HAKOM

# Electronic Communications Market in Croatia: Opportunities and Challenges


## Croatian Post and Electronic Communications Agency
## - HAKOM -


*Zagreb, 21ts of March, 2013*

# CONTENT

# CONTENT

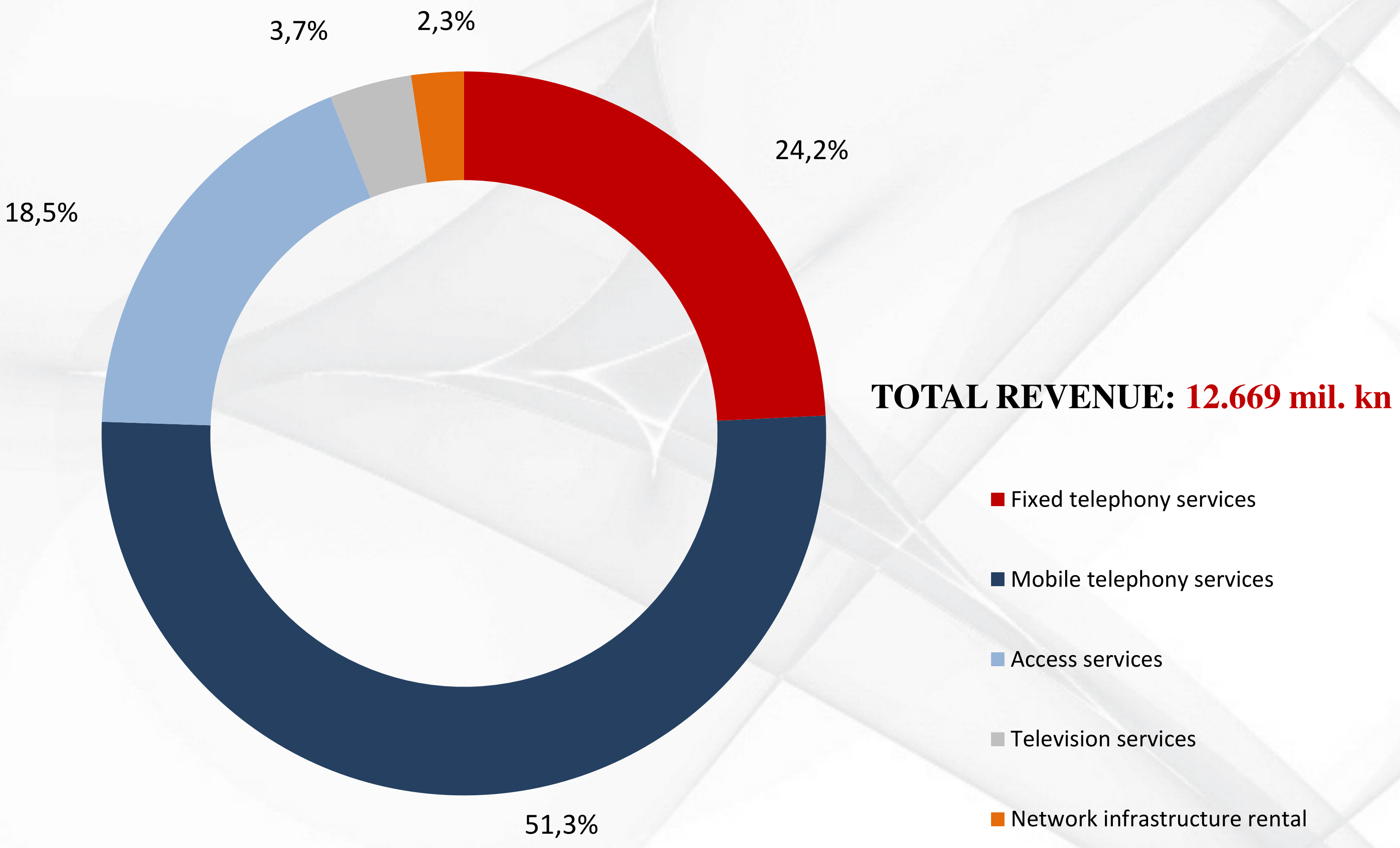
# CROATIAN MARKET

- There are many opportunities for growth
- Fast acceptance of the new technologies in mobile telecommunications networks
- Regulatory environment encourage market liberalisation
