

RATEL 10th ANNIVERSARY

2005 - 2015



Milan Janković, Ph.D.E.E
Director

Mission

- **providing conditions for the development of electronic communications on the entire territory of the Republic of Serbia**
- **ensuring the **predictability** of business environment and equal conditions for all operators**
- **harmonizing activities in the electronic communications sector with national and international standards**
- **ensuring the availability of the universal service to all citizens of the Republic of Serbia**
- **ensuring interconnection between electronic communications networks and services**
- **promoting rational and efficient use of numbering and radio-frequency spectrum**
- **ensuring high level protection of user rights**
- **ensuring the security and integrity of public communications networks and services**

Competencies

- **adopt by-laws**
- **decide on the rights and obligations of operators and users**
- **cooperate with agencies and organizations in charge of broadcasting, competition protection, consumer protection, personal data protection and other agencies and organizations on issues relevant for the electronic communications sector**
- **keeping record of public communications network and service operators;**
- **issuance of individual permits for the use of radio frequencies and numbering**
- **identification and the analysis of relevant markets and imposing obligations on SMP operators**
- **universal service**
- **radio frequency spectrum management**
- **monitoring the operators' compliance with the imposed regulatory obligations**

Activities

Law on Telecommunications, April 2003

- **Managing Board elected by the Parliament, May 2005, RATEL becomes operational December 2005**
- **Biggest direct and greenfield investment TELENOR, VIP (2006)**
- **Telekom Srbija designated SMP operator for public fixed telephone network services (2006), SBB an SMP for radio and TV programme distribution via cable distribution network (2007)**
- **RRC-06: new digital broadcasting plan co-ordinated**
- **1st Tariff rebalance in fixed telephony, Cost-based analysis performed for the first time - the monthly maintenance charge, (2008)**
- **SMP operators published their standard offers (2008)**
- **Historical Cost Accounting (HCA) has been applied as a cost model for price regulation (from 2009 till 2013)**
- **2 licences for FWA awarded to Telekom Srbija and Orion Telekom (2009).**
- **Second fixed licence awarded to Telenor (2010)**
- **2nd Tariff rebalance - Telekom Srbija and SBB (2010)**
- **Decision on interconnection - dispute resolution (2010)**

Activities

Law on Electronic Communications July 2010

- **New relevant market definition and analysis in line with EU 2002 Guidelines and Recommendations started, 9 markets identified and analyzed, SMPs designated and obligations imposed (2011)**
- **Mobile Number Portability (MNP) available as of 1 July 2011**
- **General authorization regime implemented (2012)**
- **Current Cost Accounting (CCA), cost-accounting principle (2013)**
- **Designated notified body for R&TTE conformity assessment (2012)**
- **Fixed Number Portability (FNP) available as of 1st April 2014**
- **Decision on gradual reduction in roaming fees (between Serbia, Bosnia and Herzegovina, Macedonia and Montenegro) adopted**

Results of market analysis

6 Wholesale markets

- Wholesale call origination on the public telephone network
- Wholesale call termination on the public telephone network
- Wholesale (physical) access to network elements and associated facilities (including shared and full unbundled access to the local loop)
- Wholesale broadband access
- Wholesale leased lines
- Wholesale call termination on the mobile network

3 Retail markets

- Retail access to the public telephone network
- Retail media contents distribution
- Retail publicly available telephone service at a fixed location

Latest Developments

Amendments to the Law in force as of **21 June 2014**

- ***Technological neutrality*** introduced in the usage of RF spectrum and numbering recourses, at RATEL's proposal,
 - ***For 900 MHz band in force from 1st January 2015***
 - ***For 1800 MHz band in force from 25th March 2015***
- **The Republic Agency for Postal Services (RAPUS) adjoined to RATEL - *The Regulatory Agency for Electronic Communications and Postal Services***
- **Data retention provisions of the Law aligned with the Constitutional Court Dec. IUz-1425/2010 (*Official Gazette of RS, 60/13*)**
- **Fund for the promotion and development of the electronic communications and information society established, to be financed from RATEL's surplus and managed by the Ministry**

RATEL Revenues/Expenditures

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Revenues</u> (millions of RSD)	0.455	405	722.7	1,237	1,810	1,917	1,335	1,405	1,486	1,619
<u>Expenditure</u> (millions of RSD)	13.5	275	490.1	556	546	668	734	721	617	600
<u>Surplus</u> (millions of RSD) paid into the Treasuries of RS and AP Vojvodina	(13.1)	115	232.6	681	1,264	1,249	601	684 (115.4*)	869 (143.6*)	1,019

* Law of Cinematography Transfers to Film Centre Serbia

Broadcasting (1)

Licences issued for commercial **analog transmmision**

Public Tender carried out by the Republic Broadcasting Agency
in period from 2006 till 2015

2006	2015	
5	(4)	TV and 5 (4) radio networks with national coverage,
6	(3)	TV and 18 (18) radio stations for the area of the city of Belgrade,
1	(0)	TV and 1 radio station for the area of Vojvodina,
27	(25)	TV and 25 radio stations with regional coverage,
115	(69)	TV and 296 (225) radio stations with local coverage,

