



Broadband & Satellite Russia Newsletter

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Sources of information: ComNews.ru, Vedomosti.ru

◇ **2016: First Mobile Market Reductions**

“VimpelCom – one of the “big three” Russian mobile operators – published a report saying that the Russian telecommunications market has already moved to the stagnation phase and mobile communications market reduction can amount to 0.3% in 2016. “We believe that the falling trend will become stronger in the next 1-2 years”, wrote the authors of the report. Operators usually provide forecasts for a current year only after announcing the results of the previous year, and they predict only their own progress. The company MTS, the leader of the market, expects that its revenues will grow by 4% in 2016. However,

this is the total revenue of the MTS Group, including mobile and fixed business in Russia and post-Soviet countries. Thus, in the first quarter the revenue of the MTS Group grew by 7%, and the profit from mobile services – only by 0.9%. MegaFon makes predictions for 2016 and mentions a “slight revenue growth”. In the beginning, VimpelCom gave no projections for 2016. Market growth rate is indeed slowing down, as a spokesperson of MegaFon points out, because mobile penetration has reached almost 180%, and communication services are becoming cheaper due to higher competition. ◇

◇ **Skylink is Back**

Mobile operator Tele2 has put the first Russian LTE network in the 450 MHz range in commercial operation in the Tver and Novgorod regions. Tele2 will provide data transfer services in the frequency range of 450 MHz under the brand name “Skylink”. Tele2’s top managers claim that by the end of June the company will start operating LTE networks in the 450 MHz range in St. Petersburg and the Leningrad region, in July – in the Moscow region. According to General Director of Tele2 Sergey Emdin, Skylink is an old and famous

brand. “Sky Link” (the Skylink brand) is the only company which owns 450 MHz frequencies in Russia and provides communication services based on CDMA-450. Sergey Emdin explains that by the end of 2016, Skylink’s CDMA networks will cease to exist. Skylink used to belong to Rostelecom. Rostelecom and Tele2 established a joint venture “T2 RTC Holding” in 2014, and Skylink became a part of T2 Mobile. Skylink does appear to be a legal entity anymore, but it remains as a brand name. ◇

❖ No Precious Radio Frequencies before 2028

It will take 12 years and \$ 1.3 billion to make the frequency bands of 726-960 MHz free from radio electronic equipment of the Russian Ministry of Defence, the Ministry of Industry and Trade and the Federal Air Transport Agency. This was declared by a representative of the Russian Ministry of Defence at the 8th International Business Forum “Wireless Russia Forum”. The program is currently on hold due to the problem of funding. The Russian Ministry of Communications (Minsvyaz) believes that the source of funding should be the federal budget revenues from payments for using the RF spectrum. The Russian Ministry of Finance claims this to be unacceptable and suggests that

the program should be financed through biddings for licenses for communication services provided using the RF spectrum. Experts suppose that low radio frequencies are the most precious for operators, because they have a large coverage. Minsvyaz plans to negotiate the matter with the Ministry of Finance and reach an agreement on the funding of the program. The Russian Ministry of Defence says that the program to clear the radio frequency bands of 726-960 MHz from radio electronic equipment of the military department is approved by the Federal Air Transport Agency and the Russian Ministry of Industry and Trade.

❖ Data Transfer Rate in Russia

According to the Federal State Unitary Enterprise Radio Frequency Center of the Central Federal District (FSUE RFC CFD), an average mobile data rate for customers in Russia is 5.3 Mbps (5373 Kbps). The highest average data transfer rate was recorded in the networks of “Mobile TeleSystems” (MTS) – 6.5 Mbps (6585 Kbps). These figures were quoted by FSUE RFC CFD’s Deputy General Director Dmitry Mitrofanov, who spoke at the 8th International Business Forum “Wireless Russia Forum: 4G, 5G & Beyond – Evolution of Mobile and Fixed Radio Networks. The Efficiency of Using the National Radio Frequency Resource”. The forum was organized by ComNews Conferences and

started yesterday. According to Dmitry Mitrofanov, the average mobile data rate for customers in Russia amounts to 5.3 Mbps (5373 Kbps). Speaking about each operator separately, the FSUE RFC CFD has established that their average data transfer speeds are as follows: 6.5 Mbps (6585 Kbps) for MTS, 5.5 Mbps (5563 Kbps) for MegaFon, 5.2 Mbps (5226 Kbps) for VimpelCom (the Beeline brand). Tele2 (T2 Mobile) has the average mobile data rate of 4.7 Mbps (4767 Kbps), and the Crimean operator K-Telecom (the Win Mobile brand) – 2 Mbps (2032 Kbps).

1st half of 2016

Conference Title	Date
 <p>The 3rd Business Forum "Telecom of Two Capitals 2016 – St. Petersburg: Effective ways to improve competitiveness of telecom operators in big cities"</p>	February 19
 <p>The 2nd Federal Business Forum "Telecom QoS Russia 2016"</p>	March 3
 <p>The 7th International Conference "Transport Networks Russia 2016 – Transport telecommunications networks development in Russia and CIS"</p>	March 17–18
 <p>The 8th International Conference "Satellite Russia & CIS 2016"</p>	April 21
 <p>The 8th International Business Forum "Wireless Russia Forum: 4G, 5G & Beyond – Evolution of Mobile and Fixed Wireless Networks in Russia"</p>	May 26–27
 <p>The 3rd International Conference "Cloud Services Russia – Infrastructure. Platforms. Services"</p>	June 8
 <p>Awarding Ceremony of the 8th Annual Contest "TOP 10 IT Projects"</p>	June 8
 <p>The 4th Strategy Forum "PR Vector. Development of Corporate Communications in ICT"</p>	July 7

2nd half of 2016

Conference Title	Date
 <p>The 2nd Business Forum "Communications in a Big City – Aspects of operation and interaction of telecommunications market participants in a metropolis in the new conditions"</p>	September 15
 <p>The 7th International Conference "Managed Services 2016 – Operators' costs optimization, telecommunication networks and IT infrastructure outsourcing & network sharing"</p>	September 15
 <p>IT Forum of the Russian Oil & Gas Industry</p>	September 22
 <p>The 5th All-Russia Conference "Critical Communications Russia 2016"</p>	October 6
 <p>The 7th International Conference "Digital Broadcasting and New Ways of Video Content Delivery. Interactive Services in Modern Networks – Digital & Connected TV Russia 2016"</p>	October 27
 <p>The 6th International Business Forum "Broadband Russia Forum 2016 – Next Generation Broadband Networks Development in Russia"</p>	November 24–25
 <p>ComNews Awards 2016</p>	November 24

The plan is preliminary and could be changed or supplemented

About Us

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.

ComNews caters for every need for business information and communications of the players in the market of telecoms, broadcasting and IT.

ComNews partners with the major companies and non-commercial associations of market participants. The Media Partner status enables ComNews to distribute its printed matter at the world's largest ICT forums worldwide.

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500 clients including major Russian and international ICT companies

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

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