

MARKET SURVEY

# TELECOMMUNICATIONS



Caracas, July, 2016  
Bolivarian Republic of Venezuela





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Survey by **AL&C** Consulting Group  
for the Embassy of India in Caracas- Venezuela

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# PART I

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## ECONOMIC SITUATION OF THE BOLIVARIAN REPUBLIC OF VENEZUELA

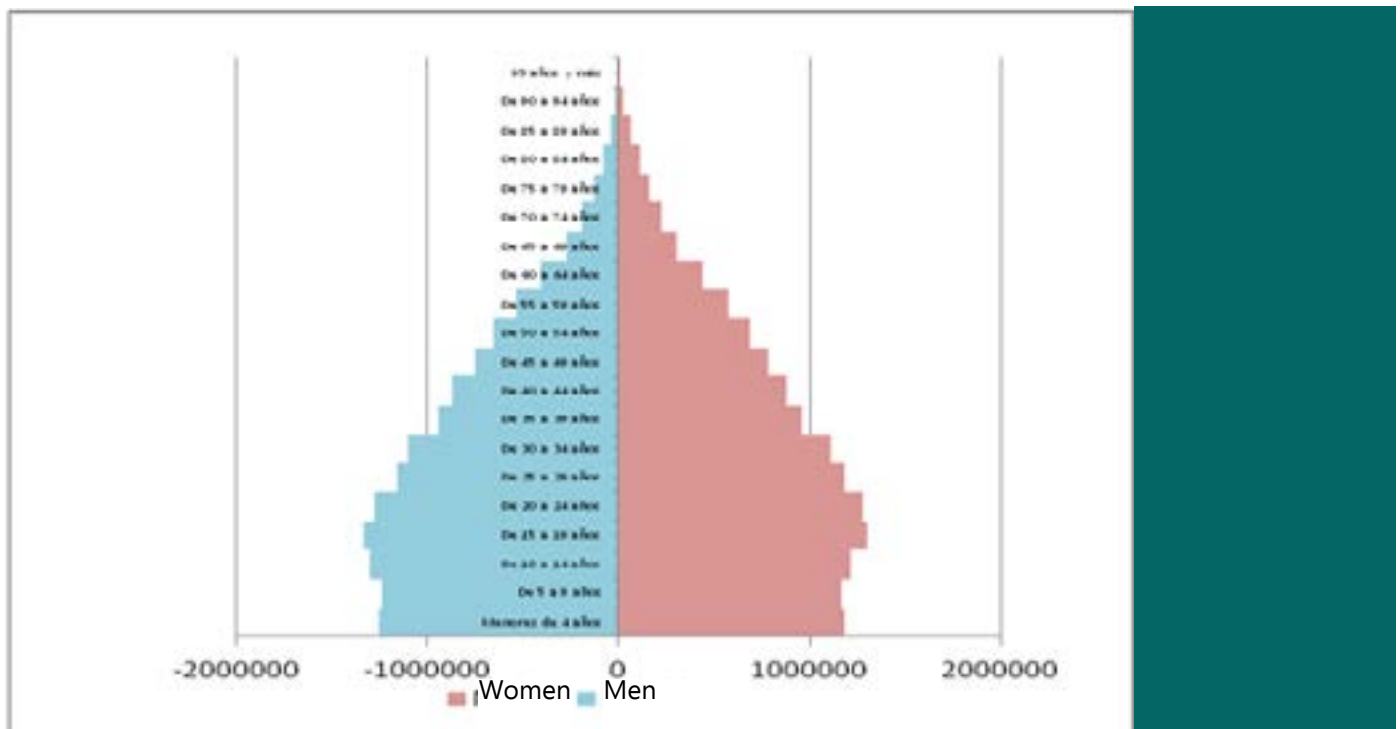
# Bolivarian Republic of Venezuela

Country profile	Bolivarian Republic of Venezuela
Official language	Spanish
Population (2016)	30,851,343 inhabitants
Form of Government	Federal Presidential Republic
Head of State	President, Nicolás Maduro Moros
GDP Per cápita (2016)	US\$ 12,820
Foreign Direct Investment (FDI) (% of GDP) (2015)	1.6 (UN)
Gross Fixed Capital Formation (% GDP) (2015)	20,3
Public expenditure on education (2015)(% GDP)	6,9
Public expenditure on health (2015)(% GDP)	3,4
Currency	The official currency is the Bolívar (VEF), with a system of foreign exchange control which has two rates: DIPRO (type: protected change) for essential products 10 Bs/\$ and DICOM (type: complementary change) for all transactions not contained in DIPRO. The floating rate is controlled by the BCV and starts at 206.92 Bs/\$1

## Demography

### Venezuelan population pyramid

Venezuelan population pyramid shows that the bulk of the Venezuelan population is between the ages of 10-24 years old, which results in a young population with aspirations to enter the labor market, after an average of 8.9 years of studies, representing an educated population that almost finish high school and that can become labor for any growing industry or development, also the Venezuelan population has a life expectancy at birth of 74.2 years .



Life expectancy at birth

74.2 years

HDI (adjusted for inequality)

0.612 (UN)

Population density (2015)

33.34 inhabitants per Km<sup>2</sup>

Mortality at birth

110 (deaths per 100,000 live births) (2015)

Expected years of schooling

14.2 years

Average years of schooling

8.9 years



## Geography

### Location:

Venezuela is a country located at the most northern point of South America, with coasts on the Caribbean Sea and the Atlantic Ocean. It has a land area of 916,445 km<sup>2</sup>. Its borders are: Brazil and Guyana to the East, Colombia and Brazil to the South, Colombia to the West, and the Caribbean Sea and the Atlantic Ocean to the North. Because of its location, Venezuela enjoys a tropical climate with two seasons a rainy one and drought one, with temperatures ranging between 28 ° C.

Venezuela has four well defined regions:

1.- **Central-coastal Region:** Where the capital city, Caracas, is located. It is a region consisting

of coasts and is the seat of major cities that have international ports and industrial cities.

