

THE IMPACT OF EU POLICIES ON COMMUNICATION LANDSCAPE IN THE REPUBLIC OF SERBIA

REGULATORY DEVELOPMENTS AND MARKET OVERVIEW

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Facts about RATEL (1)

- **The Republic Agency for Electronic Communications (RATEL) is an independent regulatory authority established in line with the Law on Electronic Communications which came into effect in July 2010, replacing the former Republic Telecommunication Agency, established in accordance with the 2003 Telecommunications Law.**

Aim:

- **to ensure optimal and realistic conditions for further development and application of electronic communications (information and communication systems - ICS) and services and therefore accelerate the realization of all benefits and advantages of the Information Society, in accordance with the Digital Agenda of the Republic of Serbia and the European Union.**

Facts about RATEL (2)

- **The Law on Electronic Communication is in compliance with the EU 2002 Regulatory Framework and enables:**
 - **an increased transparency within the sector of electronic communications and ensures legal predictability with the aim of increasing investments in the sector;**
 - **the continuation of the operation of the national regulatory authority;**
 - **the implementation of the concept of ‘general authorization’ with the aim of further liberalization of the electronic communications sector;**
 - **parameters for the identification of relevant markets susceptible to *ex ante* regulation, the criteria for the designation of operators with significant market power (SMP operators) as well as imposing the so-called ‘regulatory obligations’ on such operators;**
 - **the protection of rights of users of electronic communications networks and services;**
 - **non-discrimination in the process of allocation of addresses, numbers and radio frequencies as scarce resources; and**
 - **the implementation of the principle of technological neutrality with the aim of ensuring further development of the electronic communications in the Republic of Serbia.**

Facts about RATEL ... **mission**

- to create the conditions for further development of electronic communications through cutting-edge ICSs, as well as the balanced development within the whole territory of the Republic of Serbia
- to create the conditions for the equal and non-discriminatory operation of all market participants in both technological (network neutrality) and economic (market economy) terms
- to ensure further development of electronic communications through mechanisms for enhancing competition (*ex ante*) and where necessary, market regulation as well (*ex post*)
- to ensure overall protection of rights of all market participants, end-users especially, with the aim of providing modern, high-quality and cost-based services.

Market Analysis (1)

After July 2010

- **RATEL submitted the following for public consultations :**
 - **Decision on relevant markets susceptible to *ex ante* regulation**
 - **Market analyses.**

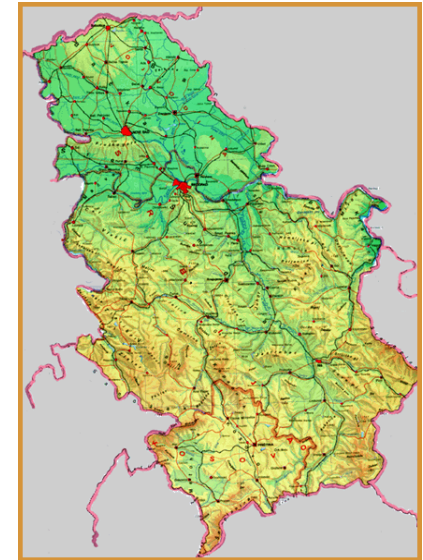
Market Analysis (2)

➤ The following markets have been analyzed:

- **Market 1** - Access to the public telephone network
- **Market 2** - Call origination on the public fixed network at a fixed location
- **Market 3** - Call termination on the public fixed network at a fixed location
- **Market 4** - Wholesale unbundled access (including shared or fully unbundled access) to the local loop at a fixed location
- **Market 5** - Wholesale broadband access
- **Market 6** - Wholesale terminating segments of leased lines
- **Market 7** - Call termination on public mobile telephone network
- **Market 8** - Media content distribution
- **Market 9** - Publicly available telephone services provided at a fixed location

Serbia Overview

- **Population: *7.5 million inhabitants***
(excluding Kosovo and Metohija)
- **Total area: *88,361 km²***
- **GDP for year 2010: *ca. RSD 3,034 bn.***
(*ca. RSD 2,954 bn. in 2009*)
- **Average monthly net salary in
December 2010: *RSD 39,550 (ca. € 375)***
(*ca. €337 in 2009*)
- **Total income in telecommunication
market in year 2010: *ca. € 1.45 bn.***
(*ca. €1.51 bn 2009*)
- **Share in GDP: *4.95% in 2010 (4.76% in 2009)***
- **Average EUR exchange rate: *RSD 103.47 in 2010***
(*RSD 94.12 in 2009*)