- Many ported numbers in both wireline and wireless networks
- Broadband access density still below EU average
- Digital dividend creates many new opportunities
- Lack on operators’ investment in new infrastructure
- High potential for multi-media end-user services
- Accession to EU as opportunity for further growth

# CONTENT

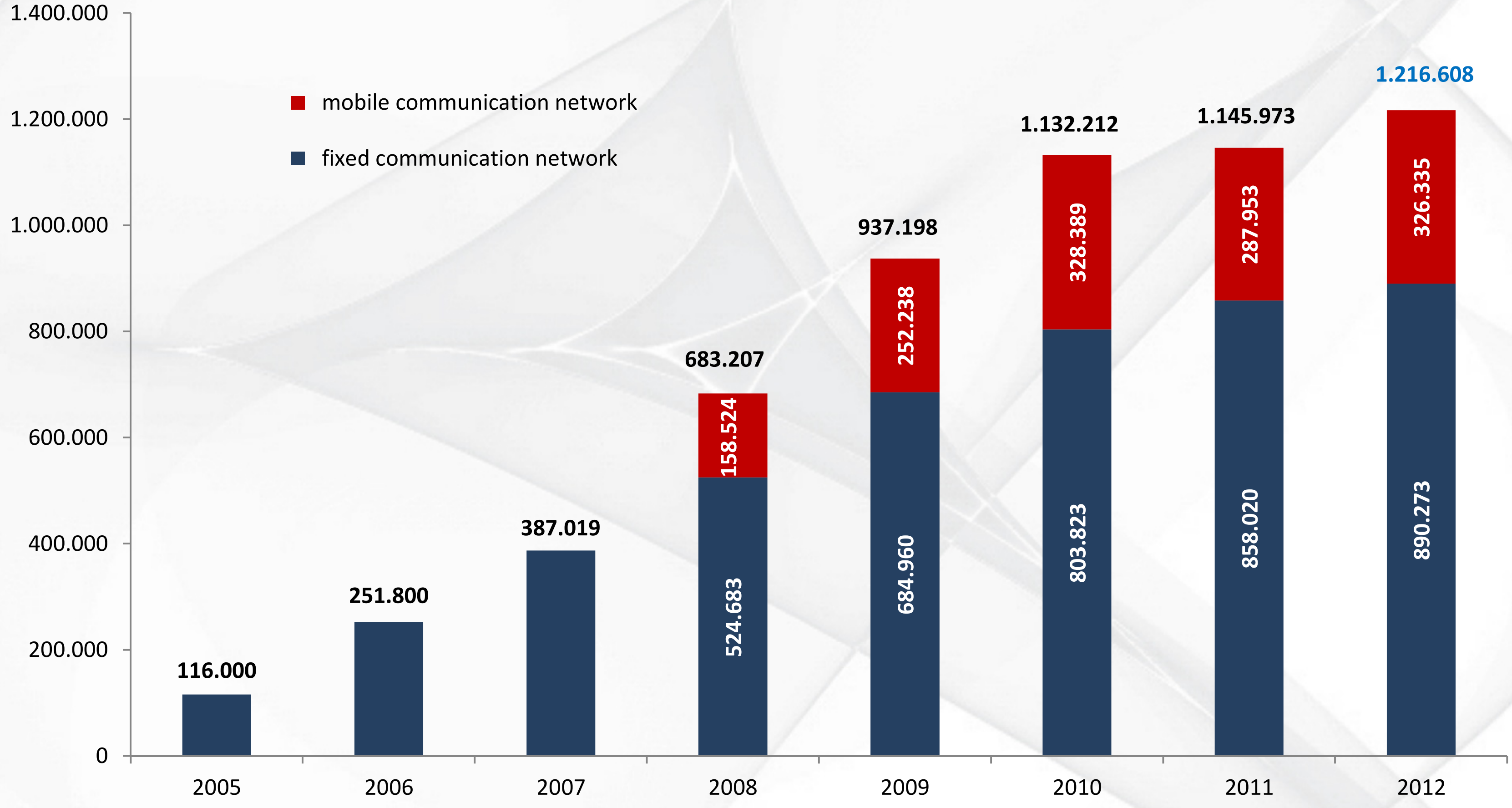
# ELECTRONIC COMMUNICATIONS MARKET – 2012

