



**RIPE NCC**

RIPE NETWORK COORDINATION CENTRE

# It Runs in the Family

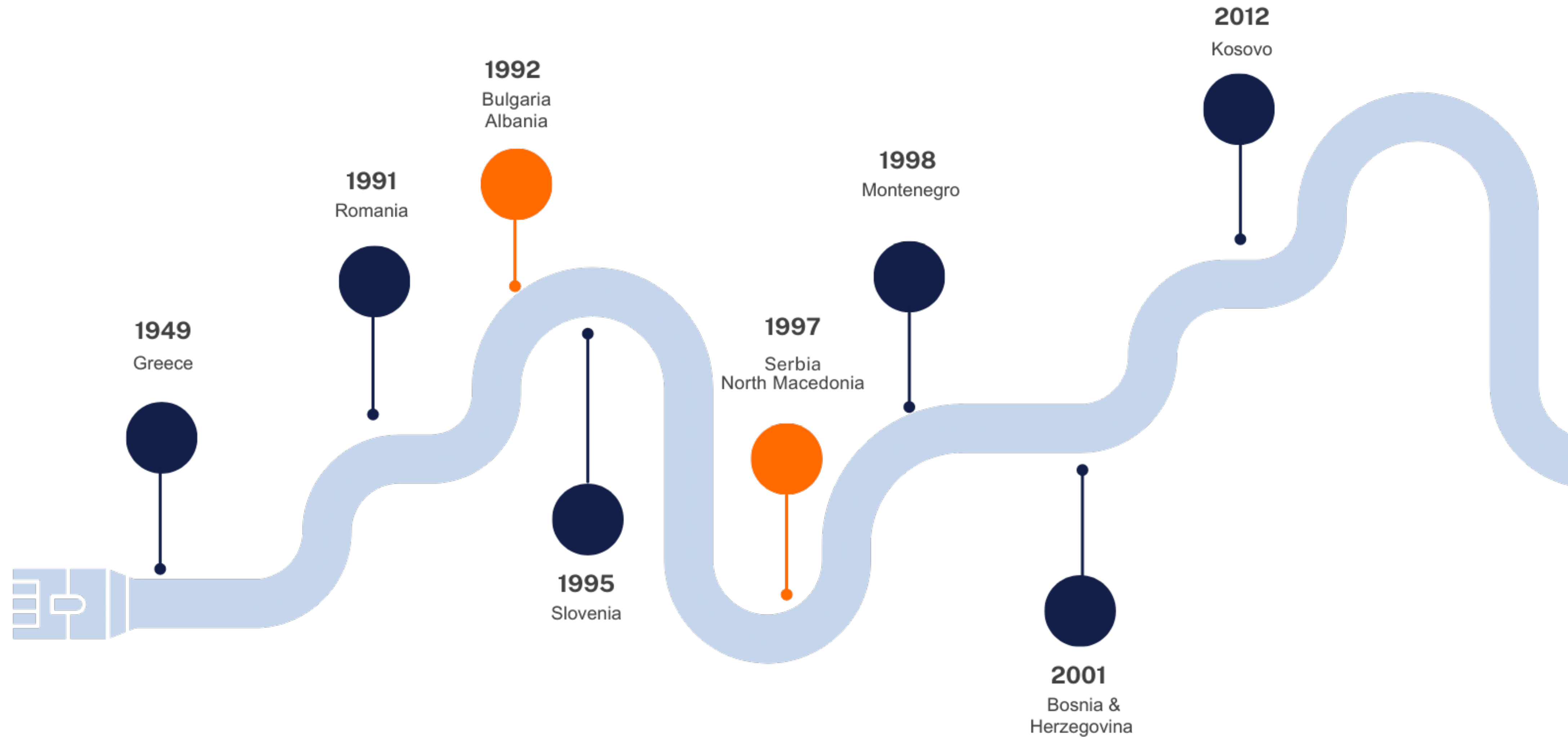
## SEE Telco Market Evolution and Trends

