

Republic of Serbia

**RATEL**

Republic  
Telecommunication  
Agency

REGULAR PRESS CONFERENCE

# RATEL

## ONE AND A HALF YEARS LATER

BELGRADE, 24 May 2007





# INTRODUCTION

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- OBJECTIVE AND TASKS
- WORK RESULTS IN THE PREVIOUS PERIOD
- FINANCIAL OPERATIONS
- TELECOM MARKET
- 2007 BUSINESS PLAN



Acknowledged principles:

- lawfulness
- competency
- impartiality
- transparency

**OBJECTIVE:** to perform its principle role of providing for an unhindered development of telecom market in the RoS ON A TIMELY BASIS.



Necessary regulatory conditions:

- Creation of free and open market, guaranteeing equitable position to all participants.
- Participation of all telecom market players in the interest of creating the conditions for information society development.
- Placing the interests of telecom service users in the foreground.
- Rational and efficient use of all scarce resources.
- Harmonization of regulations, standards and technical rules and practice with the relevant EU regulations.





## WORK RESULTS IN THE PREVIOUS PERIOD

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- Year 2005 –  
RATEL began its work on telecom market regulations
- Year 2006 –  
the first and very successful business year





## WORK RESULTS IN THE PREVIOUS PERIOD

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- Main by-laws necessary for telecom sector regulation were adopted.
- Rules on telecom networks, interconnection and universal service – underway.
- On the initiative of the Agency and as a result of great effort of RATEL's Advisory Council, in October 2006, the Government of the RoS adopted the Strategy for the Development of the Telecommunications Sector in the Republic of Serbia from 2006 until 2010.
- Frequency Allotment Plan for analogue FM and TV stations was proposed and adopted.
- Numbering Plan for telecommunications networks was proposed and adopted.



## WORK RESULTS IN THE PREVIOUS PERIOD

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- The License for mobile network and services issued to “TELEKOM SRBIJA”, a.d. was replaced.
- Successful sale of the company Mobi 63, in collaboration with the Privatization Agency.
- The second License for mobile network and services was issued to Telenor ASA, Norway.
- The public bidding procedure for the issuance of the License to the third mobile operator – the achieved price of 320 million euro was the highest price achieved for a mobile license in the whole region.
- The License for mobile network and services was issued to mobikom austia, Austria, registered as Top Net in Serbia.
- The License for fixed network and services issued to “TELEKOM SRBIJA”, a.d. was replaced.



## WORK RESULTS IN THE PREVIOUS PERIOD

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- Licenses were issued to 5 TV and 5 radio stations with national coverage (257 transmitters), based upon the RBA tender.
- Licenses were issued to 20 TV and 14 radio stations for the area of the city of Belgrade, based upon the RBA tender.

Before these two tenders for broadcasters were completed, around 800 broadcasters (approximately 100 radio and TV transmitters in the area of Belgrade) had been operating, virtually illegitimately. Once the tenders were completed around 200 illegal stations were removed from the national and Belgrade frequencies by means of warnings and orders from RATEL. 14 stations were shut down by RRA and 3 by RATEL.

- Out of 138 reported harmful interferences, 90 have been removed so far and other 48 are being processed.





## WORK RESULTS IN THE PREVIOUS PERIOD

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- 161 Internet providers were registered in the Agency register and 120 of them were granted work authorization.
- 70 cable systems operators were registered in the Agency register and 61 of them were granted work authorization.
- More than 10 000 radio station licenses were issued.
- More than 800 technical permits – certificates were issued.
- More than 150 technical inspections were performed.
- More than 1 200 approvals for import of goods were issued.





## WORK RESULTS IN THE PREVIOUS PERIOD

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- A new plan for digital broadcasting was co-ordinated, enabling the coverage of the territory of Serbia with up to 48 different TV programs, and between 12 and 16 radio programs. (RRC-06 Conference in Geneva)
- Participation and work in a number of bilateral and multilateral meetings concerning international coordination for analogue and digital broadcasting.
- Contacts with other regulatory agencies from all countries in the region were established, as well as with the relevant national and international institutions.
- Since late September 2006, RATEL has been officially registered with the ITU in Geneva, on behalf of the Republic of Serbia, as the representative for the regulatory issues.
- Collaboration with over 1 000 business partners.



Year 2006 – successful financial performance

Total revenue - RSD 405 million

Total expenditure - RSD 290 million

RSD 115 million paid into the Budget of the RoS once the financial statements had been audited (under the Telecommunications Law, RATEL operates as a non-profit organization).

As a support to the operators, in late 2006, RATEL submitted to the Government a proposal for the Rules on Frequency Fees, reducing the amounts of fees.





The publication:  
**“AN OVERVIEW OF THE TELECOM MARKET IN  
THE REPUBLIC OF SERBIA IN 2005”**  
was presented to the public at  
TELFOR 2006.