2.- **Andes Region:** Formed by Táchira, Mérida and Trujillo states; defined as the country's mountainous zone with agricultural settlements with banana, potatoes and coffee plantations.

3.- **Los Llanos Region (Plain region):** Consisting of plains and rivers and formed by Guárico, Apure, Barinas and Portuguesa states, it is the fertile land of the country for agricultural industry.

4.- **Guyanese massif:** In geological terms, it is the oldest part of the country, consists of large plateaus, and is the region with the largest mineral reserves.



### Attractiveness

There are regulations affecting business efficiency in the country, such as exchange control, which puts the country in the position 182 in the world ranking. In terms of labor freedoms, Venezuela occupies position 181 in the world ranking and in the post 169 worldwide about freedom of business .

Doing Business 2016 classification puts the Venezuelan economy at No. 186 among 189 eco-

nomies, taking into account aspects such as: operational aspects regarding the opening of a business, dealing with construction permits, getting electricity, registering property, obtaining credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency.

Venezuelan market is constituted by 30 million inhabitants, is the fifth largest GDP in Latin America, owns the largest proven reserves of crude oil in the world. Regarding to gas reserves, Venezuela possesses the eighth worldwide. Never-

theless, there is need for renewal the national infrastructure (roads, rails, ports), industries and machinery.

## Happiness Index

In addition to the basic economic indices it is important to know how does work the subjective well-being of the population of a country and evaluates the human being's ultimate goal: happiness. Because economic policies should enhance the usefulness of the population defined as the amount of pleasure, satisfaction or happiness of individuals ; to carry out the survey, people's opinion is asked by a series of questions. In this survey, Venezuelan people perceived themselves as a people with high levels of happiness. Venezuela in ranked in the 44th place, above El Salvador, Ecuador and Japan, but below countries such as France, UK, Colombia, Germany, Chile, Uruguay, among others .

## Profitability

According to ECLAC, FDI decreased in 2014 by 80%, from 2,680 million dollar to 320 million dollar. In previous years had happened the opposite, because of the difficulty of repatriation of capital due to exchange controls, foreign companies tried to reinvest in the country in real estate sector. However, it is possible that because of the economic contraction in 2014, foreign companies have decided to back their investment because of reduced profits .

## Marketing Channels

In Venezuela there are six commercial ports, whose customs are authorized to import, export and transit, as well as to provide services of transshipment, cabotage and postal packages :

**1.- Port of Puerto Cabello:** It is Venezuela's main port, located in Carabobo state. It is the sixth largest port in Latin America and the Caribbean. In terms of capacity, has a total regional foreland of 75%: to United States and Canada (20%), the Caribbean (17%), Colombia and Trinidad (15 %), South America East Coast (10%), Central America (8%) and South America West Coast (3%); to other ports in Venezuela, this port foreland is 15% and to the rest of the world 10%.

**2.- Port of La Guaira:** An artificial port located in Vargas state. It has a total of 26 docks, some of them are not operational, and its maximum depth of water is of 9.7 m.

**3.- Port of Guanta:** Located in Anzoátegui state, has 6 docks, and a maximum depth of water of 10,5 m.

**4.- Port of Maracaibo:** Located in Zulia state, has 12 docks, 8 of them remain operational and have a maximum depth of water of 10.97 m.

**5.- Port of Sucre-Cumaná:** Located in Sucre state, has two floating docks for general cargo and vehicles, its maximum depth of water is of 10.4 m.

**6.- Port of Guaranao:** Located in Falcón state. Currently, this port is operating only for refinery and industrial zone products import.

## Regional agreements and trade blocs

- **ALADI (Latin American Integration Association):** Signed by Argentina, Brazil, Bolivia, Colombia, Chile, Cuba, Ecuador, Uruguay, Mexico, Panama, Paraguay, Peru and Venezuela, in which Venezuela signed a Regional Tariff Preference agreement, which decreases the proportion of ad-valorem duties stipulated to the tariff schedule.

- **MERCOSUR (Southern Common Market):** Signed by Argentina, Brazil, Uruguay, Paraguay and Venezuela, where the total elimination of taxes is agreed through the signing of three agreements: "Treaty of Asuncion", "Protocol of Ouro Prieto" and "Olivos Protocol for the settlement of MERCOSUR disputes".

- **ALBA-TCP (Bolivarian Alliance for the Peoples of America- Treaty of the Peoples):** Signed by Venezuela, Cuba, Bolivia, Antigua and Barbuda, Dominica, Ecuador, Granada, Nicaragua, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and as observers: Haiti, Iran and Syria. It is based on the use of hedge funds to reduce socioeconomic differences among its member countries.

# Economic situation in Venezuela

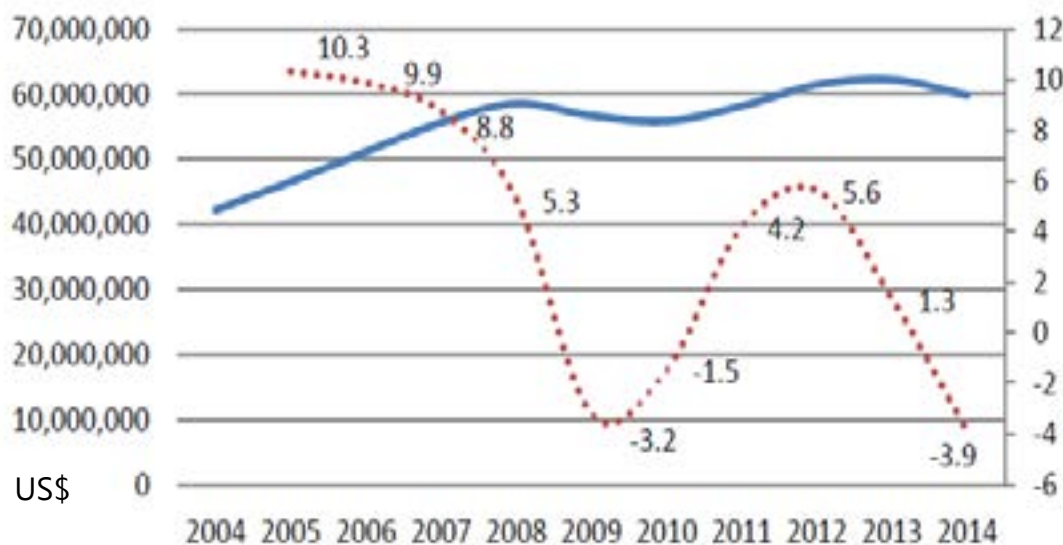
According to the data submitted by the Venezuelan National Bank (or Banco Central de Venezuela - BCV), Venezuelan economy shows very unstable levels of economic growth, with high rates (8% and 10%) in 2005 and 2007, while a sharp drop occurred in 2010, 2014 and 2015, with levels around -4%. (Chart 1.1)

mestic Product (GDP), which is a worrying situation because this is the only productive sector participating in international trade, and which contributes 98% of income in foreign currency. (Chart 1.2)

