EETT

HELLENIC TELECOMMUNICATIONS & POST COMMISSION

Market Review
Electronic Communications
& Postal Services
2010

Market Review
Electronic Communications
& Postal Services
2010

Contents

1. The Electronic Communications Networks and Services Market	4
Introduction	5
1.1. Consumer Price Index	7
1.2. Financial Data of the Electronic Communications Market	8
1.3. Licensing	14
1.4. Access to the Public Telephone Network	14
1.5. Fixed Telephony	16
1.5.1. Retail Outgoing Traffic	16
1.5.2 Revenues of Retail Telephony	21
1.5.3. Alternative Operators' Lines	22
1.5.4. Homezone Services	24
1.6. Internet	25
1.6.1. The Internet Market	25
1.6.2. [.gr] Domain Names	26
1.7. Mobile Telephony	28
1.7.1. Mobile Telephony Subscriptions	28
1.7.2. The Use of Mobile Telephony Networks	32
1.8. Comparing Traffic from Fixed and Mobile Phones	36
1.9. Number Portability	37
1.10. Interconnection	39
1.10.1. Fixed Telephony	39
1.10.2. Mobile Telephony	41
1.11. Broadband	44
1.11.1. Evolution of Broadband Lines	44
1.11.2. Broadband Lines by Technology	48
1.11.3. Speeds of Broadband Lines	51
1.11.4. Local Loop Unbundling	53
1.11.5. Collocation	55
1.11.6. Retail Cost of Broadband Access	55
2. Postal Services Sector	58
2.1. The Greek Postal Market	59
2.2. The Evolution of the Postal Market (in items)	60
2.3. The Evolution of the Postal Market (in revenues)	61
2.4. Postal Operators	63
2.5. The Postal Market per Type of Postal Item	67
2.6. Pricing Policy	67
2.7. Employment in the Postal Market	68
2.8. Customer Complaints in the Postal Market	70
2.9. Postal Market Data per Inhabitant	72
2.10. The European Postal Market	73
3. Appendices	76
I. Abbreviations	76
II. Index of Charts and Tables	77

1. The Electronic Communications Networks and Services Market

1. The Electronic Communications Networks and Services Market

Introduction

The current Market Review includes data and charts relating to the Electronic Communications market of Greece and the European Union (EU) for 2010. Data collection was based on questionnaires and the relevant report by the European Commission (Digital Agenda Scoreboard)[1].

2010 was a critical year for the Greek Electronic Communications market mainly due to the fact that the financial crisis considerably affected the operators' financial performance (turnover, gross profit and total assets). Specifically, Mobile Telephony Operators (MTOs) suffered significant reductions of their turnover (16%) and gross profit (113%). Additionally, OTE's turnover declined by 10% due to several factors (fall in domestic and international telephony revenues, interconnection rates, telecommunications equipment sales etc.); the reduction of its revenues was greater than the respective of operational cost resulting to a 59% decrease of gross profit while at the same time its total assets decreased by 3%. On the contrary, the respective data for the Other Alternative Operators (OLOs) increased significantly (turnover by 21%, gross profit by 99% and total assets by 6%), mainly due to the economic performance of HELLAS ON LINE, FORTHNET and CYTA HELLAS. It should be noted that the difficulty in arriving at conclusions still persists due to the fact that some operators apply the International Financial Reporting Standards (IFRS) on their balance sheets whereas other operators continue to apply the Greek accounting standards.

The intense competition in the fixed telephony market persisted throughout 2010. With regard to the volume of outgoing traffic, OTE suffered a decline in its share from 65% in 2009 to 60.6%. a fact that benefited the three biggest operators, which increased their total share from 22.1% in 2009 to 27.2%. Furthermore, OLOs' share in terms of the number of direct connections rose significantly from 18.7% at the end of 2009 to 27.3% at the end of 2010. At the same time, the retail revenues from fixed telephony kept on falling and registered a further 7% reduction compared to the respective period of 2009, mainly due the decrease of traffic revenues (14%).

Mobile telephony subscriptions in Greece decreased significantly during 2010. Particularly, the total number of connections declined from 20.3 million at the end of 2009 to 14.8 million at the end of 2010 (a drop by 27%). This reduction pertains mostly to prepaid cards connections and is attributed to the implementation of the Law on the identification of owners and users of mobile telephony services and equipment. Respectively, the number of active connections fell from 13.3 million at the end of 2009 to 12.3 million at the end of 2010 (a decline by 7.5%). A direct result of this decline was that mobile telephony penetration fell for the first time below the European average in October 2010, according to the European Commission data.

At the same time, the use of mobile telephony networks was significantly increased despite the aforementioned decline in the number of subscriptions. Specifically, the total volume of voice calls in 2010 increased by 14% compared to 2009, mostly due to the rise of on-net traffic (26%). Also, the total number of Short Message Services (SMS) rose by 26%, of multimedia messages (MMS) by 11%, and of packet-switched

[1] http://ec.europa.eu/information_society/digital-agenda/scoreboard/index_en.htm. After the revision of the above-mentioned report, a significant portion of the Charts concerning fixed and mobile telephony retail tariffs was left out.

data services by 83%. It should be noted that from 2008 the number of mobile calls exceeded that of fixed calls corresponding to 58% of total traffic.

As regards Interconnection, call termination increased by 9% compared to 2009 mainly due to the rise in the volume of calls serviced by OLOs. On the contrary, OTE's call collection decreased by 26% compared to 2009 due to the continuing growth of Local Loop Unbundling (LLU) lines (full access). LLU lines increased by 44% reaching 1,346,000 at the end of 2010 compared to 938,000 at the end of 2009. Interconnection traffic in mobile telephony decreased by 11% compared to 2009 but financially speaking, this drop was fully counter-balanced, as mentioned before, by the significant increase of on-net traffic (26% compared to 2009), which amounts now to nearly 60% of total interconnection traffic. Interconnection rates to OTE's network in October 2010 fell by more than 10% compared to the respective period of 2009 and remain below the European average with the exception of double interconnection rates. On the other hand, mobile termination rates are still higher than the European average by 14%, despite their steady decrease (the average national termination rate from fixed to mobile fell by 21%).

Number Portability continues to facilitate consumers and boost competition between Electronic Communications operators. During 2010, 648,000 mobile numbers and 632,000 fixed numbers were ported.

With regard to Broadband, broadband lines continued to grow reaching 2.3 million lines and registering a 17.5% increase compared to 2009. Broadband penetration in Greece amounted to almost 20% of the population, achieving the highest increase among the member states of the EU (2.9 lines per 100 residents compared to a European average of 1.7 lines). However, the fact that the growth rate is steadily declining (4.7% in 2007, 4.3% in 2008, and 3.6% in 2009) makes convergence with the rest of Europe more and more difficult, given that European average penetration amounts to 26.6%.

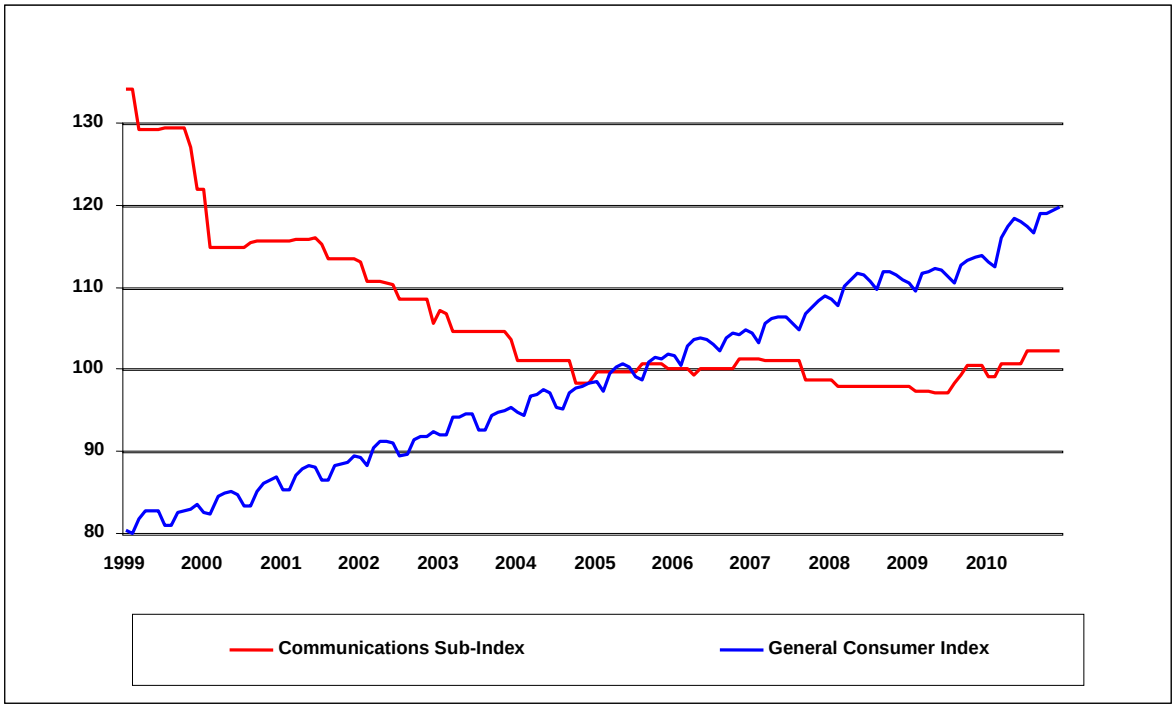
The ongoing rise of LLU is still of the utmost importance, since the number of lines increased by 40% compared to 2009, reaching 1.4 million lines (compared to 1 million lines at the end of 2009). Full and shared access rates still remain more affordable in Greece compared to the European average (the average cost is 9.28 Euros/month in Greece compared to 9.61 in the EU) in terms of full access, but the shared access rate exceeded the European average for the first time (the average cost is 3.62 Euros/month in Greece compared to 3.29 in the EU). Furthermore, the access speed of broadband lines kept rising with nearly 57% of lines exceeding 10 Mbps and 8% of lines ranging from 2 to 10 Mbps. Similarly, the speed of ADSL lines (wholesale and retail) reached 9.7 Mbps at the end of 2010 compared to 4.4 Mbps at the end of 2009.

Finally, according to the report produced by the Organization of Economic Cooperation and Development (OECD) concerning the retail prices of broadband packages in its member states, the retail cost in Greece is one of the lowest. Especially for speeds ranging from 2.5 to 30 Mbps the retail cost is the lowest among the EU countries which are also members of the OECD.

1.1. Consumer Price Index

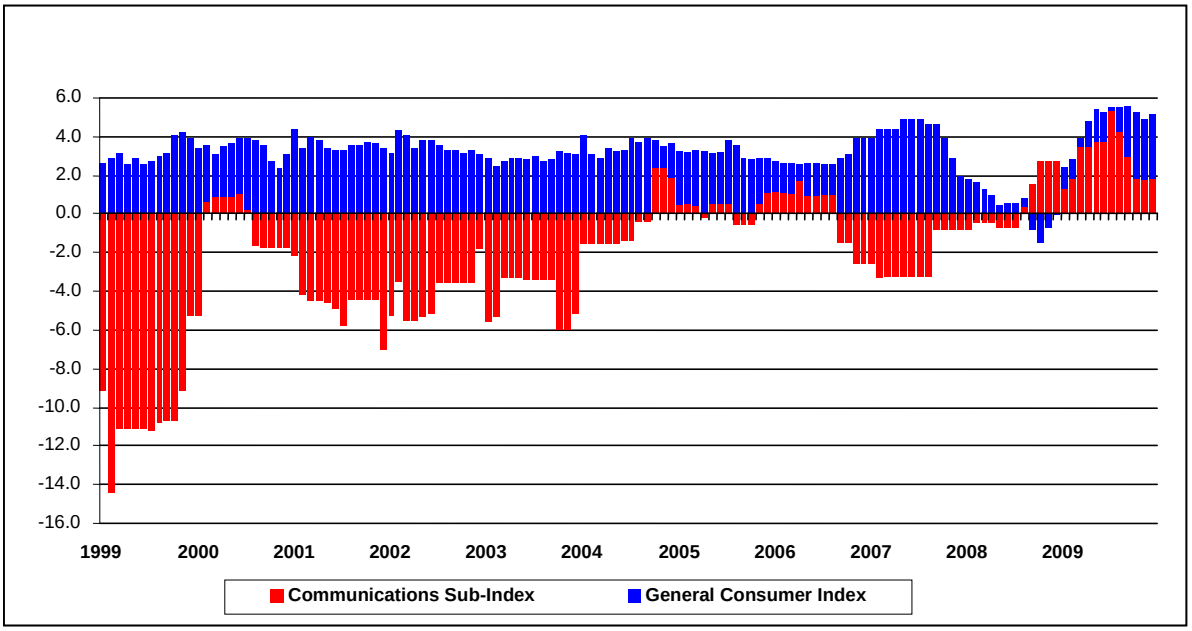
The general progress of the cost of Electronic Communications services is reflected in the annual course of the general Consumer Price Index (CPI) presented in Charts 1.1 and 1.2. The Communications Sub-Index remains in the upward path that began in mid-2009, mainly as a result of the double rise in Value Added Tax (VAT) during 2010.

Chart 1.1: Progress of the Monthly Consumer Index



Source: EETT (based on the National Statistical Service of Greece – NSSG)

Chart 1.2: Variation of the Monthly Consumer Price Index (%) Compared to the Respective Index of the Previous Year



Source: EETT (based on the National Statistical Service of Greece – NSSG)

1.2. Financial Data of the Electronic Communications Market

This section presents the basic financial data of the Greek Electronic Communications market derived from the published balance sheets of the licensed operators for the period 2000-2010. For 2010, the various financial data regarding the operators listed in the Athens Stock Exchange (ASE) are based on those operators' annual financial statements in conformity with the International Financial Reporting Standards (IFRS). Additionally, data regarding turnover, investments, etc. that are collected by EETT from licensed operators on a six-month basis have also been taken into account.

As depicted in Chart 1.3, the indicators of the entire market[2] are characterized by significant decreases. The operators' turnover (Chart 1.4) suffered an 11% decline because of the reduction in OTE's (by 10%) and in MTOs' (by 16%) turnover. On the contrary, OLOs registered a 21% increase mainly due to the rise of revenues for HELLAS ON LINE (30%), FORTHNET (27%), and CYTA HELLAS (110%). The decline in gross profit is significantly higher, given that the reduction for OTE is 59% (the company's operational costs were reduced by 1.4% and turnover by 10%) and for MTOs is 110% (mainly due to WIND). OLOs registered an increase by almost 100% due to the significant rise of FORTHNET's gross profit by 30 million Euros. On the other hand, the reduction of assets (Chart 1.6) by 6% is attributed to the decrease of OTE's assets by 3%, mostly due to the reduction of its current assets and of MTOs by 13% (a reduction of WIND's assets by 44% due to the depreciation of its goodwill by 913 million Euros and its inventories by 1 million Euros). Table 1.1 summarizes the financial data as presented in the Charts below.

Additionally, Charts 1.7 to 1.10 present a series of ratios that show in detail the financial progress of the operators based on the published balance sheets of fixed and mobile telephony providers[3]. When reading the charts, please note that CYTA HELLAS, which started to operate actively in the telephony sector during 2010, is included among the alternative fixed telephony operators. Specifically:

• The Acid Test Ratio (Chart 1.7) presents a decrease by 9% for fixed telephony operators and by 14% for MTOs, showing a significant reduction in their ability to respond promptly to their direct needs. Despite this reduction, the acid test ratio for almost all fixed telephony operators ranges near or over 1, contrary to that of the MTOs which is much less than 1.

• The Gross Profit Margin Ratio (Chart 1.8) fell by 29% for fixed telephony operators and rose by 30% for MTOs, mainly due to WIND's negative profit margin.

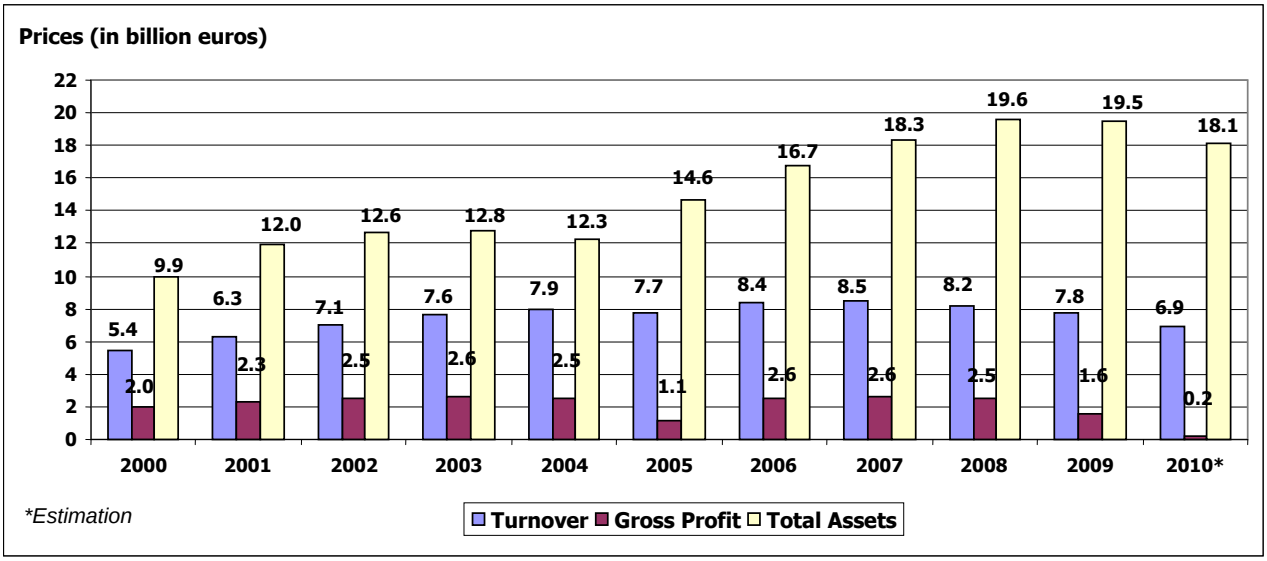
• The Equity to Total Liabilities Ratio (Chart 1.9) increased by 14% for MTOs (VODAFONE shows a substantial improvement), whereas it fell by 6% for fixed telephony operators, with the average amounting to exactly one unit.

• The average collecting period (Chart 1.10) decreased for both fixed telephony operators (improvement of the ratio for OTE, HELLAS ON LINE, FORTHNET, NET ONE, and VOICENET) and for MTOs due to the improvement in WIND's performance.

[2] All financial data for licensed operators are taken into account.

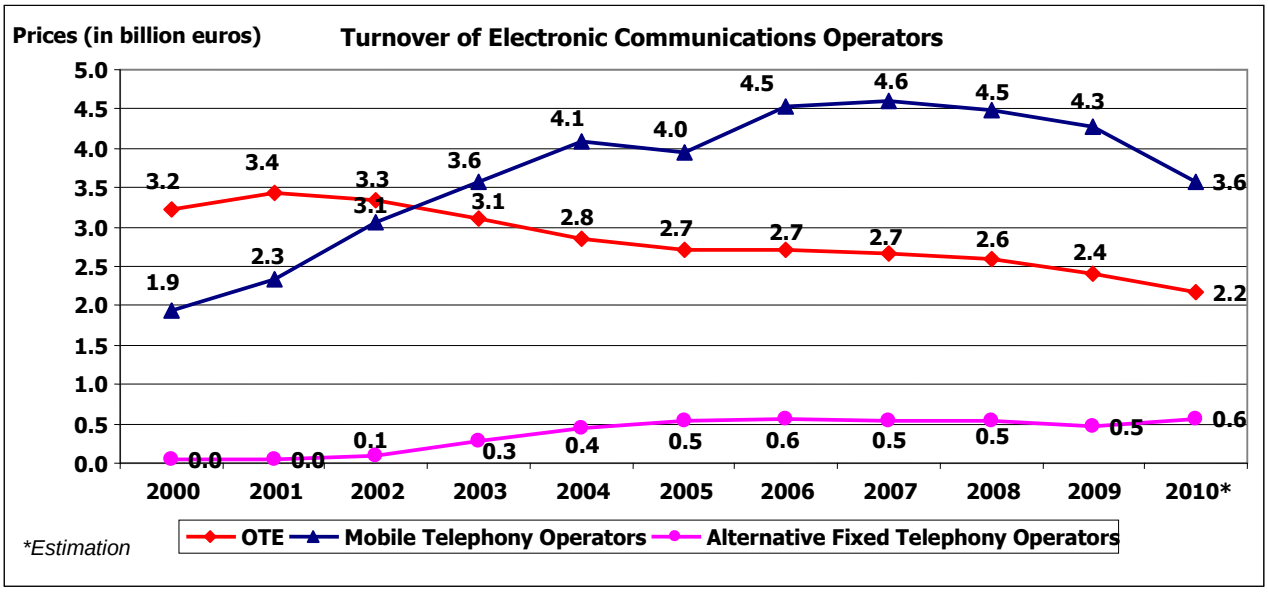
[3] Since the relevant procedure for 2010 had not been concluded at the time, the ratios' calculation was based on the published balance sheets of 2009.

Chart 1.3: Progress of the Financial Data of Licensed Operators



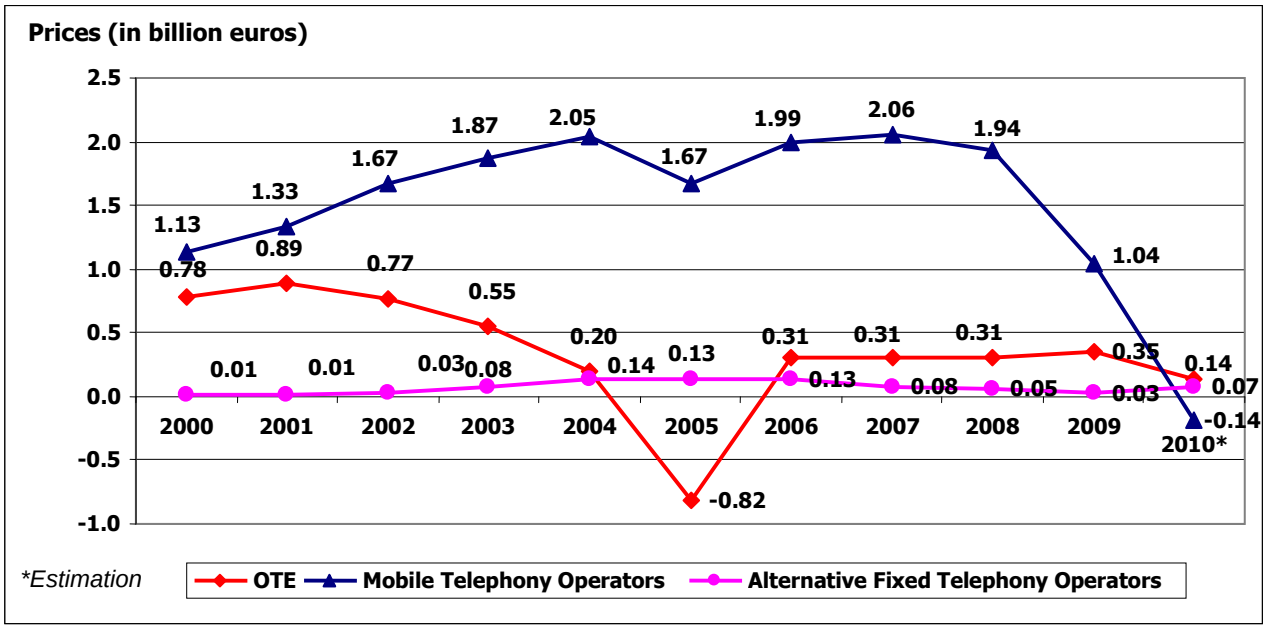
Source: EETT (based on the published balanced sheets)

Chart 1.4: Turnover of Electronic Communications Operators



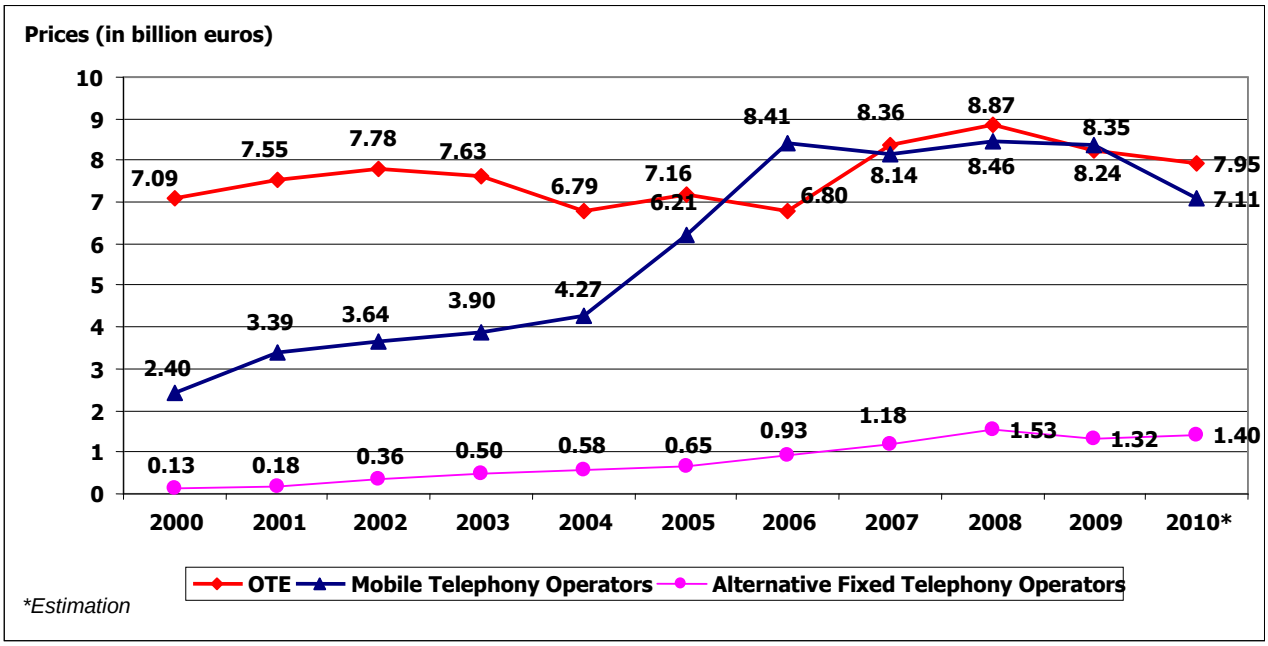
Source: EETT (based on the published balanced sheets)

Chart 1.5: Gross Profit of the Electronic Communications Operators



Source: EETT (based on the published balanced sheets)

Chart 1.6: Total Assets of Electronic Communications Operators



Source: EETT (based on the published balanced sheets)

Table 1.1: Progress of the Financial Data of the Electronic Communications Operators

Turnover (billion Euros)	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010 ***
OTE	3.21	3.45	3.34	3.12	2.85	2.71	2.71	2.66	2.59	2.41	2.17
Mobile Telephony Operators	1.95	2.95	3.05	3.58	4.08	3.96	4.53	4.59	4.50	4.27	3.58
Alternative Fixed Operators (**)	0.04	0.05	0.10	0.29	0.44	0.53	0.56	0.54	0.53	0.47	0.56
Other Operators (***)	0.25	0.43	0.57	0.61	0.54	0.53	0.56	0.70	0.60	0.62	0.61
Total	**5.45**	**6.88**	**7.06**	**7.61**	**7.91**	**7.72**	**8.36**	**8.49**	**8.22**	**7.77**	**6.92**
Gross Profit (in billion euros)											
OTE	0.78	0.89	0.77	0.55	0.20	-0.82	0.31	0.31	0.31	0.35	0.14
Mobile Telephony Operators	1.13	1.33	1.67	1.87	2.05	1.67	1.99	2.06	1.94	1.04	-0.14
Alternative Fixed Operators (**)	0.01	0.01	0.03	0.08	0.14	0.13	0.13	0.08	0.05	0.03	0.07
Other Operators (***)	0.07	0.05	0.003	0.15	0.17	0.12	0.12	0.15	0.17	0.14	0.14
Total	**1.99**	**2.28**	**2.48**	**2.64**	**2.55**	**1.11**	**2.56**	**2.59**	**2.47**	**1.56**	**0.22**
Total Assets (in billion euros)											
OTE	7.09	7.55	7.78	7.63	6.79	7.16	6.80	8.36	8.87	8.24	7.95
Mobile Telephony Operators	2.40	3.39	3.64	3.90	4.27	6.21	8.41	8.14	8.46	8.35	7.29
Alternative Fixed Operators (**)	0.13	0.18	0.36	0.50	0.58	0.65	0.93	1.18	1.53	1.32	1.40
Other Operators (***)	0.32	0.83	0.86	0.74	0.64	0.60	0.60	0.66	0.77	1.60	1.65
Total	**9.94**	**11.96**	**12.65**	**12.77**	**12.27**	**14.62**	**16.74**	**18.34**	**19.63**	**19.51**	**18.29**

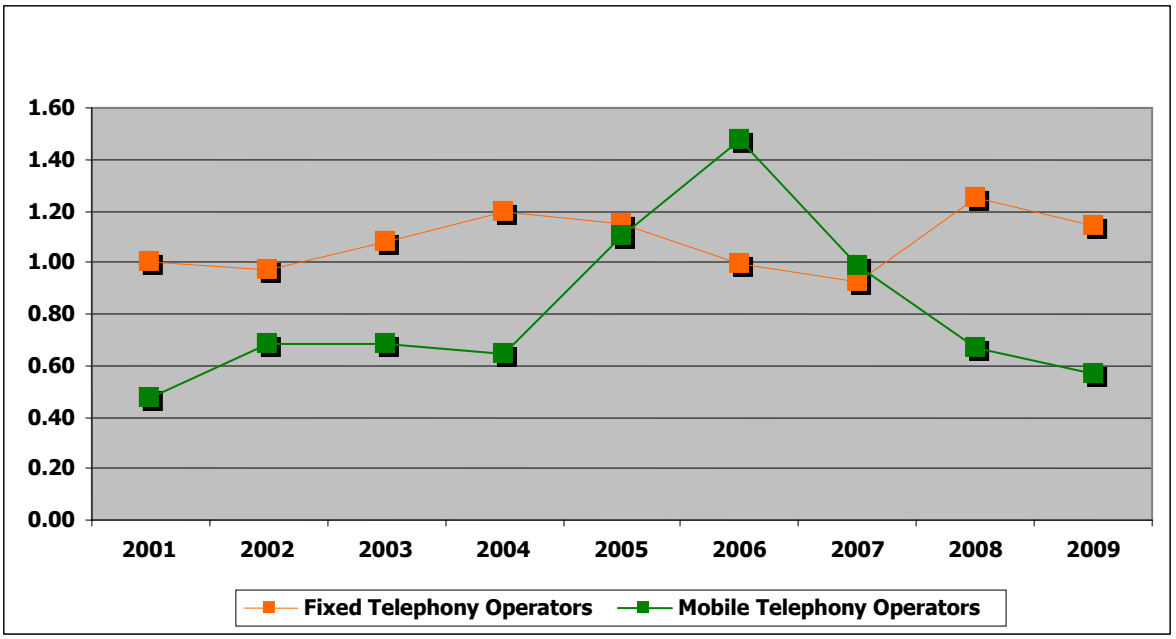
** Estimation*

*** All licensed operators that offer fixed telephony services are included*

**** All remaining licensed operators are included*

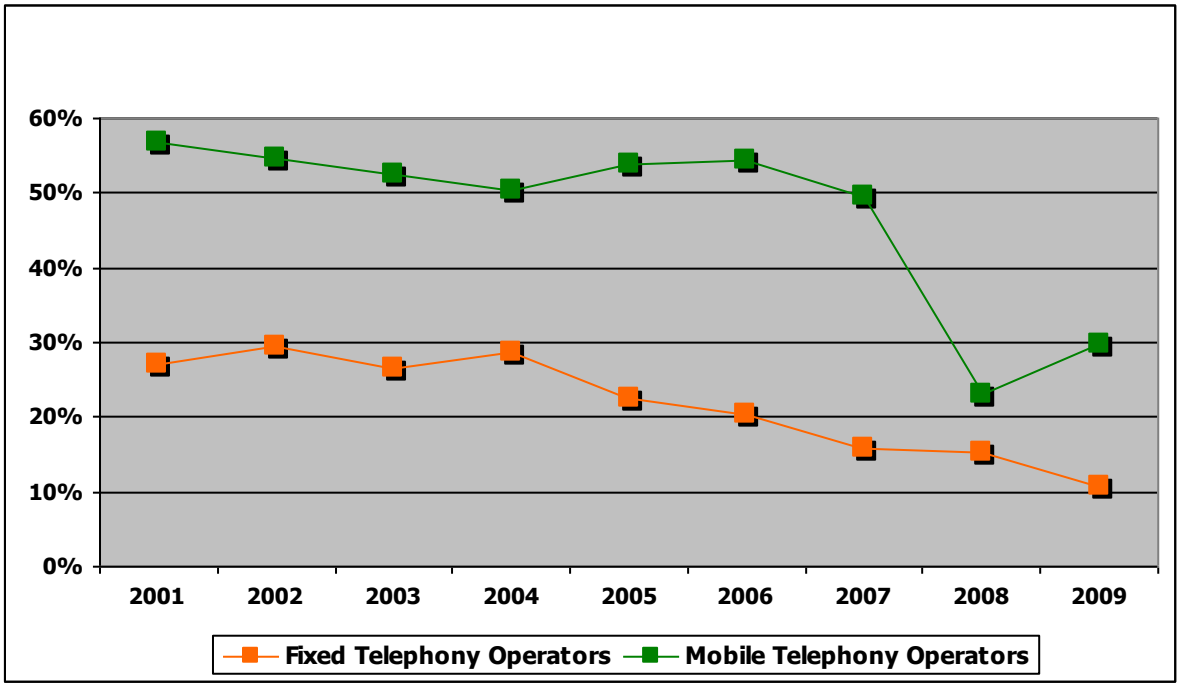
Source: EETT (based on the published balanced sheets)

Chart 1.7: Acid Test Ratio



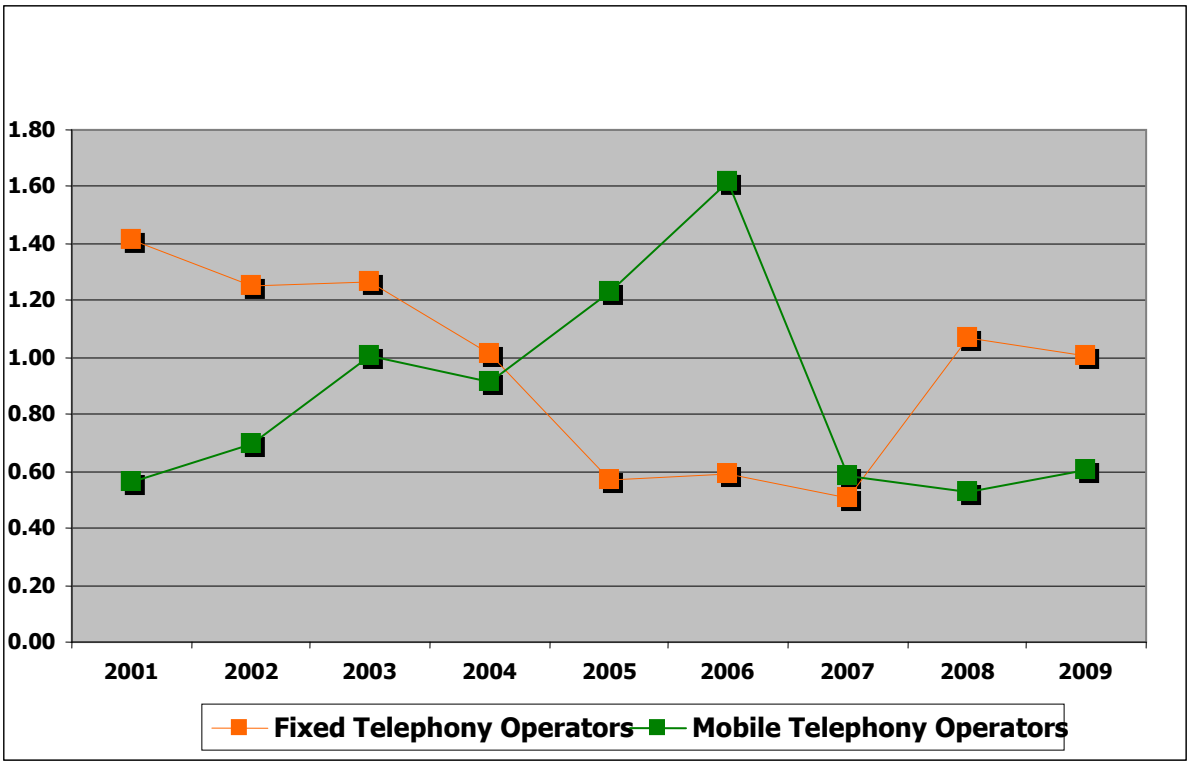
Source: EETT (based on the published balanced sheets)

Chart 1.8: Gross Profit Margin Ratio



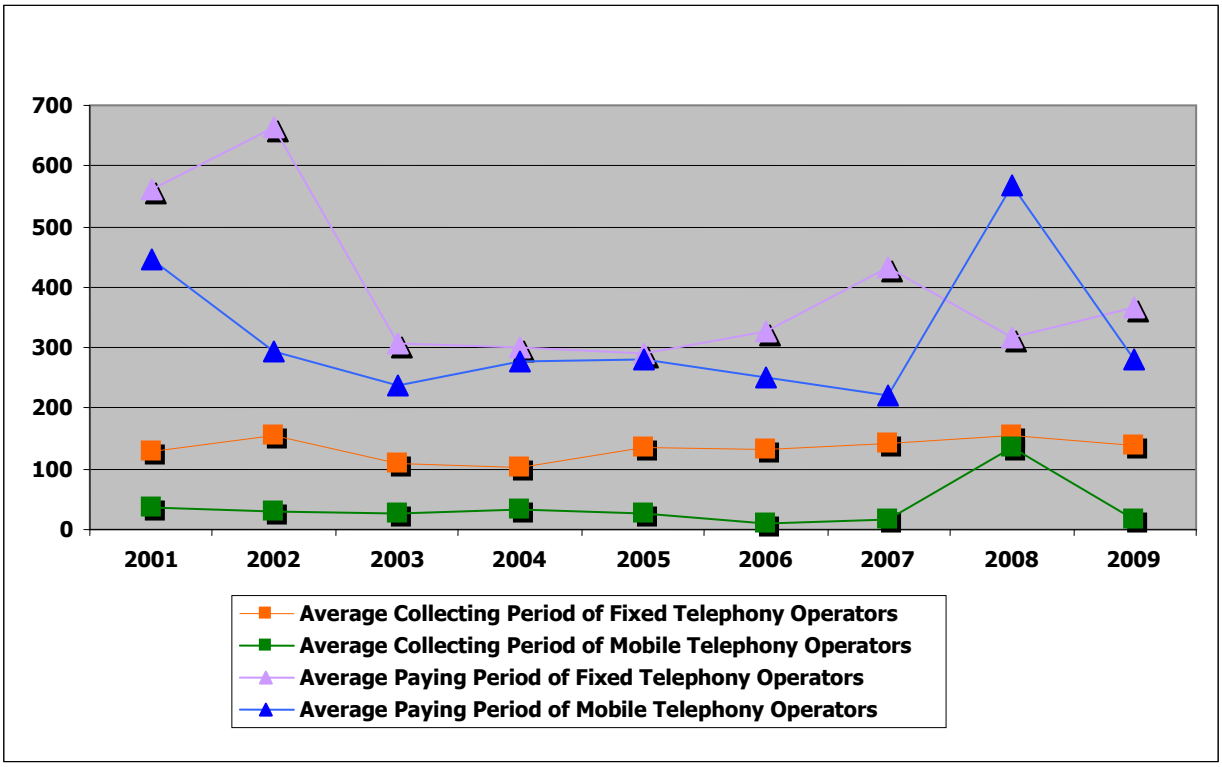
Source: EETT (based on the published balanced sheets)

Chart 1.9: Equity to Total Liabilities Ratio



Source: EETT (based on the published balanced sheets)

Chart 1.10: Activity Ratios



Source: EETT (based on the published balanced sheets)

1.3. Licensing

Table 1.2 shows the number of licensed operators active in the main sectors of the Electronic Communications market by the end of 2010.

