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Azeri telecom expert complains about state monopoly on Internet services

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Text of report by Azerbaijani news agency Turan Baku, 19 December:

The state of the Internet market in Azerbaijan is unsatisfactory. As compared to other states, information technologies, especially the Internet, are developing very slowly in Azerbaijan, Osman Qunduzov, head of the Multimedia centre for information technologies and president of the Azerbaijani Internet forum, has told our agency.

A monitoring carried out by local public organizations and the findings of international institutions confirm this, he said. According to the findings of international organizations in the information technologies sphere, especially in the Internet, the situation in Azerbaijan is worse than in other countries of the CIS [Commonwealth of Independent States].

Qunduzov believes that the main obstacle to the development of the Internet market is the state monopoly. "Given that the entire telephone communications is state property, the communications Ministry can technically influence the performance of the Internet service by blocking communication channels," Qunduzov said.

The situation is complicated because of lack of an alternative Internet infrastructure in Azerbaijan, and everybody uses the existing communication infrastructure which is fully owned by the state, namely the Communications Ministry.

Issues pertaining to the development of the Internet in regions can be resolved only through the Communications Ministry since all the international communication channels (the Aztelecom production association) and the TAE [Trans-Asia-Europe] project of fibre-optic cable communication are subordinate to the ministry.

Moreover, the state itself in the person of the Communications Ministry is engaged in providing Internet services (the provider is Bakinternet) which leads to unfair competition on the market. "After all, the status of the Communications Ministry should be resolved, which is simultaneously the regulator and a commercial structure," Qunduzov said.

He pointed out a fewer number of active Internet users in Azerbaijan than in other neighbouring countries. Although there are 14 Internet providers in Azerbaijan, only three companies (AzEuroTel, AdaNet and Azeronline) have independent access to the Internet via satellite communications. All the remaining providers have access to the line via AzerSat which is a joint venture of the ministry. Until now the status and role of the ministry in joint ventures are not clear.

Azerbaijan has the highest tariffs for Internet access, for Internet links via the VSAT aerials, hosting services and the registration of national domains. If unlimited services in the neighboring and European countries cost 20 to 30 dollars, in Azerbaijan this they cost 50-60 dollars.

Legal reforms in this sphere are also very sluggish. The approval of the draft laws "On electronic signature" and "On electronic shopping" has been delayed for three years, which, in turn, hinders the development and investment in the Internet business in the country.

It is also necessary to adopt a programme or a law "On developing the Internet in Azerbaijan", as well as on the development of regional information and communications infrastructures. It is also necessary to improve the law "On communications" and implement the presidential decrees on privatization and liberalization of the telecommunications industry.

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