Despite being an oil economy, the contribution of the oil sector in the country's economy is decreasing, representing only 11% of the Gross Do-

Chart 1.1

GDP: Constant Prices (US\$), 2004-2014

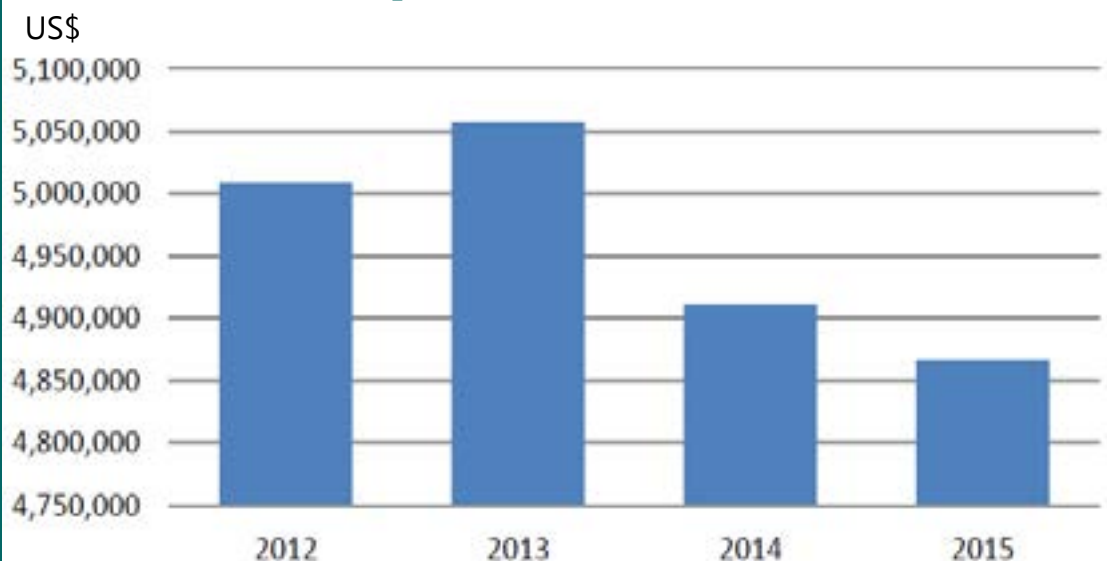


..... Percent variation

Venezuelan economy shows very unstable levels of economic growth, with high rates in 2005 and 2007, while a sharp drop occurred in 2010, 2014 and 2015, with levels around -4%.

Chart 1.2

Oil sector production, US\$, 2012-2015

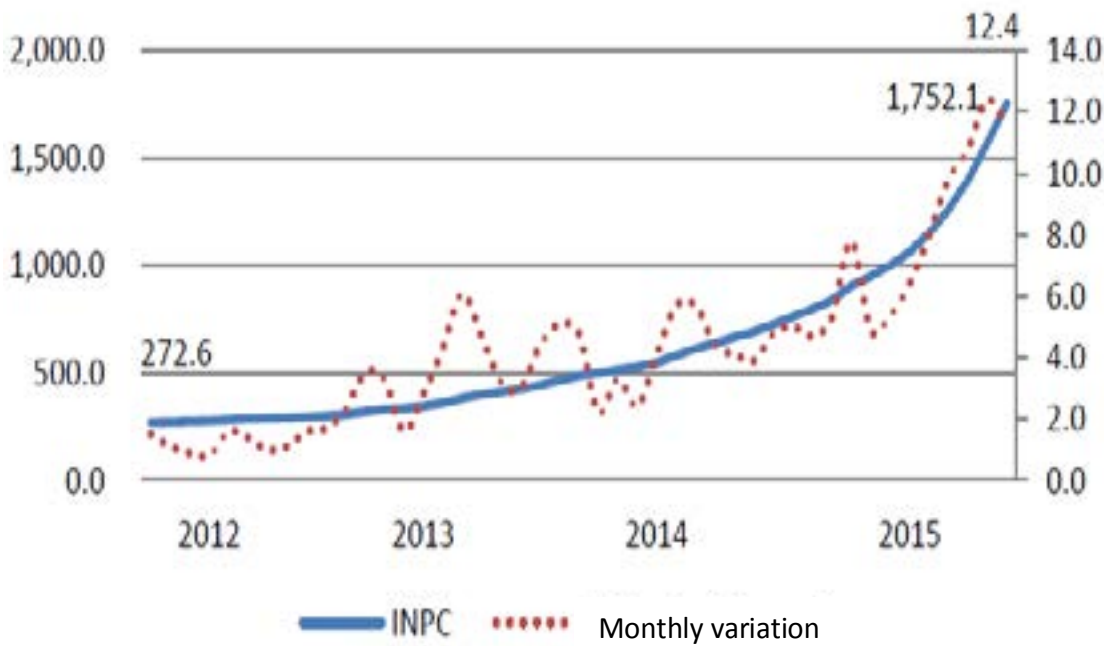


Despite being an oil economy, the contribution of the oil sector is becoming less to the national productive apparatus, representing only 11% of the Gross Domestic Product

