



## The Telecommunications Market in Belarus: Problems and Recommendations

### Summary

The current situation of the Belarusian telecommunications market is characterized by strong government presence. Government interference in the Belarusian telecommunications sector constrains its development. This paper discusses the necessity to decrease this presence in order to allow the telecommunications market to develop further. The paper also presents successful foreign examples of telecommunications deregulation within the EU and in CIS countries, which could be implemented in Belarus. Based on the experiences with liberalization in foreign telecommunications markets we recommend the following steps to improve the current state of the telecommunication market in Belarus: Corporatization of Beltelecom, creation of an independent regulator, and liberalization of the long-distance and international calls markets.

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## 1. Introduction

The telecommunications sector is today one of the most dynamic sectors of the economy throughout the world. The development of this market impacts on the sustainable economic development of any country. A competitive environment at the telecommunications market provides low prices, and a wide range and a better quality of services. Removing constraints from the telecommunications sector primarily benefits consumers.

Government interference in the Belarusian telecommunications sector constrains its development. The state monopoly on *local, international* and *Internet service* delivery and the state's presence on the *mobile market* restrains the development of competition, restricts the supply, limits innovations and investments, and lowers the quality of services and the informatization of the society. Therefore, the main purpose of this paper is to highlight the need to decrease the government's presence on the Belarusian telecommunications market, and to show that certain approaches to liberalizing telecommunications that many developed and transition countries have already taken could also be implemented in Belarus.

We will start with an analysis of the current state of the telecommunications market in Belarus (Section 2) and then proceed to look at the experience the EU and CIS countries have had in developing their telecommunications sectors (Section 3). This analytical approach will help us to define those common development trends in developed and transition countries, which could be applied to the Belarusian telecommunications sector. Section 4 will present conclusions and policy recommendations for improving the performance of the Belarusian telecommunications sector.

## 2. The current state of the telecommunications market in Belarus

The Belarusian telecommunications market continues to experience a strong government presence, which in turn influences its development. The Ministry of Communication and Informatization is responsible for the implementation of state policy in the sector. Beltelecom<sup>1</sup> is the main national operator at the Belarusian telecommunications market.

### Fixed telephone market

Beltelecom provides international and long-distance phone services. Competing companies are allowed to offer local phone services, i.e. there are no legal barriers for independent businesses to enter the local telephone market, but none have done so. The Ministry of Economy sets very low tariffs for local telephone calls, which makes sector penetration by private companies economically uninteresting. Table 1 represents tariffs for local, long-distance and international calls of Beltelecom both for households and for businesses. The tariffs shown in Euros<sup>2</sup> are for 10-minute calls at 11 am on a weekday. The very low local call tariffs explain why competitors are not interested to enter the local calls market. Beltelecom covers the losses it suffers on the local telephone market by overcharging for international telephone services. Cross-subsidization between local and international calls also helps to obscure any expenditures connected with financing social programs and making telephone installations for selected consumers.

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<sup>1</sup> Beltelecom is a state-owned natural monopoly in telecommunications. It was created in July 1995. In August 2004 regional telecom companies and several other enterprises including Minsk City Telephone Network and Long Distance Communication became Beltelecom branches. All these companies were subordinated to Beltelecom before 2004, though they are organizationally separate units. These are clear signs that the already high level of centralization is increasing.

<sup>2</sup> Using Euros will help us to compare Belarusian call tariffs with those in the EU and in CIS countries.

**Table 1. Beltelecom's tariffs for local, long-distance and international calls (EUR/10 min)**

Type of call	Households	Businesses
Local	0.09	0.12
Long-distance	0.16	0.20
International (to USA)	5.00	5.80

*Note:* The indicators give the prices in Euros for local, long-distance and international (to the United States) calls of 10-minute duration and made at 11 am on a weekday.

*Source:* Beltelecom.

