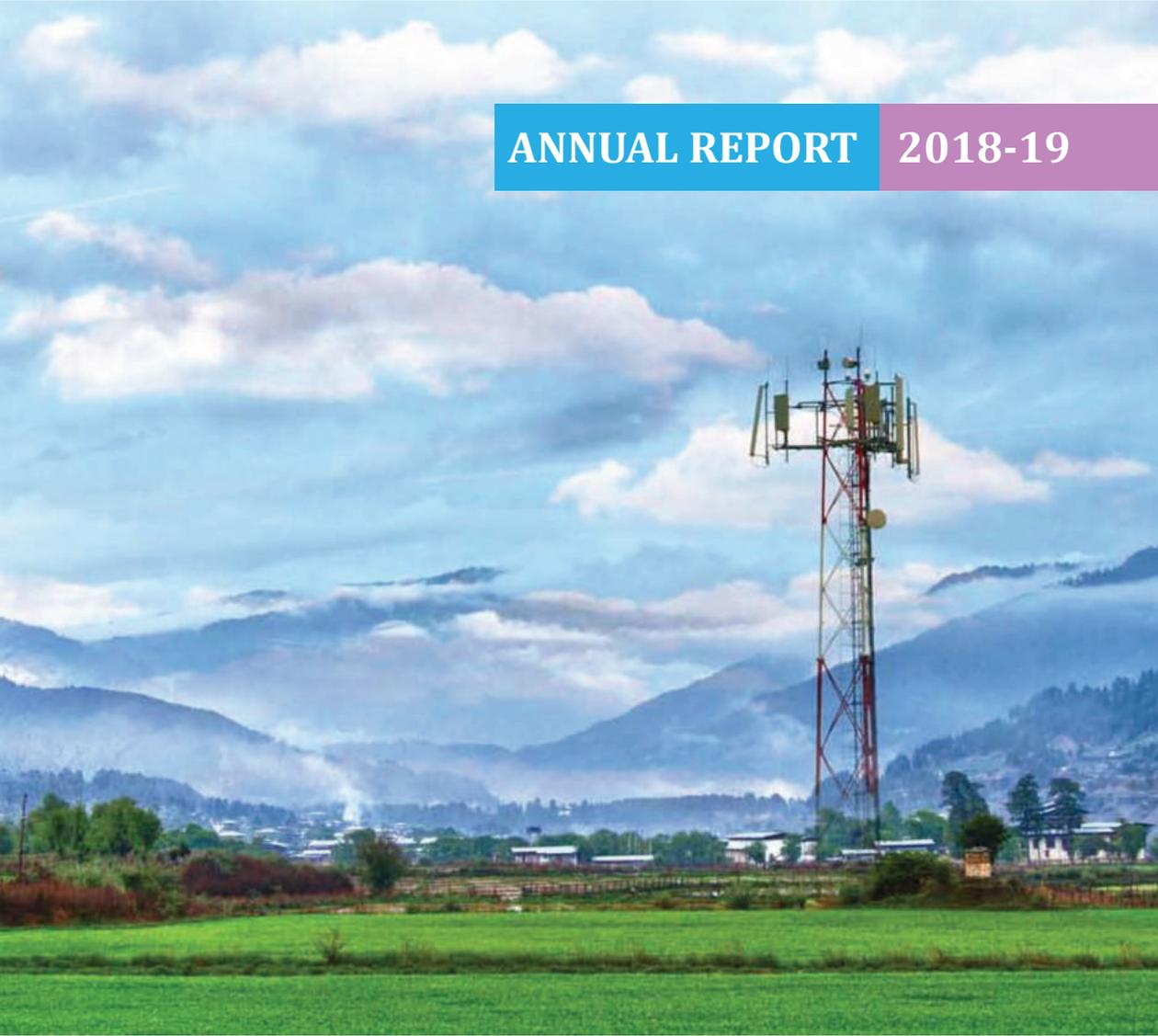


ANNUAL REPORT

2018-19



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**BHUTAN INFOCOMM AND MEDIA AUTHORITY**



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ANNUAL REPORT 2018-2019



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**BHUTAN INFOCOMM AND MEDIA AUTHORITY**

Royal Government of Bhutan

Thimphu, Bhutan



# OUR VISION, MISSION AND CORE VALUES

## VISION

“To be a premier Information, Communications and Media Regulatory Body”.

“To foster an environment for fair and sustainable competition, stimulate innovation, encourage investment, ensure that all Bhutanese have access to quality ICT & Media services at affordable prices founded on the principles of Gross National Happiness”.

## MISSION

### INTEGRITY

We do the right thing...  
We are transparent, honest and ethical in all our interactions with employees, clients, and the public.

### INNOVATION

We anticipate change and shape it to fit our purposes...  
We keep pace with the rapid technological changes and promote new technologies and employee development programs.

### TEAMWORK

We are committed to a common goal...  
We are one organization, one team committed to build an environment where every person is encouraged and appreciated for his/her efforts.

## OUR CORE VALUES

### ACCOUNTABILITY

We are responsible for our actions...  
We take responsibility for our actions and value the ability of our staff and organization to honour our commitments.

