Republic of Serbia
RATEL
Regulatory Agency for Electronic Communications and Postal Services

AN OVERVIEW OF THE ELECTRONIC COMMUNICATIONS MARKET IN THE REPUBLIC OF SERBIA

The Third Quarter of 2017

The Overview presents the data for the third quarter of 2017 along with comparative data for other quarters.

The presented data reflect the overall market status for each given quarter, including the actual quarterly data for the leading electronic communications operators in the Republic of Serbia, whereas the data for the rest of the market were estimated based on the data for 2016 collected in the annual questionnaires. Therefore, the total quarterly report may show discrepancies with respect to the data collected in the regular annual questionnaires. The Agency shall not be held responsible for the correctness of the data submitted by the operators in the quarterly questionnaires.

Quarterly electronic communications market indicators referring to fixed telephony include the data on the operators that make up 99% of the market, in terms of the number of subscribers. The data on the market situation include CDMA subscribers and the effectuated traffic.

Quarterly electronic communications market indicators referring to mobile telephony include the data on three mobile operators. In 2016, two virtual mobile operators were also registered in the operators' register, however only one commenced with the commercial service provision in late 2016. As of the first quarter next year, the Agency will start collecting and publishing the data on virtual mobile operators, as well.

Quarterly electronic communications market indicators referring to Internet services include the data for the leading operators that make up approximately 91% of the market, in terms of the number of subscribers, whereas the data for the remaining 9% of the market were estimated based on the data for 2016 collected in the annual questionnaires.

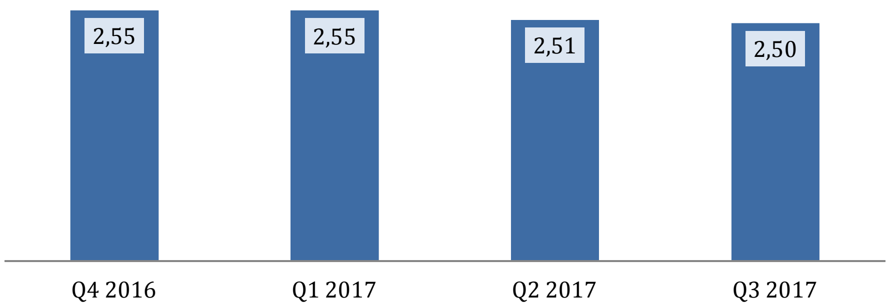
Quarterly electronic communications market indicators referring to media content distribution include the data for the leading operators that make up approximately 92% of the market, in terms of the number of subscribers, whereas the data for the remaining 8% of the market were estimated based on the data for 2016 collected in the annual questionnaires.

Quarterly electronic communications market indicators referring to bundle services include the data for the leading operators that make up approximately 98% of the market, whereas the data for the remaining 2% of the market were estimated based on the data for 2016 collected in the annual questionnaires.

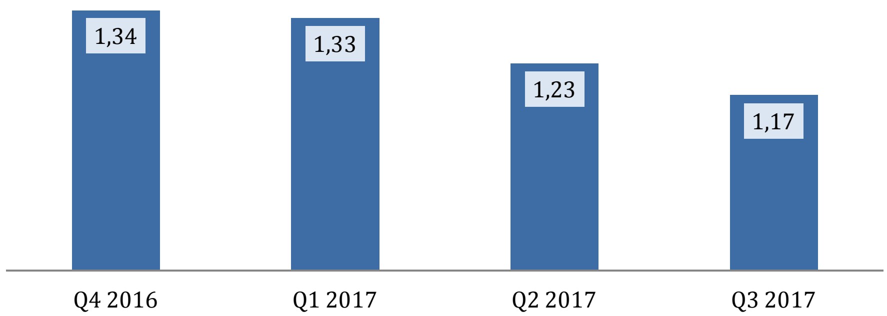
Public Fixed Telecommunications Networks and Services

The number of fixed telephony subscribers and the generated traffic show a slight decrease in the third quarter compared to the previous one. Approximately 2.5 million fixed telephony subscribers generated approximately 1.2 billion minutes of traffic, which means that a fixed telephony subscriber on average spends 5 minutes a day on calls.