Cross-subsidization between local and international calls makes international calls very expensive. For comparison, a 10-minutes of call to the USA for all categories of consumers in the EU (25 countries) is EUR 2.07 (an average price), from Moldova it costs EUR 3.53, and from Georgia EUR 1.08. Tables 3, 4, 5 in the Appendix provide information about local, long-distance and international call tariffs within and from EU countries between 1997 and 2004 (this being the period when the EU telecommunications market was being liberalized).

Despite the significant government interference in Beltelecom's operations and despite the state's requirement that it engage in undoubtedly unprofitable but socially significant investment projects, the company as a whole has proved to be profitable, although the profitability level for services is a bit below the industry average (Table 2).

**Table 2: Profitability of telecommunications services<sup>3</sup>, %, 2000–2005**

	2000	2001	2002	2003	2004	2005
Beltelecom	18.40	5.60	12.90	13.50	20.90	16.24 <sup>4</sup>
Telecommunications - total	23.60	12.30	17.00	13.50	26.90	37.70

*Source:* Beltelecom annual reports and Ministry of Statistics and Analysis data.

In 2005 the telephone density in Belarus reached 35 telephones per one hundred persons, and the number of telephones of the fixed network increased by 108 thousand reaching to 3.3 m during the year. Belarus leads in main telephone lines per 100 inhabitants among CIS countries, but falls behind countries from Western Europe. For example, in 2005 there were 79.75 main telephone lines per 100 inhabitants in Luxembourg, 71.54 in Sweden, 68.66 in Switzerland, 66.57 in Germany and 61.69 in Denmark.

### Mobile market

By the end of 2005 the number of mobile subscribers increased to 4 m and the annual growth rate amounted to 1.83%. In 2005 the number of mobile subscribers per 100 inhabitants was 42. For comparison, in 2005 there were 127.10 mobile subscribers per 100 inhabitants in Lithuania, 123.10 in Italy, 115.20 in the Czech Republic, 109.10 in Portugal, 108.80 in Estonia and 102.16 in the United Kingdom.

In 2005 Belarusian mobile operators expanded their subscription bases because connection charges were abolished and prepayment and tariffs for mobile services decreased. Mobile tariffs were decreased within the networks. Mobile international calls are still expensive in Belarus because mobile phone operators are required to route international calls through Beltelecom. Developing competition between mobile companies has promoted the implementation of new technologies for mobile connections and data services. In 2005 Velcom introduced hi-tech services such as GPRS, MMS and EDGE (in Western Europe such services were first offered in 2002).

<sup>3</sup> The profitability of telecommunications services is calculated as the ratio of the profit from sales of telecommunications products, works and services to the prime cost of the products, works and services sold.

<sup>4</sup> Statistics on the profitability of Beltelecom telecommunications services is available for the first 9 months of 2005 only.

The government continuously increases its presence on the mobile telecommunications market. It already holds majority ownership in the mobile operators Velcom<sup>5</sup>, MTS<sup>6</sup> and BelCel<sup>7</sup>, and BNT<sup>8</sup> is a fully state-owned operator. Increasing government interference reduces the regulatory transparency, significantly hampers telecommunications market development and sends the wrong messages to operating companies. The government also expands its quasi-fiscal activity on the mobile market. Velcom and MTS were mandated to cover so-called "agro-towns"<sup>9</sup> with GSM mobile connections, and to charge social tariffs for them. Such social burdens on mobile operators decrease their profitabilities and operational efficiencies.

### Internet market

Beltelecom is the primary Internet provider in Belarus. Secondary Internet providers are forced to operate through Beltelecom; they have to lease international channels and circuits from Beltelecom. Furthermore, they are not allowed to install satellite antennas as alternative Internet connection facilities. Thus, the development of the Internet segment is largely determined by existing regulations and the providers' ability to increase the capacity of leased channels, which affects traffic speed. The Ministry of Communication and Informatization prohibits operators to provide IP-telephony (transport of telephone calls over the Internet) services. The main reason for this prohibition is that Beltelecom might lose revenues.