The variation of prices is changing exponentially: prices are six times higher in the period between 2012 and 2015. Inflation in 2015 was 200%. In 2016, inflation rate is projected 600%. A month-on-month variation of 10% will represent an annual inflation rate of 313%. (Chart 1.3)

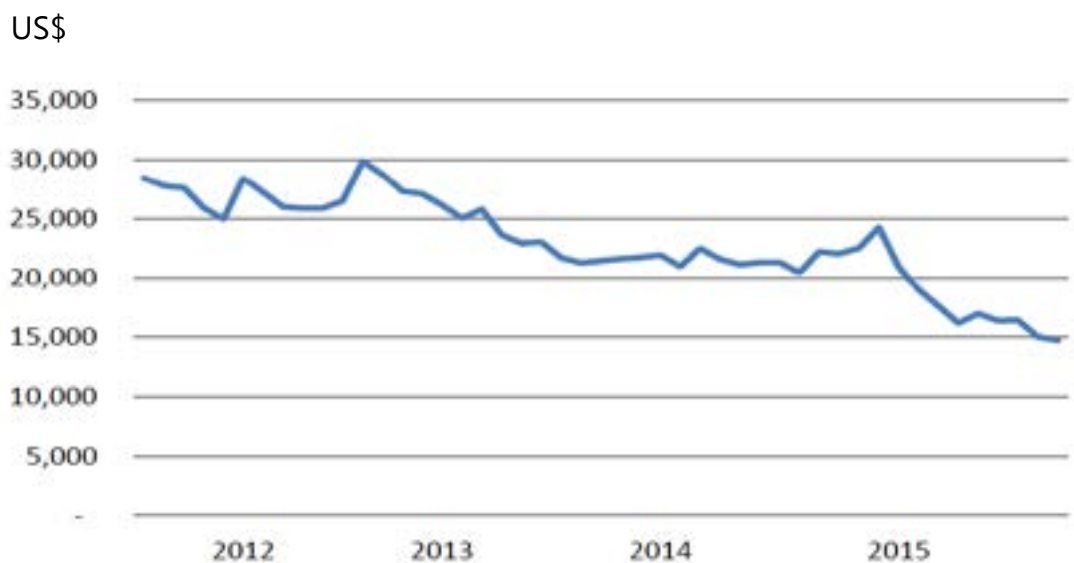
In the same period, international reserves have fallen to less than half, reaching levels as low as those of 12 years ago. This creates a strong pressure on their external balances. (Chart 1.4)

Chart 1.3  
Price index, 2012-2015



The variation of prices is changing exponentially: prices are six times higher in the period between 2012 and 2015.

Chart 1.4  
International Reserves US\$, 2012-2015



International reserves have fallen to less than half, reaching levels as low as those of 12 years ago

The growth of external debt adds to the drop in international reserves, makes that the current coverage be less than 10%. That means the amount of the international reserves only pays 10% of the total external debt. By beginning of 2016, the country already had a trade deficit of US\$ 24 billion. (Chart 1.5)

a year) and 75% of long term debts. Public and private commercial credits represent 19% of the external debt, while most are concentrated in bonds and other forms of loans.

As to the position of the reserve assets, Venezuela has decided to concentrate 70% in monetary gold, and this assets has had the same behavior as of international reserves. It has fallen almost by half: from US\$ 21 billion in 2011 to US\$ 11.5 billion in 2015. Although public operations regarding monetary gold have not been made.

Venezuelan external debt is divided in two sectors: government owes 83%, and private sector owes the remaining 17%. At the same time, this is related to 25% of short term debts (less than

Chart 1.5

Relation between external debt and International Reserves, 2012-2015

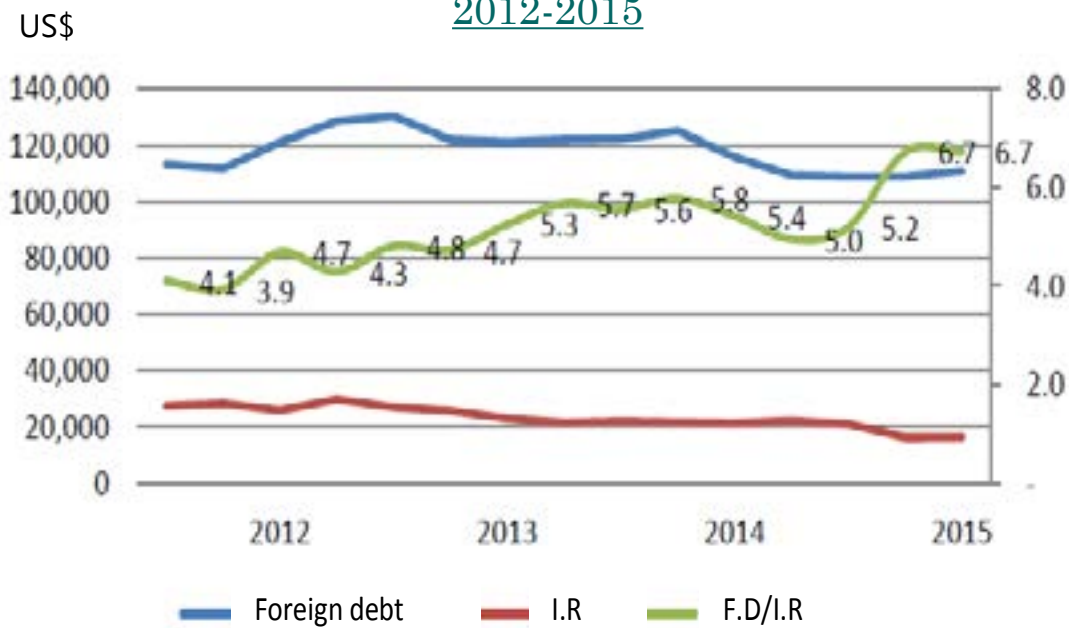
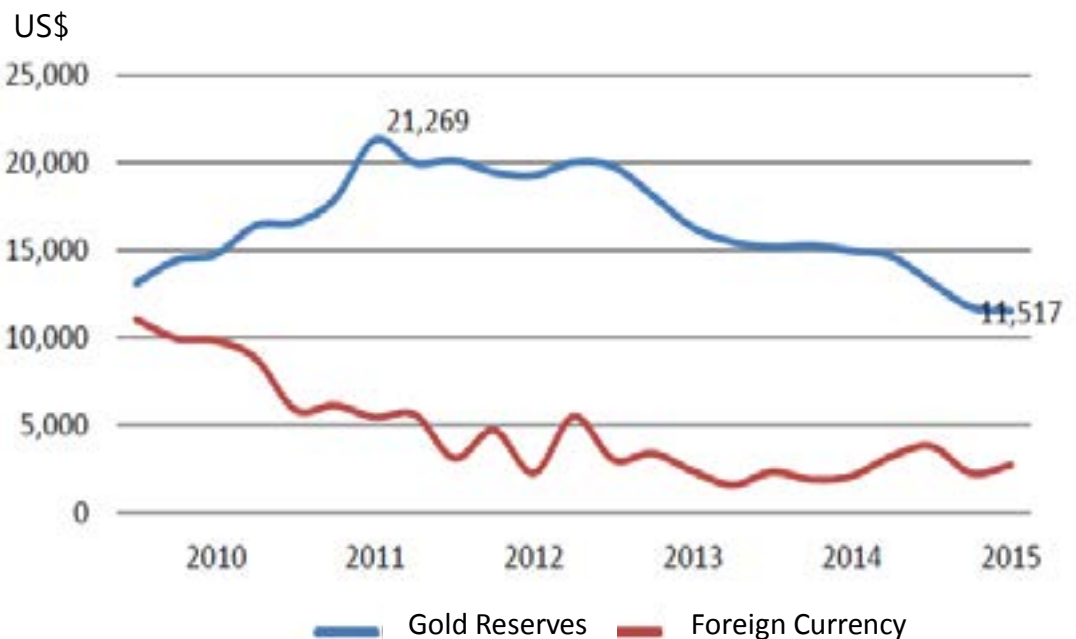