### PROFESSIONALISM

We ensure results without compromise...  
We work professionally and collaboratively to deliver results and facilitate our clients without prejudice.



## Table of Content

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## MEMBERS OF THE AUTHORITY



### DASHO KARMA W. PENJORE

#### CHAIRPERSON

Dasho is the Secretary for Ministry of Information & Communications and serves as non-executive member of the Authority.



### MR. BACHU PHUB DORJI

#### DEPUTY CHAIRPERSON

Mr. Dorji is the Managing Director for Kuensel Corporation Limited. He represents the Media industry and serves as non-executive member of the Authority.



### MR. KARMA WEEZIR

#### MEMBER

Mr. Weezir is the Director General for the Department of Culture, Ministry of Home and Cultural Affairs and serves as non-executive member of the Authority.



### MR. PHUB GYELTSHEN

#### MEMBER

Mr. Gyeltshen is the President of Bhutan ICT & Training Association. He represents the ICT industry and serves as non-executive member of the Authority.



### MR. SONAM TASHI

#### MEMBER

Mr. Tashi is the Chief Planning Officer, the Planning and Policy Division of the Ministry of Economic Affairs and serves as non-executive member of the Authority.



### MR. WANGAY DORJI

#### ACTING MEMBER SECRETARY

Mr. Dorji is the Officiating Director General of the Bhutan InfoComm and Media Authority and is the Acting member Secretary of the Authority.

## OFFICIATING DIRECTOR GENERAL'S FOREWORD



On behalf of the BICMA family, I am pleased to present the 10<sup>th</sup> annual report of the Bhutan InfoComm and Media Authority for the year 2018-19. This report outlines the progress of the activities undertaken during the last one and half year (January 2018 to June 2019).

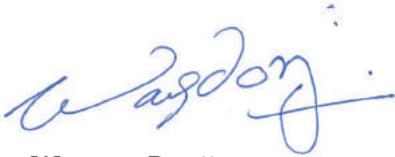
Judging by the progress achieved during the last one and half year, it is a great satisfaction to share that the regulatory environment for the ICT and Media sector has taken a very progressive trajectory. With the transformation of the ICT and Media sector occurring in several dimensions- in the changing structure of demand, in the convergence of services, and in the changing structure of the industry and technology, we have undertaken major reforms in the way we conduct. We transformed ourselves as “pro-active regulator” and started embracing “evidence-based approach” to improve and enhance effective regulatory decision-making process.

Besides, internal transformation, we have also continued to fortify our institutional linkages with the regional and international partners to coordinate, cooperate, collaborate and harmonize regulations through dialogues. Similarly, at the local level, the Authority has meaningfully engaged relevant stakeholders for introducing innovations and development in the sector.

In order to strengthen the regulatory capacity, the Authority initiated the construction of its secretariat building and procured adequate equipment to gauge the mobile quality of service as well as to monitor the radio frequencies and Electromagnetic Field radiation.

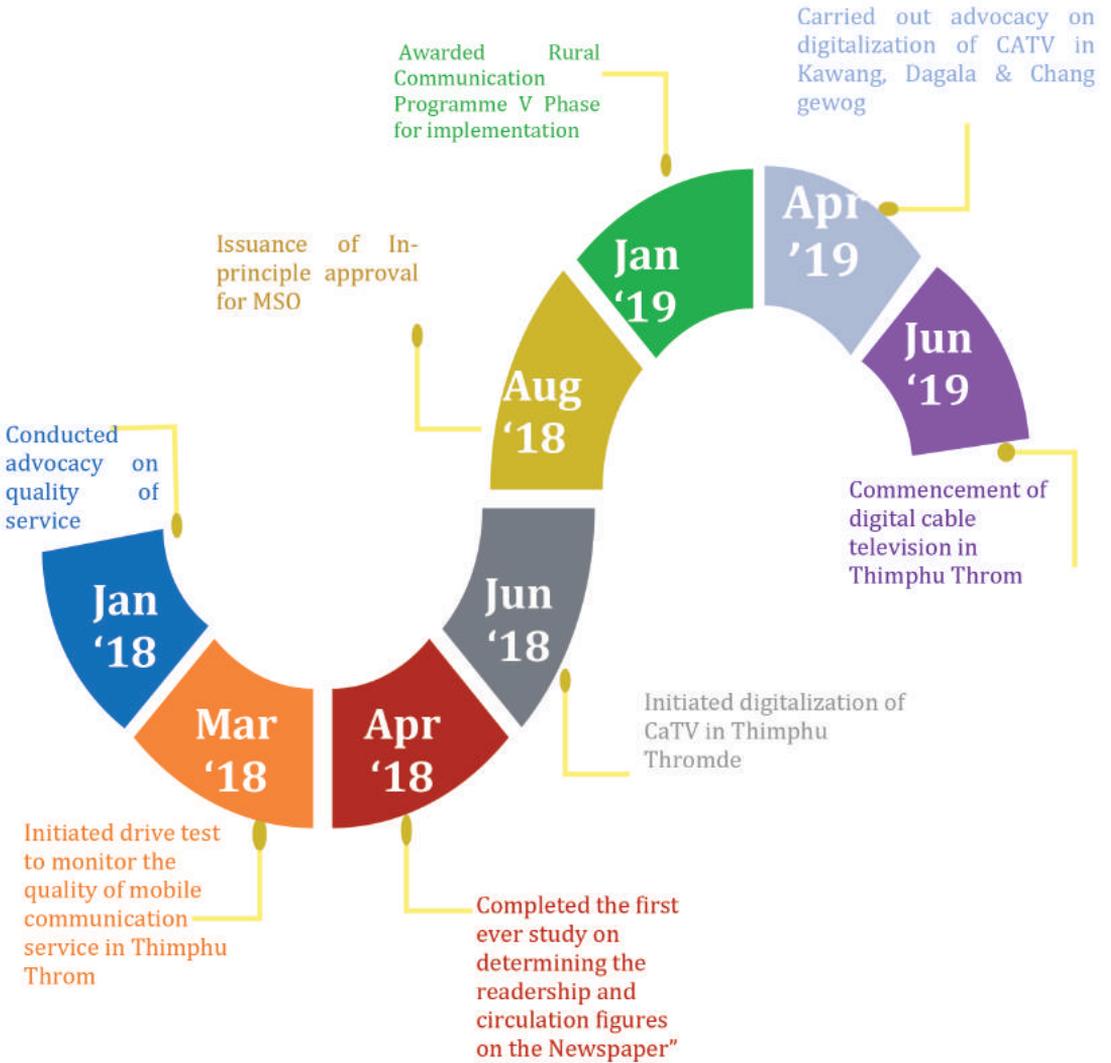
To create and educate consumers’ right, numerous advocacy programmes were carried out through mainstream media (print), broadcast (radio and television) as well as public gathering as enshrined in the Information, Communications and Media Act of Bhutan 2018.

