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different angle

# Broadband & Satellite Russia Newsletter

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Sources: ComNews.ru, Vedomosti.ru

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◆ **TTK Launches Cable TV in Siberia**

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TTK Company, one of the largest communications providers in Russia, has started providing cable TV services to private users in one more town in Yakutiya. Cable TV from TTK Company's Baikal macro-regional branch (TTK Baikal) became available to more than 5 thousand households in 55 buildings in Neryungri. The basic cable TV package includes 105 various channels, including 11 HD channels.

Subscribers can choose whether to use the new service separately or with the internet connection in the package.

In the beginning of 2013, TTK became the first operator to launch FTTB broadband internet access based on its own optical backbone communications network. And in a year, for the first time in the region, private users gained access to extremely high-speed internet: 100 Mbps. ◆

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◆ **Mobile Renaissance in the Moscow Metro**

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Mobile network development in the Moscow metro was indeed put on hold back in 2011. The analysts blame this delay in network construction on restrictive tariffs on infrastructure access set by the previous metro administration. The new administration, which came into office in July 2014, has a more favourable attitude towards operators, as one operator's representative points out. This year, MTS laid a transmission cable at stations and in tunnels, and it enables continuous internet connection, without breaks or repeated registration, while moving between stations and lines, highlights the operator's representative. He explains that MTS decided to enable 3G

in the metro and not 4G, because third generation network is supported by a majority of tablets and smartphones. In the next months, another operator, VimpelCom, plans to launch 3G network in the metro, working in the 900 MHz range, as well as LTE-800 network, as reported by a representative of the company. MegaFon's representative hopes for functional relationship with the new metro administration. In 2015, this operator plans to upgrade more than 70 base stations working in the 3G network covering the metro, and to build 1800 MHz LTE network. ◆

◆ **Russians Travel with 4G**

Russian subscribers travelling abroad are more actively using 4G networks. For example, VimpelCom's subscribers download 17% of all roaming data via LTE networks. From the beginning of 2015 this value has grown by five times. According to VimpelCom, their subscribers showed the biggest LTE roaming traffic in France (46% of the total data traffic), USA (39%), and Spain (29%).

The first Russian operator to open international LTE traffic was MTS – in November 2013 it was available for subscribers visiting South Korea (in the network of SK Telecom carrier). MegaFon started providing LTE roaming services in February 2014, and since then, the operator opened 4G roaming in 54 countries. VimpelCom offers roaming in 45 countries. MTS – only in 44, but their representative promises to add one more country soon. ◆

◆ **29 Million Broadband Access Subscribers in Russia**

In April – June 2015, the number of fixed broadband subscribers in Russia grew by 150 thousand – to 29 million households, according to Telecom Daily. More than half of this surplus was provided by Rostelecom: it had 80 thousand more subscribers, the total number reaching 10.59 million. The analysts emphasize it was the first time when Rostelecom caused such a significant subscriber base surplus: slightly

more than 53%. In the previous quarter, the operator's share in the total surplus of the broadband base amounted to 40%, in the end of the fourth quarter of 2014 – to 33%. Analyst at TMT Consulting Kirill Tatus confirmed this fact: for the first time, Rostelecom facilitated more than a half of the broadband subscriber base surplus in Russia. ◆

◆ **Big Four Operators will Restrain Lessors**

The largest Russian mobile carriers or the so-called “big four” operators had a meeting at VimpelCom's headquarters in July to jointly tackle the problem of increasing rent for the sites where network equipment is stored. Konstantin Dulapchi, Head of Department for Technological Infrastructure Leasing at VimpelCom (Beeline brand), estimates that the joint expenditures of Beeline, MTS, MegaFon and Tele2 on renting grounds for base stations, FTTB equipment, fixed and backbone networks exceed \$ 671 million. The “big four” operators

lease a total of 140 thousand sites for mobile and fixed networks, they are present in 300 buildings with FTTB equipment, and operate a transport infrastructure of 150 km. At the meeting, the four largest Russian mobile operators agreed that they need to unite efforts in order to lower rental expenditures. It is vital for gaining discounts while sharing the site, and for jointly removing themselves from the grounds whose owners “ask too much”. ◆

