

Regular Press Conference

REPORT ON THE ACTIVITIES OF THE REPUBLIC TELECOMMUNICATION AGENCY IN THE PERIOD 2005 - 2009

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Chairman of the Managing Board

IMPORTANCE OF TELECOMMUNICATIONS

- Wide range of services,
- Telecommunications globalization – ubiquities availability,
- Service convergence,
- Entertainment: television, radio, phone, Internet,
- More successful, easier and more simple business (web economy, business, education, health...)

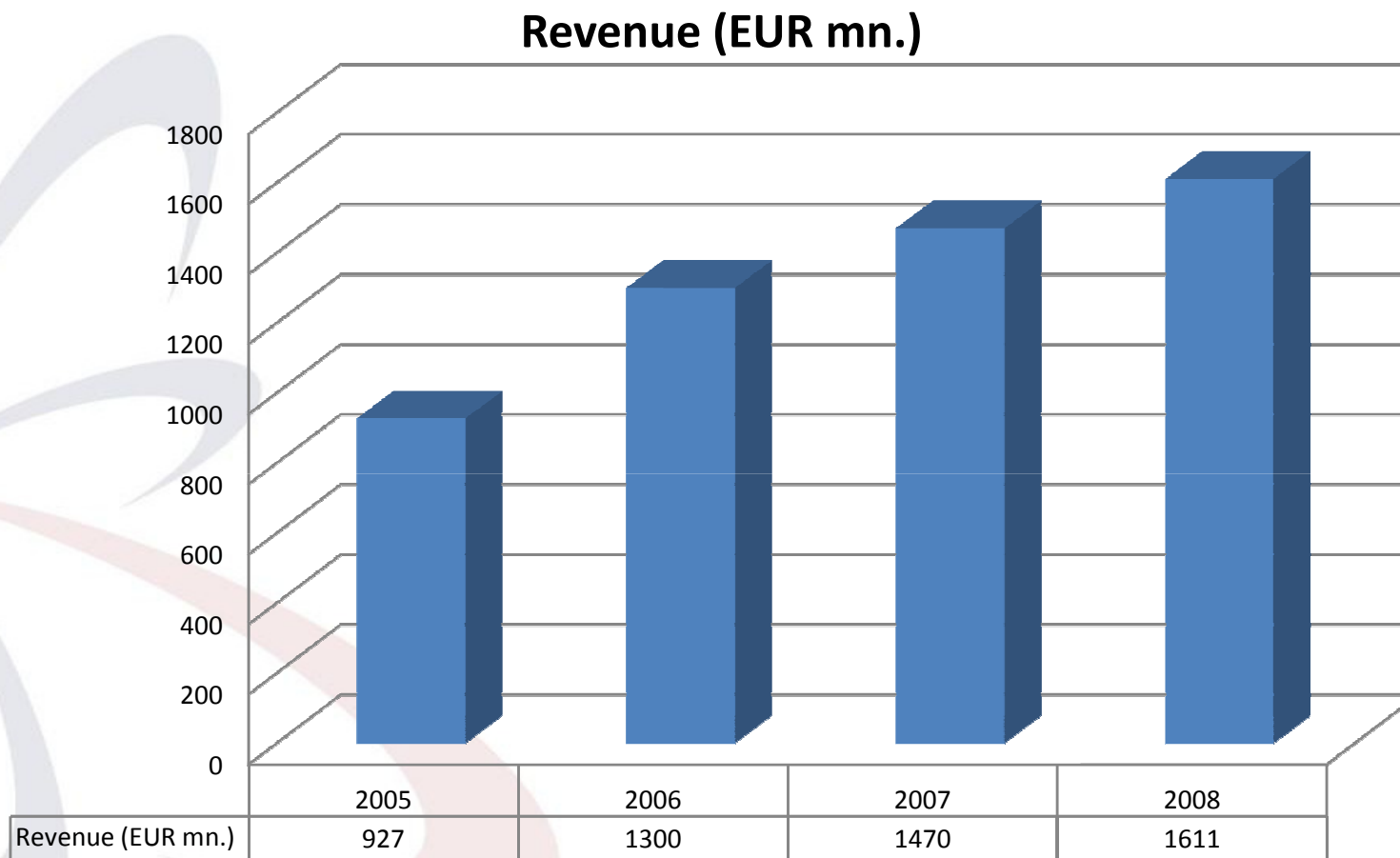
TELECOMMUNICATIONS MARKET

- Quick changes and complex technology,
- Numerous direct and even more indirect participants,
- Significant capital value,
- Large income,
- Constant investment in further development required.