The Authority shall continue re-defining our regulatory approaches to keep pace with the technological and service development, embrace innovation, foster partnership through strong collaboration with stakeholders and pledge to bring transformation in the ICT and Media sector.



Wangay Dorji  
**Offtg. Director General**

## MILESTONES FOR THE YEAR 2018-2019

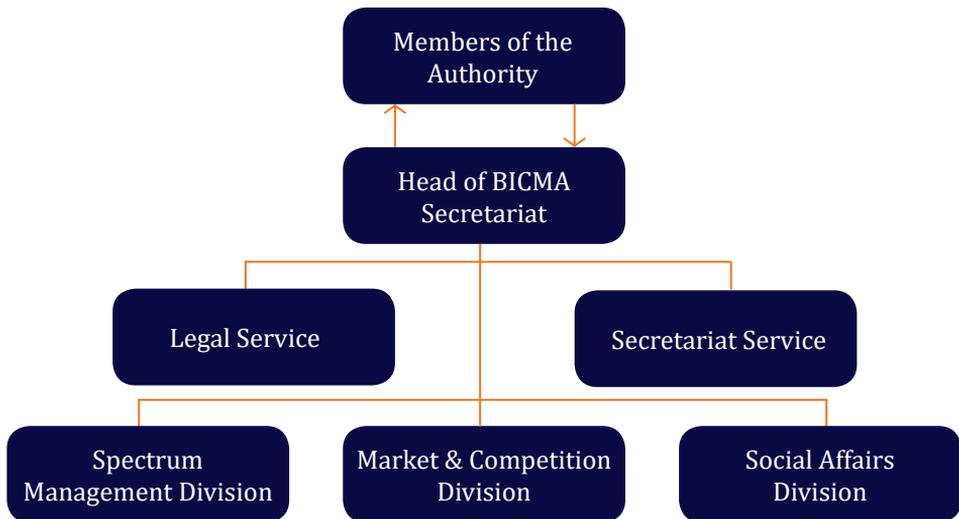


# BHUTAN INFOCOMM AND MEDIA AUTHORITY

## ABOUT US

The Bhutan InfoComm and Media Authority (“the Authority”) is a converged regulatory body responsible for regulating ICT and Media sector in Bhutan. It is established as per the provisions of the Information, Communications and Media Act of Bhutan, 2018 (“the Act”).

## ORGANOGRAM



## FUNCTIONS

The mandates of the respective divisions are as indicated below:

|  |  |   |
|--|--|---|
| <b>MARKET &amp; COMPETITION DIVISION</b>   | <b>SOCIAL AFFAIRS DIVISION</b>   | <b>SPECTRUM MANAGEMENT DIVISION</b>   |
| <ul style="list-style-type: none"> <li>• Responsible for maintaining and promoting competition within ICT and Media sector.</li> <li>• Carries out economic and technical regulation as well as licensing &amp; enforcement of ICT &amp; media facility and services.</li> </ul> | <ul style="list-style-type: none"> <li>• Responsible for carrying out the social regulation associated with the ICT and Media Sector including consumer protection, content management and universal service programme.</li> </ul> | <ul style="list-style-type: none"> <li>• Responsible for controlling, planning, administering, managing, regulating and licensing of radio frequency spectrum.</li> </ul> |