From 1st September 2008, RBA and RATEL have been in the process of switching off all TV and radio stations operating without licence

Broadcasting (2)

- After 17.06.2015, **digital transmission (DVB-T2, MPEG-4)**
- Final end of simulcast period/analogue switch-off
- Republic of Serbia is divided into **13 allotments**
- ETV is going to put into operation 2 MUXs:
 - **MUX 1 - 205 TV stations (95 % population coverage)**
contain all national TV stations (public and commercial)
and public provincial TV Vojvodina station
 - **MUX 2 - 86 TV stations (90% population coverage)**
contain commercial regional and local TV stations

Spectrum Monitoring (1)



Spectrum Monitoring (2)



Spectrum Monitoring (3)



Regional Cooperation

In order to enhance regional cooperation RATEL signed Memoranda of Understanding with the following NRAs:

-  **AEK,** **Macedonia**
-  **CRC,** **Bulgaria**
-  **EETT,** **Greece**
HELLENIC TELECOMMUNICATIONS & POST COMMISSION
-  **EKIP,** **Montenegro**
MONTENEGRO
AGENCY FOR ELECTRONIC COMMUNICATIONS
AND POSTAL SERVICES
-  **HAKOM,** **Croatia**
CROATIAN REGULATORY AUTHORITY FOR NETWORK INDUSTRIES
-  **AKEP,** **Albania**
AUTORITETI I KOMUNIKIMEVE
ELEKTRONIKE DHE POSTARE
-  **ICTA,** **Turkey**
ICTA
INFORMATION AND COMMUNICATIONS
TECHNOLOGIES AUTHORITY
-  **UKE,** **Poland**
Office of Electronic Communications
-  **RAK,** **Bosnia and Hercegovina**
Bosna i Hercegovina
Босна и Херцеговина
Regulatorna agencija za komunikacije
Регулаторна агенција за комуникације 

RATEL

in the EU Organizations

- **participating since May 2012 as an Observer in BEREC:**
 - *Board of Directors (BoR) meetings,*
 - *Management Committee meetings,*
 - *Contact Network (CN) meetings, and*
 - *Expert Working Groups (EWG) meetings since 2013*

- **full member of IRG since Sept. 2012**

- **full member of ETSI since 2007**

Body of European Regulators
for Electronic Communications



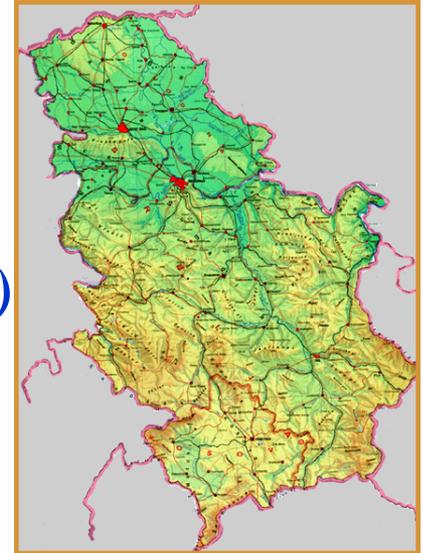
BEREC



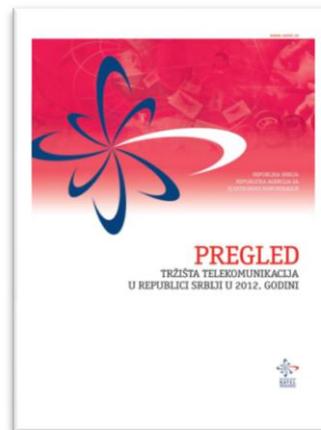
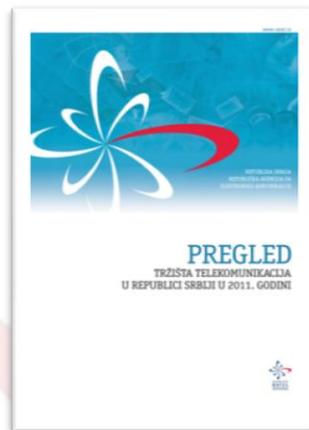
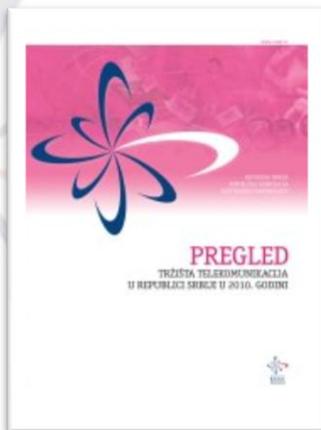
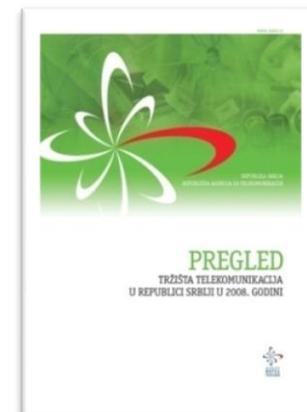
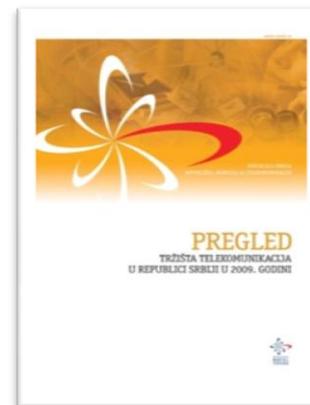
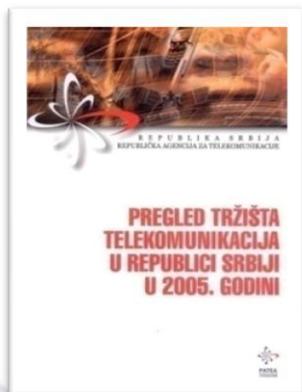
ETSI
World Class Standards