Number of fixed line subscribers (million)

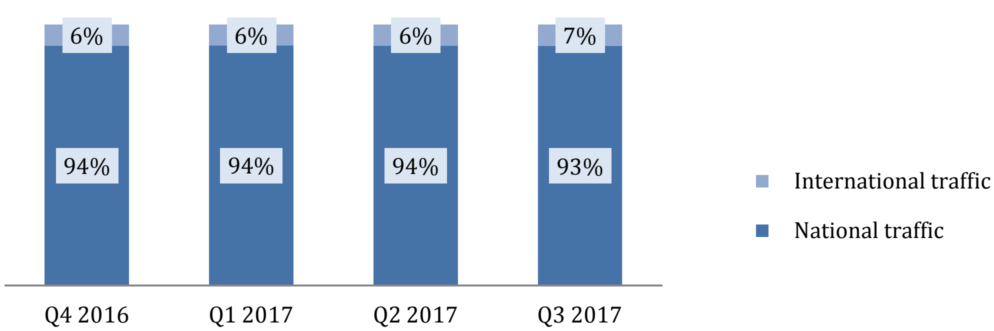


Total fixed telephony traffic (billion minutes)



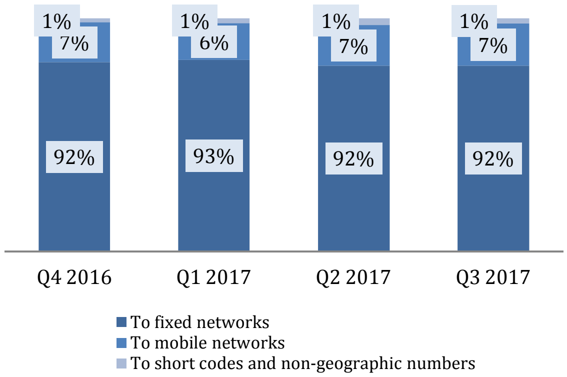
89% of the fixed telephony subscribers are residential users, i.e. natural entities, and the subscriber structure remains constant in the analyzed quarters. The largest share of the fixed telephony traffic is accounted for by the national traffic, with 93% in Q3 2017.

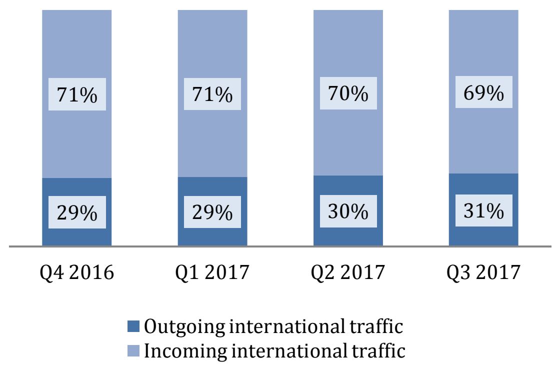
Fixed telephony subscriber structure



The outgoing telephone calls are mainly directed towards other fixed networks, while the international traffic is dominated by incoming calls.

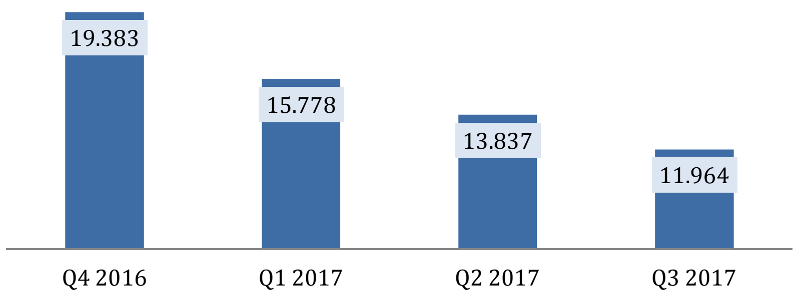
Structure of the national and international traffic in fixed telephony





The decreasing trend of the number of portings in fixed telephony continues in the third quarter of 2017, with slightly less than 12 000 portings, which is just below 4 thousand per month.