Jelena Ćosić | RIPE NCC Days Sofia | 27 June 2023



# **A Regional View**

# Founding of National Telecoms



# 2000s: Liberalisation and Privatisation



- EU accession process played a key role
- New players entering the market
- Increased foreign investment
- Strengthening of independent regulatory authorities

# 2010s: Market Characteristics and Trends



- Increased competition (MVNOs and OTTs)
- Change in consumer behaviours and preferences (mobile data as a key driver of growth)
- Growing demand for high-speed Internet
- Changes in regulatory environment (customer focused)

# Market Response



- Restructuring of telecom companies (divestitures like spin-offs and carved-outs, outsourcing, mergers and acquisitions)
- Convergence and vertical integration
- Expansion of 5G and fibre optic network
- Market consolidation



### Telecom Serbia

**HQ:**

Belgrade, Serbia

**Size:**

12,000+ employees

**Market share across SEE region:**

Bosnia and Herzegovina - 26.5%  
North Macedonia - 0.05%  
Montenegro - 44%  
Serbia - 48%



### A1

**HQ:**

Vienna, Austria

**Size:**

17,000+ employees

**Market share across SEE region:**

Bulgaria - 22.5%  
Croatia - 32.5%  
North Macedonia - 36%  
Serbia - 9%  
Slovenia - 20%



### United Group

**HQ:**

Amsterdam, The Netherlands

**Size:**

14,000+ employees

**Market share across SEE region:**

Bosnia and Herzegovina - 20%  
Bulgaria - 33.5%  
Croatia - 16%  
Greece - 32%  
Montenegro - 10.5%  
Serbia - 21.5%  
Slovenia - 30.5%



### Deutsche Telecom

**HQ:**

Bonn, Germany

**Size:**

207,000+ employees

**Market share across SEE region:**

Bosnia and Herzegovina - 11%  
Croatia - 47%  
Greece - 51.5%  
Montenegro - 36%  
North Macedonia - 43%  
Romania - 4%





