

Termination Rates Benchmark Snapshot (as of July 2014)

Integrated Report on Mobile Termination Rates & SMS Termination Rates

November 2014

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1. Introduction

The BEREC Integrated Report on Termination Rates in Europe provides an overview of Mobile Termination Rates (MTRs) and SMS Termination Rates (SMS TRs) per country based upon the results of a request for information sent to all NRAs, referring to data as of 1st July 2014.

Therefore, the aim of this report is to offer a picture of current interconnection and termination prices for mobile calls and SMS in Europe.

Regarding the monitoring of MTRs, BEREC continues the work started by ERG in 2004 with an overview report carried out twice a year. Regarding the monitoring of SMS TRs, BEREC started its own data collection in 2011 with the aim of facilitating this benchmarking comparison among NRAs.

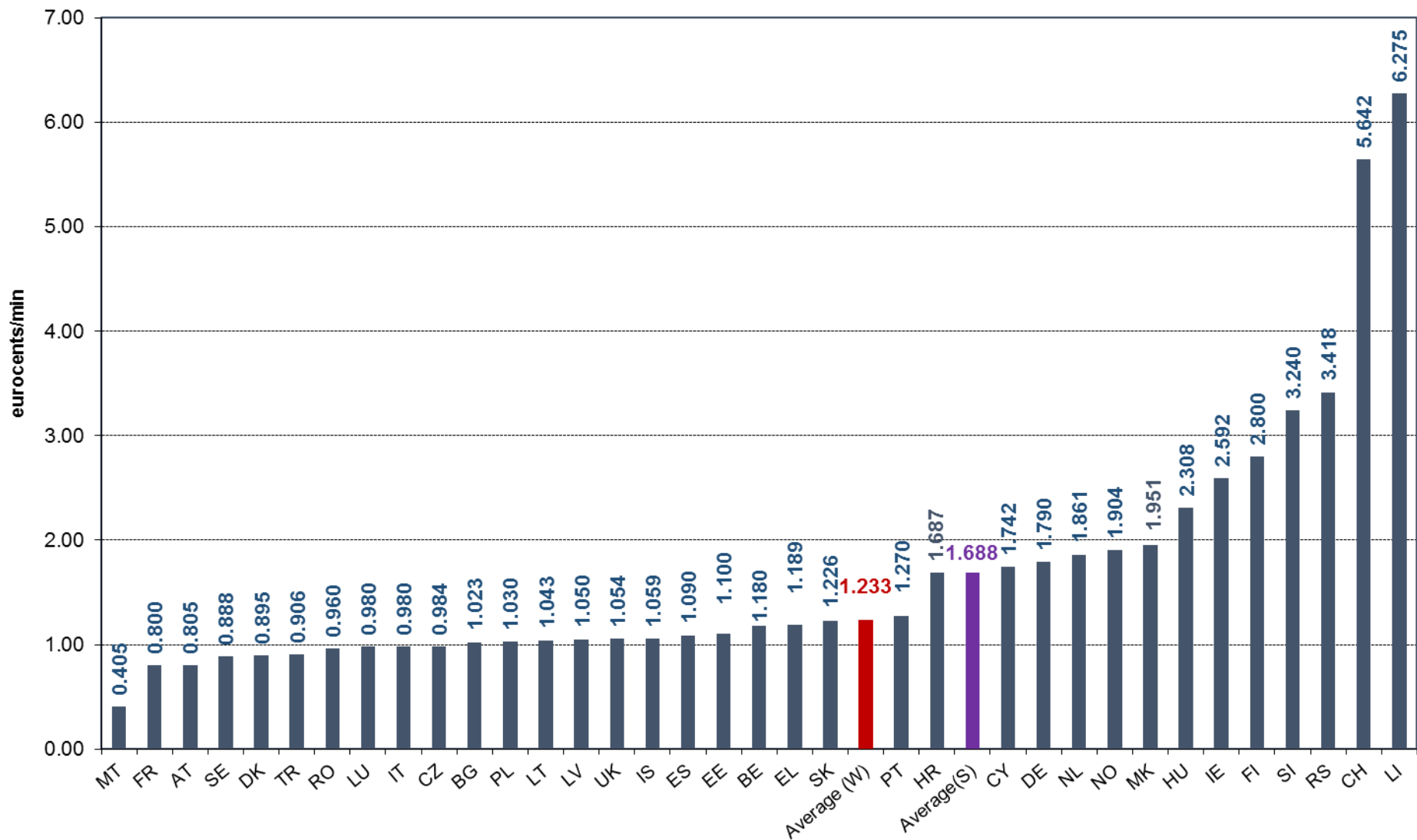
As of July 2014, this is the situation regarding Termination Rates in Europe:

- MTR simple average A(s) for the EU stands at 1.69 eurocents per minute, whereas EU weighted average A(w) is estimated at 1.23 eurocents per minute.
- Domestic SMS TR EU A(s) is 2.19 eurocents per SMS, whereas A(w) is reported to be 2.02 eurocents per SMS.

