

10th anniversary of the Regulatory Agency for Electronic Communications and Postal Services (RATEL)

▶▶ PIRO XHIXHO (Chairman of AKEP)

Market and regulatory overview in Albania



A K E P

AUTORITETI I KOMUNIKIMEVE
ELEKTRONIKE DHE POSTARE

Beograd, Serbia, 23 April 2015

Market overview

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- During 2014, the electronic communications market has increased regarding the use of mobile networks services and broadband Internet access.
- On the other hand, the fixed telephony segment has suffered a decrease. This is a trend similar to that of the recent years where the fixed telephony has been decreasing and being replaced by the mobile telephony.
- The broadband access has grown in both its segments: from fixed and mobile networks.

Background

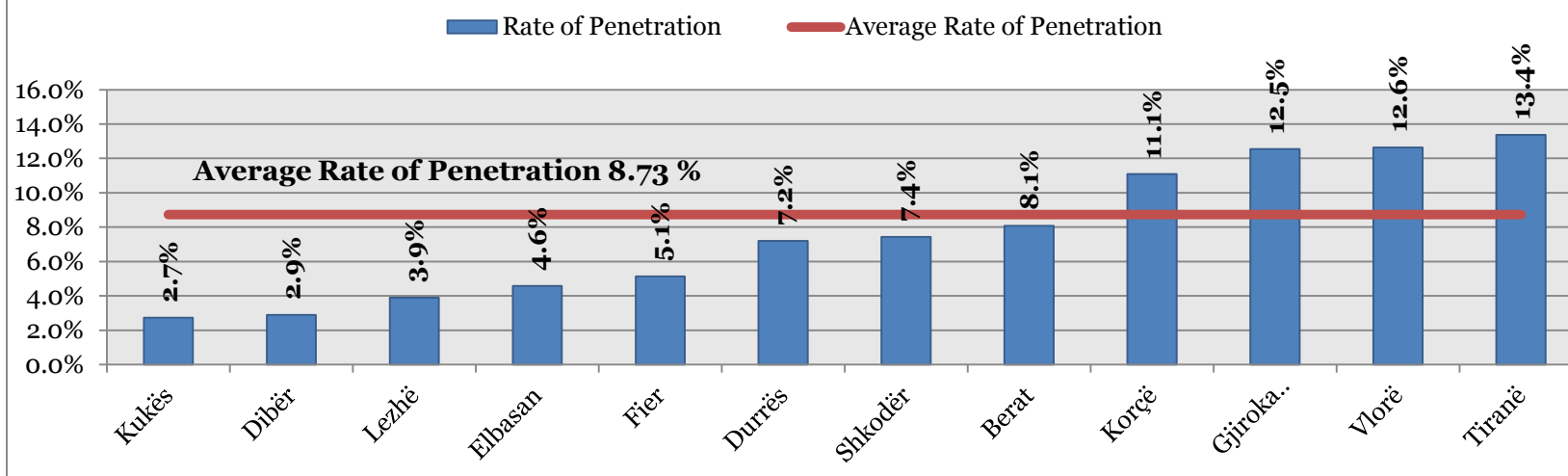
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- Mobile operators, significant investment in 3G networks:
 - Coverage: 85% of territory / 92% of population
- Albtelecom significant investment in NGN/NGA:
 - 100% of subscribers connected to NGA (MSAN)
- Mobile broadband subscribers and traffic are growing.
- More effective use of spectrum; focus on the provision of quality services and competitive prices for consumers

Fixed telephony (2014)

