



Broadband & Satellite Russia Newsletter

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Sources of information: ComNews.ru, Vedomosti.ru

❖ A New Virtual Carrier for Sberbank

Russia's largest bank Sberbank decided to establish its own virtual communications provider. The bank is now negotiating with two of the "big four" Russian mobile operators – Tele2 and MTS. According to several sources in the telecommunications market, this decision was

made after failed negotiations to buy Yota (Skartel), a carrier owned by MegaFon. This fact was confirmed by Anatoly Smorgonsky, the former CEO of Yota. Finam Investment Holding appraised Skartel's value at 45 billion rubles. ❖

❖ LTE to Define the Future of M2M

By 2021, the global number of M2M (Machine-to-Machine) connections will reach 733 million, and a total revenue from M2M services will be \$67 billion. These are the projections of the research company Ovum. The analysts believe LTE technology will dominate. In five years, it will be used by 212 million M2M connections. According to the "big four" operators, 3G technology is still prevailing in Russia. The country will shift to LTE, but with serious delays. Ovum's research has shown that by 2021, the number of mobile M2M connections

(excluding NB-IoT) will go beyond 733 billion around the world. It is approximately 8.1% of all projected mobile connections in comparison to 4.2% in 2015. The company counted that the global revenue from M2M services will be more than \$67 billion by 2021. Moreover, the annual growth of the total M2M service revenue will be 13.3%. The biggest revenues are expected from the Asia-Pacific Region (\$22 billion), North America (\$16 billion) and Western Europe (\$14 billion). ❖

❖ Tricolor TV Launches Satellite Internet

After one failed attempt to start providing satellite internet services, the National Satellite Company (Tricolor TV brand) decided to enter the market again. Together with the European satellite internet provider Eutelsat Networks, Tricolor TV performed a commercial service launch of two-way satellite internet access. Tricolor TV spokesperson explains that this time the company could successfully overcome the initial difficulties using modern technologies.

Tricolor TV and Eutelsat Networks launched two-way satellite internet into commercial service with the speeds up to 40 Mbps for forward communication channel and 12 Mbps for the reverse channel. The internet operates in the coverage area of Express-AMU1 satellite (Eutelsat 36C). ❖

❖ Altegrosky Chosen to Develop Sberbank's Satellites

Reis Telekom (a part of Altegrosky Group) won Sberbank's tender, and now the company will provide equipment and services to develop the regional satellite communication system (RSCS) for the bank. The documents uploaded onto Sberbank's official website say the cost of tender is more than \$4.3 million. The major Russian bank carried out the bidding to find a suitable supplier of equipment and services to

maintain the RSCS used by the bank. The contract period is two years. The contestants of this bidding, apart from Reis Telekom, included RTComm.RU, Iskra Design Bureau, Inline Technologies, Isatel, Reis Communication and Stek.Kom. Eventually, Reis Telekom became the winner. ❖

◆ **Fixed Internet Becomes Less Popular in Russia**

The Russian Ministry of Telecom and Mass Communications (Minsvyaz) made a report, comparing the first, the second quarter of 2016 and the previous year. According to this document, the number of active broadband customers in Russia was reduced by 1.4% to slightly more than 26.9 million in the second quarter of 2016. The year-to-year growth of the customer base amounted to 6.4%. Previously, the number of broadband subscribers fell only in the second quarter of 2014

– providers lost a little less than 68,000 subscribers, or a little less than 0.3%. A certain operator's employee claims that 2016 brought the first significant downfall trend for the customer base. Minsvyaz has established that while the number of mobile broadband users falls, the number of mobile internet subscribers grows. In the second quarter of 2016, the increase was 3.7% and there were 98.9 million mobile internet clients. The year-to-year growth reached 3.9%. ◆

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.

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

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