Serbia Overview

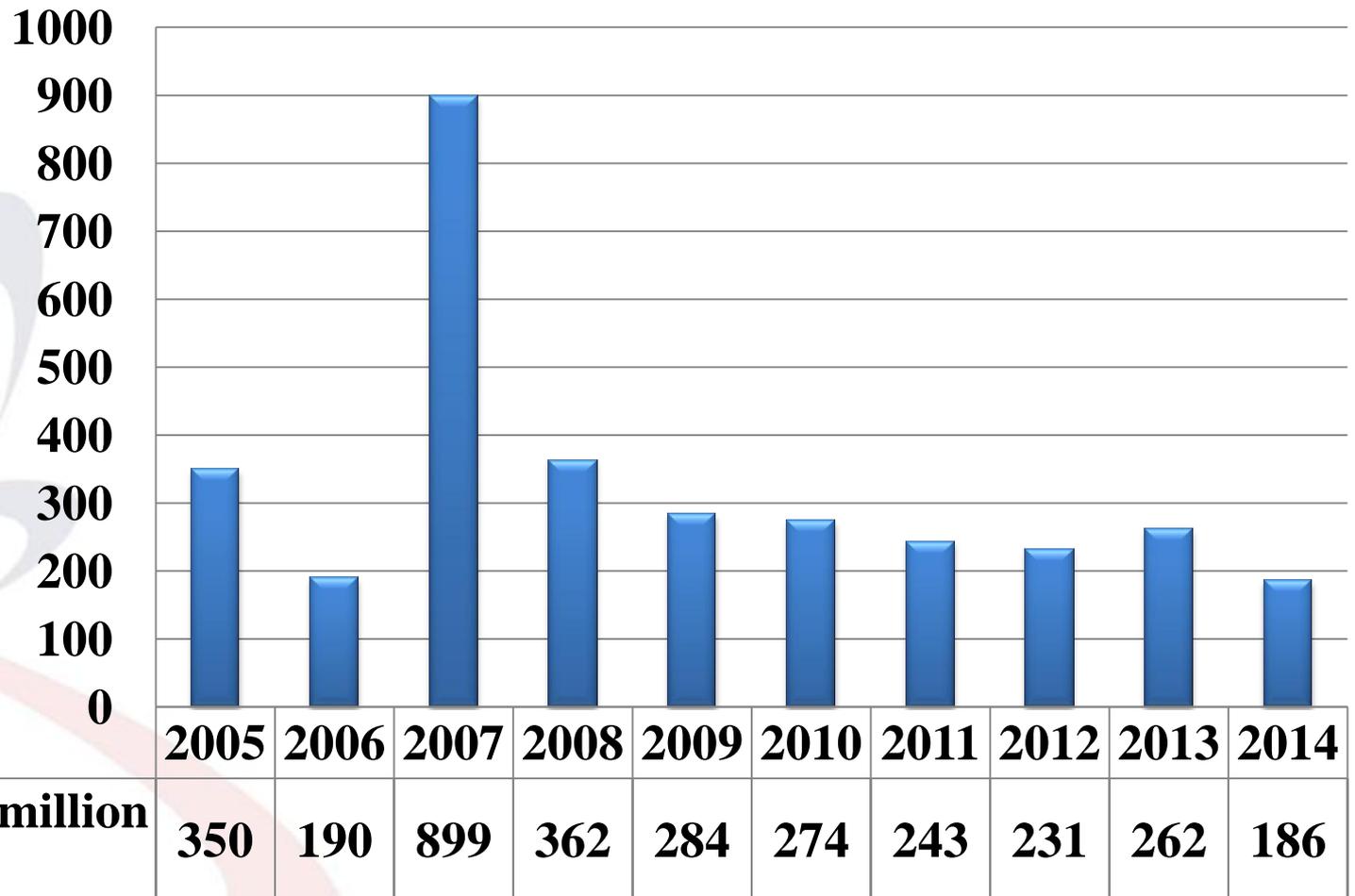
- **Population: *7.14 million inhabitants***
(excluding Kosovo and Metohija)
- **Total area: *88,502 km²***
- **GDP for year 2014: *ca. RSD 3,878 bn.***
(ca. RSD 3,876 bn. in 2013)
- **Average monthly net salary in
December 2014: *RSD 49.970 (ca. € 426)***
(ca. € 449 in 2013)
- **Total income in telecommunication
market in year 2014: *ca. € 1,5 bn.***
(ca. € 1.55 bn 2013)
- **Share in GDP: *4.5% in 2014 (4.5% in 2013)***
- **Average EUR exchange rate: *RSD 117.3060 in 2014***
(RSD 113.1369 in 2013)



