years. In the year 2003-04, ARPU in Pakistan was US\$ 9 which has declined to only US\$ 3.1 in 2007-08. However, the cellular mobile operators in Pakistan succeeded to maintain ARPU in 2007-08 at the level of previous year and reported only 3% further decline. ARPU for Instaphone phone declined by 57% which is due to its transitional phase. CMPak's ARPU has declined by 52% in 2007-08 which is due to its large expansion and low level of subscribers. Mobilink's ARPU declined to US\$ 3.5 compare to to US\$ 3.8 in the year 2006-07. Similarly, the Telenor's ARPU declined by only 3% and reached to US\$ 3.9 compare to its US\$ 4 in 2006-07<sup>3</sup>.



### Investment

In this competitive market, operators are bound to increase the investment to get more share of subscribers. In last 5 years, cellular mobile operators have invested over US\$ 8.4 billion in Pakistan which has created large number of employment opportunities all across the country. During 2007-08, Cellular players invested over US\$ 2.3 billion, which is 12% lower than the previous year. During the

<sup>3</sup>See Annex - 5 ARPU by Company



year 2007-08, Mobilink invested over US\$ 919 million while Telenor invested over US\$ 565 million. CMPak is another operator who started expanding lately and invested over US\$ 200

million in last few months. Warid and Ufone invested US\$ 480 and US\$ 232 million respectively during the year 2007-08.

**Table - 10**  
Taxes by Cellular Mobile Industry

|              | Rs. Million   |               |               |                  |
|--------------|---------------|---------------|---------------|------------------|
|              | 2004-05       | 2005-06       | 2006-07       | 2007-08          |
| GST          | 9872          | 18,770        | 28,324        | 36,793.11        |
| Activation   | 7,577         | 11,398        | 17,579        | 19,189.40        |
| Withholding  | 4,470         | 8,584         | 17,438        | 23,386.74        |
| <b>Total</b> | <b>21,919</b> | <b>38,752</b> | <b>63,341</b> | <b>79,369.25</b> |

### Taxes on Cellular Mobile

In the current budget, government has increased the rate of GST on telecom sector significantly and analysts are of the view that it may have an advance impact on telecom usage and resultantly, the GST collection may drop considerably from the sector. So far, the Government revenue from telecom sector in terms of taxes is increasing continuously since 2004-05 after the liberalization of the sector. During the year 2007-08 mobile segments contributed more than Rs. 79 billion to national exchequer in the form of taxes, which is 25% higher than the last year. In terms of GST sector has contributed about Rs. 37 billion, which is 30% more than of the last year. However, the growth of the GST collection from cellular mobile sector has declined from 50% in 2006-07 to 30% in the year 2007-08. The main reason for this decline in GST collection growth rate could be low tariffs, closure of over 10 million SIMs and increased rates of GST. However, the complete impact of increased GST will be captured in next years because the rate has been increased at the end of year.

Activation tax is charged @ Rs. 500/- per new connection and it has been the major demand of the industry to remove this tax because operators are unable to pass on this tax to consumers due to competition in the market. Activation tax collection has increased from Rs. 17.57 billion in 2006-07 to Rs. 19.18 billion in 2007-08 which is 11% higher than the previous year. Among the operators, Mobilink is contributing about one fourth of the total activation tax, which has market share in subscribers over 37%. Telenor contribution was reported around 28% whose market share in total subscription is 21%. Ufone share in activation tax was reported 16% while it has market share in total subscribers is similar to that of Telenor. It indicates that Ufone addition is lower than the Telenor.

Withholding tax is an advance income tax, which may be adjusted at the end of the year. Cellular Mobile sector contributes a huge sum of amount in the form of withholding tax to FBR. During the year 2007-08, cellular mobile companies deposited over Rs. 23.2 billion, which is 33% higher than



the last year. Mobilink has deposited over Rs. 10.1 billion in this head, which is 44% of total WHT deposited to FBR in 2007-08. Telenor's share in total WHT was 25% who deposited over Rs. 5.8 billion during 2007-08.