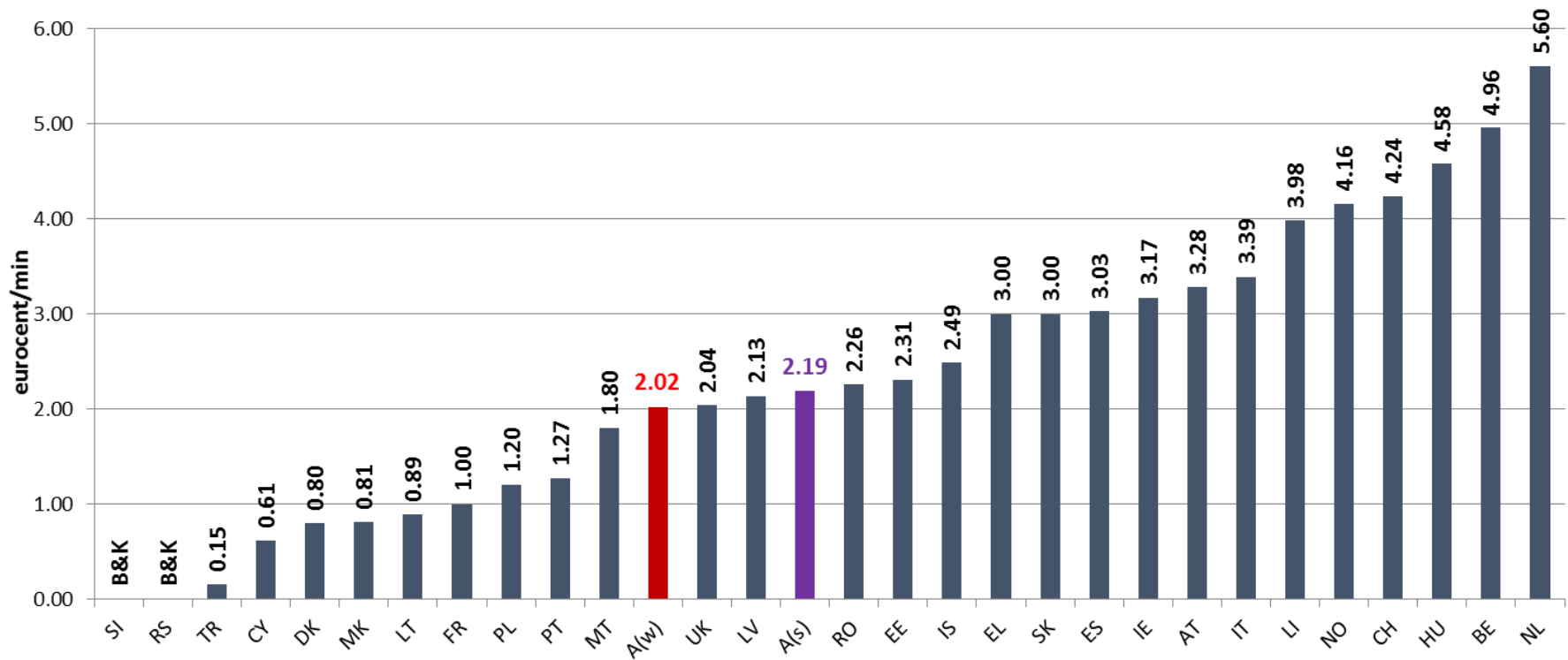
For non-euro countries, the average exchange rate for the second quarter of the year (Q2 2014) was used for the calculation of MTRs and SMS TRs. The exchange rates used are reported in the Annex (V.2).

