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# Mobile telecommunications in the Balkans

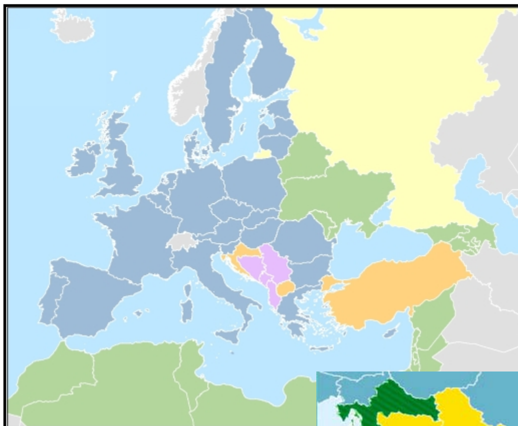
Ewan Sutherland

http://www.3wan.net/



## Introduction

- The alignment with Europe
- The opening of markets
- The entry of the big players
- Some pro-competitive successes
- The high levels of market concentration
- Conclusions

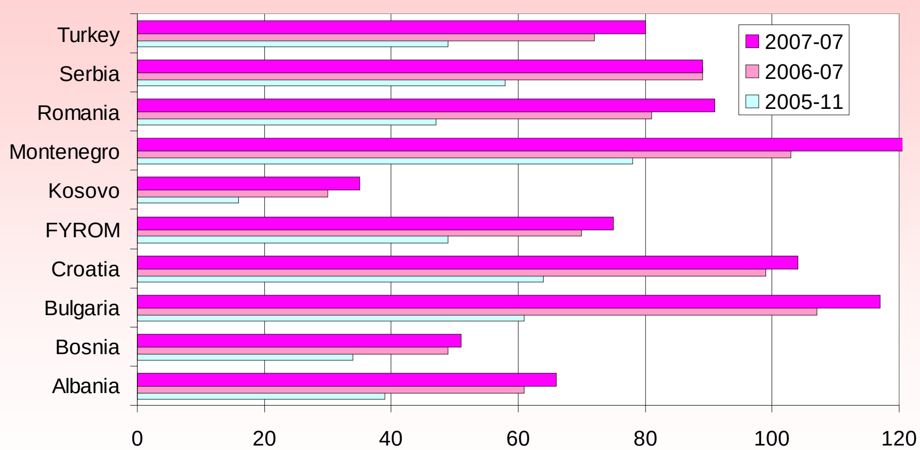


**Potential candidate countries:**
Albania
Bosnia & Herzegovina
Kosovo (UN/SC/1244)
Montenegro
Serbia

**Candidate countries:**
Croatia
FYROM
Turkey



# The growth of GSM




Note: these numbers may be overstated, see http://lirne.net/2008/05/sutherland-sim-card-study/

## Alignment with Europe

- Aspirations to join the European Union
- A range of agreements with the EU
- Gradual movement towards the EU telecoms regulatory package
- Support and monitoring from the EC and NRAs
- Incoming operators expected alignment
- No real alternatives
- However, considerable latitude in timing of the individual measures

http://ec.europa.eu/information_society/activities/internationalrel/dialogue_coop/enlargement/index_en.htm



## Differences from Europe

- Fixed networks had never been strong
- Some fixed networks were damaged by wars
- Customers preferred the flexibility of cellular wireless
- Countries were often new with institutions still being formed and reformed

# The big(ger) operators

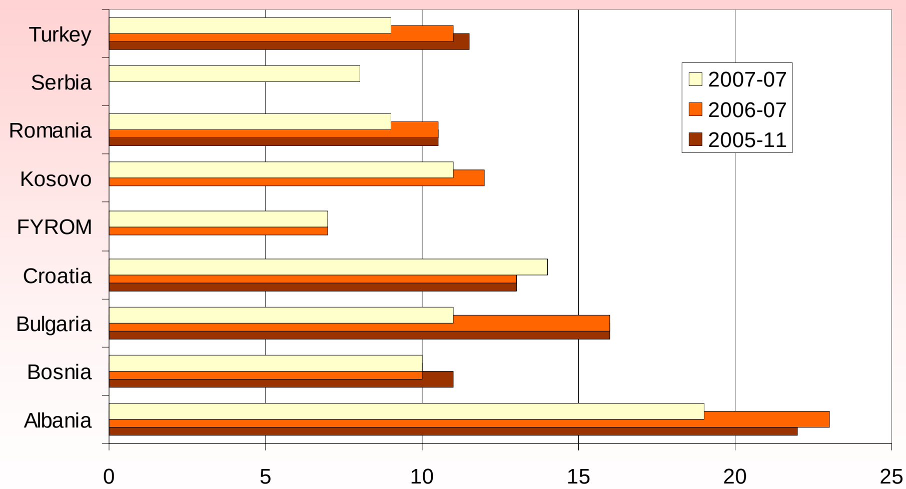
- Deutsche Telecom (DTAG)
- France Telecom
- Hellenic Telecommunications Organization (OTE)
- Telekom Austria
- Telekom Slovenije
- Telenor
- Vodafone