## REVENUE PER SERVICE TYPE



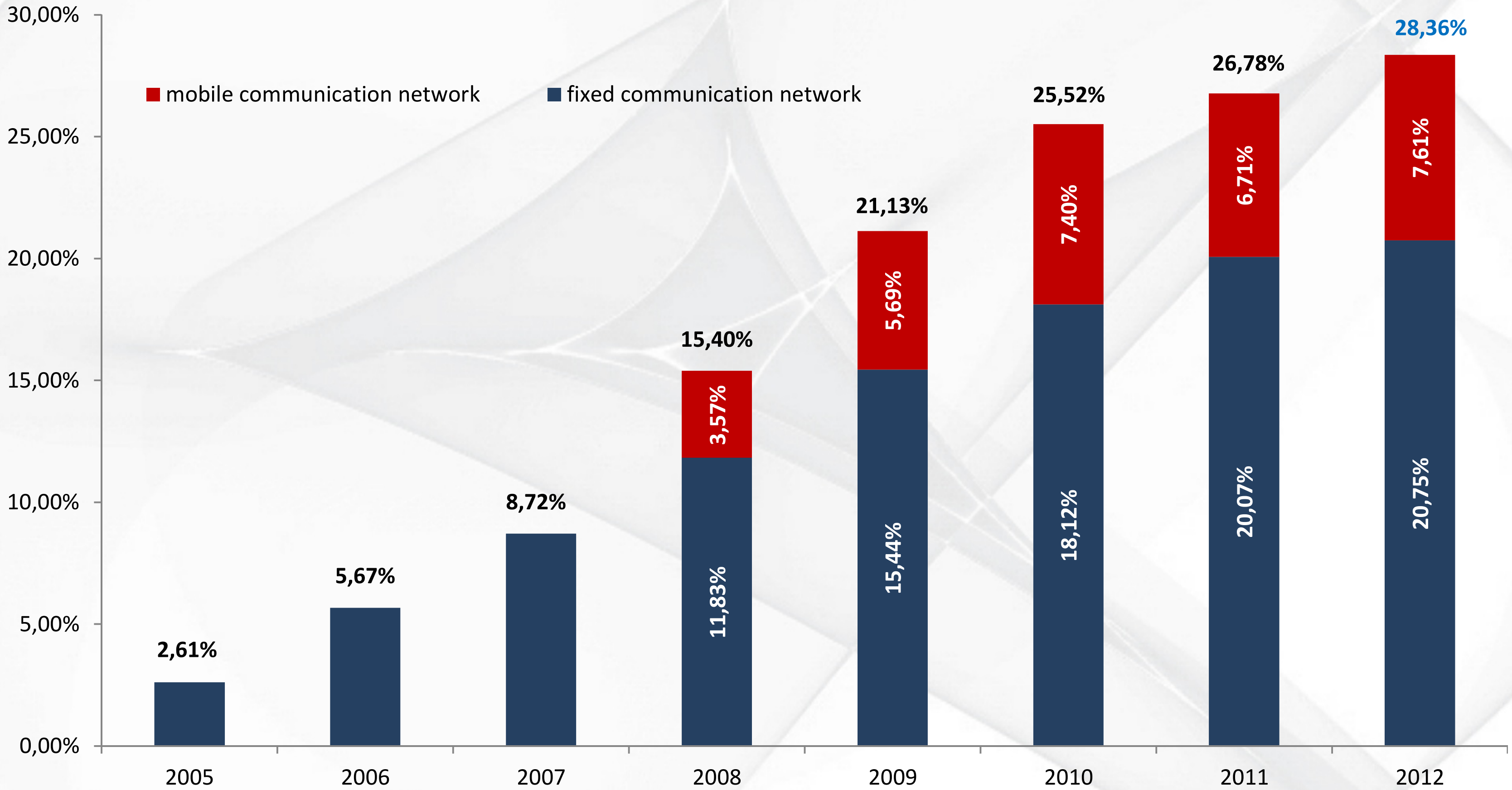
# INTERNET BROADBAND ACCESS – 2012

## HIGH GROWTH IN