2. Graphs

Average MTR per country – July 2014



SMS TR per country – July 2014



3. MTR

Assumptions

For the present European benchmark the following assumptions have been made in order to make tariffs comparable¹:

- Most countries do not differentiate between MTRs for fixed-to-mobile and mobile-to-mobile. For countries that differentiate, fixed-to-mobile charges have been used.
- Operators with a market share below 1.5% have been excluded from the MTR average calculation.
- Only nominal tariffs are represented in the report, defining them as “The price (in eurocents/minute) set out by the regulator that represents the maximum price per minute which operators may charge each other (without any adjustment for purchasing power parity or real effects – inflation).”
- Average MTRs per country have been obtained by weighting the average MTR of each operator by its market share, measured in terms of subscribers. Two general averages at the European level have been calculated: a simple average and a weighted average, the latter weighting each country’s average with the share of the country’s subscribers (total subscribers per country/total subscribers in all countries). In the case of the weighted average, only the countries that reported the number of subscribers are taken into account.
- The VAT is not included in the revenues.
- For non-Euro countries, the average exchange rate for the second quarter of the year, Q2 2014, was used for the calculation of the MTR. The exchange rates used are reported in the Annex.

Regarding the short-term MTRs evolution (from January 2014 to July 2014), some results of the variation may be a consequence of any the following reasons:

- modifications in the tariff structure (for instance, disappearance of the set-up charge or initial period);
- currency exchange rates variations in non-Euro countries²;
- changes in operators’ market shares may have an effect on the average MTR for an individual country;
- inclusion of new operators that were not present in the previous benchmarks.

¹ Generally speaking, these assumptions may create margins of error in the present comparison, making it difficult to draw valid conclusions for policy purposes.

² This only affects short-term MTR evolution (graph 7) because the percentage of tariff variation in each country (graph 8) has been calculated by comparing rates expressed in terms of the national currency.

TABLE 1: Average MTR per country as of July 2014 (nominal rates per voice minute)

Country	Average MTR per country (€cent)
AT	0.8049
BE	1.1800
BG	1.0226
CH	5.6424
CY	1.7416
CZ	0.9837
DE	1.7900
DK	0.8951
EE	1.1000
EL	1.1890
ES	1.0900
FI	2.8000
FR	0.8000
HR	1.6870
HU	2.3079
IE	2.6000
IS	1.0590
IT	0.9800
LI	6.2760
LT	1.0426
LU	0.9800
LV	1.0500
MK	1.9512
MT	0.4045
NL	1.8610
NO	1.9040
PL	1.0296
PT	1.2700
RO	0.9600
RS	3.4175
SE	0.8882
SI	3.2400
SK	1.2260
TR	0.9063
UK	1.0543
Average (S)	1.6878
Average (W)	1.2334

Note to Table 1:

- the Weighted Average (W) is calculated taking into account only countries providing the total number of subscribers
- there are no countries that differentiate between peak and off-peak

TABLE 2: Average MTR per operator as of July 2014

There are a number of countries where information regarding the number of subscribers and/or market share has been declared as confidential data and for this reason this report does not publish this data. Nevertheless, market shares have been taken into account for the average MTR calculations.

TABLE 2		Average effective prices (€cent)	Subscribers	Country total subscribers	Market Share %
Country	Operator				
AT	A1Telekom Austria	0.8049	5,710,000	13,240,000	43.13%
	T-Mobile	0.8049	4,110,000		31.04%
	H3G (including Orange)	0.8049	3,420,000		25.83%
BE ³	Belgacom	1.1800	<i>confidential</i>	<i>confidential</i>	40.59%
	Mobistar	1.1800	<i>confidential</i>		28.28%
	Base	1.1800	<i>confidential</i>		23.51%
BG	Mobiltel	1.0226	<i>confidential</i>	<i>confidential</i>	38.6%
	Cosmo Bulgaria Mobile	1.0226	<i>confidential</i>		39.0%
	BTC	1.0226	<i>confidential</i>		22.5%
CH	Swisscom	5.1263	6,460,000	11,127,300	58.06%
	Sunrise	6.3566	2,487,300		22.35%
	Orange	6.3566	2,180,000		19.59%
CY	Primetel PLC	2.9090	30,094	1,107,507	2.72%
	MTN	1.7090	330,521		29.84%
	CYTA	1.7090	746,892		67.44%
CZ	T-Mobile	0.9837	<i>confidential</i>	<i>confidential</i>	40.45%
	O2 Czech Republic a.s.	0.9837	<i>confidential</i>		36.28%
	Vodafone	0.9837	<i>confidential</i>		20.41%
DE ⁴	T-Mobile	1.7900	39,337,000	116,557,000	33.75%
	Vodafone	1.7900	31,939,000		27.40%
	E-plus	1.7900	25,845,000		22.17%
	O2 Telefónica	1.7900	19,436,000		16.68%
DK	TDC	0.8951	3,008,522	6,603,212	45.56%
	Telia	0.8951	1,284,406		19.45%
	Telenor	0.8951	1,668,697		25.27%
	Hi3G	0.8951	641,587		9.72%
EE	AS EMT	1.1000	874,123	2,035,153	42.95%
	Elisa Eesti AS	1.1000	647,453		31.81%
	Tele2 Eesti AS	1.1000	513,577		25.24%
EL ⁵	Cosmote	1.1890	<i>confidential</i>	12.976.604	<i>confidential</i>
	Vodafone	1.1890	<i>confidential</i>		<i>confidential</i>
	Wind	1.1890	<i>confidential</i>		<i>confidential</i>
ES	TME	1.0900	16.463.062	50.707.659	32.5%