## ICT & MEDIA SECTOR AT A GLANCE (As of June 2019)

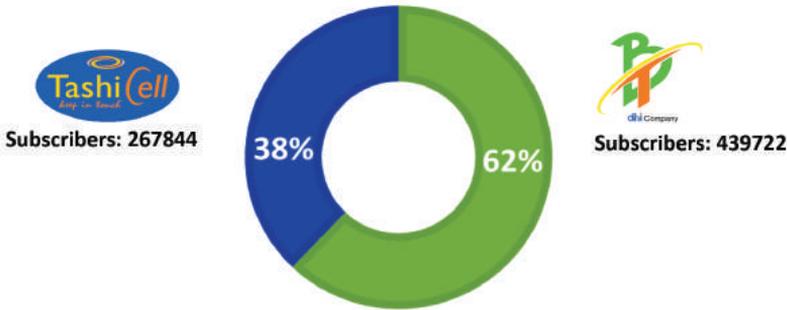


- Subscribers: 22161 (increase by 3.59% as compared to 2017)
- Penetration Rate: 3%
- Fixed Service Provider: Bhutan Telecom

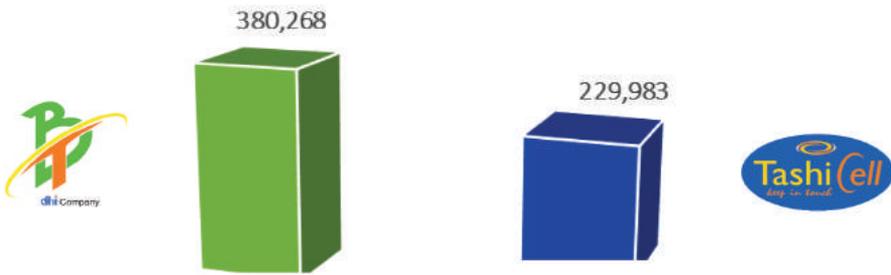
- Subscribers: 707566 (Increase by 2% as compared to 2017)
- Penetration Rate: 96.2%
- Service Providers: Bhutan Telecom Ltd and Tashi InfoComm Ltd



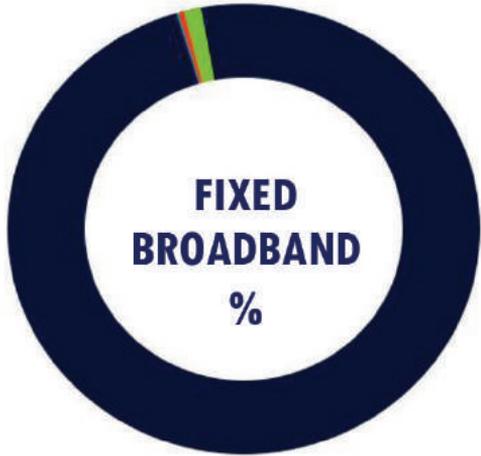
### MARKET SHARE OF MOBILE SERVICES



### MOBILE BROADBAND (3G & 4G) SUBSCRIBERS



## FIXED BROADBAND SERVICE PROVIDERS AND ITS MARKET SHARE



|                          |              |
|--------------------------|--------------|
| <b>Bhutan Telecom</b>    | <b>95.9%</b> |
| <b>Druk Com</b>          | <b>1.4%</b>  |
| <b>Supernet InfoComm</b> | <b>0.4%</b>  |
| <b>Datanet Wifi</b>      | <b>2.3%</b>  |

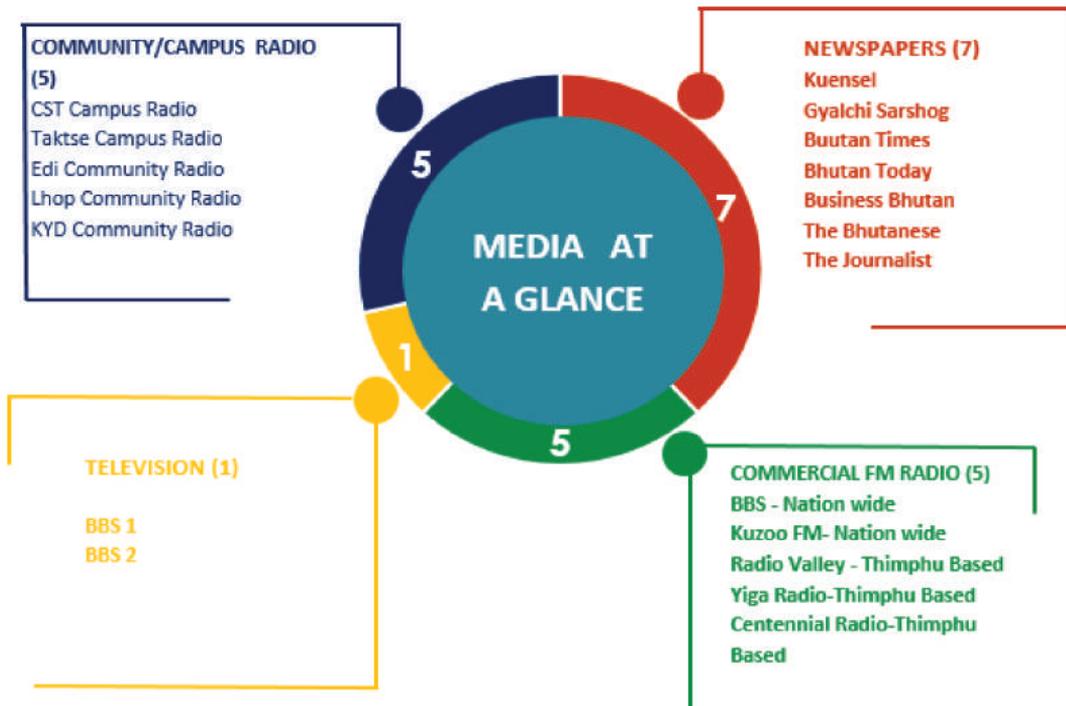
There are eight licensed Internet Service providers as of June 2019. While most of these ISPs are location based service providers, Nano and DrukCom have started providing services to other parts of the country. Bhutan Telecom and Tashi InfoComm are national ISPs.