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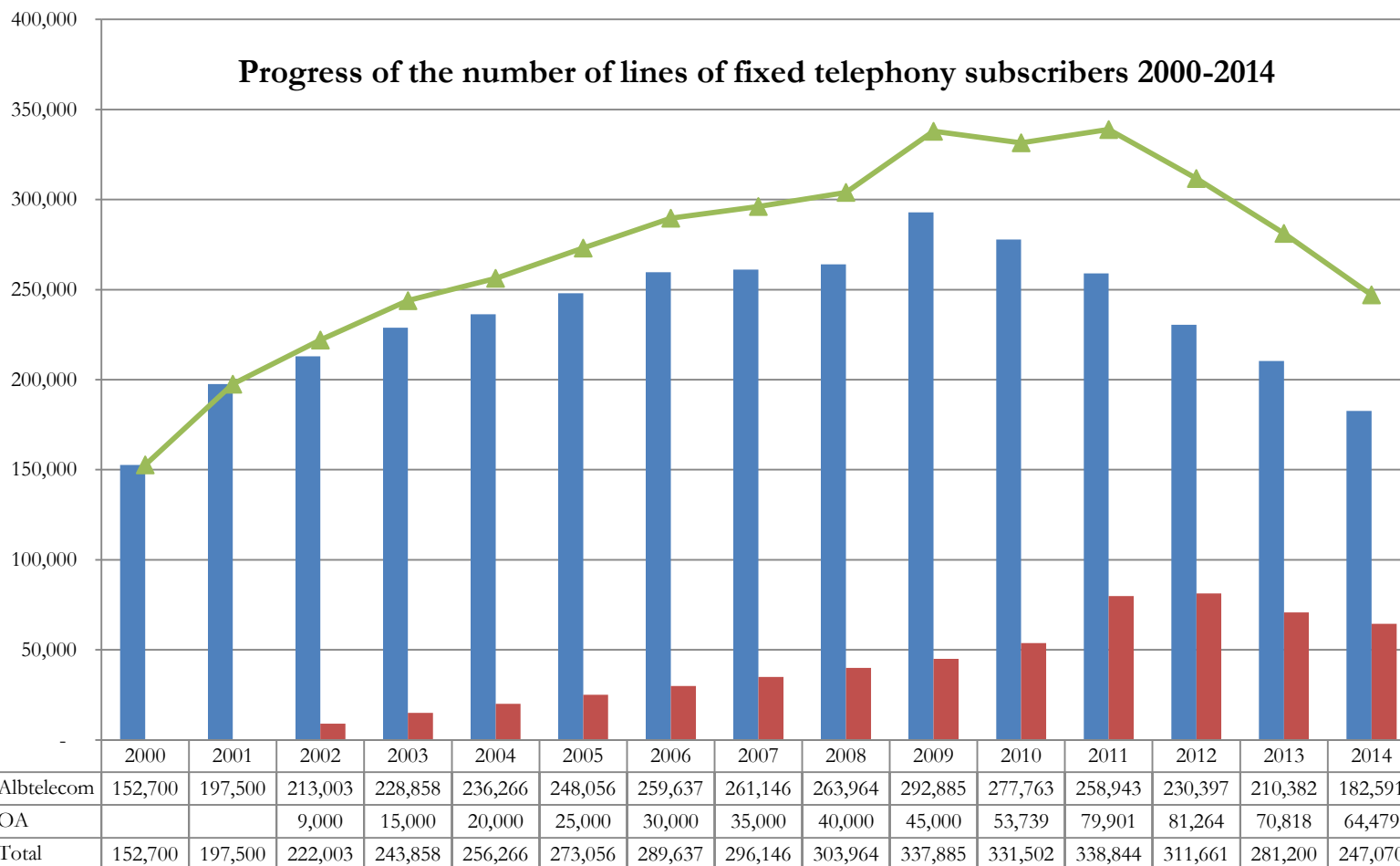
Fixed telephony penetration rate by the end of 2014, Counties



Number of lines of fixed telephony subscribers	Albtelecom	Abcom	ASC	Nisatel	AMC Fixed	Other OA	Fixed Total
2010	277,763	19,975	7,408	5,900	n/a	20,456	331,502
2011	258,943	27,167	10,129	4,950	7,565	30,090	338,844
2012	230,397	33,000	7,649	5,500	6,119	28,996	311,661
2013	210,382	13,680	15,047	7,166	6,950	27,975	281,200
2014	182,591	15,531	15,047	9,236	2,550	22,115	247,070
Difference 2014/2013	-13%	14%	0%	29%	-63%	-23%	-12%

