

Credibility gap

Poll shows that 46% of the public supported a new cellular tender

The controversial outcome of Lebanon's cellular license tender, which saw only the two existing operators – Cellis and LibanCell – formally submitting offers, and which led to a ministerial probe in January 2004, was the subject of a recent poll by *Information International*. A random sample of 600 respondents in the Greater Beirut area were polled between 10–14 January, and the poll had a margin of error of $\pm 2\%$.

The build-operate-transfer (BOT) contracts with the two companies had been cancelled in June 2001, and a new tender was expected to generate at least \$2 billion for the government. However, a number of factors have made this an unlikely possibility, including the global downturn in telecommunications; the debate regarding privatization of the sector; the fact that the two companies are currently operating the sector while involved in a dispute with the government, that is now under international mediation; and the overlapping responsibilities of the Ministry of Telecommunications and the Higher Council for Privatization, which has also resulted in friction.

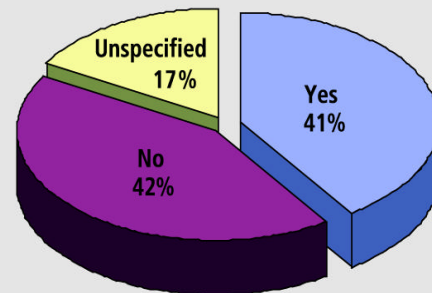
While the two companies continue to manage the sector on the government's behalf for a fee of \$14 million per month, it was decided on 15 February 2004 that a new tender would be issued. This development is in line with public opinion, as shown in [Graph 2](#) (45.8% of respondents felt a new tender should take place).

A large proportion of the public polled seemed numb to the contentious result of the tender, with 42.8% of respondents saying they were not even surprised at the outcome. In comparison, 40.5% stated the opposite and 16.7% did not specify, as shown in [Graph 1](#).

In light of the result, however, almost half of those polled felt a new tender should take place, as mentioned earlier, while 20.8% suggested that the cellular sector be operated under the authority of the Ministry of Telecommunications. Approximately one fifth of the respondents were unsure about what should be done, 8.5% felt the licenses of Cellis and LibanCell should be extended and 4.2% proposed upholding the results of the tender (see [Graph 2](#)).

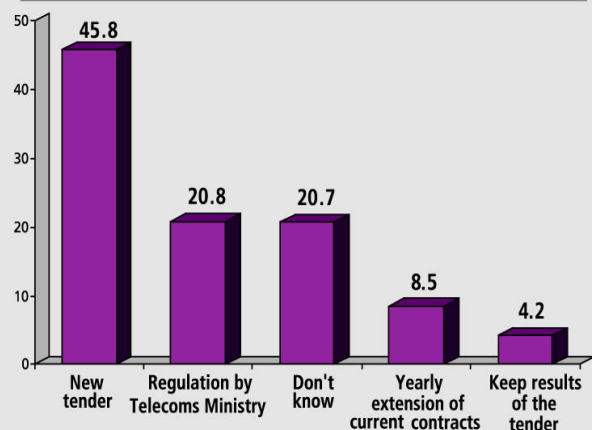
The influence of special interests on the result of the tender is also being investigated by the ministerial committee. LibanCell is owned by Prime Minister Hariri's son-in-law, Nizar Dalloul, while one third of Investcom, the parent company of Cellis, is partly owned by the family of Public Works and Transport Minister Najib Mikati. On that point, 81.1% of those polled felt that special interests were behind the result, a mere 5.7% disagreed and 13.2% did not know, as illustrated in [Graph 3](#). ■

Did the result of the tender surprise you? (%)



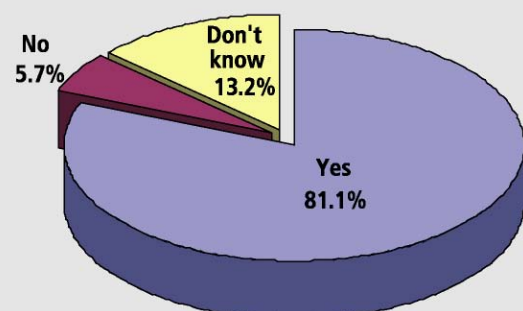
G1 Base: 600

In light of this result, what do you think should be the the future of the cellular sector? (%)



G2 Base: 600

Do you think there are 'special interests' behind the the cellular issue? (%)



G3 Base: 600