The Ministry of Communication and Informatization had issued about 50 licenses authorizing Internet activity in the telecommunications sector. At present there are 35 Internet providers in Belarus; most of them are working in the capital of the country. By comparison, in 2004 there were 900 Internet service providers in Germany, 270 providers in Austria, 211 in Slovakia, 135 in Estonia, 129 in Latvia and 98 in Lithuania (Appendix, Table 6). The small number of Internet providers within the Belarusian Internet market can be explained by Beltelecom's dominant position on this market. It is difficult for secondary Internet providers to compete with Beltelecom because of unfair initial conditions. Secondary Internet providers can compete only through providing better service quality. Price competition between providers and implementation of new technologies are constrained by Beltelecom.

The tariff policy of Beltelecom is constantly changing due to expansion of the Internet network. The latest tariff reduction was in April 2005. Tariffs were cut for Internet-providers (by 20%) and for consumers (for dial-up access by on average 10%, for ADSL by on average 10%, and for leased line access by 20%). There are some privi-

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<sup>5</sup> The joint venture Mobile Digital Communications Ltd. (the trade mark Velcom) was set up in 1999. After a redistribution of shares in 2004, Samauwi Brothers Telecom (SB Telecom), one of the founders of Velcom, lost its controlling interest, receiving 49% of the stock. 51% of Velcom now belongs to state-owned companies. In 2005 the number of subscribers of Velcom was 1.9 m.

<sup>6</sup> The Russian company Mobile TeleSystems (MTS) entered the Belarusian telecommunication market in 2002. Shareholders of MTS are Beltelecom with 51% of the shares and Mobile TeleSystems (Russia) with 49% of the shares. In 2005 the number of subscribers of MTS was 2.1 m.

<sup>7</sup> The joint venture Belarusian Cellular (BelCel) was set up in 1991. In 2005 after a redistribution of shares the government increased its holdings from 33% to 50%. As a result Trastbank (earlier Infobank), one of the founders of BelCel with 17% of the stock, lost its interest. The current shareholders of BelCel are Beltelecom (50% of shares) and the Dutch company CIB B.V. (50% of shares). In 2005 the number of subscribers of BelCel was 100 000.

<sup>8</sup> The GSM mobile operator Belarusian Network of Telecommunications (BNT) was created by the government on November 9, 2004. 25% of the BNT stock belongs to Beltelecom. The rest is owned by the state enterprise Agat. BNT started to operate on December 21, 2005. BNT is a socially oriented mobile operator and it plans to cover the costs connected with its social activities by providing hi-tech services. It will be difficult for this GSM operator to attain all its goals, because of the strong existing competition between Velcom and MTS. The tariff schedules of BNT are neither very attractive nor competitive with those of the other mobile operators. By the end of 2005 the number of BNT subscribers was about 2 000.

<sup>9</sup> So-called "agro-towns" were created under the state program for village recovery.

leges for the public sector. At the beginning of 2005 the Ministry of Communication and Informatization issued the first license to provide web-hosting services. There are good opportunities for developing national web-hosting. In 2005 the number of Internet subscribers increased to 3 m with the growth during the year amounting to 538 900.

### Changes in the legislative framework in 2005

In 2005 a new law "On Telecommunications" was adopted. This is evidence that the legislative framework for telecommunications is improving. The law attempts to adjust the telecommunications sector to WTO standards. The new law revises the framework for using the radio-frequency spectrum and introduces universal service. However, the law does not foresee mechanisms to privatize and corporatize the national operator nor to create an independent regulator<sup>10</sup>, in spite of official pledges to privatize Beltelecom and liberalize international calls by 2007.

The conditions for licensing in the telecommunications sector were changed in 2005. The Ministry of Communication and Informatization was authorized to issue licenses with a 10-year term. The previous term for licenses was 5 years, after which the term could be extended. Lengthening the license terms will positively influence attracting large-scale projects into the telecommunications sector.

## **3. Deregulation of the telecommunications market: Foreign experience**

### *3.1. Experience of the EU*

The EU telecommunications market was fully liberalized on January 1, 1998. The legislative framework, the so-called "1998 package", was primarily designed to manage the transition from monopolies to competition and was therefore focused on the creation of a competitive market place and the rights of new entrants. The framework was successful in achieving these aims. There are three instruments, which the Commission has used to open the market: *progressive liberalization of former monopoly sectors*, *accompanying harmonization measures* and *competition rules*. National Regulatory Authorities (NRAs) for telecoms have been established in all member states of the EU.