Fixed telephony (2014) - continued

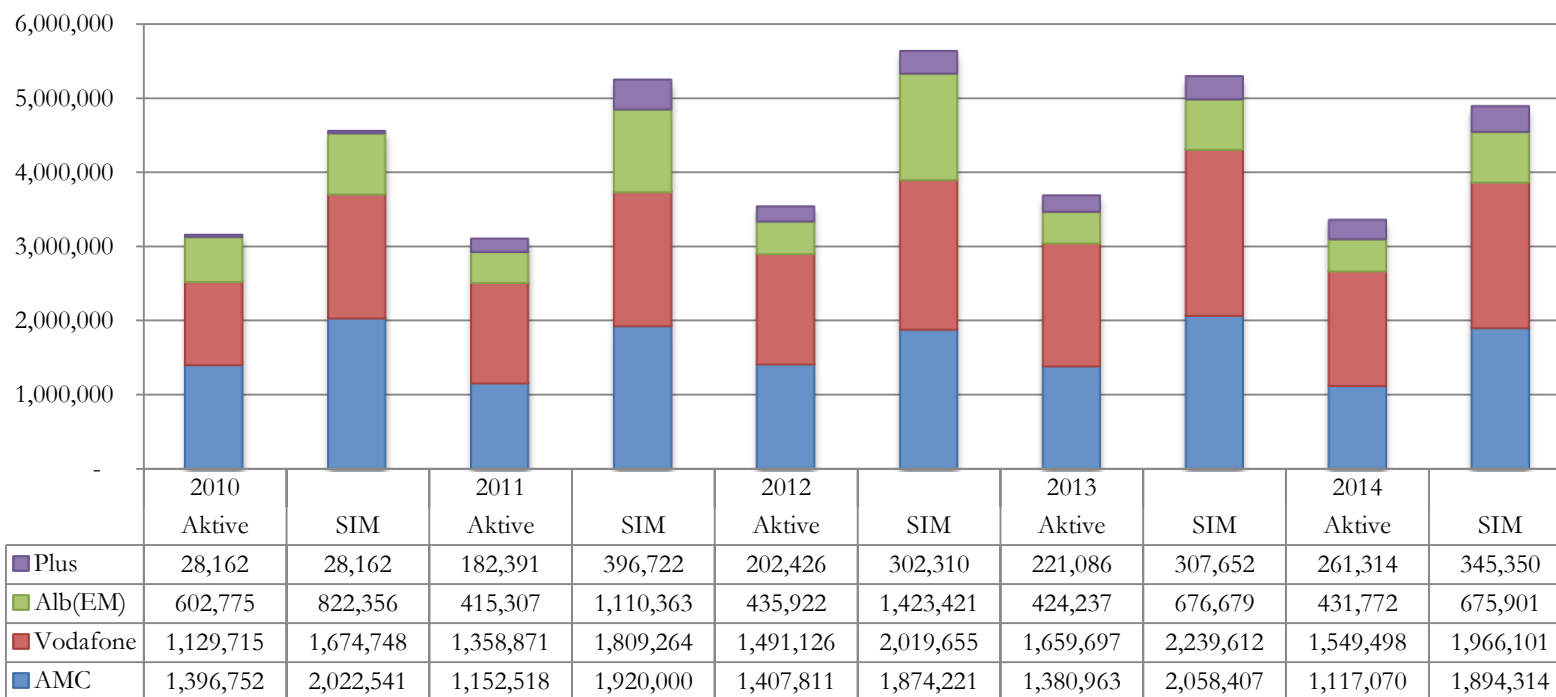
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Mobile Telephony (2014)

