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 Second Quarter of 2017

The Overview presents the data for the second quarter of 2017 along with comparative data for the previous quarters.

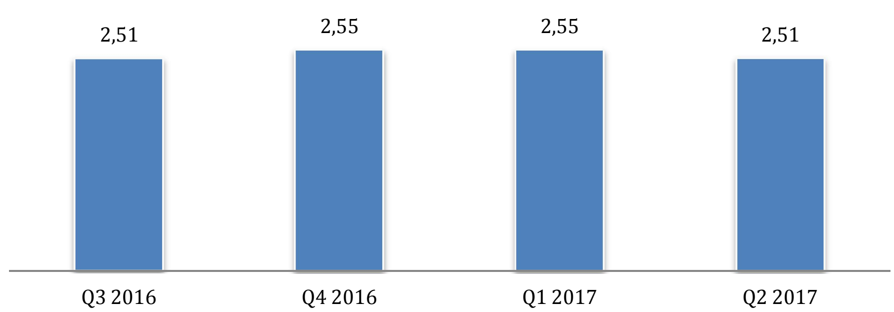
The presented data reflect the overall market status for each quarter, including the actual quarterly data for the fixed and mobile market operators and the leading Internet and media content distribution providers, which represent approximately 88% of the market in terms of the number of users, whereas for the remaining 12% 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.

Public Fixed Telecommunications Networks and Services

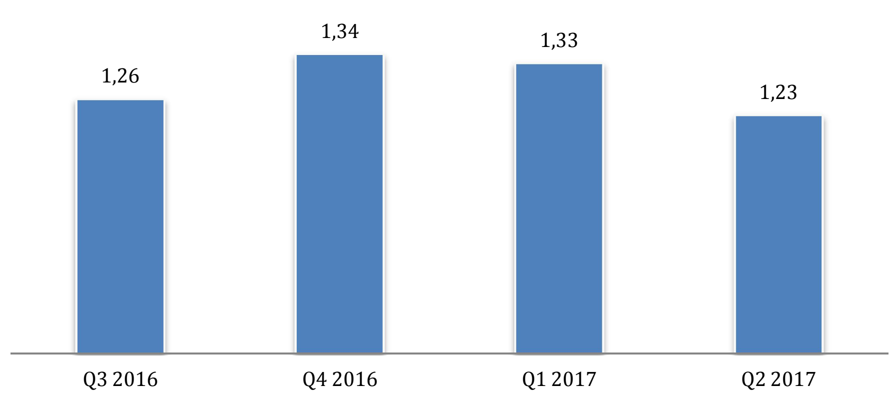
The quarterly indicators for the electronic communications market which are relevant to the fixed telephony comprise the data of the operators that make up 99% of the market.

Approximately 2.5 million fixed telephony subscribers generated approximately 1.3 billion minutes of traffic, meaning that on average a land-line subscriber spends 5 minutes per day on calls. The market data include CDMA subscribers and traffic.

Number of fixed line subscribers (million)

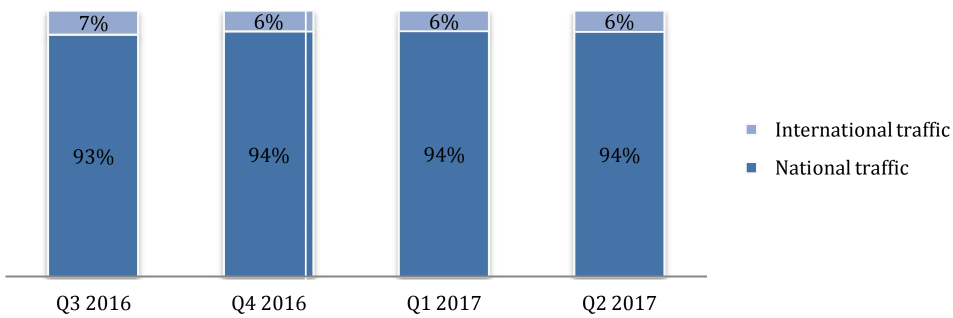


Total fixed telephony traffic (billion minutes)