Table 1.2: Licensed Operators Per Category

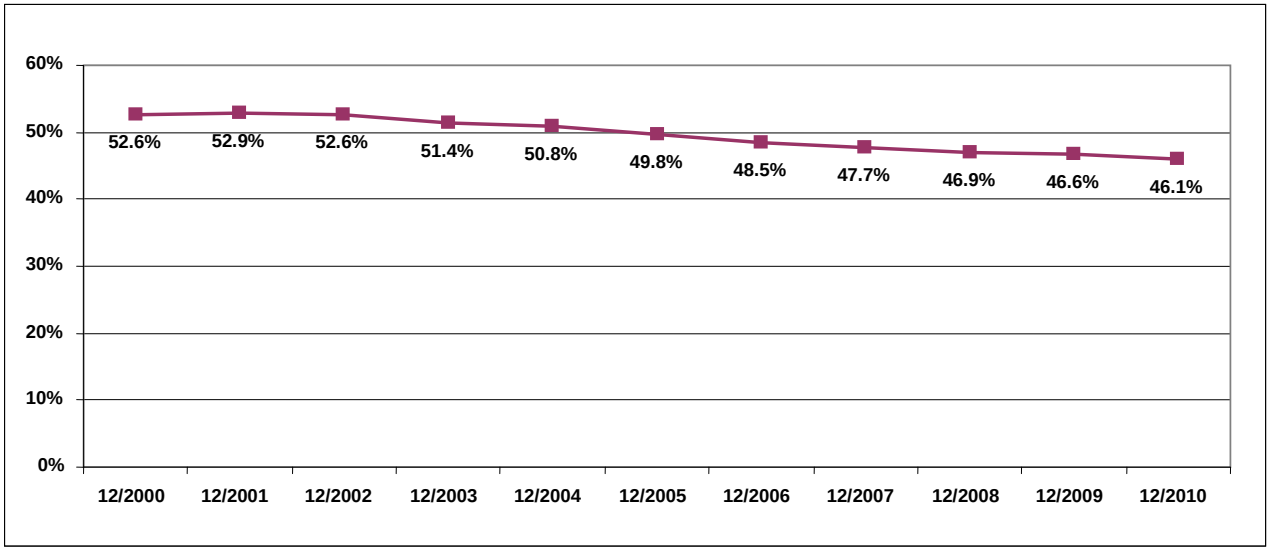
Activity	**Number of Operators**
Voice Telephony and Fixed Network Development	158
Voice Telephony	151
Fixed Network Development	51
Satellite Networks	38
2nd Generation Mobile Telephony	7
3rd Generation Mobile Telephony	8
TETRA	5
W-LAN	79

Source: EETT

1.4. Access to the Public Telephone Network

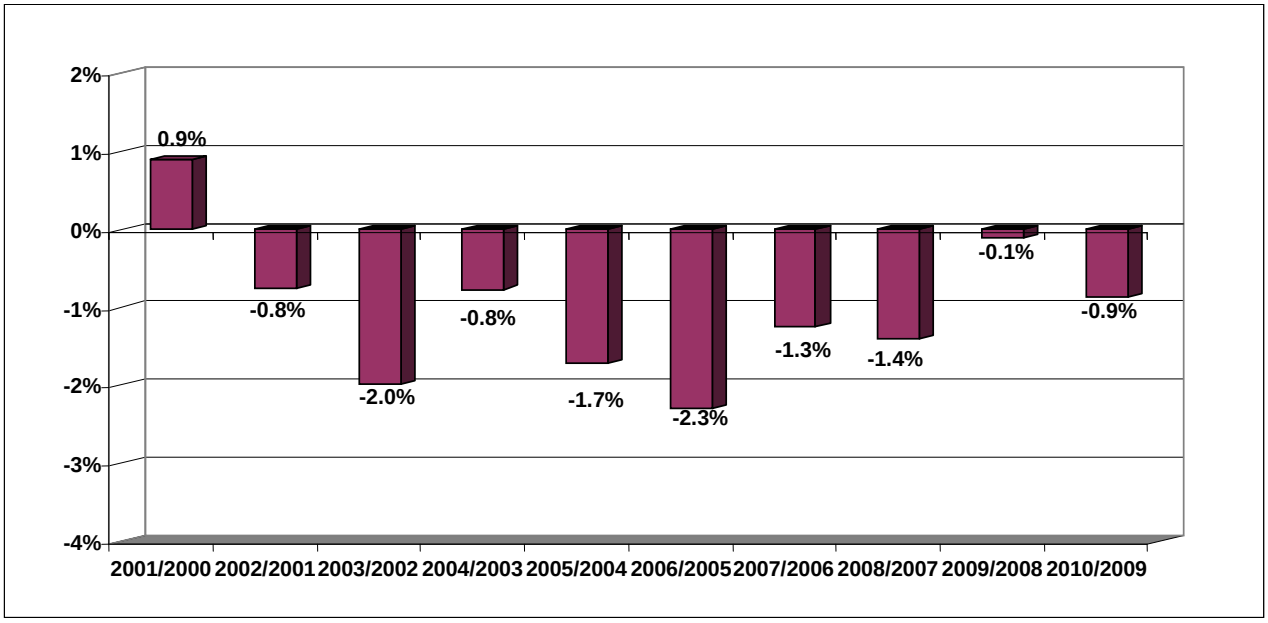
In December 2010, the number of main telephony lines reached 5,203,292 (a 46.1% penetration rate) compared to 5,248,056 in December 2009 (a reduction by 0.85%). These include OTE's PTSN and ISDN lines as well as LLU full access lines.

Chart 1.11: Penetration of Main Telephony Lines to Greek Population



Source: EETT (based on the licensed operators' data)

Chart 1.12: Annual Percentage Change of Main Telephony Lines



Source: EETT (based on the licensed operators' data)

Table 1.3: Progress of Telephony Lines

	OTE's Main Telephony Lines			LLU Full Access Lines	Total Lines
	PSTN	ISDN BRA	ISDN PRA		
Dec. 2000	5,659,274	96,972	3,946		5,760,192
Dec. 2001	5,607,726	199,033	5,385		5,812,144
Dec. 2002	5,412,796	349,751	6,023	93	5,768,658
Dec. 2003	5,200,231	448,542	6,766	650	5,656,039
Dec. 2004	5,078,908	525,499	7,138	1,787	5,613,060
Dec. 2005	4,927,622	578,505	7,094	5,018	5,518,239
Dec. 2006	4,778,245	597,867	6,213	12,176	5,394,501
Dec. 2007	4,509,564	579,533	6,185	232,582	5,327,864
Dec. 2008	4,110,102	548,388	5,971	589,234	5,253,695
Dec. 2009	3,787,132	517,369	5,677	937,878	5,248,056
Dec. 2010	3,378,086	473,449	5,259	1,346,498	5,203,292

1.5. Fixed Telephony

1.5.1. Retail Outgoing Traffic

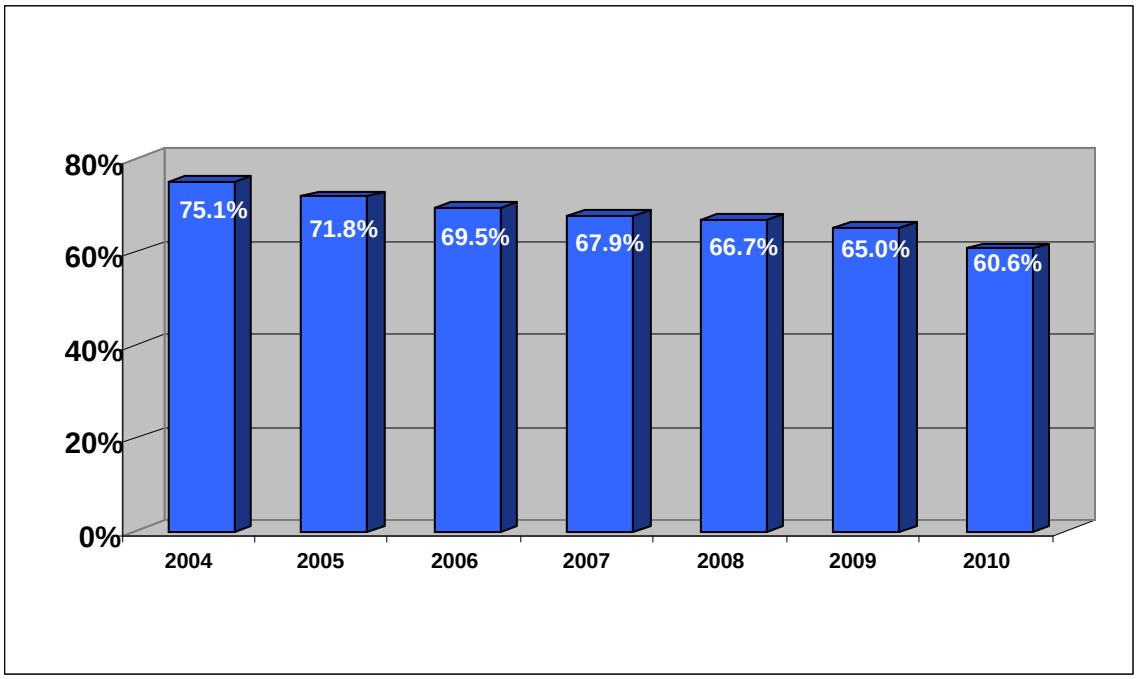
Throughout 2010, the intense competition in the fixed telephony market persisted, with OTE suffering losses in its market share. More specifically, OTE's share in terms of outgoing traffic volume[4] in the basic types of calls (local, long-distance, calls from fixed to mobile and international calls) is estimated to amount to 60.6% in 2010 compared to 65% in 2009 (see Chart 1.13). With the exception of card resellers and a few operators who are active mainly at the local level and who serve a small number of subscribers, there are 12 alternative operators, beside OTE, who offered retail services in fixed telephony for 2010. Out of those operators, only three (included among the biggest alternative operators) increased their share, while the rest saw their share either falling or remaining relatively stable. The distribution of outgoing traffic between OTE, the three biggest OLOs per year, and the remaining OLOs is presented in Chart 1.14. It is worth noting that the three biggest OLOs increased their total market share from 22.1% in 2009 to 27.2% in 2010, while OTE and the smaller operators suffered losses of 4.4% and 0.7% respectively during the same period. OTE's share per type of call (Chart 1.15) showed a similar declining trend. Specifically, OTE's share in national calls to fixed phones (i.e., all local and long-distance calls) fell from 67.4% in 2009 to 63.3% in 2010. For the same period, OTE's share in national calls from fixed to mobile phones, despite its relative stability in the preceding years, fell from 70.5% to 66.2%. Finally and in relation to international calls, including calls via pre-paid cards where competition is stronger, OTE's share fell from 25.6% to 22.6% in 2010.

The volume of outgoing traffic in fixed telephony continued falling in 2010to 2.2% compared to 2009, which is the greatest annual drop since 2006 (see Charts 1.16 and 1.17). Table 1.15 shows the volume of outgoing traffic per type of call[5]. Out of the types of calls presented in Charts 1.18 and 1.19, only international calls show an increasing trend. Dial-up calls, as expected, kept falling dramatically as a result of the continuous shift of Internet users towards broadband access services. National calls to fixed phones, which remained stable from 2007 to 2009, fell by 2.4% in 2010. This decline is due to local calls since, according to EETT's estimations, the duration of long-distance calls is constantly rising. Chart 1.20 and Table 1.5 show the progress of traffic distribution between OTE and OLOs in terms of both directly connected (mainly via LLU) and indirectly connected (mainly via Carrier Selection/Pre-Selection) subscribers. Based on this data, we can easily observe the shift of OLOs towards the provision of services via LLU, with the percentage of traffic coming from their directly connected subscribers amounting to 81.6% of total outgoing traffic in 2010 compared to 68.6% in 2009. Today, only three OLOs use Carrier Selection/Pre-Selection as their basic model of commercial activity, while the remaining OLOs are either gradually abandoning it or have never adopted it.

[4] Henceforth, unless stated otherwise, all references to "outgoing traffic" concern the outgoing traffic of the basic types of calls, i.e., local, long-distance, calls from fixed to mobile, and international calls.

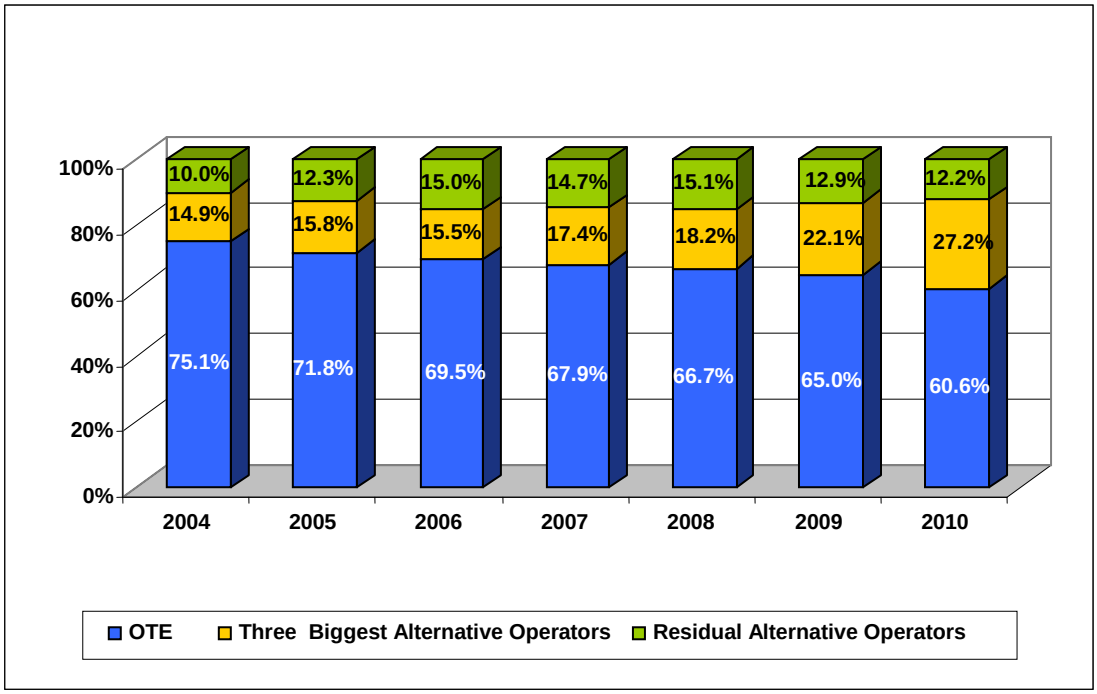
[5] Taking into account the fact that some operators (since 2006) do not distinguish between local and long-distance traffic when submitting their data, EETT had to conduct this distribution on its own. The proportion of local to long-distance calls chosen in the aforementioned distribution was 80:20.

Chart 1.13: Progress of OTE's Annual Market Shares based on the Outgoing Traffic Volume



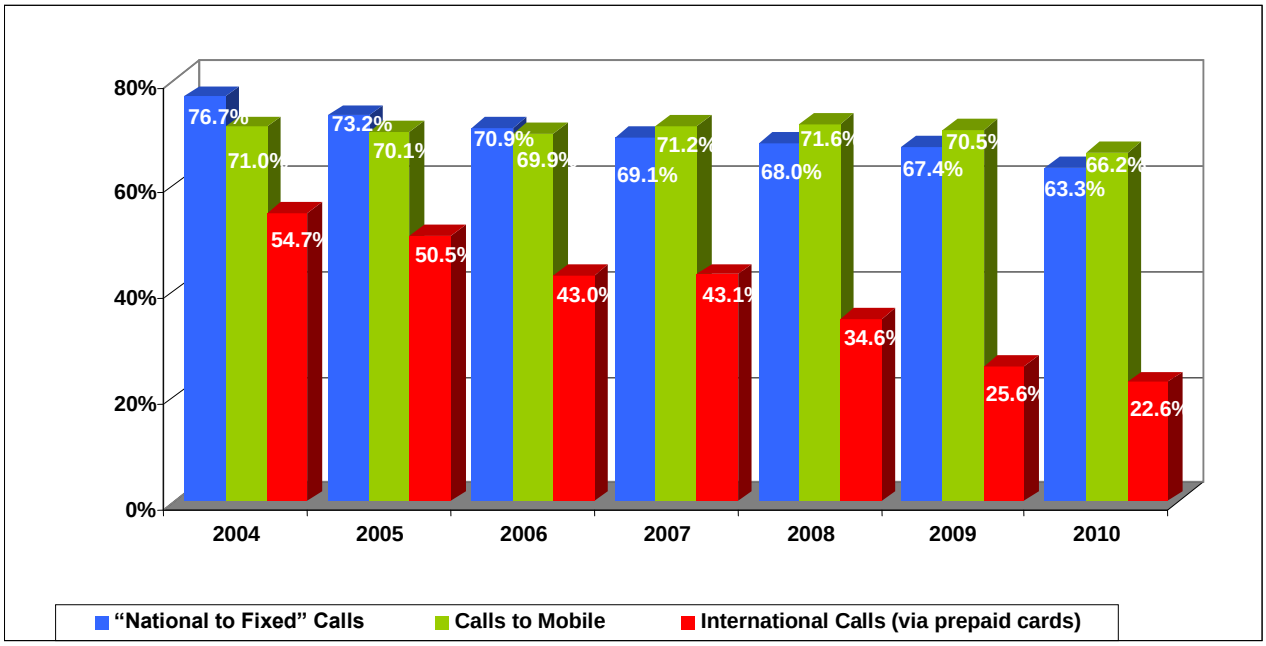
Source: EETT (based on the licensed operators' data)

Chart 1.14: Progress of Market Shares based on the Outgoing Traffic Volume



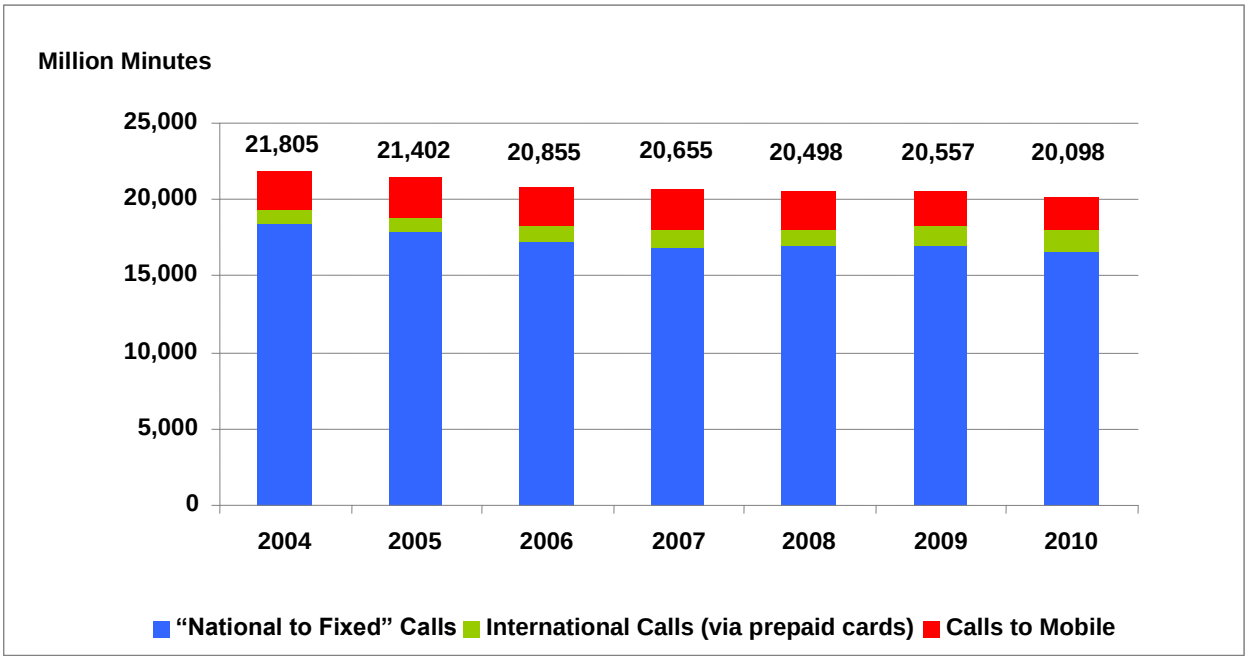
Source: EETT (based on the licensed operators' data)

Chart 1.15: OTE's Market Shares per Type of Call based on the Outgoing Traffic Volume



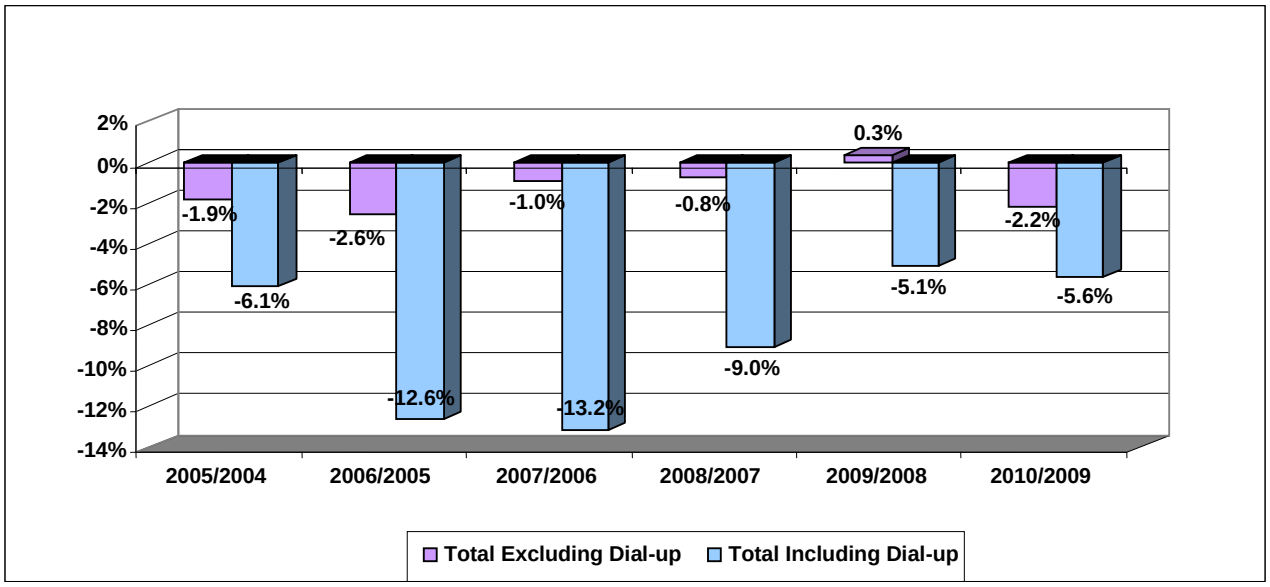
Source: EETT (based on the licensed operators' data)

Chart 1.16: Progress of the Outgoing Traffic Volume



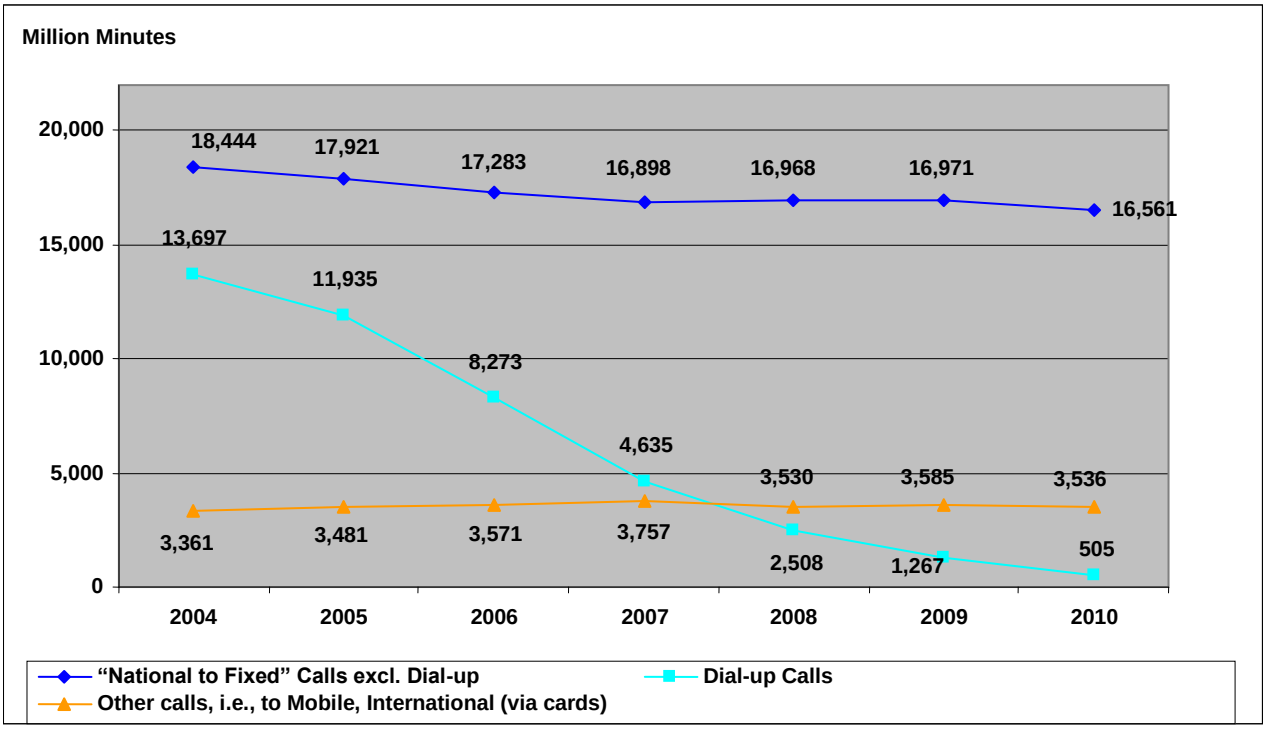
Source: EETT (based on the licensed operators' data)

Chart 1.17: Annual Percentage Change (%) of the Outgoing Traffic Volume



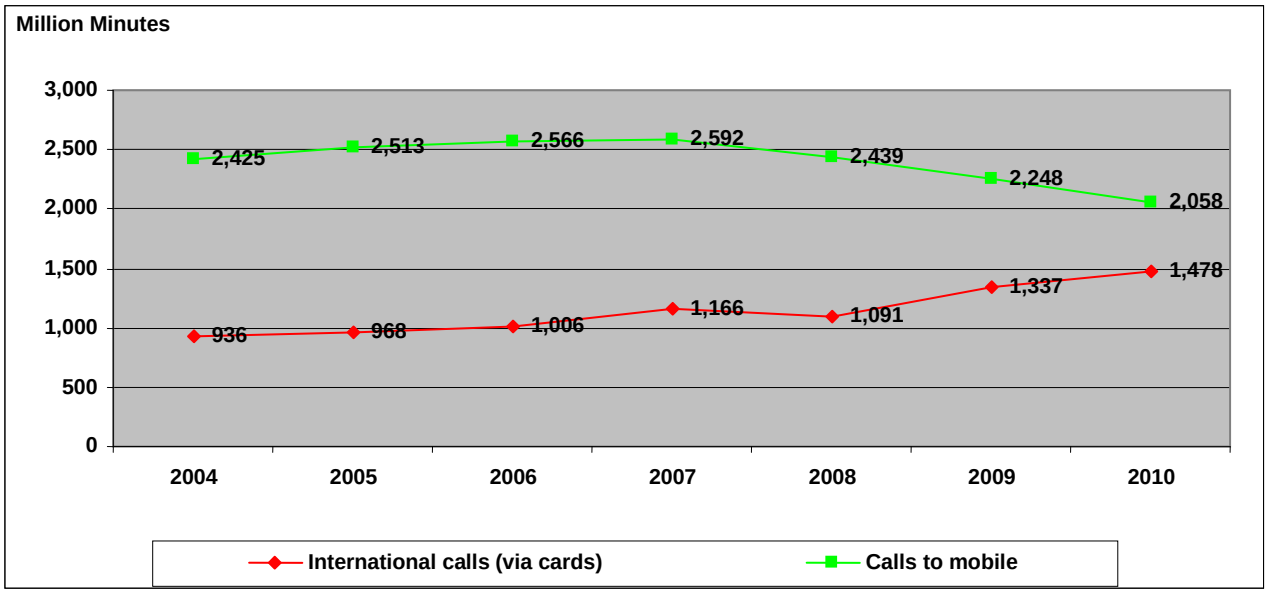
Source: EETT (based on the licensed operators' data)

Chart 1.18: Progress of Outgoing Traffic Volume



Source: EETT (based on the licensed operators' data)

Chart 1.19: Progress of Outgoing Traffic Volume – International Calls (via cards) and Calls to Mobile



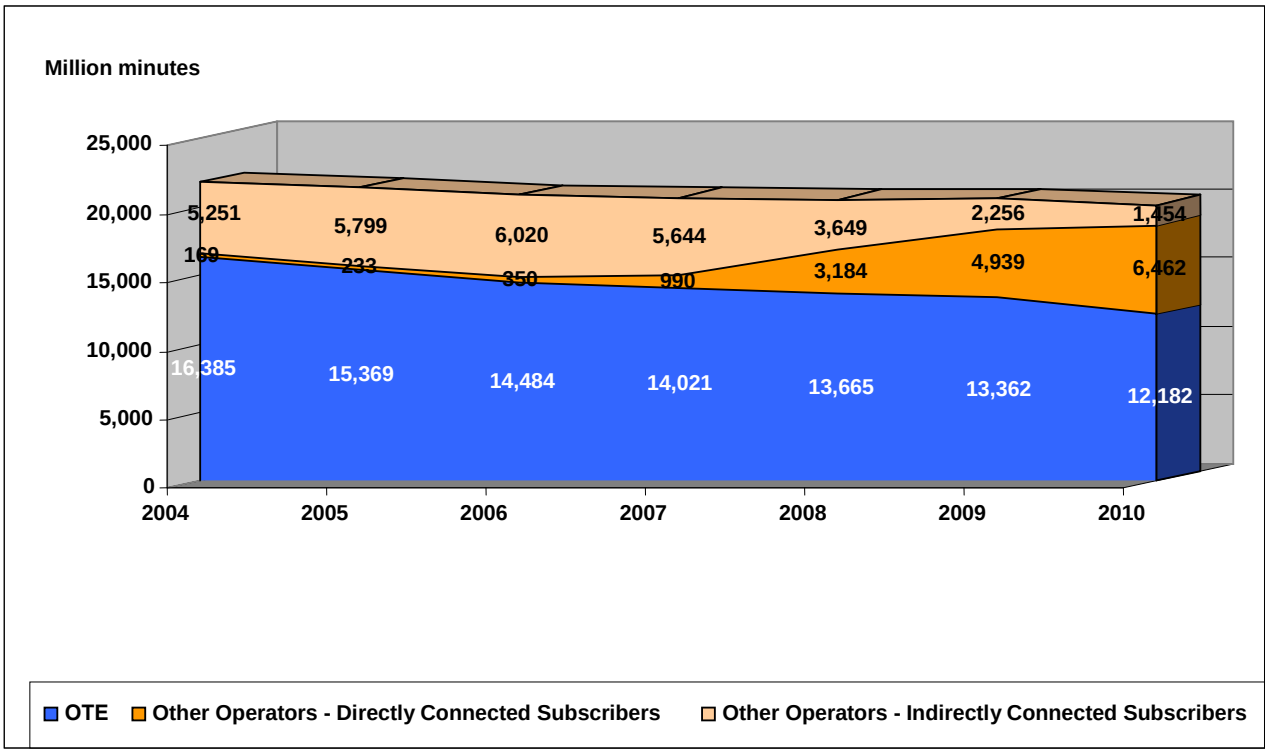
Source: EETT (based on the licensed operators' data)

Table 1.4: Outgoing Traffic Volume per Type of Call (million minutes)

	2004	2005	2006	2007	2008	2009	2010
Local Calls*	15,704	15,150	14,584	14,012	13,738	13,542	13,045
Long-distance Calls*	2,741	2,770	2,699	2,885	3,230	3,429	3,516
"National to Fixed" Calls	18,444	17,921	17,283	16,898	16,968	16,971	16,561
Dial-up Callls	13,697	11,935	8,273	4,635	2,508	1,267	505
International Calls (via cards)	936	968	1,006	1,166	1,091	1,337	1,478
Calls to Mobile	2,425	2,513	2,566	2,592	2,439	2,248	2,058
Total excl. Dial-up	21,805	21,402	20,855	20,655	20,498	20,557	20,098
Total incl. Dial-up	35,502	33,337	29,128	25,290	23,006	21,824	20,602

**All data regarding the local and long-distance calls after 2006 are based on EETT's estimations derived from allocating some providers' total of local and long-distance traffic to local and long-distance, based on a 80:20 local to long-distance analogy.*

Chart 1.20: Progress of the Outgoing Fixed Calls Volume – Distribution Between OTE and Directly and Indirectly Connected Customers of Other Operators



Source: EETT (based on the licensed operators' data)

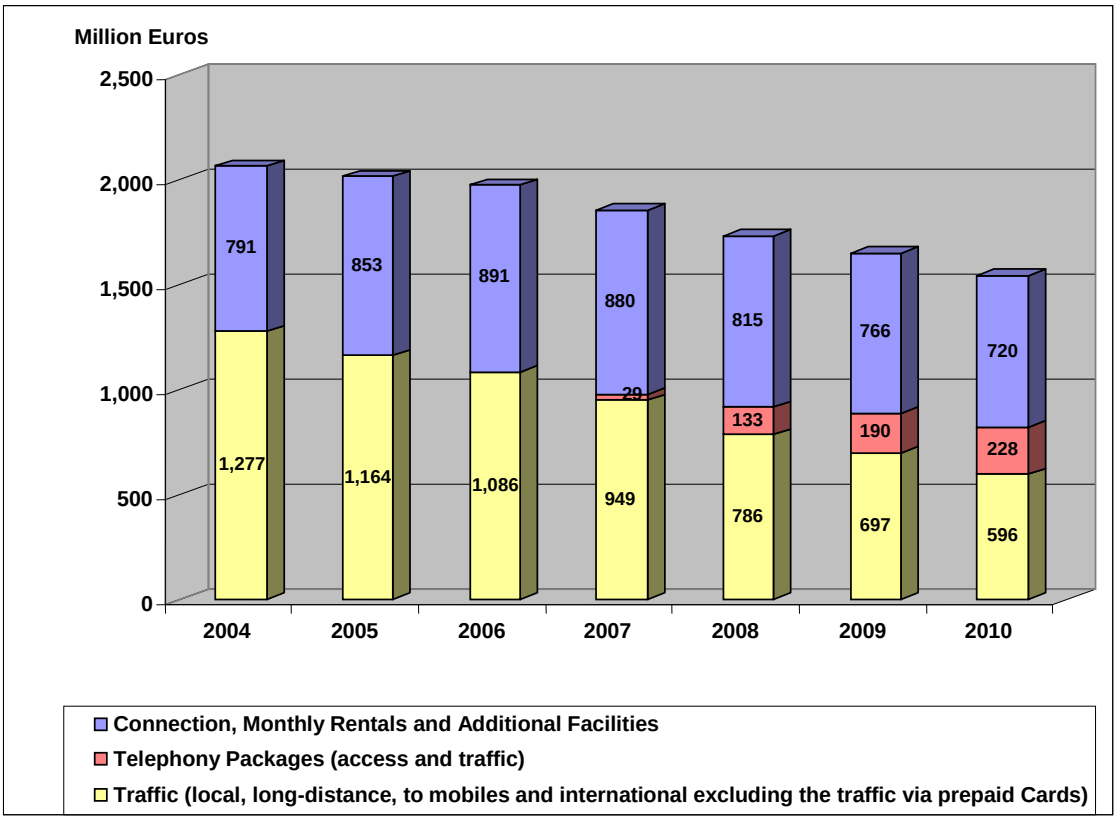
Table 1.5: Distribution of the Volume of Outgoing Traffic Volume between OTE and Directly and Indirectly Connected Subscribers of Other Operators (million minutes)

	2004	2005	2006	2007	2008	2009	2010
OTE	16,385	15,369	14,484	14,021	13,665	13,362	12,182
Other Operators - Directly Connected Subscribers	169	233	350	990	3,184	4,939	6,462
Other Operators - Indirectly Connected Subscribers	5,251	5,799	6,020	5,644	3,649	2,256	1,454
Total	21,805	21,402	20,855	20,655	20,498	20,557	20,098

1.5.2. Revenues of Retail Telephony

The declining course of fixed telephony revenues persisted in 2010, as depicted in Chart 1.21. Apart from monthly rentals and traffic revenues, this Chart includes one more category covering revenues from bundled services packages, for which no further analysis was provided by the operators. These packages include, beside the telephony revenues (monthly rentals and calls) for certain operators, also the revenues from Internet access services and/or Internet protocol television (IPTV).

Chart 1.21: Retail Revenues of Fixed Telephony



Source: EETT (based on the licensed operators' data)

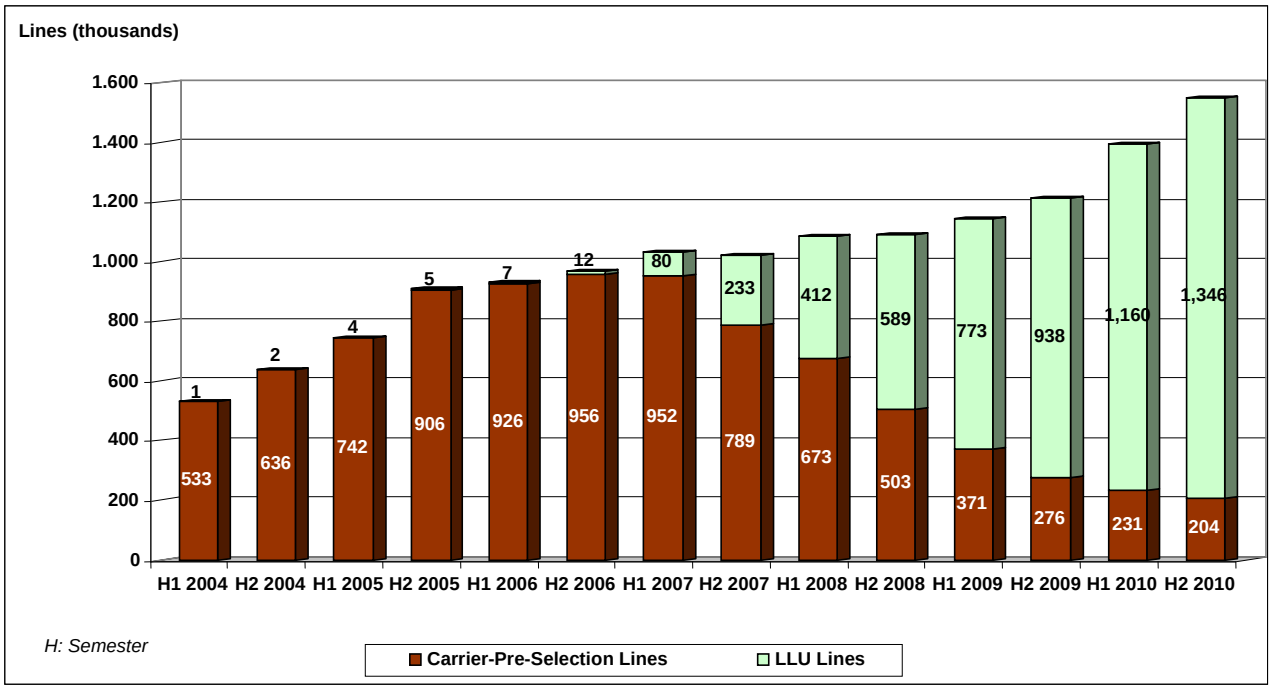
1.5.3. Alternative Operators' Lines

The share of OLOs[6] in terms of the number of access lines increased by 27.3% at the end of 2010 (1,419,000 connections) compared to 18.7% at the end 2009 (981,000 connections). The greatest percentage of OLOs' connections (approximately 95%) concerns LLU lines which increased by 44%, reaching 1,346,000 at the end of 2010 compared to 938,000 at the end of 2009. At the same time, Carrier Pre-Selection lines fell even further from 276,000 at the end of 2009 to 204,000 at the end of 2010 (a fall by 26%). The rise in LLU lines and the parallel decrease in Carrier Pre-Selection lines observed since 2007 (Chart 1.22) is attributed to the considerable shift, especially until 2009, of a substantial part of OLOs' customers from Carrier Selection/Pre-Selection to LLU. Chart 1.23 shows Carrier Pre-Selection lines as a percentage of OTE lines (PTSN and ISDN-BRA), which reached 5.3% at the end of 2010. Moreover, the Wholesale Line Rental (WLR)[7] service seems to be limited since it was only offered by two operators until the end of 2010, and the number of relevant lines rose from 42,000 at the end of 2009 to nearly 72,000 (Chart 1.24).