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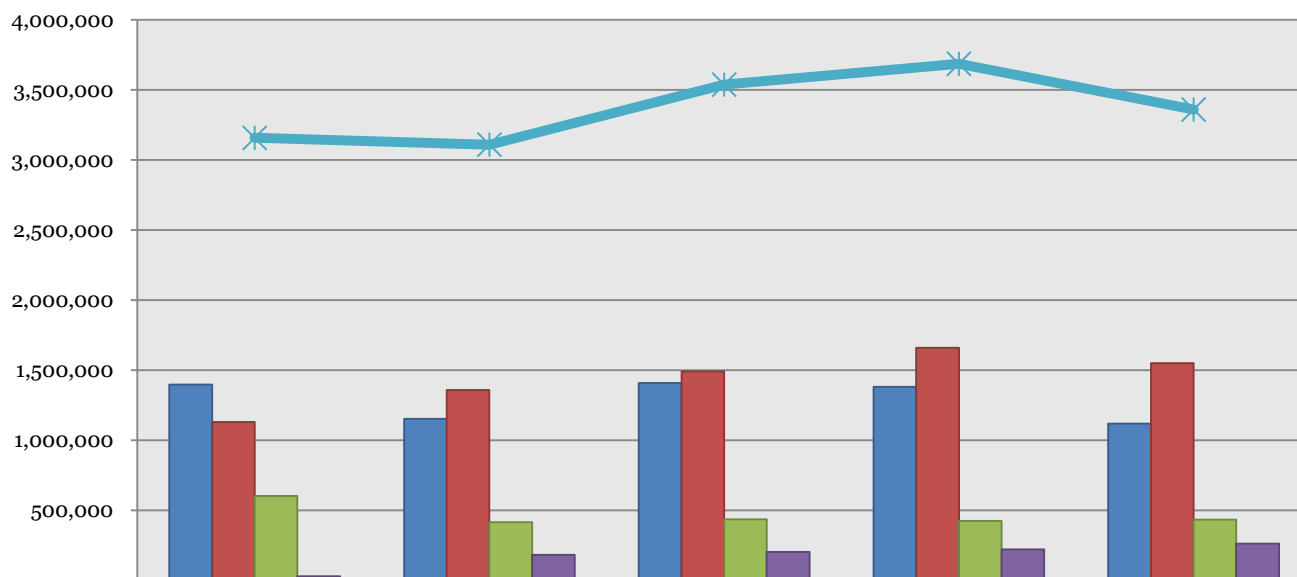
Active users and active SIM cards 2010-2014



Mobile Telephony (2014) - continued

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The number of active users



	2010	2011	2012	2013	2014
AMC	1,396,752	1,152,518	1,407,811	1,380,963	1,117,070
Vodafone	1,129,715	1,358,871	1,491,126	1,659,697	1,549,498
Albtelcom	602,775	415,307	435,922	424,237	431,772
Plus Communication	28,162	182,391	202,426	221,086	261,314
Total aktive	3,157,404	3,109,087	3,537,285	3,685,983	3,359,654

Broadband Access (2014)

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- **Broadband Access (fixed and Mobile 3G modem/USB):**
 - 329,000 subscribers:
 - ✦ 206,000: fixed broadband
 - ✦ 123,000: Mobile Broadband 3G USB/modem
 - Penetration 11.65 %

Number of subscribers and penetration rate	Number of subscribers			Penetration according to population		
	Fixed	3G	Total	Fixed	3G	Fixed +3G
2011	139,697	34,493	174,190	4.90%	1.20%	6.20%
2012	160,088	55,405	215,493	5.70%	2.00%	7.60%
2013	182,556	111,367	293,923	6.40%	3.90%	10.40%
2014	206,896	123,060	329,956	7.31%	4.35%	11.65%
Difference 2014/2013	13.3%	10.5%	12.3%			

Infrastructure for Internet/Broadband

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- Broadband access services are provided through a variety of electronic communications networks. The most important electronic communications networks through which services of broadband access are provided are as follows:
 - **Cable networks:**
 - ✦ The existing telephone networks (xDSL - networks based on copper cables)
 - ✦ Next generation networks (FTTx - networks based on optical fiber cables)
 - ✦ Cable operators networks (networks based on coaxial cables)
 - ✦ Hybrid optical-coaxial networks (HFC).
 - **Wireless networks:**
 - ✦ GSM/GPRS/EDGE - second generation mobile networks,
 - ✦ UMTS / HSDPA / HSPA + - third generation mobile networks,
 - ✦ Wi-Fi - wireless local area networks,
 - ✦ LTE - fourth generation mobile networks (soon).

Ongoing Infrastructure Broadband

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- The draft law "On the development of electronic communications networks and high speed to ensure the right of way", aims to facilitate and encourage the provision / construction of electronic communications networks to high speed by promoting joint use of existing infrastructure as well as a more efficient development of new infrastructure by reducing construction costs of high-speed network.
- Public consultation for some additions and changes to the Regulation no. 22 dated 24.06.2011 "On the technical requirements for the construction of urban infrastructure of cable networks and networks with fiber optic for electronic communications".