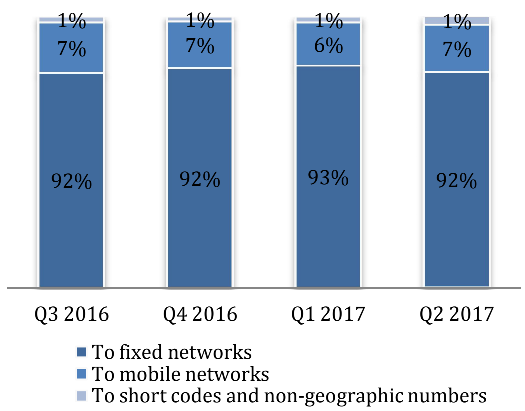
89% of the fixed telephony subscribers are residential users, i.e. natural entities, and the subscriber structure remains constant in the analyzed quarters. The largest share of the fixed telephony traffic is accounted for by the national traffic, with 94% in Q2 2017.

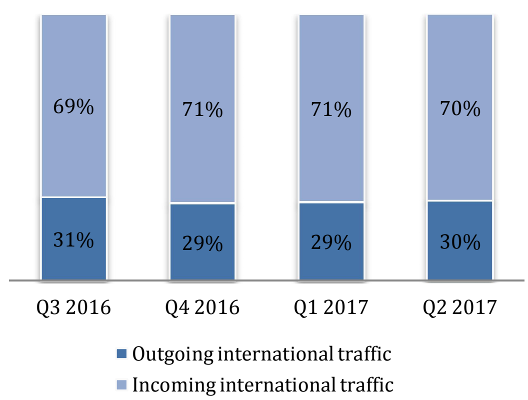
Fixed telephony subscriber structure



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

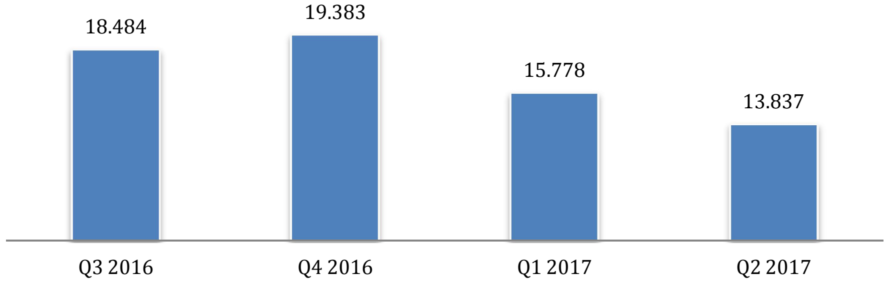
Structure of the national and international traffic in fixed telephony





The number of fixed telephony number portings continued to drop in Q2 2017, with over 13 800, which is approximately 4.6 thousand per month.

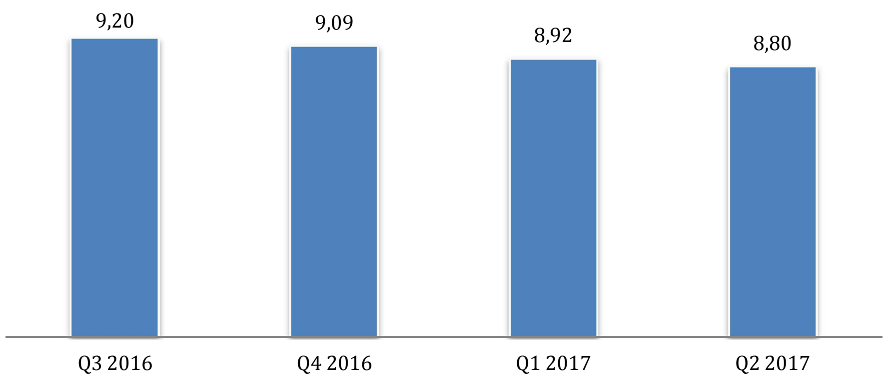
Fixed telephony number portings per quarter