Serbia Telecom Market Overview



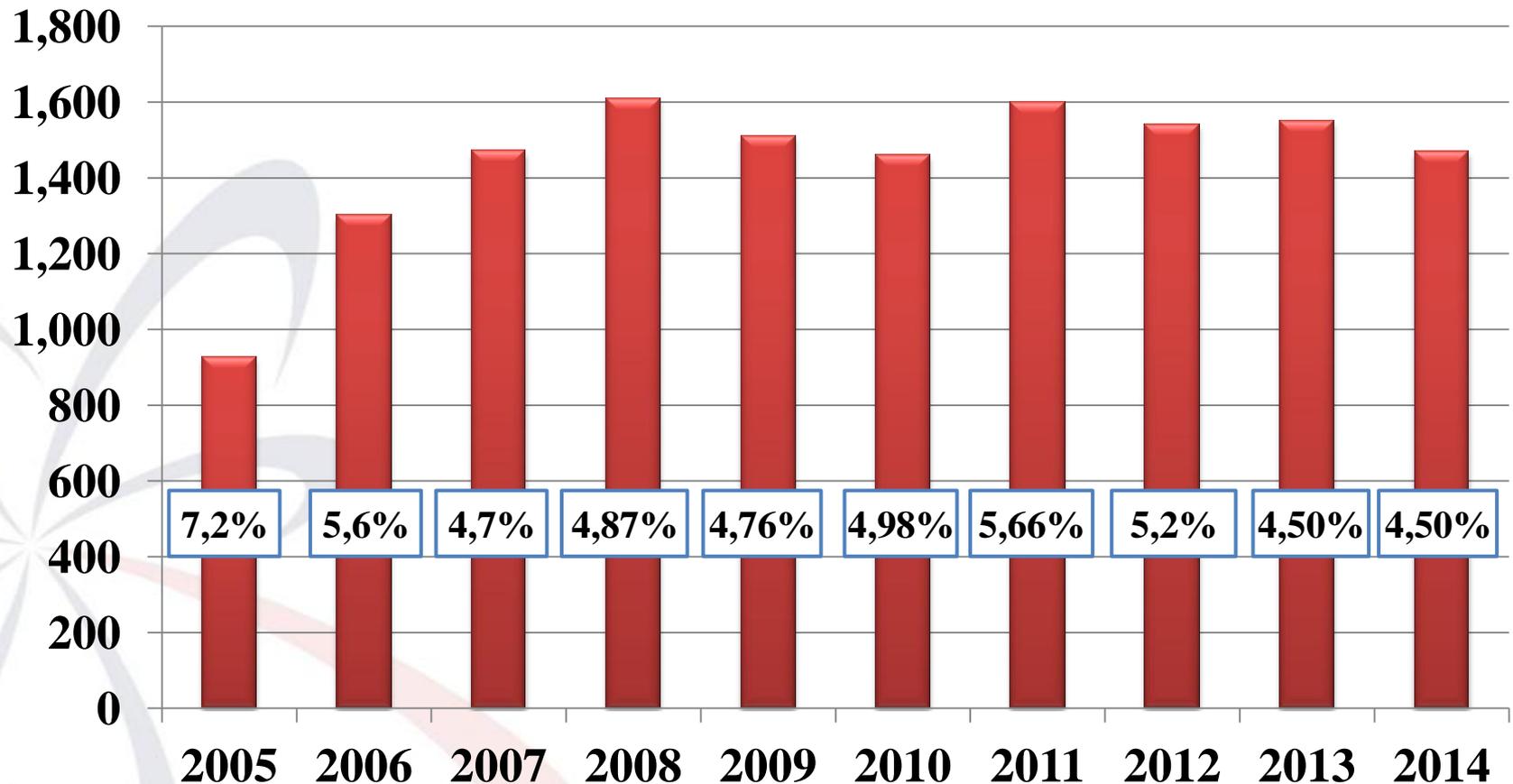
Investments in Sector



Source: RATEL

Sector Revenues

Revenues (millions of EUR)



□ - GDP share of the telecom sector

Source: RATEL

Fixed Telephone Networks



	2005	2011	2012	2013	2014
Number of subscribers	2,527,300	3,030,432	2,990,073	3,031,779	2,856,134
Penetration (%)	33.70	42.56	41.29	42.22	39.96
Digitization rate (%)	83.60	98.54	99.14	99.69	99.79
Revenues from telephone services (EUR million)	370.00	446.00	373.00	325.00	320.58
Investments (EUR million)	83.90	56.71	51.55	62.78	48.53
Number of operators	1	3	5	9	14

Source: RATEL (Annual reports submitted by the operators on 31 December for each of the respective years)

Fixed Broadband

Number of BB subscribers by access technology	2011	2012	2013	2014
ADSL	623,611	659,878	693,645	715,845
FTTx	2,096	7,784	11,524	13,778

