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different angle

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◆ TTK Covers Russia with MIMAX Networks

TTK Company, one of the largest communications operators in Russia, from the beginning of December started rendering wireless internet services using WiMax technology in the Vladimir, Krasnoyarsk and Perm regions. In order to connect to the services, it is necessary to have special subscriber equipment – home or external modem. The network was built with the use of LTE-ready equipment; as for the future, the company is not excluding the possibility of migrating to LTE technology on the basis of the current infrastructure. In September 2011, TTK Company won the competitions held by Roskomnadzor for

the right to acquire licenses for rendering communications services in fixed wireless internet access networks using RF spectrum of RF bandwidths equal to 3400-3450 MHz and 3500-3550 MHz in 27 Russian cities. From September 2014, TTK put into operation WiMax networks in Kostroma (the Kostroma region), Yelets (the Lipetsk region), Ukhta (the Komi Republic), Balakovo and Engels (the Saratov region), in October – in Volgodonsk (the Rostov region), and in the beginning of December – in Glazov (the Udmurt Republic). ◆

◆ Maxima Telecom and MegaFon Test Femtocells in Metro

Maxima Telecom company, together with the engineers from MegaFon, one of the “big three” Russian operators, has demonstrated a technology that provides high-quality voice communication to all passengers of Moscow underground’s Belt Line, during the construction of infrastructure for a single mobile operator in the metro. Infrastructure Director at MegaFon’s Moscow branch Igor Akulinin said, “Our experts have worked out a solution to install femtocells in

the trains of metro’s Belt Line. The first demonstration of this solution started in the presence of Maksim Liksutov, Deputy Mayor of Moscow and the Head of the Department for Transport and Road Infrastructure Development.” Other operators from the “big three” group are also interested in rendering high-quality voice communication services in the metro, but they are not planning joint projects with Maxima Telecom yet. ◆

❖ Yamal Reaches Orbit

In 2013, total market of public Wi-Fi networks in Russia topped \$31.5 billion, where 70 percent was revenue from telecommunication and advertising services, and the remaining 30 came from sales, integration and lease of equipment. According to J'son & Partners Consulting think tank, the prevailing type of public Wi-Fi network in Russia is uncontrollable network run by a legal entity to provide free Internet service to its customers in the B2B segment. That said, controlled networks, comprising a big number of access points and operated from a single control center, and supporting operator projects in the B2C and B2G segment,

account for about 40 percent of total hotspots. "HoReCa (Hotel, Restaurant, Café) is a clear leader in Wi-Fi penetration in the B2B – at least 40-50 percent in large cities, and it is also the fastest growing segment in Russian regions. Overall, Wi-Fi penetration in the regions doesn't exceed 10 percent in the B2B segment, which shows that the regional Wi-Fi market has a high potential for growth", says a study released by J'son & Partners Consulting. The company predicts that in 2015-2018, public Wi-Fi market will be growing at 5 percent CAGR, surpassing 290 thousand hotspots by 2018. ❖

❖ Roskomnadzor Organizes All-Russian Testing

The Federal Service for Supervision of Communications, Information Technology and Mass Media (Roskomnadzor) and the companies of Radio Frequency Service, which is under its jurisdiction, started testing mobile services parameters in Moscow, St. Petersburg, Krasnodar, Kazan, Ekaterinburg, Novosibirsk and Khabarovsk. Changes in the methods approved by Head of the Ministry of Communications and Mass Media Nikolay Nikiforov in the beginning of the month will last until 20 December. Radio control will be performed with the use of special measuring equipment, each set allows to

control the quality of mobile communication services in the networks of four operators simultaneously, as stated in the message. A set of equipment includes automobile and portable radio control systems. They ensure the maximum testing area, which will include main highways, municipal and local streets, public places, and areas within administrative buildings. In the first quarter of 2015, after a detailed analysis, Roskomnadzor will publish test results on a public internet portal. After that, communications quality monitoring will be carried out in other places in the regions of Russia. ❖

❖ “Big Three” Operators Are Tested

One of the “big three” operators, MTS demonstrated the best average speed in Russia for loading data from the internet to subscriber’s smartphone in working networks 2G, 3G and LTE. According to Ookla, in terms of this parameter, the operator goes first in all federal districts of the country where it operates. These are the results of 1 887 539 user measurements of mobile internet speed carried out from July to September 2014. The measurements were taken on the territory of all Russian federal districts, in big cities and towns, and also in distant regional centers. The Russian subscribers of the “big three” mobile

operators (OJSC “Mobile TeleSystems” (MTS), OJSC “MegaFon”, and OJSC “VimpelCom”) participated in the testing with the help of Speedtest application. Across the country, MTS shows the speed of 7.1 Mbps, MegaFon – 6.2 Mbps, VimpelCom – 5.6 Mbps. Record average speed of loading data from the internet to user smartphones is recorded in Moscow LTE network of MTS – 20.3 Mbps. Download speeds in MegaFon’s and VimpelCom’s Moscow LTE networks amounted to 19.6 Mbps and 15.8 Mbps accordingly. ❖