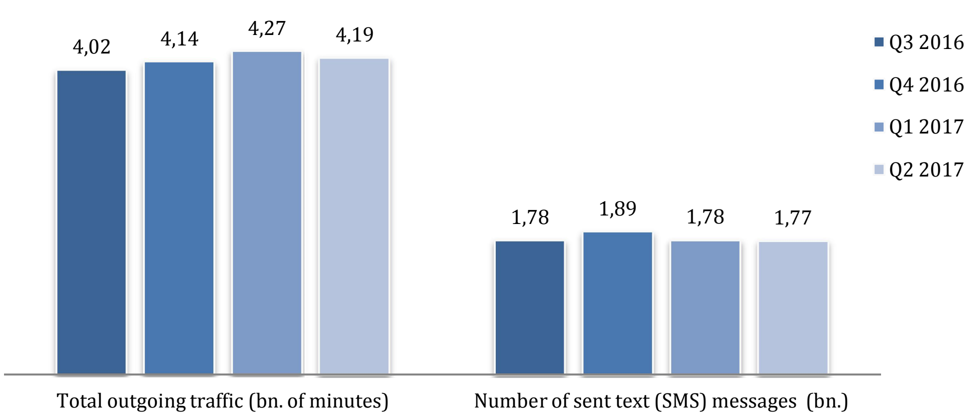
Public Mobile Telecommunications Networks and Services

The quarterly mobile telephony market indicators include the data submitted by all three operators, i.e. 100% of the market. In Q2 2017, 8.8 million active mobile telephony subscribers generated approximately 4.2 billion minutes of national and international voice traffic and sent approximately 1.8 billion text messages. The mobile subscriber on average spends 5 minutes on calls and sends 2 SMS messages.

Total number of active mobile telephony subscribers (million)