MOBILE NETWORKS, BUT MODERATE IN WIRELINE



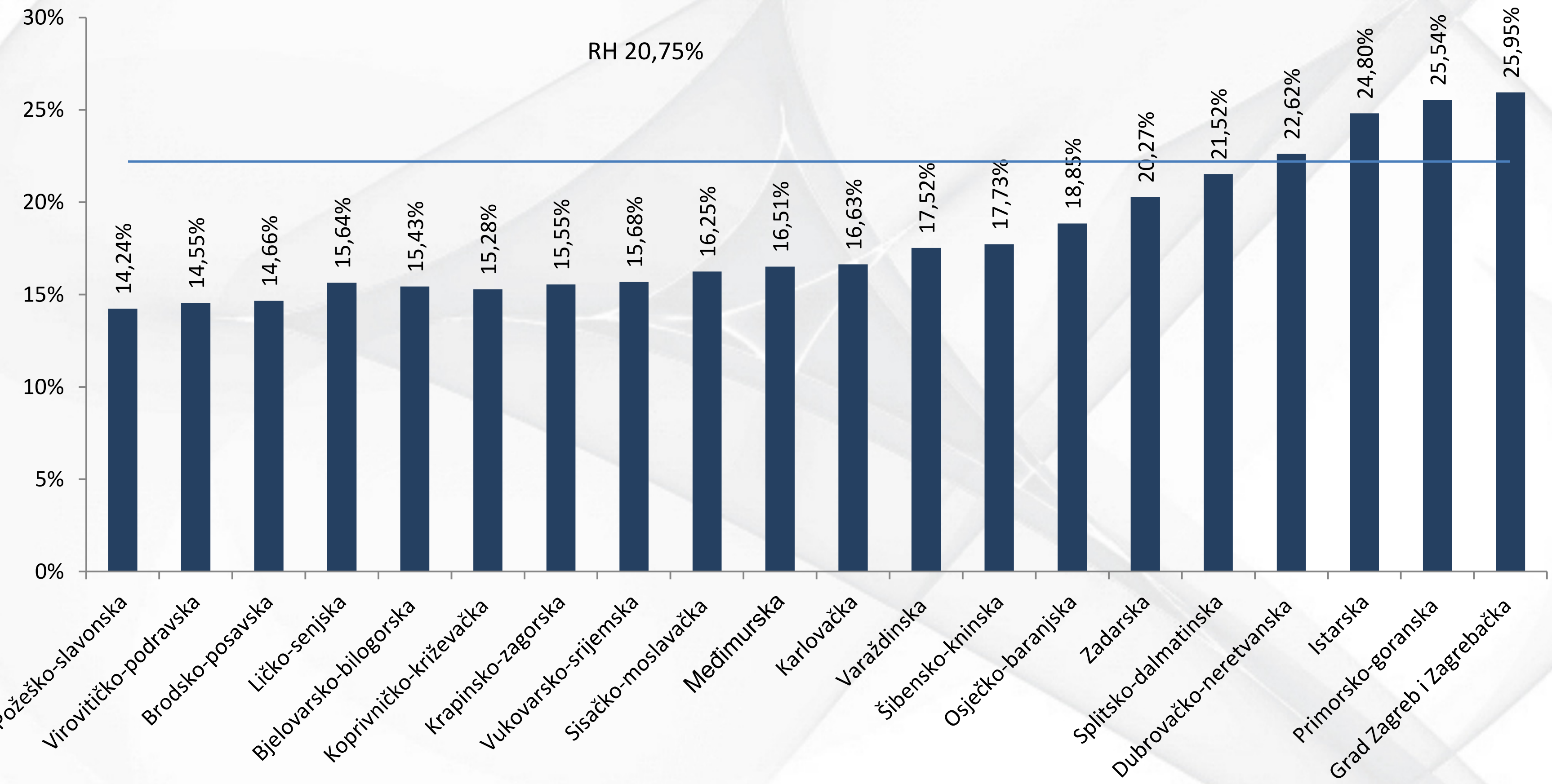
# DENSITY OF INTERNET BROADBAND ACCESS – 2012