# From WiFi to 5G

Examining Telecom Market Dynamics in  
Bulgaria



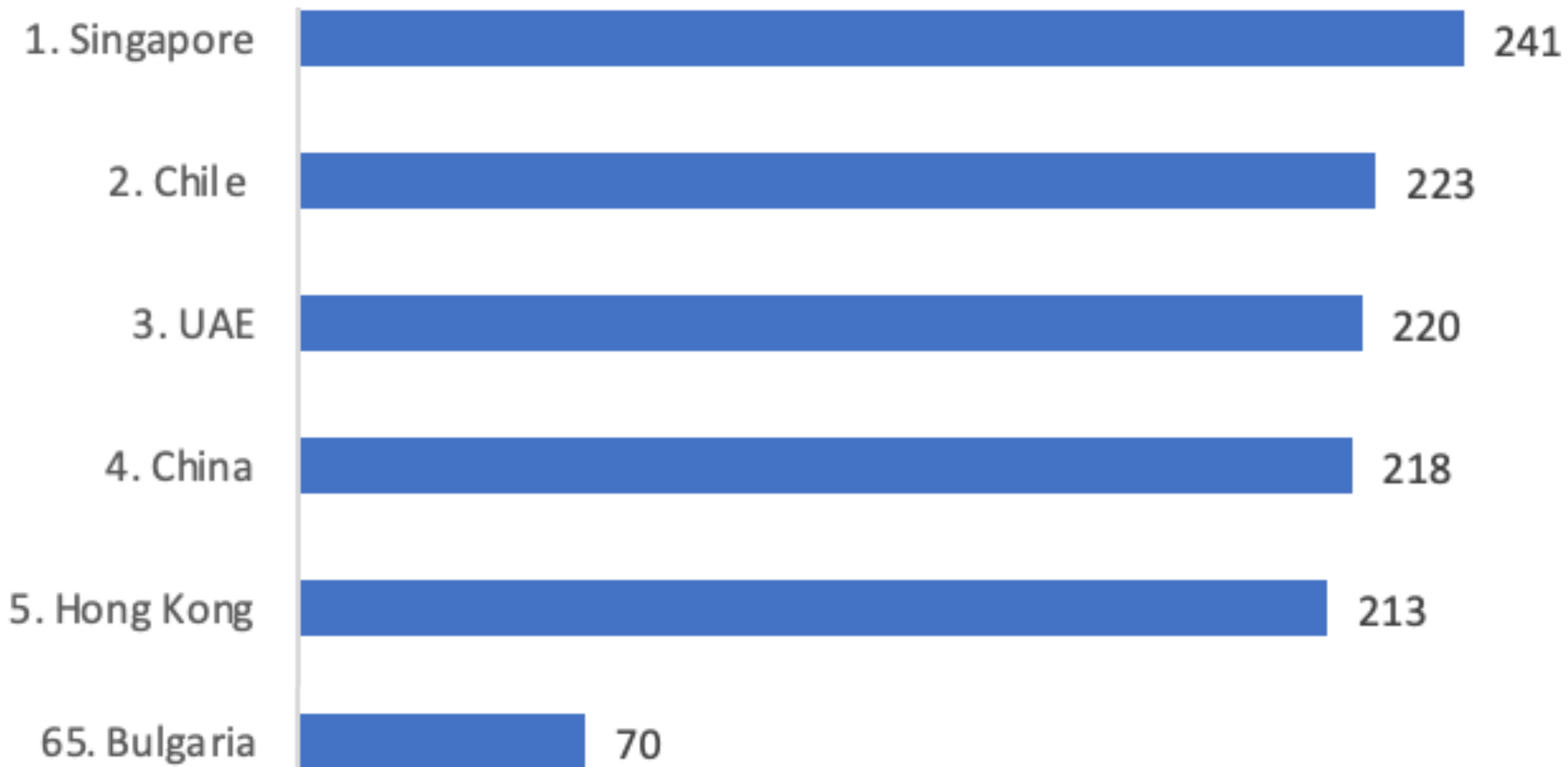


# Fixed Broadband 2009





# Fixed Broadband 2009



## Customers

- Shift towards mobile devices
- Changes in Internet usage
- Low demand for ultra high speeds

## Operators



- Diverting to mobile investment:
  - Adapting to customers preferences
  - Revenue opportunities
  - High costs of investment outside of urban areas
- Bundled services
- Market consolidation