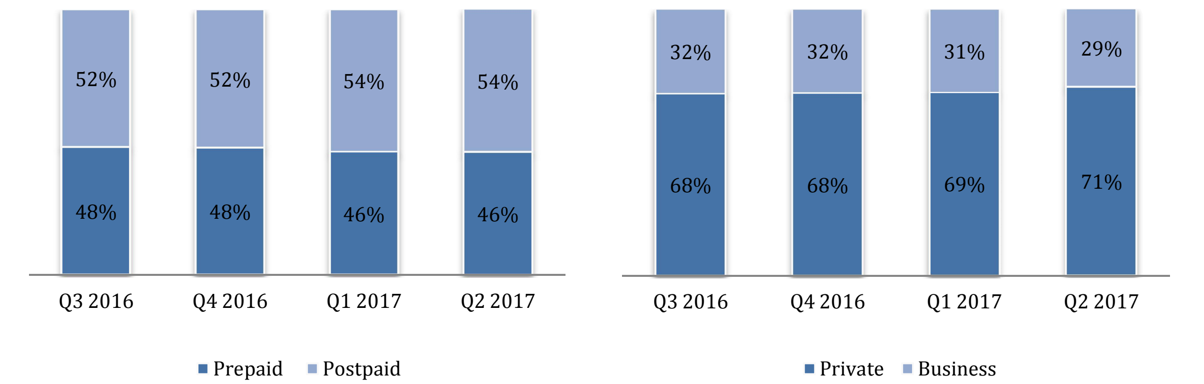


Generated voice and SMS mobile telephony traffic



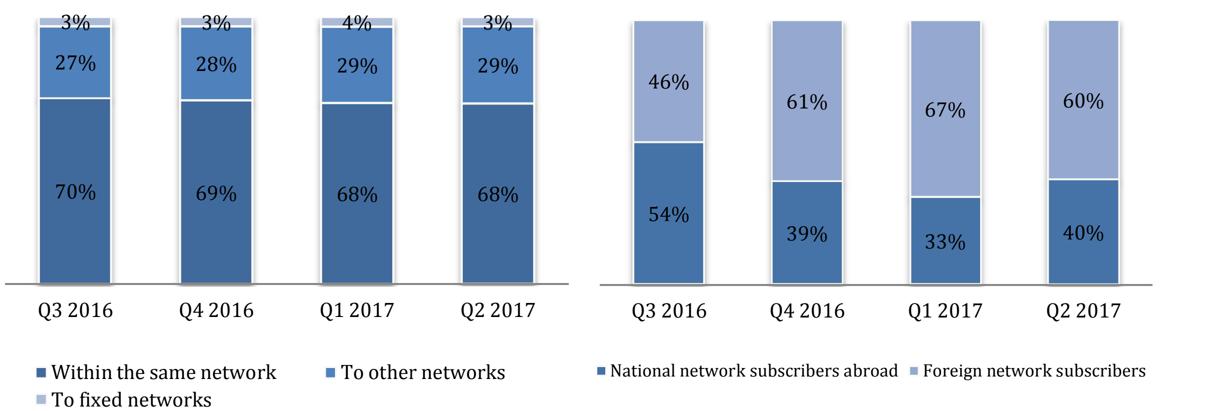
The number of postpaid subscribers has exceeded the number of prepaid subscribers and the majority of postpaid subscribers are still residential users.

Mobile telephony subscriber structure



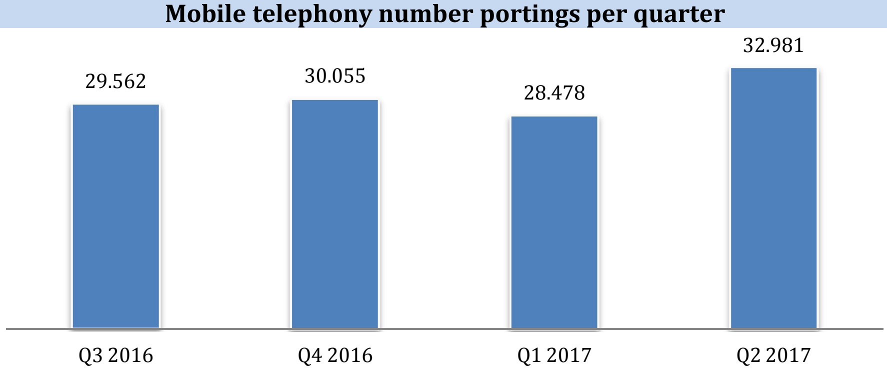
Most outgoing traffic is generated within the same network. Subscribers of foreign networks generate more roaming traffic than the subscribers of national networks abroad.

Mobile networks outgoing traffic structure



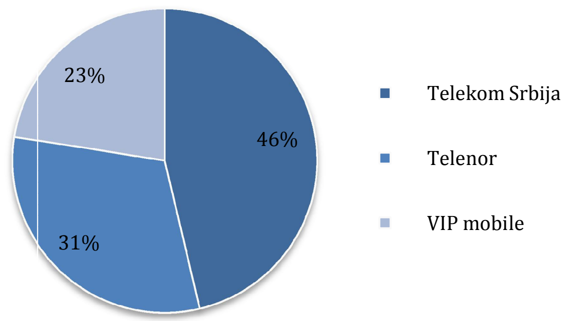
The number of mobile telephony number portings was approximately 32 thousand per quarter, or almost 11 thousand per month.

Mobile telephony number portings per quarter



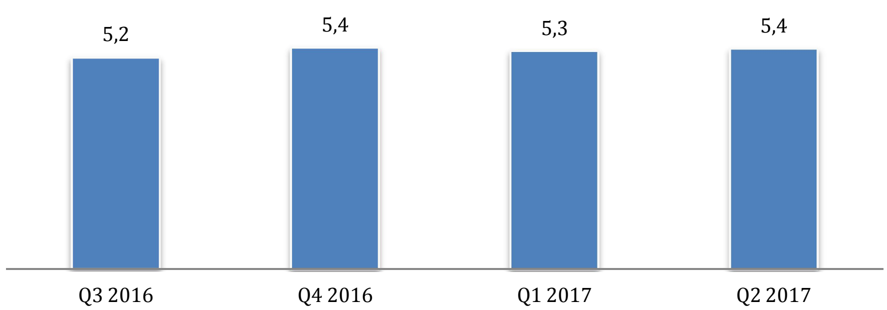
There haven’t been any significant changes in market shares in the analyzed year, in terms of the number of users. In 2016 two virtual mobile operators were entered in the register of the operators. Only one of them began with the commercial provision of services in late 2016.