Chart 1.6

Reserve assets (gold and foreign currency), 2010-2015



The behavior of the balance of payments remains negative during the last six years, with the characteristic feature of maintaining positive trade balances, but capital outflows exceeding this

surplus. By 2015, for the first time in 20 years, quarters are shown with negative trade balance, mainly due to the fall in oil prices.

Chart 1.7  
International Investment Balance (US\$), 2010-2015

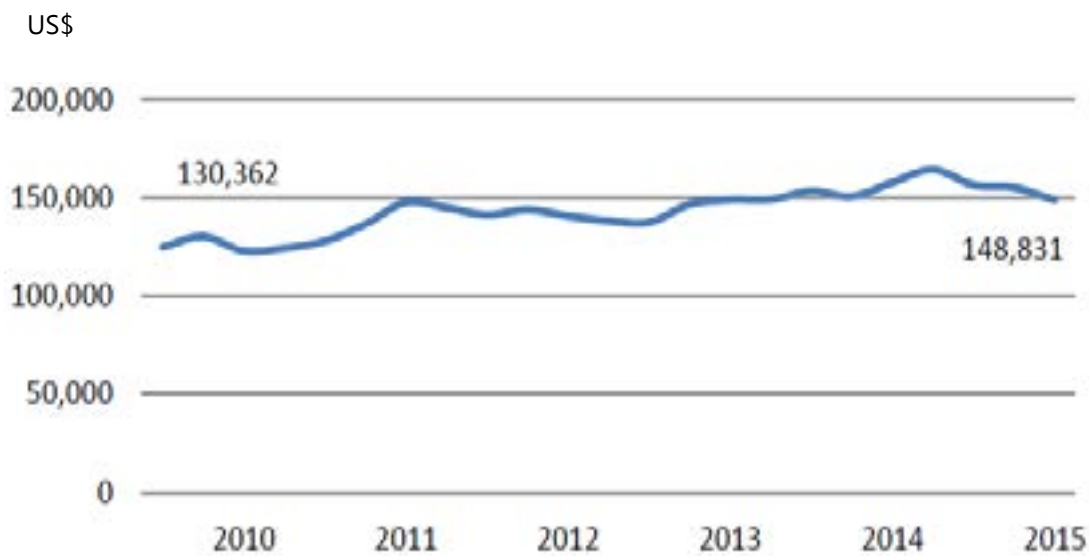
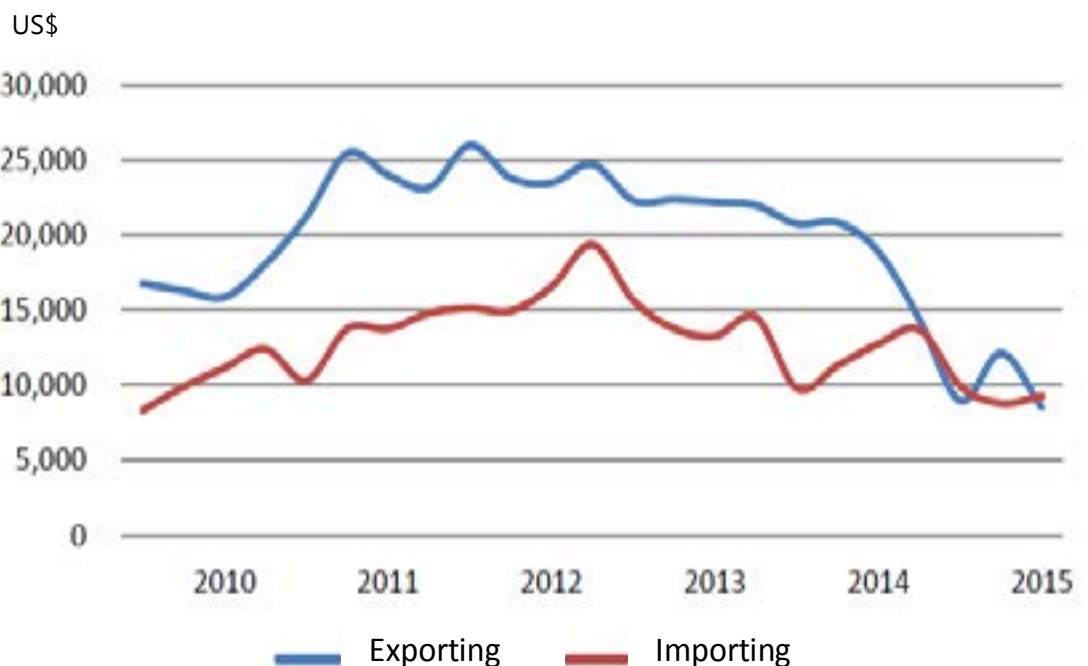


Chart 1.8  
Trade Balance, 2010-2015



By 2015, for the first time in 20 years, quarters are shown with negative trade balance, mainly due to the fall in oil prices.