Source: RATEL (Annual reports submitted by the operators on 31 December for each of the respective years)

Mobile Networks



	2013	2014
Number of subscribers		14,977*
Revenue (EUR million)		6.94
Investments (EUR million)		65.77

MARCH 2015



4G LTE

Source: RATEL (Annual reports for 2013 and 2014) (values are for the first three months of the respective years)

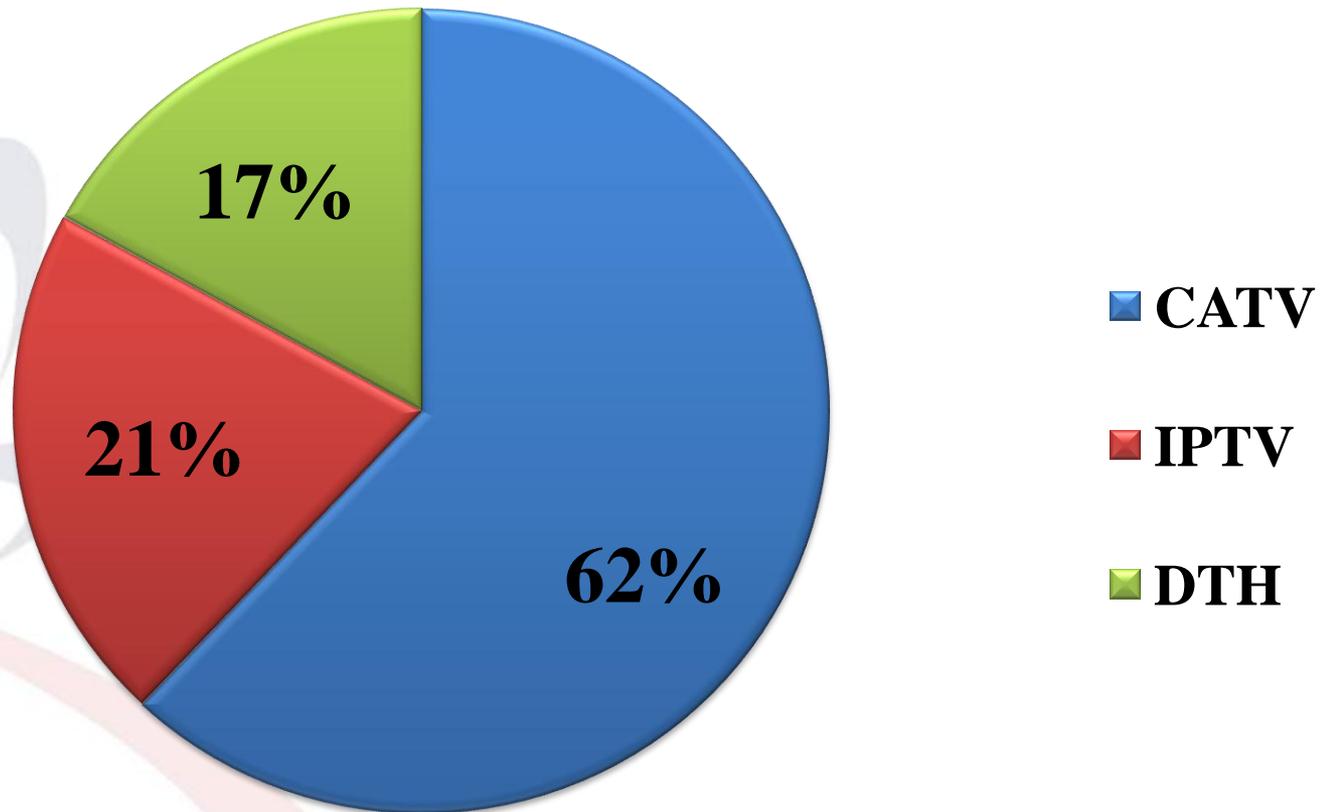
* The number includes postpaid and prepaid subscribers for the first three months

Media Content Distribution

	2005	2011	2012	2013	2014
Number of subscribers	530,500	1,331,279	1,442,188	1,552,514	1,485,485
Penetration (%)	7.00	18.7	19.92	21.62	20.8
Number of cable operators	n/a	82	94	92	98
Revenues from cable distribution services (EUR million)	21.4	96.4	109.19	116.81	125.68

Source: RATEL (Annual reports submitted by the operators on 31 December for each of the respective years)