Market share in terms of the number of users – Q2 2017



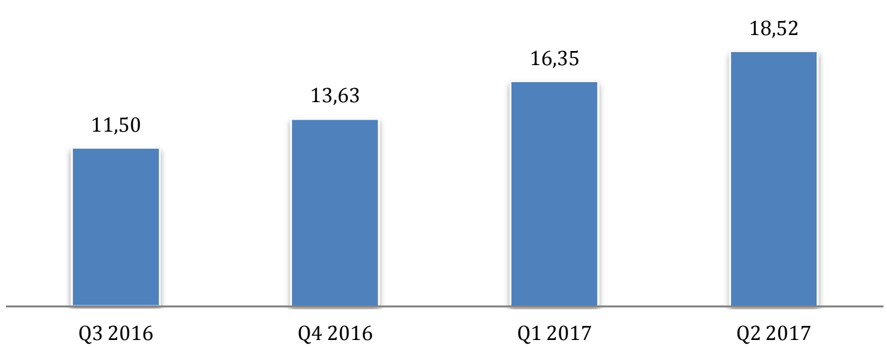
The number of active mobile broadband subscribers in Q2 2017 was approximately 5.4 million.

Number of active mobile broadband subscribers (million)



Data transmission over mobile network in Q2 2017 grew to approximatly 18.5 million GB, meaning that a subscriber used approximately 39 MB on average.

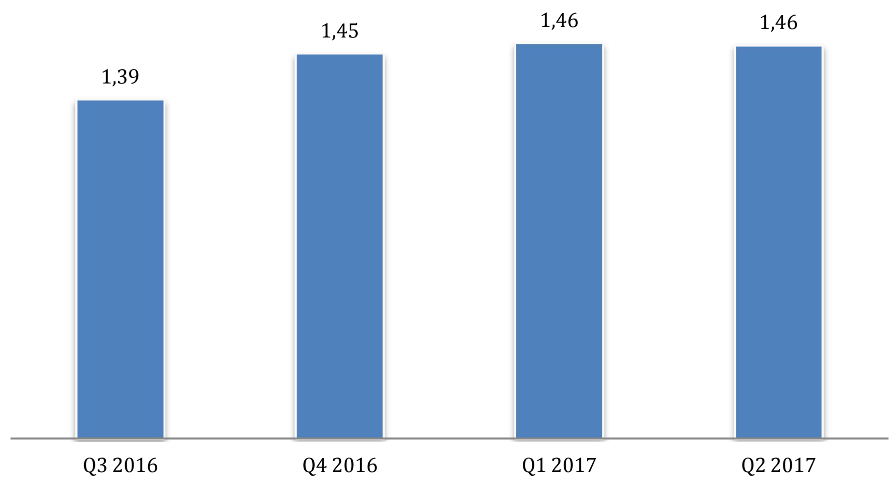
Mobile Internet traffic (million GB)



Internet Services

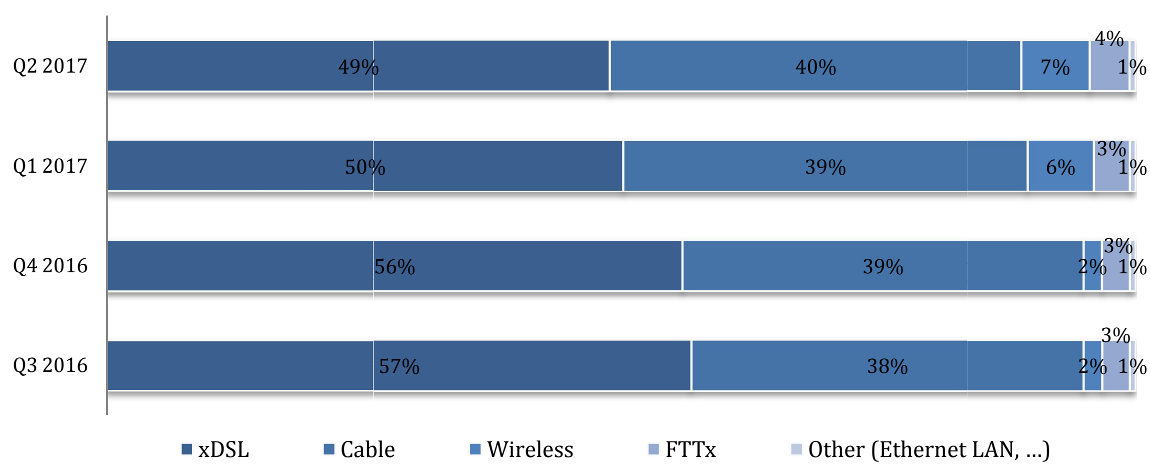
The number of fixed broadband Internet access subscribers was approximately 1.4 million in the analyzed quarters.