³ BE: Nominal prices, subscriber data as of the 1st of October 2013

⁴ DE: Number of subscribers are for 2nd quarter 2014

⁵ EL: Data refers to active subscribers

	Vodafone	1.0900	11.491.783		22,7%
	Orange	1.0900	11.460.559		22.6%
	Xfera	1.0900	3.392.437		6.7%
	Other (MVNOs)	1.0900	7.899.818		15.6%
FI	DNA	2.8000	n.a.	n.a.	24.0%
	Elisa	2.8000	n.a.		40.0%
	TeliaSonera	2.8000	n.a.		35.0%
	ÅMT	2.8000	n.a.		n.a.
FR	Orange	0.8000	<i>confidential</i>	75,705,000	<i>confidential</i>
	SFR	0.8000	<i>confidential</i>		<i>confidential</i>
	Bouygues Telecom	0.8000	<i>confidential</i>		<i>confidential</i>
	Free Mobile	0.8000	<i>confidential</i>		<i>confidential</i>
	MNVOs	0.8000	<i>confidential</i>		<i>confidential</i>
HR	HT	1.6810	2,142,160	4,596,271	46.61%
	VIPnet	1.6810	1,634,855		35.57%
	Tele2	1.6810	819,256		17.82%
HU	T-Mobile	2.3079	5,346,509	11,540,058	46.33%
	Telenor	2.3079	3,580,880		31.03%
	Vodafone	2.3079	2,612,669		22.64%
IE	Hutchinson 3G Ireland	2.6000	1,564,884	4,767,999	32.8%
	Lycamobile Ireland	2.6000	149,246		3.1%
	Meteor	2.6000	977,138		20.5%
	Tesco Ireland	2.6000	240,314		5.0%
	Vodafone Ireland	2.6000	1,821,346		38.2%
IS	Siminn	1.0590	126,022	354,391	35.56%
	Vodafone	1.0590	98,605		27.82%
	Nova	1.0590	113,218		31.95%
	Tal	1.0590	15,896		4.49%
IT ⁶	Telecom Italia	0.9800	30,995,890	89,173,365	34.76%
	Vodafone Omnitel	0.9800	26,450,401		29.66%
	Wind Telecomunicazioni S.p.A.	0.9800	21,889,141		24.55%
	H3G S.p.A.	0.9800	9,837,933		11.03%
LI	Orange (Liechtenstein) AG	6.2750	<i>confidential</i>	<i>confidential</i>	<i>confidential</i>
	Mobilkom (Liechtenstein) AG	6.2750	<i>confidential</i>		<i>confidential</i>
	Swisscom (Schweiz) AG	6.2750	<i>confidential</i>		<i>confidential</i>
LT ⁷	Tele2	1.0426	1,896,163	4,502,527	42.56%
	Omnitel	1.0426	1,545,598		34.69%
	Bitė Lietuva	1.0426	1,010,737		22.88%
LU	EPT	0.9800	n.a.	n.a.	53.00%
	Tango	0.9800	n.a.		31.00%
	Orange	0.9800	n.a.		16.00%
LV	Latvijas Mobilais Telefons	1.0500	1,852,121	3,744,046	49.47%
	Tele2	1.0500	1,039,844		27.77%
	Bite Latvija	1.0500	498,745		13.32%
	Zetcom	1.0500	353,336		9.44%