TELECOMMUNICATIONS MARKET IN THE REPUBLIC OF SERBIA

Total value: approximately €10bn.

GDP share of the telecom sector: 4% - 6%.

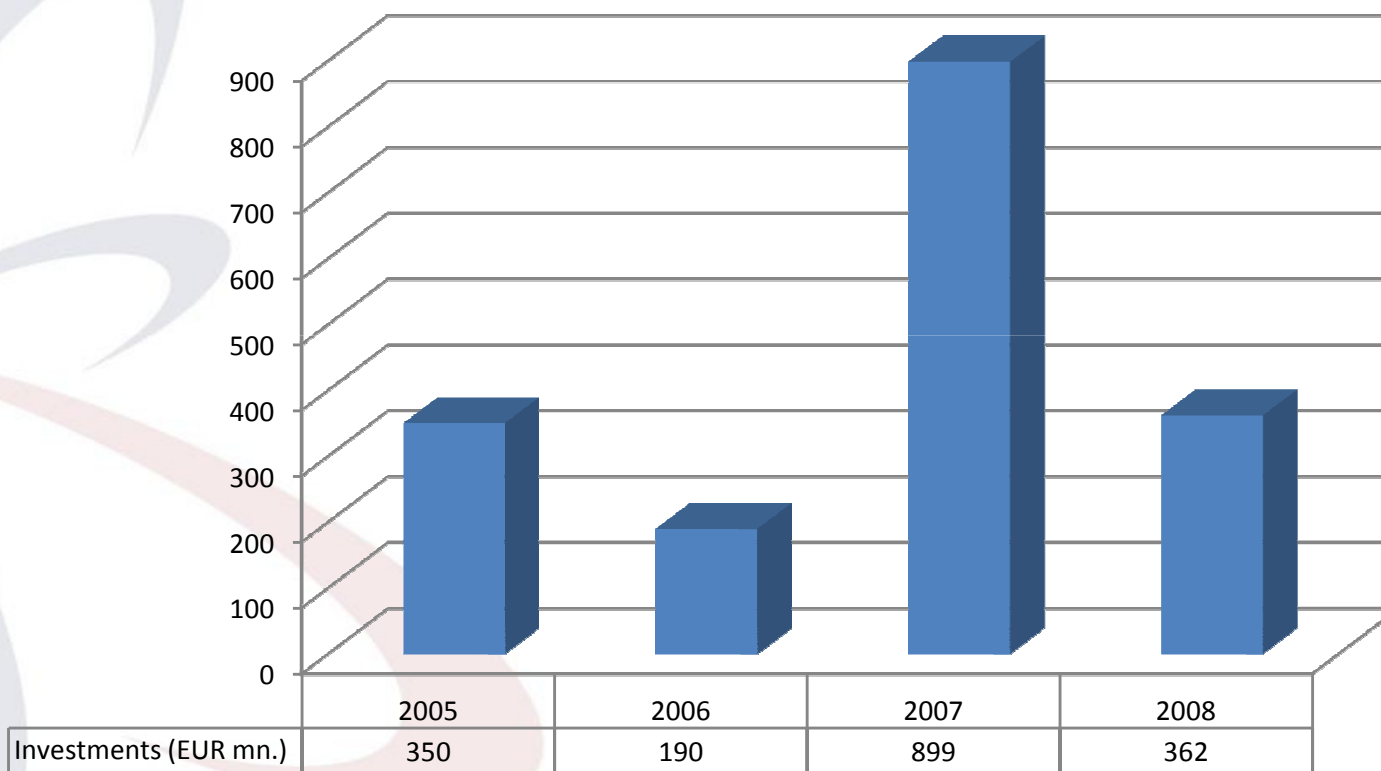


INVESTMENTS IN TELECOM SECTOR

2007 is a particular year as it is the first business year for the foreign operators who have made significant investments in the development of telecommunications in Serbia.