The number of fixed broadband subscribers (million)



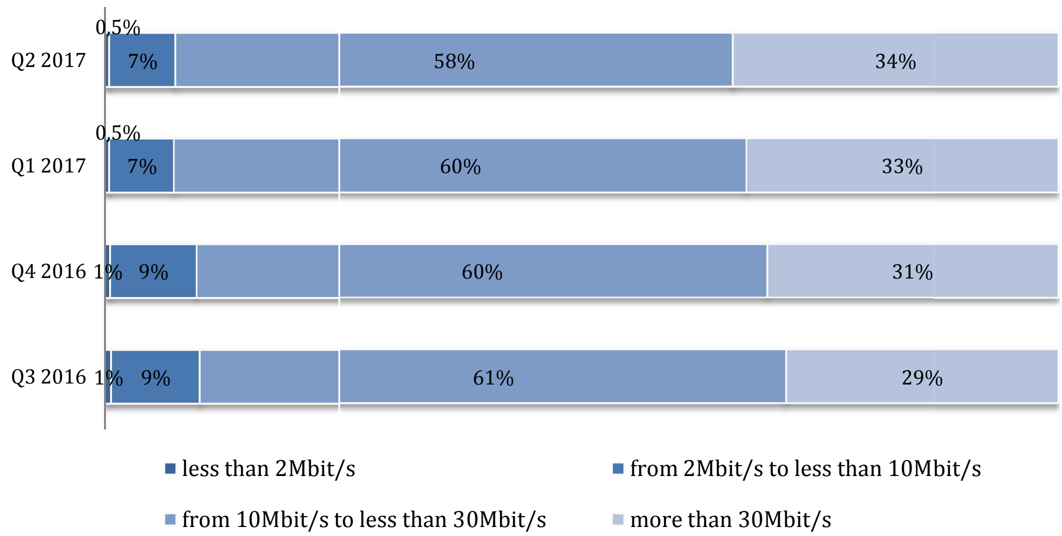
The majority of fixed broadband subscribers have xDSL or cable access. Also, there is an evident growth of the number of wireless Internet subscribers.

Number of subscribers according to type of access



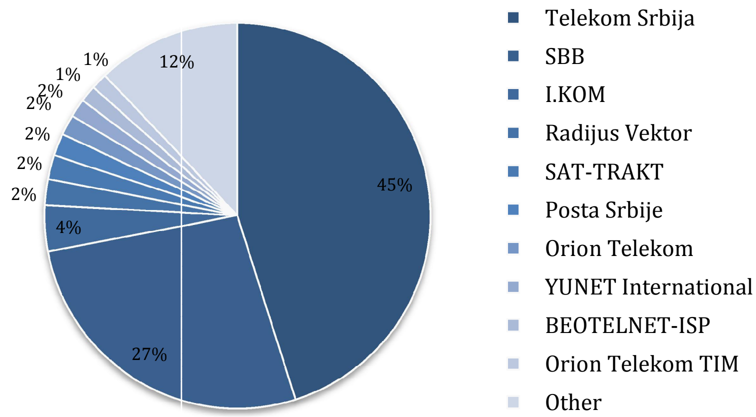
The majority of subscribers in all four analyzed quarters had access rates between 10 Mbit/s and less than 30 Mbit/s with a rising number of subscribers with access rate of over 30 Mbit/s.

