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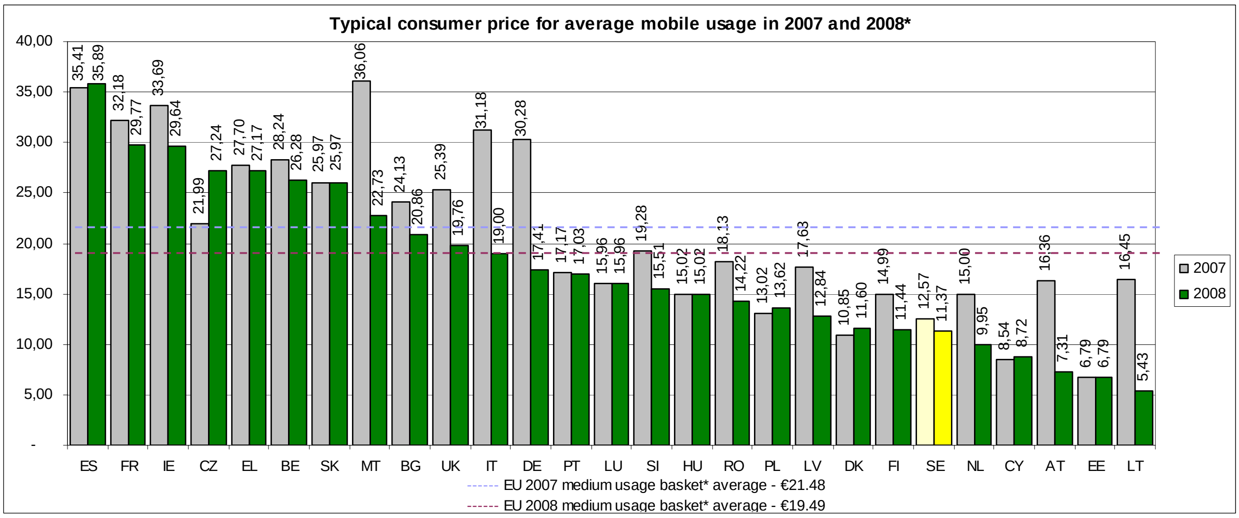
# Towards a Single European Telecoms Market:

## Focus on Sweden

**A competitive market for mobile telephone services in Sweden ensured lower consumer prices in 2008, with a typical consumer paying as cheap as €11.37 each month compared to €12.54 in 2007. Mobile penetration rose by 8 percentage points in a year to 114.6%. Competitive prices also encourage the uptake of advanced services such as mobile broadband internet. Sweden has the highest number of activated high-speed broadband fibre connections in Europe. Fixed broadband penetration is the third highest in the EU. Disabled consumers benefit from a variety of technological innovations, allowing them, for instance, to call the European emergency number 112 in an emergency. However, competition is limited in some areas and rules need to be reinforced.**




*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

### Leading high-speed broadband

Sweden has the third highest take up of fixed broadband internet in the EU, at 31.3% of the population. Sweden is one of Europe's leaders in the rate of high speed connections, with many lines above 10 Mbps, a speed that allows high-quality video streaming, for example. More than 84% of all fixed broadband lines deliver speeds higher than 2 Mbps.

DSL coverage in rural areas increased by another 6 percentage points to 90% at the end of 2007, with nationwide coverage rising to 98%.

### Strong mobile market

Mobile penetration in Sweden rose by 8 percentage points to 114.6%. A strong and competitive mobile market provides users with attractive pricing schemes and falling charges. Compared to last year, the fees that mobile operators charge to convey calls from other fixed or mobile operators to their networks fell by 30% to €0.0419, the second lowest rate in the EU.

Consumer charges for using their mobile while roaming in the EU are also moving below the regulated Eurotariff price ceiling. The use of mobile data services is growing, with more than 600 000 people using wireless data cards (dongles that connect laptops to the web), a penetration rate of 6.6% of the population.

European Commission
Information Society and Media

## Consumer-friendly services

Consumers are also benefiting from transparent and clear information. The national telecoms regulator (Post-och telestyrelsen) runs a web-based price comparison service for fixed, mobile and internet services for different user profiles. Disabled consumers benefit from a variety of technological innovations. In case of emergency, disabled users can contact the single European emergency number 112 call centre via text message, internet or video phone. Number portability (when consumers change operator but keep their number) is inexpensive and widely used with more than 3 million mobile and some 860 000 fixed numbers ported since the service became available.

# Areas for improvement

## Rules to be improved

An infringement proceeding initiated by the European Commission in 2006 because operators and users cannot fully exercise their right of appeal against decisions of the national regulator is ongoing. A new infringement case was launched in September 2008, as it appears that Swedish case law limits the authority of the national regulator to settle disputes regarding operators' interconnection agreements.

## Competition bottlenecks persist

Some 2.4 million households do not have access to alternative service providers, who still encounter difficulties in rivalling the incumbent. Alternative operators are not taking advantage of "bitstream access" to offer their own services over other operators' high-speed internet and phone networks, partly due to high entry costs. Alternative operators face difficulties due to delivery delays, lack of information and technical limitations on premises with equipment shared with the incumbent and other operators.

## State financing should not distort competition

State-financed telecoms networks hold 12% of the broadband market, but alternative operators are not always able to use these networks to offer competing services. Some municipalities provide optical fibre products that directly compete with operators for consumers. While state participation in the development of broadband is in principle welcome, care should be taken not to distort competition.

| TELECOMS SECTOR'S KEY FIGURES | EU | Sweden |
|---|---|---|
| **Total value of sector (2007)** | €356.85 billion | €6.40 billion |
| **Nominal growth of sector (2007)** | 2% | 2% |
| **Total capital investment (2007)** | €52 billion | €1.16 billion |
| **Fixed broadband penetration rate January 2009** | 22.9% | 31.3% |
| **Mobile broadband (data cards) penetration rate January 2009** | 2.8% | 6.6% |
| **Mobile penetration rate** | 119% | 114.6% |
| **Average mobile termination rates** | €0.0855 | €0.0419 |
| **Incumbent's fixed broadband market share January 2009** | 45.6% | 39.5% |
| **Incumbent's market share in direct fixed access** | 81.4% | 88.0% |
| **Total mobile ported numbers in 2008 only** | 14 million | 489 301 |
| **Total fixed ported numbers in 2008 only** | 6.5 million | 217 116 |
| **Average/typical broadband consumer price*** | €36.89/month | N/A |
| **Average/typical mobile communication consumer price**** | €19.49/month | €11.37/month |
| **Average/typical fixed telephony communication consumer price***** | €36.13/month | €31.22/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 Sweden 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: infso-desk@ec.europa.eu