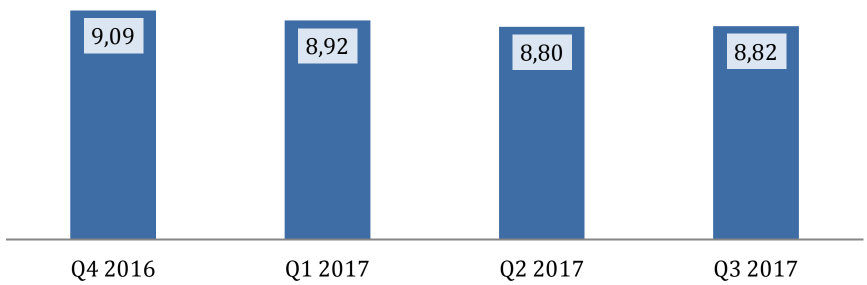
Fixed telephony number portings per quarter



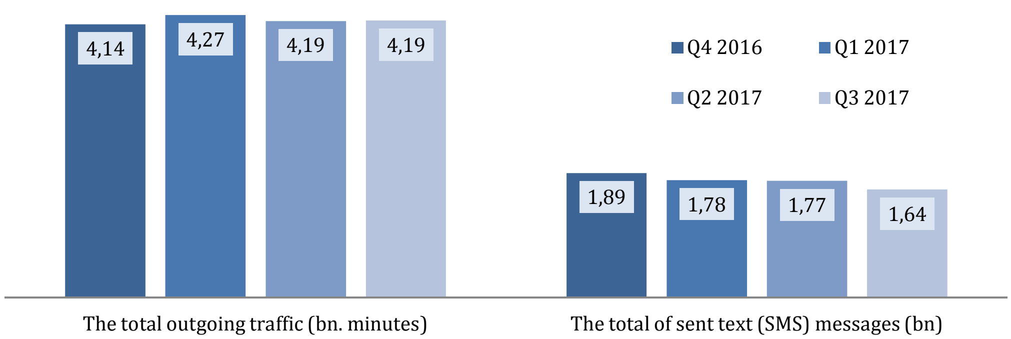
Public Mobile Telecommunications Networks and Services

In Q3 2017, there were 8.8 million active mobile telephony subscribers, which generated approximately 4.2 billion minutes of national and international voice traffic and sent approximately 1.6 billion SMS messages quarterly. On average, a mobile user spends 5 minutes a day on calls and sends 2 text messages.

Total number of active mobile telephony subscribers (million)

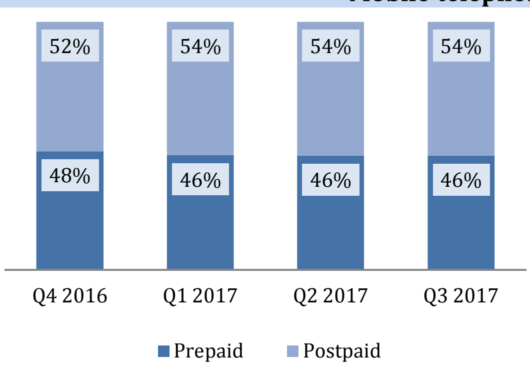


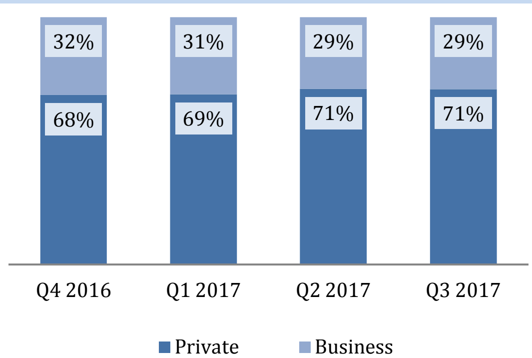
Generated voice and SMS mobile telephony traffic



The number of postpaid subscribers has exceeded the number of prepaid subscribers and the majority of postpaid subscribers are still residential users.