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.

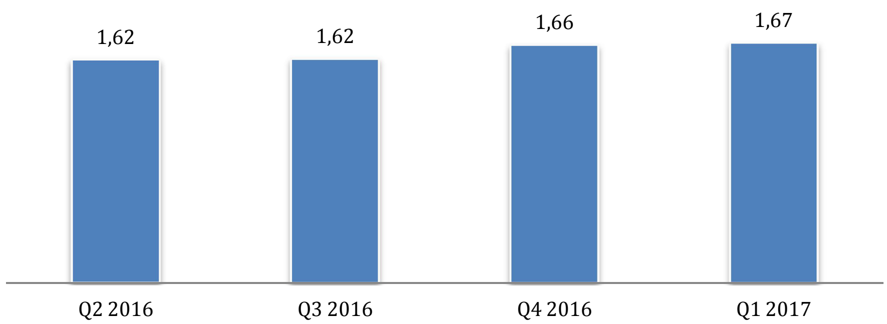
Market share in terms of number of fixed broadband subscribers – Q2 2017



Media Content Distribution

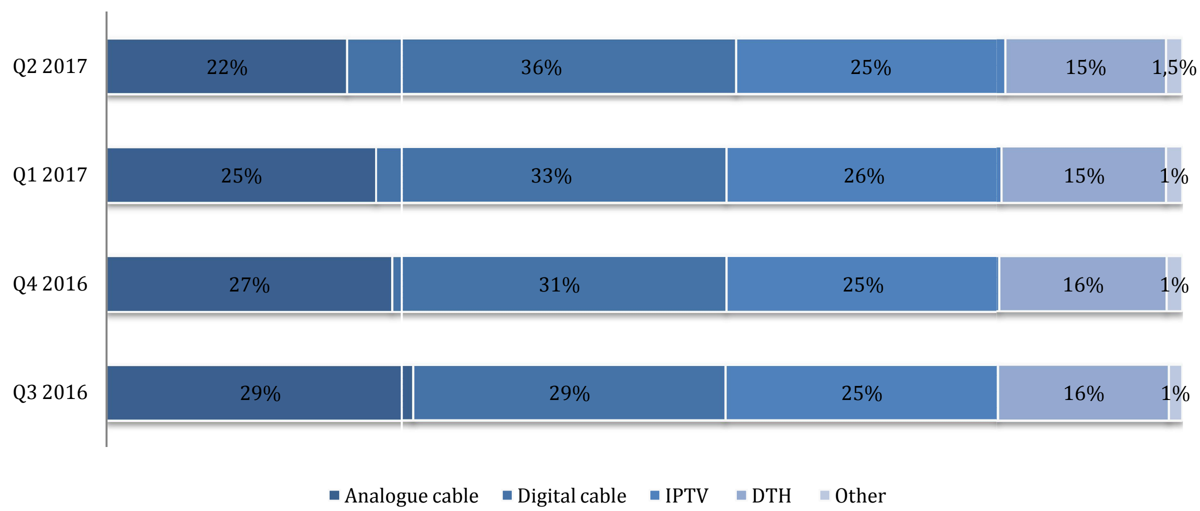
The number of media content distribution service subscribers in Q2 2017 was approximately 1.7 million.

The number of media content distribution service subscribers (million)



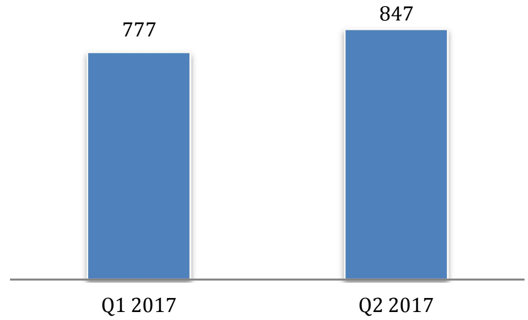
The majority of subscribers use CATV distribution (more than 50%), whereas the smallest number of subscribers use wireless network or Internet content distribution (1.5%).