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## ❖ Prospects of 5G in Russia are Vague

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The competition for research and analysis of 5G development prospects in Russia, initiated by the Russian Ministry of Communications and Mass Media (Minsvyaz), did not take place due to the low number of applications. Meanwhile the “big three” Russian mobile operators are already investigating different solutions produced by some 5G equipment manufacturers. Minsvyaz accepted applications for a tender to research the prospects of 5G networks from May until June of the current year. The maximum contract value is \$ 113.7 thousand. The work completion time is 90 days from the day it is signed.

However, there were only 2 applications to participate in the tender: the first one from Detecon International GmbH, and the second one from the NIIR (Radio Research and Development Institute). The application submitted by Detecon International GmbH was declined by the Ministry because it did not conform to tender requirements. The NIIR’s application, however, was in full compliance with the requirements. It was announced, though, that the competition was cancelled due to the lack of applications. ❖

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## ❖ Slow Internet Left Moscow

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The biggest internet providers working in the capital of Russia have fully abandoned tariffs with the speed lower than 10 Mbps. Since autumn 2014, there were no new offers in this segment, according to the analysts. And by summer 2015 operators stopped providing broadband internet access at low speeds completely, excluding separate social unlimited tariffs for persons entitled to benefits. Big market players generally offer broadband internet access at a speed of 40 Mbps, and the basic speed for some offers is 100 Mbps. At that, in


July the average price of broadband access in Moscow is \$ 12.82 per month. Estimated on the basis of the proposed speed, the average monthly internet cost for Moscow citizens is \$ 6.84 for the internet connection with the speed of 10-40 Mbps. Connection up to 100 Mbps costs \$ 10.88 per month, and the highest speed will be in another price range: more than \$26.38. ❖

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## Every Seventh Device in the Moscow Region Supports LTE

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Operators have more than 5.5 million LTE subscribers in Moscow and the region, according to the data provided by the “big three” Russian mobile operators (MTS, MegaFon, VimpelCom). As reported by AC&M Consulting, there were 39 million mobile subscribers in the Moscow region in the end of the first quarter of 2015. Thus, 4G penetration in Moscow raised above 14%. Currently more than 1 million VimpelCom’s subscribers in Moscow use 4G devices, their number was more than tripled during the recent year. VimpelCom’s subscriber base for Moscow contained 13 million SIM cards (according to AC&M Consulting), LTE penetration in the subscriber base was 8%. In the end of the first quarter, the Moscow branch of MegaFon had more than 2.5 million 4G devices – taking into account that this operator had a total of 12.1 million subscribers in Moscow and the region. Therefore,

LTE penetration for MegaFon’s Moscow subscribers grew by more than 20%. MegaFon has the biggest number of LTE devices due to its high-quality network, which includes more than 5000 3G base stations, and also due to the LTE-A launch with the speed of up to 300 Mbps. The Moscow network of MTS has around 2 million devices which support fourth generation network; this statistics includes both smartphones and modems – the same attributes to the competitors. Speaking about the number of subscribers in Moscow, MTS is the leader: according to AC&M Consulting, in the end of the first quarter it had 13.6 million SIM cards. Thus, LTE penetration in MTS’s base amounted to 14%. 

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## About Us

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ComNews is the major Russian publisher of business periodicals in the ICT industry and the main worldwide supplier of unbiased accurate information about the Russian ICT business.

ComNews has launched numerous projects in order to deliver unbiased, up-to-date and complete information about the Russian ICT industry across the former USSR countries and worldwide.

ComNews publishes business periodicals, provides companies with exclusive content, studies the market, and holds business events.

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15 years in the market, offices in Moscow and St. Petersburg

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