Mobile Networks

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- A wide range of mobile communication services in Albania are provided through four terrestrial mobile communication networks.
- All four networks are based on the harmonized standards of the second generation (GSM, including its improvements in GPRS and EDGE) and third generation (UMTS, including HSDPA and HSPA +).
- In all three operators, 2G and 3G networks operate integrally with an integrated core of network and shared transmission network.

Spectrum licenses

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- In Albania, all four mobile operators have similar spectrum assignments in the 900 MHz and 1800 MHz bands, but three of them, Vodafone, AMC and Eagle Mobile have been awarded spectrum in the 2100 MHz.
- The national frequency plan was amended in early 2013 to allow the use of 3G and 4G in the 900 MHz and 1800 MHz bands.

Ongoing spectrum licenses

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- Regarding the free (a pair of unused 10 MHz) spectrum on 2.1 GHz band, AKEP with DSB no. 2547 approved for public consultation the document on rights of usage in 1900-1980 paired with 2110-2170 MHz band.
- About the granting of rights to use the 1.8 GHz frequency band for GSM/LTE/UMTS/WiMAX systems, AKEP is finalizing the process of allocation of bands to 3 entrepreneurs. 2 x6 MHz is designed for each of them, selected by tender process.
- As regards the spectrum on 2.6 GHz (2500-2690 MHz) frequency bands for TRA-ECS applications, AKEP with DSB no. 2538, has approved the tender documentation. The Offers opened on 9 April 2015.
- With DSB no. 2541, dated 13/03/2014 on granting the rights to use the free channels in the 900 MHz bands, AKEP has approved the tender document. The Offers The Offers opened on 9 April 2015 opened on 8 May 2015
- The process for the renewal of the Individual Authorization for the use of frequencies in the GSM 900/1800 MHz granted to Albanian Mobile Communications sh.a. has been completed.

Re-farming Process

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- Spectrum re-farming is the process of re-deploying spectrum from available users and re-allocating it.
- A very good candidate for re-farming to LTE is GSM 1800 MHz band, which is presently commonly used for voice communication.
- The Albanian Government with decision Nr.300 dated 04.08.2015, in order to make the best possible use of the frequency spectrum for broadband networks will performed re-farming process and removing technological limitations.
- Well done re-farming optimizes overall network resources utilization without impacting legal users while providing an operator with a possibility to deploy LTE services.

Digital Dividend

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- At WRC-07, the band 790–862 MHz was allocated to the mobile service in Region 1 (Africa and Europe),
- Transfer to the digital TV frees up one very important radio-broadcasting frequency spectrum between 790-862MHz -> digital dividend.
- Completion of digitalization of radio-broadcasting in Albania is scheduled for 17 June of 2015, in the UHF band a total of 72 MHz of spectrum.
- The frequency band of 790-862 MHz is going to be assigned to mobile network operators

Mobile market analysis

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- AKEP has completed its fourth round of market analysis of wholesale mobile access and call origination and wholesale mobile call termination,
- Four Mobile Operators are designated as having SMP on the wholesale mobile call termination market,
- The glide paths for reduction in mobile termination rates for the four mobile operators until January 2016.

Other Activities

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- Preparation, approval and administration of the National Numbering Plan for networks and electronic communications services in the Republic of Albania
 - On 1 January 2014 changes were implemented according to the National Numbering Plan approved by Decision of the Steering Board of AKEP no.2350, dated 13/09/2013. These changes consist in GNP in 12 geographical regions with a view to later switch to a single geographic area.

- Postal Market
 - AKEP during this period has participated in the drafting of the bill as well as in the meetings held by MIAP with market players for this bill, contributing with specific comments to improve the bill. The comments submitted have been prepared taking into consideration the experience in the region and the current situation in the postal sector in Albania.

Future Challenges

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- It is widely recognized that in the future, networks will be mostly based on fiber and wireless technologies rather than cooper.
- Therefore the rules should be technologically neutral in order to support any technological development suitable for broadband provision.
- Liberalization of access to spectrum. Liberalization refers to the removal of technology restrictions on spectrum, to enable more flexible use.



Thank You

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