Content Distribution Subscribers per Technology

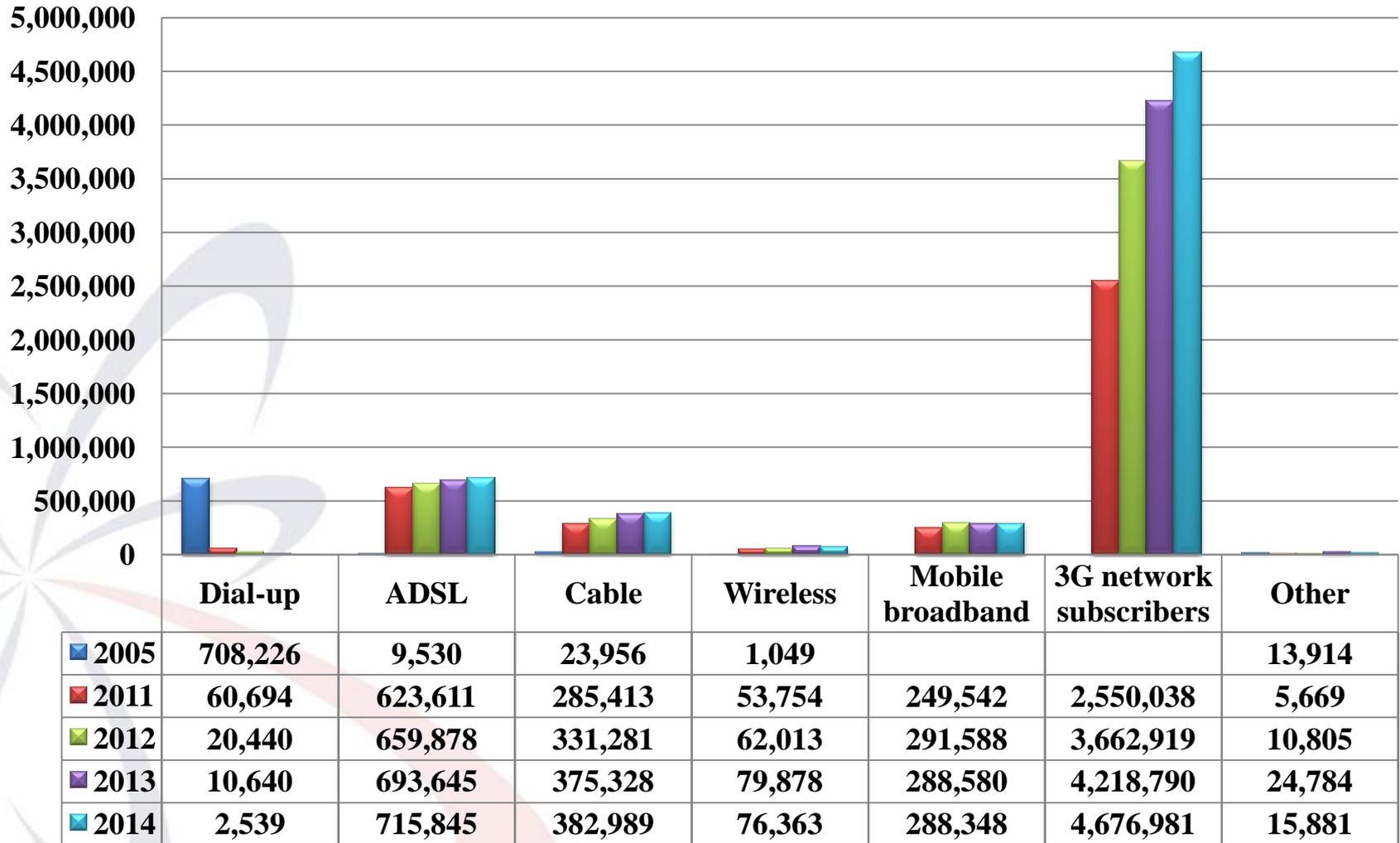


Internet (1)

	2005	2011	2012	2013	2014
Number of subscribers (3G subscribers included)	756,675	3,828,721	5,038,924	5,691,645	6,191,519
Penetration (%)	10.09	52.92	69.59	79.25	86.63
Number of ISPs	66	232	222	221	217
Revenues from Internet services (EUR million)	18.92	145.93	160.06	171.87	172.52

Source: RATEL (Annual reports submitted by the operators on 31 December for each of the respective years)

