

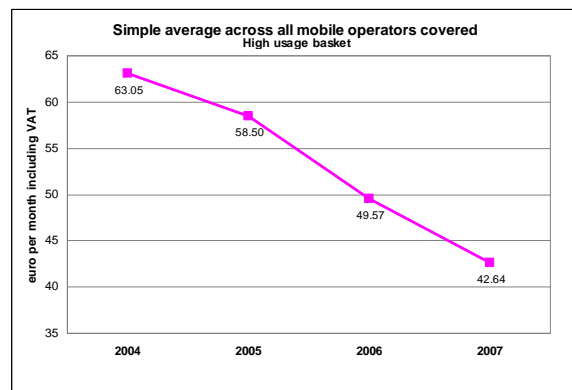
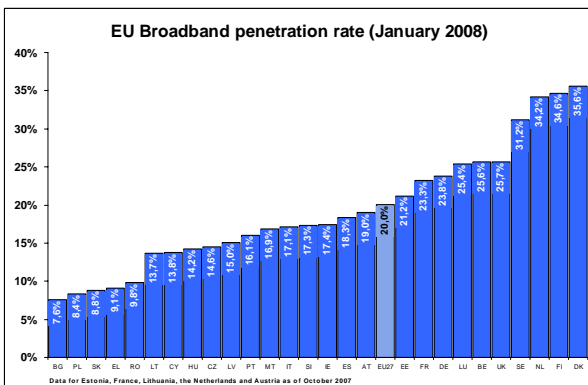
Towards a Single European Telecoms Market:



Focus on consumers



EU Telecoms rules benefit consumers and businesses alike. Competition and an increasingly integrated European market have driven investment in innovative, attractive and affordable services. Broadband is still growing strong in Europe, with an average penetration rate of 20% in 2007. Three European countries (Denmark, Finland and the Netherlands) are world leaders in broadband penetration. European consumers enjoyed lower prices, a greater choice of services and more rights, in 2007 than before, when surfing on the web or using their mobile phones. 3G services also took off in 2007, while the trend towards bundled offers continues. However, the Single Telecoms Market is not yet a reality. More progress towards its completion could unleash further benefits for the European consumer.



Strong broadband growth

High speed internet and access to new multimedia services have become a reality for an ever increasing number of consumers. Fixed broadband penetration in the EU rose from 16.2% to 20.0% in 2007. On average, 52 000 broadband lines were added per day during 2007, adding up to 20 million new access lines over the whole year. Three European countries (Denmark, Finland and the Netherlands) are world leaders in broadband penetration, surpassing the US, Japan and South Korea. 15 European countries are among the 25 top performers in the world.

The average download speeds are in the range of 2 to 10 megabits per second (Mbit/s). In some

Member States, operators and internet service providers have concluded a significant amount of contracts with speeds going beyond 10 Mbit/s. The deployment of non-DSL alternative technologies like mobile broadband is making broadband services (such as cable, wireless, fibre to the home) more accessible to consumers. However, competition between infrastructures remains weak in many EU countries.

Lower prices and more choices, especially for mobiles

Consumer prices continue to fall, particularly for mobile voice services. A typical mobile phone call was up to 14% cheaper in 2007 than in

2006. Mobile penetration has grown to 111.8%, meaning that there is more than one mobile phone line per person in the EU.

The Roaming Regulation, which entered into force in the summer of 2007, tackled high prices for mobile voice calls when travelling across the EU. Consumers are now making savings of around 60% on roaming calls. However, the cost of SMS and data services remains high when abroad. The European Commission has repeatedly called on mobile operators to bring prices down. If operators do not react by July 2008, regulation will be inevitable.

3G took off in 2007. 86 operators are now offering 3G on a commercial basis. For the first time this year, there are more 3G than 2G networks, with 3G services available in all Member States. 3G penetration rose from 11% to roughly 20% in 2007, representing over 88 million subscriptions.

Voice over IP (VoIP) gained much consumer attention last year as it continues to replace traditional fixed voice telephony thanks to convergent services and offers. Use of VoIP services is highest in France, where it accounts for 14% of all fixed traffic.

There is a continued trend towards bundled services, where operators offer a mix of fixed voice, broadband, TV and mobile. In 2007, 29% of households have subscribed to at least one bundled service, up from 18% the previous year. For example, 13% of Europeans now subscribe to a bundled offer with a single bill. 12% of Europeans include television in their bundled package, 23% include voice telephony, 6% include mobile telephony and 24% include Internet access.

Prices for broadband packages fell across the EU, while transmission speeds have increased. As well as lower prices, consumers had a greater choice of services, including mobile broadband and higher-speed fixed services, particularly over fibre.

Getting help through 112

All Europeans are now able to use the single European emergency number 112 to call emergency services for free from fixed telephones, including payphones, and mobile telephones (with the exception of fixed calls in Bulgaria).

It is very important that emergency services can receive information allowing them to find where

a caller is located. The provision of caller location information for 112 calls remained one of the most challenging issues in 2007. Many EU countries have already put caller location in place. In 2007 in five more countries - Hungary, Portugal, Belgium, Latvia and Greece - made it possible for emergency service to dispatch help even if you don't know where you are.

Changing operators but keeping numbers

Number portability is an important indicator of consumer choice and competition in the market. All consumers in the EU can now switch operator while keeping the same number, except for in Romania and Bulgaria. 12 million consumers switched operator and kept their number in 2007. In total, 65 million mobile and fixed users have ported numbers since 2002.

However, it takes up to 20 days to port a mobile number in some Member States. An increasing number of Member States have included VoIP and mobile network operators (MVNO) services in their porting systems.

Better information on prices

Tariff transparency is of high importance if consumers are to make informed choices. They might find themselves in situations where tariffs, packages and special offers are unclear. To tackle the confusion, various web-based price comparison tools for telephony services have been developed in several EU countries. Some also include broadband and TV services.

Unleash the full potential of the single market

However all is not rosy on European telecoms markets. Consumers still face delays when trying to switch operators while keeping their number. The dominance of incumbent operators, particularly in broadband markets, hinders further competition and price reductions as well as the introduction of new, innovative services.

That is why the European Commission has decided to reform the current rules for Telecoms markets. Once adopted, the proposals should lead to further benefits for the European consumer.

For further information

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More information on telecoms: <http://ec.europa.eu/ecomm>