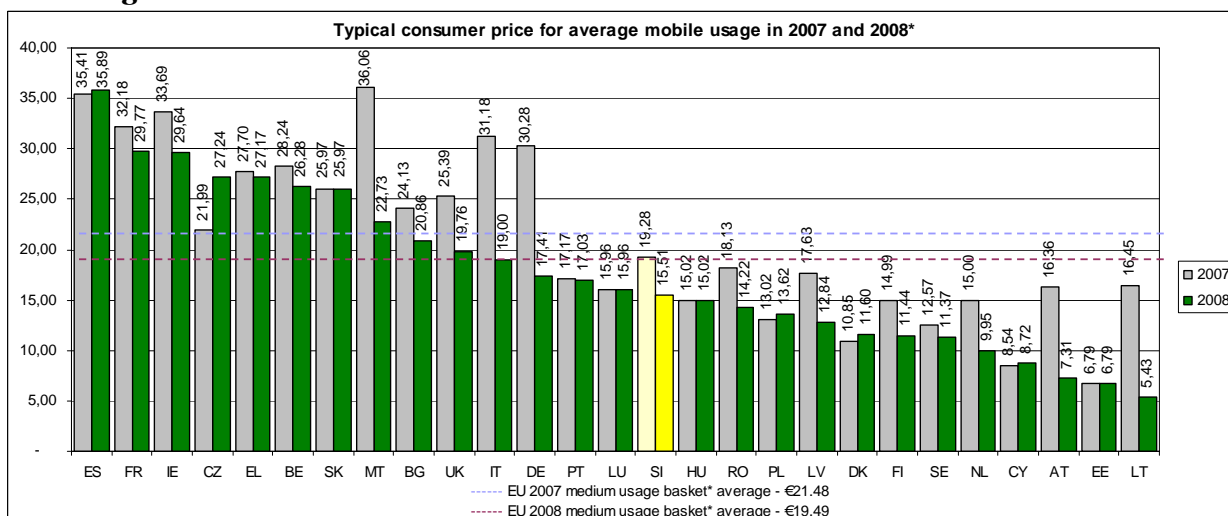




Towards a Single European Telecoms Market: Focus on Slovenia



Mobile phone users in Slovenia enjoyed more choice and lower prices in 2008. People made more mobile phone calls and the average user paid up to €3.77 less on a typical monthly mobile bill in 2008 than in 2007. However, mobile penetration, at 100%, is still below the EU average of 119%. The number of fixed broadband lines grew by 22.6% over a year and take up per population is now at 21%. The national telecoms regulator (APEK) provides a toll-free call centre for consumers to ask for advice in case of complaints and a website to compare offers for telecom services from different providers. Effectiveness of regulation can be further improved mainly in relation to how telecom companies access and charge each other for the use of certain networks.



*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

Significant broadband penetration

The fixed broadband penetration increased by 22.6% in Slovenia from January 2008 to January 2009. With this growth, penetration is now at 21% while the EU average is 22.9%. In July 2008, the government pledged to ensure broadband for all by 2010. The effectiveness of the strategy remains to be seen, but Slovenia has already advanced significantly in the deployment of fibre-to-the-home lines that allow customers to enjoy ultra-high-speed internet for services like high quality video. With 45 000 activated fibre-to-the-home lines, Slovenia is one of the top performers in the EU – taking into account the country's population.

More mobile competition and lower call prices

The growing number of mobile networks led to more competition and consumer choice. The main incumbent telecom operator's mobile division faced strong competition and its market share decreased by 7 percentage points since 2007. However, the main operator still holds 60% of the mobile market. The second largest mobile network company gained a market share of 27% (up from 25% in 2007) while one of the two newest mobile operators also carved out a significant market share (3.4% in one year). Keener competition among operators drove prices down. Last year the average user could have spent as low as

€15.51/month on mobile services compared to €19.28/month in 2007.

An empowered consumer

Consumers can benefit from information services set up by the national regulator. There is a toll-free call centre providing advice and information on how to proceed in cases of complaints or when consumers' rights appear to be violated. Also, consumers can compare offers for telecoms services on the website of the regulator. Another important sign of increasing consumer power is number portability (allowing consumers to change operators while keeping their phone numbers). Since the introduction of number portability in 2006, more than 218 000 numbers (100 000 fixed and 118 000 mobile) have been ported, which represents some 7% of all available numbers. Last year saw an increase of 3 percentage points in ported numbers compared to 2007.

Areas for improvement

Not enough high-speed broadband connections

Despite encouraging broadband take up, only 37.3% of the active broadband lines provide a connection speed higher than 2 megabit per second (the EU average stands at 74.9%).



Although the digital gap has narrowed from 9 percentage points to 6 percentage points for fixed DSL

broadband and from 25 percentage points to 24 percentage points for cable, 14.5% of the rural population has no access to DSL and 70% no access to cable.

Quality of regulation needs improvement

APEK has to address several issues in its decision making to ensure the creation and implementation of appropriate and effective rules in the telecom market. For example, the introduction of wholesale line rental (that allows alternative telephone service operators using the lines of the incumbent operator to directly charge monthly rental fees to customers) produced no concrete results in 2008. In fact, just 800 customers have chosen to pay line rental directly to alternative operators.

Similarly, cooperation between the telecoms regulator and Slovenia's competition authority needs to be improved to more effectively deal with remaining competition bottlenecks, for example, on wholesale broadband access markets. The majority of market players find access to high-speed fibre optic core networks too expensive and it's also difficult to match the incumbent operators bundled offers (TV, phone and internet in one package).

TELECOMS SECTOR'S KEY FIGURES	 EU	 Slovenia
Total value of sector (2007)	€356.85 billion	€1.10 billion
Nominal growth of sector (2007)	2%	5.02%
Total capital investment (2007)	€52 billion	€245 million
Fixed broadband penetration rate January 2009	22.9%	21%
Mobile broadband (data cards) penetration rate January 2009	2.8%	2.3%
Mobile penetration rate	119%	100%
Average mobile termination rates	€0.0855	€0.0666
Incumbent's fixed broadband market share January 2009	45.6%	49.2%
Incumbent's market share in direct fixed access	81.4%	89.3%
Total mobile ported numbers in 2008 only	14 million	70 224
Total fixed ported numbers in 2008 only	6.5 million	48 869
Average/typical broadband consumer price*	€36.89/month	€26.73/month
Average/typical mobile communication consumer price**	€19.49/month	€15.51/month
Average/typical fixed telephony communication consumer price***	€36.13/month	€30.97/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 Slovenia 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