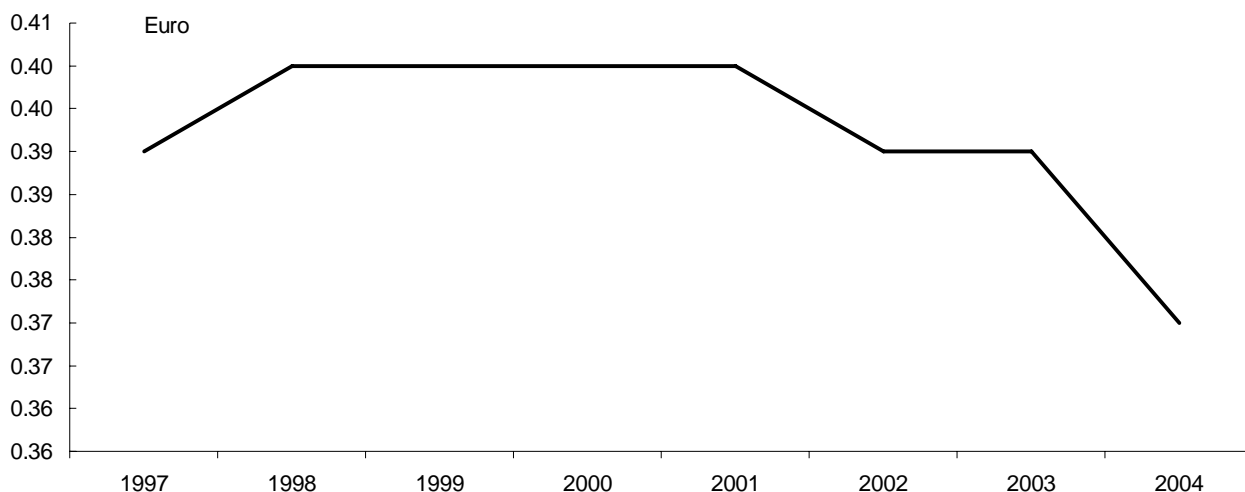
The liberalization of the telecommunications markets had very positive effects on market growth and development. There was revenue growth, even among the incumbent operators. For example, revenues grew by 5.30% for France Telecom from 1997 to 1998, by 11.20% for Telenor (Norway), by 5.10% for Swisscom, by 5.90% for Belgacom (Belgium) and by 3.40% for the first six months of 1998 for Deutsche Telekom. Substantial revenue growth sprang from growth in market volume, which compensated for price decreases resulting from competition. Prices declined in all countries that introduced competition, especially for domestic long-distance and international calls and for leased circuit capacity. This benefited users. A number of operators, in particular the dominant companies, implemented innovative pricing schemes for the local market, effectively reducing the average price of local calls for many customers. For example, in the EU (15 countries) the tariff for a 10-minute local call, which was EUR 0.39 in 1997 decreased to EUR 0.37 in 2004 (Appendix, Table 3). Between 1997 and 2004 the tariffs for long-distance and international calls originating in EU countries decreased significantly. For example, the tariff for a 10-minute call from the EU (15 countries) to the USA decreased from EUR 6.63 in 1997 to EUR 1.85 in 2004 (Appendix, Table 5). Similarly the tariff for a 10-minute long-distance domestic call within the EU decreased from EUR 2.35 to EUR 0.87 over the same time period (Appendix, Table 4). The dynamics of the tariffs for local, long-distance and interna-

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<sup>10</sup> For more detailed information concerning the necessity to create an independent regulator and its functions see IPM-GET Policy Paper 06/06 Independent regulation in infrastructure sectors: the case for regulating local transportation markets in Belarus and Belarus Infrastructure Monitoring 2006, <http://research.by/eng/bim/>.

tional calls in the EU (15 countries) between 1997 and 2004 are presented in Figures 1 and 2.