[6] This share concerns full access LLU, ISDN PRA, and Wholesale Line Rental (WLR) lines.

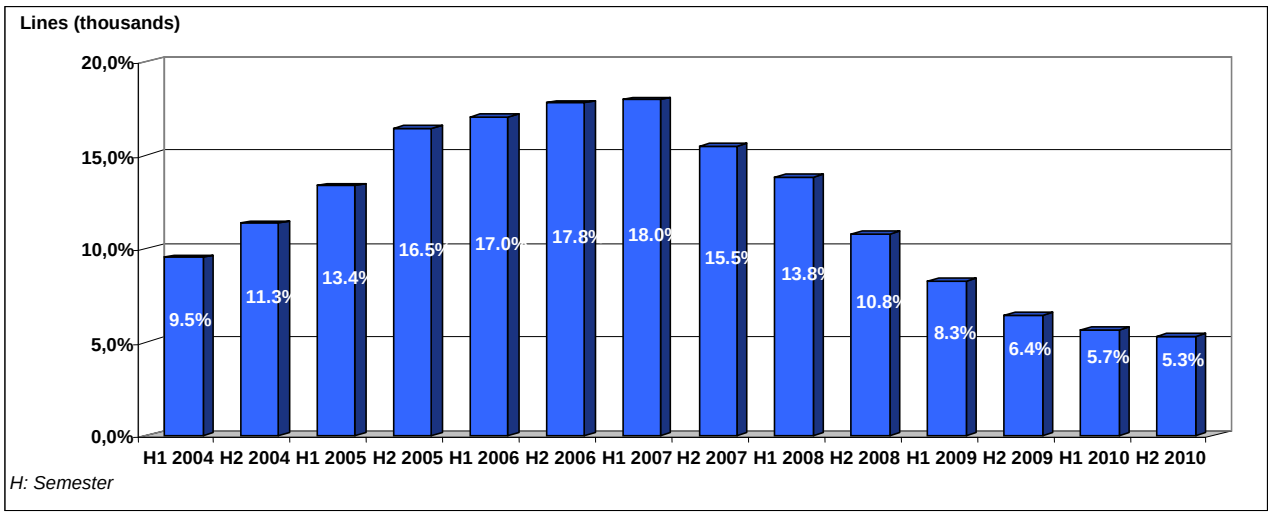
[7] It must be reminded that WLR, which became available in the Greek market since the first semester of 2009, allows alternative operators to rent a subscriber line from OTE wholesale and to resell it to the final user in combination with the Carrier Pre-Selection service. As a result, subscribers are charged both for their calls and for their monthly rentals via a single account which they receive from the alternative operator through which they have activated their Pre-Selection.

Chart 1.22: Alternative Operators' Lines via Carrier Pre-Selection or LLU (at semester's end)



Source: EETT (based on the licensed operators' data)

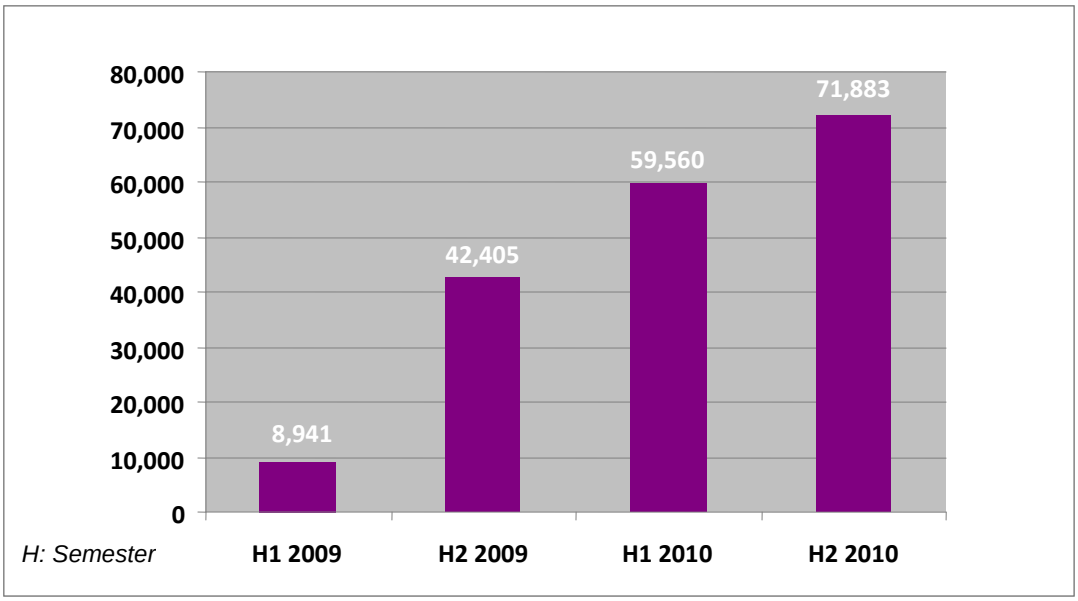
Chart 1.23: Pre-Selection Lines as a Percentage of OTE Lines (at semester's end)



Source: EETT (based on the licensed operators' data)

Note: ISDR-PRA lines are not taken into account, since for this type of lines pre-selection is meaningless

Chart 1.24: Activated Lines for Wholesale Line Rental

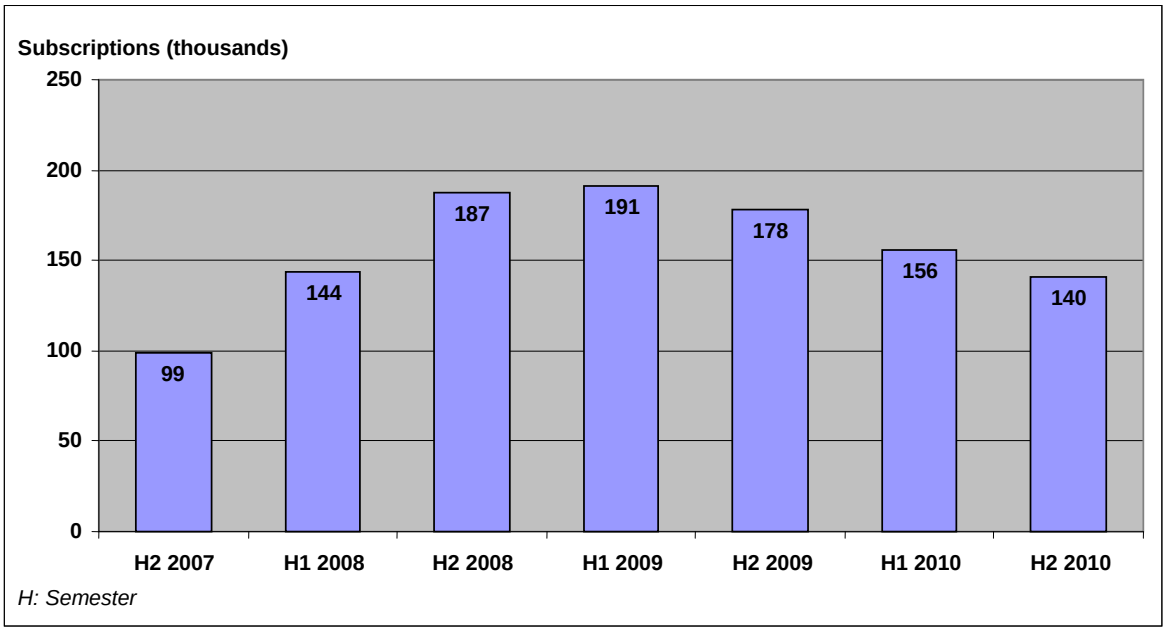


Source: EETT (based on the licensed operators' data)

1.5.4. Homezone Services

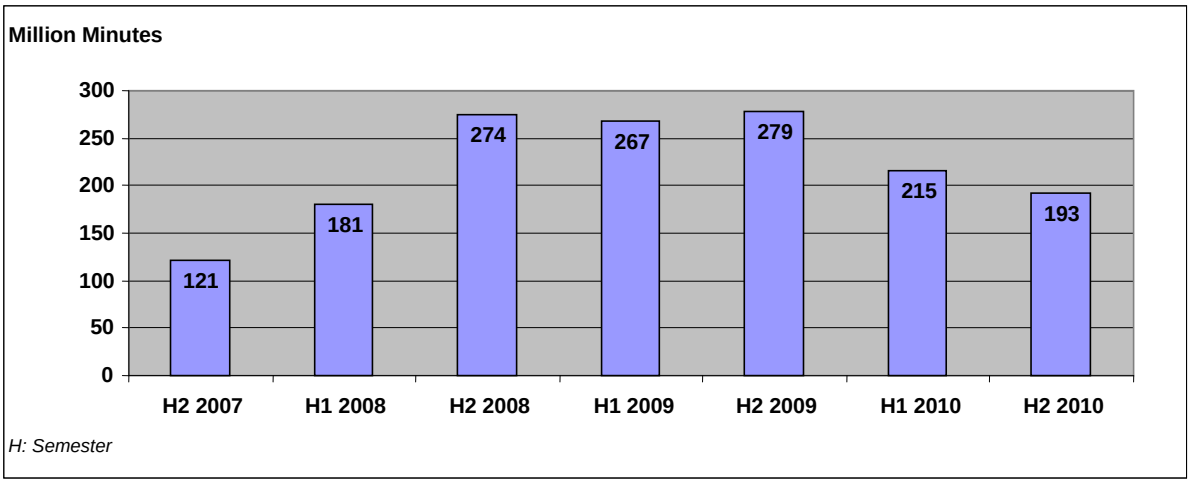
Until mid-2009, the number of subscribers for homezone services, as depicted in Chart 1.25, had increased significantly. Subsequently, however, it followed a declining course reaching 140,000 subscribers at the end of 2010. The progress of homezone outgoing traffic was similar (Chart 1.26): it rose up until 2009 and has been declining ever since, amounting to 193 million minutes in the second semester of 2010 (compared to 279 in the second semester of 2009).

Chart 1.25: Homezone Subscriptions at the end of the semester



Source: EETT (based on the licensed operators' data)

Chart 1.26: Outgoing Traffic from the Provision of Telephony Services from Homezone Packages



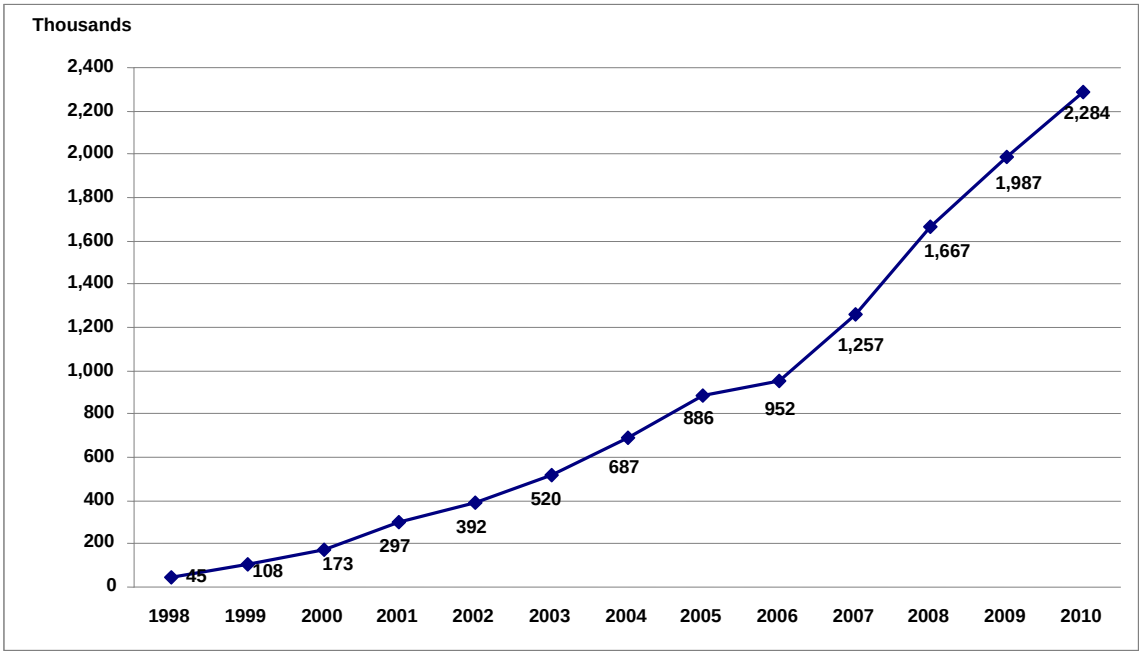
Source: EETT (based on the licensed operators' data)

1.6. Internet

1.6.1. The Internet Market

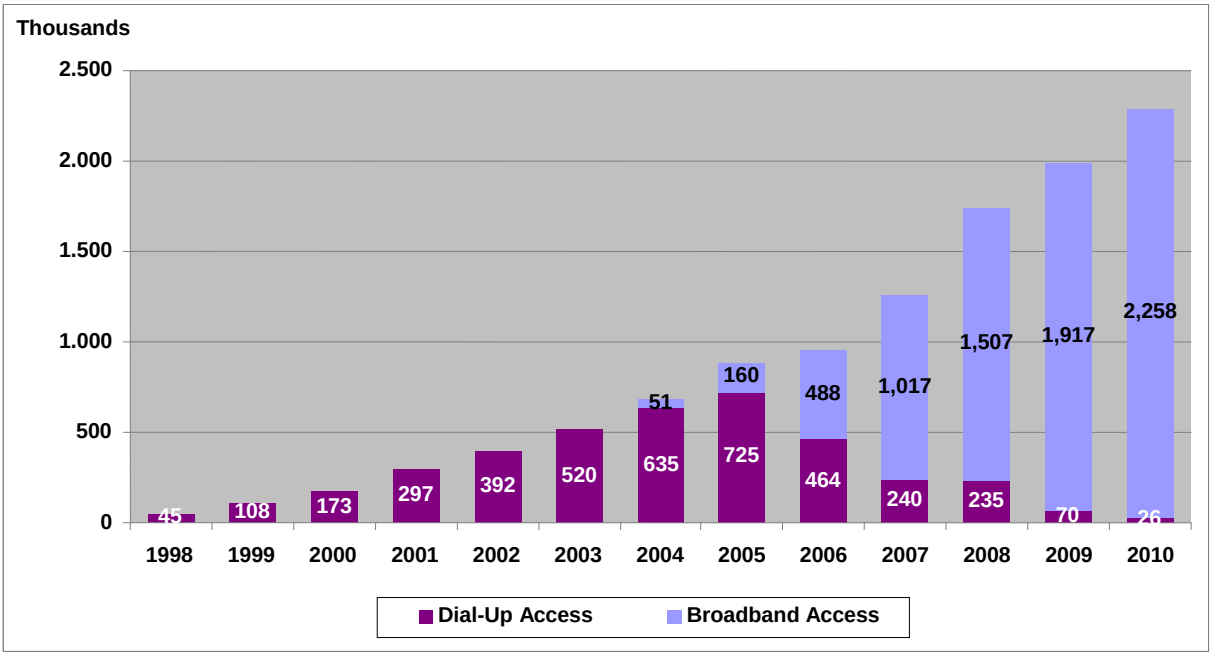
The number of Internet subscribers (Chart 1.27) kept rising and approximated 2,284,000 lines (dial-up and broadband) at the end of 2010 compared to 1,987,000 at the end of 2009 registering an annual increase of 14.9%. Dial-up connections have kept declining (Chart 1.28) and contribute currently only 1% of total connections. These figures do not take into account occasional users through pre-paid access cards.

Chart 1.27: Internet Subscribers 1998-2010



Source: EETT (based on the licensed operators' data)

Chart 1.28: Internet Subscribers, 1998-2010

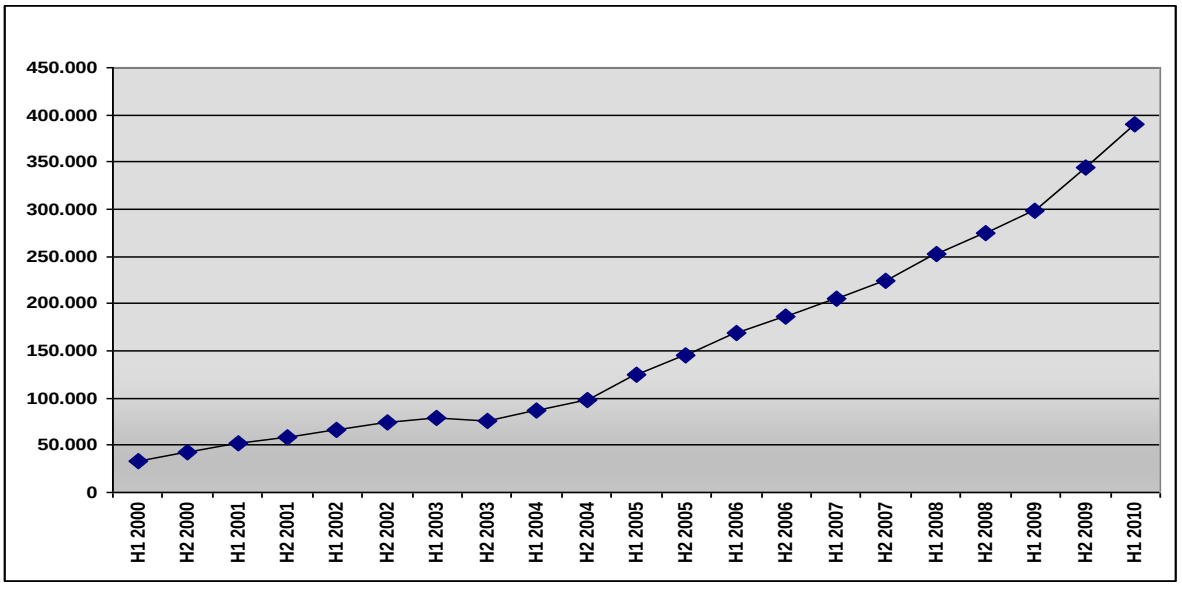


Source: EETT (based on the licensed operators' data)

1.6.2. [.gr] Domain Names

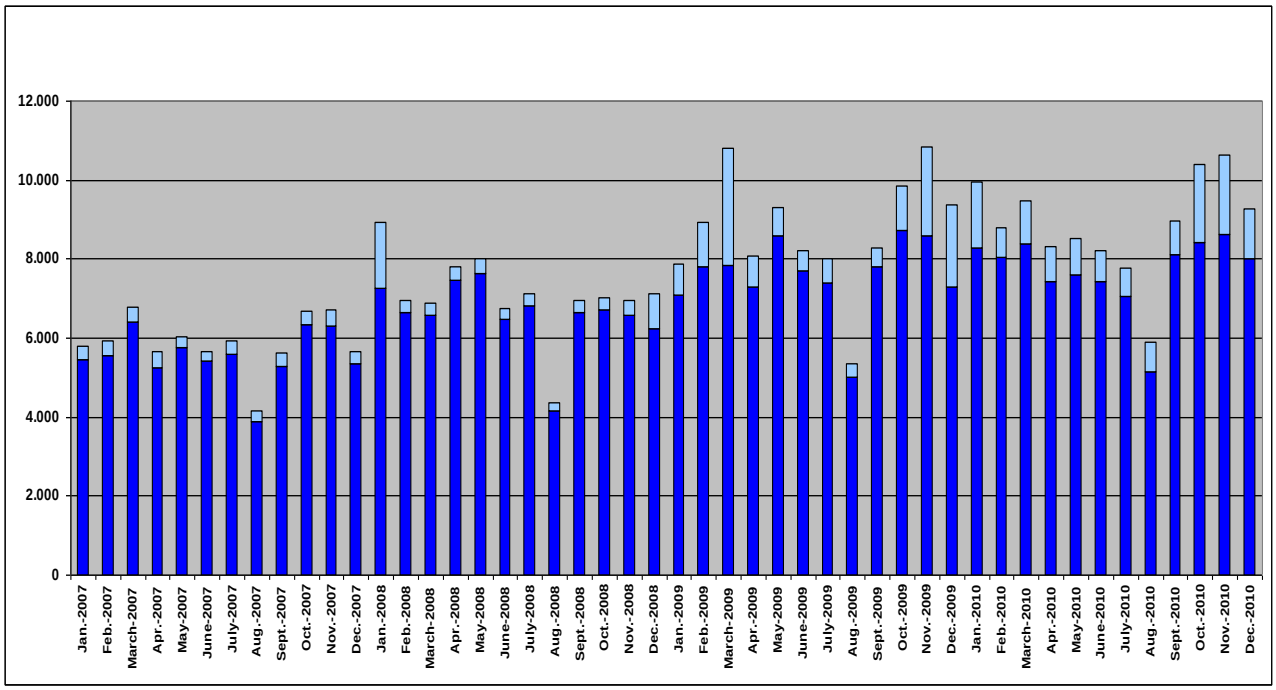
The significant increase of both the number of applications and of the total assigned [.gr] Domain Names persisted throughout 2010. The total number of Domain Names, including sub-domains (com.gr, net.gr, org.gr, edu.gr, gov.gr) reached almost 400,000 at the end of the year. Chart 1.29 shows the progress of the total number of Domain Names for the period 2000-2010. Accordingly, Chart 1.30 presents the progress of the requested and the assigned Domain Names, Chart 1.31 shows the progress of the assignment percentage over the submitted applications and Chart 1.32 indicates the annual progress of the average assignment percentage for the period 2002-2010, which fell to 87% from 88% in 2009.

Chart 1.29: Progress of Domain Names, 2000-2010



Source: EETT

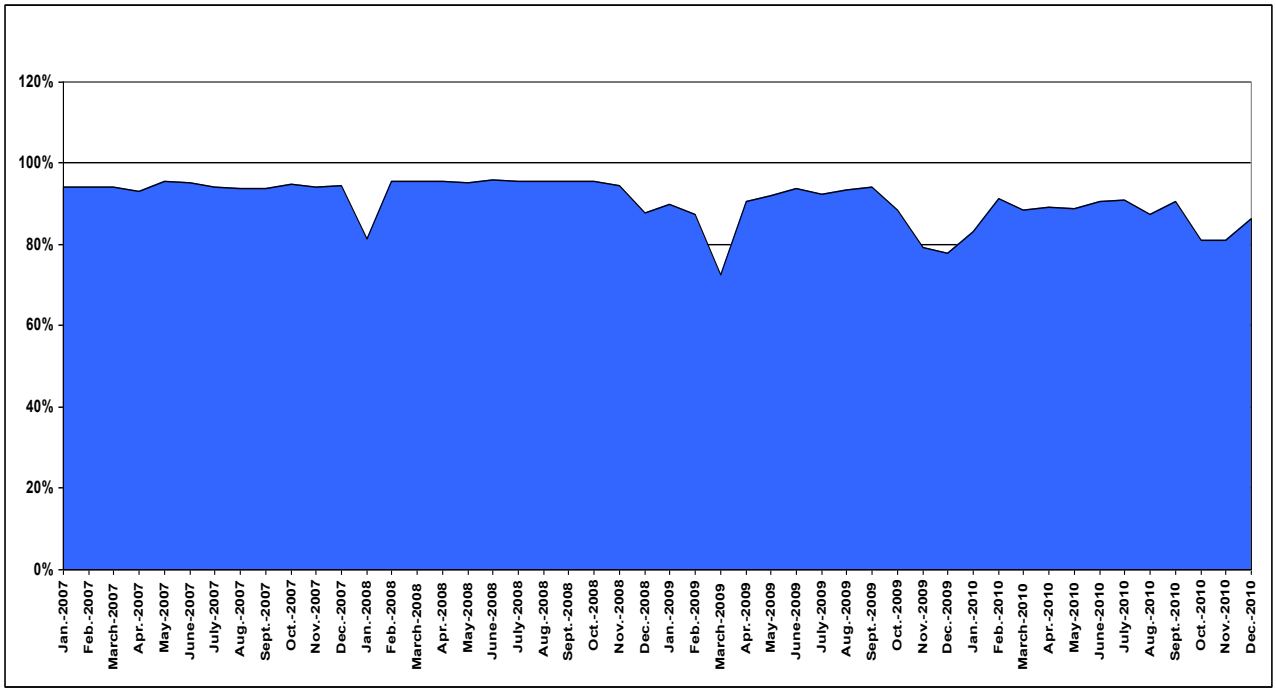
Chart 1.30: Number of Requested and Assigned Domain Names



Note: Lighter colors present the volume of applications, while darker ones present the volume of assigned Names.

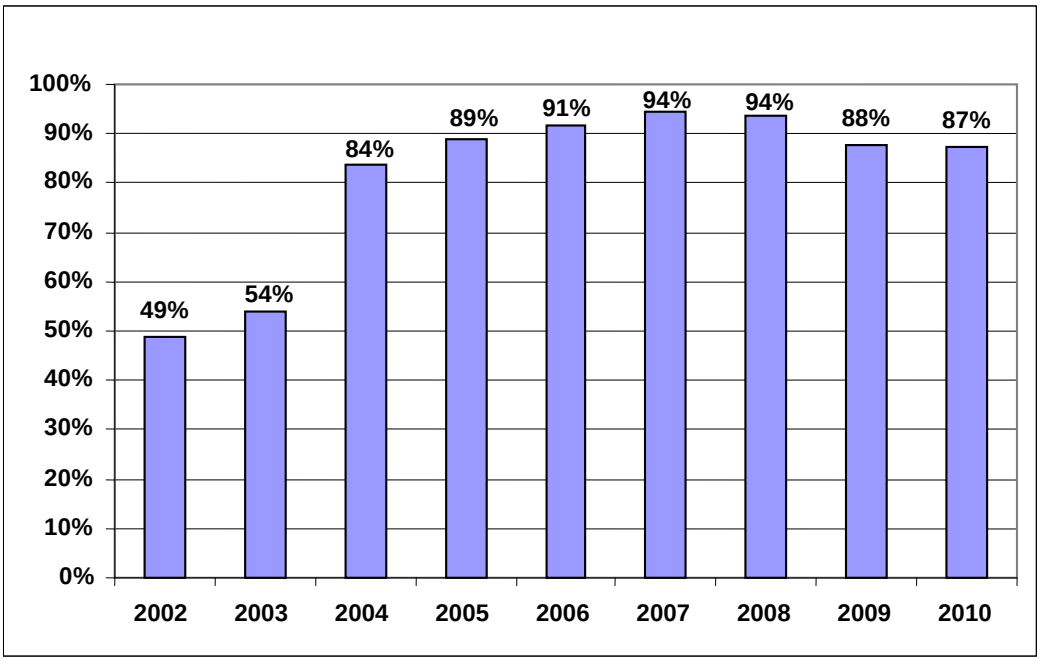
Source: Institute of Computer Science of the Foundation for Research and Technology – Hellas (ICS-FORTH)

Chart 1.31: Assignment Percentage Over the Applications Number



Source: Institute of Computer Science of the Foundation for Research and Technology – Hellas (ICS-FORTH)

Chart 1.32: Average Assignment Percentage 2002-2010



Source: EETT

1.7. Mobile Telephony

1.7.1. Mobile Telephony Subscriptions

During 2010 mobile telephony connections[8] started declining gradually. Specifically, as shown in Table 1.6 and Chart 1.33, total connections decreased from 20.3 million at the end of 2009 to 14.8 million at the end of 2010 (a 27% drop), while active connections[9] fell from 13.3 million at the end of 2009 to 12.3 million at the end of 2010 (a 7.5% fall). This fall pertains almost exclusively to pre-paid cards connections (Chart 1.34). The latter fell by almost 5.4 million (from 15.6 million at the end of 2009 to 10.3 million at the end of 2010), while active connections decreased by almost 930,000 (from 8,712,000 at the end of 2009 to 7,783,000 at the end of 2010). On the contrary, post-paid connections only fell by 73,000 (from 4,583,000 at the end of December 2009 to 4,510,000 at the respective period of 2010). Therefore, it is reasonable to assume that this decline is mainly due to the implementation of the new Law on the identification of owners and users of mobile telephony equipment and services. Comparatively, COSMOTE suffered the smallest losses and its share in terms of the total number of subscribers exceeded 50% for the first time (Chart 1.35). Accordingly, the penetration rate (of active connections) presented a gradual decline and amounted to 116.2% in 2010 compared to 125% in 2009 (October data), falling below the European average for the first time (120.3%) according to data from the Digital Scoreboard 2011 (Chart 1.36).

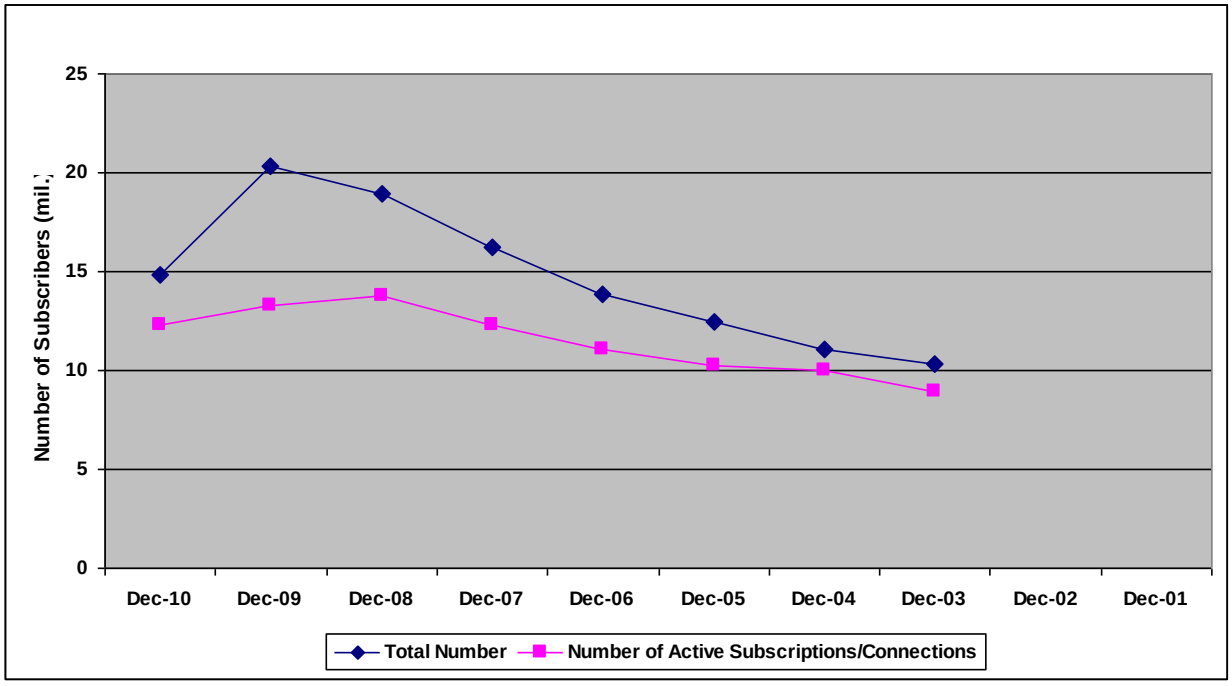
[8] We use the term "connection" or "subscription" instead of "subscriber". We don't refer to the number of subscribers as physical persons or entities but to the total number of connections/subscription, since a subscriber may have more than one subscription/connection.

[9] By "active connections" or "active subscriptions" we mean the subscriptions/connections that have generated retail or wholesale revenues within the last quarter.

Table 1.6: Total and Active Connections/Subscriptions

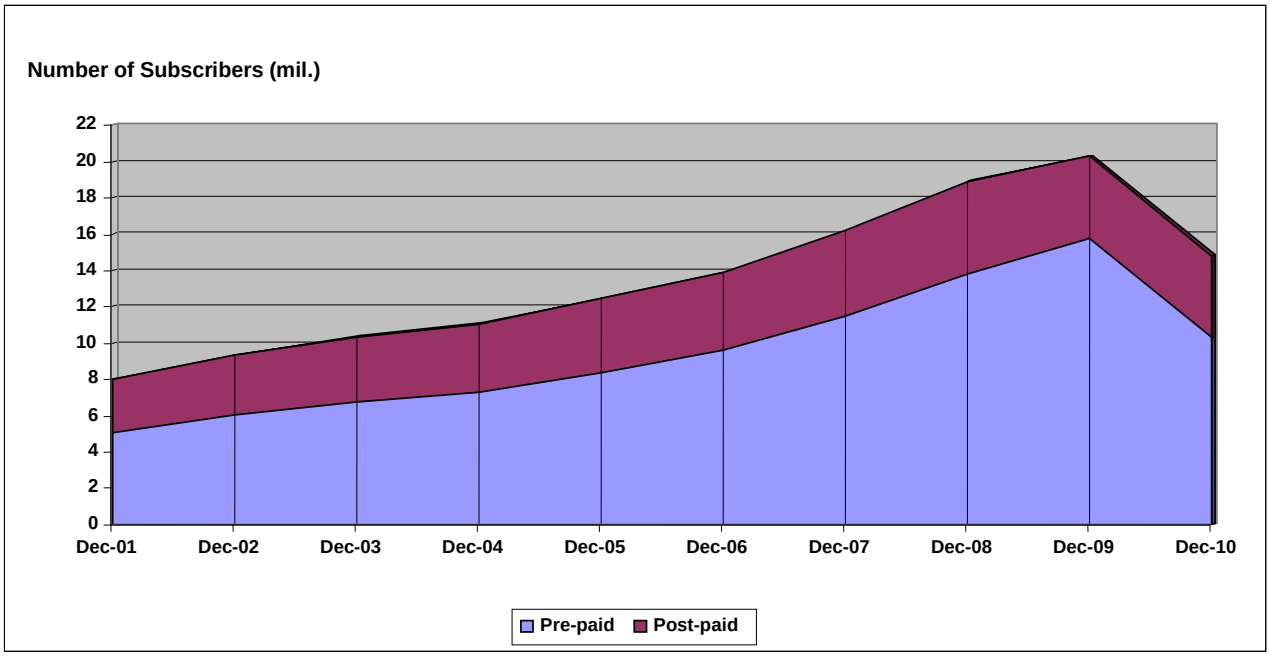
	Dec. 04	Dec. 05	Dec.06	Dec. 07	Dec. 08	Dec. 09	Dec. 10
Total Connections	11,059,920	12,448,473	13,874,674	16,226,675	18,918,092	20,298,102	14,815,705
Number of Active Connections	10,014,233	10,243,395	11,097,515	12,294,912	13,799,340	13,295,093	12,292,716

Chart 1.33: Progress of Mobile Telephony Subscriptions/Connections



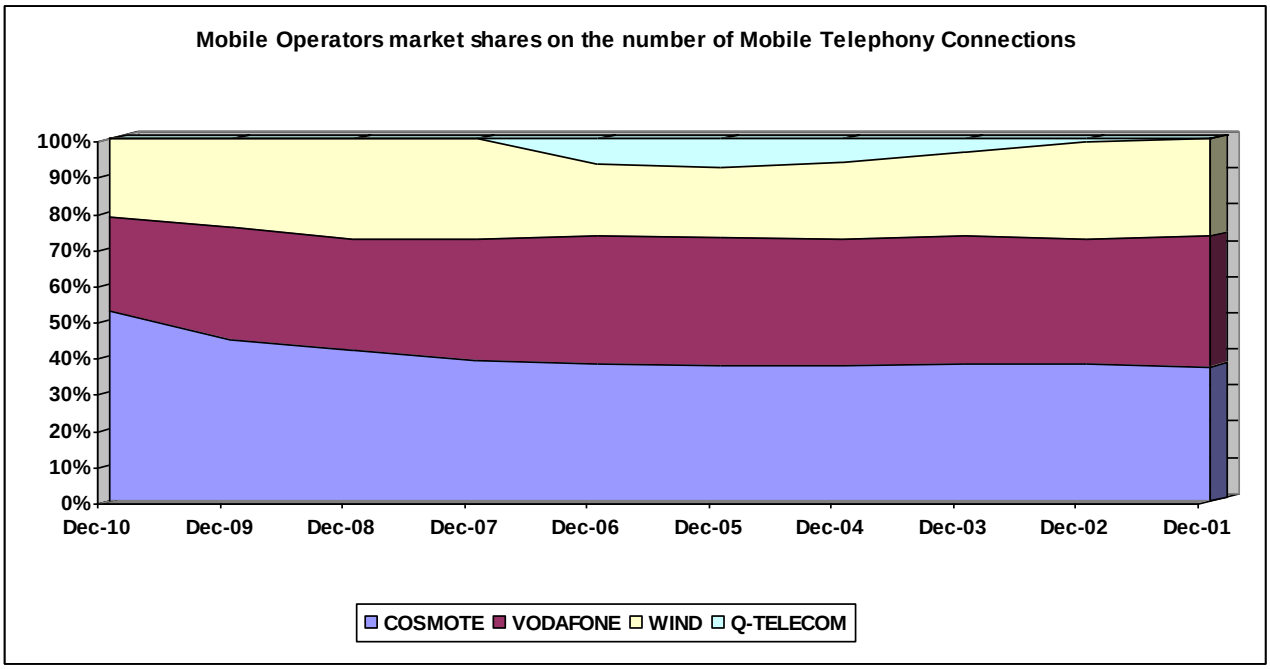
Source: EETT (based on mobile operators' data)

Chart 1.34: Progress of the Post-paid and Pre-paid Mobile Connections' Number



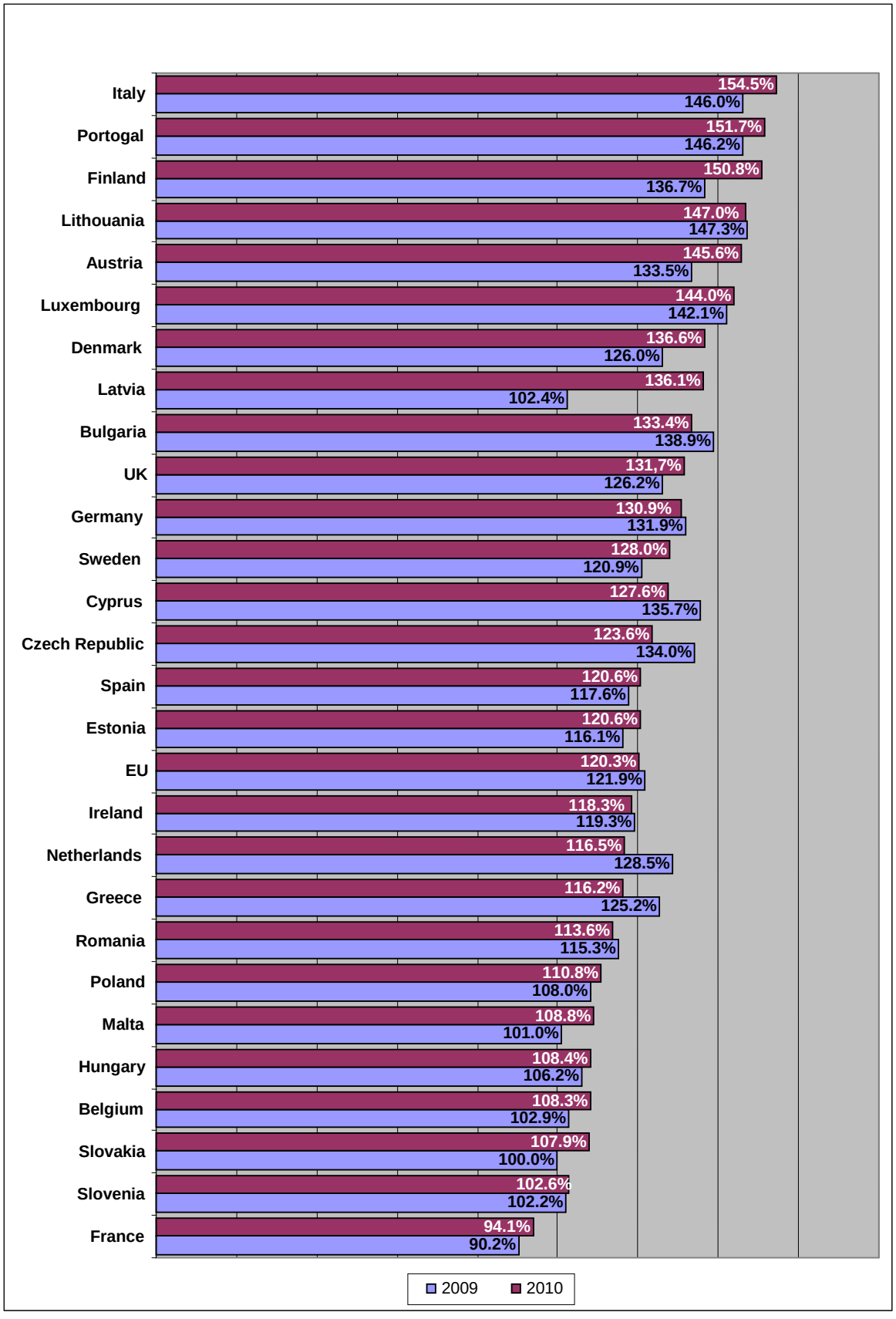
Source: EETT (based on mobile operators' data)

Chart 1.35: Mobile Operators market shares on the number of Mobile Telephony Connections



Source: EETT (based on mobile operators' data)

Chart 1.36: Mobile Telephony Penetration in Europe



Source: European Commission, Digital Agenda Scoreboard 2011

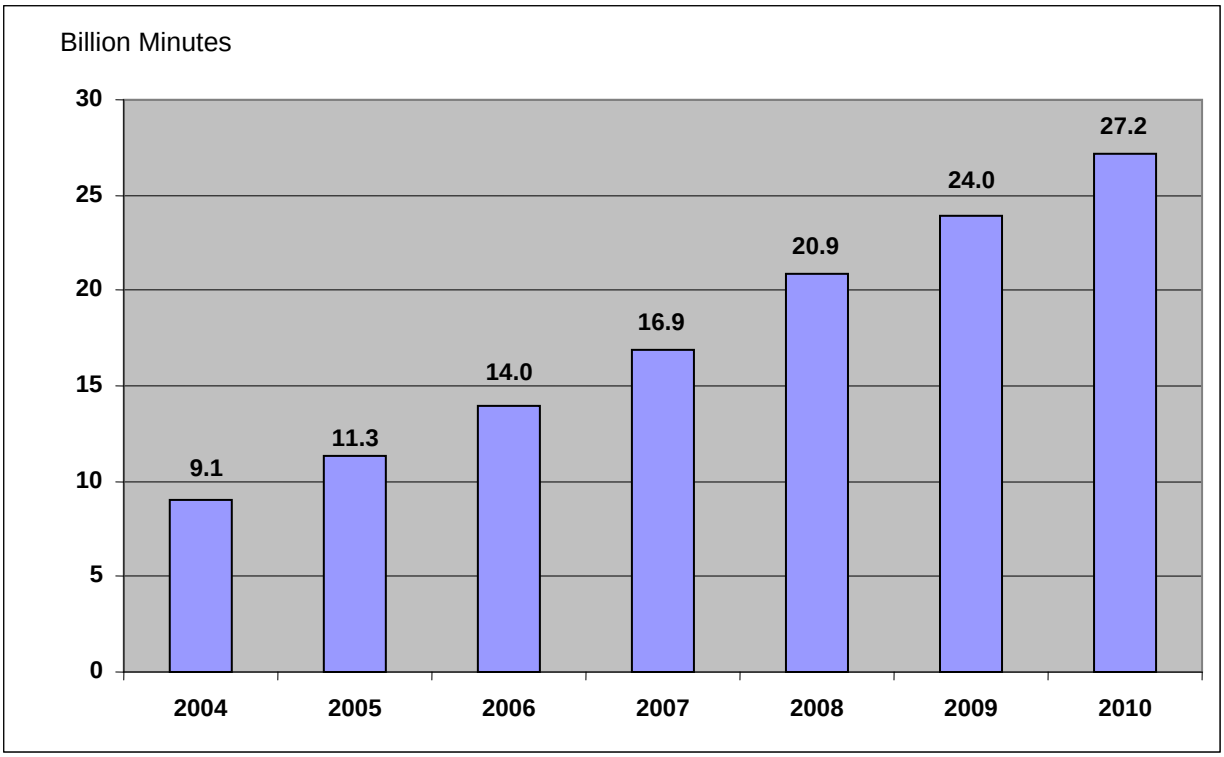
1.7.2. The Use of Mobile Telephony Networks

Despite the significant fall in the subscribers' number, the use of mobile telephony networks presents a continuous increase in terms of the volume of voice calls and the number of short message services (SMS), multimedia messages (MMS) and the packet-switched data services. Specifically, the volume of voice calls realized within the year follows a continuous increasing trend, reaching 27.2 billion minutes in 2010 compared to 24 billion minutes in 2009 (a 14% rise) (Chart 1.37). This rise is due exclusively to on-net traffic, which increased from 15.7 billion minutes in 2009 to 19.8 billion minutes in 2010 (a 26% rise), amounting to 73% of the volume of mobile telephony voice calls (Charts 1.38 and 1.39). On the contrary, all the other types of calls (calls to mobile phones off-net, calls to fixed phones, and international calls) presented a small decline during 2010.