Return on investments in telecom development equals 1.4.

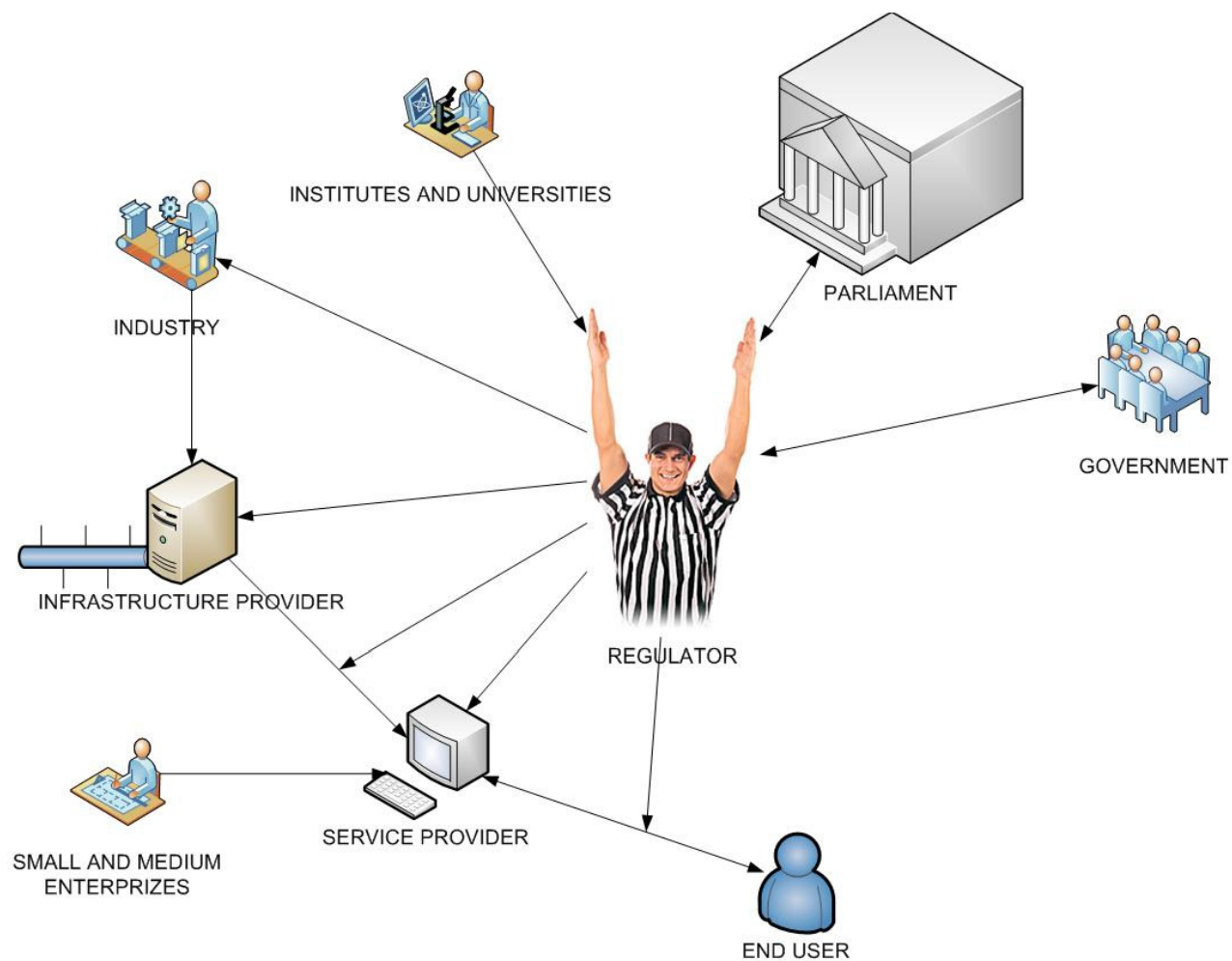
Investments (EUR mn.)