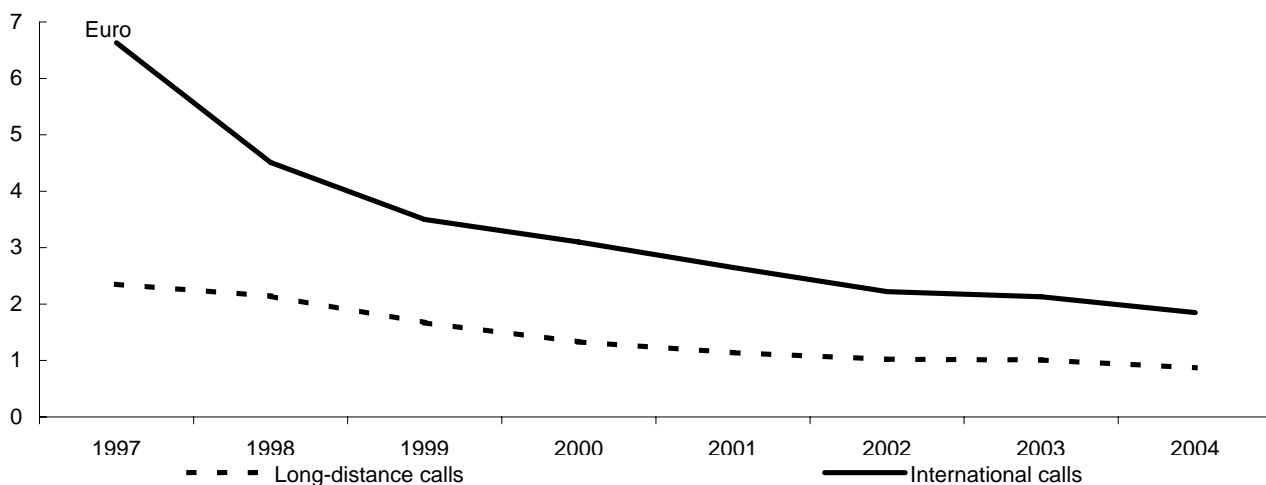
**Figure 1: Dynamics of tariffs for local calls within the EU (15 countries), 1997 to 2004 (EUR/10 min)**



*Note:* The graph shows the price in Euros for a 10-minute call at 11 am on a weekday (including VAT) within a local area (3 km).

*Source:* Eurostat.

**Figure 2: Dynamics of tariffs for long-distance and international calls originating in the EU (15 countries), 1997 to 2004 (EUR/10 min)**



*Note:* The graph shows the prices in Euros for 10-minute calls at 11 am on a weekday (including VAT) for a domestic call (within 200 km) and for an international call to the United States.

*Source:* Eurostat.

The liberalization of the local, long-distance and international markets within the EU also led to an increase in the number of alternative operators, significantly extending the consumers' choices. Subscribers in all 15 countries of the EU can choose between providers of long-distance and international calls. In twelve countries of the EU almost all subscribers can choose from among more than 5 alternative operators. Finland and Italy have the highest proportion of subscribers using an alternative provider for long-distance and international calls, 65% and 50% respectively. In six other EU members (Denmark, Spain, France, Portugal, Sweden and the United Kingdom) this proportion ranges from 20% to 30%. In eight member states (Spain, France, Ireland, the Netherlands, Austria, Portugal, Sweden and the United Kingdom) almost all subscribers can choose from among more than five alternative providers for local calls. The percentage of subscribers actually using an alternative provider for local calls is on aver-

age 15%; only Denmark (25%), Spain (17%) and Italy (40%) have made significant progress<sup>11</sup>.

The rapid development of the EU telecommunications market after full liberalization has led to the necessity to create the New EU Regulatory Framework for Electronic Communications. This framework, replacing the 1998 framework, applies in all member states of the EU as of July 2003. The New Regulatory Framework takes into account such development trends in the telecommunications market as the convergence between the telecommunications, broadcasting and IT sectors and establishes a harmonized regulatory framework for electronic communications networks and services across the EU.