The number of SMS messages has almost doubled within the last 5 years, reaching 9.8 billion messages (Chart 1.40) at the end of 2010 compared to 7.8 billion at the end of 2009 (a 25.5% rise) and 3.6 billion at the end of 2006. The increase for 2010 is entirely due to on-net messages, since all other types of messages declined. The on-net messages amount to 84.2% of the total messages for 2010 compared to 73.2% in 2009 (Chart 1.41). MMS messages show a smaller decrease, reaching 32.33 million at the end of 2010 compared to 29.06 million in 2009 (a rise by 11.3%) (Chart 1.42).

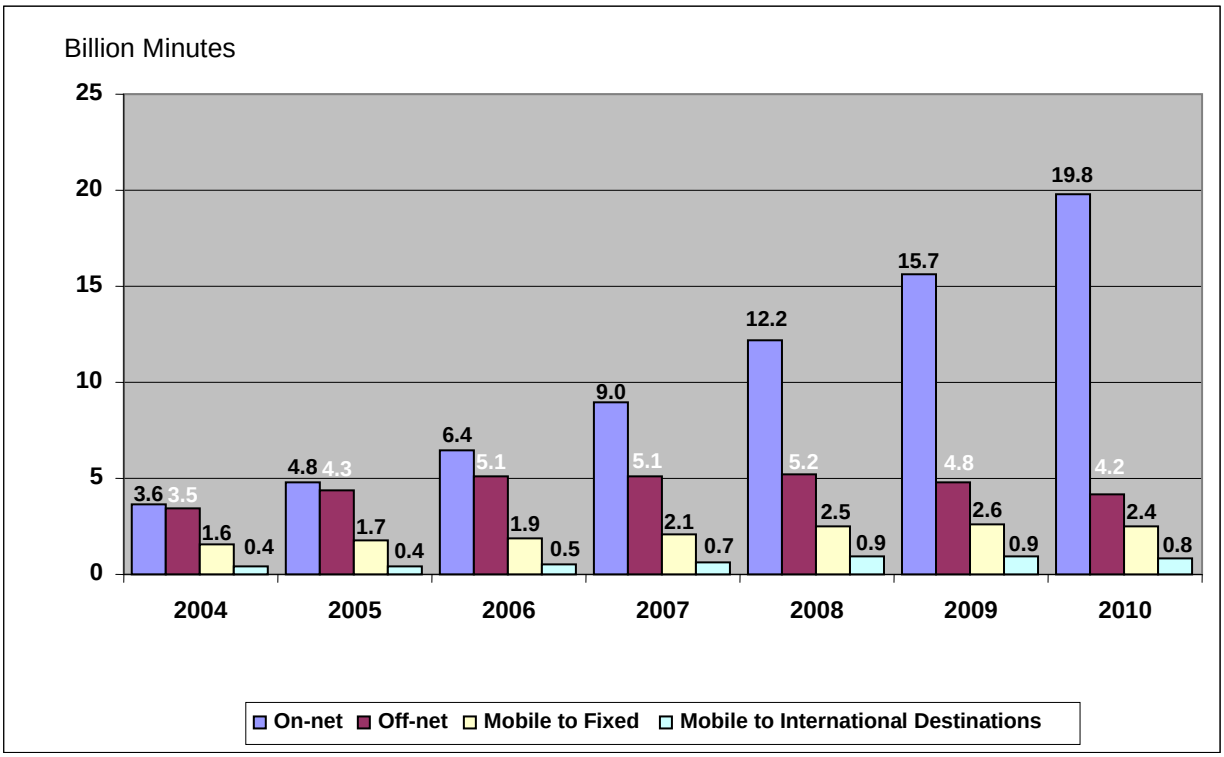
Lastly, packet-switched data services via mobile telephony networks increased considerably in 2010, reaching 7.68 billion Mb at the end of the year compared to 4.2 billion Mb at the end of 2009 (a 83% rise) (Chart 1.43).

Chart 1.37: Volume of Voice Calls Originated from Mobile Telephony



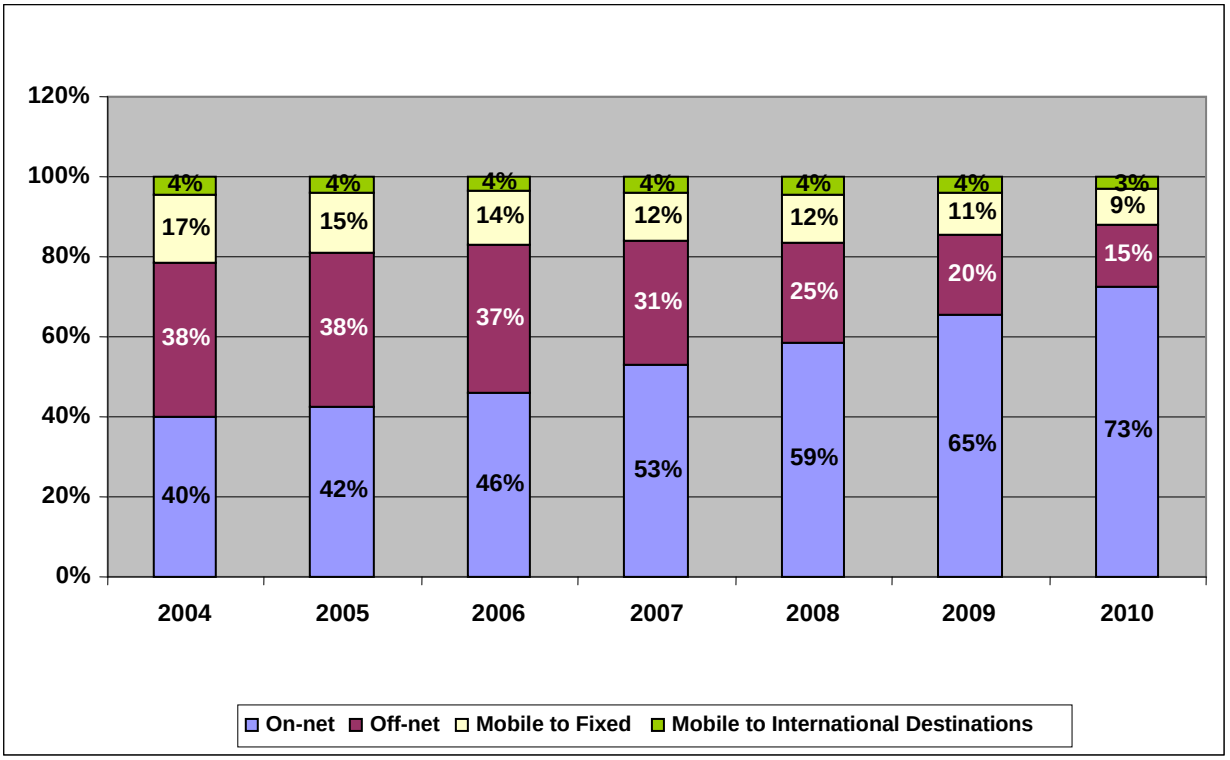
Source: EETT (based on the licensed operators' data)

Chart 1.38: Volume of Voice Calls per Category



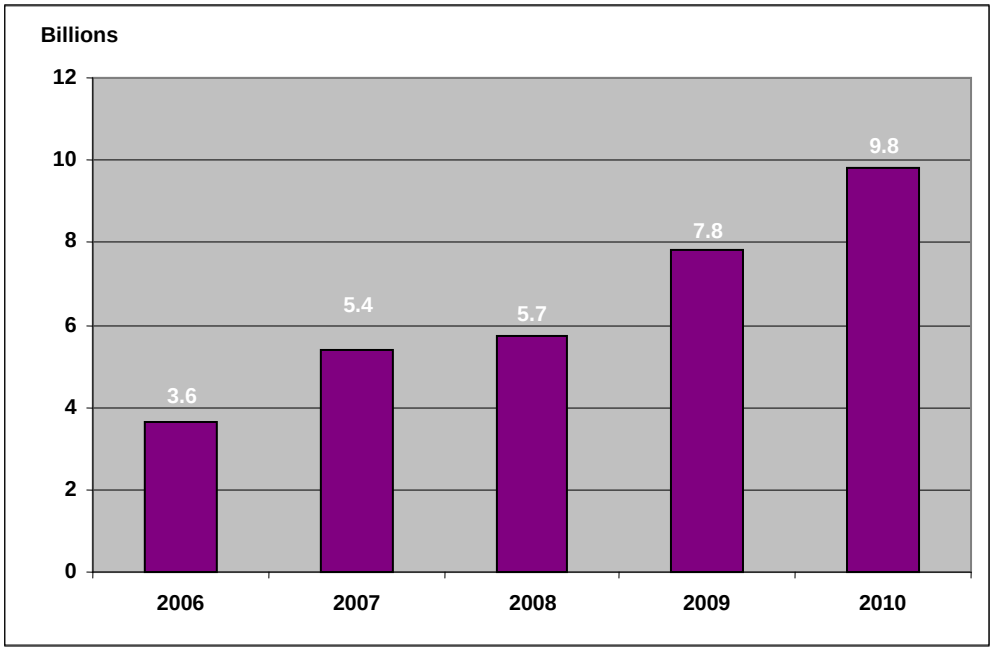
Source: EETT (based on the licensed operators' data)

Chart 1.39: Volume of Voice Calls per Category (percentages)



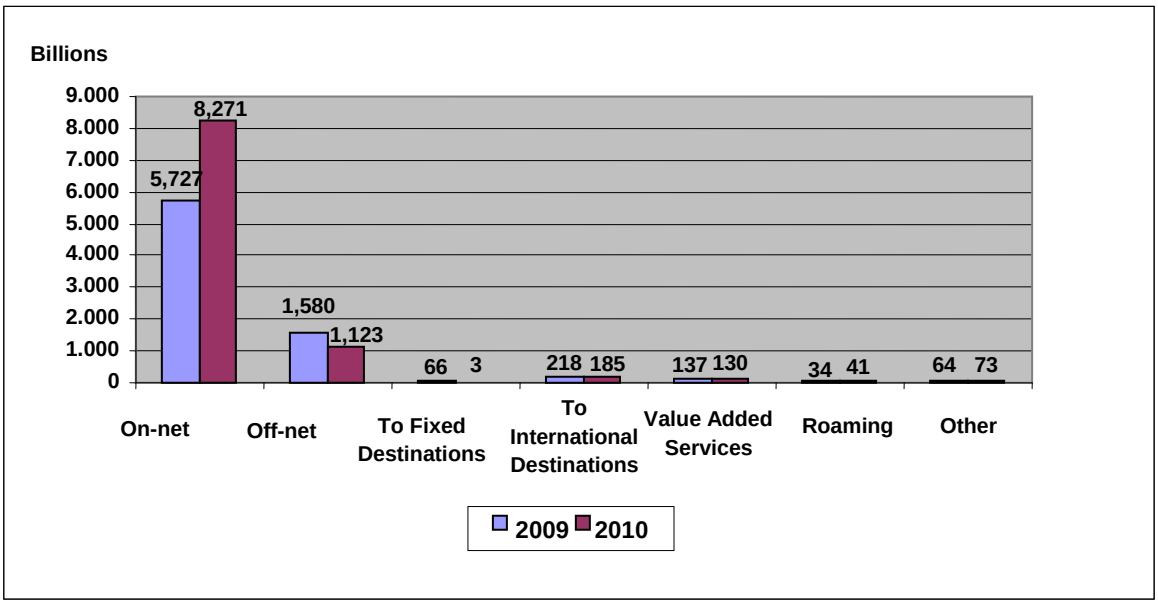
Source: EETT (based on the licensed operators' data)

Chart 1.40: Total Number of SMS



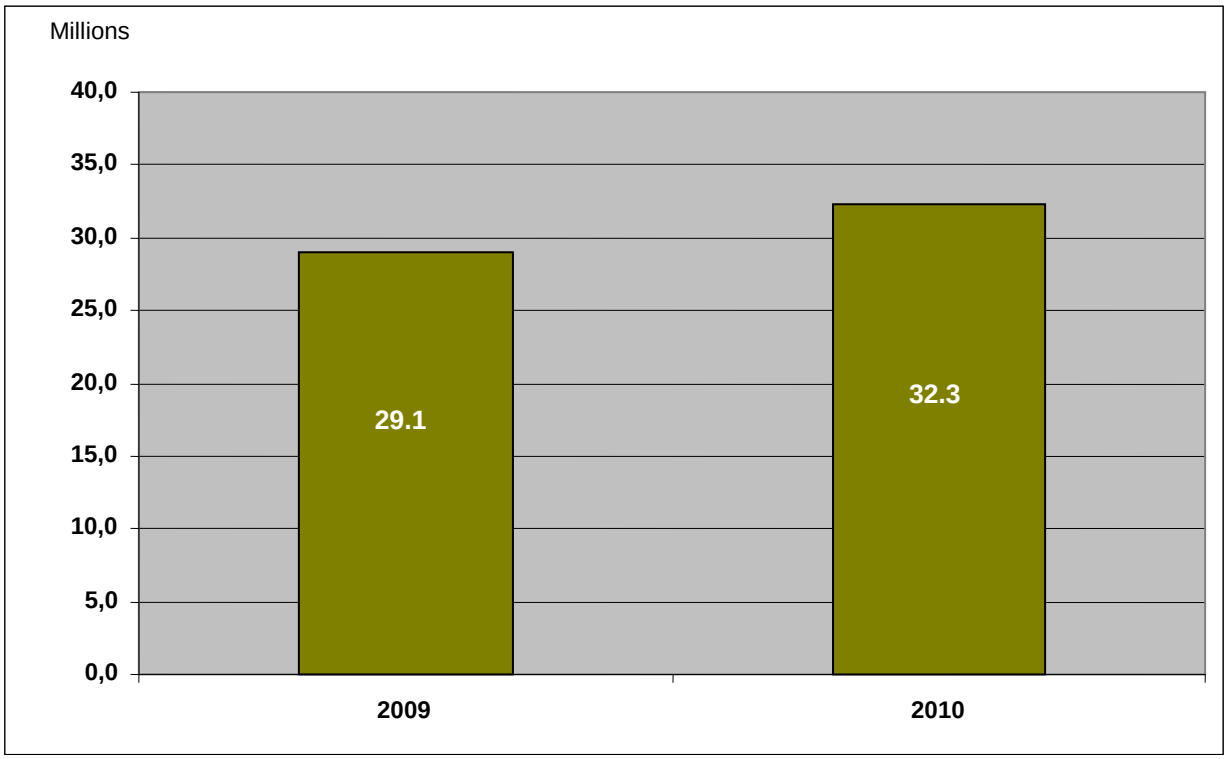
Source: EETT (based on mobile operators' data)

Chart 1.41: Total Number of SMS per Category



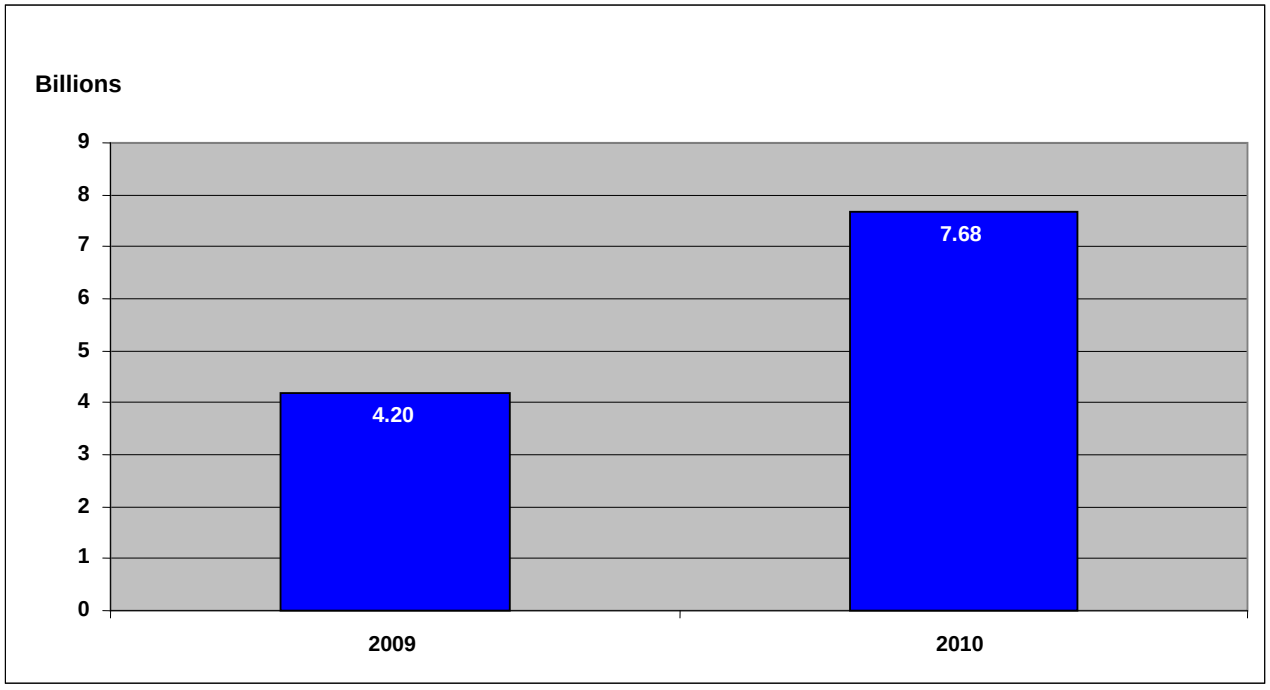
Source: EETT (based on mobile operators' data)

Chart 1.42: Total Number of MMS



Source: EETT (based on mobile operators' data)

Chart 1.43: Total Number of Data via Mobile (MB)

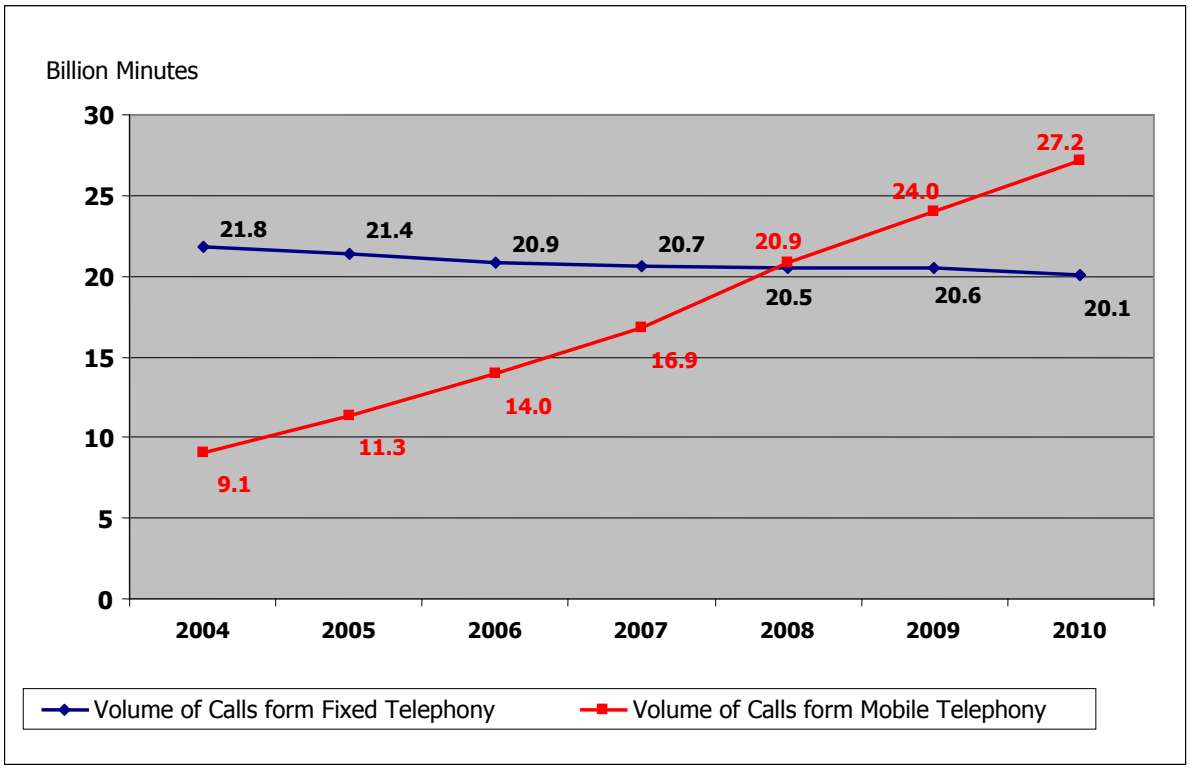


Source: EETT (based on mobile operators' data)

1.8. Comparing Traffic from Fixed and Mobile Phones

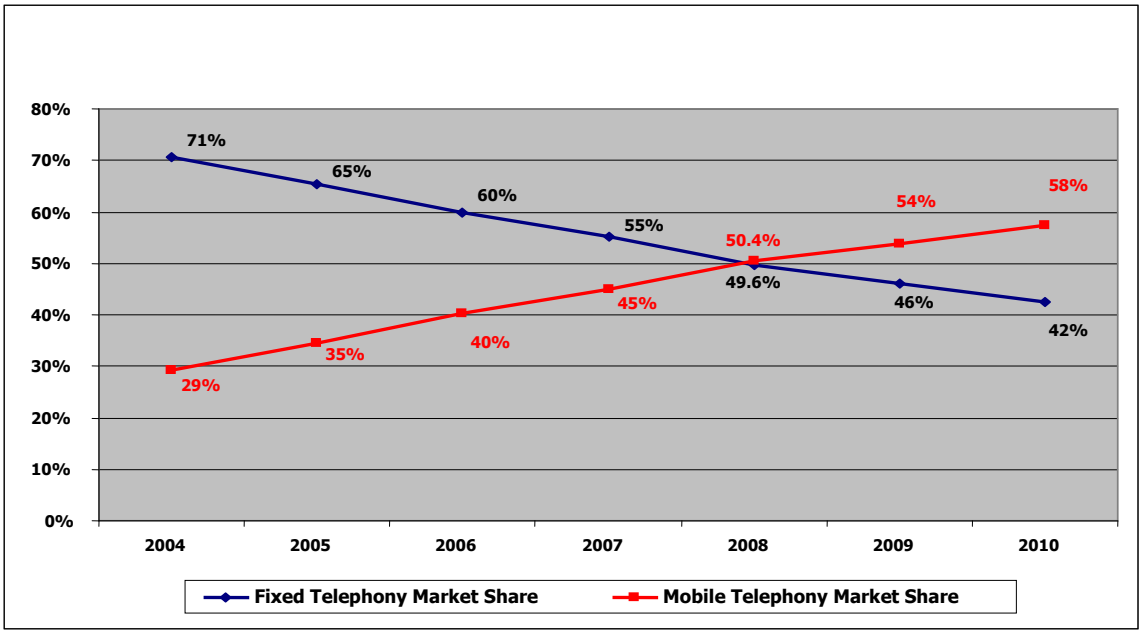
Charts 1.44 and 1.45 show the volume of traffic from both fixed and mobile phones and their respective market shares, including calls to fixed phones, calls to mobile phones and international calls, but excluding dial-up calls and calls to special numbers (such as short codes and numbers with zero, reduced or additional charge). Calls from mobile phones, which have exceeded the volume of calls from fixed phones since 2008, represent 58% of total traffic in 2010. This change is due more to the rapid increase in the volume of calls from mobile phones (which had increased by 200% compared to 2004) than to the relatively small decrease in the traffic volume from fixed phones (8% compared to 2004).

Chart 1.44: Volume of Calls Originated from Fixed and Mobile Telephony



Source: EETT (based on the licensed operators' data)

Chart 1.45: Market Shares of Fixed and Mobile Telephony 2004-2010

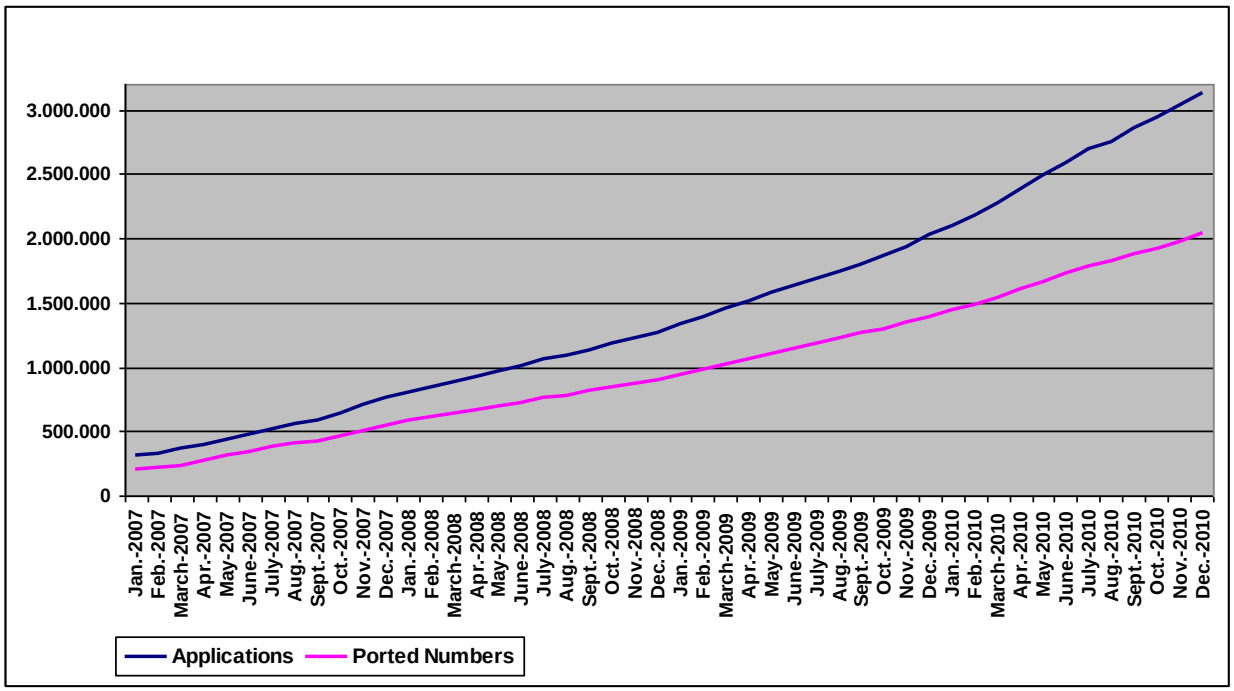


Source: EETT (based on the licensed operators' data)

1.9. Number Portability

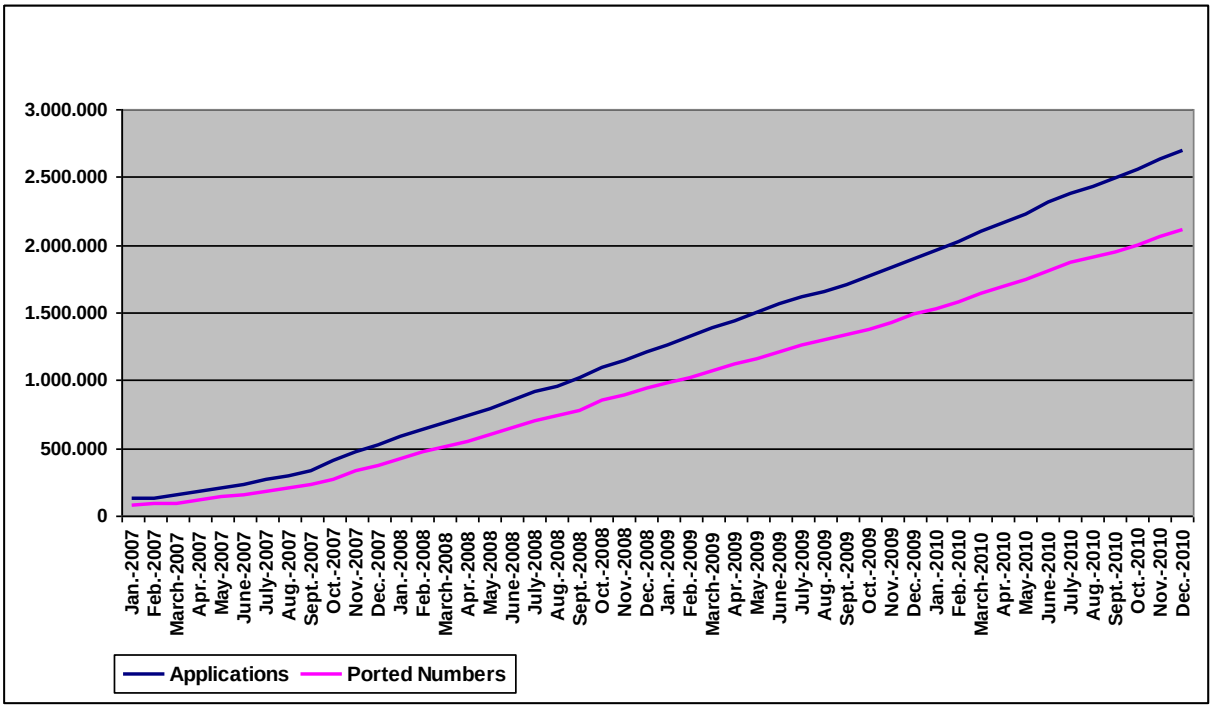
The applications for Number Portability continued to grow in 2010. The progress of applications and of ported numbers for fixed and mobile telephony is presented in Charts 1.46 and 1.47. Chart 1.48 shows the progress of ported numbers per month. During 2010, 1,103,400 applications for mobile telephony were submitted (a 47% rise compared to 750,375 applications in 2009), and 648,074 numbers were ported (a 33% increase). For fixed telephony, 803,883 applications were submitted and 631,611 numbers were ported (a 16% increase in both cases).

Chart 1.46: Number Portability: Applications and Ported Numbers of Mobile Telephony



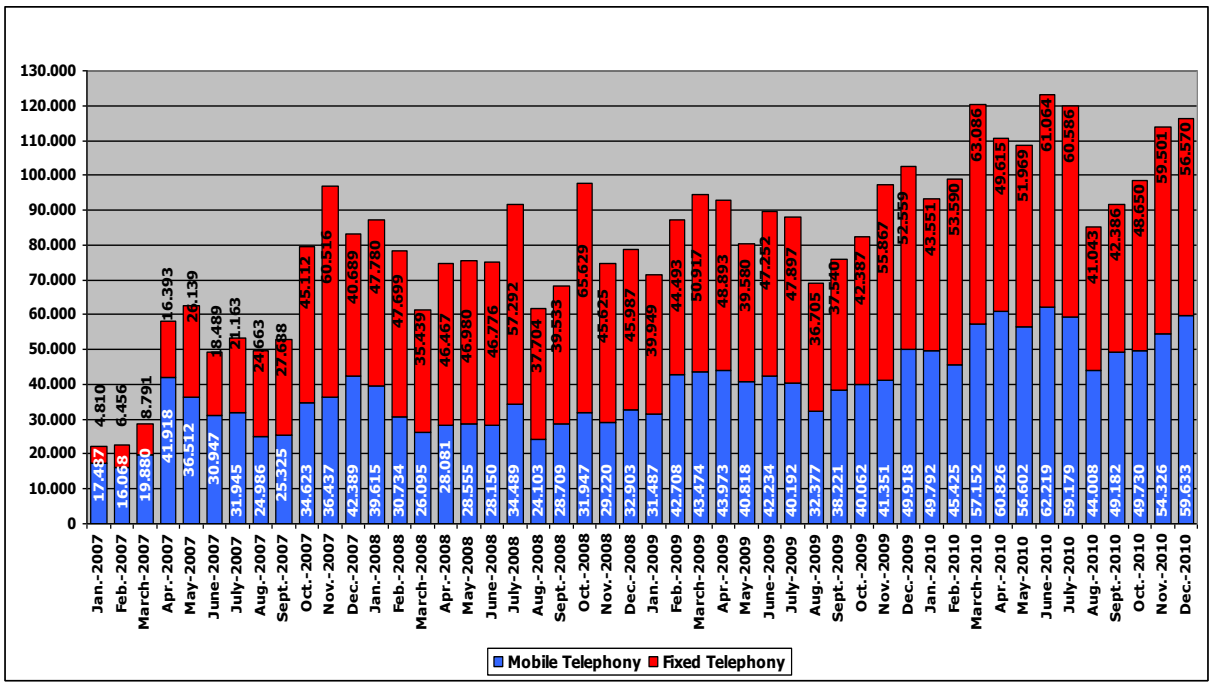
Source: EETT

Chart 1.47: Number Portability: Applications and Ported Numbers of Fixed Telephony



Source: EETT

Chart 1.48: Number Portability: Ported Numbers per Month



Source: EETT

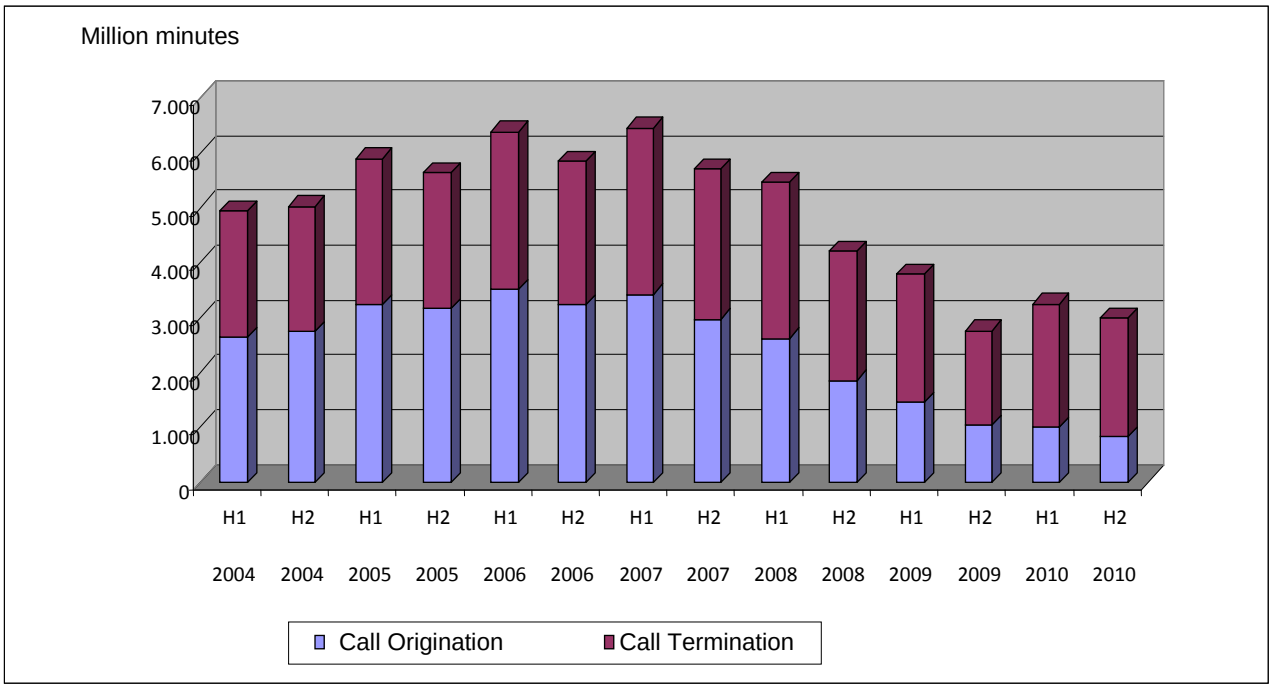
1.10. Interconnection

1.10.1. Fixed Telephony

Chart 1.49 presents the historical progress of Interconnection traffic for the OLOs, including call origination and termination from/to OTE's network. During 2010, call origination dropped significantly compared to 2009 and reached 1.85 billion minutes (a 26% drop compared to 2009). In contrast, call termination increased by 9% compared to 2009 (4.4 billion minutes as opposed to 4 billion minutes, respectively). The reduction in the call origination volume is mainly related to the significant growth of full LLU lines since, in this case, the subscriber is directly connected to the alternative operator's network without the interference of OTE's network and the call origination procedure is consequently rendered unnecessary.