⁶ IT: The tariffs from 1/7/2014 are not decided yet

⁷ LT: Data for 2014 IQ and 2014 IIQ

MK	T Mobile Macedonia	1.9512	1,033,488	2,241,608	46.10%
	ONE Telecommunication services	1.9512	562,249		25.08%
	VIP Macedonia	1.9512	618,314		27.58%
MT ⁸	Go plc	0.4045	210,173	534,744	39.30%
	Melita plc	0.4045	77,680		14.53%
	Vodafone	0.4045	236,440		44.22%
	Redtouch fone	0.4045	10,401		1.95%
NL ⁹	KPN	1.8610	6,018,359	19,485,055	30.89%
	Vodafone	1.8610	4,953,009		25.42%
	T-Mobile	1.8610	4,331,259		22.23%
	all MVNO/SP	1.8610	4182428.00		21.46%
NO	Telenor	1.9040	2,960,832	5,511,252	50.50%
	NetCom	1.9040	1,366,087		23.30%
	Network Norway	1.9040	656,660		11.20%
	Tele2	1.9040	398,686		6.80%
	Ventolo	1.9040	128,987		2.20%
PL ¹⁰	T-Mobile Polska S.A.	1.0296	<i>confidential</i>	56,972,803	27.00%
	Polkomtel sp. z o.o.	1.0296	<i>confidential</i>		24.80%
	Orange Polska S.A.	1.0296	<i>confidential</i>		26.90%
	P4. sp. z o.o.	1.0296	<i>confidential</i>		18.80%
	Others	1.0296	<i>confidential</i>		2.50%
PT	MEO (ex-TMN)	1.2700	<i>confidential</i>	16,231,557	47.55%
	VODAFONE	1.2700	<i>confidential</i>		36.22%
	NOS (ex-OPTIMUS+ZON)	1.2700	<i>confidential</i>		16.23%
RO	Vodafone Romania	0.9600	<i>confidential</i>	<i>confidential</i>	28.82%
	Orange Romania	0.9600	<i>confidential</i>		43.95%
	Cosmote	0.9600	<i>confidential</i>		22.34%
	RCS & RDS	0.9600	<i>confidential</i>		4.89%
RS ¹¹	MTS (Telekom Srbija)	3.4175	n.a.	n.a.	44.8%
	Telenor	3.4175	n.a.		33.3%
	Vip mobile	3.4175	n.a.		21.9%
SE	TeliaSonera	0.8882	4,689,000	11,403,500	41.12%
	Tele2	0.8882	3,517,700		30.85%
	Telenor	0.8882	1,990,700		17.46%
	Hi3G	0.8882	1,206,100		10.58%
SI	Telekom Slovenije	3.2400	<i>confidential</i>	<i>confidential</i>	54.93%
	Si.mobil	3.2400	<i>confidential</i>		29.43%
	Tušmobil	3.2400	<i>confidential</i>		12.94%
	T-2	3.2400	<i>confidential</i>		2.70%
SK	Orange	1.2260	<i>confidential</i>	<i>confidential</i>	39.90%

⁸ MT: Subscriber figures reflect position as at Q1 2014. MTR rate applicable from 1st April 2014 and is based on pure BU LRIC

⁹ NL: Data based on Q1 2014 data

¹⁰ PL: Data as of 31st of December 2013

¹¹ RS: Provided market shares are for 2013. Presented price is valid as of 01/01/2014

	Slovak Telekom	1.2260	<i>confidential</i>		32.12%
	Telefónica	1.2260	<i>confidential</i>		27.97%
TR	Turkcell	0.8630	34,635,364	70,791,070	48.93%
	Vodafone	0.8906	20,372,220		28.78%
	Avea	1.0218	15,783,486		22.30%
UK	EE	1.0543	<i>confidential</i>	83,054,428	<i>confidential</i>
	Telefonica	1.0543	<i>confidential</i>		<i>confidential</i>
	Vodafone	1.0543	<i>confidential</i>		<i>confidential</i>
	H3G	1.0543	<i>confidential</i>		<i>confidential</i>