## Year 2006

- The income from telecom services in 2006 was approximately € 1.3 bn. – ca. 40% more compared with the previous year.
- The share of the income in GDP was around 5.6% (compared with 4.5% in 2005)

Impact on GDP:

telecommunications 1.4

power supply 1.2

RATEL's data



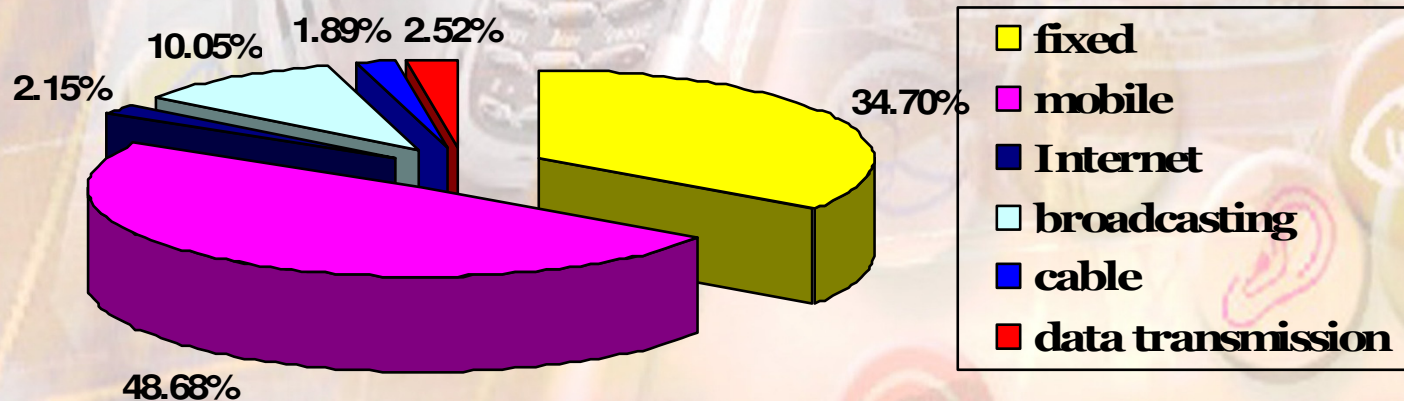


# TELECOM MARKET OVERVIEW

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2006

Income distribution:



RATEL's data





# TELECOM MARKET OVERVIEW

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2006

How much money is spent on telecommunications?

Low use basket

	Average monthly bill*	Share of expenditure in monthly earnings
<b>Fixed</b>	907.32	4.18%
<b>Mobile (prepaid)</b>	488.63	2.25%
<b>Television (RTS subscription)</b>	300.00	1.38%
<b>TOTAL</b>	1695.95	7.81%

*\*on a monthly basis*

High use basket

	Average monthly bill*	Share of expenditure in monthly earnings
<b>Fixed</b>	907.32	4.18%
<b>Mobile (prepaid)</b>	488.63	2.25%
<b>Television (RTS subscription)</b>	300.00	1.38%
<b>ADSL</b>	1567.40	7.22%
<b>Cable</b>	404.73	1.86%
<b>TOTAL</b>	3668.076	16.90%

RATEL's data

*\* on a monthly basis*





# TELECOM MARKET OVERVIEW

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## 2006

	2005		2006		Proportional increase in the number of users (%)	Absolute increase in the number of users (thousands)
	Number of users (thousands)	Penetration (%)	Number of users (thousands)	Penetration (%)		
Fixed	2 527.3	33.7	2 719.4	36.3	7.6	192.1
Mobile	5 510.7	73.5	6 643.7	88.6	20.6	1133
Internet	756.7	10	1 005	13.4	32.8	248.3
Cable	530.5	7	541.9	7.2	2.15	11.4
Broadband	40.5	0.54	121.6	1.62	200.2	81.1

RATEL's data



2006

## Population:

- 57% of persons have NEVER used a computer.
- 70% of persons have NEVER used the Internet.
- 70% of persons are using the Internet solely for e-mailing.
- 43% of persons are NOT INTERESTED in using e-government services instead of going to public institutions.
- 90% of persons have never purchased goods or services through the Internet.

## Industry:

- 90% of enterprises in Serbia have an Internet connection.

Source: Statistical Office of the Republic of Serbia.



## TECHNICAL REQUIREMENTS:

- 26.5% of households have a computer.
- Internet penetration in the RoS – 13.4%.
- 85% of connections have dial-up access.
- Almost 50% of ISPs are based in Belgrade.
- The share of ISPs in the total telecom market income is only 2%.

RATEL's data





# 2007 FRAMEWORK BUSINESS PLAN

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Basis for development of RATEL's 2007 Business Plan:

- The provisions of the Telecommunications Law of the RoS,
- The conclusions of the Strategy for Telecommunications of the RoS,
- The Strategy for the Development of the Information Society in the Republic of Serbia,
- The National Strategy for Economic Development of the Republic of Serbia 2006-2012.

**According to these documents the telecom sector is the basis for the development of other economic sectors and should directly provide for the development of the information society pursuant to the adopted EU standards.**



## **ENHANCEMENT OF TELECOM SECTOR**

### **A. Goals and activities**

#### **A1. Rational use of the frequency spectrum:**

- Development of by-laws defining unregulated bands:  
2.4 and 5.5 GHz for the provision of a non-guaranteed quality of service.
- Development of regulations and launching of a public call for registration of persons interested in providing a guaranteed quality of service, for application of BWA - FWA in the band: 3.4-3.8 GHz.
- Development of regulation for the usage of CDMA systems (410-470 MHz).
- Development of regulations and launching of a public call for the application of satellite communications in cable and Internet services provision.



## A2. Use of advanced technologies in fixed networks:

- Promote a speedy digitalization.
- Promote broadband usage.
- Provide for an efficient development of the regulatory framework for the application of the latest technological solutions and make available all the advantages offered by these solutions to the service users.

## A3. Application of new services:

- Support the application of: VoIP, 3Play, IPTV, DTV,...



## **TELECOM MARKET ANALYSIS, DEVELOPMENT AND CONTROL**

### **A. Objectives and tasks**

- A1. Monitoring and analysis of the telecom market.
- A2. Development of a tariff policy along with the introduction of cost- based tariffs.
- A3. Introduction of the universal service (US).
- A4. Interconnection – relations between the market players.
- A5. User protection.





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# Thank you for your attention

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