### *3.2. Experience of CIS countries*

The development of the telecommunications markets of CIS countries can be characterized by the liberalization of the local and international calls segments, by the creation of independent regulators, and by attempts to privatize some telecommunications monopolies. Of course, the prospect of WTO membership influenced many of these decisions. Only in Belarus and in Turkmenistan has the state maintained a strong influence on the telecommunications market.

#### Liberalizing the local and international calls segments

Countries such as Kyrgyzstan, Georgia and Moldova have liberalized both the international and the long-distance markets.

Georgia liberalized the telecommunications market in 2000 and as a result anyone can now obtain an operating license for local and international calls. At present there are 22 international call operators in Georgia and 30 licenses were issued for providing local fixed telephony services.

Kyrgyzstan authorized IP-telephony in 2002 and liberalized the international and long-distance markets in 2003. As a result, more than 55% of these markets are now under the control of alternative operators, with a license fee of less than USD 8.

#### **Box 1: Tariffs re-balancing in Moldova**

In December 2002, the National Regulatory Agency for Telecommunications and Informatics (NRATI) approved a tariff re-balancing plan for basic public telecommunications services provided by the national operator Moldtelecom. This plan comprises 4 stages, as a result of which the tariffs for the services provided by Moldtelecom are to be brought into balance with their costs. Prior to 2005 the first two stages of tariff rebalancing had been implemented, one starting on February 1, 2003 and the other on February 1, 2004. This regulatory action allowed the incumbent operator to set up a more viable financial base and to reduce its threatening dependence on international telephony services. Before this process started, the revenue generated by Moldtelecom from local calls covered only about 30% of the costs of this service. As a result of the first two phases of tariff rebalancing, the revenues from local services rose to about 60% of cost. Finalizing the process will eliminate all cross-subsidization of services.

*Source:* Report regarding the activities of the National Regulatory Agency for Telecommunications and Informatics, and the Development of the Telecommunications and Informatics Market in 2004, Moldova.

The Moldavian telecommunication market was fully liberalized in 2004. During the first year of full liberalization the value of the telecommunications market grew by 21% relative to 2003 while the volume of investments grew by 30.10%. On January 1, 2005, 22 license holders for public fixed telephony services were registered. In spite of the international calls market being liberalized, nobody was interested to obtain a license for this market, because of the competition from IP-telephony. Using IP-telephony for international calls is cheaper and easier than using the standard service.

<sup>11</sup>Source: Eighth Report from the Commission on the Implementation of the Telecommunications Regulatory Package.

For example, a 10-minutes call to the USA for all categories of consumers in Moldova costs EUR 3.53 via fixed lines and EUR 2.19 via IP-telephony. There are 15 IP telephony operators in Moldova. To liberalize the telecommunications market Moldova has implemented tariff re-balancing. Box 1 contains information about how Moldavian tariffs have been rebalanced.

#### The creation of independent regulators

Independent regulators for their telecommunications markets were created in CIS countries such as Kyrgyzstan, Georgia, Moldova, Armenia and Kazakhstan. In Ukraine, Azerbaijan and Tajikistan some attempts were made to create independent regulators. Good examples for the creation and functioning of independent regulators at the telecommunications markets are Georgia and Moldova. In 2000 Georgia was the first CIS country to create a really independent regulating authority, the Georgian National Communications Commission (GNCC). GNCC is independent from the State and does not receive state financing. In 2000 Moldova established an independent telecommunications regulator, the National Regulatory Agency for Telecommunications and Informatics (NRATI). NRATI has to coordinate its budget and tariff policies for the major public services with the State.

#### Privatization of telecommunications monopolies

There is no example for a really successful privatization of telecommunications monopolies in CIS countries. The national operators are under state control in 11 CIS countries. Only in Armenia has the state kept only 10% of the shares of the main operator. All CIS countries (except Turkmenistan) have announced plans for privatizing their national operators in the near future.