Media content distribution subscribers by type of distribution



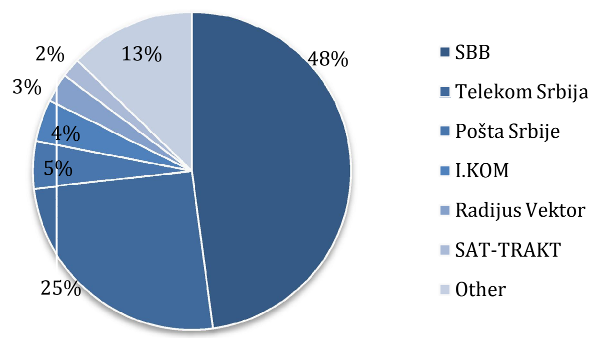
In Q2 2017, according to the available data, 57% of media content distribution subscribers with the possibility to have additional channels (with film, sports, children etc. programmes) paid for such programmes, and this number increased compared to the previous quarter.

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 87% of the media content distribution market.

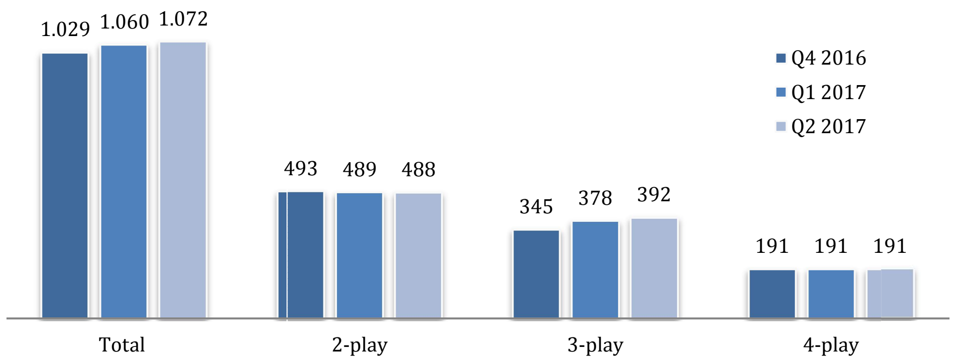
Market share in terms of the number of subscribers in Q1 2017



Bundled Services

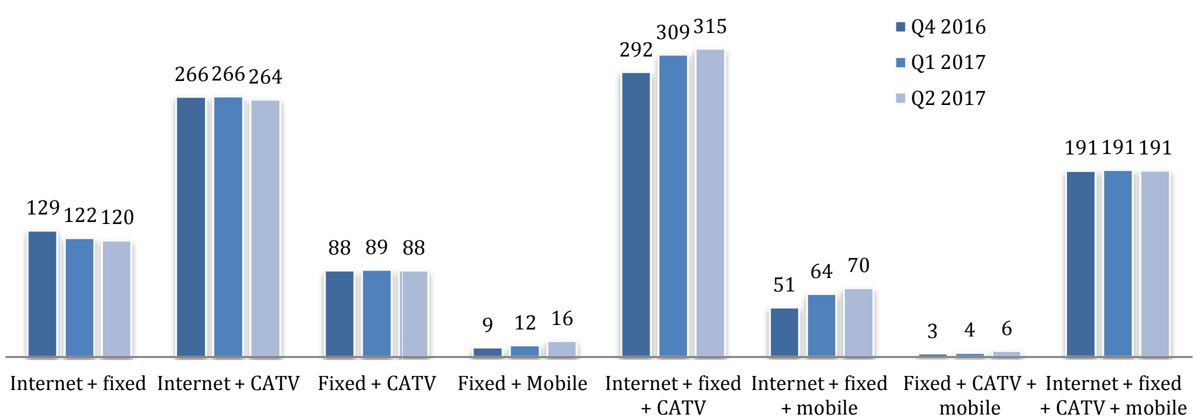
The number of bundled service subscribers in Q2 2017 was over 1 million. Packages offering two service were the most used, whereas the least used were quad-play packages that include mobile telephony.

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.

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