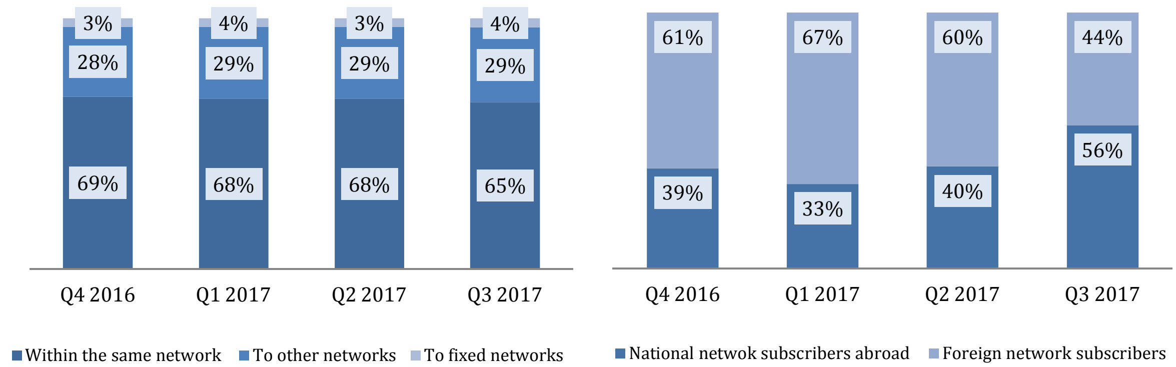
Mobile telephony subscriber structure





Most outgoing traffic is generated within the same network (65% in Q3). As for roaming, the subscribers of national networks abroad generated more roaming traffic than the subscribers of foreign networks, which is characteristic for Q3, this being a holiday season when many people travel abroad.

Mobile networks outgoing traffic structure

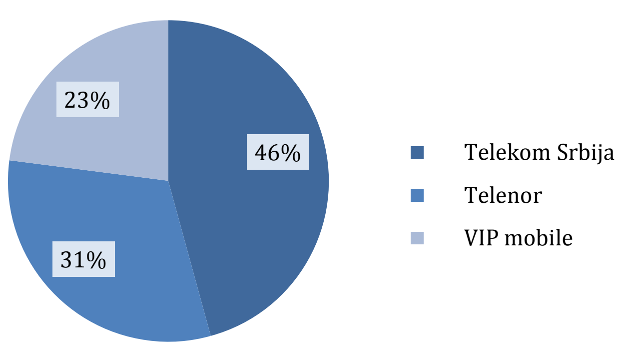


The number of mobile telephony number portings was approximately 32 thousand in the third quarter, or almost 11 thousand per month.

Mobile telephony number portings per quarter

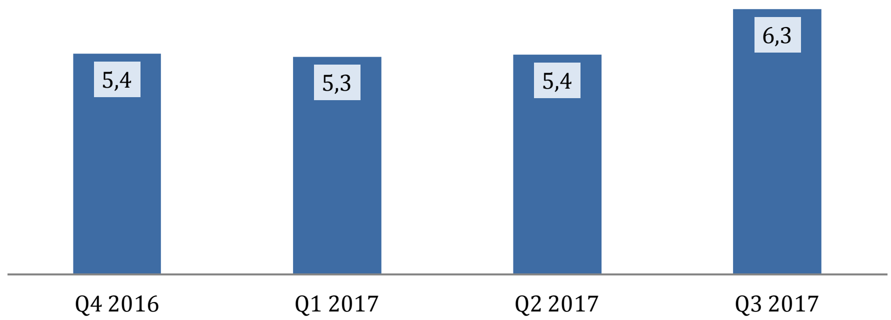
There haven't been any significant changes in market shares in the analyzed year, in terms of the number of users.