4. SMS TR

Assumptions

- The SMS TRs collected in this report reflect nominal wholesale rates applied among domestic¹² operators for an off-net SMS exchange, excluding VAT¹³.
- Average SMS tariffs per country are obtained by weighting the SMS tariff of each operator according to its market share, measured in terms of subscribers (instead of in terms of volumes of text messages)¹⁴.
- Two European averages are calculated: a simple average and a weighted average. The latter weights each country's average with the share of the country's subscribers¹⁵.
- In some countries, SMS wholesale rates are considered to be confidential information. SMS TRs of those countries are taken into account to calculate the weighted average, but the TRs are not shown in the figures.
- No countries differentiate between peak time, off-peak time and weekend hours; therefore, there is no need to calculate an individual (i.e. per operator) average tariff weighting peak and off-peak traffic.
- The price for SMS termination is related to each delivered domestic off-net SMS; therefore, no assumption is necessary about set-up charges or average call durations. Slovenia and Serbia are the only countries where "Bill & Keep" agreements are in place for traffic between all domestic operators.
- In some countries, operators have bilateral contract agreements implying different rates depending on the volume of SMSs sent across the two networks. These non-linear outlays imply different average rates depending on the volume of SMS exchanged. In this case, the lowest average rate expected (corresponding to the highest volume of SMS) has been used.
- In some countries, an operator will have agreed different SMS TRs in its negotiations with each one of the other operators. In this case, if not differently indicated, a TR simple average is calculated.

¹² International SMS TRs in most European countries – also based on bilateral negotiations among operators – generally result in higher levels than the domestic rates represented in this report.

¹³ This may diverge from the average revenue from an SMS at the wholesale level.

¹⁴ The figures used in the report stem from the MTR benchmark (July 2014). In the case of the weighted average, only the countries reporting the number of subscribers are taken into account.

¹⁵ Total subscribers per country divided by total European subscribers

TABLE 3: SMS TR per country as of July 2014 (eurocents)

Country	SMS TR per country (eurocents)
AT	3.28
BE ¹⁶	4.96
BG	confidential
CH ¹⁷	4.24
CY	0.61
CZ	confidential
DE ¹⁸	n.a.
DK	0.80
EE	2.32
EL ¹⁹	3.00
ES	3.03
FI	confidential
FR	1.00
HR	confidential
HU	4.58
IE	3.17
IS ²⁰	2.49
IT	3.39
LI	3.98
LT	0.89
LU	n.a.
LV	2.13
MK	0.81
MT	1.80
NL	5.60
NO ²¹	4.17
PL ²²	1.20
PT	1.27
RO	2.26
RS	Bill and Keep
SE	n.a.
SI	Bill and Keep
SK	3.00
TR	0.15
UK	2.04
Average (S)	2.19
Average (W)	2.02

¹⁶ BE: Data as of the 1 October 2013

¹⁷ CH: Subscriber base as of 30/06/2014

¹⁸ DE: Numbers of subscribers are as of 2nd quarter 2014

¹⁹ EL: Data refers to active subscribers

²⁰ IS: Number of subscribers is as of 1 January 2014

²¹ NO: Numbers of subscribers are provided as of 31.12.2013. The total number of subscribers according up to 1st of July 2014 will not be able before Q3 2014

²² PL: Data as of 31st of December 2013

5. ANNEXES

1. COUNTRY ABBREVIATIONS

AT	Austria
BE	Belgium
BG	Bulgaria
CH	Switzerland
CY	Cyprus
CZ	Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
EL	Greece
ES	Spain
FI	Finland
FR	France
HR	Croatia
HU	Hungary
IE	Ireland
IS	Iceland
IT	Italy
LI	Liechtenstein
LT	Lithuania
LV	Latvia
LU	Luxembourg
MK	Former Yugoslav Republic of Macedonia
MT	Malta
NL	Netherlands
NO	Norway
PL	Poland
PT	Portugal
RO	Romania
RS	Serbia
SE	Sweden
SI	Slovenia
SK	Slovakia
TR	Turkey
UK	United Kingdom

2. EXCHANGE RATES²³

COUNTRY	1 EURO
BG	1.96
CH	1.22
CZ	27.45
DK	7.46
HR	7.60
HU	305.91
IS	154.86
LI	1.2192
LT	3.45
MK	61.50
NO	8.40
PL	4.17
RO	4.43
RS	115.58
SE	9.18
TR	2.90
UK	0.80

²³ ECB website: <http://sdw.ecb.europa.eu/browseSelection.do?DATASET=0&FREQ=A&node=2018794>
For IS at <http://www.cb.is/exchange-rate/>