### **4. Conclusions and policy recommendations**

The active government interference in the economic activities of the Belarusian telecommunication sector is a real impediment for its development. Experience with the EU and with CIS countries shows that there exists a positive relationship between deregulation of the telecommunications markets and their development. The strategy for developing the telecommunications market in Belarus should be directed towards creating a competitive and attractive investment environment. In this regard the following steps could be taken:

- Corporatization of Beltelecom would lead to the reduction of the state's monopoly in the sector. This step would increase transparency, management motivation and efficiency within the sector.
- Creation of an independent regulator in the telecommunications sector would shield market participants from political interference and thus ensure long-term market stability and a level playing field. The regulator would also ensure market discipline while protecting consumer interests and facilitating an open access to the core infrastructure of the network. The independence of such a body from direct political interference has often been cited as a means of building trust among investors in a newly liberalized sector.
- Liberalizing the market for long-distance and international calls would foster price competition. To successfully implement market liberalization it will be necessary to eliminate all cross-subsidization between local and international calls. Tariffs must become cost-reflecting. Tariff rebalancing will promote investment, develop competition and introduce new operators into the fixed telephony market. Development of competition will promote the implementation of new technologies of connection and data services.



- Canceling all privileges for certain groups of consumers will increase the profitability and operational efficiency of the telecommunications enterprises. Telecommunications organizations should provide social benefits only if these are in turn directly compensated from state coffers.

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## Appendix

**Table 3: Tariffs for local calls within EU countries, 1997–2004 (EUR/10 min)**

	1997	1998	1999	2000	2001	2002	2003	2004
EU (25 countries)	...	...	...	...	...	0.38	0.38	0.37
EU (15 countries)	0.39	0.40	0.40	0.40	0.40	0.39	0.39	0.37
Belgium	0.45	0.50	0.50	0.50	0.54	0.54	0.56	0.57
Denmark	0.45	0.45	0.41	0.41	0.41	0.37	0.37	0.37
Germany	0.43	0.44	0.43	0.43	0.43	0.42	0.42	0.42
Estonia	...	...	...	0.14	0.25	0.25	0.25	0.25
Spain	0.20	0.32	0.32	0.28	0.28	0.28	0.28	0.28
France	0.45	0.42	0.42	0.42	0.39	0.39	0.39	0.39
Ireland	0.58	0.58	0.49	0.51	0.51	0.51	0.51	0.49
Italy	0.23	0.24	0.24	0.25	0.25	0.25	0.25	0.25
Latvia	...	...	...	0.37	0.37	0.37	0.37	0.37
Lithuania	...	...	...	0.26	0.35	0.35	0.35	0.39
Netherlands	0.34	0.32	0.32	0.30	0.32	0.32	0.33	0.33
Austria	0.49	0.80	0.80	0.69	0.69	0.56	0.56	0.49
Poland	...	...	...	0.32	0.32	0.32	0.32	0.32
Finland	0.21	0.21	0.21	0.22	0.23	0.23	0.23	0.24
Sweden	0.28	0.29	0.29	0.30	0.30	0.30	0.30	0.30
United Kingdom	0.65	0.58	0.58	0.58	0.58	0.58	0.58	0.44
Norway	0.35	0.34	0.32	0.33	0.33	0.36	0.34	0.32

*Note:* The table shows the prices in Euros for 10-minute calls at 11 am on a weekday (including VAT) within a local area (3 km).

*Source:* Eurostat.