## INTERNET LEASED LINE SERVICE PROVIDERS

|                            |               |
|----------------------------|---------------|
| <b>Bhutan Telecom</b>      | <b>47.45%</b> |
| <b>Tashi InfoComm</b>      | <b>38.33%</b> |
| <b>Druk Com</b>            | <b>0.29%</b>  |
| <b>Supernet InfoComm</b>   | <b>4.04%</b>  |
| <b>Bitcom Systems</b>      | <b>0.35%</b>  |
| <b>Datanet Wifi</b>        | <b>1.35%</b>  |
| <b>Nano</b>                | <b>7.67%</b>  |
| <b>Drangdhen Tshonglay</b> | <b>0.53%</b>  |



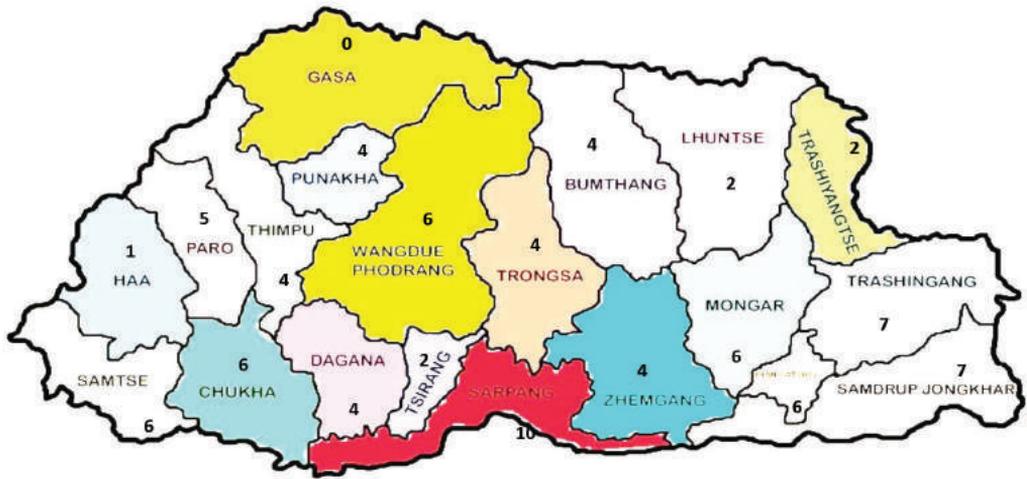
## GLIMPSE OF MEDIA AND BROADCASTING SECTOR



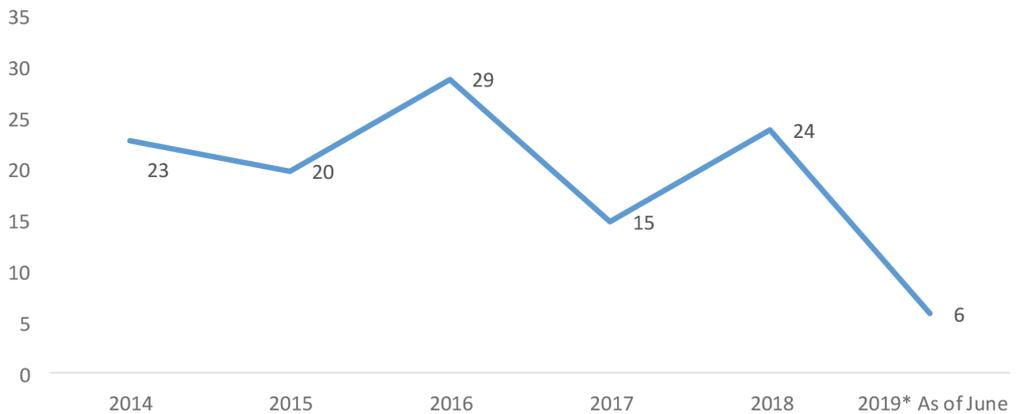
- M/s Druk Neytshuel, a weekly Dzongkha Newspaper stopped its operation and voluntarily cancelled its newspaper publication license on February 2019.
- Sherubtse Campus Radio license has been cancelled with effect from April 2019.