## PART II

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# TELECOMMUNICATIONS IN VENEZUELA

## Characteristics of telecommunications in Venezuela

In Venezuela, telecommunications and related technologies have brought some dramatic changes to the society, especially the way the people communicate, for Venezuelan consumers services such as landline telephone, mobile telephone, Internet and subscription-based television services, have become fundamental.

- **Subscription-based television services:** According to National Telecommunications Commission (CONATEL), subscription-based television services had the best performance among telecommunications services at the end of 2015. This sector has continued growing, despite the limited access to foreign currency to import equipment such as antennas and decoders. The most recent report (year 2015) of the National Telecommunications Commission states that the paid television segment rose 10.54%, compared to 2014. By December 2015, users of subscription-based television exceeded 5 million people at the rate of 68 subscribers for every 100 households. Cost of service: basic rent per month 374.5 Bs/month (equivalent to US\$ 1.87 - Bs 199.41= US\$1 on 21 July 2015)

- **Mobile telephone:** Based on 2015 figures as provided by CONATEL, it is estimated that there are 95 active mobile phone lines for every 100 inhabitants, with a total of 29,093,517 mobile lines in use. Smartphone users grew 18% in the fourth quarter of 2015, according to data from the National Telecommunications Commission (CONATEL). The industry report figures show that in Venezuela there are 13,246,365 smartphones, and an estimated increase of 76.63% in traffic compared to 2014. Voice traffic originated in mobile telephone increased by 16.66% compared to 2014. In text messages, a decrease was recorded in 2015, as per the following break up: intranet messages declined by 12.57% and messages to other networks declined by 3.51%. However, the overall situation of consumption of telecommunications services clearly reflects an upward trend. To reinforce this statement, the President of Telefónica Pedro Cortez, said: "Venezuela is the largest consumer voice service country, in terms of mobile minutes, not only in Latin America but in the world". Cost of service: mobile minute cost is Bs. 1.68 (US\$ 0.008) and

mobile data Bs 0.47 Bs/MB.

- **Landline telephone (residential and non-residential):** By 2015, 25 local landline telephone lines for every 100 inhabitants were estimated, with a decrease of 0.36% service subscribers compared to 2014; 92 residential landline telephone lines per every 100 households, for a total of 7,780,096 subscribers (residential and non-residential) that make use of wired (49.36%) and wireless (50.64%) terminals. Cost of service Bs 0.28 / minute.

- **Internet:** According to CONATEL estimates, in Venezuela there were a total of 3,656,753 subscribers, in 2015, taking into account those subscribers who access via mobile phone. It is estimated that there are 63 Internet service users for every 100 inhabitants, aged 7 years and older, which amounts to 62% of penetration (16,728,894 users). Cost of basic service 219.1 Bs/month (US\$ 1.09/month).

To sum up, telecommunications sector closed the year 2015 with 48 consecutive quarters of positive growth, according to the latest report from the National Telecommunications Commission (CONATEL). During 2015, the amount of 15.819 million bolivars (equivalent to US\$ 79 billion) was invested in the field of telecommunications, which shows 92.07% growth in comparison to year 2014. In addition, the sector's revenues grew by 54.23% compared to 2014.

However, the Chamber of Companies of Telecommunications Services (CASETEL) indicates that the inflation up in Venezuela had generated that the investment in the telecommunications sector decreased between 2014 and 2015. Thus, the quality of services have also diminished, despite the number of users is growing in the country.

In this same vein, CASETEL states that between years 2014 and 2015, resources that have fueled the area went from Bs. 2.164 million (2014) (US\$ 10 billion) to Bs. 4.048 million (2015) (US\$ 20 billion), and that places the sector in a situation of disadvantage. The demand of services has significantly increased. For example, in 2015 the data



consumption increased by 67%. Therefore, an immediate investment, in this sector, is required in order to adjust to such reality. This situation should also involve an adjustment on the service rates. In this regard, CASETTEL indicates that telecommunications services have lost impact in the Venezuelan consumer basket, due to the low cost that these services are provided. Recently, some increases have taken place, however these seem to be insufficient and stand below the inflation rates. The monthly rent for fixed telephone, mobile telephone and the Internet is the lowest in Latin America, and is cheaper than any other product or consumer service, which contributes to the increased use and indiscriminate expenditure on telecommunications services.

Finally, the presidency of CASETTEL notes that the current national economic situation will have a negative impact on telecommunications platform and consequently in the provision of services. Thus, consumers will perceive lower quality services.

## Major telecommunications operators by service or attribute

### MOBILE TELEPHONY

Corporación Digitel, C.A.

TELCEL, C.A (Movistar)

Telecomunicaciones Movilnet, C.A.

### LANDLINE LOCAL TELEPHONY

Compañía Anónima Nacional Teléfonos de Venezuela (CANTV)

Corporación Digitel, C.A.

TELCEL, C.A. (Movistar)

Veninfotel Comunicaciones Vitcom, C.A.  
Corporación Telemic, C.A. (Intercable)

## DOMESTIC LONG DISTANCE

Compañía Anónima Nacional  
Teléfonos de Venezuela (CANTV)

Corporación Digitel, C.A.

TELCEL, C.A. (Movistar)

Veninfotel Comunicaciones  
Vitcom, C.A.

Telecomunicaciones NGTV, S.A.

ENTEL Venezuela, C.A.