KEY RESULTS IN TELECOM MARKET IN THE REPUBLIC OF SERBIA

- The largest privatization –Mobi63 by Norwegian operator Telenor, worth €1.602bn,
- The largest greenfield investment – Austrian operator Mobilkom Austria (VIP Mobile), worth €570mn,
- The number of people working in the telecom sector – 60,000.

PARTICIPANTS OF THE TELECOM SECTOR



TELECOM MARKET REGULATION

Telecommunications Law defines the participants of the process of telecom market regulation:

- The National Parliament of the Republic of Serbia – adopts relevant legislation,
- The Government of the Republic of Serbia – defines the Policy and Strategy for the development of telecommunications, adopts the Action Plan and monitors the implementation of the Telecommunications Law,
- The Republic Telecommunication Agency – regulator responsible for telecoms development, to the end of the protection of state interest, promotion of competition and end user protection.

TELECOM MARKET REGULATION

1. Issuance of:
 - *licences,*
 - *authorizations,*
 - *radio station licences,*
 - *technical permits – certificates,*
 - *import approvals,*
2. Responsible for SMP operators regulation,
3. Responsible for interconnection, universal service and leased lines,
4. Proposes the numbering plan and manages the plan,
5. Radio frequency spectrum management,
6. Monitoring.

MARKET CONTROL

Types of telecom services in Serbia:

- Free competition market – market-determined prices, cost management by the operator's management to the end of proper business optimization,
- Limited competition market, or market with an SMP operator – service prices controlled by the regulatory authority.

Mobile telephony – tree licences – example of free market -



- Full competition,
- Investment promotion,
- Growth in penetration,
- New services,
- New tariff packages,
- Lower prices.

LIMITED COMPETITION MARKET

SMP operators:

- Telekom Srbija – fixed telephony, телефонија,
- Serbia Broadband (SBB) – radio and Tv program cable distribution.

SMP operators may modify the prices of services only if granted approval by RATEL.

Pricing in the limited competition market:

- Cost-based (applied with SBB),
- Benchmarking – comparison with the neighbouring and surrounding countries (applied with Telekom Srbija).

MARKET LIBERALIZATION

- introduction of new services and technologies –

1. Internet wholesale
 - 3 authorizations for public telecom network,
 - 4 authorizations for international interconnection,
 - 21 authorizations for provision of VoIP services,
2. Fixed wireless access (FWA) in the frequency bands 411.875-418.125/421.875-428.125 MHz (CDMA) for the territory of the Republic of Serbia - public bidding procedure underway – 8 potential bidders for 2 licences.

BROADCASTING

- Cooperation with the Republic Broadcasting Agency,
- National, regional and local radio and TV broadcasting licences issued,
- Order brought to the broadcasting sector,
- Constant monitoring and prevention of illegal broadcasting.

BROADCASTING DIGITALIZATION

Institutions involved:

- Ministry of Culture,
- Ministry of telecommunications and information society,
- Republic Broadcasting Agency (RBA),
- Republic Telecommunication Agency.

Tasks:

- draw up the Strategy for broadcasting digitalization,
- prepare bylaws for the launch of Digital television (DTV) and regulations for IPTV and DHT technology application.