## CABLE TELEVISION SERVICES

- As of June 2019, 91 commercial cable television licenses were issued across the country except in Gasa Dzongkhag.
- For Gasa Dzongkhag, in-principle approval for the establishment of cable television system has already been issued.
- The number of cable operators in respective Dzongkhags is given below:



## NATIONAL FILMS CERTIFIED



## REFLECTION OF THE ACTIVITIES

During the fiscal year 2018-2019, the Authority implemented the following activities:

### 1. REGULATORY FRAMEWORK

#### 1.1 Formulation of New Regulatory Framework

To promote healthy competition as well as to protect ICT and media consumers, the Authority developed the following regulatory framework in consultation with the relevant stakeholders:

- Rules on Accounting Separation of ICT Services
- Procedure for Cable Television Service Switchover of the Subscribers
- Consumer Protection Code for ICT and Media Service

#### 1.2 Development of Guidelines

For the effective functioning of the Authority, the following guidelines were developed:

- **Guidelines for Use of Satellite Phones in Bhutan:** These guidelines are intended to provide clarity to any organizations and/ or individuals, particularly visitors on the procedure for import and use of satellite phones in Bhutan.
- **Guideline for Spot Frequency for Land Mobile Radio (LMR):** These guidelines provide details on the allocation process of spot frequencies for LMR system prepared in accordance with national priorities and best international practices.
- **Guideline for Digital Billboard Advertisement Services:** These guidelines are developed to set out the procedures for establishment and regulation of digital billboards in the country.

#### 1.3 Review of Existing Rules

With the enactment of the Information, Communications and Media Act of Bhutan 2018, the Authority reviewed all the existing Rules

and Codes and aligned them with the legal provisions of the Act. The following Rules and Codes have been reviewed and revised:

- National Radio Rules
- Rules on Publications
- Rules on Printing Presses
- Rules Governing Community and Campus Radio
- Rules on ICT Facility and Services
- Rules on CATV Services
- Rules on Content
- Rules on ICT Type Approval
- Rules on Sharing of Electrical Poles by Commercial Cable Television Operators
- Rules on Infrastructure Sharing
- Code of Practice for Cell-Broadcasting
- Code of Practice for Registration of SIM Card

## 2. PUBLIC SERVICE DELIVERED for 2018-19



### 3. STUDIES UNDERTAKEN

To enhance the enforcement and regulation of the sector, the following studies were carried out:

#### 3.1 Quality of Mobile Service

The advancement in mobile technology and the growth of mobile subscriber base have led to the desire for better quality of mobile services. In order to ensure quality of service, the Authority carried out monthly assessment of the mobile network performance of both voice and data (internet) services by the service providers using the mobile network testing equipment.

The test results were reviewed and then discussed with the service providers to facilitate them in improving their network performance. Beside Thimphu, the Authority also carried out the tests under Gelephu and Phuentsholing Throms.

The Authority also invited a team of experts from Telecommunication Regulatory Authority of India (TRAI) to conduct independent drive tests for determining the mobile network's quality of service experience (QoSE) by users as well as mobile network performance along Thimphu- Punakha Highway in April 2018. The test results were then presented to the two service providers to facilitate them in improving their mobile network performance.



*>> QoS training conducted by experts from TRAI, India*

### 3.2 Study on Licensing of Additional CATV Operators

To understand the sustainability of cable operators, especially those operating in areas with limited market, the Authority carried out a preliminary study on the way forward for licensing of additional operator in areas which are already served by a cable operator.

The findings and the recommendations of this study will be used by the Authority while reviewing the application for another cable television operational licence in areas which are already served by another cable operator.

### 3.3 Pricing of CATV Services

Since no formal study or review has been carried out on the current price ceiling for the cable television services, to gauge the mechanism used for the determining the cost of providing the content (television channels) of cable television service and the sustainability of the cable industry itself, a study was undertaken by the Authority to look into:

- The costing method adopted by the Association of Bhutanese Cable Operator (ABCO) for providing the television content (channels) to the respective cable operators including the cost per channel.
- Determining of the cost content (channel) per subscriber and the monthly subscription fees payable by the subscribers.

### 3.4 Circulation Audit of Newspapers

The Authority carried out study in 2018 and 2019 on the circulation figure, readership, and timely reach of newspapers to understand the performance of the sector including financial sustainability.

## 4. RE-ORGANIZATION OF THE AUTHORITY

To align with the mandates as enshrined in the ICM Act 2018, the Authority carried out Organizational Development (OD) exercise and accordingly proposed a re-structuring of the organization. Besides aligning the mandates, the OD exercise also focused on enhancement of the productivity of the organization by appropriately deploying employees in the right position to match their skills and interest. After obtaining the approval of Royal Civil Service Commission, the

Authority implemented the new structure with effect from February, 2019.

