



REPUBLIC OF KOSOVA
GOVERNMENT OF KOSOVA
MINISTRY OF TRANSPORT AND COMMUNICATIONS



Vienna Economic Talks- Pristina Meeting

Telecommunications Sector in Kosovo

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Presentation outline

- **Telecommunications Sector Policy and Legislation**
- **Market overview in Kosova and SEE**
 - **Fixed telephony**
 - **Mobile telephony**
 - **Internet and broadband**
- **Regulatory Activities**
- **Licensing Activities**
- **Current Initiatives and Future Steps**
- **Challenges**

Key Documents

1. National Strategy for Information Society 2006-2012- approved by Kosovo Government

2. eSEE Agenda Plus- approved by Kosovo Government (Strategic framework for the development of IS in SEE region during the period 2007-2012)

Participating countries now: Albania, Bosnia & Herzegovina, Croatia, Moldova, Macedonia, Serbia, Montenegro, and Kosovo

3. Telecommunication Sector Policy- approved by Kosovo Government

4. bSEE MoU - signed in SEE Ministerial Conference Thessaloniki, Greece, Action Plan of bSEE

5. MoU for establishment of the CeGD for SEE – based in Ljubljana

Telecommunications Sector Policy

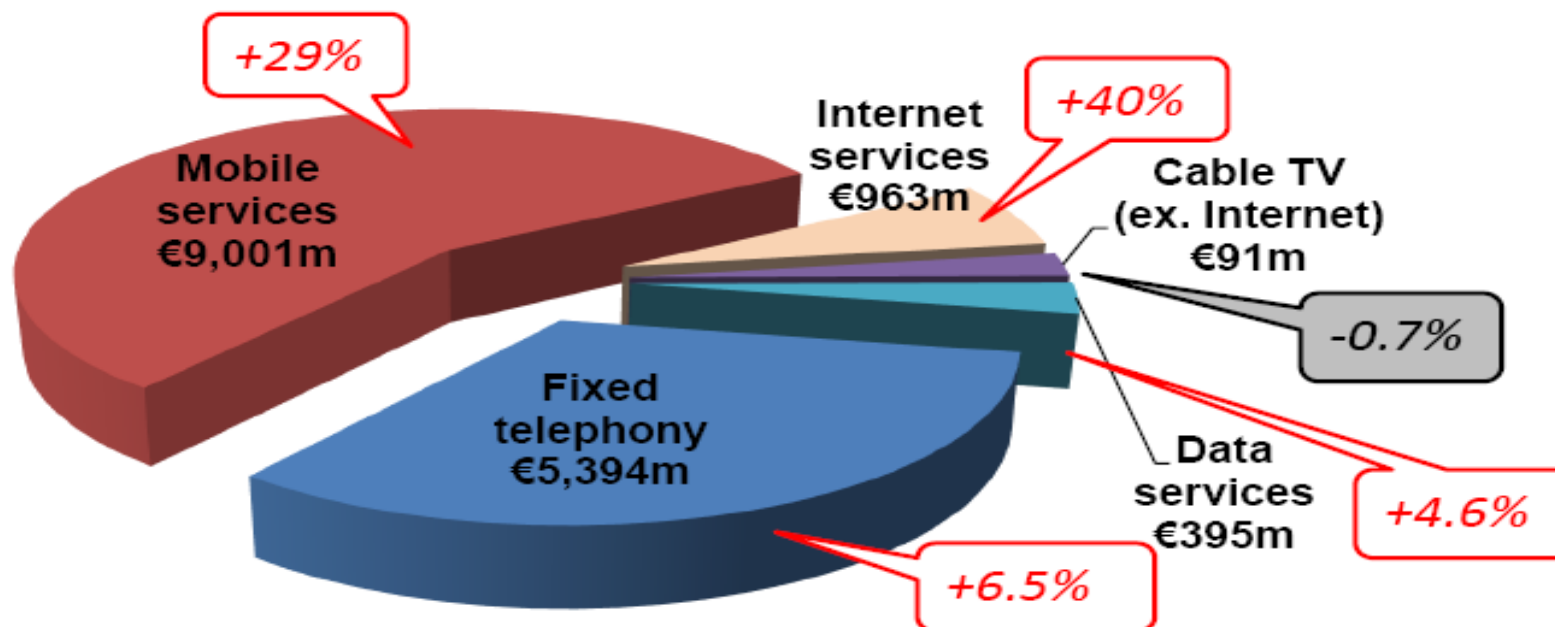
TELECOMMUNICATIONS POLICY GOALS:

