Early this year, Internet Masr has kicked off a series of seminars towards **"Shaping the future of the Internet in Egypt"**. The fourth seminar was held on Tuesday 22nd of December 2015 and was titled **"Is OTT a Threat or Opportunity".**

The session aimed to discuss the state of play of OTT services in Egypt and their impact on the Internet and telecom markets, as well as on the overall economy. To that end, the session attempted to address the following questions:

1. What are the trends affecting telecom's business models due to the advent of OTTs?
2. How can telecom operators and ISPs in Egypt take advantage of OTTs and generate new revenue streams?
3. Are there regulatory frameworks for OTTs in Egypt? If yes, what are they? If no, do we need any?
4. What opportunities do OTTs bring to small and startup businesses in Egypt?
5. Where does Egypt stand as regards OTT services such as e-commerce, m-commerce, e-government, etc.? Are we doing well? If not, what are the factors holding us back?

Moderator: Baher Esmat, Internet Masr
Panelists:

- Ahmed Said, NTRA
- Ashraf Abdelwahab, Microsoft
- Fady Ramzy, InsideOut Today
- Mohamed Hegazy, Mobinil

Summary of discussion:

- OTT brings about opportunities for entrepreneurs and startup businesses to innovate and develop new services.
- As the number of connected devices continues to increase and the consumer's appetite for new services continue to grow, telecom operators have become, more than ever, under pressure to evolve their business models to cope with the new reality. Some operators have begun to offer their own OTT services; some have partnered with OTT players; and few are still resisting.
- ITU has created a working group to study the economic impact of OTT as well as impact on consumers. Work is still going on, and no specific outcomes or recommendations thus far. At the national level, different countries take different approaches to regulating, or not regulating OTTs.

- As for Egypt, there is an appetite in some sectors to embrace cloud services. Concerns are mainly related to security and privacy. On the operators' side, they started to leverage some of the smart devices' features such as location services, to offer value added services to their customers. The potential in Egypt is massive given its Internet population (over 40m), yet there are challenges ahead of us as we seem to lack the knowledge and skills required, at a large scale, to become a producer of digital content / services (i.e. web writing is an art and science).
- Egypt's NTRA has yet to decide whether OTT services ought to be regulated. Studies are underway. The one exception is Skype which has been blocked over mobile networks since 2009 due to its detrimental impact on revenues of international calls.
- Many interesting questions and comments from the floor regarding business models that may work for us as a developing country, and whether there could be a win-win model between OTT providers and telecom operators. Some argue that such a win-win model does not seem to exist so far. Others see an opportunity in "local" services (e.g. bey2ollak, Taree2y, etc.), as well as in making operators' APIs available to the larger developer community to innovate new services. Also, focusing on consumer behavior is key. Revenues do not only come from Adds, user data is in itself a big source of revenue (e.g. Whatsapp sold for $19bn). This raises a question about users data and what it is exactly that companies can or cannot do with this data. It also raises another interesting point about the asymmetry in regulatory models between OTTs and telcos; the former is very flexible (agree to terms and conditions checkbox), while the latter is very strict (obtain license from regulator). Another point is the security and privacy and the lack of related regulations and legislations in Egypt. Another intervention made about identifying our priorities as a country; is network neutrality a priority for us at this stage, or is it more important to get more people online even if through models such as Free Basics?

Closing Remarks & Recommendations:

- This is an important subject that requires more consideration and discussion among stakeholders as it not only affects the telecom / Internet sector, but the economy at large.
- Three key aspects to focus on: 1) Consumer; 2) Service Provider; 3) Innovation.
- Internet Masr calls upon MCIT and NTRA to revive the practice of inviting stakeholders to take part in discussions around strategic objectives of the telecom / Internet industry in Egypt.