

Telecom

A to Z of Infocommunication

Plus



A year in perspective

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National Look of a MultiNational

Mr. Parvez Iftikhar is the ED Siemens Pakistan. A qualified electronics and communications engineer, he has a long string of technical and managerial training courses completed within the country and abroad. He also won a government scholarship in open competition and went for higher education to the States. A widely traveled professional, he has a vast practical experience in the fields of engineering, manufacturing, sales, marketing, planning, project development etc. Mr. Parvez shares his views and vision with TelecomPlus



TelecomPlus: Since how long Siemens has been operative in Pakistan?

Parvez Iftikhar: Siemens has been in this part of the world since 1870. This was the year when the first telegraph line was being laid between London and Calcutta, which also passed through Karachi. Siemens office was established in early 1900s. The first Siemens office in what is now Pakistan was established in Lahore in 1922. So officially, Siemens has been here since 1922. One of the first postwar

overseas investments made by Germany was here in Pakistan in 1953. They invested in Telephone Industries of Pakistan [TIP]. Siemens Pakistan Engineering Company Ltd. as we have today, was also established in 1953. Since then, there has been another joint venture of Siemens in Pakistan i.e. Carrier Telephone Industries [CTI]. We have now around 5000 people working either directly or indirectly for Siemens in Pakistan. Another five thousand depend for their livelihood on Siemens Pakistan indirectly.

How do you rate your share of the market in Pakistan?

We are the market leader in Pakistan. In 1987 there was an international tender when TNT department decided to change over to Digital Technology. We competed with companies from all over the world and won that tender. We were selected as the first supplier of Digital Telephony in Pakistan along with transfer of know-how. Since then, like in the optic fiber transmission equipment, we are market leader in switching transmission and microwave technologies. We also have a large presence in mobile switching. We are in all kinds of telecom activities including data transmission, voice telephony, etc. in both public and private sectors. So we are at the front end of competition in Pakistan.

How much of the equipment you are producing here can be considered indigenous?

It varies from equipment to equipment, but on an average 20% roughly. Below 20% it does not make much sense for the manufacturer. In some cases we have 40%-plus indigenization, up to even 50%. I am talking of only telecommunications. Apart from this, Siemens has its own factory producing motors, transformers, switchgears and other things outside telecommunications. And in this area the local contribution is up to 70-80 percent.

Do you export the products made in Pakistan?

We export to UAE, Saudi Arabia, Kuwait, Oman etc. We also export our services and expertise. We train our people, bring them to a world class level and there services are then made available not only in the region but all over the world. Even today telecommunications engineers from Pakistan are working on several projects in Europe, Eastern Europe, Far East and within this region. They go on projects, complete the projects, come back and get new assignments and it goes on. In the process the country earns foreign exchange.

How much of the Siemens staff comprises Pakistanis?

At the moment, in Siemens Pakistan Engineering Company Ltd., we have only one foreigner. We also have a Pakistani MD for the first time. Till two years back, the Managing Director had

always been from the parent company. We are now completely 'localized'. Earlier, foreigners were requested to implement projects for us in Pakistan. Now we go from here to implement projects in other countries even in European countries including Germany, which is home of the parent company.

How do you rate the local expertise compared to that of the European?

We are now in a global era where cross border expertise is the rule rather than the exception. The only condition is quality of service provided. We have no problem in this area. The Pakistani experts are not just accepted outside of Pakistan they are welcomed. Our [Pakistani] people learn very fast and they are very dedicated. When they work, they are as good as any other in the world. I tell you something very interesting. During the last few years we lost quite a few engineers who were sent on assignments abroad and they got jobs there. It takes about 24 months for an engineer to attain the requisite level before he is sent. When the telecom bust came in the West, we started looking for our engineers who had 'defected' to Europe. We were very much interested that if anyone of our previous employees were laid off, we would offer him a job. We are surprised that till today, none of the Pakistani engineers has been fired although hundreds of thousands





of engineers were fired by companies our engineers had joined. That speaks a lot about the quality of our experts.

How do you see the telecom landscape after the monopoly of PTCL goes by the end of this year?