- Promote market entry;
- Promote competition and a level playing field;
- Achieve Universal Access/services;
- Ensure optimal usage of scarce resources;
- Establish a more effective legal framework for the monitoring and supervision of the sector that facilitates:
 - efficient and transparent governance,
 - consumer protection, and
 - deployment of new, modern technologies and services to meet user needs.

Legal framework in ICT sector

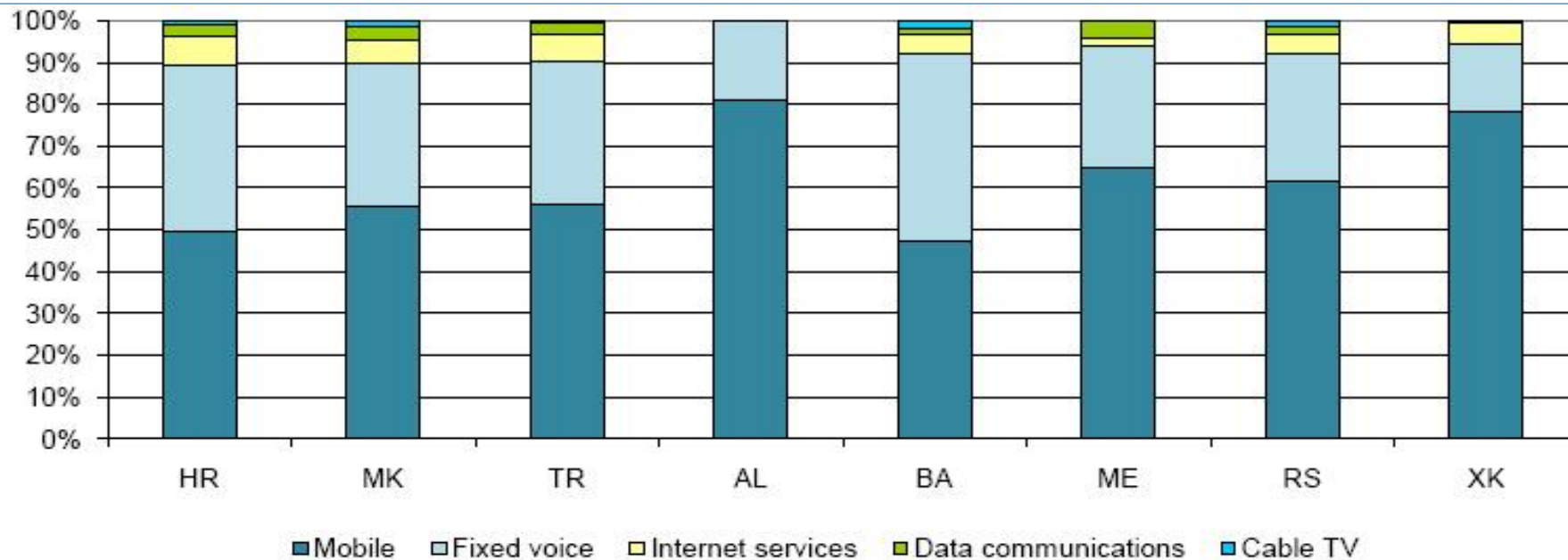
- Comprehensive telecom law- May 2003
 - Establishes an independent regulator for telecom-Telecommunications Regulatory Authority (TRA)
- eCommerce law (based on UNCITRAL Model Law) – May 2006
- eSignatures law (based on UNCITRAL Model Law) – May 2006
- Data Protection and Privacy Law - May 2006
- Intellectual Property Rights Law– 2004
- Law on Cyber Crime- draft ready

Market overview in SEE- by sector



- Electronic communications revenue in 2007 was €15.8 billions
- 20% growth from €13.2 billions in 2006 – 3.8% of regional GDP
- Mobile services – 57%, fixed telephony – 34%, Internet and broadband services – 6%
 - In EU 27 market revenue in 2007 was €293 billions
 - 2% growth from €289bn in 2006 - 2.5% of GDP

Country Markets in 2007 by sector



- Mobile services account for over 50% electronic communications market revenue in most countries
- Albania – 80%, Kosovo – close to 80%
- Reduction in fixed voice services revenue relative to other sectors
- Relative growth in Internet and broadband
- Cable TV – data collection issues?