## BELOW EU AVERAGE IN WIRELINE NETWORKS



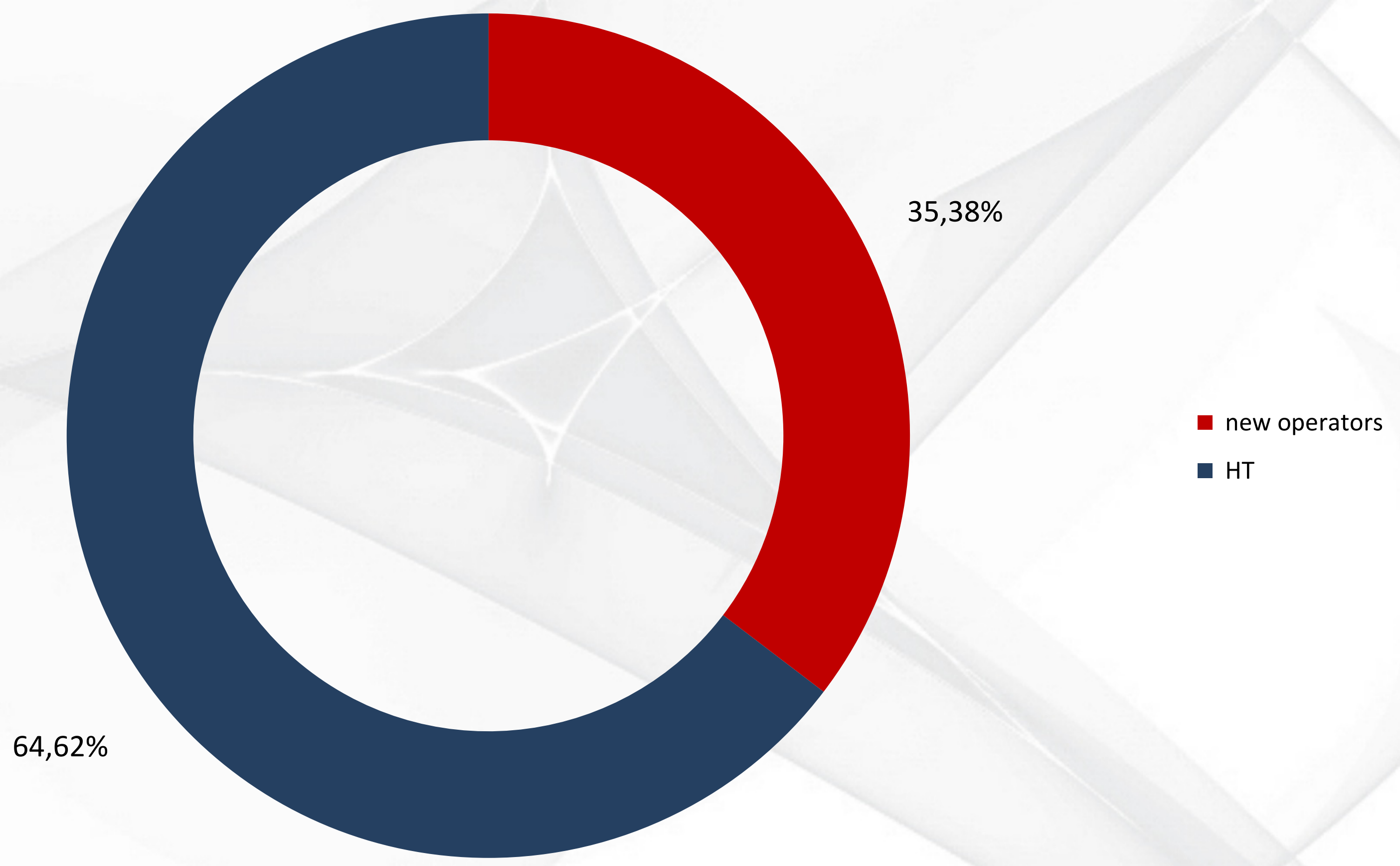
# DENSITY OF INTERNET BROADBAND ACCESS IN WIRELINE NETWORKS PER COUNTY IN CROATIA – 2012