PTA should have a better liaison with type approval authorities of some advanced countries. Setting up a test facility for every telecom product would be very expensive. Testing equipment is not only very sophisticated and costly, but it gets out of date very soon because the new technology is coming very fast

Very positive. If you look at the history, wherever monopolies were abolished, business grew. Look at the break up of the monopoly of AT&T, the British Telecom, Deutsche Telecom; every where the demise of monopolies gave birth to new and better business. Look at businesses in Pakistan wherever there has been free competition like the mobile telephony for instance. Though it took some time initially. But later it has gained tremendously, especially after the adoption of CPP regime. I look forward to the future of Telecom in Pakistan with

great optimism. Of course a lot would depend on regulatory frame work, policies, geo-political scenario and other things as well which are

factors beyond the control of people who deal with telecom. But the positive thing is that this government is taking care of a lot of things as far as regulation and policies are concerned. I for one am very very optimistic.

What ICT activities do you foresee in future?

Lots of new services are coming and in Pakistan we are very close to some of them. Broadband Internet is one. Then there is broadband wireless where you would be able to access Internet without any cable. You could be sitting out in the wilderness with your laptop and accessing Internet. Then high speed Internet is another service likely to come up. In mobile applications we will see a revolution. Right now we are hardly having SMS. But in future we would be browsing Internet through mobile phone and receiving a lot of services including banking applications.

Are you satisfied with the type approval regime of PTA?

Yes. Especially in the last 6 months or so, they have improved a lot. Earlier, some procedures were lengthy and cumbersome, but there has been a lot of improvement and I think it can improve even further, which I am sure they are looking at. Like they can have a better liaison with type approval authorities of some advanced countries. They can exchange data and see what should be approved and what not. Setting up a test facility for every telecom product would be very expensive. Testing equipment is not only very sophisticated and costly, but it gets out of date very soon because the new technology is coming very fast. It may not be economically very viable for us to keep replacing our test equipment. The European Telecommunications Standard Institute [ETSI]

is one organization the PTA can benefit from. Like if they [ETSI] have approved a certain product, we may not have to test it provided no modifications have been introduced specific to our country in which case you may have to go a little deeper, in the nomenclature, model number etc. But it is doable. Actually the standards that we have adopted here are ITU

standards. In ITU standard also there is a part called the national part, which they leave for a country to specify itself. There we have to check certain things. But 90% of the ITU standard is the same the world over.

Would you care to tell us something about your mobile telephony products?

We are supplying cellular infrastructure equipment like switches, IN and radios and since last year we have introduced our mobile phone, the Handy. These sets are now available.

The Chinese operators give us higher price for our equipment because they think that Siemens equipment deserves a higher price

We are going to open a show room in Islamabad followed by show rooms in other cities also. Siemens actually started a little bit late in the cell phone business. Still, we are the number four supplier in the world in handsets. Last year we sold around 40,000 handsets in Pakistan

and this year we are looking at better figures.

What international certifications have you acquired?

We have several ISO type certifications for our various units and some units are going through the process. I must add here and I am very proud of it that CTI was the first telecom factory of the country to get ISO certification. This was 4-5 years ago.

Did September 11 affect you in anyway?

Yes, but not in a big way. We had some problems of import because flights were curtailed. But luckily, we produce so much locally, we were not affected seriously.

The Chinese stuff coming in the market is very cheap. What strategy do you have to face that competition?

We are competing with Chinese in China. We have a factory in China, which is producing as much as our factory in Germany, and competing with Chinese products. So competition is something we are not afraid of. Though Chinese product is coming from a factory

where millions of lines are being made whereas we are coming from a factory in Pakistan where only 200,000 lines are being made. The economies of scale just go haywire. Still we are competing with them. In the EMD replacement project where all the analog lines of PTCL were replaced (nearly 500,000 lines) our joint venture TIP, came out to be the lowest in the bid and they got the major share. So, we are competing.

To what extent the low cost of Chinese equipment is at the cost of quality?

On my part it won't be appropriate to comment on that. They are our competitors and we don't do it. I can only tell you one thing. That in China, the Chinese operators give us higher price for our equipment because they price the equipment according to the quality. And they think [the Chinese authorities and telecom operators] that our equipment deserves a higher price.

Like to add anything?

Not much. In telecommunications, we are at the doorstep of deregulated era. These are exciting times. It is going to be beneficial not only for telecommunications but also for the overall economy of the country. +