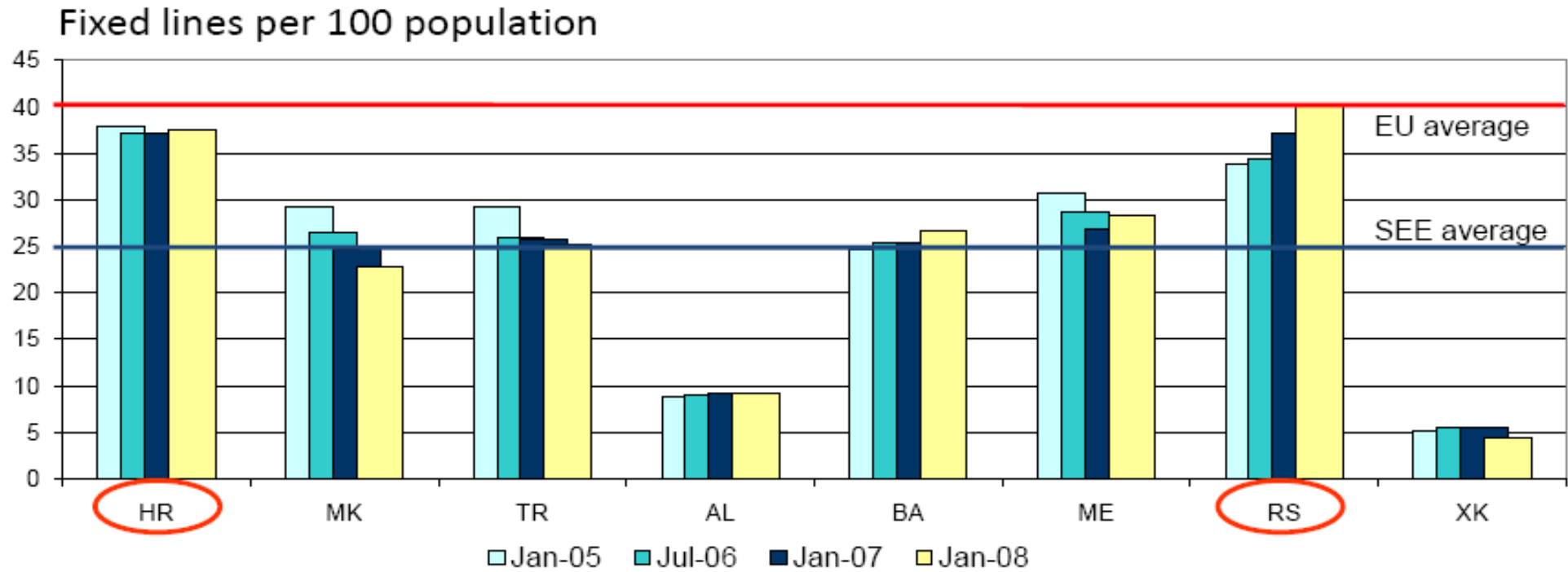
Fixed telephony

- PTK has completed digitalization of its fixed line Network during the year 2007 (100%)
- IPKO Fixed Telephony (licensed on 08.09. 2006) has started with services in 2008
- TRA has issued a numbering range 387 xxxxx for IPKO Fixed telephony
- But fixed penetration below 6%

