

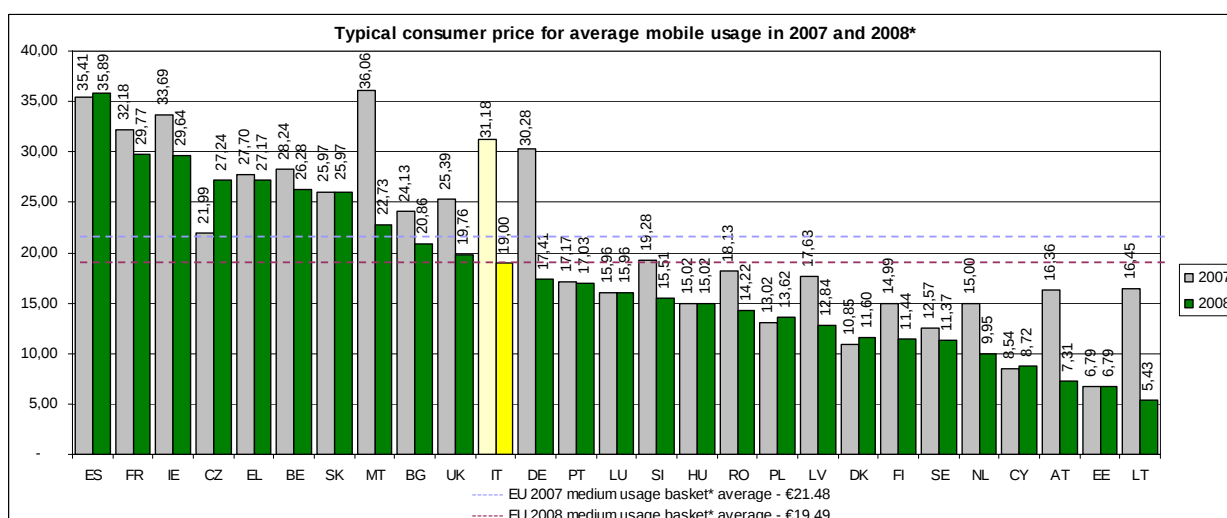


Towards a Single European Telecoms Market:

Focus on Italy



Prices have been falling in Italy for mobile phone services. A monthly mobile bill for medium phone usage was as cheap as €19 per month in 2008 (just below the EU average, €19.49). Italy's mobile sector, which now has the highest percentage of mobile users per population in Europe (152.9%), has continued to grow, and mobile broadband is increasingly prominent. However, the fixed broadband internet penetration rate, at 19%, is still below EU average (22.9%). Also, implementation of the European emergency number '112' is still a matter of concern for the Commission.



*The above table relates to the cheapest offer in the medium usage basket using OECD methodology as of 2006. It consists of 65 outgoing calls per month + 50 SMS messages + 2-3 MMS. 21% of calls are to fixed line phones, 72% to mobile phones, 7% to voicemail. Where appropriate, it includes monthly rental and any registration charges (post-paid offers in particular).

Progress

Highest mobile penetration in the EU

In October 2008, the mobile penetration rate reached 152.9%, the highest in the EU. 88% of subscriptions are based on prepaid cards.

Mobile broadband continues to grow. In January 2009, almost 29 million subscribers (18% more than a year before) benefited from mobile TV, email, instant messaging and other advanced data

services, with the overall traffic in mobile services more than double that of last year.

Digital divide narrowed

Access to broadband significantly improved thanks to public and private investments. At the end of 2007 fixed broadband (DSL) coverage was available in almost 100% of urban areas. Rural coverage increased by 31 percentage points between December 2006 and 2007 to 81.7% of the population, (79% at EU level), significantly reducing the digital divide.

Inter-operator mobile and fixed network charges set to be normalised

Termination rates - the fees that mobile and fixed network operators charge to connect calls made from other networks to their own network - vary widely. The national regulator (Autorità per le Garanzie nelle Comunicazioni) has committed to lowering these charges, in order to bring the regulation of mobile termination rates in Italy in line with European law and best European practice. This is expected to eventually reduce the costs for the consumers.

Areas for Improvement

Broadband penetration to improve

The number of broadband lines increased by 10.75% since January 2008, boosting the fixed broadband internet penetration to 19%

in January 2009; however this remains lower than the EU average of 22%.

High price for rights of way

As in 2007, the fees for rights to install facilities to provide communications networks requested by the public entity *Azienda Nazionale Autonoma delle Strade* remain high (€1000 per km).

112 not functioning properly

Caller location information (which allows emergency services to pinpoint where a 112 caller is located and enables them to reach the location at the emergency quicker) is still not available. Moreover, the European Commission opened a new infringement procedure against Italy because 112 call centres cannot transfer callers to the centres of other emergency services, such as ambulance, fire and rescue teams.

TELECOMS SECTOR'S KEY FIGURES		
	EU	Italy
Total value of sector (2007)	€356.85 billion	€43.71 billion
Nominal growth of sector (2007)	2%	-1.08%
Total capital investment (2007)	€52 billion	€6.95 billion
Fixed broadband penetration rate January 2009	22.9%	19.0%
Mobile broadband (data cards) penetration rate January 2009	2.8%	2.9%
Mobile penetration rate	119%	152.86%
Average mobile termination rates	€0.0855	€0.0936
Incumbent's fixed broadband market share January 2009	45.6%	59.8%
Incumbent's market share in direct fixed access	81.4%	81.7%
Total mobile ported numbers in 2008 only	14 million	4 million
Total fixed ported numbers in 2008 only	6.5 million	1 million
Average/typical broadband consumer price*	€36.89/month	N/A
Average/typical mobile communication consumer price**	€19.49/month	€19.00/month
Average/typical fixed telephony communication consumer price***	€36.13/month	€37.85/month

* Median basket price for broadband (2-4Mbps offers) using purchasing power parity (PPP)

** Average "medium usage pre&post-paid 2006 OECD basket" price for mobile communications. The figure for Italy refers to the cheapest available offer of the two largest operators on the market

*** Average "medium usage residential 2006 OECD basket" price for fixed voice communications

For further information

Full report on the Internet:

http://ec.europa.eu/information_society/policy/ecomm/library/communications_reports/annualreports/14th/index_en.htm

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

Europe's Information Society Thematic Portal: http://ec.europa.eu/information_society

Information Society and Media DG Information Desk: Email: info-desk@ec.europa.eu