## 5. TRANSFER OF ENTERTAINMENT LICENSING REGIME

In line with the provisions of the Act, all licensing and regulatory aspects of the entertainment sector were transferred to the Ministry of Economic Affairs on 1st July 2018.



*>> DG of BICMA, Dept. of Cottage and Small Industries and Dept. of Industry while handing-taking of places of entertainment*

## 6. COMMENCEMENT OF DIGITAL CABLE TELEVISION SERVICE

In order to support and facilitate innovation, the Authority along with the cable television operators have initiated the transition of cable television system from analogue to digital in Thimphu. Such initiative was taken mainly to promote better technology, better picture quality as well as to introduce other value-added services such as video on demand and create platform for promoting local content. The conversion of cable television system to digital in Thimphu Throm and periphery have commenced from 1<sup>st</sup> of June 2019.

## 7. THE UNIVERSAL SERVICE PROGRAMME

### 7.1 Rural Communications Programme (RCP)

As per the directive of the Government, the Authority awarded the implementation of the 5<sup>th</sup> Phase of the RCP by the telecom service providers in January 2019.

In this phase, 35 villages under 9 Dzongkhags and 3 sites of social and economic significance such as trekking, religious, herding and cordyceps collecting sites will be connected with 3G mobile communication services by July 2020.

As compared with previous RCP programmes, this programme has been designed to provide high speed data (internet) connectivity using 3G technology, beside voice communications in narrowing the digital gap.



*>> Team from the Authority carrying out the verification of mobile connectivity*

### 7.2 Thimphu-Phuentsholing Highway Coverage

With the enhanced road conditions coupled with the increase in the number of travellers, road fatalities have also increased drastically. Recognizing the importance of mobile coverage along the national highways during the times of accident and emergencies, the Authority has initiated full mobile coverage along Thimphu-Phuentsholing National Highway not extending beyond one kilometer stretch.

The full mobile coverage will also provide confidence to the travellers

and enhance economic productivity of the people dwelling and working along the highway. The programme is expected to be completed by July 2019.

## 8. CONSUMER ADVOCACY AND EDUCATION

To create awareness and educate ICT and media consumers, the Authority carried out the following activities:

### 8.1 Advocacy on Consumer Rights

To create awareness on the rights of the consumers while availing services including quality of service, the Authority carried out an advocacy programme at Clock Tower Square in Thimphu titled “**Our Money, Our Rights**”. For greater reach of audience, a videotaped programme was re-telecast through cable television system across the country.



*>> Advocacy Programme at the Clock Tower*

### 8.2 Advocacy on Digitalization of Cable Television

For smooth transition of the cable television services to digital system, the Authority has carried out advocacy programmes through print media, bulk SMS messaging, television live shows and radio programmes including public meetings under Kawang, Chang, and Dagala Geogs with support from the respective Geog Administrations.



*>> Advocacy on digitalization of CaTV*

## 9. SUPPORT TO MEDIA FRATERNITY

To facilitate and promote the development of the media sector, the Authority initiated and supported following programmes through Media Development Fund, a sub-fund of Universal Service Fund (USF):

### 9.1 Student Internship Programme

In 2018, the Authority supported the internship of three media students with Bhutan Times for a period of three months to provide the interns with practical experience in developing their skills on reporting, writing, designing and scripting and also assist them in testing their academic knowledge in the work environment.

### 9.2 Sponsorship for Journalism Award

To promote and support media fraternity become vibrant and responsible as well as to recognize their excellence in journalism, the Authority sponsored few categories of the award during the 4<sup>th</sup> (2018) and 5<sup>th</sup> (2019) Annual Journalism Award organized by Journalist Association of Bhutan (JAB) to mark the World Press Freedom Day (3<sup>rd</sup> May).



## 10. STRENGTHENING THE INSTITUTIONAL CAPACITY

To strengthen the institutional capacity of the Authority, the following activities were carried out:

### 10.1 Construction of Secretariat Building

On 1<sup>st</sup> November, 2018, the Authority commenced the construction of its secretariat building after signing a contract agreement with the Construction Development Corporation Limited (CDCL). The work is scheduled to be completed by the fourth quarter of 2020.



>> *Salang Tendrel ceremony of BICMA secretariat building*

### 10.2 Up-gradation of Fixed Radio Monitoring Equipment at Tsirang

The Authority procured and upgraded the monitoring equipment at its fixed monitoring station in Tsirang. The Authority is now capable

of carrying out periodical monitoring of frequencies including cross-border interferences along the central and southern part of the country. The station is also connected virtually with the head office to remotely monitor and acquire information on real-time basis.

The experts from the principle manufacturer installed the equipment and provided two days hands-on training on the use of the equipment to the staff members of the Authority.

### 10.3 QoS and EMF Monitoring Equipment

To gauge and monitor the quality of mobile services and Electromagnetic Field (EMF) radiation level from the communication towers, the Authority acquired Quality of Service (QoS) and EMF monitoring equipment in 2018. The technical experts from the principle company also provided three days of intensive training on the use of these equipment which included drive tests and generation of report.