Digitalization rate 2004 - 2007

2004	2005	2006	2007
45.00%	47.00%	47.00%	100.00%

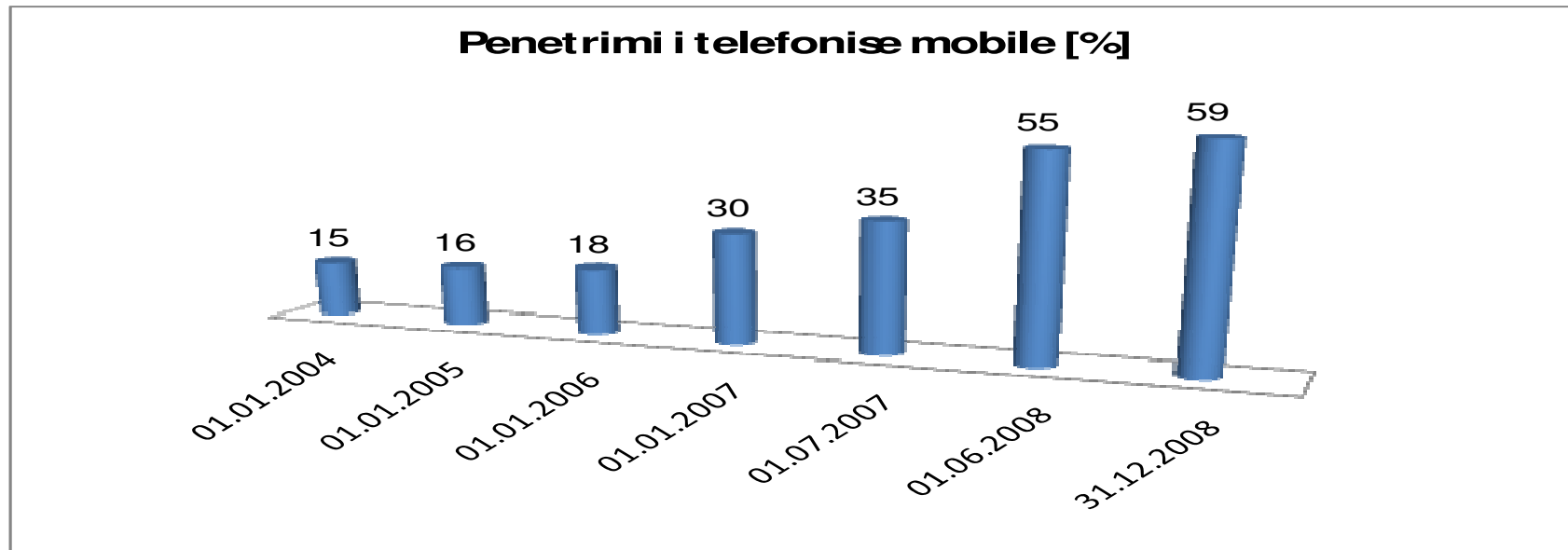
Fixed telephony



- Average 25 lines per 100 population in 2007
- Serbia and Croatia are closest to the EU average of 40%
- Growth in Serbia, BiH, Albania