Market share in terms of the number of users – Q3 2017



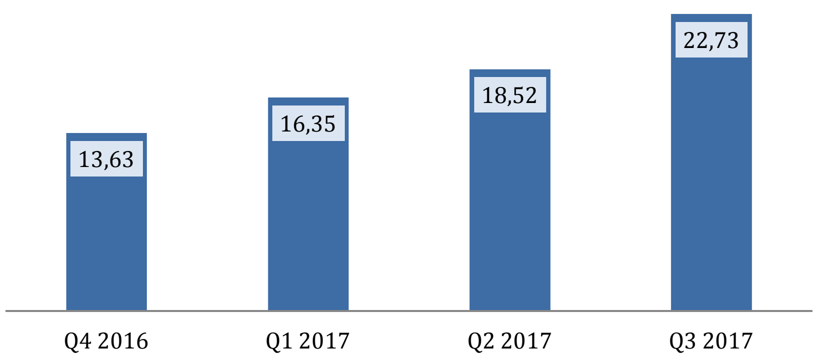
The number of active mobile broadband subscribers in Q3 2017 was approximately 6 million, including also 233 thousand M2M subscribers.

Number of active mobile broadband subscribers (million)



Data transmission over mobile network showed growth in the analyzed period, amounting to approximatly 22.7 million GB in Q3 2017, which means that a mobile Internet user spent on average 42MB or approximately 1.2 GB a month.

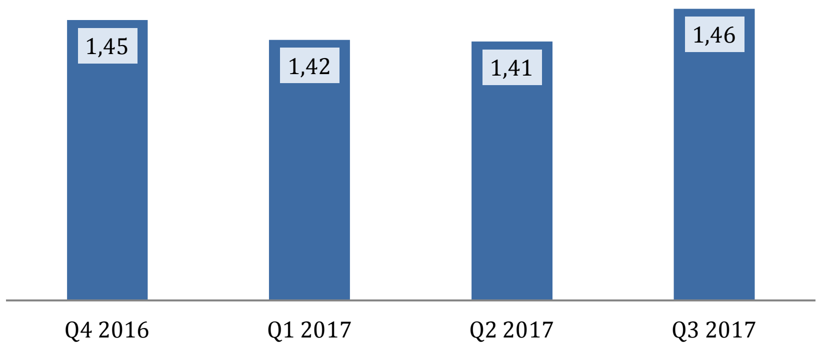
Mobile Internet traffic (million GB)



Internet Services

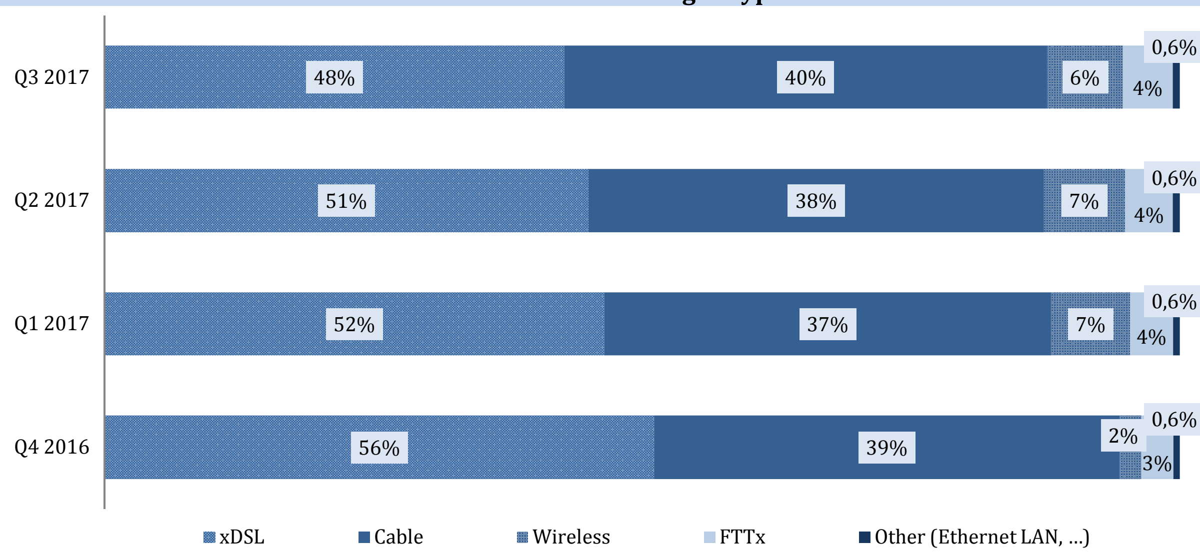
The number of fixed broadband Internet access subscribers was approximately 1.4 million in each of the analyzed quarters.