In the RRC-06 conference in Geneva, RATEL has provided new frequency plan for digital broadcasting:

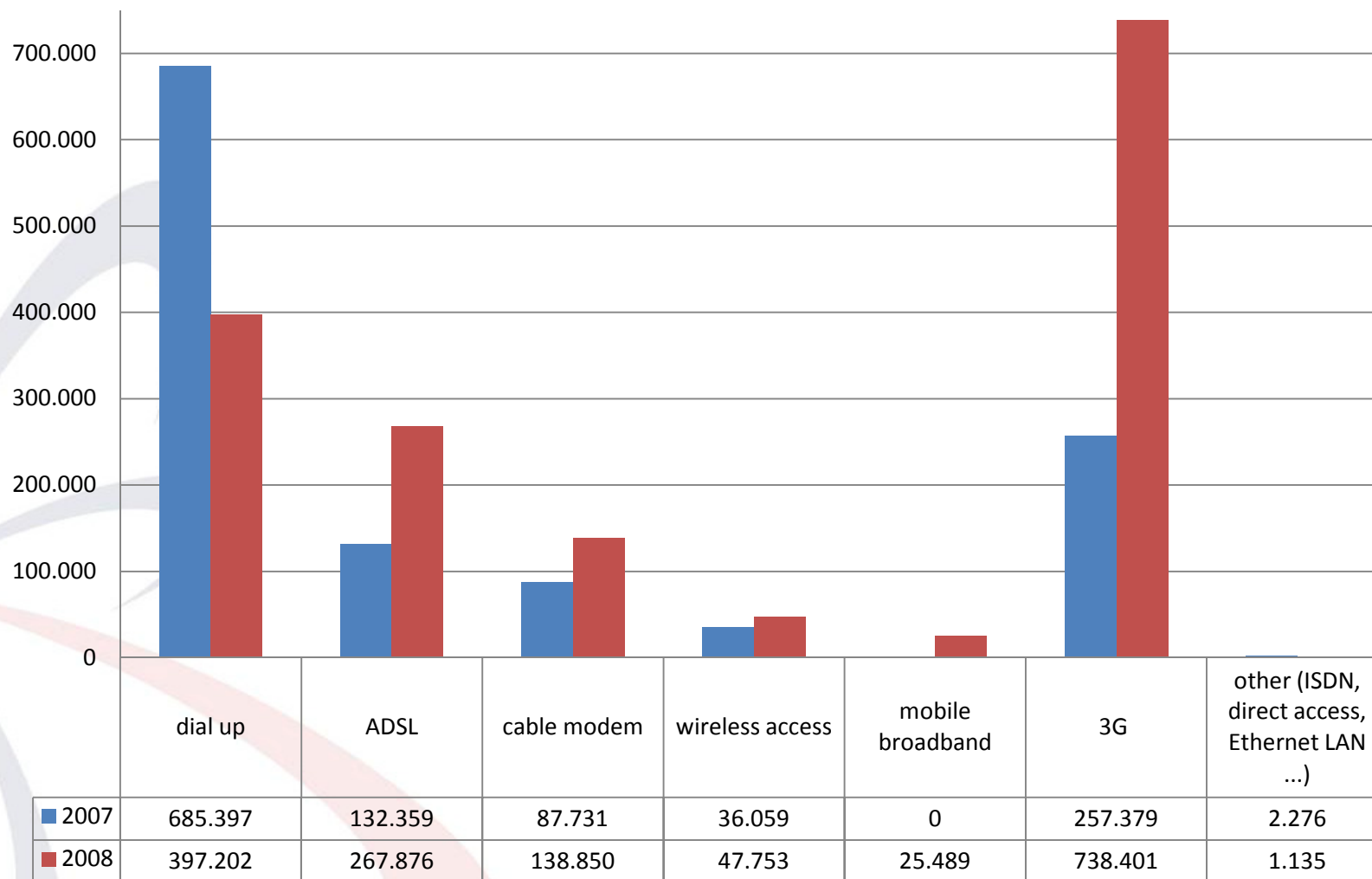
- between 32 and 48 different TV programs,
- between 12 and 16 radio programs.