Market overview- mobile telephony

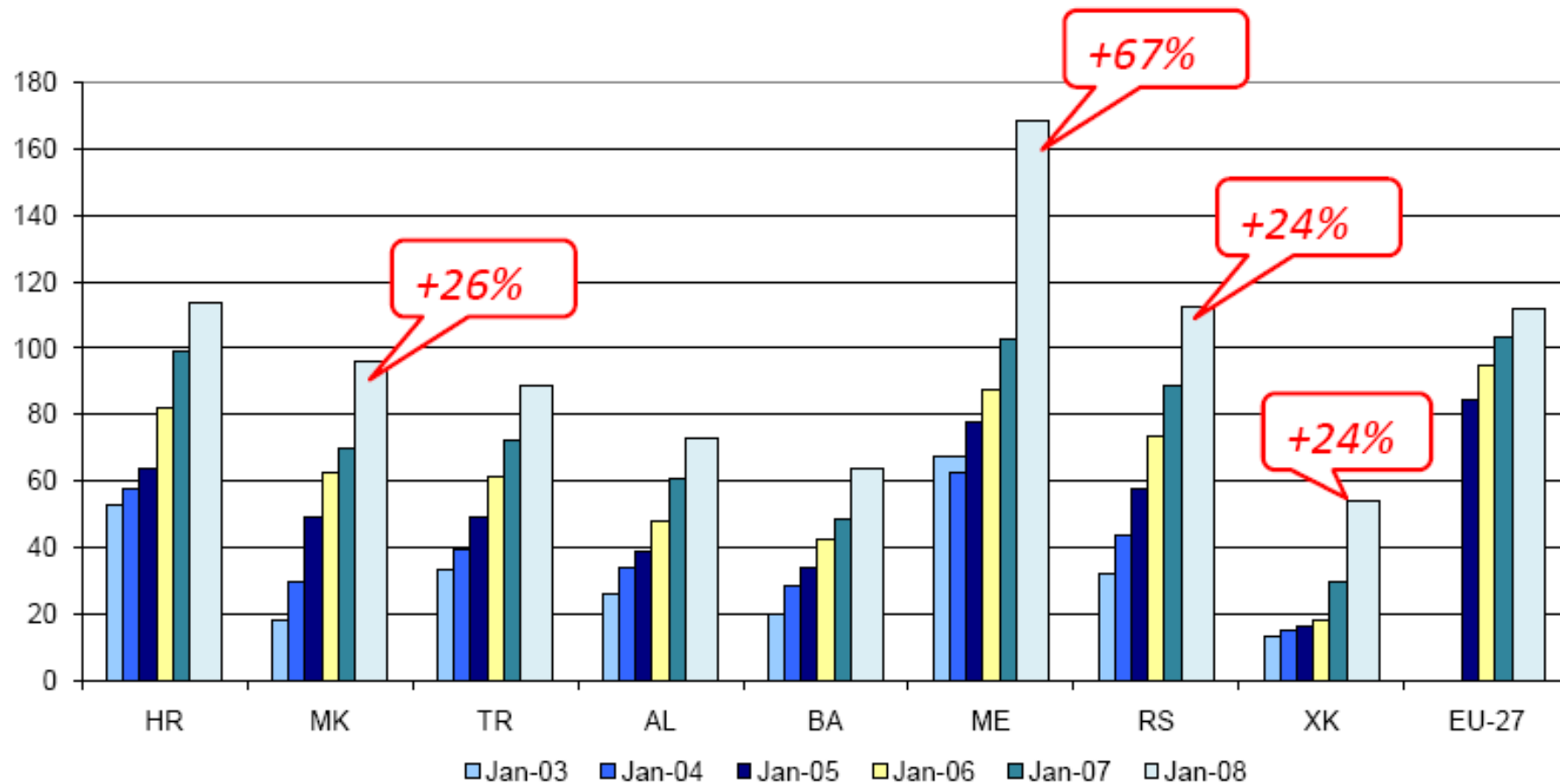
- Mobile penetration has reached 59%
- According to the “Telecommunications sector policy” document approved by Government, mobile penetration by the end of 2008 should be 45%



	01.01.2005	01.01.2006	01.01.2007	01.07.2007	01.06.2008	31.12.2008
VALA	16.00%	18.00%	29.50%	34.50%	41.50%	42.19%
IPKO					13.50%	16.62%

