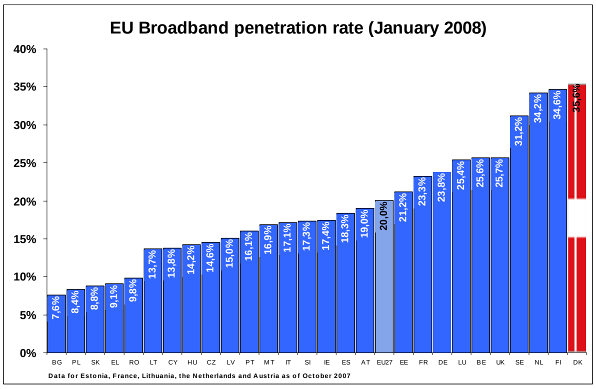
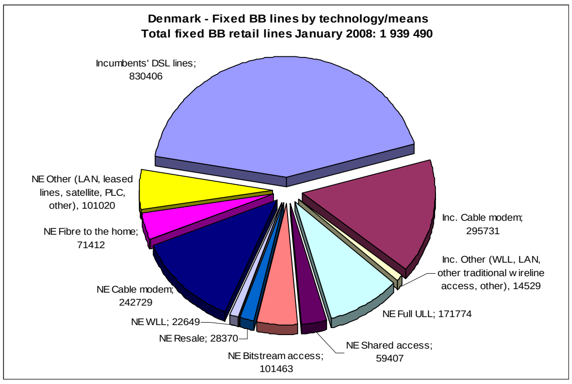
Towards a Single European Telecoms Market:

Focus on Denmark

European Commission
Information Society and Media

In 2007 Denmark ranked first in EU broadband penetration. This is largely due to growing investments in alternative infrastructures. The incumbent continued to be dominant, however, in both fixed telephony (65%) and broadband (59%). Fierce competition prevailed in the mobile sector.





Progress

Top of the class in broadband

With a 35.6% broadband penetration rate in January 2008, Denmark had the highest penetration rate in the EU and in the world, significantly higher than the EU-average (20%).

Price competition in the sector was strong, with connection prices for high-speed broadband and fully unbundled local loops falling, the latter among the lowest in the EU.

Fierce mobile sector competition

In 2007, strong competition and growth in the mobile market resulted in price reductions and high subscription levels. There were more than 6 million subscribers in October 2007 and the penetration rate increased to 110% in 2007.

The national regulator reviewed the possibility of sharing infrastructure among 3G providers to push penetration of advanced mobile services to at least 20% of the population.

Growing investments in alternative infrastructures

There were growing investments in alternative infrastructures such as cable, housing associations' internal networks and wireless networks. Power companies have undertaken major investments in establishing fibre networks.

Areas for Improvement

Incumbent continues to dominate fixed telephony market

There is room for more effective competition in the fixed telephony market, as the incumbent remains by far the largest provider with a market share for domestic telephony of about 65%, a slight increase. In overall terms, however, the market for fixed telephony (number of traffic minutes) has sharply declined.

Six-month-rule for Internet provider contracts

The commitment period of a maximum of six months is perceived as a barrier to investment and penetration, especially for small alternative and 3G providers. The regulator, NITA, has recommended a longer period as part of its strategic review.

High one-off handling fee for numbers

The one-off handling fee for number ranges, which is payable by alternative operators to the incumbent irrespective of the amount of numbers concerned, stayed at a high level encouraging excessive number requests and raising inefficiency questions.

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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