

LTE TAKE-UP IN BALTIC STATES

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Increase of mobile broadband (MoB) communications

Total number of active mobile subscriptions in the world during the last 10 years has increased by more than 6 times and has reached 6 billion (20% of them are broadband subscriptions) (ITU 2012);

- In Baltic (Estonia, Latvia, Lithuania) mobile markets in the same period the number of mobile subscriptions has increased by 6,5 times;



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Baltics LTE commercial use in 1800 MHz band

- ⋈ Estonian operator EMT in December 2010 (download speed up to 100 Mbps, monthly data cap 30 GB with a tariff that currently represents 3,8% of average personal monthly income);
- ⋈ Lithuanian Omnitel in April 2011 (80 Mbps, monthly data cap 10 GB for 4,6% of monthly income);
- ⋈ Latvian LMT in May, 2011 (100 Mbps, no data cap for 4,1% of monthly income).



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Baltic state geography



Population: 3.183 mln
Territory: 65 300 km²
Density: 50.3/ km²

Population: 2.217 mln
Territory: 64 590 km²
Density: 34.3/ km²

Source:
nationmaster.com
Population: 1.294 mln
Territory: 45 227 km²
Density: 29/ km²



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Coverage

Cities with more than 10 000 residents and density higher than 1000 pop. per km² are the priority for LTE network deployment in the Baltics.

They include:

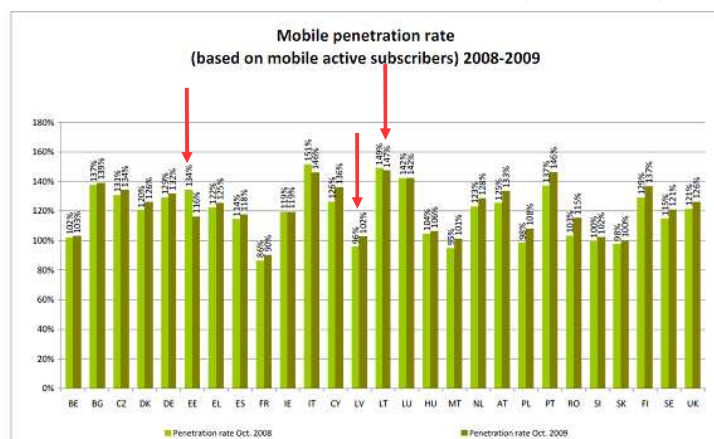
- ⌘ 11 cities in Estonia (in total 56% of Estonia's population);
- ⌘ 17 cities in Latvia (in total 56% of Latvia's population);
- ⌘ 23 cities in Lithuania (in total 53% of Lithuania's population).



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Prognosis of demand I (IV)

- ⌘ Demand of mobile services – penetration



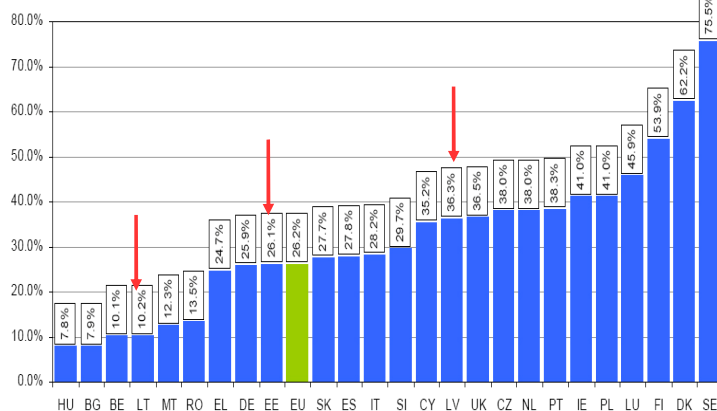
Source: Progress report on the single European electronic communications market (15th REPORT)



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Prognosis of demand II (IV)

↳ Demand of mobile services - traffic



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Source: Digital Agenda scoreboard 2011

Prognosis of demand III (IV)

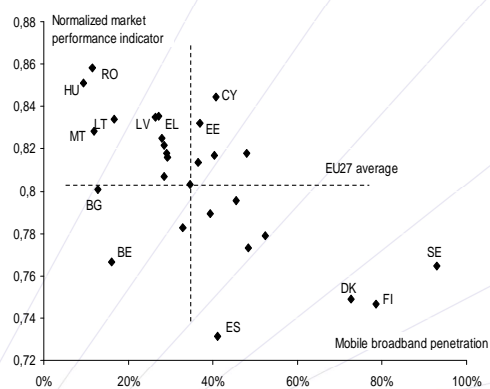
- ↳ The spreading of broadband devices (smartphones, media tablets, dongles, M2M (machine-to-machine) devices, etc.) and of the associated services is the most significant factor nowadays; e.g., Latvian operator LMT has announced more than 50% growth of M2M applications for business customers in 2011



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Prognosis of demand IV (IV)

Combined market performance indicator of mobile and internet services - consumers' assessment of the MoB market and their satisfaction with the services provided, their quality, availability, reliability, security, cost, etc.



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2.6GHz auction strategy

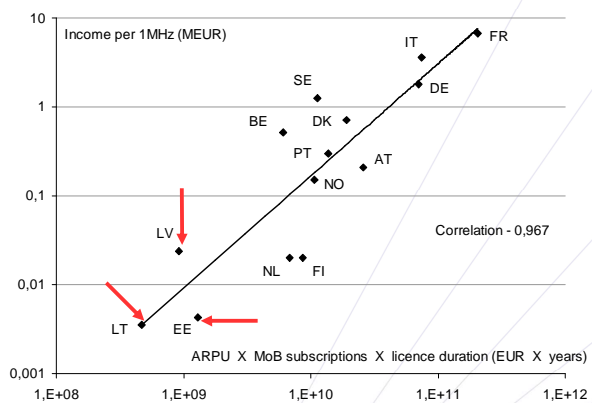
All three NRAs of Baltic States held 2,6 GHz auctions by March 2012; they were based on several principles such as:

- ⌘ to attract the three major existing GSM/UMTS operators in order to ensure sustainability of services;
- ⌘ to provide equal basic lots (frequency blocks) to guarantee environment for fair competition in the future;
- ⌘ to ensure space for some additional bidder as local (niche) operator.



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2,6 GHz auctions in Europe



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Thank you for your attention!



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