Multiphone Venezuela, C.A.

Totalcom Venezuela, C.A.

## INTERNATIONAL LONG DISTANCE

Compañía Anónima Nacional  
Teléfonos de Venezuela (CANTV)

Corporación Digitel, C.A.

TELCEL, C.A. (Movistar)

Veninfotel Comunicaciones Vitcom,  
C.A.

Multiphone Venezuela, C.A.

LD Telecomunicaciones, C.A.

Telecomunicaciones NGTV, C.A.

Entel Venezuela, C.A.

Convergencia Venezuela, S.A.

## INTERNET

CANTV.NET, C.A.

Charter Communications International, C.A.

Comsat Venezuela (COMSATVEN)

Genesis Telecom, C.A.

Dayco Telecom, C.A.

E-Quant Venezuela, S.A.

IFX Networks Venezuela, S.R.L.

Global Crossing Venezuela, B.V.

World Tel-Fax Electronics, C.A. (Infoline)  
Corporación Telemic, C.A. (Intercable)

Procesamiento Electrónico de Datos, S.A.  
(Procedatos)

Supercable ALK Internacional, S.A.

Telcel, C.A. (Movistar)

Telecomunicaciones NGTV, C.A.

Centro Nacional de Tecnologías de la Información (CNTI)

NET UNO, C.A.

Totalcom Venezuela, C.A.

MCI de Venezuela, S.A.

Sprint Internacional, S.R.L.

Ip Net, C.A.

Gold Data, C.A.

AT&T Global Network Services Venezuela, LLC.

Atos Origin IT Servicios de Venezuela, S.A.

Viptel Communications, C.A.

## TRANSPORT

Compañía Anónima Nacional Teléfonos de Venezuela (CANTV)

Charter Communications International de Venezuela, C.A.

Comsat Venezuela (COMSATVEN)

Génesis Telecom, C.A.

Global Crossing Venezuela, B.V.

E-Quant Venezuela, S.A.

Telecommunications IMPSAT, S.A.

Telecomunicaciones NGTV, S.A.

Procesamiento Electrónico de Datos, S.A. (Procedatos)

Telcel, C.A. (Movistar)

NET UNO, C.A.

Zulia Electrónica, C.A.

MCI de Venezuela, S.A.

Satélites y Telecomunicaciones, C.A. (SATELCA)

Totalcom Venezuela, C.A.

## SUBSCRIPTION BROADCASTING

Corporación Telemic, C.A. (Intercable)

Galaxi Entertainment de Venezuela,  
C.A. (DirecTV)

Supercable ALK Internacional, S.A.

NET UNO, C.A.

Asociación de Empresas Operadoras  
de Televisión por Cable de Venezuela  
(ASOCATEL)

Vearco Telecom, C.A.

Sistema Cablevisión, S.A.

## RADIO MESSAGES

Elca Telecomunicaciones, C.A.

Telemensajes Metropolitanos, C.A.

## RADIODETERMINATION

Sistemas Timetrak, C.A.

Scada Com System, S.A. (SCS)

Vehicle Security Resources de Vene-  
zuela, C.A.

Telecomunicaciones Movilnet, C.A.

## LAND MOBILE RADIO-COMMUNICATIONS

Americatel Sistemas de Comunicación, C.A.

Elca Telecomunicaciones, C.A.

Procesamiento Electrónico de Datos, S.A. (Procedatos)

Radio Móvil Digital de Venezuela, RDM, C.A.

Comunicaciones Móviles EDC, C.A. (CONMOVIL)

Telcel, C.A. (Movistar)

Satélites y Telecomunicaciones, C.A. (SATELCA)

Evcon Telecomunicaciones, C.A.

## SATELLITE SERVICES

Globalstar de Venezuela, C.A.

## PART III

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# ACTIVITIES OF TELECOMMUNICATIONS SECTOR IN THE BOLIVARIAN REPUBLIC OF VENEZUELA

# Activities of the Telecommunications sector in Venezuela

## Dynamic of the Telecommunications sector

In Venezuela, the telecommunications sector has public and private participation, with companies offering basic telecommunications services at local, national & international levels, as well as cell phone, trunk and satellite services.

The sector has its own chamber: Chamber of Companies of Telecommunications Services (CASETEL). It is a private institution that brings together 35 companies (more or less). Its main objective is to promote the development of the sector in a competitive environment and with legal certainty, which seeks to ensure full right of users to quality of telecommunications services. With regard to communications via cellular mobile phone, CONATEL had indicated that Venezuela has a fourth-generation network, which will require an investment of 3 million 170 thousand dollars in a period of five years from 2014. However, despite efforts made, Venezuela is experiencing a significant lag in relation to the average navigation speed, the worst in South America, with 1,7Mbps, below Bolivia and Paraguay. However, data on Internet penetration indicates that more than 16 million Venezuelans (approximately 61%) have access to Internet.

It is important to note that the Venezuelan state company, *Compañía Anónima Nacional Teléfonos de Venezuela* leads the national market of telecommunications services along with mobile operator *Movilnet*. By 2015, *CANTV* gave service of landline telephone to 87% of the population. In the case of mobile telephone operators, *Movilnet* leads the market with just over 15 million users, followed by *Movistar* with 10 million users and *Digitel* with four million users. From these figures, it is clear that the number of users remains relatively the same but with greater use of telecommunications. In addition, it should be noted that 92% of users of cellular mobile telephone service are attached to prepaid plans, while only 8% have a plan of domiciled payment to bank accounts and credit cards.

Another important telecommunications sector that is booming and expanding is the TV subscription, either through private or state companies. According to information supplied by CONATEL, the country has 215 pay television operators registered by CONATEL itself, and also there is a significant unknown number of illegal operators, that in 2016 must comply with the legal / regulatory framework of the country and pay corresponding taxes or will disappear.

Despite the high access and use of telecommunications services in Venezuela, this sector has not escaped the economic crisis in the country, which is mainly manifested in the difficulty of obtaining foreign currency that allows to invest in the maintenance and modernization of platforms, as well as, for the provision of international services, and as stated by CONATEL and CASETEL has already begun to affect the quality of service received by the final user.