## Cellular Mobile Traffic

During 2007-08, substantial addition of new connections, and introduction of innovative tariff attractions have increased cellular mobile national and international traffic by many folds. International outgoing traffic by cellular mobile companies has increased by 102% in 2007-08 compare to 2006-07 while the international incoming traffic of cellular mobile operators grew by 60% during 2007-08. In total cellular mobile international traffic has increased by 70%, which is an encouraging number. During the year 2006-07, cellular mobile operators terminated 549 million minutes on foreign operators networks while foreign operators terminated 1.76 billion minutes on cellular mobile networks of Pakistani operators. In the year 2007-08, Pakistan cellular mobile industry terminated 1.109 billion minutes on foreign networks while foreign operators terminated 2.82 billion minutes in Pakistan. Last year total international traffic was reported 2.3 million while in the year 2007-08 this figure has raised to 3.92 billion minutes.

**Table - 11**  
Cellular Mobile Traffic

**2007-08**

Million Minutes

|              | National<br>Outgoing<br>Traffic to Fixed<br>Networks | National<br>Outgoing Traffic<br>to Mobile<br>Networks | International<br>Outgoing | Internation<br>al Incoming<br>Traffic | Total           |
|--------------|--|---|---------------------------|---------------------------------------|-----------------|
| Mobilink     | 821.2  | 5,274.5   | 368.7                     | 1,755.2                               | 8,219.6         |
| Ufone        | 1,942.1  | 3,699.2   | 335.2                     | 448.6                                 | 6,425.1         |
| Instaphone   | 3.4  | 67.5  | 1.9                       | 4.0                                   | 76.7            |
| CM Pak       | 84.5   | 1,598.8   | 27.4                      | 38.6                                  | 1,749.3         |
| Telenor      | 1,451.6  | 16,541.0  | 160.2                     | 236.5                                 | 18,389.4        |
| Warid        | 910.2  | 7,011.2   | 216.4                     | 333.6                                 | 8,471.4         |
| <b>Total</b> | <b>5,213.0</b>                                       | <b>34,192.2</b>                                       | <b>1,109.8</b>            | <b>2,816.5</b>                        | <b>43,331.5</b> |

**2006-07**

Million Minutes

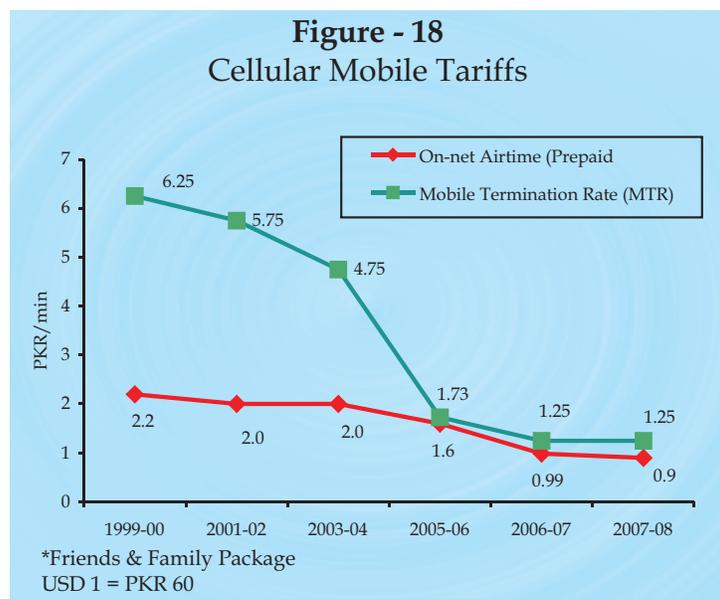
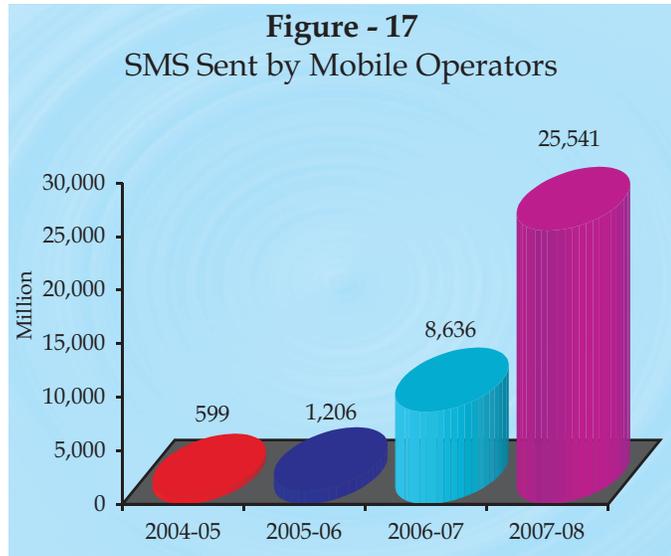
|              | National<br>Outgoing<br>Traffic to Fixed<br>Networks | National<br>Outgoing Traffic<br>to Mobile<br>Networks | Total<br>International<br>Outgoing | Internation<br>al Incoming<br>Traffic | Total           |
|--------------|--|---|------------------------------------|---------------------------------------|-----------------|
| Mobilink     | 938.4  | 2,980.0   | 277.5                              | 1,204.2                               | 5,400.1         |
| Ufone        | 796.7  | 3,163.5   | 134.1                              | 250.6                                 | 4,344.9         |
| Instaphone   | 30.3   | 111.1   | 3.3                                | 7.1                                   | 151.8           |
| CM Pak       | 59.8   | 2,256.9   | 11.1                               | 11.6                                  | 2,339.4         |
| Telenor      | 826.5  | 11,538.1  | 34.5                               | 63.8                                  | 12,462.9        |
| Warid        | 1,974.6  | 6,099.6   | 88.5                               | 223.0                                 | 8,385.7         |
| <b>Total</b> | <b>4,626.3</b>                                       | <b>26,149.2</b>                                       | <b>549.0</b>                       | <b>1,760.3</b>                        | <b>33,084.8</b> |