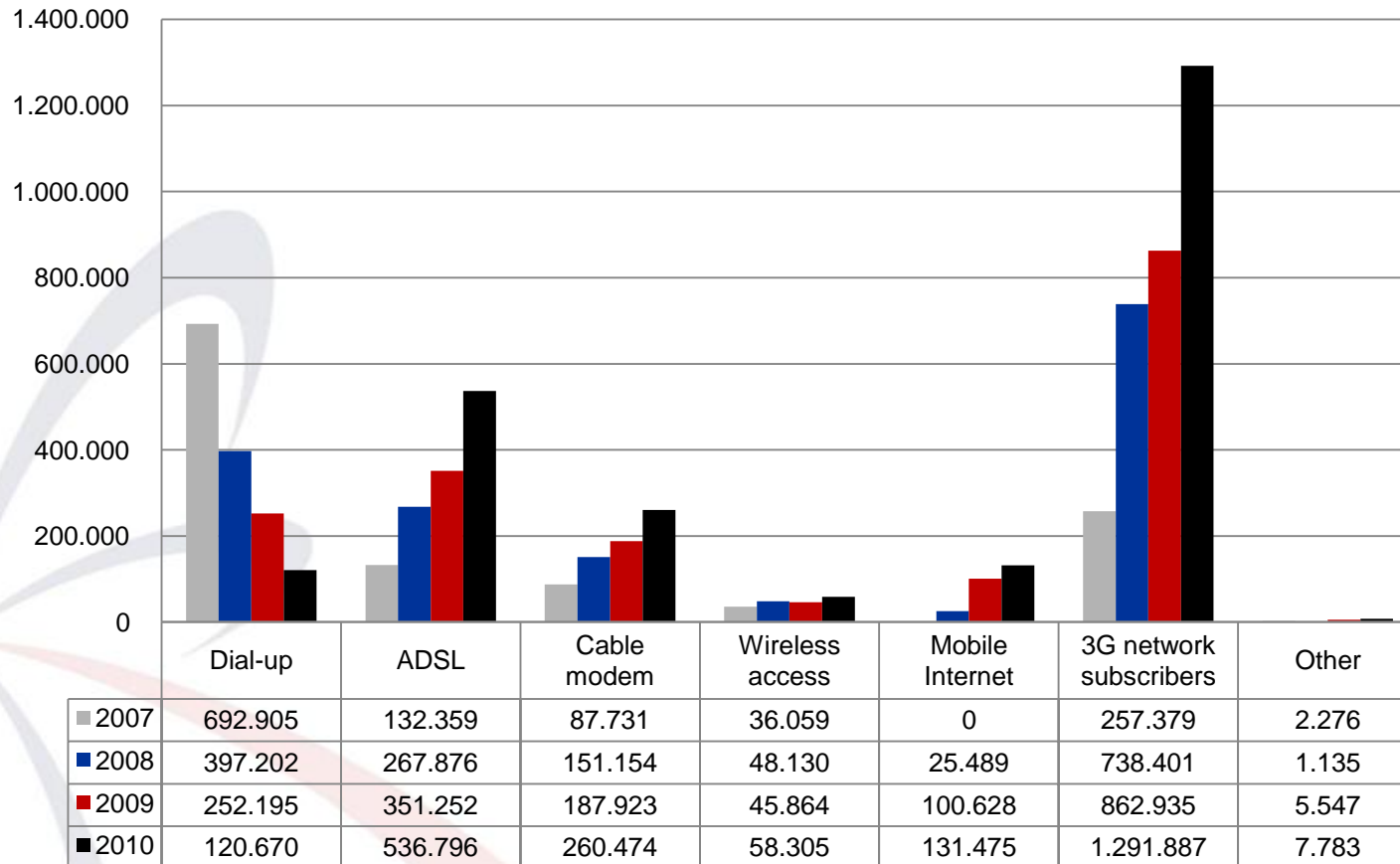


Market Overview

| | 2008 | | 2009 | | 2010 | | |
|-----------------------------------|-------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|----------------------------|------------------------------------|
| | Number (thousands) | Penetration (%) | Number (thousands) | Penetration (%) | Number (thousands) | Penetration (%) | Number of operators |
| Fixed - lines | 3 084.9 | 41.14 | 3 105.7 | 41.42 | 3 110.3 | 41.48 | 4 |
| Mobile - users | 9 618.8 | 128.27 | 9 912.3 | 132.20 | 9 915.3 | 132.24 | 3 |
| Internet - subscribers | 1 619.7 | 21.60 | 1 705.7 | 22.75 | 2 407.4 | 32.11 | 192 |
| CATV subscribers | 922.3 | 12 | 1 080.9 | 14.42 | 1 247.2 | 16.63 | 80 |

Internet

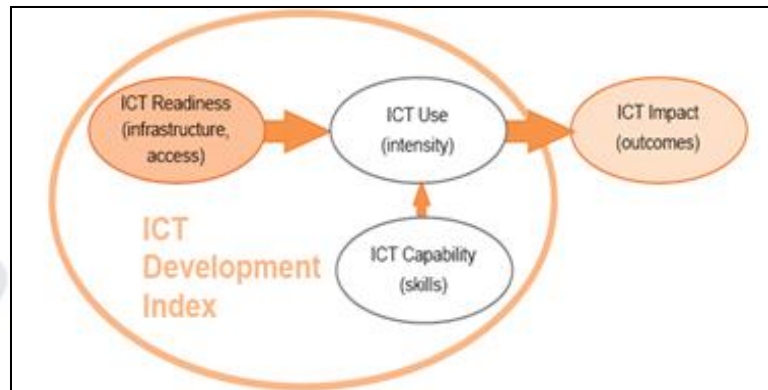
Number of Users According to Access Technology



Source: RATEL (Annual reports submitted by the operators on 31 December for each of the respective years)

ICT Development Index -IDI

- **This Index combines 11 indicators divided into three sub-indices:**
 - ICT infrastructure and access,
 - ICT use (primarily by individuals, but also households and undertakings) and the intensity of use,
 - ICT skills (or human capacity necessary to use ICTs effectively).



| Year | Value of the IDI Index for the Republic of Serbia | Rank (total of 159 countries) |
|------|---|-------------------------------|
| 2008 | 4.23 | 53 |
| 2009 | 4.80 | Among first 50 |
| 2010 | 5.10 | Among first 40 |

Thank you for attention

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