COMPARATIVE TABLE OF THE NUMBER OF USERS

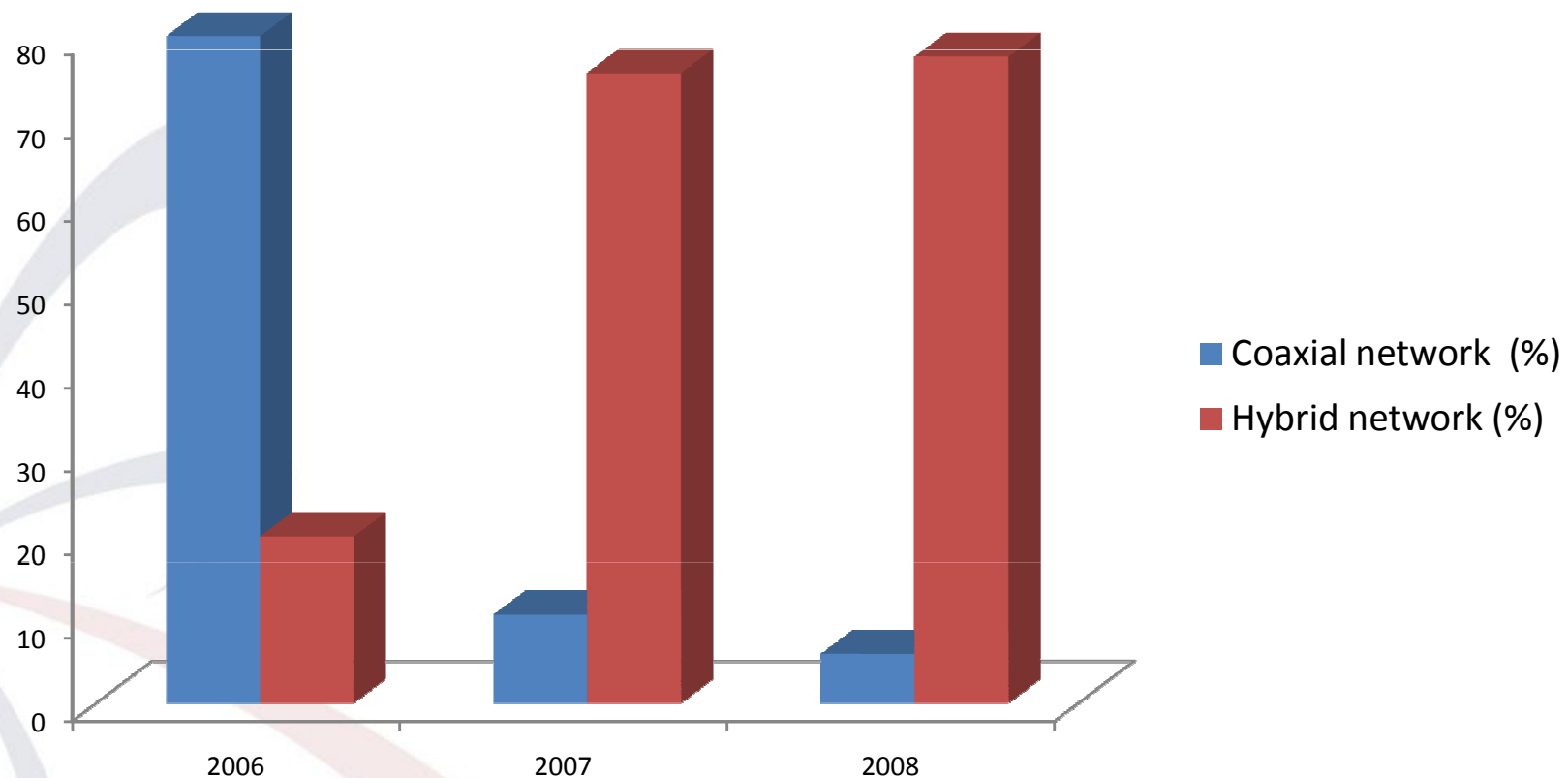
	Number of subscribers				Penetration(%)			
	2005	2006	2007	2008	2005	2006	2007	2008
Fixed	2,527,300	2,719,000	2,855,000	3,085,000	34	36	38	41
Mobile	5,511,000	6,644,000	8,453,000	9,619,000	74	89	113	128
Internet	757,000	1,005,000	1,269,000	1,614,000	10	13	17	22
CATV	531,000	542,000	774,000	856,000	7	7	10	11
Broadband Access	41,000	122,000	583,000	1,218,000	1	2	8	16