❖ “Big Three” Operators Report Their Revenues

The revenue of the “big three” mobile operators in rubles during the nine months of 2014 has grown by 2.9% in comparison to the same period last year. In dollars, though, it decreased by 8.1% due to the falling ruble rate. Investment expenses of the operators will decrease, but not considerably, suppose the experts. This is the data of ComNews, based on the declared financial results of OJSC “Mobile TeleSystems” (MTS), OJSC “MegaFon” and OJSC “VimpelCom” for

the stated period. The operators’ revenue in rubles amounted to \$12.5 bln against \$12.3 bln a year earlier, in dollars – \$20.24 bln against \$22.03 bln. Mobile communications penetration in Russia equals 170%, mobile broadband access penetration is 74% (this value is expected to reach 100% by 2018). Fixed broadband access penetration reaches the following value: 50.2% households, or 60.3% of population, demonstrating the annual growth rate of 1-2%. ❖

❖ LTE Smartphones Become More Popular

In October 2014, smartphones supporting LTE accounted for a little more than 52% of the Russian revenues from smartphone sales; in September this value was 42.3%, a year ago – 23.8%. This is the data provided by MTS company. It coincides with the estimates by representatives of Euroset and M.video: in October, LTE-smartphone sales share in monetary terms was 52%, in September – 42%. During the 10 months of 2014 LTE phones accounted for 37% of the Russian smartphone sales, in monetary terms (for the same period of 2013 – for 19.5%). In the sales amount, LTE smartphones are still far behind simple smartphones. According to MTS and Euroset, in October 2014 around 20% of smartphones sold in Russia supported LTE. A year earlier their share was 9.3%, notes Solodovnikov. The share of rev-

enues from LTE-smartphone sales in MTS's retail network is lower, than at the market in general – in October 2014 it amounted to 39.6%, says Solodovnikov. It is growing faster, though, during the year this share grew 3.5 times. In the sales of MTS's shops, the share of smartphones supporting fourth generation expressed in items, from October 2013 until October 2014, grew from 4 to 15.8%, he claims. LTE-smartphones are bought more actively in MTS's retail network because they are cheaper there, thinks Solodovnikov. According to him, an average LTE-smartphone price in MTS shop in October was \$310 against \$455 at the market in general. In the third quarter of 2014, total Russian LTE-smartphone and tablet sales amounted to \$405 mln, at that, 80% of the revenue came from smartphones. ❖

❖ 2.1 GHz In Beginning of Next Year

The State Commission for Radio Frequencies can allow technical neutrality of 2.1 GHz range for developing LTE networks in the first half of 2015. This was the statement of Kirill Stepanenko, Head of RF and Communication Networks Regulation Department at the Ministry of Communications and Mass Media, given at II International Conference “Voice 2014 – Future of VoIP traffic in Russia and CIS. Transit and Retail Market”, organized by ComNews Conferences. 2.1 GHz range is currently being used only for UMTS (3G) networks in Russia. “Of

course, we are considering the technological neutrality of 2.1 GHz range. Some subscriber devices already support LTE in such frequency range, and the development in this field in 2015 is definitely promising”, said Kirill Stepanenko. “We have designed the conditions of using the available spectrum which presuppose the presence of LTE in the smallest localities, depending on frequency ranges”, he noted, adding that after the exploration of new ranges communication network coverage would become broader. ❖

◆ Ministry of Communications Needs Communications

Ministry of Communications and Mass Media of the Russian Federation is looking for a mobile communications provider for 2015-2016. The agency has declared an electronic auction, the starting price of the contract is \$200 thousand. The related information was published on government procurement portal on 28 November. The Ministry accepts applications from participants until 15 December, the electronic auction itself will be conducted on 19 December. According to the technical enquiry, the winner of the auction provides the Ministry with 165 subscriber numbers which have a mobile operator code and unlimited tariff on the territory of the Russian Federation and beyond its borders, in no less than 200 countries. The services include voice calls, video calls, SMS/MMS messages, and mobile internet access (receiving/transmitting data in WAP, GPRS and 3G protocols).

Five out of 165 numbers should have a confidential cellular connection, 75 – a monthly limit of 500 rub. on the account, 60 – a possibility

to switch international GPRS-roaming on and off upon the request of the Ministry, 26 numbers should not have any additional options.

According to the documentation, the winner of the auction must provide subscribers from the Ministry of Communications with mobile communication services “based on digital technologies, of high quality (also during high network load), well-protected from unauthorized access”. In addition, this operator must have even and dense coverage in Moscow and the Moscow region, in the centers of republics and of all Russian regions. The contractor must have “low cost tariffs and a full range of modern services”. Besides, the winning operator must ensure the maximum coverage area in the Moscow metro, not less than 95% of all stations, and well-developed 3G coverage on the metro’s Belt Line stations. ◆

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Contacts

ComNews Moscow
2/1 Verkhnyaya Krasnoselskaya Ulitsa, Building 1, Office 428
107140 Moscow, Russia
Tel.: +7 495 933 5483

ComNews Saint Petersburg
22 Moskovsky Prospect, Litera L, Office 36N
190013 St. Petersburg, Russia
Tel.: +7 812 670 2030

<http://www.comnews.ru>