The number of fixed broadband subscribers (million)



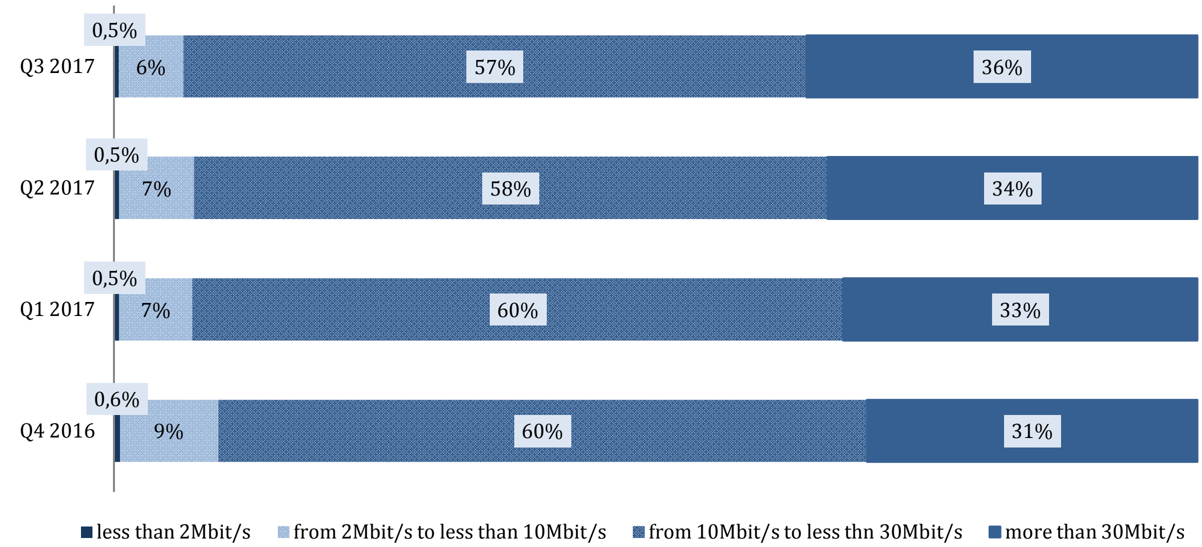
The majority of fixed broadband subscribers have xDSL or cable access. The number of xDSL subscribers showed a slight drop and the cable access a slight rise in the analyzed period.

Number of subscribers according to type of access



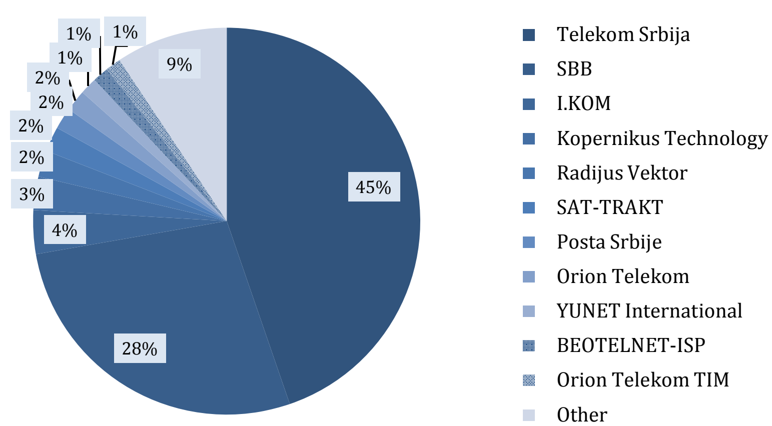
The majority of subscribers in all four analyzed quarters had access rates between 10 Mbit/s and less than 30 Mbit/s, while the number of subscribers with access rate of over 30 Mbit/s is constantly rising.

Number of fixed broadband Internet subscribers according to access rate



There haven't been any significant changes in the market shares over the analyzed quarters, in terms of the number of subscribers.