QUALITY OF INTERNET SERVICE

Number of Internet subscription according to access technology



QUALITY OF RADIO AND TV CABLE DISTRIBUTION SERVICES



TELECOM SERVICES PRICES – LOW BASKET

	2006		2007		2008	
	Average bill	% share in the average salary	Average bill	% share in the average salary	Average bill	% share in the average salary
Fixed	907.32	4.18%	928.88	2.69%	725	2.20%
Mobile (prepaid)	488.63	2.25%	351.92	1.02%	364.50	1.10%
Television (National TV subscription)	300	1.38%	350.00	1.02%	387	1.20%
TOTAL	1,695.95	7.81%	1,630.80	4.73%	1,476.50	4.50%

TELECOM SERVICES PRICES – HIGH BASKET

	2006		2007		2008	
	Average bill	% share in the average salary	Average bill	% share in the average salary	Average bill	% share in the average salary
Fixed	907.32	4.18%	928.88	2.69%	725	2.2%
Mobile (prepaid)	1,452.59	6.69%	1,257.15	3.65%	1,333.12	4.1%
Television (National TV subscription)	300	1.38%	350.00	1.02%	387	1.2%
ADSL	1,567.40	7.22%	1,309.89	3.80%	1,178.00	3.6%
CATV	404.73	1.86%	306.92	0.89%	392.61	1.2%
TOTAL	4,632.04	21.33%	4,152.84	12.05%	4,015.73	12.3%

Provision of QoS and user protection

RATEL's future virtual counter



Dobrodošli na virtuelni salter Republike agencije za telekomunikacije

Objasnjeno čemu služi virtuelni salter. Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat. Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla pariatur.

Usluge za fizička lica

► Prituzba na internet servis provajdera

Jedna ili par recenica koja ukratko objasnjava čemu služi data usluga.

Usluge za pravna lica

Objasnjeno koje kaze da Ratel uzurbano radi na konstrukciji sistema koji će omogućiti usluge za pravna lica.

Pracenje vec poslaih zahteva i prituzbi

Svaki zahtev i prituzba koje ste poslali putem virtuelnog saltera Republike agencije za telekomunikacije imaju jedinstven broj. Taj broj se salje na email adresu osobe koja je ulozila zahtev ili prituzbu. Ako zelite da proverite stanje prethodno poslanog zahteva ili prituzbe, unesite jedinstveni broj datog zahteva ili prituzbe u polje ispod:

Unesite ovdje jedinstveni broj zahteva ili prituzbe ciji status zelite da proverite

► Proverite status

RATEL	ADRESA	TELEFONI	FAKS	ELEKTRONSKA POSTA	USLOVI KORISCENJA
Republika agencija za telekomunikacije	Вилићева 8 11000 Београд Република Србија	011/3242-673 011/3220-909	011/3232-537	ratel@ratel.org.yu Kontakt i lokacija	Правно обавештење

Quality control equipment



Spectrum monitoring vehicle



RATEL'S FINANCIAL OVERVIEW

	2006	2007	2008
RATEL's total revenues	405,000,000	722,700,000	1,237,000,000
Трошкови	275,000,000	490,100,000	556,000,000
Уплаћено у буџет РС и АПВ	130,000,000	232,600,000	681,000,000

RATEL's FUTURE TASKS

Serious challenge for further development of telecoms sector in Serbia in the next 2-3 years

- Maintain the achieved trend of telecom development in the conditions of global economic crisis,
- Efficient usage of the existing telecoms infrastructure and continued investments in the development and modernization,
- Create conditions for a faster development of broadband access and Internet usage,
- Efficient usage of frequency spectrum and digital switch-over,
- Liberalization and privatization in telecoms sector.

Thank you for your attention



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