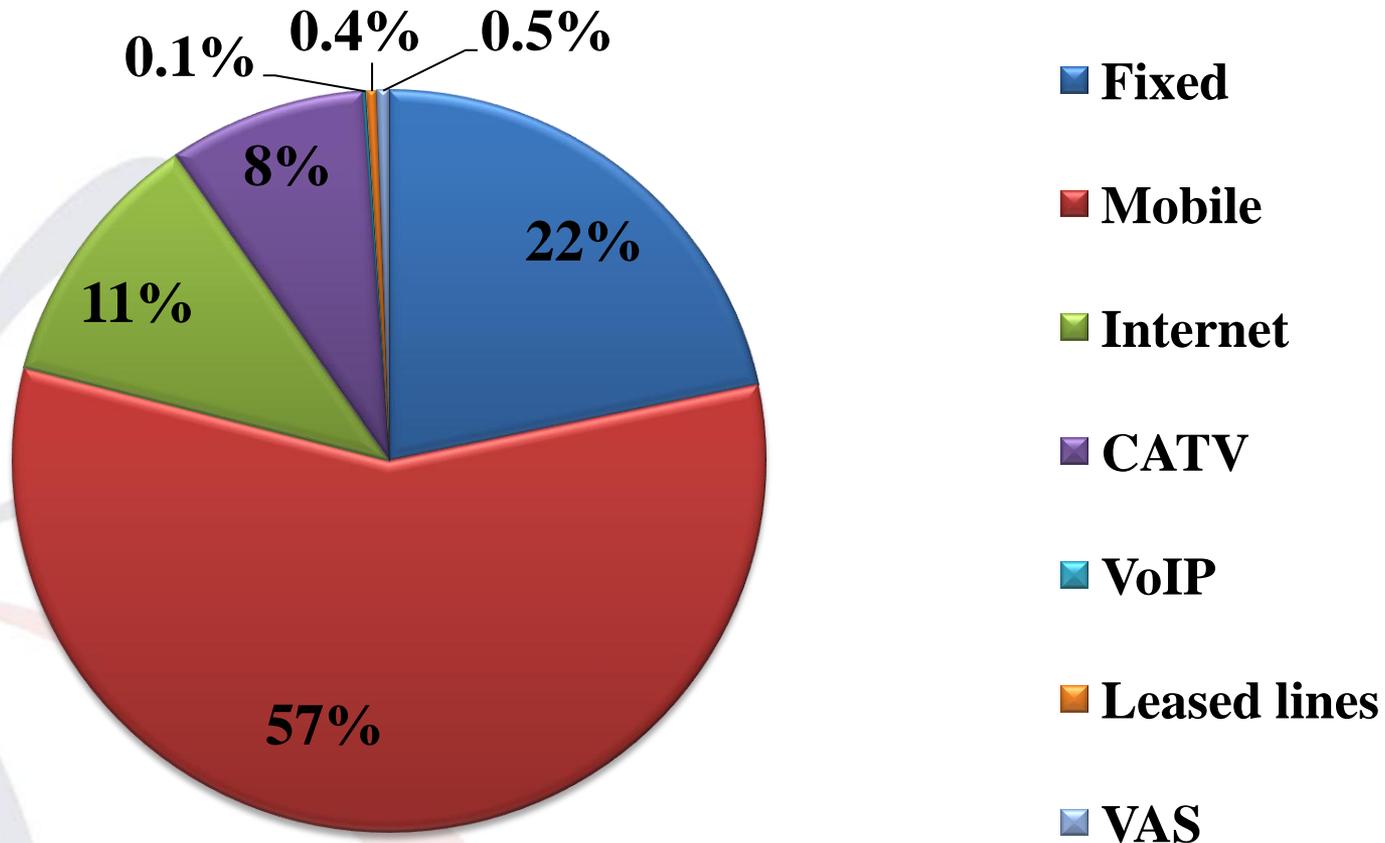
Internet Access Technologies (2)



Source: RATEL (Annual reports submitted by the operators on 31 December for each of the respective years)

Revenues Allocation 2014

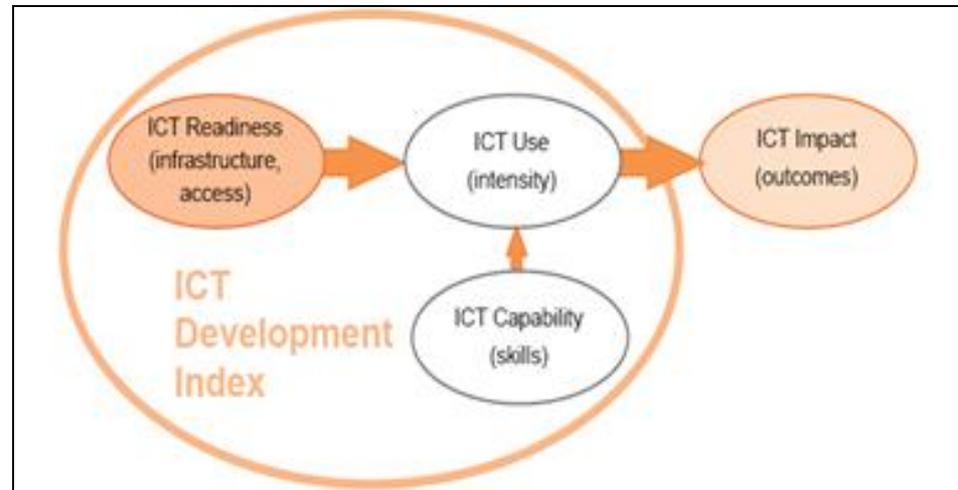
Total revenues amounted to ca. € 1.5 bn.



ICT Development Index (IDI)

This Index combines **11 indicators** divided into **three sub-indices**:

- **ICT infrastructure and access**
- **ICT use (primarily by individuals, but also households and undertakings) and the intensity of use**
- **ICT skills (or human capacity necessary for the effective use of ICTs)**



Year	IDI Index value for Serbia	Rank (total of 166 countries)
2010.	5.1	50
2011.	5.47	48
2012.	5.34	56
2013.	6.24	50
2014.	6.21	40 – 50