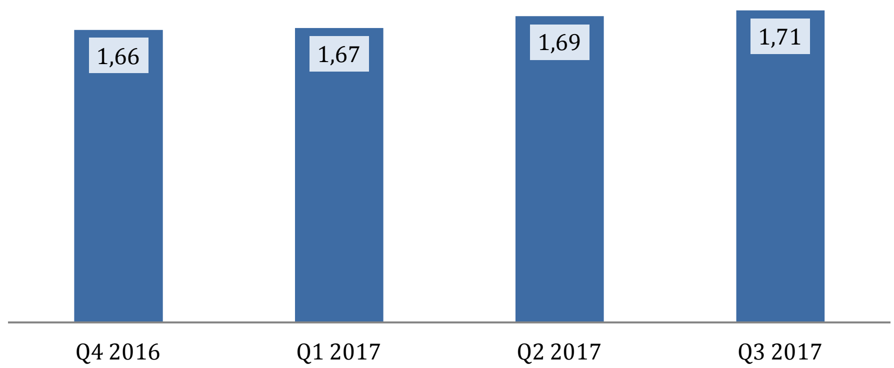
Market share in terms of number of fixed broadband subscribers – Q3 2017



Media Content Distribution

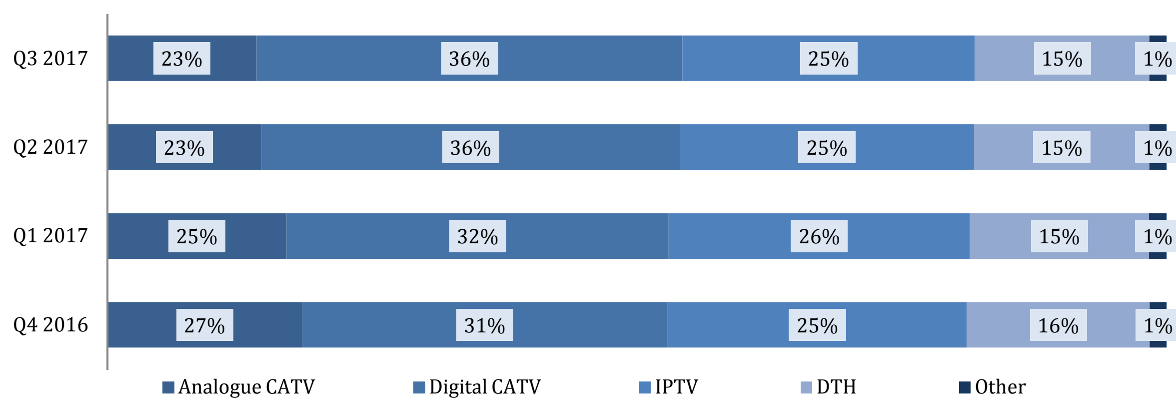
The number of media content distribution service subscribers was approximately 1.7 million in Q3 2017.

The number of media content distribution service subscribers (million)



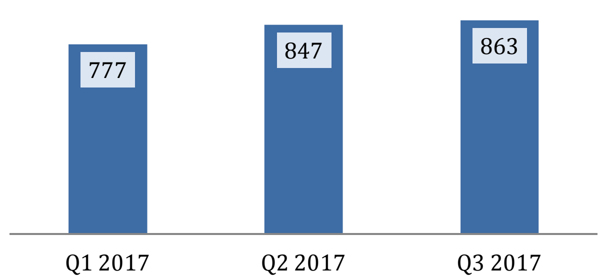
In Q3 2017, the majority of subscribers used CATV distribution, either analogue or digital (almost 60%), whereas the smallest number of subscribers use wireless network or Internet content distribution (1%).

Media content distribution subscribers by type of distribution



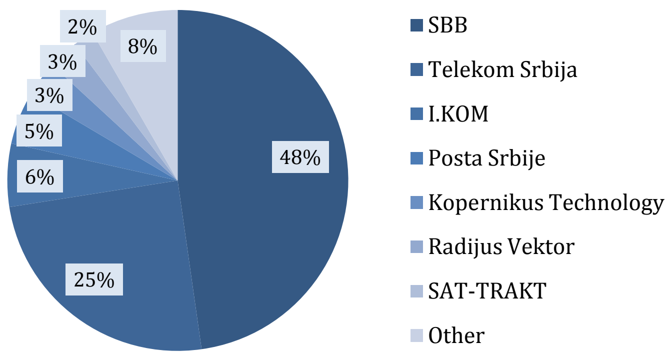
According to the available data, in Q3 2017 almost 60% of media content distribution subscribers with the possibility to have additional channels (with film, sports, children etc. programmes) paid for such programmes, and this number increased compared to the previous quarter.