Market overview-mobile telephony

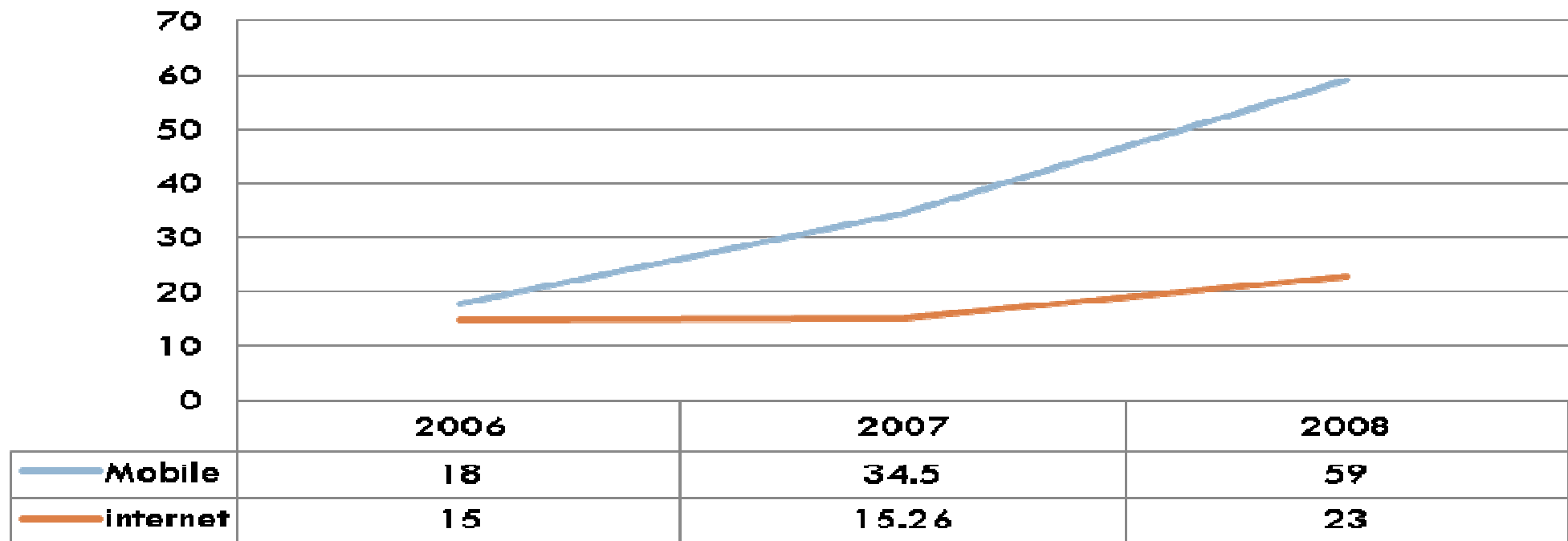
Mobile subscribers per 100 population



Market overview – Internet and broadband

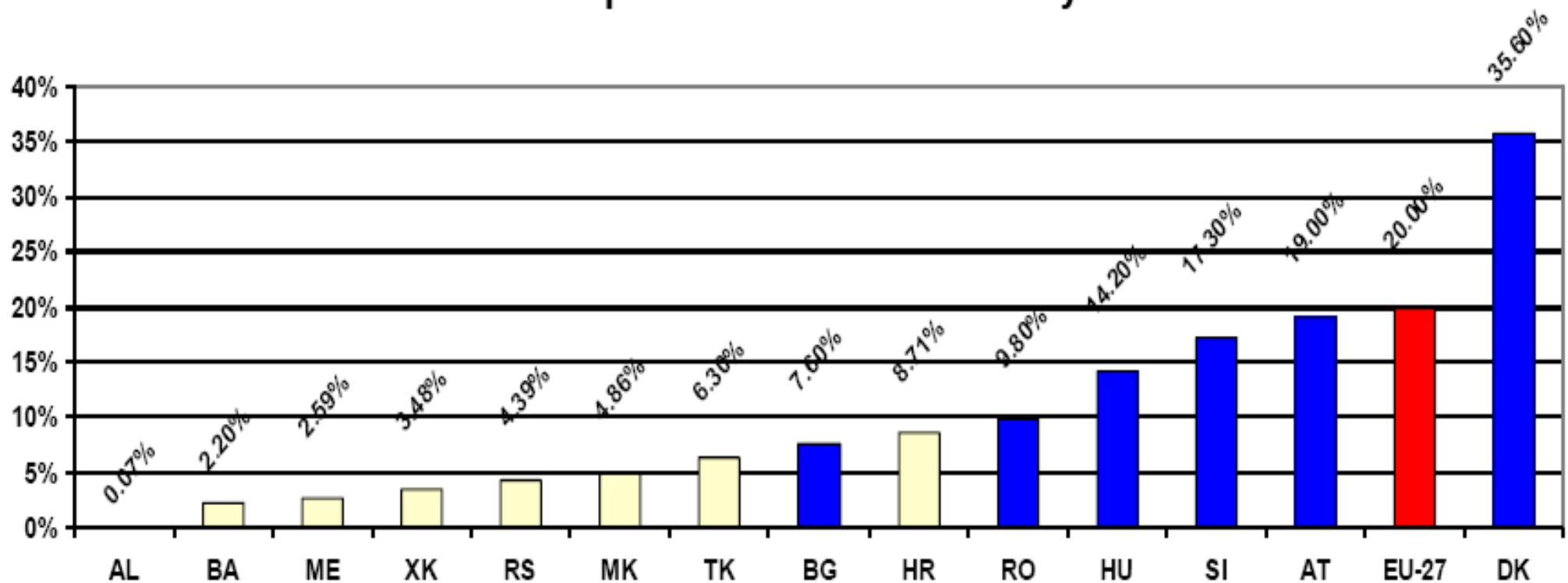
- Internet penetration has reached 23%
- According to the “Telecommunications sector policy” document approved by Government, internet penetration by the end of 2009 should be 25%