Though cellular mobile companies have offered low tariffs in domestic market, they could not succeed to increase domestic traffic significantly was the case in for of international traffic. The main reason for this slow growth could be a strong competition between cellular and fixed line industry offering low packages to its consumers. Total domestic outgoing traffic of cellular mobile operators grew by 28% in 2007-08 compare to 2006-07. Total outgoing traffic of mobile operators increased from 30.7 billion minutes to 39.40 minutes. However, the domestic on-net outgoing traffic of mobile operators increased 31%. Domestic traffic of cellular mobile operators on fixed networks increased by 13%.

Telenor has presented the highest growth for international traffic among all cellular mobile operators where its growth was reported more than 300% in the year 2007-08 compare to the previous year. Telenor total international traffic was 98.3 million minutes (34.5 outgoing and 63.8 incoming), which has jumped to 396.7 million minutes in 2007-08 (160.2 outgoing & 236.5 incoming). CM Pak comes second to Telenor for international traffic in terms of growth whose total international traffic has increased from 22.70 million minutes in 2006-07 to 66 million minutes in 2007-08 representing a growth of 191%. Ufone's growth for international traffic remained 103% while Warid growth was 76% in 2007-08. Mobilink growth was 45% while Insta reported negative growth of 43% in international traffic in 2007-08.

In terms of volume of international traffic, Mobilink remained leader in 2007-08 as per its previous year's performance. In current year, Mobilink total international traffic was 2.12 billion minutes (368.7 outgoing & 1,755.2 incoming) while previous year its international traffic was 1.48 billion minutes (277.5 outgoing & 1,204.2 incoming). Ufone succeeded to keep second position in terms of total international traffic volume where its