**Table 4: Tariffs for long-distance calls within EU countries, 1997–2004 (EUR/10 min)**

	1997	1998	1999	2000	2001	2002	2003	2004
EU (25 countries)	...	...	...	1.31	1.15	1.06	1.04	0.90
EU (15 countries)	2.35	2.14	1.67	1.33	1.14	1.02	1.01	0.87
Belgium	2.25	1.74	1.74	1.74	0.54	0.54	0.56	0.57
Denmark	0.98	0.66	0.64	0.54	0.41	0.37	0.37	0.37
Germany	2.88	2.93	1.86	1.24	1.23	1.23	1.22	1.20
Estonia	...	...	...	0.71	0.25	0.25	0.25	0.25
Spain	3.23	3.55	2.65	1.85	1.60	0.96	0.88	0.88
France	2.15	1.75	1.53	1.20	0.97	0.96	0.96	0.96
Ireland	2.77	2.04	1.27	0.94	0.94	0.94	0.82	0.82
Italy	2.34	2.16	1.69	1.72	1.44	1.22	1.22	1.15
Latvia	...	...	...	1.09	1.09	1.09	1.09	1.09
Lithuania	...	...	...	1.07	1.20	1.20	1.16	0.79
Netherlands	0.95	0.70	0.64	0.42	0.48	0.48	0.49	0.49
Austria	3.87	2.30	2.30	2.30	0.77	0.67	0.67	0.59
Poland	...	...	...	1.33	1.11	1.11	1.11	1.11
Finland	0.84	0.84	0.86	0.87	0.88	0.88	0.88	0.90
Sweden	0.82	0.59	0.46	0.30	0.30	0.30	0.30	0.30
United Kingdom	1.46	1.16	1.16	1.16	1.16	1.16	1.16	0.44
Norway	0.77	0.76	0.32	0.33	0.33	0.36	0.34	0.32

*Note:* The table shows the prices in Euros for 10-minute calls at 11 am on a weekday (including VAT) for national calls (within 200 km).

*Source:* Eurostat.

**Table 5: Tariffs for calls from EU countries to the United States, 1997–2004 (EUR/10 min)**

	1997	1998	1999	2000	2001	2002	2003	2004
EU (25 countries)	...	...	...	...	...	3.00	2.88	2.07
EU (15 countries)	6.63	4.51	3.50	3.10	2.65	2.22	2.13	1.85
Belgium	7.50	6.00	5.95	5.95	1.84	1.83	1.94	1.98
Denmark	6.72	5.26	4.72	4.72	2.72	2.72	2.39	2.39
Germany	7.41	4.32	2.45	2.45	1.23	1.23	1.23	1.23
Estonia	...	...	...	10.26	...	2.38	2.38	2.41
Spain	6.17	6.08	4.53	4.25	4.25	2.20	1.53	1.53
France	6.78	3.44	3.05	2.97	2.97	2.34	2.34	2.24
Ireland	4.61	3.68	2.92	2.92	1.91	1.90	1.90	1.90
Italy	7.26	4.99	3.63	2.79	2.79	2.24	2.12	2.12
Latvia	...	...	...	6.23	6.23	6.26	6.26	6.25
Lithuania	...	...	...	11.96	11.96	8.08	8.08	4.07
Netherlands	8.48	2.77	0.90	0.78	0.78	0.76	0.85	0.85
Austria	9.21	5.76	6.08	4.32	4.32	3.77	3.77	1.90
Poland	...	...	...	9.60	9.60	9.60	9.60	3.33
Finland	8.31	7.43	5.65	5.68	4.80	4.84	4.84	4.77
Sweden	5.40	4.99	4.99	1.14	1.14	1.14	1.14	1.09
United Kingdom	3.92	3.46	3.46	3.46	3.46	3.46	3.46	2.05
Norway	5.68	3.48	2.10	1.21	1.18	0.92	0.86	0.82

*Note:* The table shows the prices in Euros for 10-minute calls at 11 am on a weekday (including VAT) for an international call to the United States. The prices refer to August of each year. Normal tariffs without special rates are used.  
*Source:* Eurostat.

**Table 6: Number of Internet service providers in EU countries, 2001–2004**

	2001	2002	2003	2004
Belgium	98	99	104	92
Denmark	28	36	41	49
Germany	700	750	800	900
Estonia	60	128	120	135
Greece	173	168	173	170
Spain	579	642	672	...
Latvia	...	11	101	129
Lithuania	17	39	60	98
Hungary	80	62	71	100
Austria	200	200	220	270
Slovakia	39	143	187	211
Finland	45	51	98	120
Sweden	100	100	120	150
United Kingdom	700	700	...	...

*Source:* Eurostat.