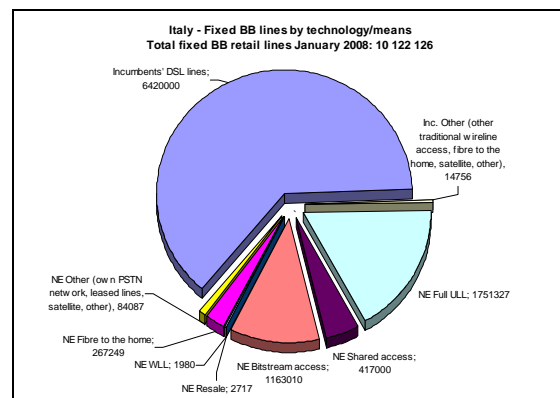
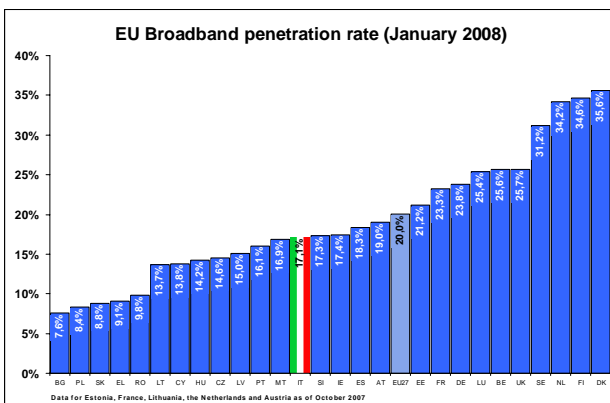


Towards a Single European Telecoms Market:

Focus on Italy



In 2007, the Italian telecoms sector saw increased competition and innovative offerings such as integrated fixed-mobile services and bundled multi-play offers. As in 2006, broadband penetration grew (17%), but is still below the EU average (20%). Italy has one of the EU's highest mobile services penetration at 148%, and remains one of the EU leaders in local loop unbundling (LLU), with one of the lowest full LLU prices in the EU.



Progress

Consumer-friendly mobile market

With a high number of subscribers, the Italian mobile market is mature, with number portability the main source of competition. Indeed, 14 million mobile numbers have been ported since the facility's introduction in 2002.

In January 2007, the Italian government abolished fixed fees for recharging pre-paid mobile cards (90% of the Italian mobile subscribers' market).

Universal service for the disabled

Universal service provides special conditions for disabled and low income users, including 50% discounts and exemptions on the monthly rental fee.

The national regulator (AGCOM) introduced additional measures in favour of disabled users: low SMS prices for users with hearing defects, and 90 hours per month free internet for the blind.

Reducing the digital divide

While broadband coverage at national level is 89%, coverage in rural areas remains quite low (50%).

The Italian government has launched a programme for extending broadband infrastructure to all underserved areas of the country.

Areas for Improvement

Room for more effective competition

While alternative operators have gained slight market share over fixed service markets, the incumbent's share on the fixed voice telephony market is still above 60% for all type of voice calls and more than 70% in the national fixed voice market.

The access market in particular was characterised by strong incumbent presence, at almost 90% market share. Discussions on the possible functional separation of the incumbent's access networks are ongoing.

Number portability delayed

While mobile number portability has been successfully applied, with 14 million ported

numbers since 2002, the regulator had to intervene regularly because of long waiting lists for number portability (up to 20 days).

Fixed number portability between alternative operators continues to be inefficient and expensive for consumers.

112 not functioning properly

In November 2007 the Commission referred Italy to the Court of Justice because caller location information from mobile calls was not available for the emergency centres.

The new "112 plan" that would allow mobile caller location has been delayed and the testing phase has not yet started. Commission services are also examining the procedure for handling 112 calls when different national emergency services are concerned.



European Telecoms sector in Figures

Total value of sector	€300 billion
Total capital investment	€50 billion
Average broadband penetration rate	20.04%
Average mobile penetration rate	111.8%
Average 3G penetration	20%
Average mobile termination rates	€9.67 cents
Average incumbent's broadband market share	46.8%
Average decrease of mobile voice prices between 2006 and 2007	14%
Total Ported numbers in 2007	12 million

For further information

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