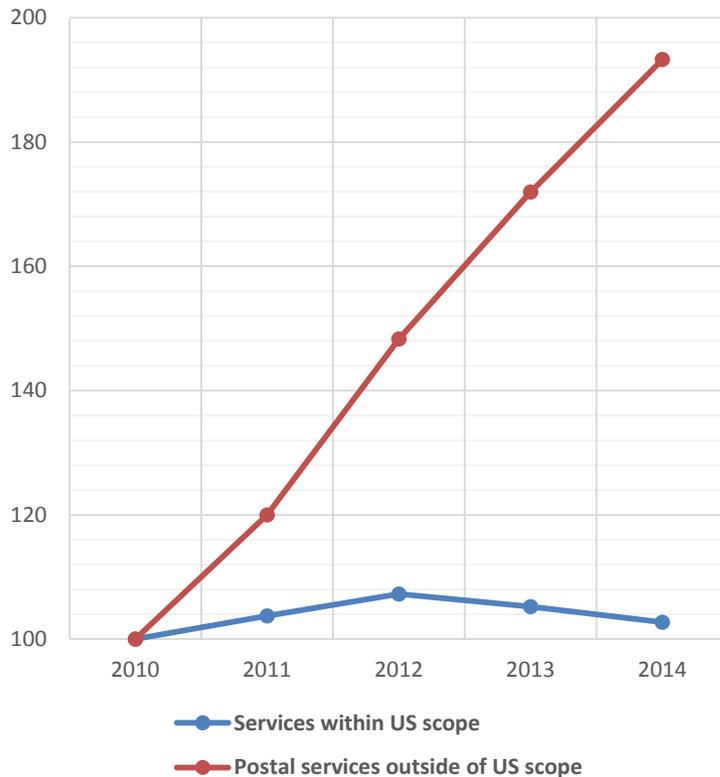
Source:
ITU/RATEL

Postal Services Regulation

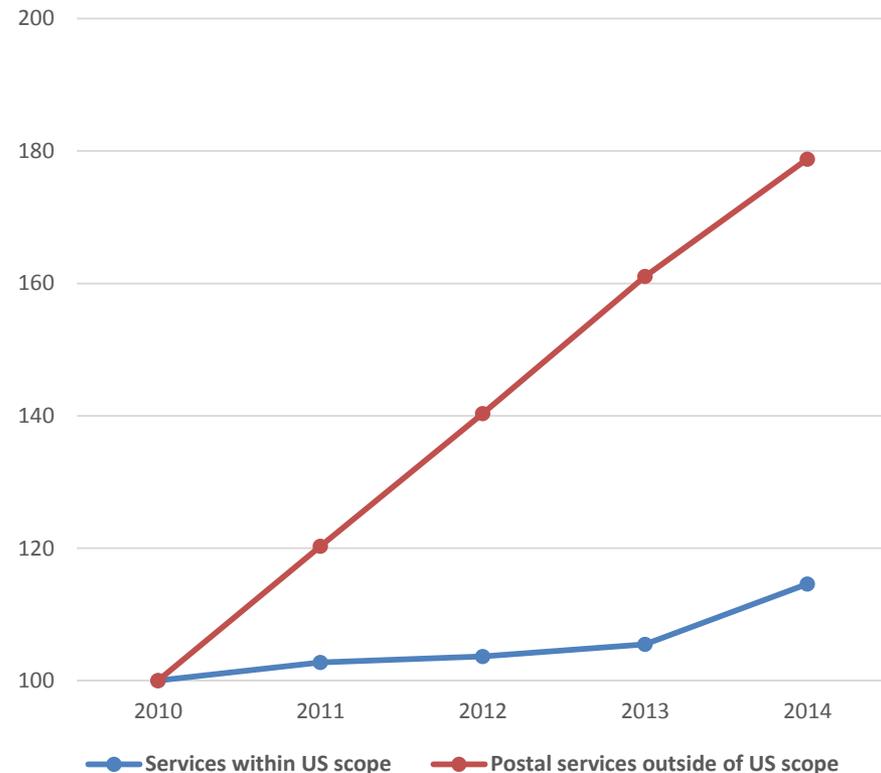
- **Postal regulatory activities started in 2010 with step by step market liberalization, based on EC Postal Directives**
- **Main By-laws adopted:**
 - *General terms and conditions for provision of postal services (2010)*
 - *The requirements for the provision of Universal postal services (2010)*
 - *Methodology of Universal postal services price formation (2011)*
 - *Way and conditions of the access to the public postal operator's postal network (2014)*
 - *Quality parameters for the provision of postal services and on the minimum quality standards for the provision of universal postal service (2014)*
 - *Amendments to the By-law on the establishment of costs for permit issuance and annual fee for the provision of postal services (2015) - reduction from 0,5% to 0,4% of the operator's annual income provision of postal services.*

Postal market 2010-2014

Postal services volume trend



Postal services revenue trend



	2010	2011	2012	2013	2014
Total Revenue (in million EURs)	105,23	115,88	112,27	120,56	125,13
US provider	1	1	1	1	1
Other operators	32	40	45	46	41

Future objectives

- **Investments** - Encouraging investments that support rapid fixed/mobile broadband
- **Costs** - Coordinate infrastructure construction to reduce network cost
- **Operations** - Promote industry chain integration & bandwidth monetization
- **Development** - Execute the National Broadband Network (NBN) strategy

THANK YOU

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