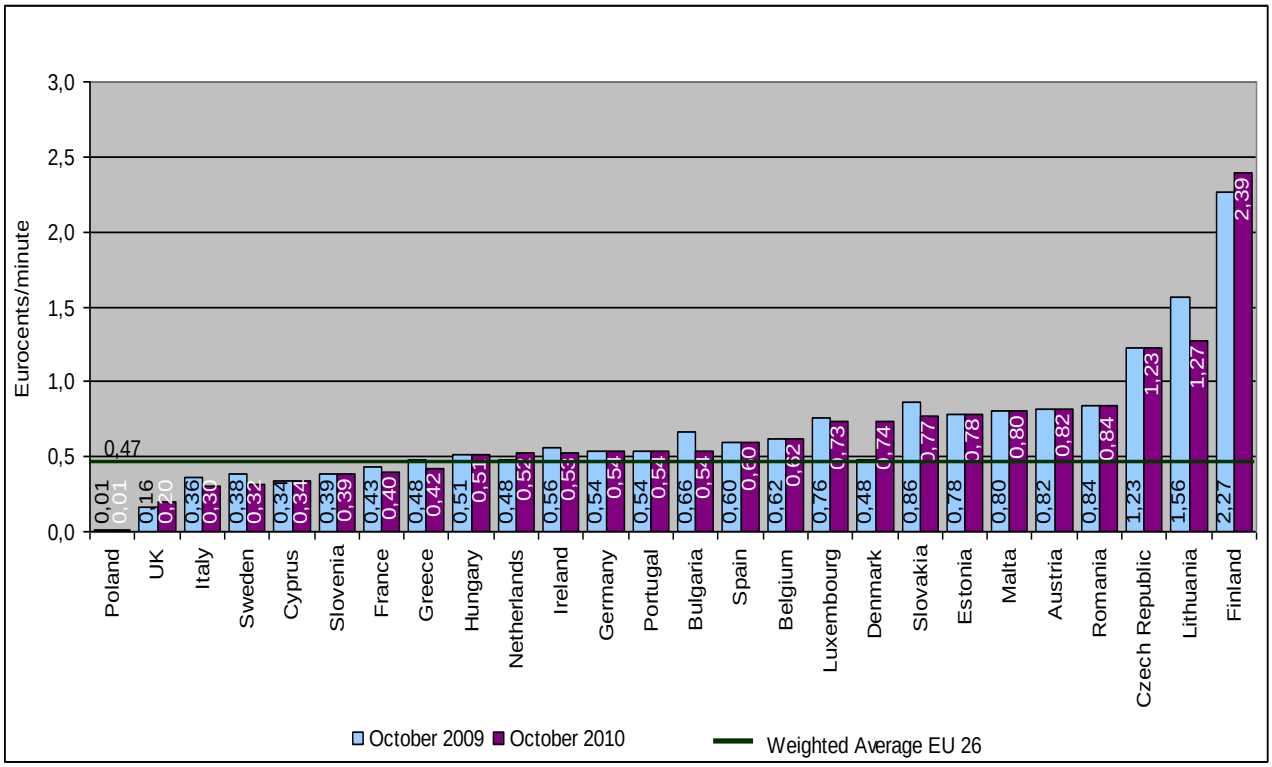
According to the European Commission's report (Digital Agenda Switchboard 2011), the local and double Interconnection fees in Greece in October 2010 were lower than the European average, whereas the single Interconnection fee was marginally higher. Charts 1.50 to 1.52 show the Interconnection fees to the incumbent Electronic Communications operator's network for each EU member state depending on Interconnection type (local, single, or double). Greece has the most affordable prices among the EU member states, since it ranks 8th for local, 14th for single, and 12th for double Interconnection.

Chart 1.49: Interconnection Traffic of Alternative Operators via OTE



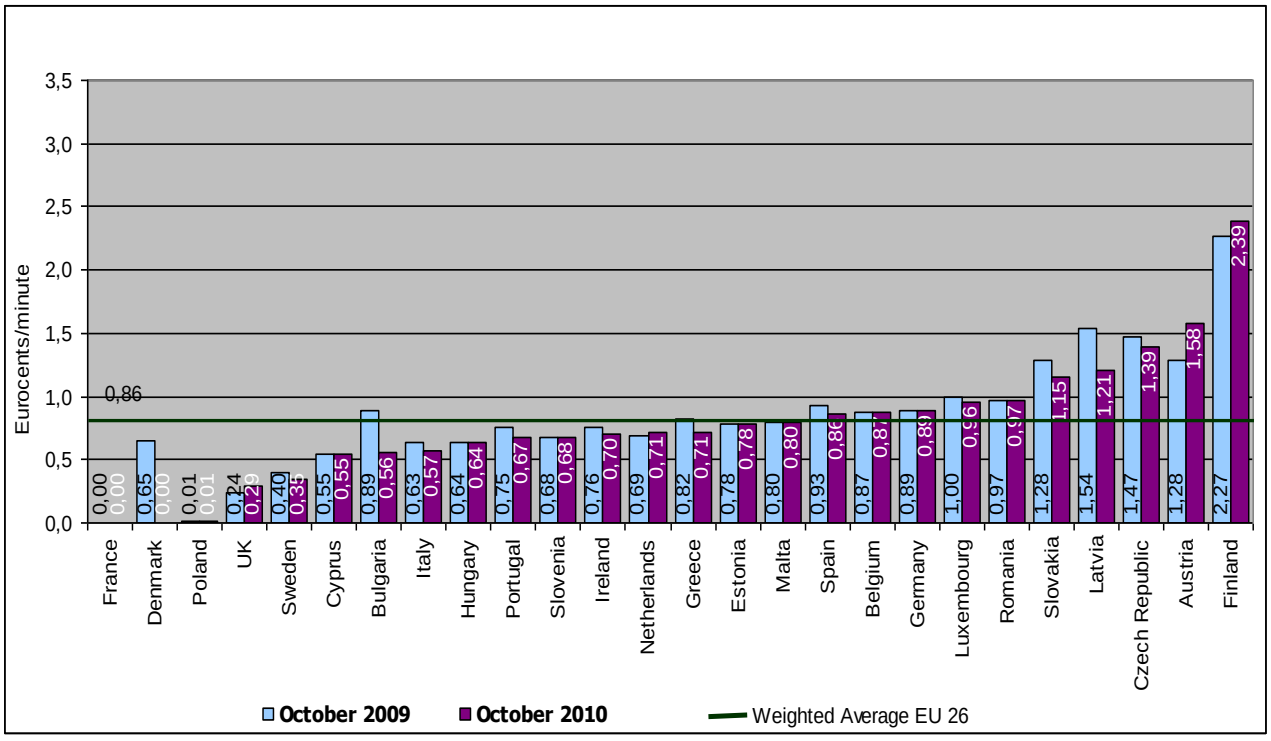
Source: EETT (based on the licensed operators' data)

Chart 1.50: Local Interconnection Fees, 2010



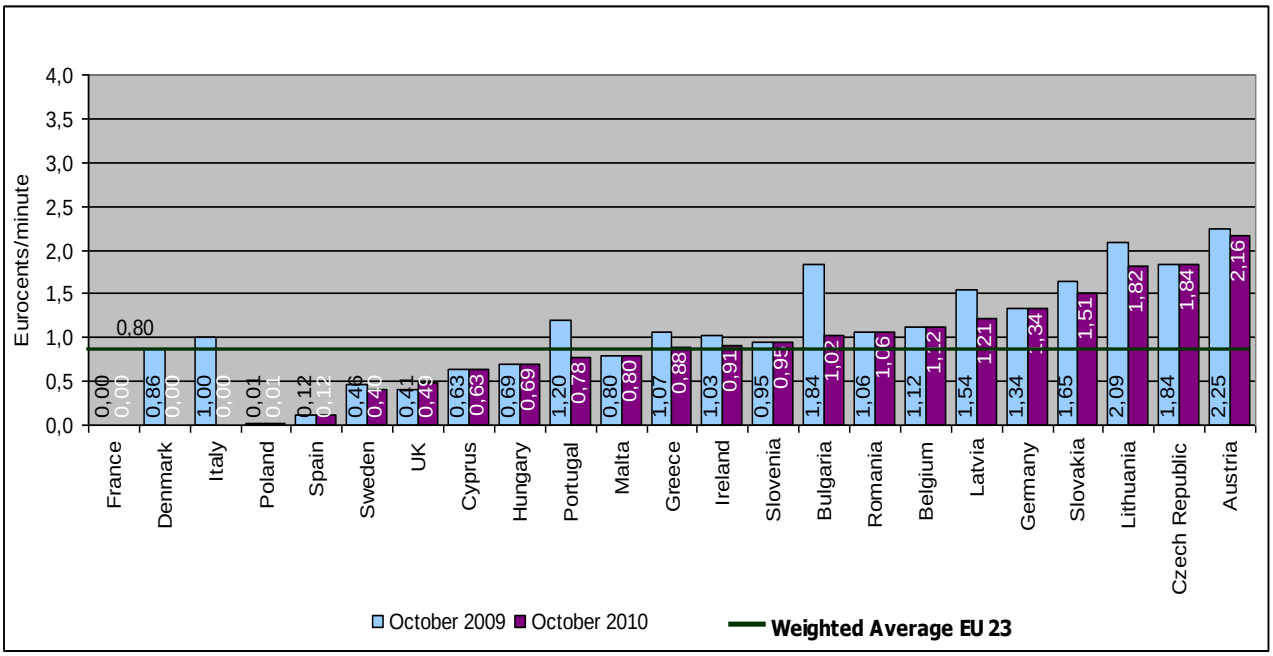
Source: European Commission, Digital Agenda Scoreboard 2011

Chart 1.51: Single Interconnection Fees, 2010



Source: European Commission, Digital Agenda Scoreboard 2011

Chart 1.52: Double Interconnection Fees, 2010



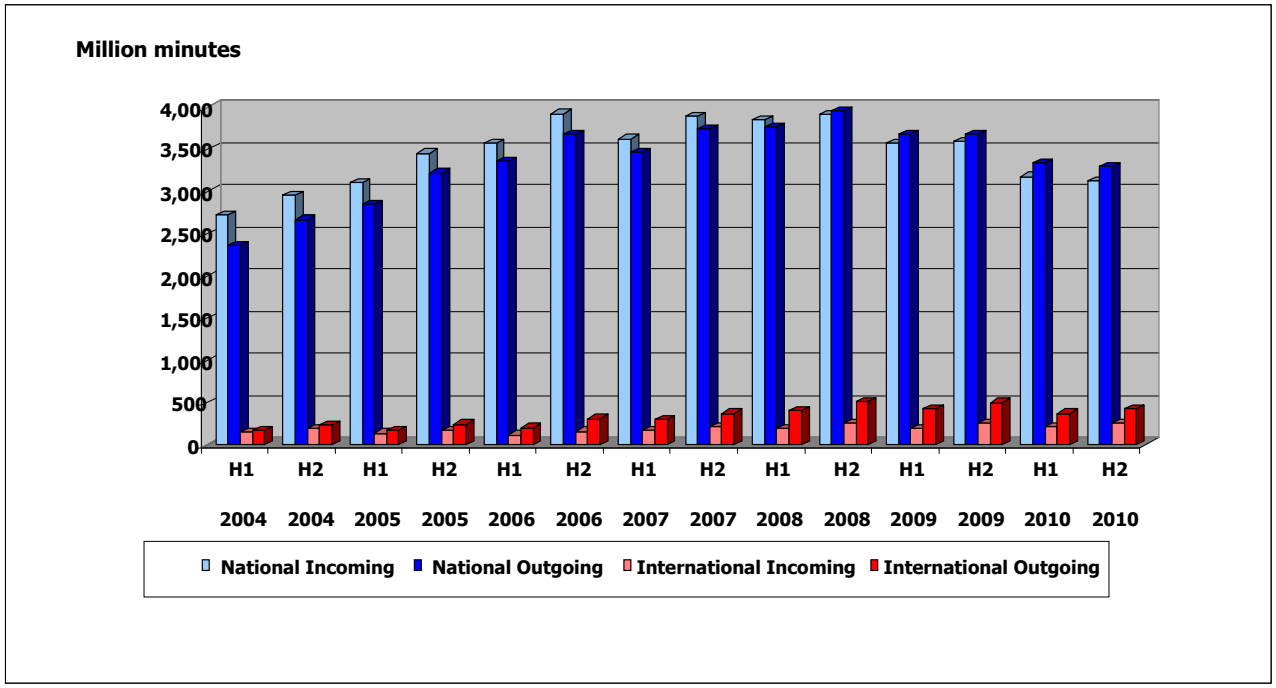
Source: European Commission, Digital Agenda Scoreboard 2011

1.10.2. Mobile Telephony

The Interconnection traffic of the MTOs (on-net traffic not included) fell slightly in 2010, as shown in Chart 1.53 which presents the national and international Interconnection traffic (both incoming and outgoing) for mobile telephony. In total, the fall amounted to 11% compared to the 2009 figures and is equivalent to a 1.5-billion-minute reduction on an annual basis. Additionally, national outgoing traffic fell by 10% and national incoming traffic by 12%. Chart 1.54 shows on-net traffic for the three MTOs which reached 19.7 billion minutes in 2010 and registered a further increase by 26% compared to 2009 (around 4 billion minutes), thus amounting to 60% of total Interconnection traffic. At the same time, the gradual reduction in the termination fees of mobile networks continued, as shown in Chart 1.55.

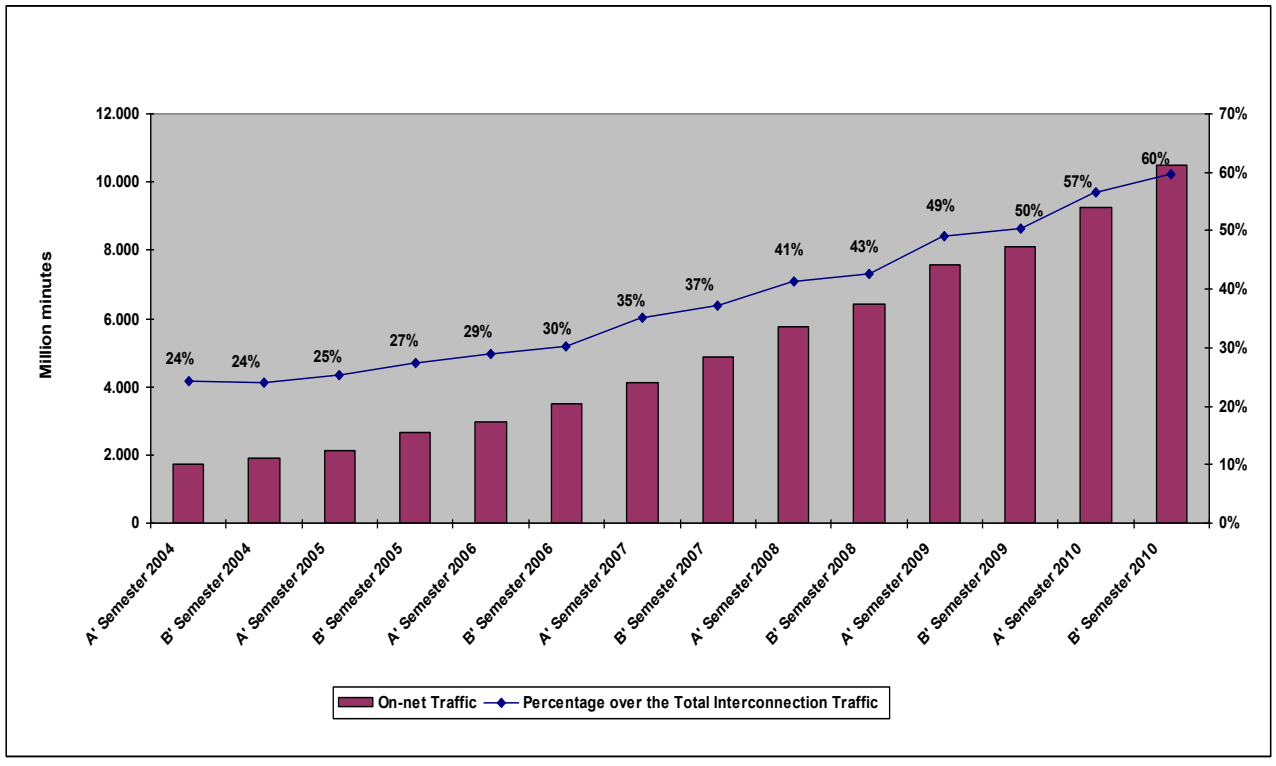
Finally, Chart 1.56 presents the Average National Termination Fee on mobile telephony networks for the 27 EU member states (data as of October 2010). Greece is the 19th most expensive country with an average termination fee of 6.24 eurocents/minute compared to 5.46 of the European average. However, its distance from the European average (Chart 1.57) is decreasing, since in 2010 Greece was more expensive from the European average by 14.3% (compared to 19.5% in 2009).

Chart 1.53: Interconnection Traffic of the Mobile Telephony Operators



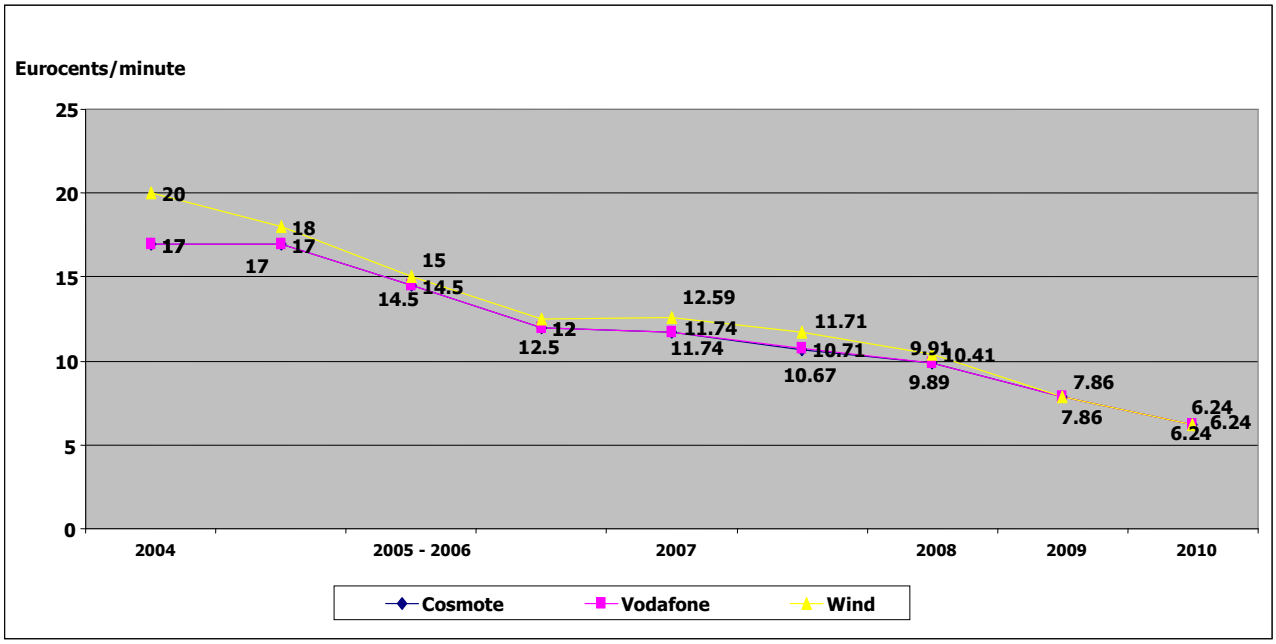
Source: EETT (based on mobile operators' data)

Chart 1.54: On-net Traffic of the Mobile Telephony Operators



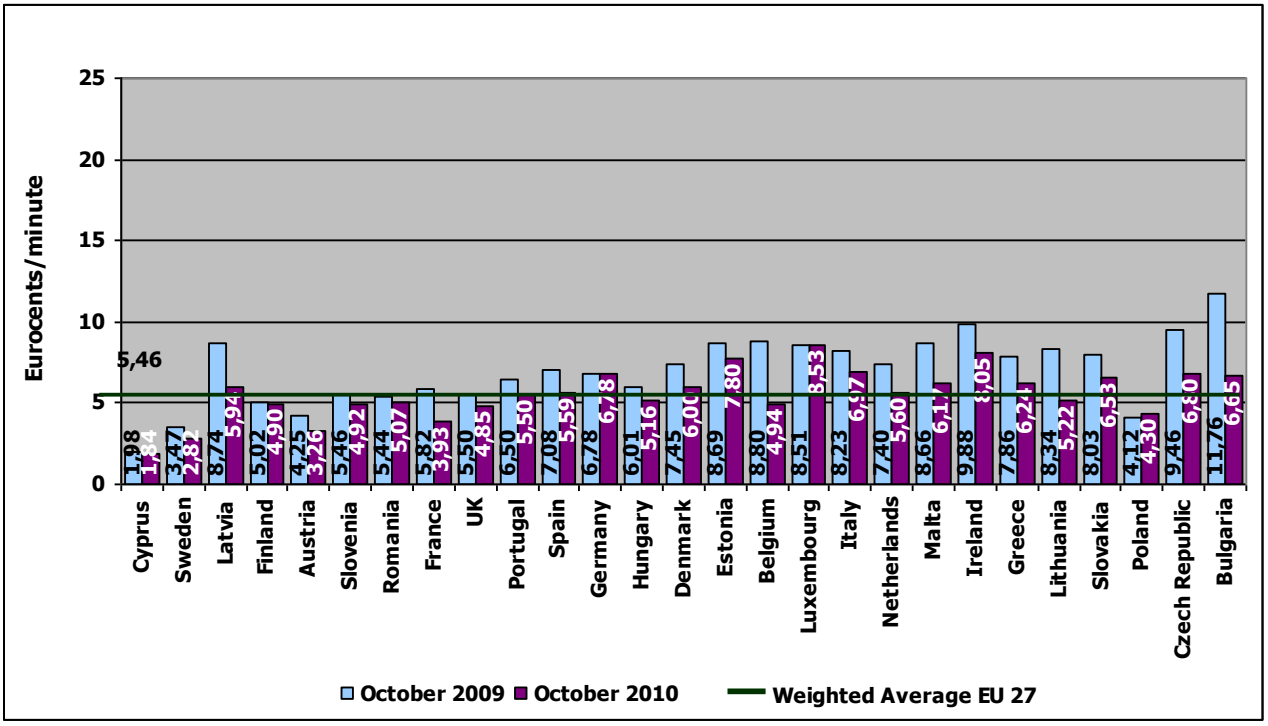
Source: EETT (based on mobile operators' data)

Chart 1.55: Progress of Mobile Termination Fees



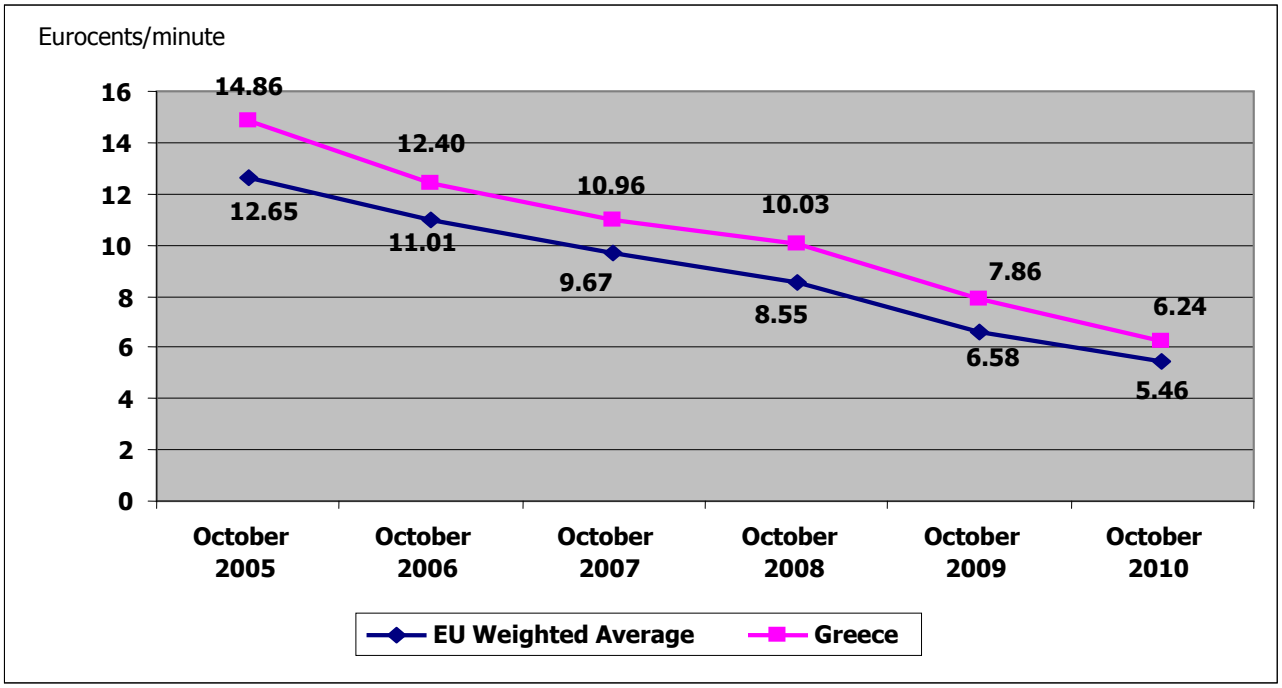
Source: EETT

Chart 1.56: Average National Interconnection Fee for Call Termination on Mobile Networks



Source: European Commission, Digital Agenda Scoreboard 2011

Chart 1.57: Average National Interconnection Fee for Call Termination on Mobile Networks



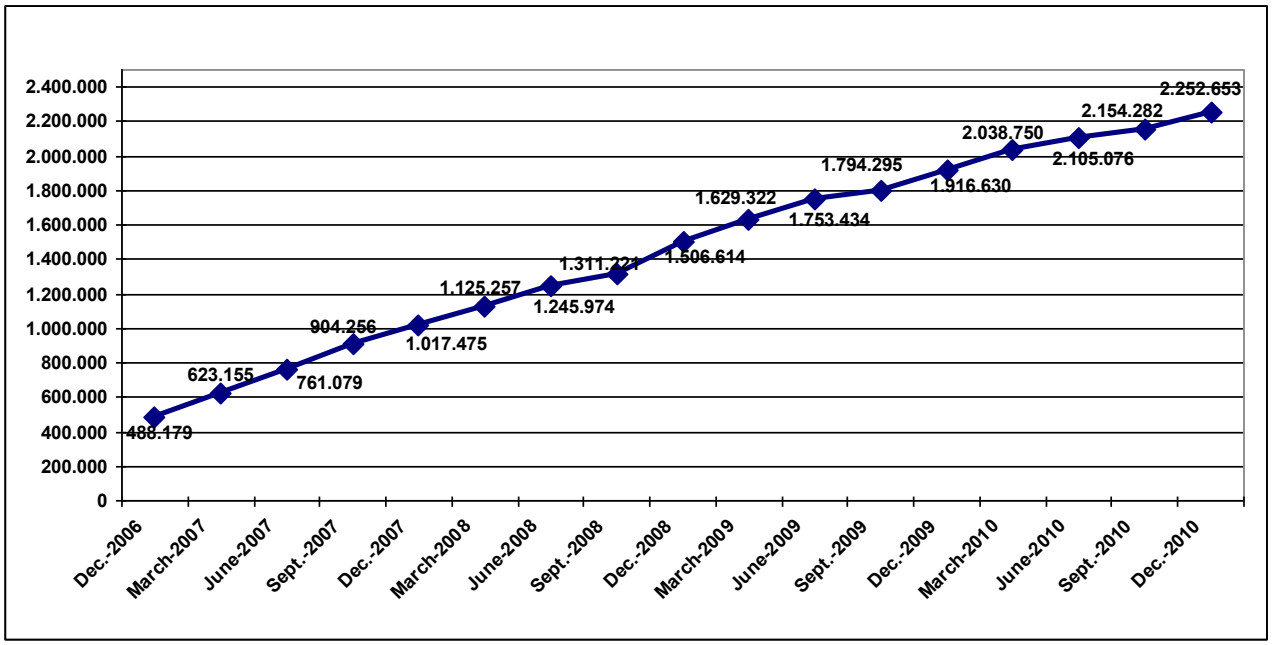
Source: European Commission, Digital Agenda Scoreboard 2011

1.11. Broadband

1.11.1. Evolution of Broadband Lines

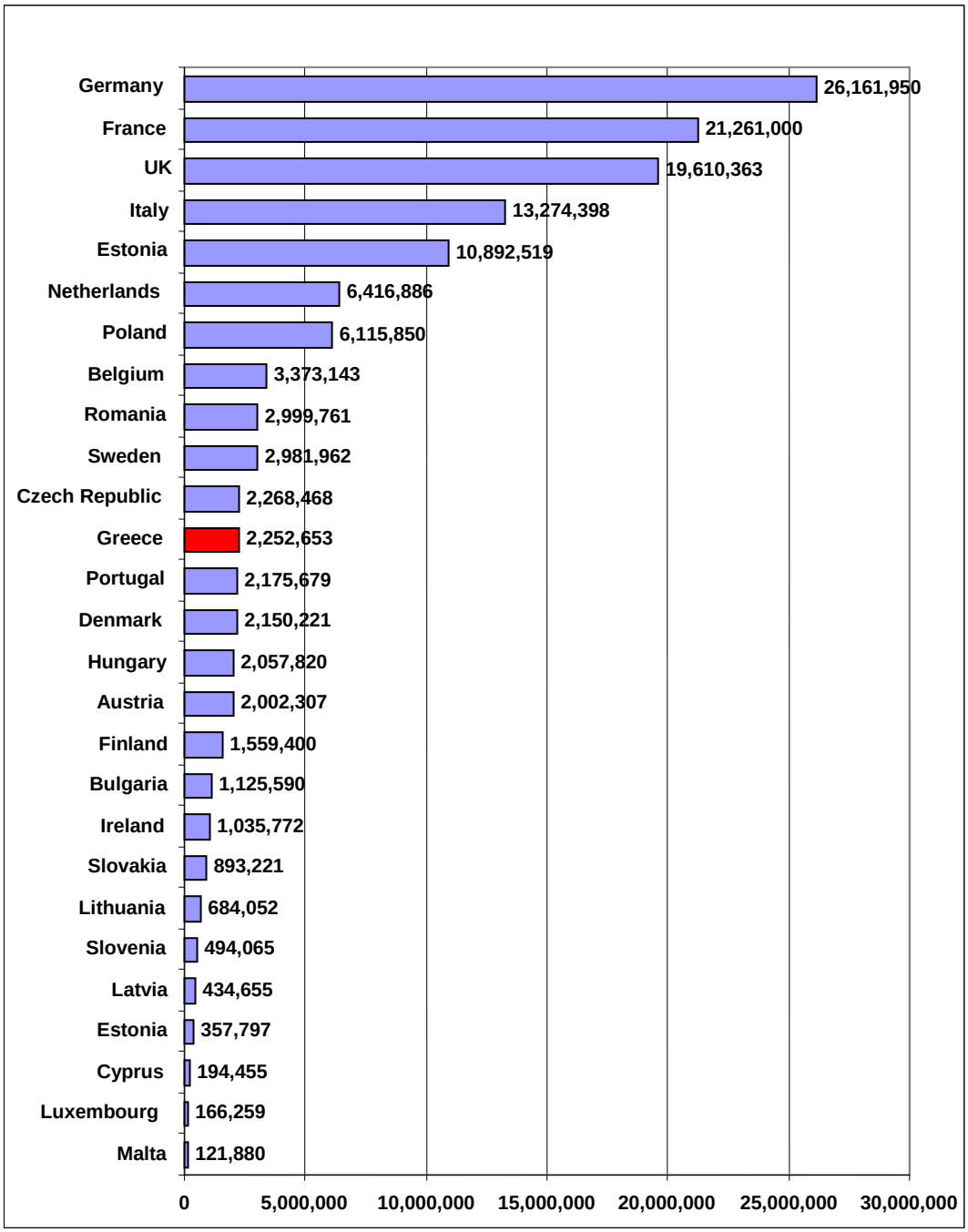
Broadband connections reached 2,252,653 at the end of 2010 compared to 1,916,630 at the end of 2009, registering an annual increase of 17.5% (Charts 1.58 and 1.59). Broadband penetration amounted to 19.9% compared to 17% in 2009 (Chart 1.60). The growth of the broadband penetration rate in Greece during 2010 (2.9%) was the highest in the EU and substantially higher than the European average (1.7%), which is an indication of the ongoing convergence of Greece with the rest of Europe (Charts 1.61 and 1.62). As a result of this progress, Greece improved its ranking among EU states and reached the 22nd place compared to the 24th place at the end of 2009. However, it should be noted that the growth rate of broadband penetration is declining (from 4.7% in 2007 to 2.9% in 2010) despite the relatively low broadband penetration in Greece (Chart 1.62).

Chart 1.58: Progress of Broadband Lines



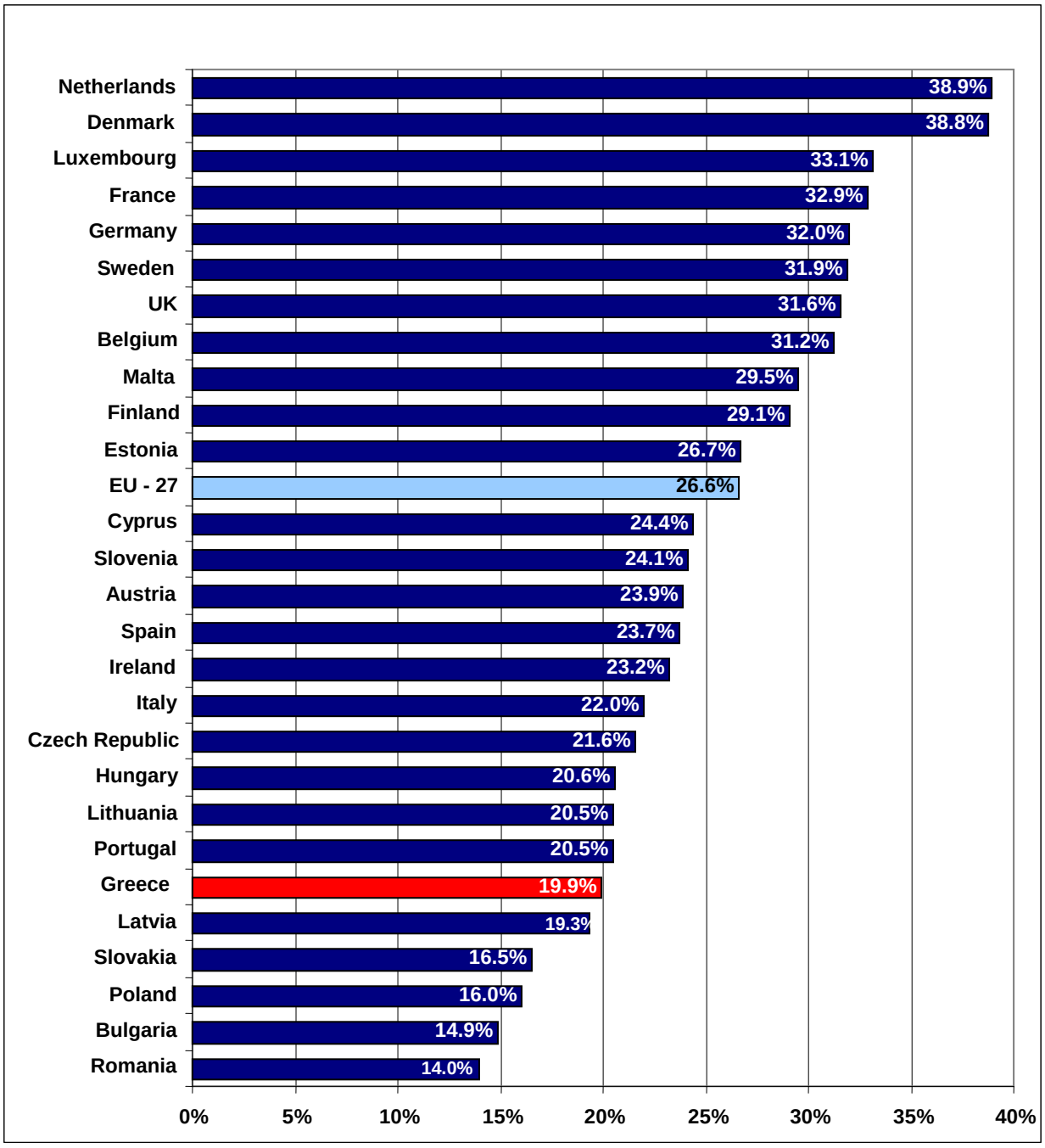
Source: EETT (based on the licensed operators' data)

Chart 1.59: EU Broadband Lines by Member State on 01/01/2011



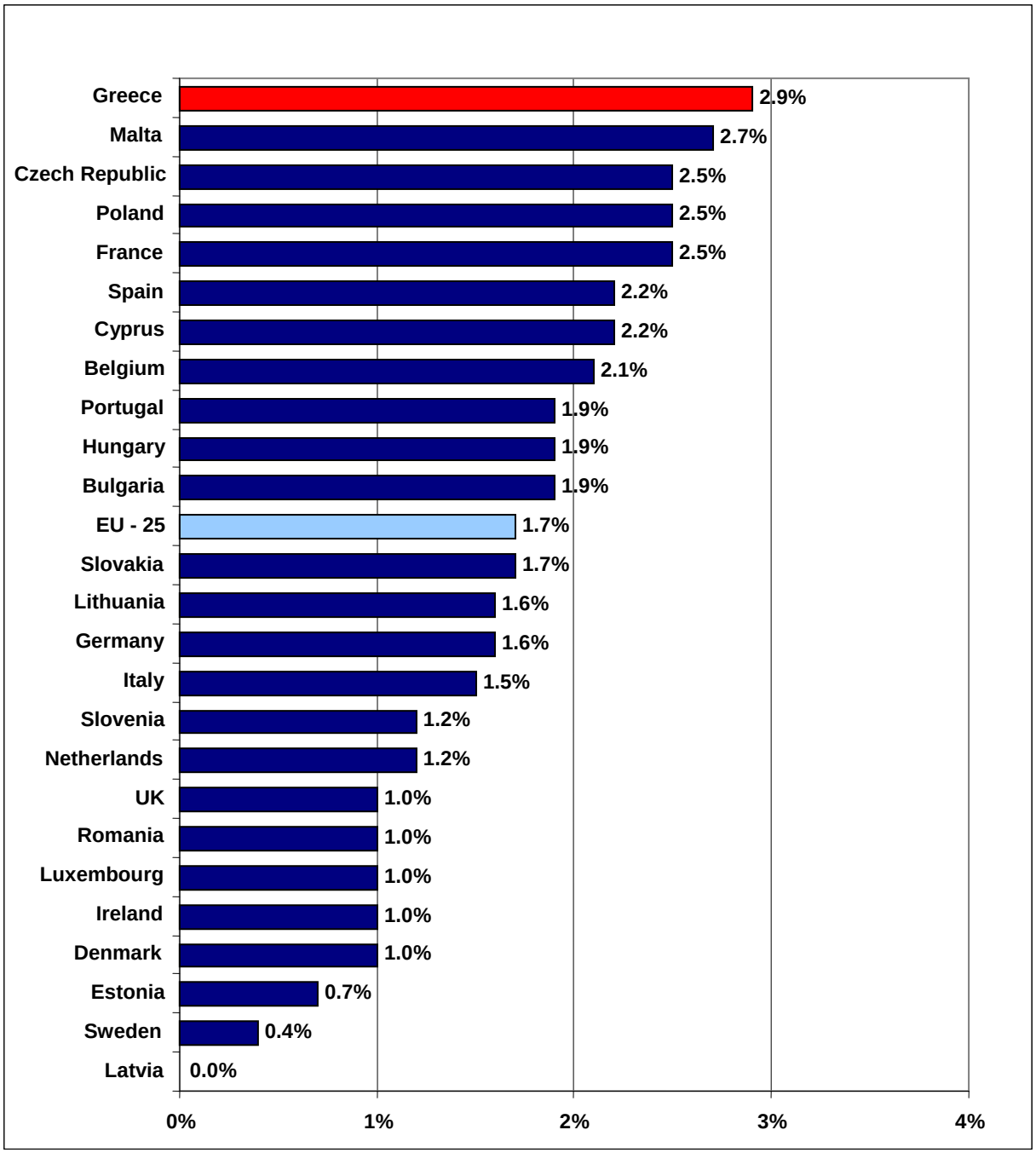
Source: European Commission, Digital Agenda Scoreboard 2011