# Acquisitions boost United Group figures

APRIL 25, 2022 13.02 EUROPE/LONDON BY CHRIS DZIADUL



## Bulgarian telco Vivacom acquires local Telnet

SHAILAJA PAI 09 DECEMBER 2021 3156 views

## Bulgarian telco Vivacom acquires local Telnet

SHAILAJA PAI 09 DECEMBER 2021 3156 views

## Bulgarian Telecommunications Company completes acquisition of Net1, ComNet Sofia, N3

## United Group snaps up two local operators in Bulgaria

JAMES BARTON 16 FEBRUARY 2021 6183 views

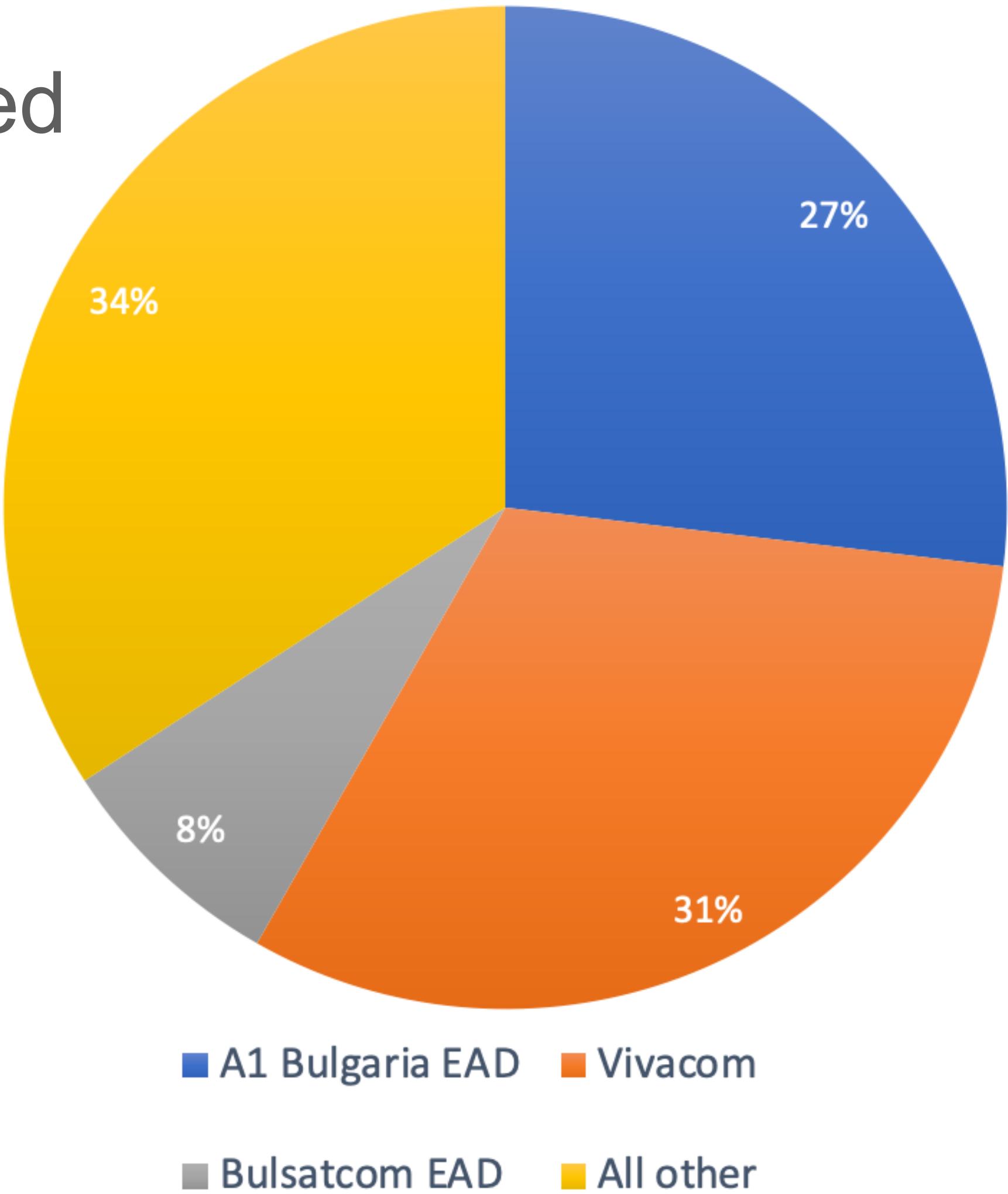
## Bulgarian Watchdog Probes Vivacom's Plan To Buy Multiple Rivals

