UAE to ban BlackBerry services, Saudi follows suit

August 1 2010, By ADAM SCHRECK , AP Business Writer

In this Nov. 30, 2009 file photo, a man talks on his smart phone at the Dubai Financial Market in Dubai, United Arab Emirates. The UAE said Sunday, Aug. 1, 2010 it will block key features on BlackBerry smart phones, citing national security concerns because the devices operate beyond the government's ability to monitor their use. Officials in neighboring Saudi Arabia indicated it planned to follow suit. (AP Photo/Kamran Jebreili, File)

(AP) -- The United Arab Emirates outlined plans Sunday to block BlackBerry e-mail, messaging and Web browsing services in a crackdown that could jeopardize efforts to establish the country as an international business hub.

The government cited a potential security threat because encrypted data sent on the devices is moved abroad, where it cannot be monitored for illegal activity. But the decision - quickly followed by a similar move in

Saudi Arabia - raises questions about whether the conservative Gulf nations are trying to further control content they deem politically or morally objectionable.

BlackBerry phones have a strong following in the region, not only among foreign professionals in commercial centers such as Dubai and Abu Dhabi, but also among youth who see their relatively secure communication channels as a way to avoid unwanted government attention.

"The authorities have used a variety of arguments, like it can be used by terrorists" to justify the crackdown, said Christopher Davidson, a professor at the University of Durham in Britain, who has written extensively about the region. "Yes that's true, but it can also be used by civil society campaigners and activists."

The UAE's decision will prevent hundreds of thousands of BlackBerry users from accessing e-mail and the Web on their handsets starting in October. It's unclear whether the ban will extend to foreign visitors with roaming services, including the roughly 100,000 passengers who pass through the region's busiest airport in Dubai each day.

The ban risks further damaging the UAE's reputation as a relatively easy place to do business.

Dubai, one of seven hereditary sheikdoms in the federation, in particular has sought to turn itself into a global finance, trade and tourism hub. But its reputation has been tarnished by a credit crisis that has left the emirate more than $100 billion in debt.

Residents say the BlackBerry crackdown will only do more harm, making foreign businesses think twice before setting up shop in the country.

"They'll think now they've banned the BlackBerry, maybe next time it'll be the Internet," said Shakir Mahmood, a Dubai-based debt collector and BlackBerry user originally from Iraq.

This isn't the first time BlackBerry and Emirati officials have had run-ins over security and the popular handsets, a fixture in professionals' pockets and purses the world over.

Last year, BlackBerry maker Research in Motion Ltd. criticized a directive by the UAE state-owned mobile operator Etisalat telling the company's BlackBerry users to install software described as an "upgrade" required for "service enhancements."

RIM said tests showed it was in fact spy software that could allow outsiders to access private information stored on the phones. It strongly distanced itself from Etisalat's decision and told users how to remove the software.

Within hours of Sunday's UAE decision to block BlackBerry services, a telecommunications official in neighboring Saudi Arabia said the desert kingdom would do the same, starting later this month. The Saudi official, who spoke on condition of anonymity because he was not authorized to talk to the media, said the country's telecommunications regulator would issue a statement soon.

Ali Mohammed of Saudi Telecom, however, said the company had "not received any instructions about BlackBerry from the ministry."

Government censors in both Saudi Arabia and the UAE routinely block access to websites and other media deemed to carry content that runs contrary to the nations' conservative Islamic values or that could stoke political unrest.

Regulators in the UAE say BlackBerry devices operate outside a set of national security and safety laws enacted in 2007, the year after the BlackBerry debuted in the UAE. They say they are concerned some BlackBerry services "allow users to act without any legal accountability, causing judicial, social and national security concerns."

The government said it is singling out the BlackBerry, and not other smart phones such as Apple Inc.'s iPhone and Nokia Corp. handsets, because the Blackberry is the only one that automatically sends users' data to servers overseas.

Unlike other smart phones, BlackBerry devices use a system that updates a user's inbox by sending encrypted messages through company servers abroad, including RIM's home country of Canada.

Users like the system because it is seen as more secure, but it also makes BlackBerry messages far harder to monitor than ones sent through domestic servers that authorities can more easily tap into, analysts say.

"This is the irony, that it's the device with the highest security features. These same security features that corporations like have become an issue of national security for the government," said Simon Simonian, an analyst at Dubai-based investment bank Shuaa Capital. "The UAE doesn't want to take any chances and they want to monitor what is going on in the country."

The dispute highlights an ongoing tug-of-war between autocratic governments determined to control what information citizens consume online and share with others, and technology providers whose loyalties lie with their customers and shareholders.

Similar tensions erupted earlier this year between China and Google Inc. after the Internet company said it would stop censoring its search results

in the country. After China warned it might not renew its license, Google agreed to obey local laws and stop automatically switching mainland users to its unfiltered Hong Kong site.

Emirati authorities are eager to portray an image of a safe and stable society free from the extremism found elsewhere in the region. They have taken steps to crack down on terror financing and efforts by neighboring Iran to sidestep international sanctions over its nuclear program.

Davidson cited alarm in the UAE and other Gulf nations over the role online organization played in helping to drive anti-government protests in Iran during the 2009 elections as a factor in their moves to tighten Internet controls.

Emirati regulators said in a statement they sought to reach a compromise with RIM on their concerns, but failed to come to an agreement.

"With no solution available and in the public interest ... BlackBerry Messenger, BlackBerry E-mail and BlackBerry Web-browsing services will be suspended until an acceptable solution can be developed and applied," said the director-general of the Telecommunications Regulatory Authority, Mohamed al-Ghanim.

"BlackBerry appears to be compliant in similar regulatory environments of other countries, which makes noncompliance in the UAE both disappointing and of great concern," he added in a statement carried on state news agency WAM.

A spokeswoman for RIM said the Canadian company had no immediate comment.

Other countries, including India and the Gulf state of Bahrain, have also

raised concerns about BlackBerry messaging features, but have not blocked them outright.

RIM said in a statement last week it "respects both the regulatory requirements of government and the security and privacy needs of corporations and consumers."

The company declined to disclose details of talks it has had with regulators in the more than 175 countries where it operates, but defended its phones' security features as "widely accepted" by customers and governments.

Etisalat and Du, the UAE's two state-run telephone companies, said they are working on alternative services for their BlackBerry customers.

RIM does not disclose the number of BlackBerry users in the UAE. However, analyst Simonian estimated there are "hundreds of thousands" of BlackBerry users in the country.

None contacted by The Associated Press on Sunday said they supported the pending ban.

"I find it irritating, actually. It's a service everyone is using, and all of a sudden, they're just going to disconnect it?" said a 30-year-old manager at a Dubai mall who would give only his first name, Khalid, because he did not want to attract attention from the authorities.