Chart 1.60: Broadband Penetration Rate on 01/01/2011



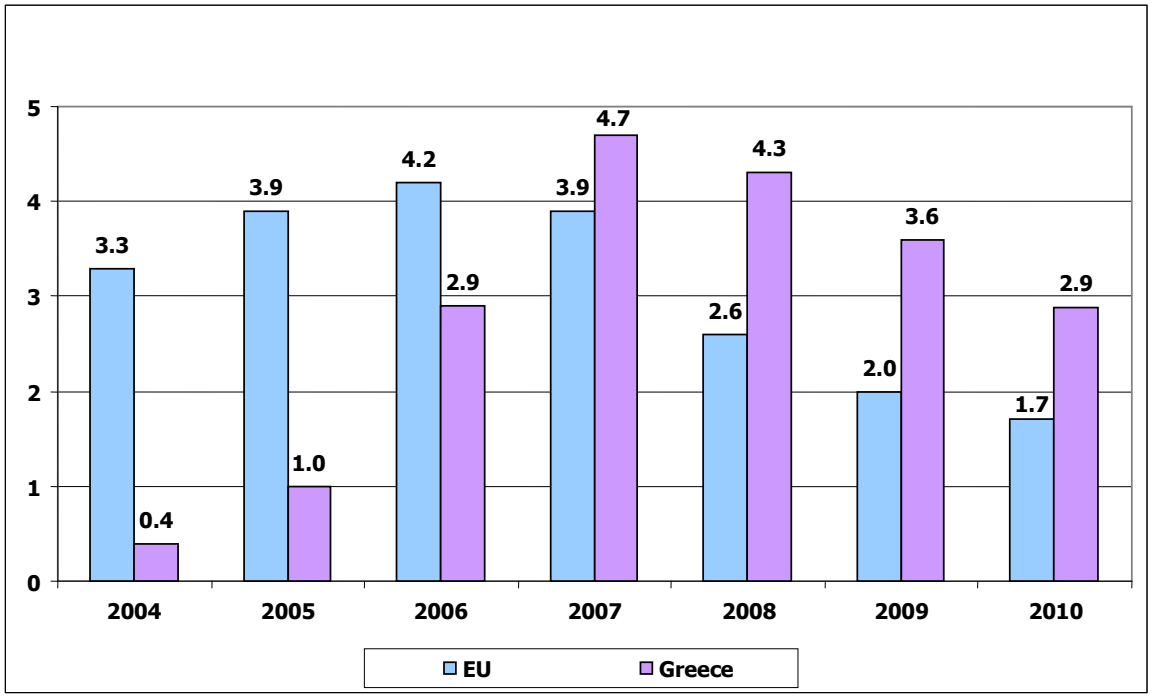
Source: European Commission, Digital Agenda Scoreboard 2011

Chart 1.61: Increase of Broadband Penetration Rate in the EU Member States in 2010



Source: European Commission, Digital Agenda Scoreboard 2011

Chart 1.62: Annual Increase of Broadband Penetration Rate in Greece and the EU (broadband lines per 100 inhabitants)

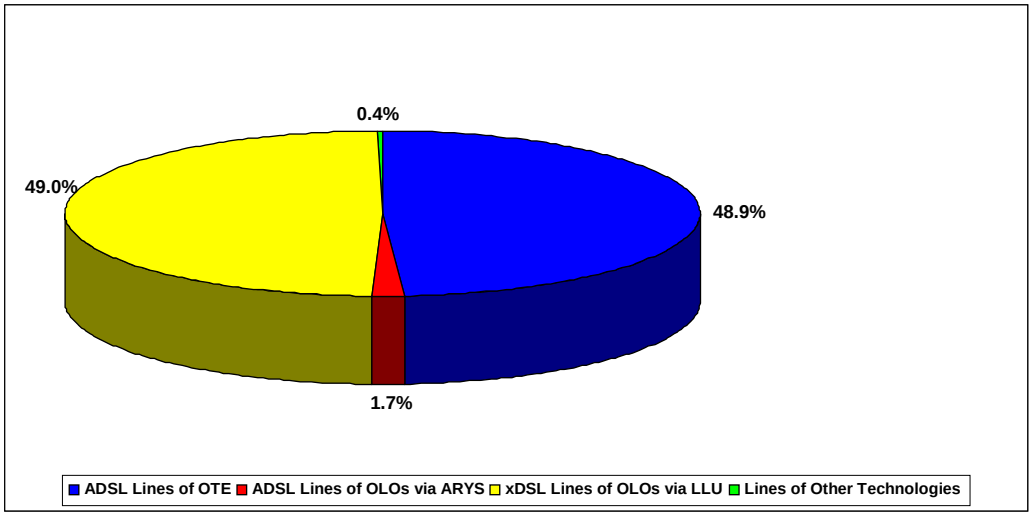


Source: European Commission, Digital Agenda Scoreboard 2011

1.11.2. Broadband Lines by Technology

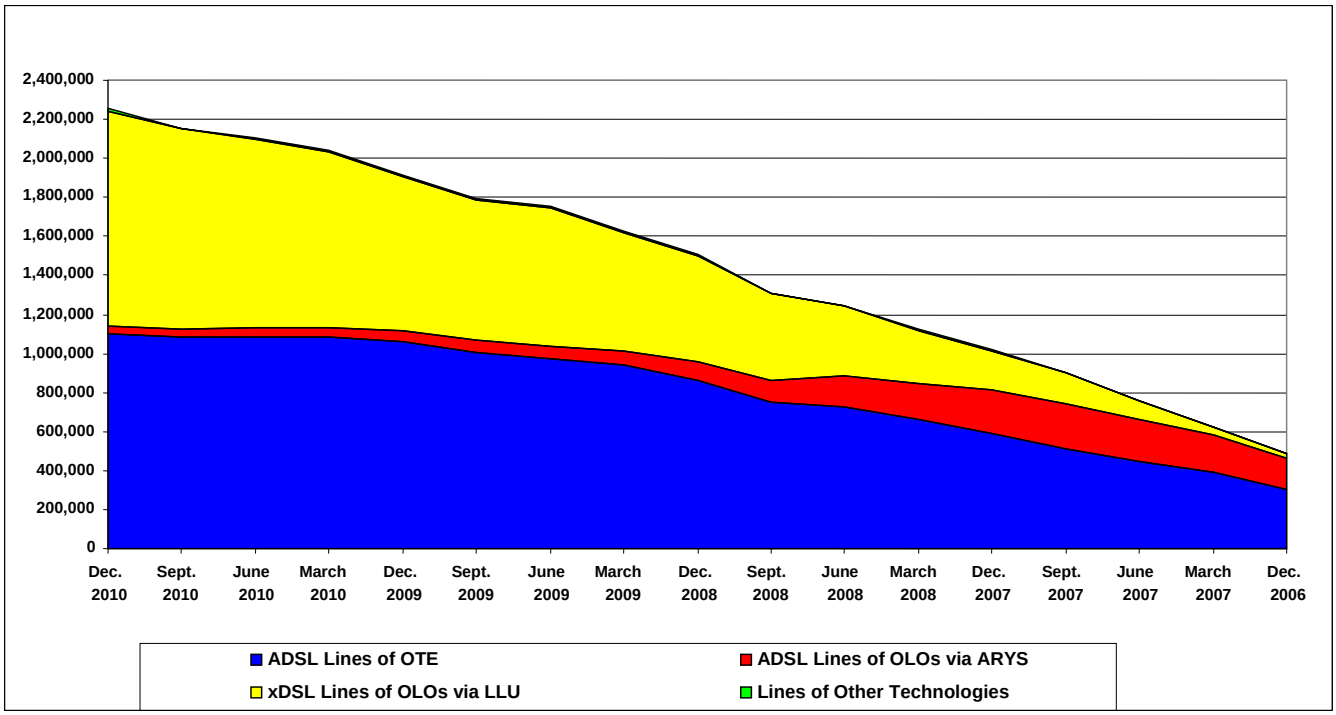
The xDSL lines via LLU exceeded 49% of broadband lines at the end of 2010 constituting the basic mode of broadband access. In contrast, the percentage of OTE's retail ADSL lines on 31-12-2010 fell even further to 48.9% compared to 55.3% on December 31st, 2009, while ADSL lines reached 1.66% compared to 2.7% on the same date . Finally, the level of broadband lines of other technologies remains very low at a percentage of less than 0.5%.

Chart 1.63: Distribution of Broadband Lines by Technology, December 2010



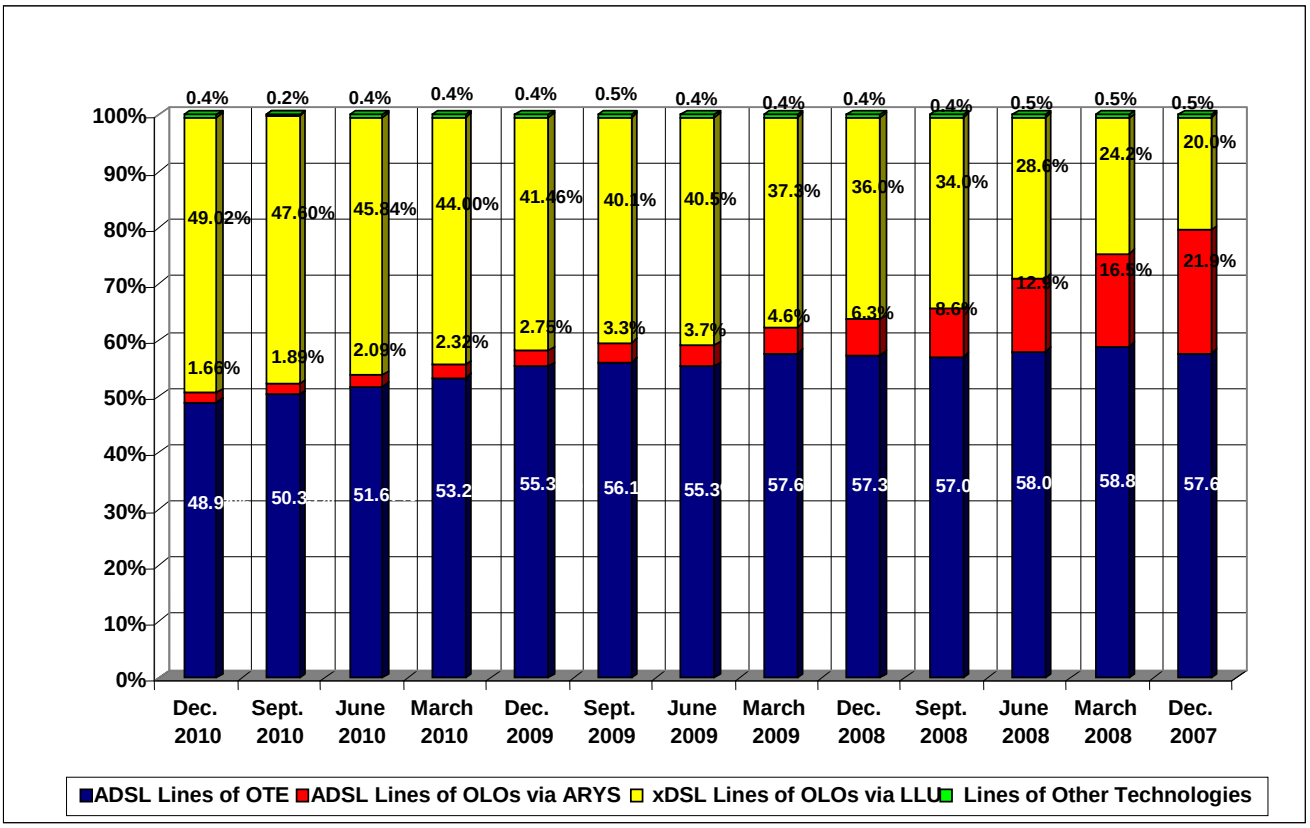
Source: EETT (based on the licensed operators' data)

Chart 1.64: Progress of Broadband Lines by Technology



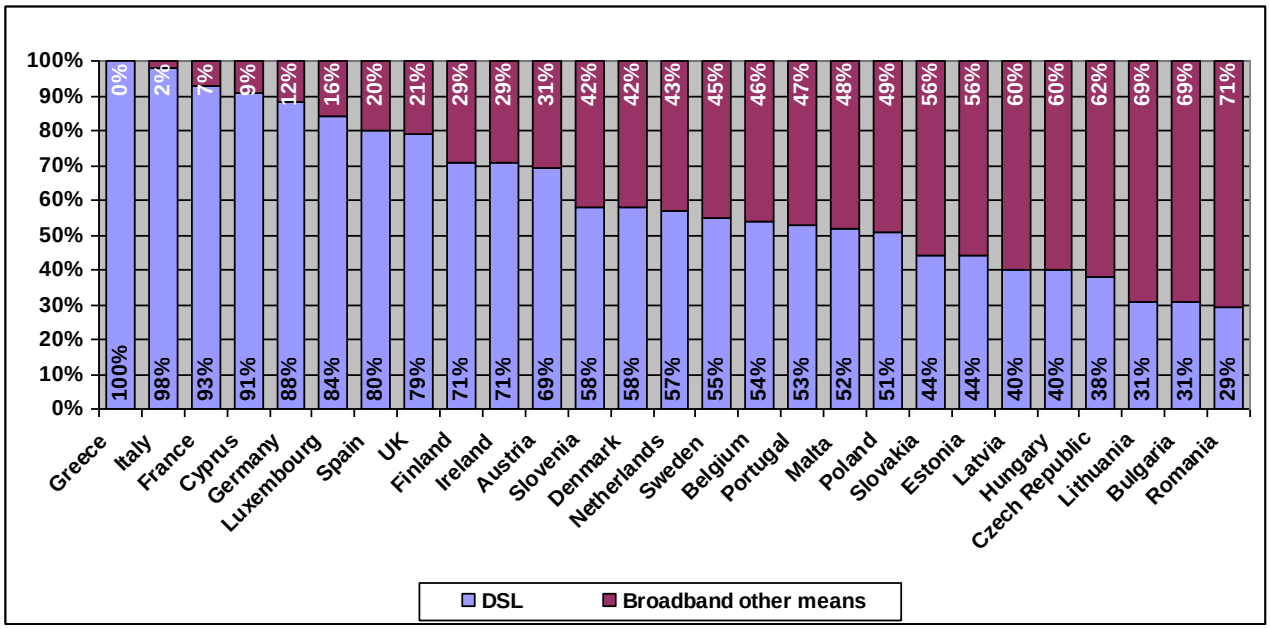
Source: EETT (based on the licensed operators' data)

Chart 1.65: Distribution of Broadband Lines by Access Type



Source: EETT (based on the licensed operators' data)

Chart 1.66: Fixed Broadband Lines by Technology, December 2010

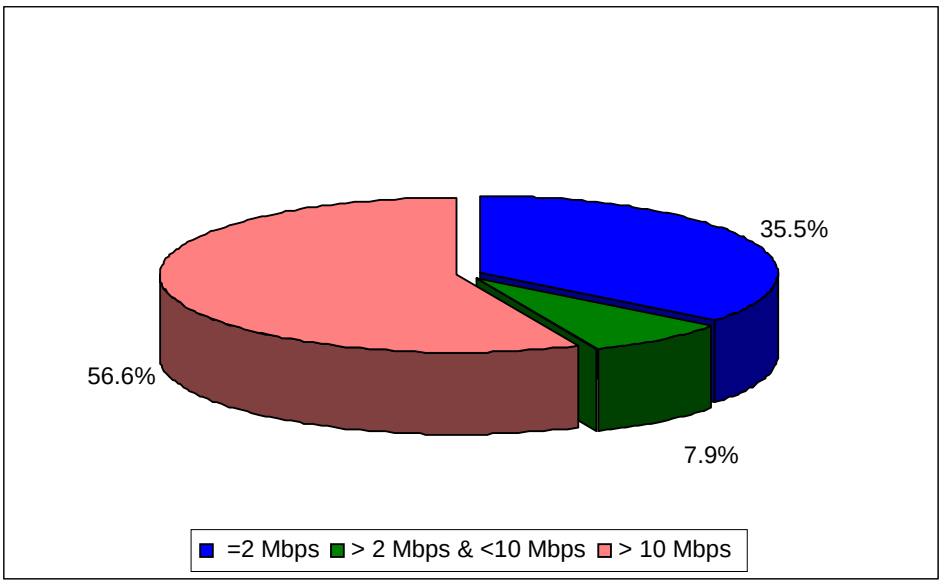


Source: European Commission, Digital Agenda Scoreboard 2011

1.11.3. Speeds of Broadband Lines

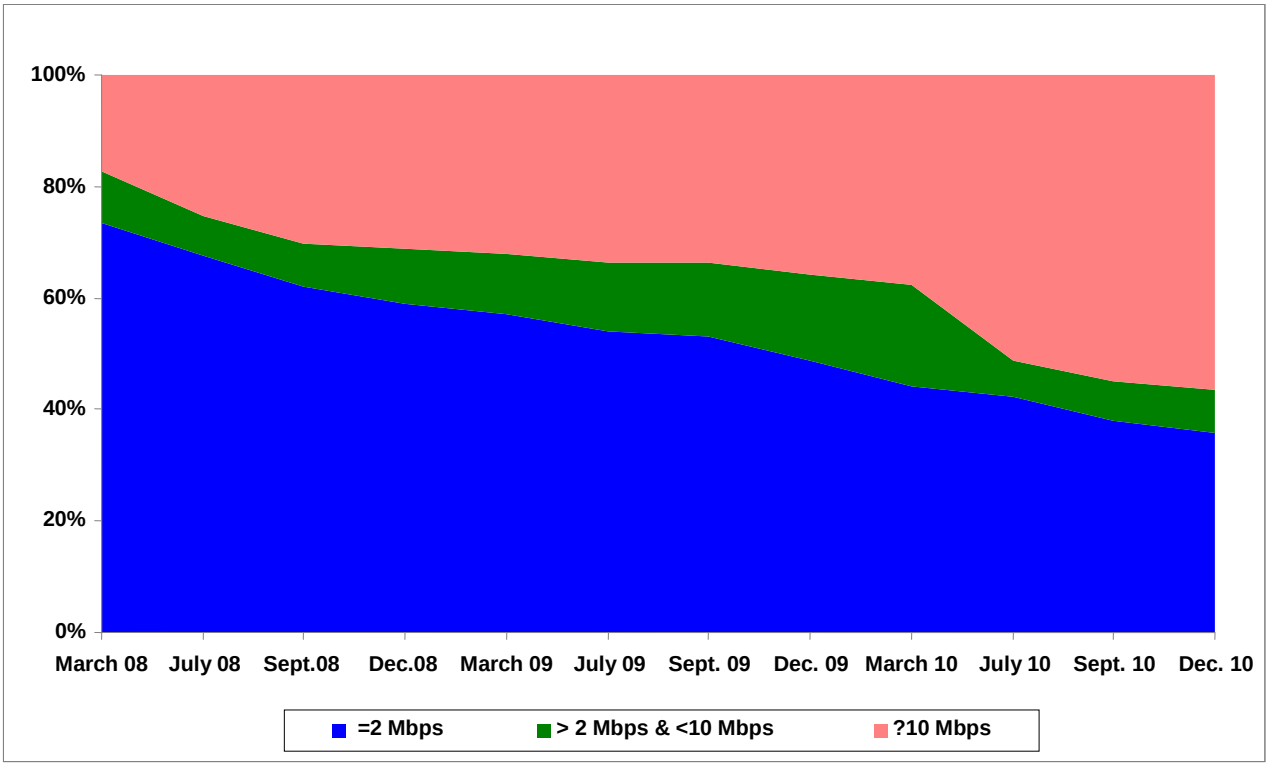
Chart 1.67 presents the distribution of all broadband lines by access speed. Most broadband lines now operate at speeds (download) equal to or more than 10Mbps (56.6%). 8% of lines operate at speeds ranging from 2 up to 10Mbps, whereas the remaining 35.5% of lines operate at speeds equal to 2Mbps. At the end of 2009, the percentages were 35.9%, 16% and 48% respectively, indicating the gradual shift of users towards high speed products (Chart 1.68). Lastly, Chart 1.69 shows the progress of the average speed of ADSL lines (wholesale and retail), which over-doubled though 2010, reaching a speed of 9.7Mbps compared to 4.4Mbps at the end of 2009.

Chart 1.67: Percentage Distribution of Broadband Line Speeds, December 2010



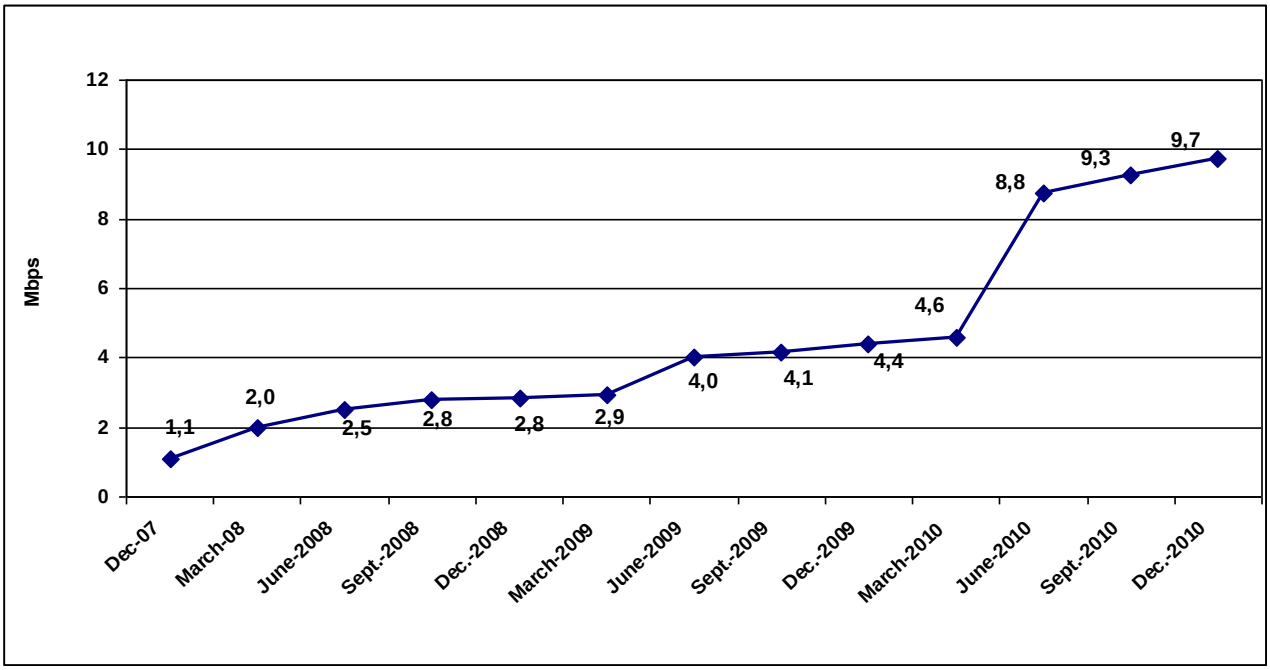
Source: EETT (based on the licensed operators' data)

Chart 1.68: Progress of Broadband Line Speeds



Source: EETT (based on the licensed operators' data)

Chart 1.69: Progress of Average Access Speed

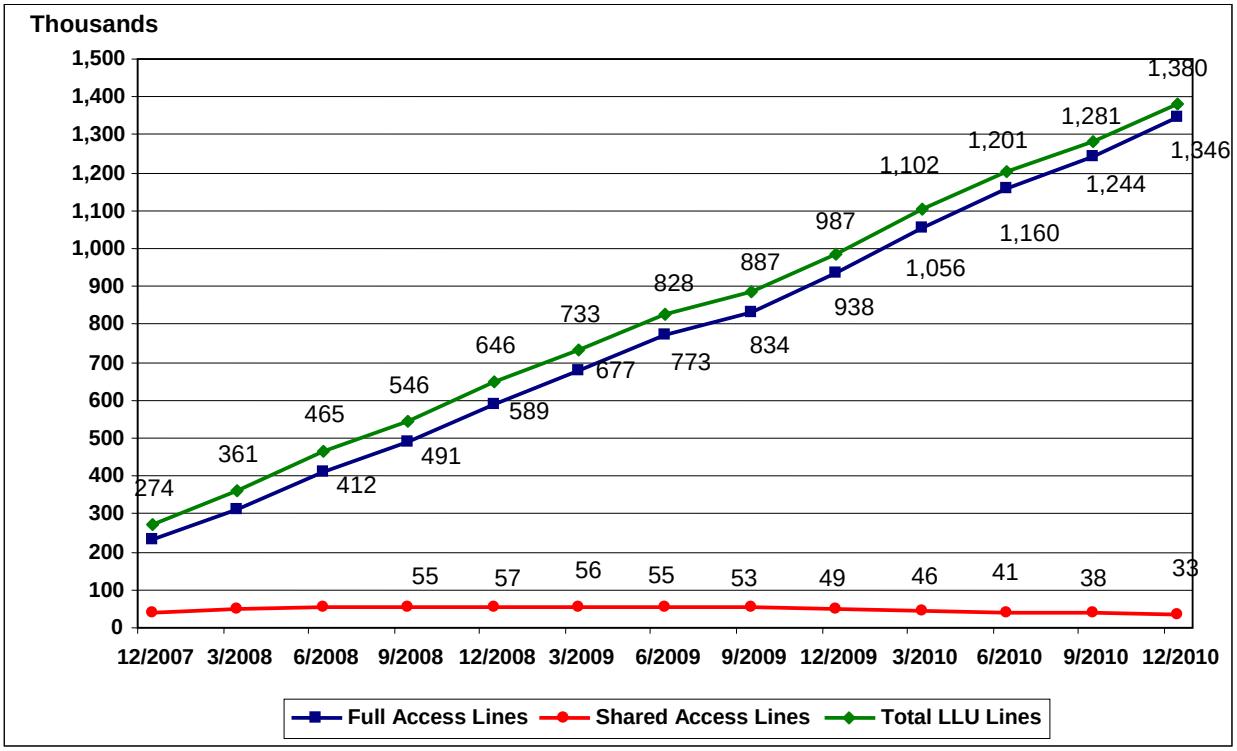


Source: EETT (based on the licensed operators' data)

1.11.4. Local Loop Unbundling

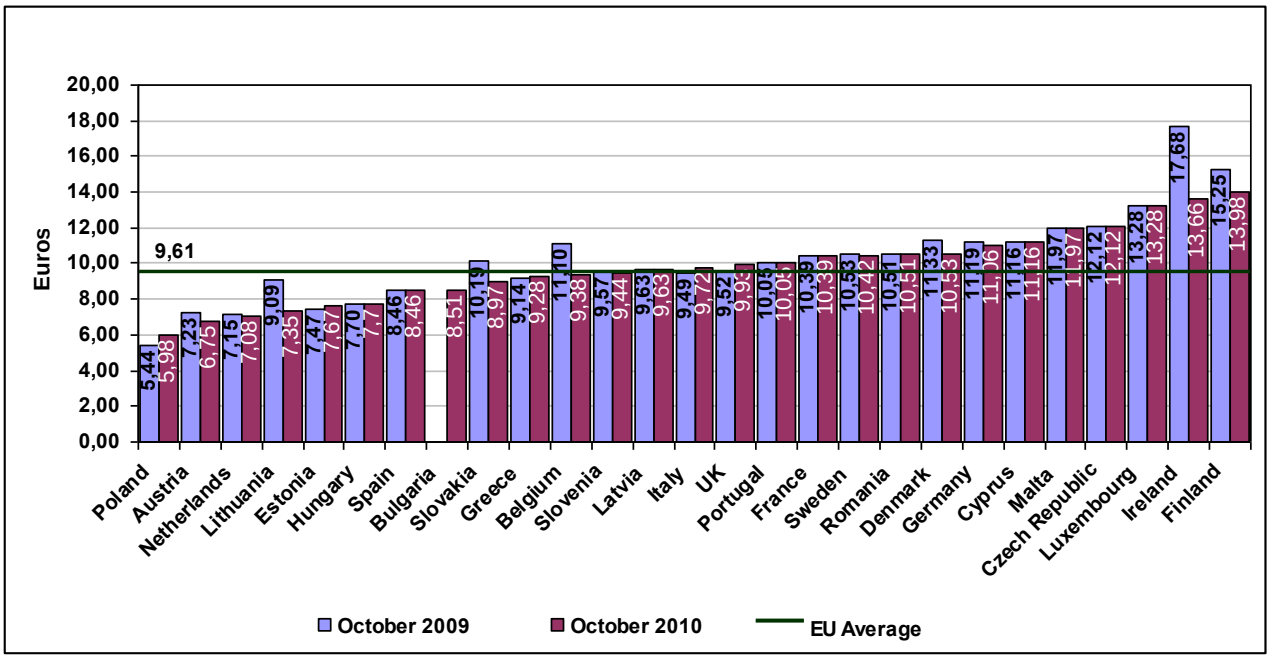
ASDL access via LLU (Chart 1.70) kept rising during 2010 and reached 1,379,743 lines at the end of the year compared to 987,310 at the end of 2009, registering a 40% increase approximately and constituting the biggest part of broadband lines. This increase is entirely due to full access lines, which rose by 43.5% compared to the end of 2009 (they amounted to 1,346,493 compared to 937,878 on 31-12-2009). On the contrary, the shared access lines are decreasing constantly reaching 33,250 on 31-12-2010 compared to 49,432 lines on 31-12-2009 (a 32.7% reduction). The average monthly access cost for a LLU line in Greece amounted to 9.28 Euros compared to 9.61 Euros of the European average, making Greece the 10th most affordable country of the EU (Chart 1.71). The relevant price for 2009 was 9.14 Euros (a 2% rise due to the double increase in VAT). Accordingly, the average monthly access cost for a shared access LLU line amounted to 3.62 Euros compared to 3.29 Euros of the European average, making Greece the 13th most affordable country of the EU (Chart 1.72). The relevant price for 2009 was 3.24 Euros (an increase by 12%).

Chart 1.70: Progress of LLU Lines



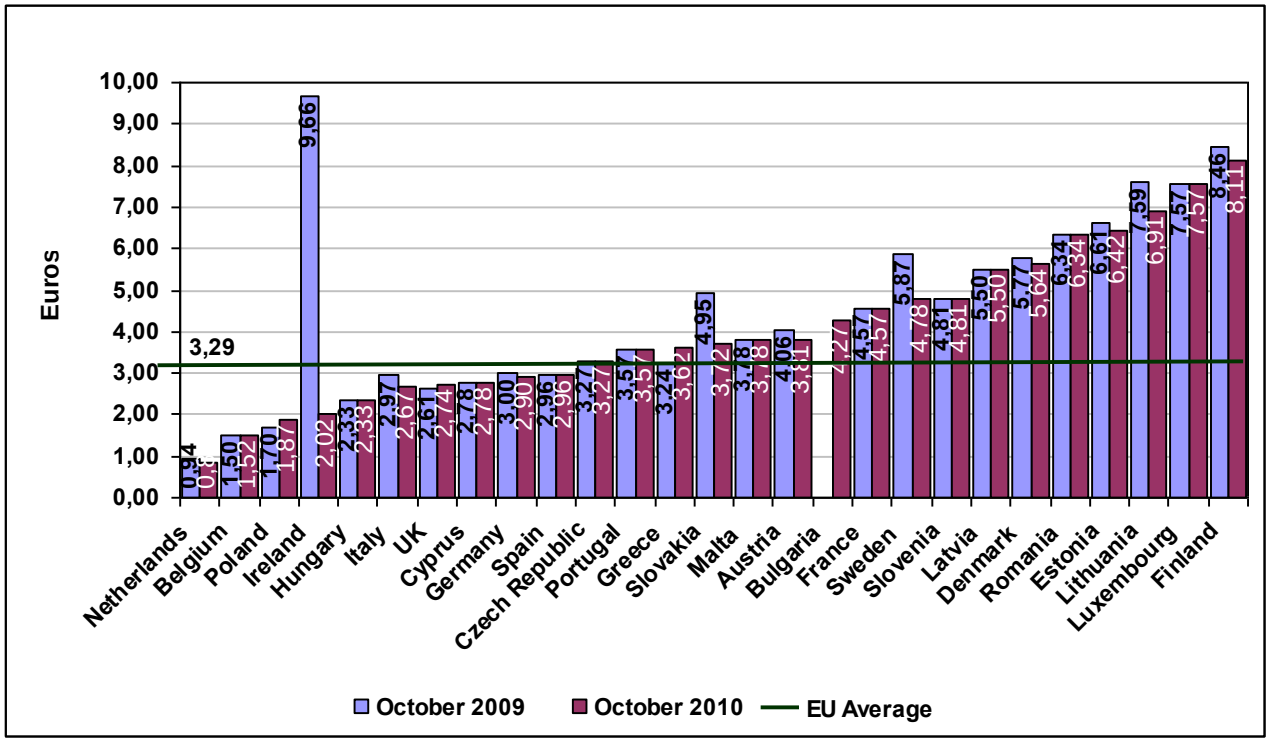
Source: EETT (based on the licensed operators' data)

Chart 1.71: Monthly Average Total Cost per Fully Unbundled Loop



Source: European Commission, Digital Agenda Scoreboard 2011

Chart 1.72: Monthly Average Total Cost per Shared Access

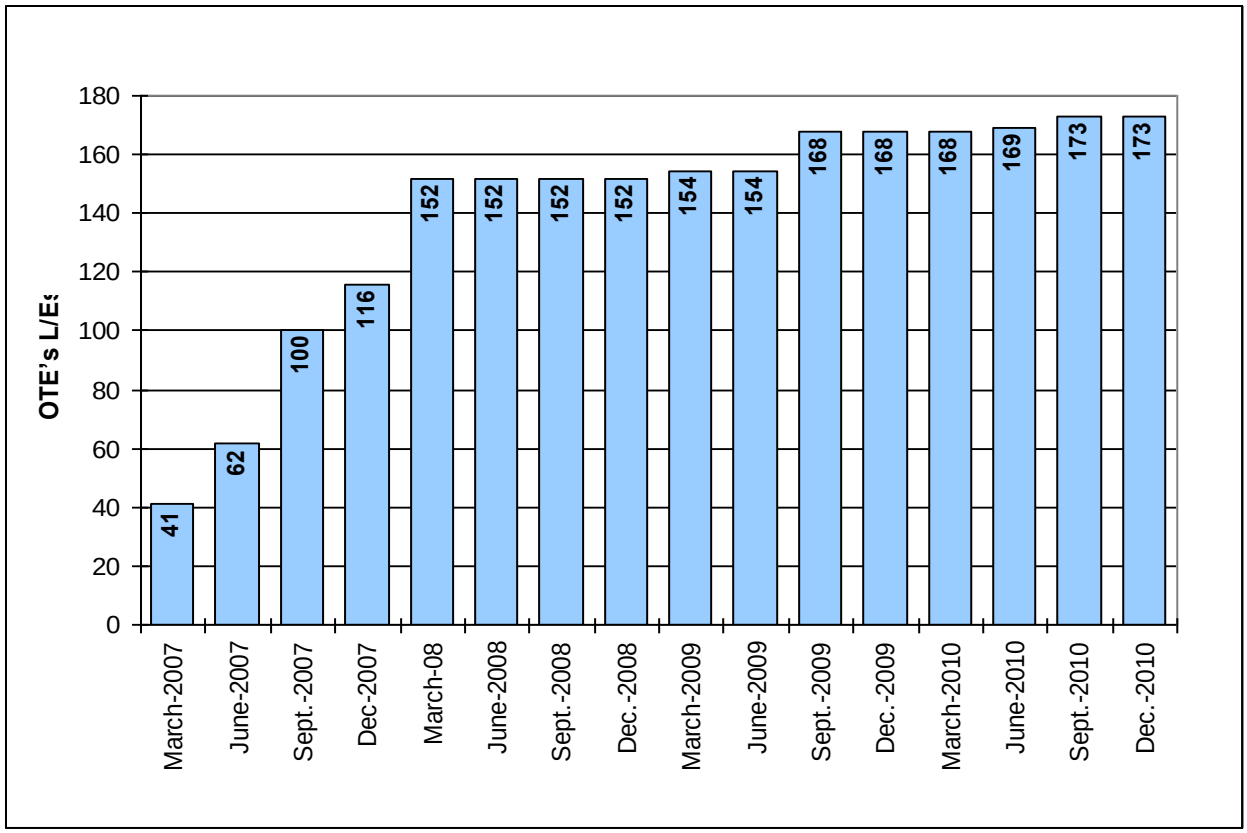


Source: European Commission, Digital Agenda Scoreboard 2011

1.11.5. Collocation

Chart 1.73 presents the progress of OTE's Local Exchanges providing physical collocation to OLOs, whose number stabilized at 173 at the end of 2010 compared to 168 at the end of 2009.

Chart 1.73: Progress of Physical Collocation



Source: EETT (based on the licensed operators' data)

1.11.6. Retail Cost of Broadband Access

OECD recently published a series of data on the retail price of broadband access packages in its member states during September 2010[10] which are presented in the following Charts. The following points must be taken into account so as to fully understand the Charts:

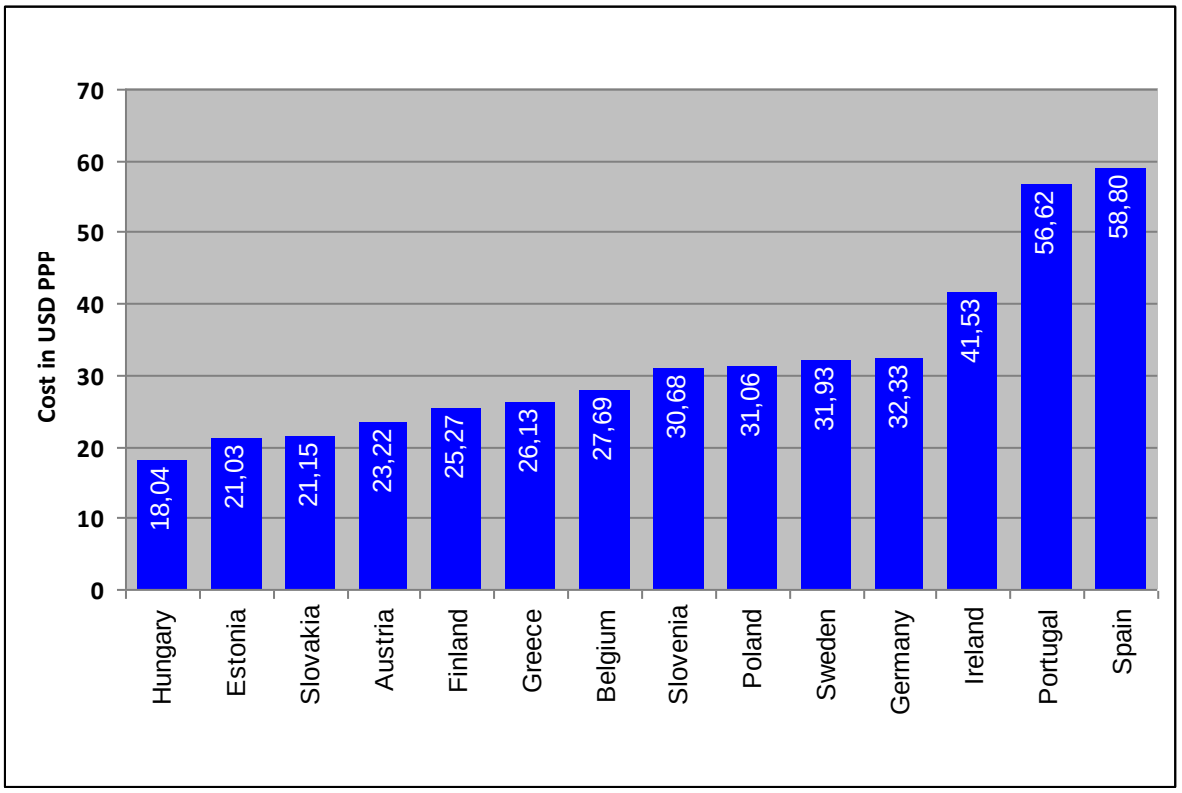
- The prices appearing in the Charts are weighted in terms of equivalent Purchasing Power Parity (PPP), with the US dollar being the reference currency.
- The Charts present and compare average prices (medians) per country.
- The absence of certain EU member states from the relevant Charts is due to the fact that no retail access packages are offered in their markets for these particular speed categories.
- In the current report, special effort has been made to present all statistic data concerning Greece that can be used seamlessly for statistical assessments. For example, the report avoids statistical data on the price range of retail access packages (total and per Mbps) because in Greece no retail access packages are offered for two of the five speed categories that were included in the relevant assessment.