# The rise of 3G and 3.5G

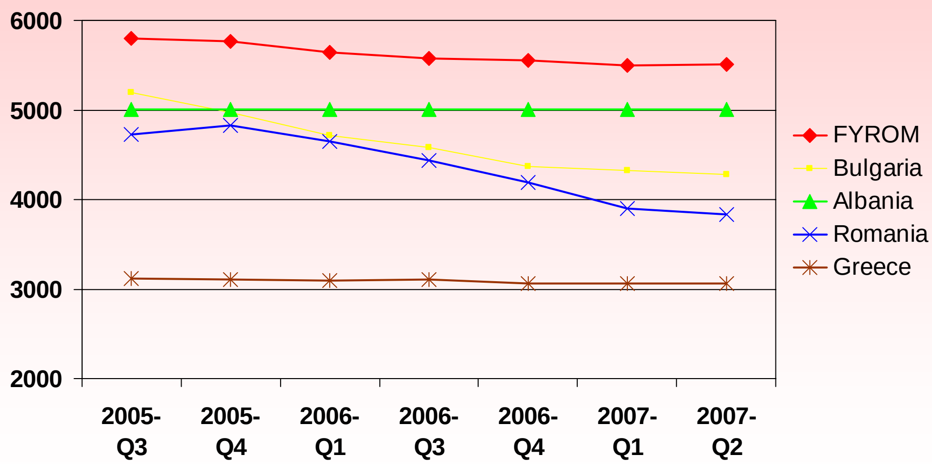
| *Country* | *WCDMA* | *HSDPA* | *Operator* |
|---|---|---|---|
| Bulgaria | 2006 Q1 | 2007 Q2 | Vivatel |
| | 2006 Q3 | 2006 Q3 | Globul |
| | 2006 Q1 | 2006 Q1 | Mobitel |
| Croatia | 2005 Q2 | - | T-Mobile |
| | 2005 Q4 | - | VIPnet |
| Greece | 2004 Q2 | - | Cosmote |
| | 2004 Q3 | - | Wind |
| | 2004 Q4 | - | Vodafone |
| Montenegro | 2007 Q2 | 2007 Q2 | Promonte |
| | 2007 Q2 | 2007 Q2 | M-Tel |
| Romania | 2005 Q2 | - | Vodafone |
| | 2006 Q2 | 2007 Q2 | Orange |
| Serbia | 2006 Q4 | 2006 Q4 | Telekom Srbija |
| | 2007 Q1 | 2007 Q1 | Telenor |
| | 2007 Q3 | - | VIP mobile |
| Slovenia | 2004 Q3 | - | Mobitel |
| | 2007 Q3 | 2007 Q3 | Si.Mobil |
| | 2007 Q4 | - | Tele2 |

# OECD low usage basket



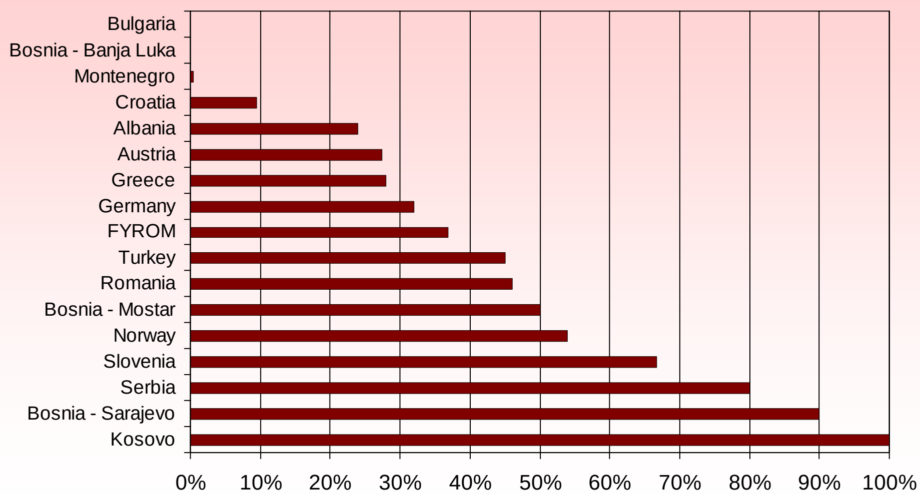



# Market concentration (HHI)




Source: OTE.

# State holdings in operators






# Conclusions

- Historic under-provision of telecommunications has largely been overcome using GSM
- Larger European operators have filled the vacuum
- 3G and HSDPA are becoming available
- Markets are relatively concentrated, but regulatory tools to address this are available
- The future of wireless broadband is still very uncertain

# Thank you

Ewan Sutherland

http://3wan.net/

3wan [@] 3wan.net

+44 141 416 0666

skype://sutherla