



Broadband & Satellite Russia Newsletter

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Sources: ComNews.ru, Izvestia.ru

◆ Divide to Be Bridged by Another Contractor

“Bridging the Digital Divide” (Russian “Устранение цифрового неравенства”) is a project where Rostelecom telecommunications company acts as a client and Power Efficiency Center Inter RAO UES used to be a contractor. Power Efficiency Center, abiding by the contract, in due time returned the advance payments for the uncompleted work in the amount of \$37 million. Now Rostelecom’s general contractor is TransProjectEngineering (TPE). Rostelecom will present the initial results of its cooperation with TPE along with its financial state-

ment for the first quarter of 2016. Power Efficiency Center, as we know, was obliged to return advance payments for the work it has not performed due to the lack of time: the former contractor had to give back \$37 million within 10 days after a new contract was signed. Rostelecom’s spokesperson clarified that the contract value, after deducting the payment for the work completed by Power Efficiency Center, was \$904 million. ◆

◆ Falling Sales of USB Modems and Routers

Russian carrier MTS acknowledges that in the fourth quarter of 2015 the sales of USB modems and routers at MTS company stores have dropped to the lowest level in two years. MTS sold 40% less modems of both categories (3G and 4G) and 30% less routers than a year before. The company believes that the decreasing demand for modems and routers could be explained by the falling sales of computers and laptops. Besides, currently the major device accessing

the internet is a smartphone. Smartphones’ share in MTS network was 48.4 % at the end of 2015. A representative of the large electronics chain store Evroset confirms that the sales of WiFi equipment (modems and routers) are falling sharply. Another carrier, VimpelCom, also registered a lower demand for modems in its retail network. The operator says the sales of these devices have decreased 1.6 times comparing to 2014. ◆

◆ **Ka-Band Covers Russia Completely**

The Russian Satellite Communications Company (RSCC) and Iskra Design Bureau have launched a hub station at the Satellite Communications Center (SCC) Dubna. It means that the infrastructure is completely ready for launching the Western segment of the satellite system for high-speed Ka-band internet using Express AM6 satellite. This segment will provide coverage for the European part of Russia, for Siberia and the Ural region. The RSCC has already started testing this switch-

ing station, and in May it plans to perform the commercial launch of the satellite system's Western segment. "Launching a new hub is an immense opportunity to develop modern services and public electronic services in the faraway regions of our country", observed Iskra's General Director Andrey Romulov. Evgeny Buydinov, RSCC Deputy General Director for Innovative Development, says the Ka-band network now covers the area from Kaliningrad to Kamchatka. ◆

◆ **2015 Results for Russian Mobile Operators**

At the end of 2015, the total revenue of the "big three" operators in the Russian market became some billions of rubles higher comparing to 2014. However, this number decreases considerably if counted in dollars. The "big three" operators' total profit in Russia in 2015 reached \$14.5 billion. It is more than in 2014, when the revenue amounted to \$14.3 billion. MTS had the biggest revenue in the country in 2015 – \$5.7 billion. MegaFon was second with \$4.5 billion. Then came VimpelCom – its revenue in Russia was to \$4.1 billion. Mobile communica-

tions had the biggest share in the profits gained by the "big three" Russian operators in 2015. The total revenue from mobile communications, counted for all operators together, had an increase: \$11.6 billion in 2014 and \$11.7 billion in 2015. MTS had the biggest revenue growth in this segment: the profit from mobile communication services grew by 2% in 2015 comparing to 2014. VimpelCom's value grew by 1%, and for MegaFon it decreased by 0.2%. ◆

❖ Fiber Production Reduced

Fiber-optic cable manufacturing in Russia decreased by 32.7% in 2015 and amounted to 3.8 million. Thus, FOC production moved five years backwards, to the level it had in 2010.

These numbers were provided by Anatoly Vorontsov, Deputy Head of Department “Communication cables, wires and equipment for telecommunications and information” at the Russian National R&D Institute for Cable Industry (VNIIKP). Anatoly Vorontsov mentioned these facts while speaking at the 7th International Conference “Transport

Networks Russia 2016 – Transport telecommunications networks development in Russia and CIS” organized by ComNews Conferences on Friday.

According to VNIIKP, fiber-optic cable import grew by 10% in the first half of 2015 and its amount could be compared to 30% of the locally manufactured products. Especially the import from Belarus, China and the United States. VNIIKR believes it can be a sign of unfair competition in the market. ❖

❖ Broadband Internet for Astronauts

In the first quarter of 2017, the Russian segment of the International Space Station (ISS) will be equipped with CPE, enabling data transfer at a speed up to 150 Mbps. The general director of Gonets Satellite System explained that this novelty would be supported by multifunctional space system relaying (MSSR) “Luch”. Luch’s trial operation started last year.

150 Mbps connection will be enough to provide 24-hour internet access, broadcast scientific experiments live and organize teleconferences. Right now, the telecommunications at the Russian segment of the ISS are limited: around 2.5 hours per day, when the orbital station has stable connection with Mission Control Center in Korolev. ❖

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

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