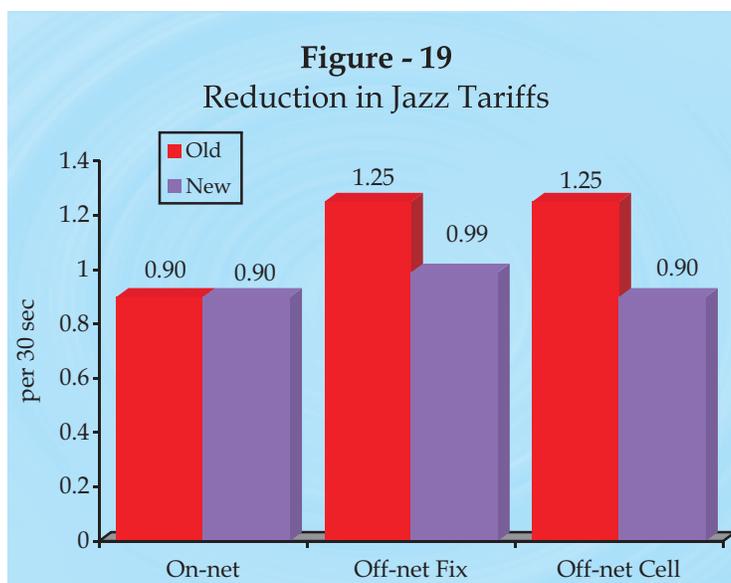


total international traffic was 783 million minutes (335.2 outgoing & 448.6 incoming) in 2007-08 compare to 384 million minutes in 2006-07.

SMS business grew very fast in last two years. Last year almost all cellular mobile operators offered lucrative SMS deals increasing the SMSs many folds. During the year 2007-08, cellular mobile operators generated more than 25 billion SMS, which shows about 200% growth in this segment. During last two years the segment witnessed tremendous growth.

### Attractive Tariff Packages

Since liberalization of the cellular sector in Pakistan, the tariffs declined tremendously. Telecom regulator used to regulate airtime tariffs of cellular mobile operators through price-cap prior to liberalization and did not allow operators to go beyond ceilings determined by PTA. However, in competitive environment, the market forces are determining the tariffs, which are, declining rigorously.



The operators are targeting different segments of the customers and offering concessions and packages to these customers. Interestingly, the SMS seems more attractive to operators for revenue generation where they offered lowest tariffs during the quarter.

### Mobilink Tariffs

Mobilink, an SMP operator has reduced its tariffs for different packages. Recently, Mobilink has also introduced Jazz One package in which its subscribers can call at very attractive rates. Mobilink has reduced off-net tariffs of Jazz Budget, Jazz Octane and Jazz Ladies First packages in February 2008. For Jazz Octane package, on-net tariff has been reduced from Rs. 2.50 to Rs. 2.40 per minute whereas off-net tariff is reduced from Rs.2.99 to Rs. 2.50 per minute. Similarly, off-net tariff for Jazz Ladies First package has also been reduced from Rs. 2.99 to Rs. 2.50 per minute respectively.

Moreover, Mobilink introduced “Apna Jazz Connection ON Karein” promotion which was specifically made for those who did not get the chance to experience lowered Jazz tariffs. Mobilink posted an unconditional Rs. 30 worth of balance for those who did not used Jazz connection since



March 15th. For SMS, Mobilink has offered three different SMS packages (only from Mobilink to Mobilink) to its prepaid customers where it has offered unlimited SMSes for one month for Rs. 100, 500 SMSes in 15 days for Rs. 50 and 100 SMSes for Rs. 15 in 7 days. Mobilink also introduced Club Red promotion for its

subscribers who wanted redcarpet treatment. Under this offer, Jazz subscribers who crossed the monthly usage threshold of Rs. 1,000 got 50% discount on all calls to Mobilink numbers for the remaining days of the month.

### CM Pak Packages

China Mobile launched three prepaid packages in April 2008. The details of their packages are as given in Table - 12.

|                           | 12 Aanay Package<br>30-second<br>billing | Free Package<br>Per minute<br>billing | Aik Second<br>Package<br>Per second<br>billing |
|---------------------------|--|---------------------------------------|--|
| On-net Tariffs            | 1.50                                     | 2.00                                  | 2.40   |
| Off-net Tariffs           | 1.50                                     | 2.00                                  | 2.40   |
| Friends and Family Nos    | 5  | 10                                    | 5  |
| Friends and Family Tariff | 1.00                                     | 1.00                                  | 1.20   |
| SMS                       |  |                                       |  |
| <i>On-net</i>             | 0.75                                     | 0.20                                  | 0.75   |
| <i>Off-net</i>            | 0.75                                     | 0.20                                  | 1.00   |
| Daily Charges             | Zero                                     | Re.1                                  | Zero   |