## VERY LOW DENSITY IN RURAL AREAS AND ON THE ISLANDS - HIGH POTENTIAL FOR MOBILE BROADBAND BASED ON LTE TECHNOLOGY



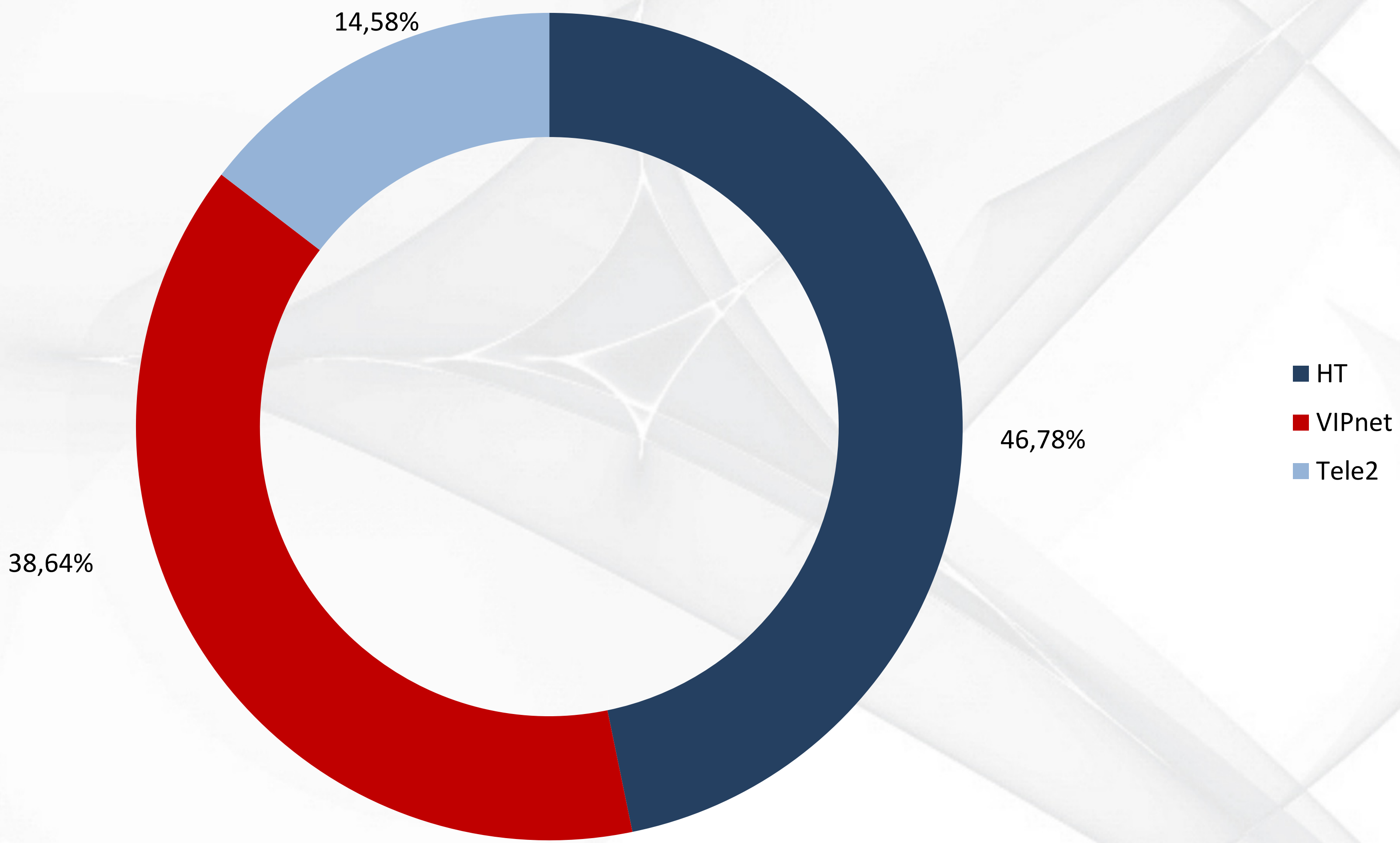
# FIXED TELPHONY SERVICES

## MARKET SHARE BY NUMBER OF SUBSCRIBERS



# MOBILE TELEPHONY SERVICES

## MARKET SHARE BY NUMBER OF END-USERS



# CONTENT

# INFRASTRUCTURE

- Broadband access is the infrastructure of the first decades in the 21st century that creates an eco-system for sustainable GDP growth like railways in the 19th century, power transmission lines in the first half of the 20th century and highways in the second half of the 20th century




- No saturation for telecommunications based on broadband access

# INTERNET BROADBAND ACCESS

- Further growth of broadband access density, especially in rural areas and on the islands
- HAKOM’s subvention program over 5 years and with more than 100 000 000 kuna for broadband access development in rural areas
- Close cooperation with local authorities, municipalities, schools and institutions for primary health
- „Looking to the Future” project with HAKOM and faculties from the Universities of Zagreb, Split and Osijek
- Technology neutrality – Long Term Evolution (LTE), High Speed Data Packet Access (HSDPA), Wireless Local Area Network (WiMax), Fiber to the Home (FttH), x Digital Subscriber Line (ADSL, VDSL), Satellite, Cable TV,…
- HAKOM’s support for European funds financing
- EU as the opportunity for further development and growth

# CONTENT

# CHALLENGES

- Rapid installation of the new Base Stations (BS) in mobile telecommunications networks is prerequisite for further broadband access growth, especially for use of digital dividend and LTE technology
- Communities, municipalities are a big obstacle for further investments in broadband access expansion
- Regulatory environment is in favour of new investments, taking in consideration risk and long period for return of investments, but also preventing market monopoly
- We have to find a more efficient and feasible mechanism for investment in other areas than high dense urban, like city centre of Zagreb, Split and Rijeka
- Regulation of machine-to-machine (M2M) communication and cloud computing
- EU law/regulation will be valid for Croatia from the day of accession to EU automatically
- EU roaming tariffs regulation means a significant loss of revenue for the operators on Croatian market

# CONTENT

# CONCLUSION

- Electronic communications, especially mobile telecommunications, are still one of the most vital branches of Croatian economy
- There is still a high growth potential, especially in broadband access and IP based multi-media end-user services
- The Government, both national and local authorities, including the Regulator, have to prepare a base and provide support for faster and higher growth of broadband access density, especially in rural areas and on the islands
- Regulator environment and „eco-system" are well prepared for successful business of mobile telecommunication in Croatia as a part of unified EU market
- Socially responsible market regulation

# Thank you

# for your attention !

**Dražen Lučić, Ph.D.**
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