[10] http://www.oecd.org/document/54/0,3746,en_2649_34225_38690102_1_1_1_1,00.html

• The report does not include prices for bundled service packages (combining broadband access to the Internet with other services, such as access to the public telephone network, telephony, television or Internet video etc.). The basic conclusions are the following:

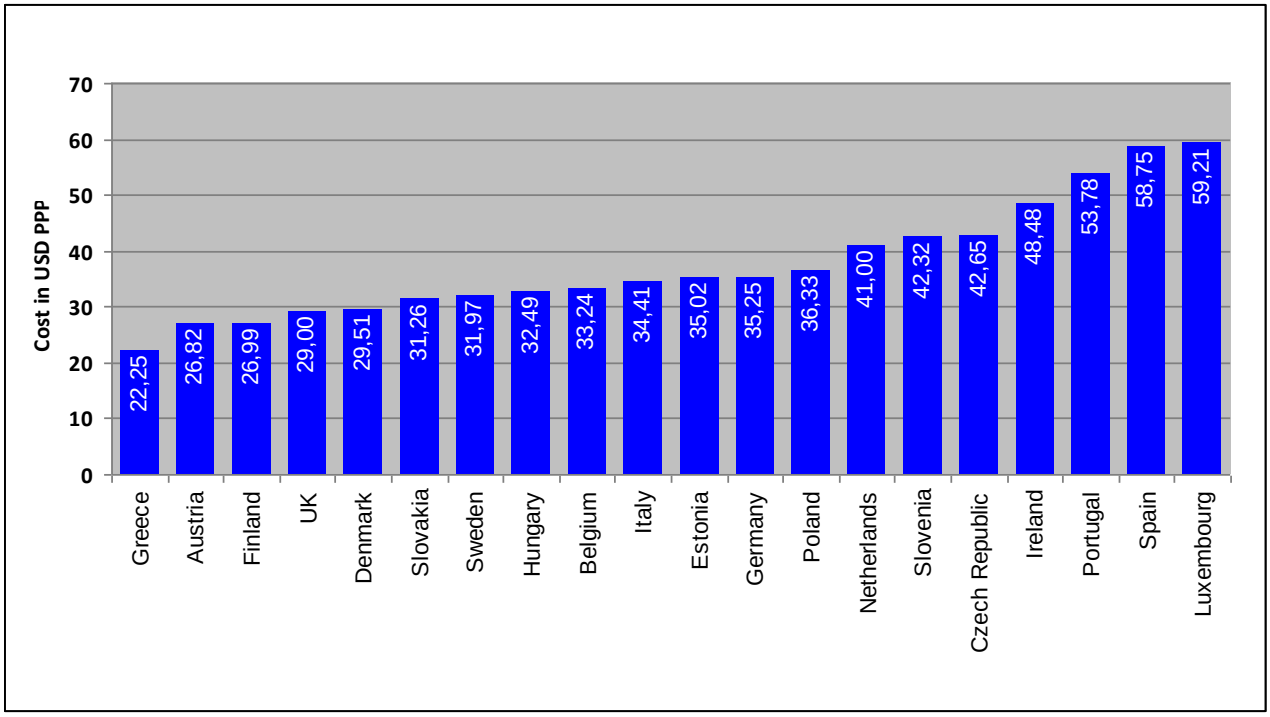
- For the nominal speed categories up to 2.5 Mbps (Chart 1.74) and among 14 EU member states, Greece has the 6th lowest price in retail broadband access ($26.13 PPP).
- For the nominal speed categories ranging from 2.5 to 15 Mbps (Chart 1.75) and among 20 EU member states, Greece has the lowest price in retail broadband access ($22.25 PPP).
- For the nominal speed categories ranging from 15 to 30 Mbps (Chart 1.76) and among 21 EU member states, Greece has the lowest price in retail broadband access ($29.09 PPP).

Chart 1.74: Monthly Subscription Fee for Speeds up to 2.5 Mbps



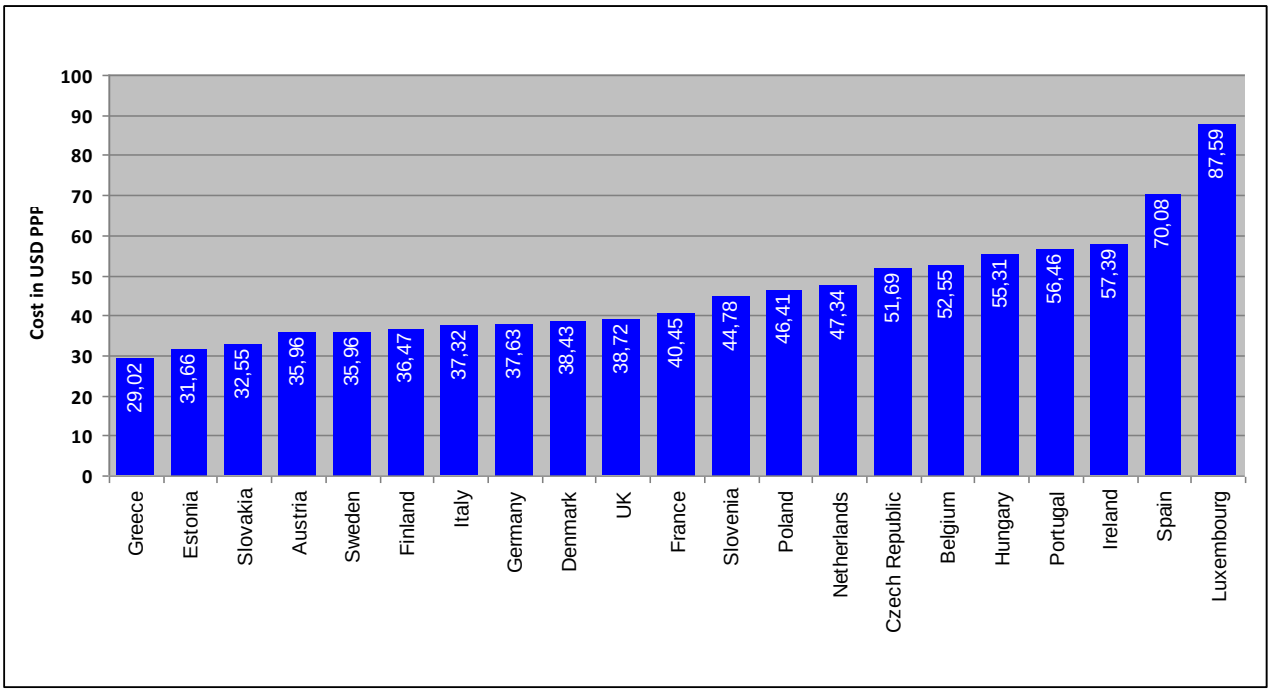
Source: OECD

Chart 1.75: Monthly Subscription Fee for Speeds 2.5 to 15 Mbps



Source: OECD

Chart 1.76: Monthly Subscription Fee for Speeds 15 to 30 Mbps



Source: OECD

2. The Postal Market

Introduction

The Greek postal market includes the following sub-markets: a) the Universal Service (US) market, within which the Universal Service Provider (USP) and postal service providers under Individual License operate and (b) the Courier Market, within which postal services providers under General Authorisation operate. The Courier market is fully liberalized. In contrast, in the US market, the USP (ELTA) monopolizes the handling postal items weighing up to 50gr. However, this restriction is not applied if the price is equal to or greater than 2.5 times the basic fee for the domestic A priority letter weighing 20gr. Based on the 3rd Postal Directive 6/2008, the full market opening in Greece is expected to be completed on January 1, 2013, while it should be noted that the Public Consultation on the Draft Law integrating this Directive into Greek law has already been concluded. Besides, the postal markets of most European Union (EU) countries, which represent 95% of the total European market, have already been fully liberalized since January 1, 2010. In a critical period for the liberalization of the postal market in Europe, and given the adverse economic climate in which the mail volume is substantially declining in all the advanced European markets, close cooperation between independent national regulators is very important. In this framework, on August 10, 2010, the European Commission established the "European Regulators Group for Postal Services" (ERGP), in which EETT is an active participant. ERGP's aim is to develop efficient regulatory practices within a single European postal market.

2.1. The Greek Postal Market

For 2010, the total revenues of the postal market reached the amount of 706 million Euros, corresponding to the distribution of 678 million items. The decline in postal traffic observed in 2010 concerns both revenues (-5%, compared to 2009) and the number of postal items handled (-6.8%, compared to 2009). This reduction came mainly from the USP (ELTA) and to a lesser extent from the Courier operators.

Table 2.1.: Postal Items Volume 2009-10 (in pcs)

	2009	**2010**	**2010 /09**
Universal Service Provider (Hellenic Post)	671,668,468	622,525,829	-7.3%
Postal Service Providers under Individual License	6,710,881	6,765,362	0.8%
Postal Service Providers under General Authorisation (Courier)	49,986,523	49,186,647	-1.6%
Total Postal Market (in Volume)	**728,365,872**	**678,477,838**	**-6.8%**

Source: EETT, based on postal service providers data

Table 2.2.: Postal Items Revenue 2009-10 (in euros)

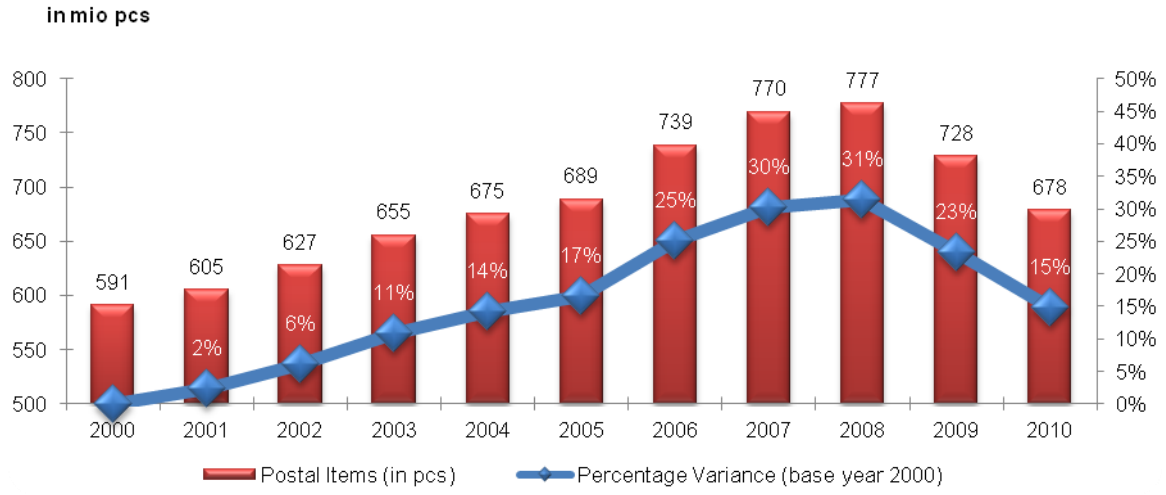
	2009	2010	2010 /09
Universal Service Provider (Hellenic Post)	448,630,625	417,133,906	-7.0%
Postal Service Providers under Individual License	2,549,272	2,497,758	-2.0%
Postal Service Providers under General Authorisation (Courier)	291,907,160	286,149,110	-2.0%
Total Postal Market (in Value)	**743,087,057**	**705,780,774**	**-5.0%**

Source: EETT, based on postal service providers data

2.2. The Evolution of the Postal Market (in items)

The decline in the handling of postal items, which was first observed in 2009, continued in 2010. The postal items handled in total (letter post and parcels) reached 678 million, decreased by 50 million compared to 2009. In 2010, the number of postal items handled experienced a record drop in the history of the Greek market. It must be noted that this drop came from letter post and not from parcel mailing.

Chart 2.1.: Volume Evolution of Postal Market (base year 2000)

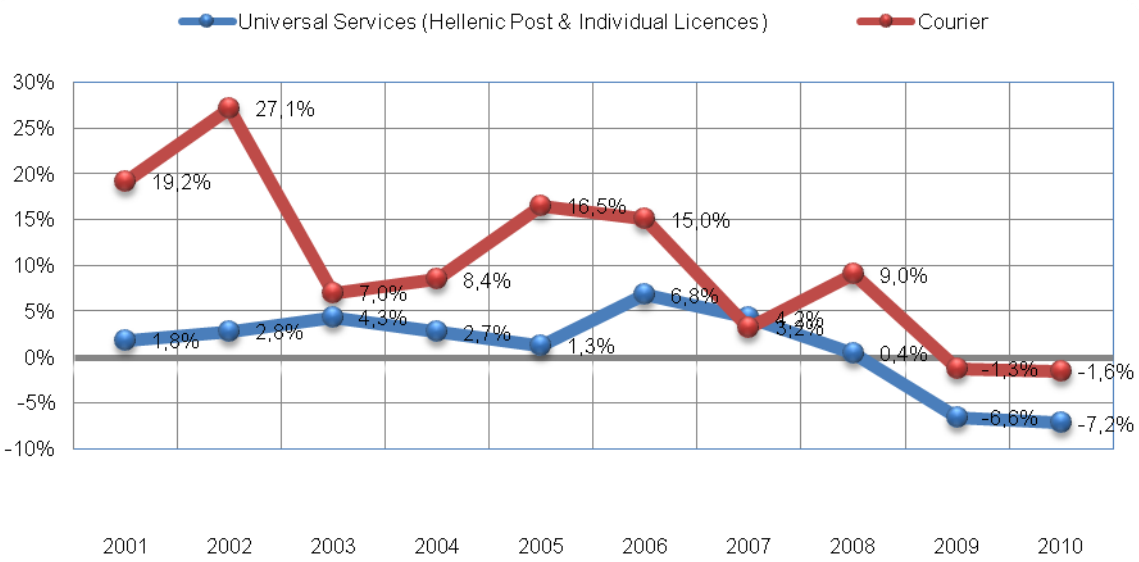


Source: EETT, based on postal service providers data

Chart 2.2.: Annual Percentage Evolution of Postal Market in Volume 2001-2010 (%)

Source: EETT, based on postal service providers data

Chart 2.3.: Annual Percentage Evolution of Universal Services & Courier (in volume)



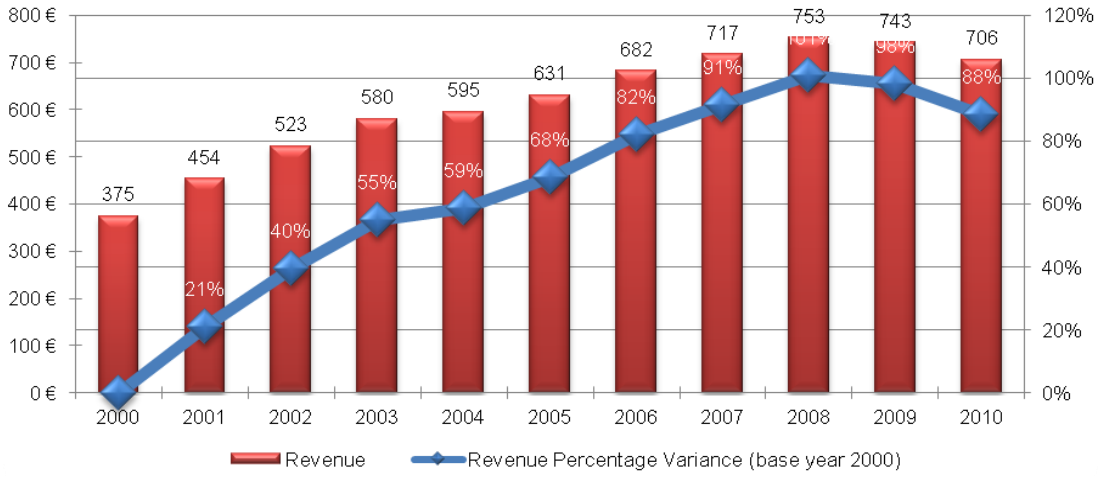
Source: EETT, based on postal service providers data

2.3. The Evolution of the Postal Market (in revenues)

Just as with the number of postal items, the decline in revenues, which was first observed in 2009, continued in 2010. The value of the postal market decreased by 37 million Euros compared to 2009.

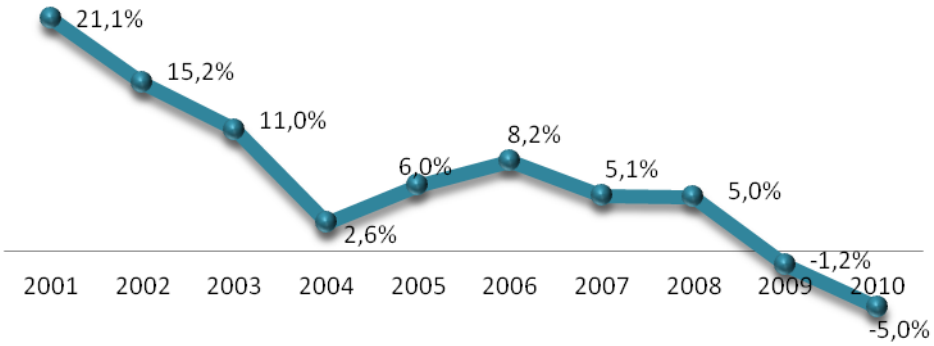
In 2010 the postal market experienced for the first time such a sharp decline in revenues, which is the result of the drop in handled volume and of the parallel preservation of prices/tariffs on the same levels due to intense competition. Just as with the number of postal items, the USP (ELTA) experienced the greatest drop in revenues in 2010.

Chart 2.4.: Value Evolution of Postal Market (base year 2000)



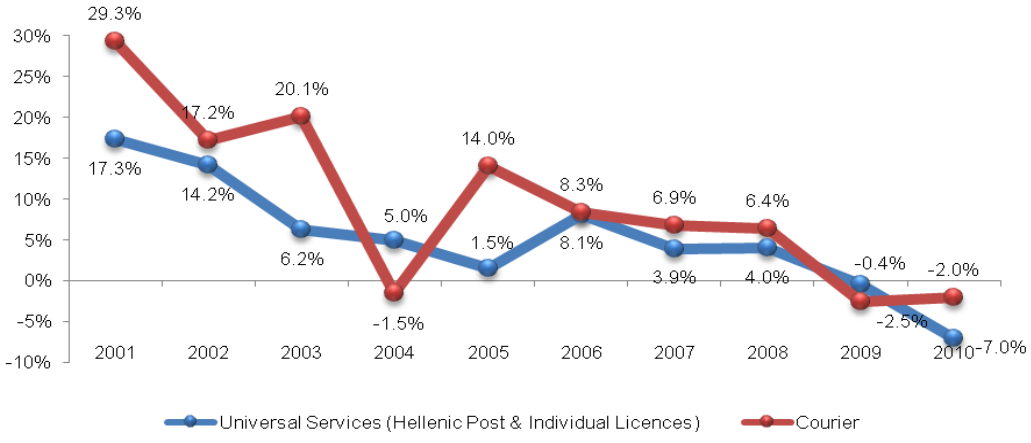
Source: EETT, based on postal service providers data

Chart 2.5.: Annual Percentage Evolution of Postal Market in Value (2001-2010)



Source: EETT, based on postal service providers data

Chart 2.6.: Annual Percentage Evolution of Universal Services & Courier (in value)



Source: EETT, based on postal service providers data

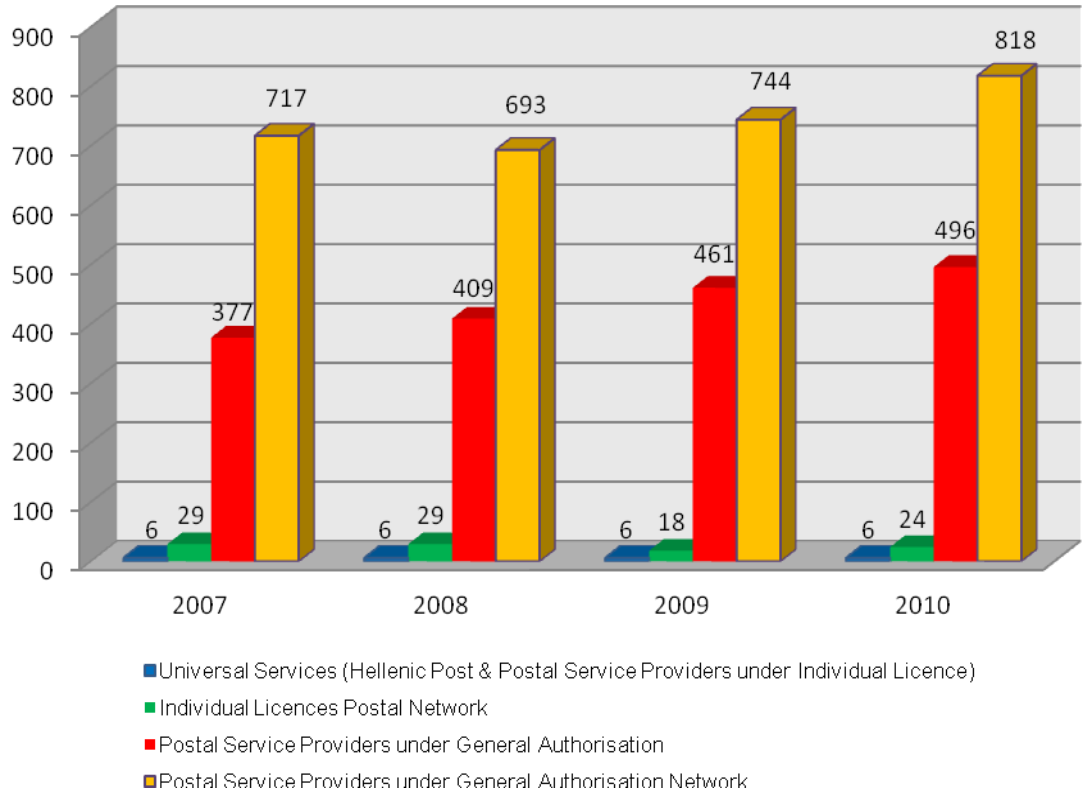
2.4. Postal Services Providers

The number of postal services providers under General Authorisation (Courier) enlisted in EETT's Registry (including their networks) amounted to 1,334 on December 31, 2010, increased by 9% compared to 2009. Approximately 38% of all providers have a Registry Number, with the rest participating in the network of other registered companies.

ELTA is the market leader with a 91.7% share in the number of postal items handled in 2010. Courier operators have a 7.3% share, while postal services providers under Individual License handle 1% of the market.

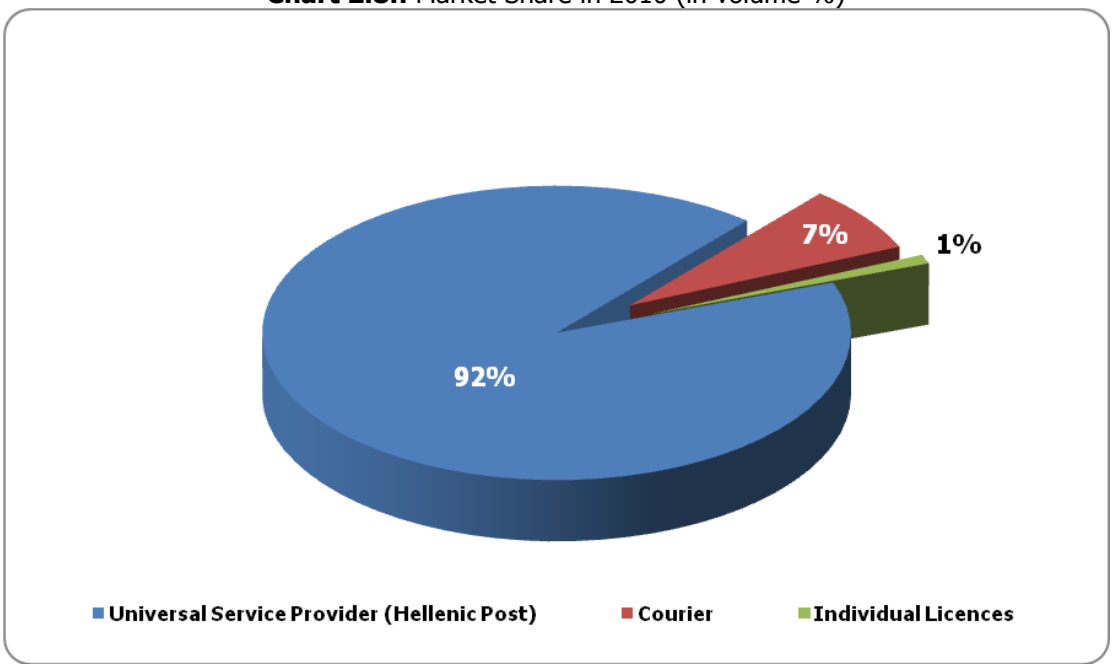
Revenue shares are considerably different, since Courier operators have more than 40% of the market and the USP almost 60%. Postal Services providers under Individual License have a very small percentage, below 0.5%.

Chart 2.7.: Registered Postal Service Providers Evolution



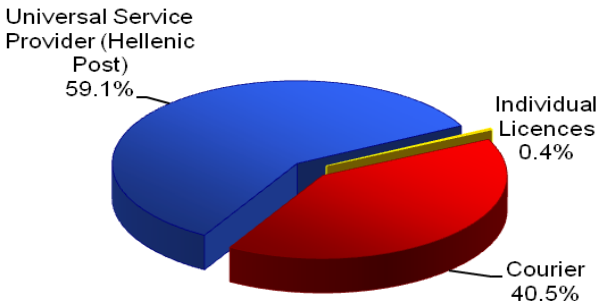
Source: EETT, based on postal service providers data

Chart 2.8.: Market Share in 2010 (in volume %)



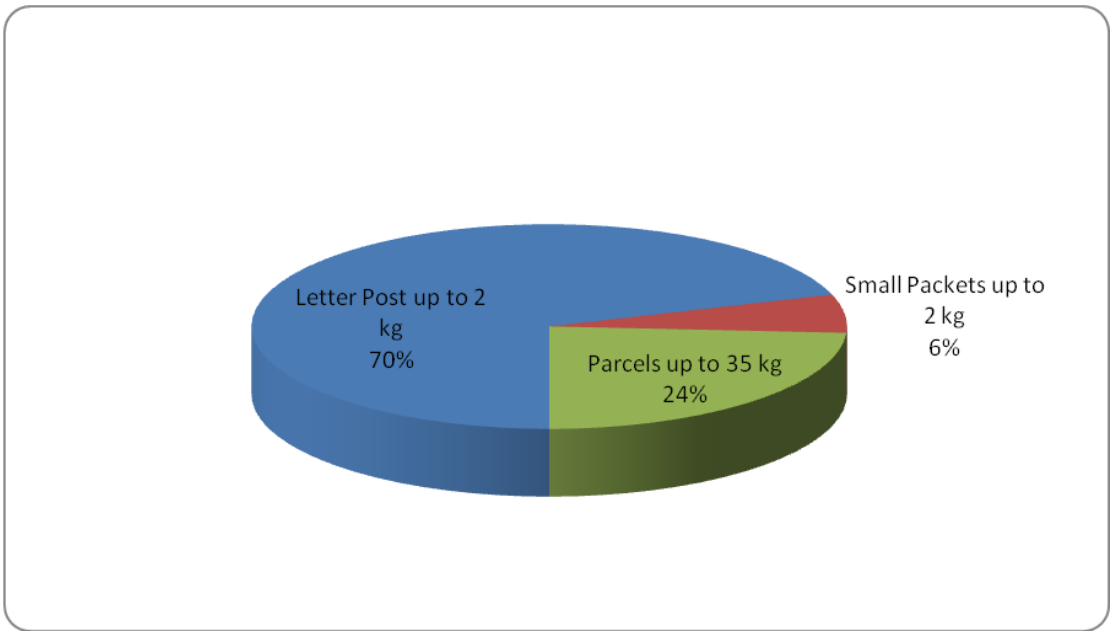
Source: EETT, based on postal service providers data

Chart 2.9.: Market Share in 2010 (in value %)



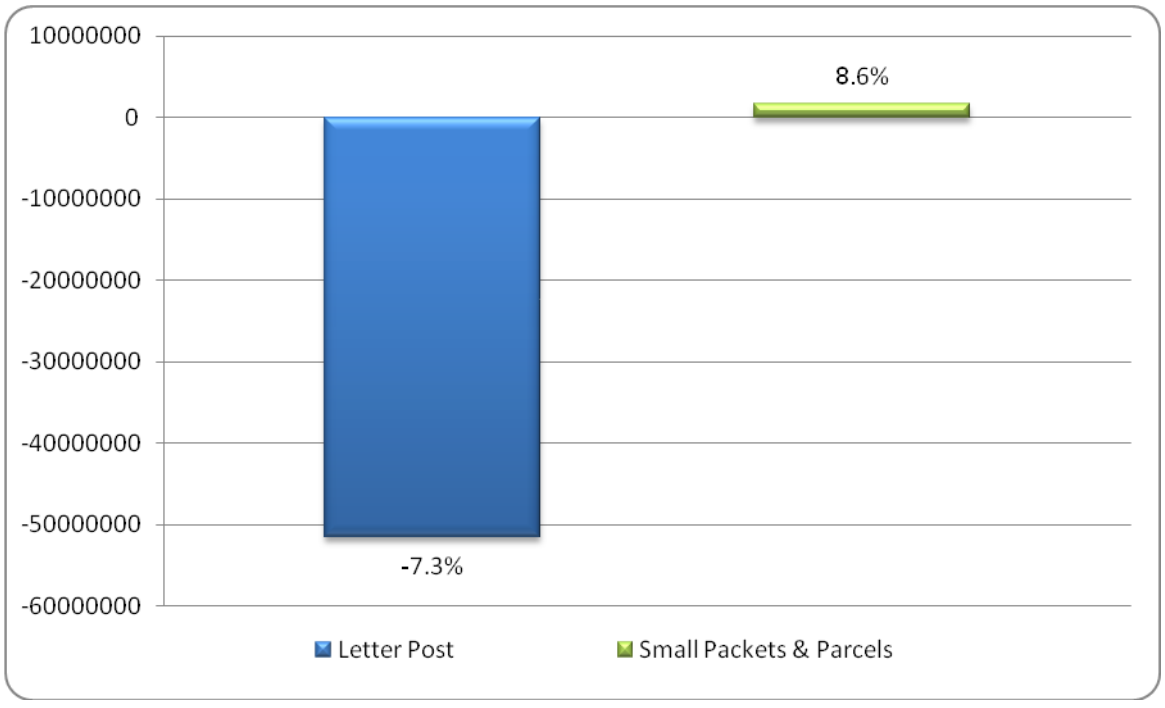
Source: EETT, based on postal service providers data

Chart 2.10.: Postal Items per category and weight (2010)



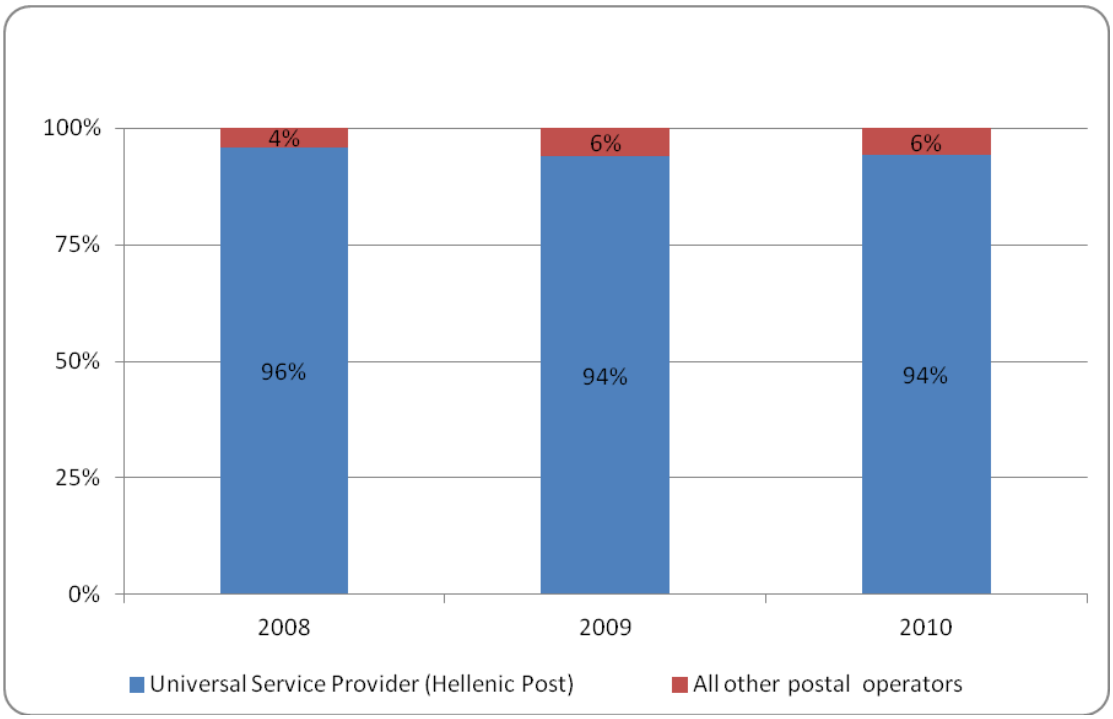
Source: EETT, based on postal service providers data

Chart 2.11.: Postal Items Volume Change in % (2010 vs. 2009)



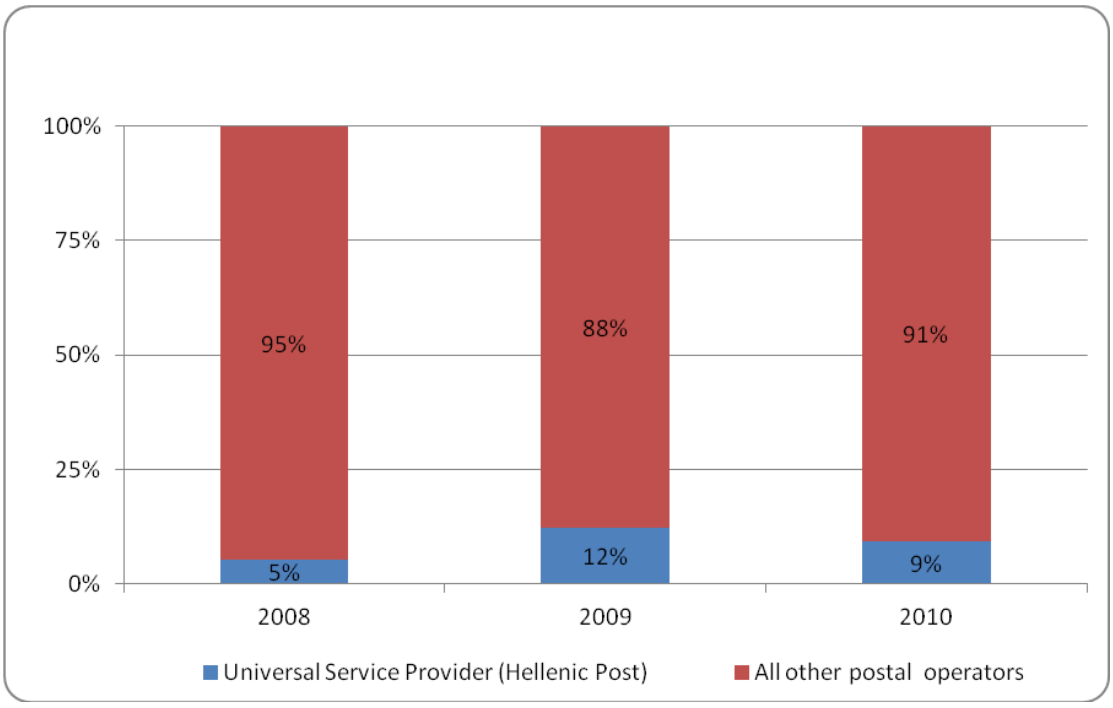
Source: EETT, based on postal service providers data

Chart 2.12.: Letter Post - Market Share in volume



Source: EETT, based on postal service providers data

Chart 2.13.: Total Parcels Volume Shares



Source: EETT, based on postal service providers data

2.5. The Postal Market per Type of Postal Item

The majority of postal items concerns documents (up to 2kg) which account for 70% of the volume handled in 2010. These are followed by standard parcels (from 2kg to 35kg) with 24% and, lastly, by small parcels (up to 2kg) with 6%.

It is worth noting that the composition of postal items handled (letter post or parcels) was substantially altered in 2010 compared to 2009. More specifically, letter post decreased by 51.5 million items (-7.3% compared to 2009), whereas parcels increased by almost 1.6 million items (+8.6% compared to 2009).

With regard to letter post, the USP (ELTA) dominates the market by handling 94% of the total volume of letter post in the Greek postal market. It is for this reason that ELTA experienced a much greater drop in volume (-13.3%) compared to Courier operators, where the drop was much lower (-1.6%).

The decline in the number of letter post handled is also observed at the European level, mostly due to substitution by email. In contrast, the positive trend observed in the number of parcels handled in 2010 is a result of the continuous growth of electronic commerce (e-shopping).

2.6. Pricing Policy

For the consumer, the delivery of a domestic letter post using Courier operators costs 3.6 Euros on average (not including VAT), while the delivery of a domestic parcel costs twice more than a domestic letter post (7.28 Euros)
Additionally, the delivery of a letter post /parcel abroad costs 5-6 times more than the respective domestic delivery. The prices for domestic delivery of letters have remained virtually stable in the years 2009-2010, while there was a small decline in the prices of domestic delivery of parcels and a more significant decline in the prices of international parcels (-32% compared to 2009).
The USP's relevant prices are much lower not only because of its obligation to offer affordable prices, but also due to the average delivery time which is higher compared to Courier operators. The customers of Courier operators are mainly companies specializing in commerce and services, with significant annual volumes of postal items. Hence, they have considerable bargaining power in their contracts with Courier operators. For 2010, customers under contract amounted to 87% of the volume and 82.3% of the value in Courier services sector. Over time, couriers rely increasingly on big customers. Wholesale customers enjoy a discount of approximately 30% over retail customers.

Table 2.3.: Average Price per Item (in EUR)

Type of Postal Item	Destination	2008	2009	2010
Letter Post	Domestic	3.50	3.57	3.60
Parcel	Domestic	7.10	8.87	7.28
Letter Post	International	13.50	23.09	23.29
Parcel	International	42.80	56.50	38.37

Source: EETT, based on postal service providers data

Table 2.4.: Average Price per Item of Universal Service Provider (Hellenic Post) (in EUR)

Type of Postal Item	Destination	2008	2009	2010
Letter Post	Domestic	0.58	0.62	0.63
Parcel	Domestic	5.25	5.43	5.72
Letter Post	International	0.80	0.83	0.80
Parcel	International	20.37	12.92	11.99

Source: EETT, based on postal service providers data

Table 2.5.: Average Price per item per Client Category

	2008	2009	2010
Retail Customers (cash)	7.80	7.50	8.10
Business Customers (credit)	5.70	5.60	5.50

Source: EETT, based on postal service providers data

2.7. Employment in the Postal Market

The number of employees in the postal sector suffered an unprecedented decrease in the history of the Greek postal market. Thus, in 2010 the staff was reduced by 2,179 workers compared to 2009. 58% of all employees in the postal market work for the US provider, while the remaining 42% work for other postal service providers.