Number of subscribers of the additionally charged channels (thousand)



There haven't been any significant changes in market shares over the three-month period, in terms of the number of subscribers. The leading operators make up approximately 92% of the media content distribution market.

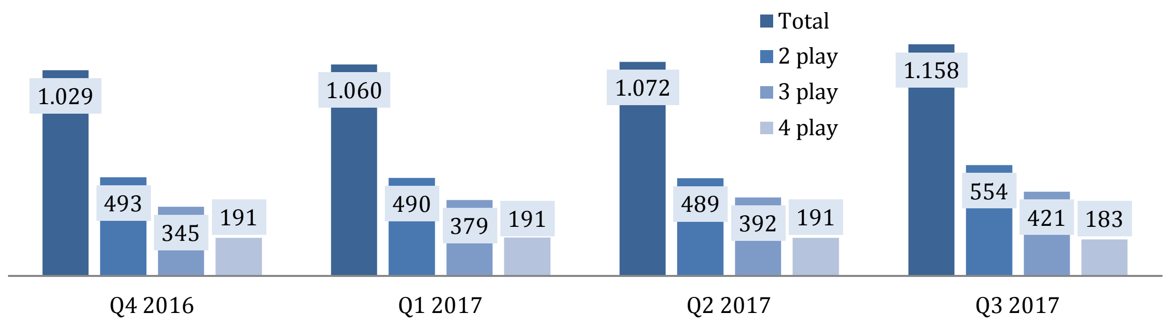
Market share in terms of the number of subscribers in Q3 2017



Bundled Services

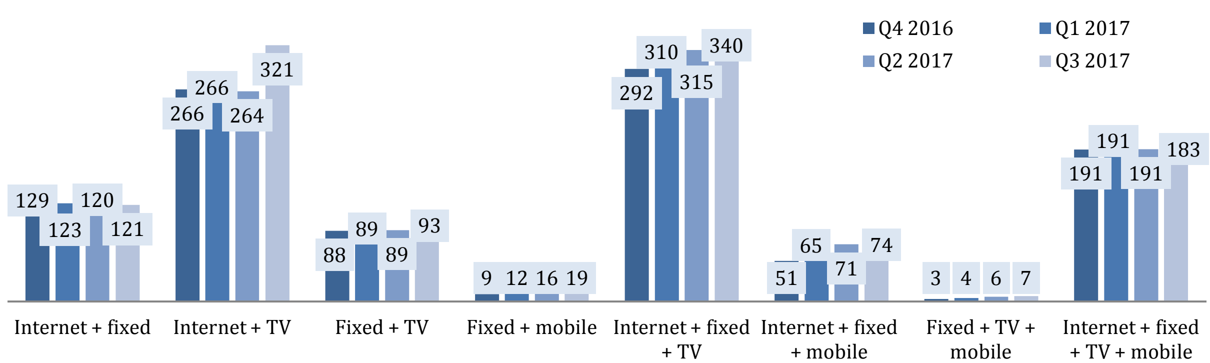
The number of bundled service subscribers in Q3 2017 was over 1.1 million. Packages offering two service were the most used, whereas the least used were quad-play packages that include mobile telephony.

The number of bundled service users (thousands)



Most subscribers using bundles of two services used the packages offering broadband Internet and media content distribution, whereas the most popular triple-play package included broadband Internet, fixed telephony and media content distribution. There haven't been any significant changes in the number of quad-play users in the analyzed quarters.

The number of bundled service users, by type of service (thousands)



The most popular bundled service is the Internet access, whereas mobile telephony is generally purchased as a stand-alone service.

The share of bundled and stand-alone services purchased