CM Pak is offering one free number in which subscriber can make free on-net calls (from 12 am to 7 am) for a lifetime. Up to 10 family members can be added in free package. Happy Hours has been offered in 12 Aanay Package which can be modified once everyday. Charges for modification of Happy Hours are Rs. 5. It has also introduced 8 Aanay ( 50 paisas) offer in which its subscriber can call to other networks at Rs. 1.40 (for the first minute) and Rs. 1.00 per minute (from second minute onwards). CM Pak offered 1,000 SMS per day with charge of Rs. 3.00 to its prepaid customers irrespective of the network.

### Ufone's Offers

Ufone has introduced ULoan where it has offered a facility to customers to avail a loan in order to make an important call if and when they run out of credit. Uloan facility is available only for voice calls. The loan amount will be deducted from the next recharge e.g. UTop Up & Card Recharge. Only customers with a balance less than Rs .250+tax can avail the ULoan service. Recently, Ufone has enhanced Uloan amount to Rs. 5.00+tax. It has launched "Paanch ka Pandrah package". In this promotion, each 5 minutes call gave the next 10 minutes absolutely free. In this offer, there are no daily charges and customer will be charged @ Rs. 1.125/30 seconds for Ufone to Ufone and 1.25/30 second for all other fixed and mobile networks. Ufone has recently launched another promotion in which its prepaid subscribers can now call five friends and family numbers absolutely free from



midnight to 7 am by just paying a nominal daily charge of Rs.1.99 (excluding 15% GST). Ufone also launched unlimited SMS (up to 5,000 SMS) offer to its subscribers at Rs.150 to all networks with 30 days validity. Through this promotion, Ufone subscribers can share their thoughts, exchange jokes and chit chat with their friends. Ufone, in line with other operators, has launched another package "Uwon" in which its subscribers can call to any other Ufone number at Rs.1.00 per minute. Off-net tariffs of Uwon package are Rs.1.60 per minute.

### **Telenor's Innovations**

Telenor launched a value-added service (VAS) by the name of 'Telenor Auto Advance'. This unique service allowed Telenor prepaid customers to continue the call even after their balance exhausts. The service was activated free of charge for all Telenor prepaid customers.

Telenor Auto Advance Service can be extremely useful in emergency situations where one call can make the difference. Subscribers on the move, far from a recharge location or simply out of cash can benefit from this service. Under the service, when a subscriber reaches the end of his balance, the call will continue without disconnection and the balance will be adjusted in next recharge. Telenor Auto Advance is only available for voice calls at the moment. Recently, Telenor also launched Ask Telenor and Tele Doctor 1911.

Telenor launched free unlimited on-net calls offer (from 11 am to 2 pm) for limited time period. Service activation charges for the said promotion were Rs. 49 (exclude tax). Telenor received overwhelming response on this promotion. Recently Telenor has launched SMS Fulltime offer for its prepaid customers in which its subscribers can send up to 10,000 On-net SMS with charge of Rs. 99/-.

Telenor's Djuce subscribers can now make free calls (from 1am to 6am) at 5 friends and family numbers with daily charge of Rs. 3.99. It may be noted that call setup charge of Rs. 0.05 per call is also applicable for these free calls.

### **Warid Promos**

Recently, Warid Telecom has launched Pakistan Package wherein its subscribers can avail 50 free on-net minutes and 500 SMS/MMS for Rs. 15.00 per day. Warid also launched SMS craze in which its subscribers can send 2000 free SMS/MMS (on-net as well off-net) at Rs. 150/-. Sunday craze is another promotion by Warid in which subscribers can make unlimited free calls on Sundays from 8 am to 12 pm at a weekly subscription of Rs. 15/-. In infinite craze, Warid subscribers can make free calls from 12 am to 7 am to one Warid number and unlimited SMS/MMS from 12 am to 7 am across Pakistan with daily charge of Rs. 10/-. In the period of last few months Warid has also offered number of value added service to its prepaid customers that counts, Zem Talky, Zem committee,

