

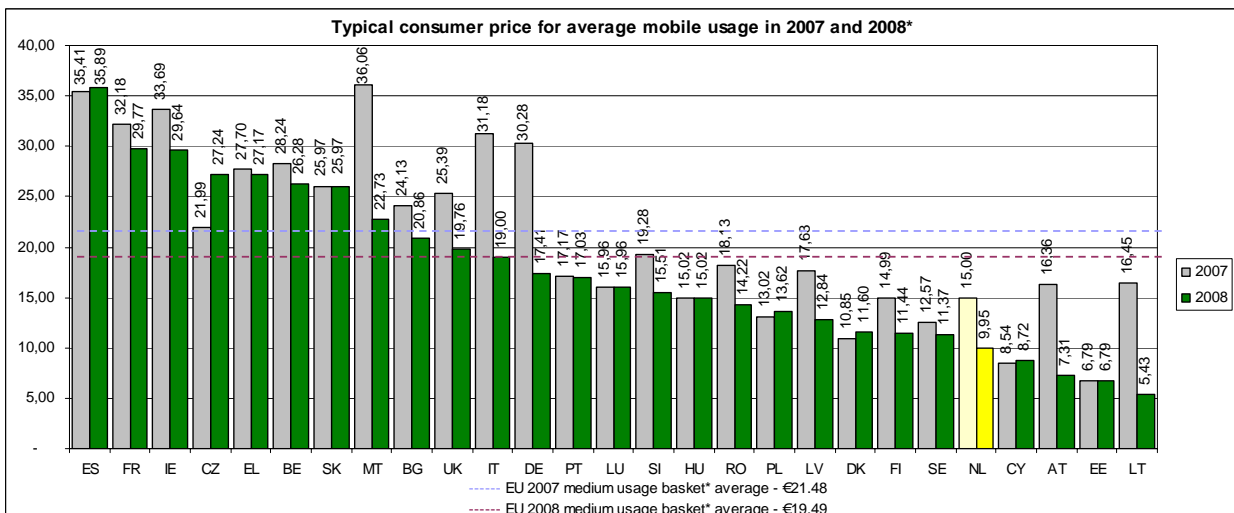


Towards a Single European Telecoms Market:

Focus on the Netherlands



A competitive mobile market brought lower prices and consumers enjoyed transparent services in 2008 in the Netherlands. The mobile penetration rate at 121%, is also above the EU average and continues to grow. The Netherlands kept its leading position with the second highest take up of fixed broadband internet in the EU (36.2%). The European emergency number 112, which is the only emergency number in the Netherlands, still needs to be made fully operational.



*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 Frontrunner of broadband penetration

The Netherlands has the second-highest take up of broadband internet in the EU (36.2% in January 2009). There is strong infrastructure-based competition between fixed broadband and cable networks. The former are dominated by the incumbent, the latter by alternative operators able to offer attractive packages including TV.

Almost 70% of all retail broadband connections come as a part of a bundled offer. Phone calls that use broadband networks (Voice over

Broadband) are increasingly popular and make up 32% of all phone calls from landlines.

Strong mobile market

Consumers benefit from strong competition pushing prices of mobile services below the EU average of €19.49 for medium mobile phone use. Dutch consumers who make medium use of their mobile phone can pay one of Europe's lowest monthly prices, €9.95, €5 less than last year. Four operators (one using another operator's network) and a lot of operators reselling calls on other networks offer a wide variety of mobile phone services. Take up of mobile services as a proportion of population rose even more, from 112% to 121%, which is slightly above the EU average (119%).

Strong consumer rights

Service providers are now obliged to specify maximum tariffs for premium rate phone calls, while mobile callers get separate information on call charges for these services.

The largest internet access providers voluntarily agreed a common system allowing consumers to change internet provider in 24 hours.

While the regulator was actively combating spam, the spamming prohibition was further extended by law to cover spam sent to companies and other legal persons.

Areas for improvement

112 mobile caller location still unavailable

Emergency call centres still cannot get the location of people who call 112, the single European emergency number, from their mobile phone. In October 2008, after the European Commission launched a legal case, the European Court of Justice declared that the Netherlands did not fulfil its obligations under EU law. The Dutch authorities need to ensure that mobile operators provide the necessary information to the call centre of the national police for mobile calls which became operational in 2008.

Location information should be forwarded to the local emergency centres so that they can react faster.



Uncertainty over high-speed network development

The development of faster internet services has been hampered by uncertainty over the fixed incumbent's proposals for migration of other operators to its future high-speed networks.

Self-regulation has not solved this problem. The regulator reviewed the wholesale broadband markets and set down conditions for the incumbent to allow alternative operators to access its network to provide competing services. The whole package of regulation would then be fit for fibre networks.

Slow porting of mobile numbers

The number of consumers changing operators but keeping their mobile number increased sharply by almost 600 000 from 2 181 593 to 2 741 885. Even though porting of mobile numbers was reduced to five days in most cases, sometimes it still takes up to ten days, whereas in some EU countries it takes only one day (the EU average is 8.5 days for mobile numbers and 7.5 days for fixed numbers).

TELECOMS SECTOR'S KEY FIGURES	 EU	 The Netherlands
Total value of sector (2007)	€356.85 billion	€12.09 billion
Nominal growth of sector (2007)	2%	-0.49%
Total capital investment (2007)	€52 billion	€2.14 billion
Fixed broadband penetration rate January 2009	22.9%	36.2%
Mobile broadband (data cards) penetration rate January 2009	2.8%	N/A
Mobile penetration rate	119%	121%
Average mobile termination rates	€0.0855	€0.0943
Incumbent's fixed broadband market share January 2009	45.6%	50.4%
Incumbent's market share in direct fixed access	81.4%	75.0%
Total mobile ported numbers in 2008 only	14 million	560 292
Total fixed ported numbers in 2008 only	6.5 million	686 706
Average/typical broadband consumer price*	€36.89/month	€28.02/month
Average/typical mobile communication consumer price**	€19.49/month	€9.95/month
Average/typical fixed telephony communication consumer price***	€36.13/month	€39.30/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 the Netherlands 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/ecommlibrary/communications_reports/annualreports/14th/index_en.htm

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

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