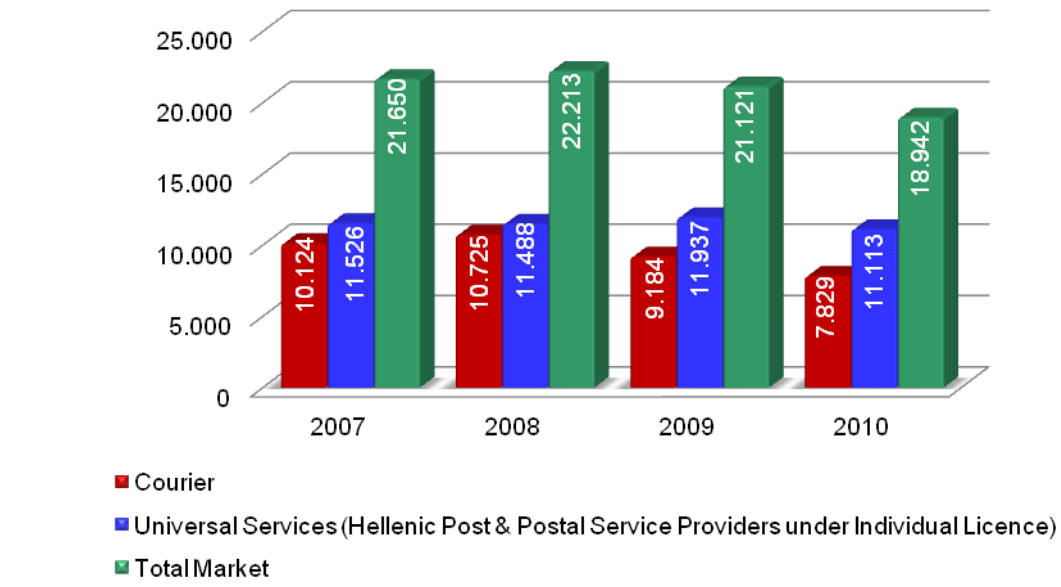
The greatest reduction of staff came from Courier sector (-14.2%), while a smaller reduction was also observed in the US provider (-7%).

Table 2.6.: Number of Employees in Postal Market

	2009	2010	Difference 2009-2010
Universal Service Provider (Hellenic Post)	11,746	10,929	-7.00%
Postal Service Providers under Individual Licence	191	184	-3.70%
Courier	9,184	7,829	-14.20%
Total Postal Market	**21,121**	**18,942**	**-10.80%**

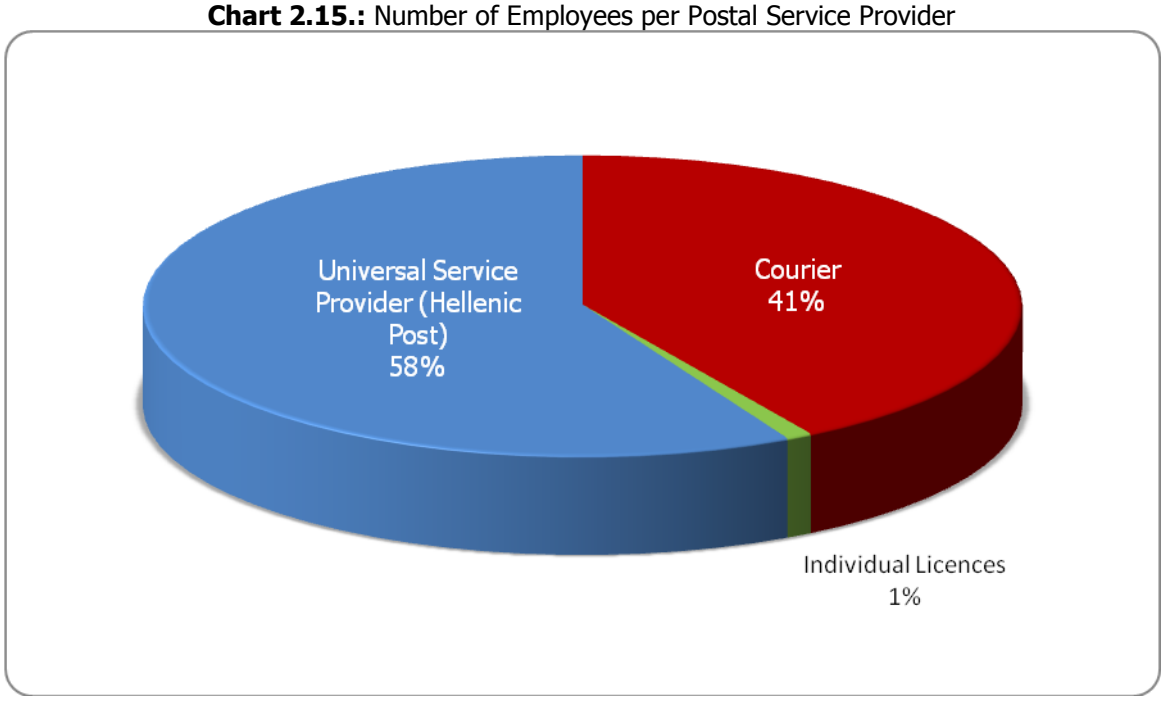
Source: EETT, based on postal service providers data

Chart 2.14.: Employment Evolution in Postal Market



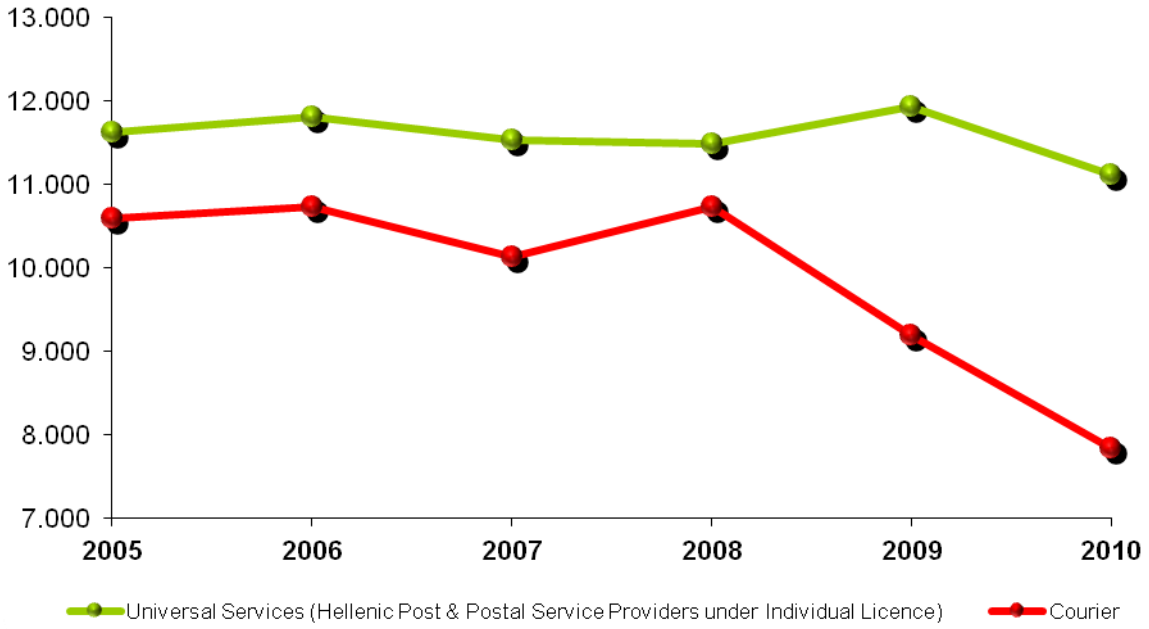
Source: EETT, based on postal service providers data

Chart 2.15.: Number of Employees per Postal Service Provider



Source: EETT, based on postal service providers data

Chart 2.16.: Annual Employment Evolution in Postal Market

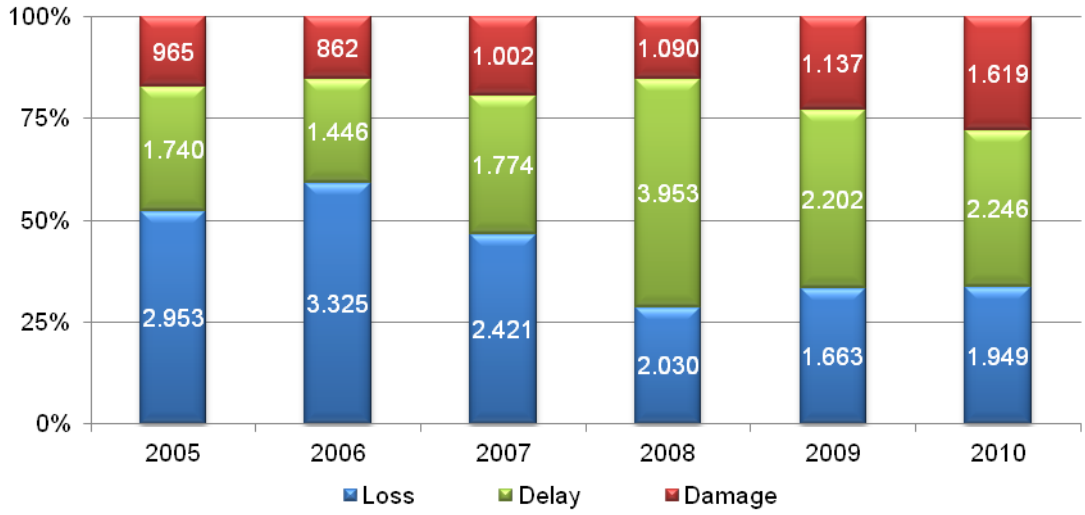


Source: EETT, based on postal service providers data

2.8. Customer Complaints in the Postal Market

In 2010 complaints increased by 16% compared to 2009. The biggest increase concerned damage of postal items. Despite the general rise in complaints, the amount paid out for compensation decreased by 12% in total. As a result, the postal market in 2010 spent in total 602,738 Euros for compensations. In most cases (98%), disputes are resolved through amicable settlements.

Chart 2.17.: Evolution of Customer Complaints (per category)



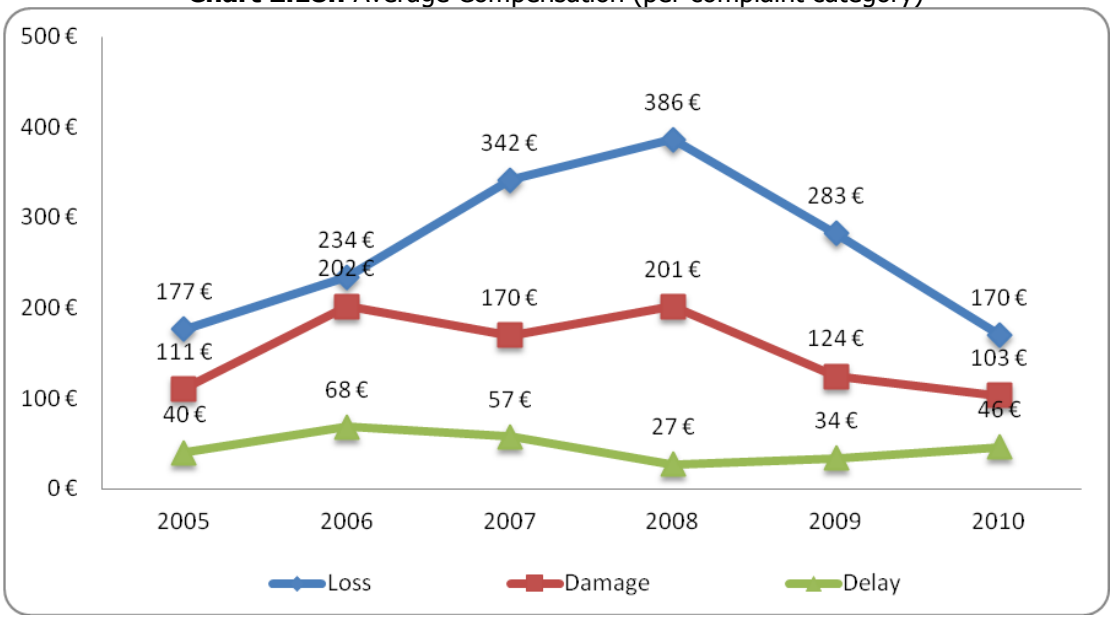
Source: EETT, based on postal service providers data

Table 2.7.: Customer Complaints Handling

	2005	2006	2007	2008	2009	2010
Friendly Settlement	5,098	5,499	5,045	6,925	4,848	5,672
Dispute Settlement Committee	87	131	141	141	135	133
Settlement via EETT	1	0	10	5	17	2
Court	58	1	1	2	1	4
Total	**5,244**	**5,631**	**5,197**	**7,073**	**5,001**	**5,811**

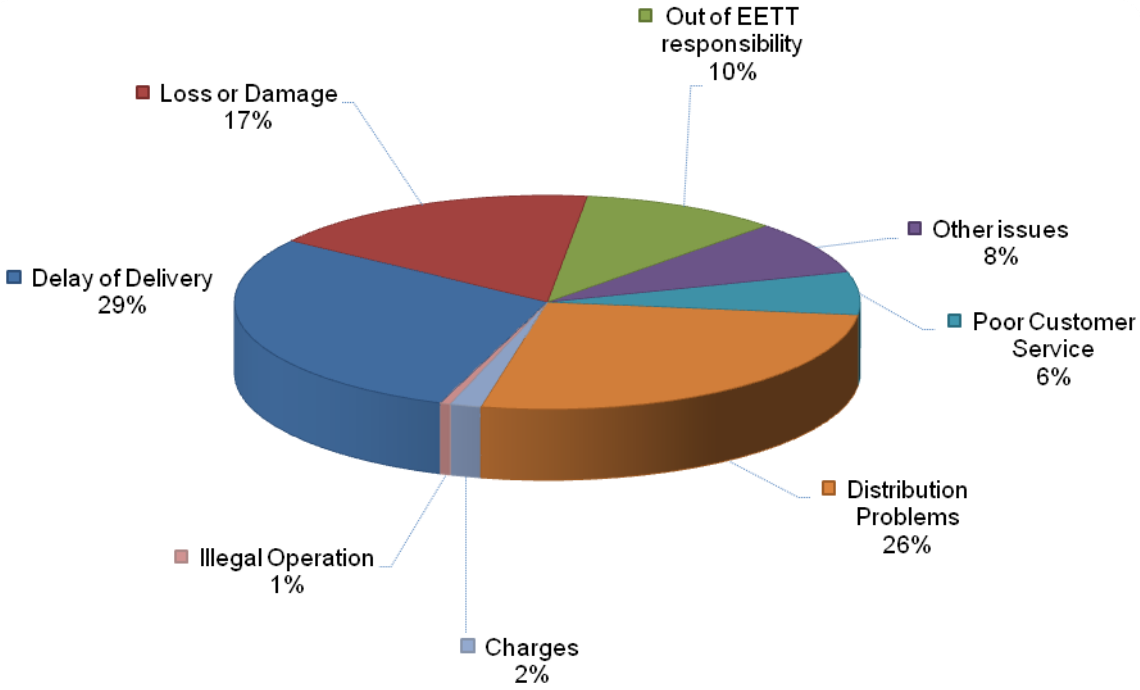
Source: EETT, based on postal service providers data

Chart 2.18.: Average Compensation (per complaint category)



Source: EETT, based on postal service providers data

Chart 2.19.: Average Compensation (per complaint category)



Source: EETT, based on postal service providers data

2.9. Postal Market Data per Inhabitant

In 2010, 60.3 postal items per inhabitant were handled on average. In the region of Attica –as expected due to population concentration– postal traffic was above the Greek average and reached 116 postal items (letter post or parcels) per inhabitant.

Chart 2.20.: Average Compensation (per complaint category)

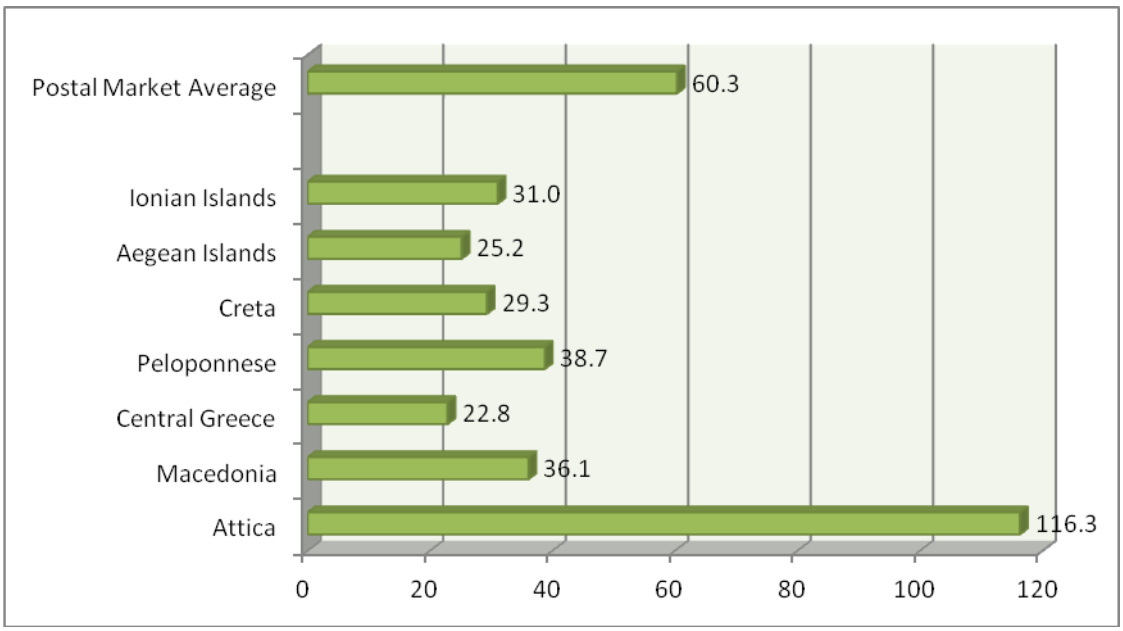


Chart 2.21.: Courier – Domestic Postal Items per capita (2010)

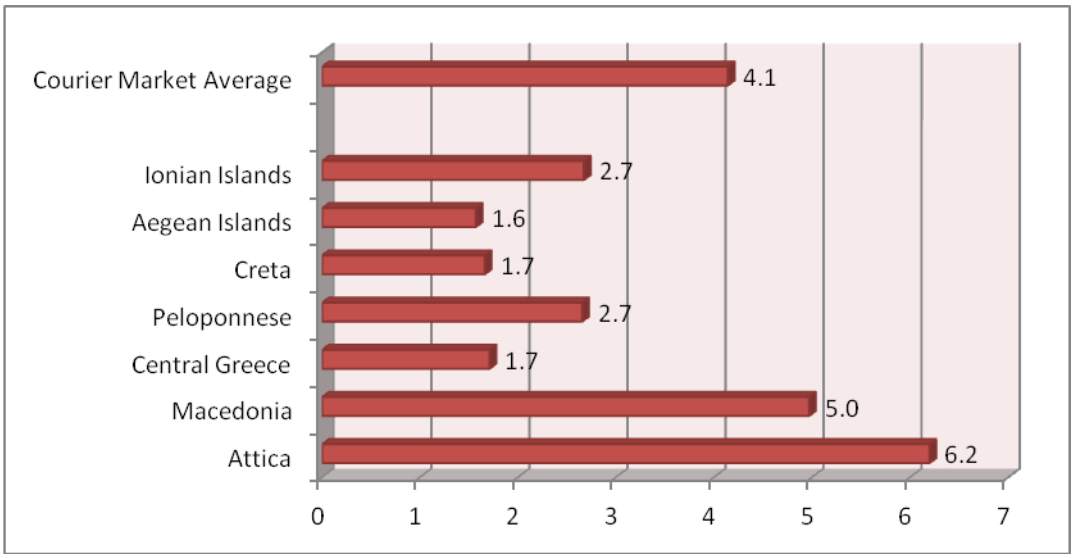
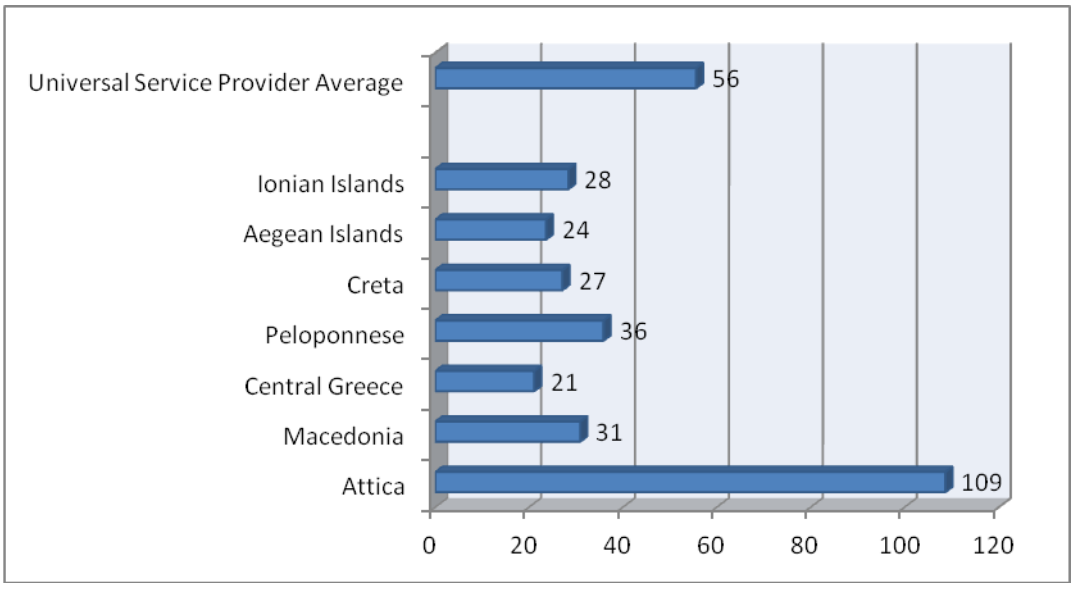


Chart 2.22.: Universal Service Provider - Domestic Postal Items per capita (2010)

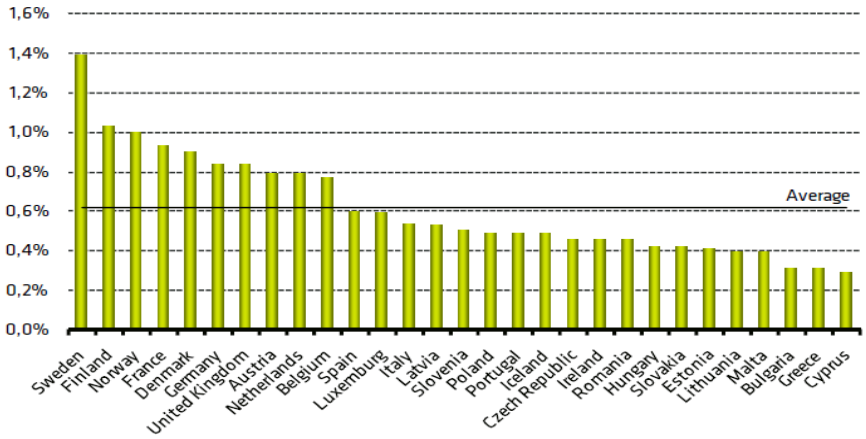


2.10. The European Postal Market

According to the latest EU Report published in November 2010, including data from 31 countries, the European market of Postal Services is a dynamic sector of 70.2 billion Euros and 1.6 million employees.

The contribution of postal market to the more developed countries' GDP is greater compared to the less developed countries. First comes Sweden with a 1.4% participation of the postal market in GDP, while Greece and Cyprus are in the last two positions.

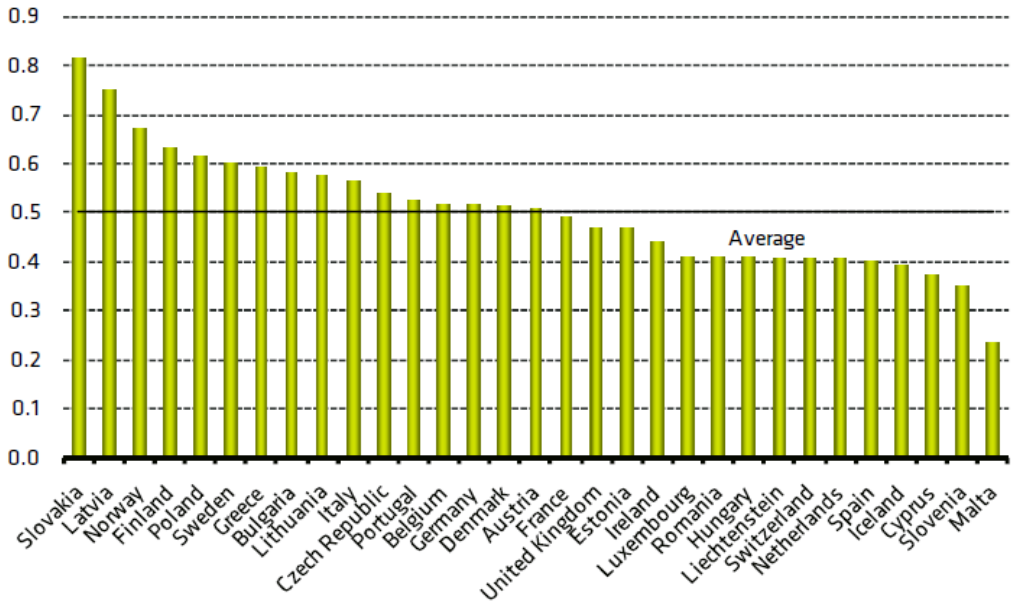
Chart 2.23.: Postal Market as a percentage of GDP (2009)



Source: European union - Postal Market Report, November 2009

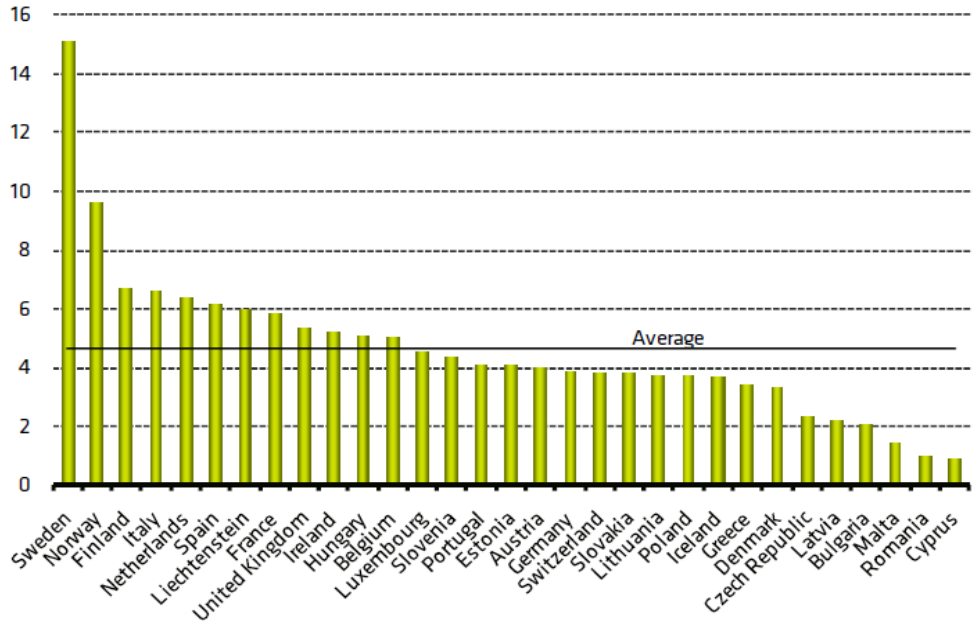
In terms of the cost paid by European citizens for the delivery of a simple first priority domestic letter post (via the US provider of each country), it varies considerably among the countries ranging from 0.23 to 0.81 Euros (with an average of 0.50 Euros). A significant divergence is observed in the price of simple first priority domestic letter post (up to 20gr).

Chart 2.24.: Prices in euros for a first priority domestic letter post (2009)



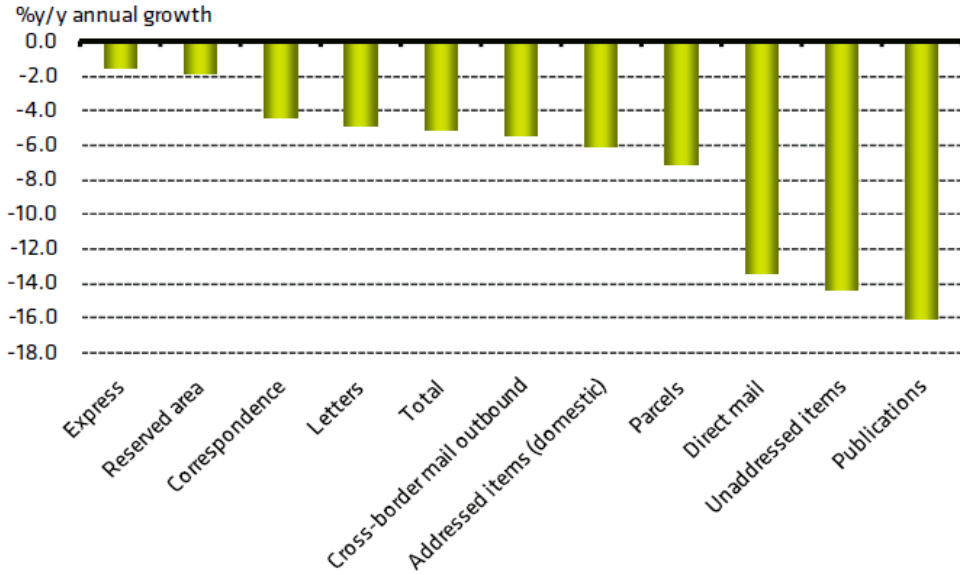
A significant price divergence is also observed in the delivery of parcels weighing 1 kg, which range from 0.9 to 15.1 Euros. Sweden, Norway and Finland rank highest with the most expensive prices in parcel delivery.

Chart 2.25.: Prices in euros for parcel of 1kg (2009)



The volume of handled items declined by 5% compared to 2007. This decline concerns all postal items or services. There was an even greater decline with regard to services in "postal items with no recipient address", in "books, catalogues, newspapers and magazines" as well as in direct mail services.

Chart 2.26.: Growth Evolution 2007-2009, in 11 counties



3. Appendices

I. Abbreviations

ADSL Asymmetric Digital Subscriber Line

ISDN Integrated Services Digital Network

MMS Multimedia Messaging Service

PPP Purchasing Power Parity

PSTN Public Switched Telephone Network

SMS Short Message Service

LLU Local Loop Unbundling

ADSL Asymetric Digital Subscriber Line

CPI Consumer Price Index

IFRS International Financial Reporting Standards

EU European Union

MTO Mobile Telephony Operator

ELTA Hellenic Post

FORTH-ICS Institute of Computer Science (ICS) of the Foundation for Research and Technology

US Universal Service

OECD Organization for Economic Cooperation and Development

VAT Value Added Tax

USP Universal Service Provider

ASE Athens Stock Exchange

WLR Wholesale Line Rental

II. Index of Charts and Tables

Charts

Chart 1.1. Progress of the Monthly Consumer Index	7
Chart 1.2. Variation of the Monthly Consumer Price Index (%) as compared to the Respective Index of the Previous Years	7
Chart 1.3. Progress of the Financial Data of Licensed Operators	9
Chart 1.4. Turnover of Electronic Communications Operators	9
Chart 1.5. Gross Profit of the Electronic Communications Operators	10
Chart 1.6. Total Assets of Electronic Communications Operators	10
Chart 1.7. Acid Test Ratio	12
Chart 1.8. Gross Profit Margin Ratio	12
Chart 1.9. Equity to Total Liabilities Ratio	13
Chart 1.10. Activity Ratios	13
Chart 1.11. Penetration of Main Telephony Lines within the Greek Population	14
Chart 1.12. Annual Percentage Change in the number of Main Telephony Lines	15
Chart 1.13. OTE's Annual Market Shares based on the Outgoing Traffic Volume	17
Chart 1.14. Progress of Market Shares based on the Outgoing Traffic Volume	17
Chart 1.15. OTE's Market Shares per Type of Call based on the Outgoing Traffic Volume	18
Chart 1.16. Progress of the Outgoing Traffic Volume	18
Chart 1.17. Annual Change of the Outgoing Traffic Volume	19
Chart 1.18. Progress of Outgoing Calls Volume	19
Chart 1.19. Progress of Outgoing Calls Volume – International Calls (via cards) and Calls to Mobile	20
Chart 1.20. Progress of Outgoing Calls Volume from Fixed Phones–Distribution between OTE and Directly and Indirectly Connected Customers of Other Operators	21
Chart 1.21. Retail Revenues of Fixed Telephony	22
Chart 1.22. Alternative Operators' Lines via Carrier Pre-Selection or LLU (at semester's end)	23
Chart 1.23. Pre-Selection Lines as a Percentage of OTE Lines (at semester's end)	23
Chart 1.24. Activated Lines for Wholesale Line Rental	24
Chart 1.25. Homezone Subscriptions (at semester's end)	24
Chart 1.26. Outgoing Traffic deriving from the Provision of Telephony Services from Homezone Packages	25
Chart 1.27. Internet Subscribers, 1998-2010	25
Chart 1.28. Internet Subscribers, 1998-2009	26
Chart 1.29. Evolution of Domain Names, 2000-2010	26
Chart 1.30. Number of Requested and Assigned Domain Names	27
Chart 1.31. Assignment Percentage Over the Number of Applications	27
Chart 1.32. Average Assignment Percentage 2002-2010	28
Chart 1.33. Evolution of Mobile Telephony Connections/Subscribers	29
Chart 1.34. Evolution of Pre-Paid and Post-Paid Mobile Telephony Subscribers	30
Chart 1.35. MTO Shares in Mobile Telephony Connections	30
Chart 1.36. Mobile Telephony Penetration in Europe	31
Chart 1.37. Voice Call Volume originating from Mobile Phones	32
Chart 1.38. Voice Call Volume per Type	33
Chart 1.39. Voice Call Volume per Type (in percentage terms)	33
Chart 1.40. Total Number of Short Message Services (SMS)	34
Chart 1.41. Total Number of Short Message Services (SMS) per Type	34
Chart 1.42. Total Number of Multimedia Messages (MMS)	35
Chart 1.43. Total Number of Packet-Switched Data Services via Moblie (in MB)	35
Chart 1.44. Call Volume from Fixed to Mobile Phone, 2004-2010	36
Chart 1.45. Fixed and Mobile Telephony Market Shares	37

Chart 1.46. Number Portability: Applications and Ported Numbers of Mobile Telephony	37
Chart 1.47. Number Portability: Applications and Ported Numbers of Fixed Telephony	38
Chart 1.48. Number Portability: Ported Numbers Per Month	38
Chart 1.49. Interconnection Traffic of Alternative Operators via OTE	39
Chart 1.50. Local Interconnection Fees, 2010	40
Chart 1.51. Single Interconnection Fees, 2010	40
Chart 1.52. Double Interconnection Fees, 2010	41
Chart 1.53. Interconnection Traffic of Mobile Telephony Operators	42
Chart 1.54. On-net Traffic of Mobile Telephony Operators	42
Chart 1.55. Evolution of Termination Fees	43
Chart 1.56. Average National Fee for Call Termination from Fixed to Mobile Phones	43
Chart 1.57. Average National Fee for Call Termination from Fixed to Mobile Phones	44
Chart 1.58. Evolution of Broadband Lines	45
Chart 1.59. EU Broadband Lines by Member State on 01-01-2011	46
Chart 1.60. Broadband Penetration Rate on 01-01-2011	47
Chart 1.61. Increase in Broadband Penetration Rate in the EU Member States in 2010	48
Chart 1.62. Annual Increase in Broadband Penetration Rate in Greece and the EU (broadband lines per 100 inhabitants)	49
Chart 1.63. Distribution of Broadband Lines by Technology, December 2010	49
Chart 1.64. Evolution of Broadband Lines by Technology	50
Chart 1.65. Distribution of Broadband Lines by Type of Access	50
Chart 1.66. Distribution of Broadband Lines by Technology, December 2010	51
Chart 1.67. Percentage Distribution of Broadband Lines' Nominal Speeds, December 2010	51
Chart 1.68. Evolution of Broadband Lines' Nominal Speeds	52
Chart 1.69. Evolution of Average Access Speed	52
Chart 1.70. Evolution of LLU Lines	53
Chart 1.71. Monthly Average Cost per Full Access LLU Line	54
Chart 1.72. Monthly Average Cost per Shared Access LLU Line	54
Chart 1.73. Evolution of Physical Collocation	55
Chart 1.74. Monthly Subscription Cost for Internet at Speeds up to 2.5 Mbps	56
Chart 1.75. Monthly Subscription Cost for Internet at Speeds 2.5-15 Mbps	57
Chart 1.76. Monthly Subscription Cost for Internet at Speeds 15-30 Mbps	57
Chart 2.1. Progress of Item Volume (2000=base year)	60
Chart 2.2. Annual Change of Postal Item Volume, 2001-2010 (%)	61
Chart 2.3. Annual Change of Postal Item Volume (%)	61
Chart 2.4. Progress of Postal Market Revenues (2000=base year)	62
Chart 2.5. Annual Change of Postal Market Revenues (%)	62
Chart 2.6. Annual Change of Postal Market Revenues (%)	62
Chart 2.7. Evolution of the Number of Enlisted Postal Operators	63
Chart 2.8. Market Shares per Type of Operator for 2010 (in volume %)	64
Chart 2.9. Market Shares per Type of Operator (in value %)	64
Chart 2.10. Distribution of Postal Items per Type and Weight for 2010	65
Chart 2.11. Percentage Change of the Number of Postal Items (in 2010 compared to 2009)	65
Chart 2.12. Letters (shares in volume)	66
Chart 2.13. Parcels (shares in number)	66
Chart 2.14. Evolution of Employment in the Postal Market	69
Chart 2.15. Distribution of Postal Market Workers	69
Chart 2.16. Evolution of the Number of Employees in the Postal Market	70
Chart 2.17. Evolution of Complaint Volume per Type	70
Chart 2.18. Average Compensation Rate (per type of problem)	71

Chart 2.19. Percentage Distribution of Complaints to EETT in 2010	72
Chart 2.20. Postal Items Handled per Inhabitant in 2010	72
Chart 2.21. Courier – Geographic Distribution of Domestic Items per Inhabitant for 2010	73
Chart 2.22. USP – Geographic Distribution of Domestic Items per Inhabitant in 2010	73
Chart 2.23. Postal Market as a Percentage of GDP, 2009	74
Chart 2.24. Prices for the Delivery of Domestic A Priority Letters (in Euros)	74
Chart 2.25. Prices in Euros for the Delivery of Parcels Weighing 1kg (2009)	75
Chart 2.26. Evolution in Volume 2007-2009 in 12 Countries Annual Change 0%	75
Tables	
Table 1.1. Progress of the Financial Data of Electronic Communications Operators	11
Table 1.2. Licensed Operators per Category	14
Table 1.3. Progress of Telephony Lines Εξέλιξη	15
Table 1.4. Outgoing Traffic Volume per Type of Call (in million minutes)	20
Table 1.5. Distribution of the Volume of Outgoing Traffic between OTE and the Other Operators by their Directly and Indirectly Connected Subscribers (in million minutes)	21
Table 1.6. Total and Active Connections/Subscriptions	29
Table 2.1. Postal Market Volumes 2009-2010 (in items)	59
Table 2.2. Postal Market Revenues 2009-2010 (in Euros)	60
Table 2.3. Average Unit Prices for Courier	67
Table 2.4. Average Unit Prices for USP (ELTA)	68
Table 2.5. Average Unit Prices of Postal Products per Type of Customer (in Courier Operators)	68
Table 2.6. Number of Employees in the Postal Market	68
Table 2.7. Methods of Complaint Resolution	71