*>> In-house training on QoS*

### 10.4 Study visit to NBTC, Thailand

In conformance with the Memorandum of Understand (MoU) signed between National Broadcasting and Telecommunications Commission of Thailand (NBTC) and the Authority, a group of officials visited the office of NBTC from 8–15 February 2018 to exchange regulatory experiences and foster the bi-lateral relationship.



>> *Officials of the Authority at NBTC, Thailand*

## 11.HUMAN RESOURCE

### 11.1 Leave

During the year 2018-2019, 7 officials had availed extra-ordinary leave (EOL), one official was deputed to Royal Institute of Good Governance and Strategies (RIGSS), Phuentsholing and one resigned from the Authority.

### 11.2 New Appointment

In 2018-2019, four officials have joined the organization as shown below:

**Table 1: New recruitments during 2018 and 2019**



Ms. Gyem Lham  
Asstt. Accounts Officer



Ms. Chhimi Dema  
Asstt. IMO



Ms. Sithar Choden  
Administrative Asstt



Mr. Dawa Norbu  
Driver

### 11.3 Studies

The Authority funded one of its official for a 2 year post graduate degree in Telecommunication Engineering through funding from Media Development Fund. The official is expected to complete his studies by the end of 2019.

## 12. STAKEHOLDER ENGAGEMENT

The Authority carried out the following consultation meetings pertaining to ICT, Media and places of entertainment for feed-back and comments from the stakeholders:

**Table 2: Details on consultations held**

| Sl. No. | Consultation                            | No. of consultations held | Remarks  |
|---------|---|---------------------------|--|
| 1       | Book Registration                       | 2                         | <ul style="list-style-type: none"> <li><input type="checkbox"/> Discussed and advocated the Bookstores on the importance of registration of any publication either published within the country or imported for sale within the country.</li> </ul>  |
| 2       | Film Producer and Department of Culture | 3                         | <ul style="list-style-type: none"> <li><input type="checkbox"/> Discussed on the issues and concerns pertaining to content of the film.</li> </ul>   |
| 3       | Accreditation of Journalists            | 1                         | <ul style="list-style-type: none"> <li><input type="checkbox"/> Discussed on the procedures for obtaining Journalist accreditation card and advocated on the subject of coverage.</li> </ul>   |
| 4       | Cable Television Service                | 6                         | <ul style="list-style-type: none"> <li><input type="checkbox"/> Discussion on the issue of Area of operation.</li> <li><input type="checkbox"/> Discussed and finalized the date for the Digital Cable Television Switch-over.</li> <li><input type="checkbox"/> Discussed illegal supply of KU-band dishes in Dogar Gewog.</li> <li><input type="checkbox"/> Discussed on CaTV QoS with M/s RC Cable, Kamichu</li> <li><input type="checkbox"/> Establishment of CaTV with officials of Gasar Dzongkhag.</li> </ul> |

| Sl. No. | Consultation   | No. of consultations held | Remarks   |
|---------|--|---------------------------|---|
| 4       | ICT services including quality of service.           | 4                         | <ul style="list-style-type: none"> <li><input type="checkbox"/> Discussed on the mobile quality of service, SIM card registration, Highway connectivity and Standards for establishment of telecommunication towers.</li> <li><input type="checkbox"/> Discussed on the modality of accounting separation and its implementation.</li> <li><input type="checkbox"/> Discussed on spectrum re-farming in 7GHz and 8 GHz Band for East-West radio backhaul of BTL.</li> <li><input type="checkbox"/> Discussed on the implementation of RCP.</li> </ul> |
| 6       | Ministry of Economic Affairs and Royal Bhutan Police | 2                         | <ul style="list-style-type: none"> <li><input type="checkbox"/> Discussed on the way forward for transfer of licensing of places of entertainment.</li> </ul>   |
| 7       | Bhutan Power Corporation, OSI, India, RAD, India     | 1                         | <ul style="list-style-type: none"> <li><input type="checkbox"/> Discussed on spectrum allocation for wireless power Distribution Management System (DMS) of BPC.</li> </ul>   |

## WAY FORWARD

The Authority has earmarked the following activities for implementation during the fiscal year 2019-2020 geared towards achieving the objectives of the 12FYP:

**1. Ensure access to safe, reliable and affordable mobile communication services:** To achieve this objective, the Authority will:

- Review and bring in around 10% reduction in the tariffs for ICT services; SMS, mobile data and leased-line service.
- Monitor and improve the quality of mobile services, both voice and data services (3G and 4G) to meet the minimum international threshold level.
- Monitor and re-verify the status of mobile connectivity in seven Dzongkhags.
- Monitor and certify communication towers for EMF radiation compliance.
- Measure the status of mobile connectivity along four selected National Highways and accordingly develop plan of action.
- Monitor and evaluate the mobile connectivity along Thimphu-Phuentsholing highway to ensure that there is no mobile black-spot (no connectivity) for more than one kilometer stretch.
- Formulate ten regulatory frameworks for effective and efficient functioning of the ICT and Media sector.

**2. To provide effective and efficient Public Service Delivery:** The Authority plans to maintain the turn-around time (TAT) for issuance of its services to two days.



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