By CPI - February 2, 2023

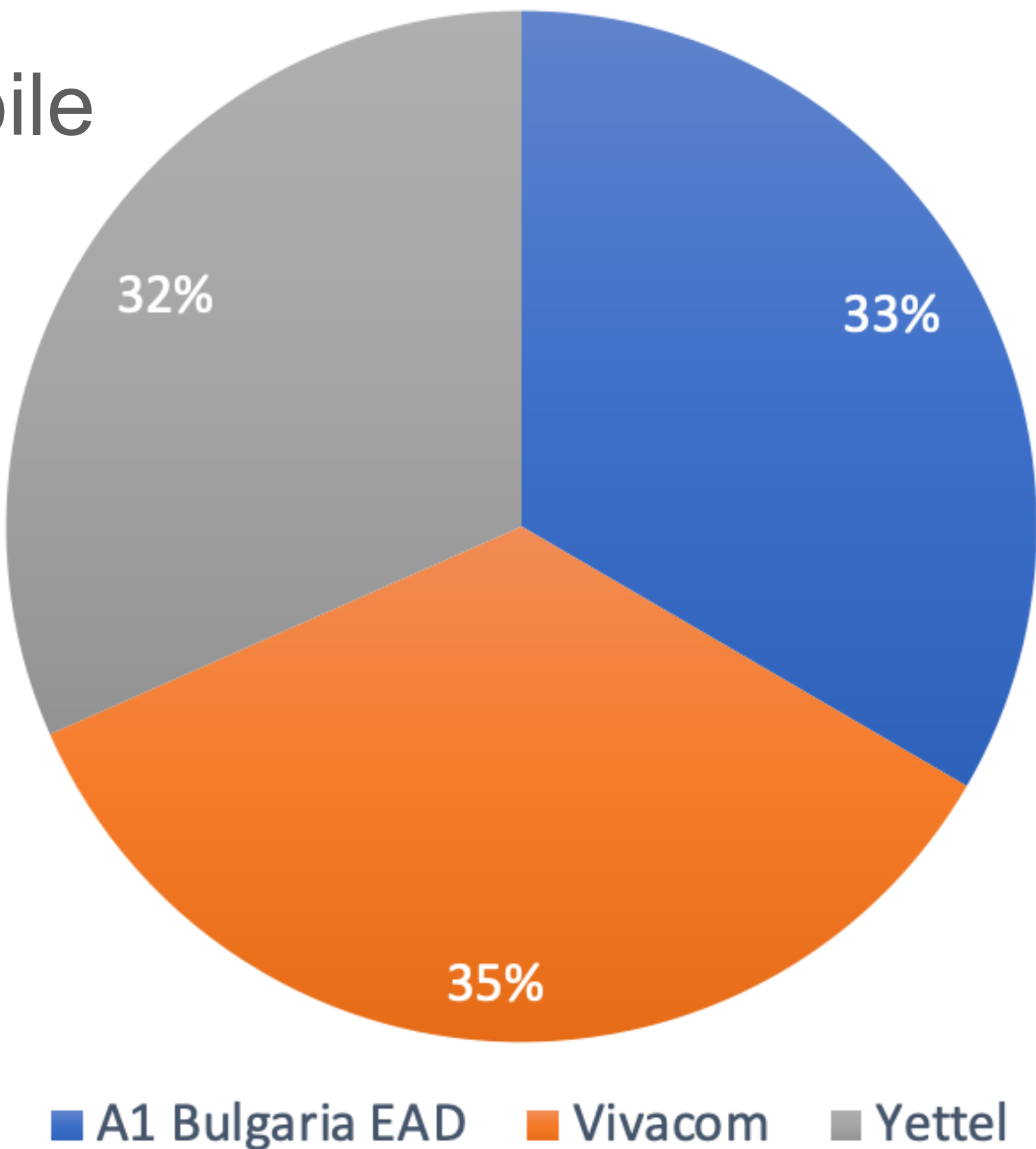
# Market Share by Number of Subscribers



Fixed



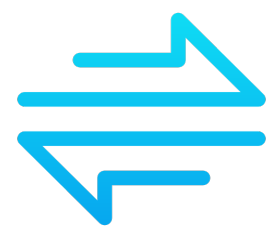
Mobile



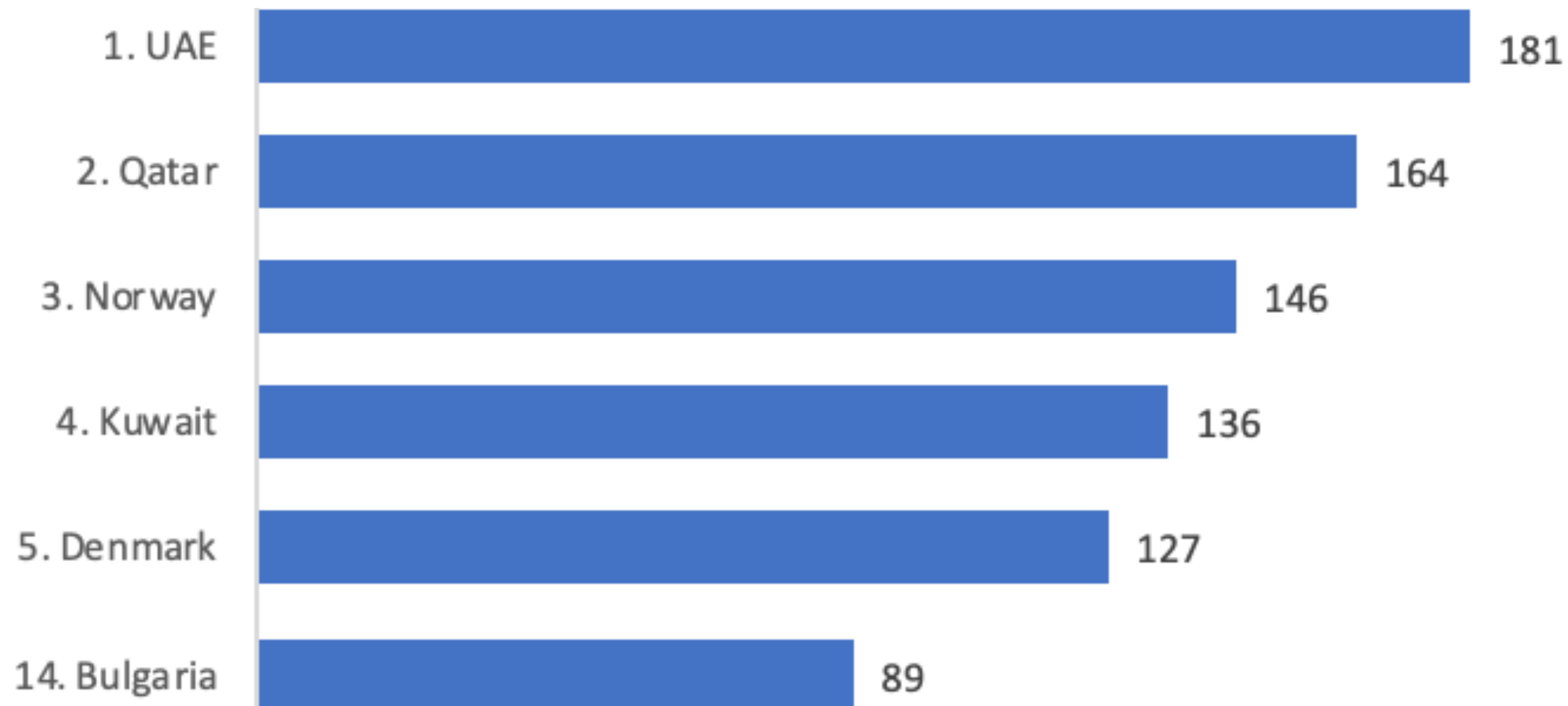
# 5G Frequency Allocation



- Auction held in 2021: Vivacom, Telenor Bulgaria, and A1 Bulgaria secure licences
- Complaint stating unlawfully terminated auction to Bulgarian Supreme Administrative Court (SAC) filed by Mobile Alternative Communications (MAC) in 2023
- MAC seeks to create an alternative mobile operator, proposing opening of current operators networks
- Court rules in MAC's favour, public consultations must be resumed



# Mobile Access 2023





# Telecom Sector - A Natural Monopoly?



- Infrastructure Costs
- Economies of Scale
- Network Effect
- EU “single telecoms market”





# Questions



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# Sources



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- United Group: <https://united.group/about/>
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- Telekom Srbija (via wikipedia): [https://en.wikipedia.org/wiki/Telekom\\_Srbija](https://en.wikipedia.org/wiki/Telekom_Srbija)
- <https://www.speedtest.net/global-index>
- Vivacom (via wikipedia): <https://en.wikipedia.org/wiki/Vivacom>
- <https://crc.bg/en/rubrics/712/annual-report-of-the-communications-regulation-commission-2021>
- A1: <https://www.a1.group/en/home>