While the Venezuelan State recognizes some difficulties in the telecommunications sector, also indicates that this sector is experiencing a climate of stability and growth. Meanwhile, CASETEL expresses concern about the current situation of the sector and its future in the short and medium term.

In this sense, CASETEL indicates that studies conducted by the camera show that between 2013 and 2014 there was a difference of 13% over the inflationary increase and resources sector went from 2.164 million bolivars (US\$ 10 billion) to 4.048 million bolivars in 2015 (US\$ 20 billion). The annual accumulated figures in the sector for the first quarter of 2015 show investment growth of 87%. The inflation for the same period is estimated above 100%. If to this figure is further added the effect of the exchange rates used by international technology providers that supply authorized operators to provide telecommunications services, it is possible to observe that expenditure increases exceeded 500%.

That situation is translated into investment amounts that do not correspond to the rate of investment in real terms that the industry has



been running historically in a sustained manner, i.e., with the same investment in the first quarter of 2014 that was used to maintain a platform of GSM technology for example, today it is possible to maintain only the fifth part of the whole platform. The sector is experiencing a sustained growth in data consumption and unusual in voice usage in the last year and is projected that this growth will be maintained. Consequently, network operators could suffer saturation, and thus, the provision of services could be negatively affected.

## Telecommunications and Informatics Engine

As part of the agenda promoted by the National Executive to tackle the economic crisis the country is facing, the Government has introduced the Telecommunications and Informatics Engine, an edge on the agenda of Government by the Ministry of Popular Power for Higher Education, Science and Technology, organized into two working groups: 1) the first group oriented to the development of software (programs and applications), especially free software, and 2) the second group aimed at the production of computer and telecommunications equipments. To these worktables were incorporated all those who function in the sector, to submit proposals to strengthen the national productive apparatus, increasing national industrial capacities, generating foreign currency, and the gradual replacement of the imports.

The engine of Telecommunications and Computing highlights three key sectors: Manufacturing, Assembly and Communication. In addition, CONATEL urges to work in order to implement necessary measures to regulate the sector and legalize smaller entrepreneurs, create a plan for national certification of equipment and make the necessary arrangements for local businesses, to incorporate them into the manufacture and assembly of antennas process and other equipment by national sealed companies.

## Telecommunications Legal Frame in Venezuela

### Telecommunications Act to be reviewed by the National Assembly

On April 28 2016, the National Assembly approved the partial amendment of the Telecommunications Act (2011). In this first stage, it sought the legalization of television and radio operators. And review the current allocation of frequency bands table, which regulates the use of radio spectrum.

This law of 28 articles, will be subject to further review by the Permanent Media Commission of the National Assembly, and would be modified as required, and will also be submitted to an open consultation process.

### Venezuelan legal frame

In Venezuela, telecommunications are regulated within a legal framework shaped by fundamental laws, referential laws, regulations, orders and public consultations. These are:

#### Fundamental Laws

- Constitution of the Bolivarian Republic of Venezuela
- Plan de la Patria Law (Homeland Plan Law)
- Telecommunications Organic Law (2011)
- Law on Social Responsibility in Radio, Television and Electronic Media

#### Referential Laws

- Organic Law on Science, Technology and Innovation
- Infogobierno Act
- Law for the Protection of Children and Adolescents in Places for Internet, Videogames and other Multimedia

- Special Law against Computer Crimes
- Law on Data Messages and Electronic Signatures
- Law on Access and Data, Information and Documentation Exchange among State organs and agencies
- Law on Administrative Procedures Simplification
- Organic Law on Public Administration
- Anti-trust Law
- Organic Law on Administrative Procedures.

## Regulations, orders and public consultations



## PART IV

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### OPPORTUNITIES FOR INDIAN COMPANIES IN TELECOMMUNICATIONS SECTOR IN VENEZUELA

## Possible areas of interest for the Republic of India

The current economic crisis which the country is facing, has affected all productive sectors, and telecommunications sector is not an exception to this reality. The harmful effects of the crisis are already appearing to providers as well as to services' users.

In order to overcome this crisis, the sector requires high investments which allow its modernization and maintenance of the technological platform, in terms of quality and responds to the growing demand for services by users. Therefore, the main investment area that may be of interest is the import of more new equipment to replace those which have completed their lifespan, and import of more modern components to integrate them to the existing platforms.

Associated with the above aspect is the problem of social insecurity that has affected the properties of the companies providing telecommunications services. CASETEL noted that problem, indicating that mobile operators are specially victims of crime and have lost base stations and antennas. Therefore, advice is needed to imple-

ment security measures aimed to reduce the effects of insecurity in the assets of the companies.

Another unexplored niche in the country is the insurers and advisers to handle cases of telematics incidents. Given that cybercrime evolves, both the state and companies must seek ways to protect themselves. In Venezuela, operates VenCERT: the national team to respond to telematic and computer incidents. VenCERT is attached to the Superintendence of Electronic Certification Services (SUSCERTE) of the Ministry of Popular Power for Higher Education, Science and Technology. VenCERT currently offers to the community services of computer alert to possible attack, detection, identification, analysis and correction of telematic incidents, provides articles and technical guidance on technology security and advice on policies for Internet Security. However, there are still spaces that can be occupied both in the sense of training professionals, such as the provision of care services and correction of telematic incidents, and further with the establishment of insurance companies against telematic incidents.



## Final considerations

There is no doubt about the power of telecommunications as technological tools that enhance socio-economic development of nations. Venezuela does not escape from that reality, even with many difficulties and unfulfilled tasks; it is immersed in the global technology race. Not surprisingly, Venezuela is the country with the highest consumption of mobile phone equipment and services associated with it.

Therefore, considering all the data and figures provided by the national regulator entity (CONATEL), the field of telecommunications is a fairly stable sector with growth prospects. The government is currently developing different plans and projects to overcome the economic crisis and needs to work together with the private telecommunications companies, and harness the foreign investment for the creation of a potentially productive space with changes in the legal framework that would lead to further opening for a greater foreign investment.