Mobile and internet penetration [%]



Market overview – Internet and broadband

Broadband penetration rate - January 2008



Regulatory Activities (1)

Based on the Telecommunications Law No.2002/07, TRA has approved Regulations & Decisions for the implementation of the Law

RIO (Reference Interconnection Offer) Approval

The first RIO of the fixed incumbent operator, PTK, was approved by the TRA on January 12, 2007

- Regulation on National Numbering Plan (No.153/07)
- Regulation on Dispute Resolution (No.183/07)
- Regulation on consumer protection (No.222/08)
- Regulation on Inspection and Investigation (No.01/2006)

Regulatory Activities (2)

- TRA Decision (No.276/07) on Interconnection between PTK and IPKO mobile networks
- On October 2008 Interconnection agreement between PTK and IPKO was amended (Nr.227/08)

Proposal PTK/VALA	Mobile termination rates (euro cent)				Asymmetry
	PTK Mobile		IPKO Mobile		
	Peak	Off -peak	Peak	Off-peak	
PTK	12.5	6.25			
IPKO	5	3	8.5	5.1	1.7
TRA Dec.	6.8	6	12.8	11.3	1.89
PTK /IPKO Agreement	6.8	6	11.2	9.9	1.65

Regulatory Activities (3)

- Regulation on issuance of the licenses for frequency usage (No. 008/08), is approved on January 2008
- Regulation on Spectrum Tariffs (No. 182/07)
The purpose of this Regulation is to define the tariffs for the frequency spectrum usage in the territory of Kosovo
- Regulatory Framework for MVNO-s
 - *The purpose of this Regulation is to enable the MNO-MVNO cooperation*
 - *Creating a competitive Market*
 - *TRA has already issued 2 MVNO Licenses with period of duration 15 years*
- Decision on Number tariffing (No.240/08)
- Annual tariff reduction (No.182/07-B) from 1% to 0.3% of gross turnover from licensed activities

Licensing Activities

So far TRA has issued 41 Licenses for the provision of Telecommunications services inside territory of the Republic of Kosovo.

Type of license	Number of licenses
Mobile Telecommunications service license	2
National Fixed Service License	3
Internet Service License	10
International Telecommunication Service license	5
International Telecommunications Facilities License	5
Value Added service license	14
MVNO License	2

Current initiatives and future steps

TRA is currently working on a number of initiatives:

- Regulation on Rights of Way;
- Regulation on Radio stations on unlicensed spectrum;
- Regulatory Framework for implementing Broadband Wireless Access (BWA) in the frequency band 3410– 3600 MHz;
- Regulation on carrier selection and carrier pre-selection;
- Regulation on Number Portability;
- Interconnection Guidelines;
- Regulation on Type Approval.

Challenges- Telecommunications

Legal and institutional issues

Alignment of the national legislation with EU regulatory framework

TRA: independence, credibility, necessary expertise

Independence: structural and political

Accountability, Transparency, Periodic review

Market access

Liberalization formally achieved but we need more competition

Authorization framework remain rather complex

Fixed telephony

Tariff rebalancing, Interconnection, cost-orientation, CS/CPS...

Mobile telephony

Number portability, cost oriented MTRs

Broadband

Infrastructure or service-based competition?

Challenges- Information Technology

- **Availability of high speed broadband networks and secure services**
- **Development and accessibility of rich online content and transfer from conventional format;**
- **Interoperability in accordance with the European Interoperability Framework (for administrations);**
- **ICT in Education**
- **ICT in Health sector**
- **ICT enabled public services and e-Government;**
- **Development of e-Business;**
- **e-Participation and e-Democracy**

Thank you for your attention!

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