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Research on demand

Bulgarian voice telephony market in 2012

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Telecommunication is a combination of technological means, such as optical signals and radio waves, used for transfer of audio, video or digital information over a distance or along a transmission line. Telecommunication services include voice telephony, data transfer and Internet access, transmission and broadcasting of radio and television programmes.

1. Methodology

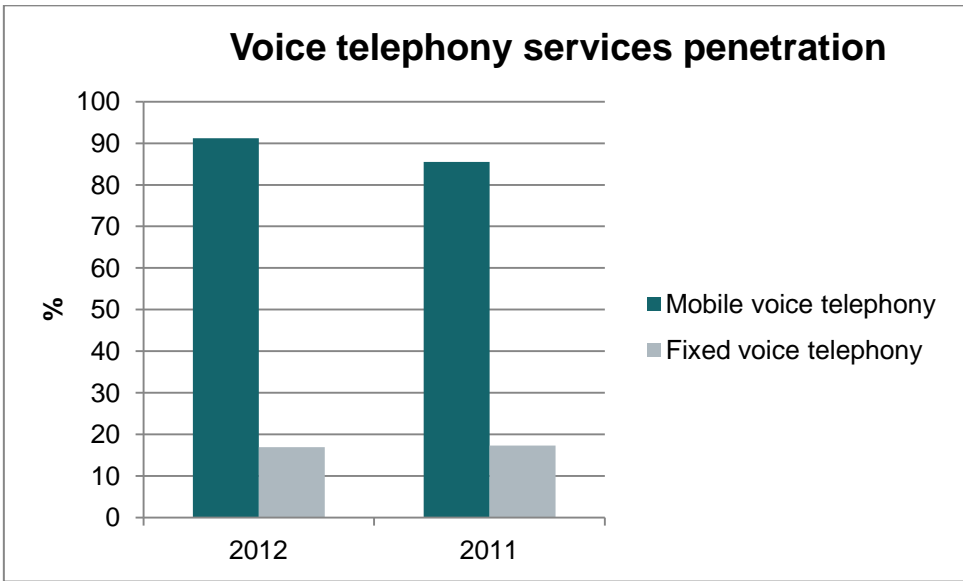
The market research followed a methodology based on desktop and primary industry research. We looked through official sources including World Bank, International Telecommunication Union (ITU), World Trade Organization, Communications Regulation Commission of Bulgaria, Bulgarian National Statistical Institute, Commission for Consumer Protection, trade register, the websites of leading telecoms, associations and official media publications.

We have gathered and analysed data from the companies' annual reports, monitoring latest news in the Telecommunication sector in Bulgaria.

2. Overview

The mobile voice services were leading in the world telecommunication market in 2012 according to International Telecommunication Union (ITU). The mobile voice services penetration reached 91.2% in 2012, an increase by 5.71% year-on-year. Reverse tendency was observed for usage of traditional telephony services through fixed network where the penetration stood at 16.9% in 2012, down by 0.4% year-on-year and the number of fixed telephony lines was 1,186 billion, a decline by 1.5% compared to 2011.

Chart 1 Voice Telephony Services Penetration in the World Telecommunication Market



Source: Communications Regulation Commission

Slowdown in economic activity and soaring unemployment rates put a mark on the year in Bulgaria and all over in Southeastern Europe (SEE). The recession in the Eurozone had unfavourable influence upon SEE countries' foreign direct investment and external demand.

Bulgaria achieved a slight economic growth in 2012. Its GDP went up by 0.8% in 2012 compared to 1.8% in 2011. The main reason for the weaker economic activity was the dwindling foreign demand for Bulgarian goods and services. Real GDP growth is expected to slow down in 2013 to 0.5% from 0.8% in 2012.

3. Legislation

The acts dealing with telecommunications in Bulgaria are:

- Electronic Communications Act - This act settles the public relations associated with the provision of electronic communications. Electronic communications represent the conveyance, emission, transmission or reception of all types of signs, signals, written text, images, sound or messages by wire, radio waves, optical or other electromagnetic medium.
- Telecommunications Act – repealed by the Electronic Communications Act.
- Protection of Competition Act- This act aims at ensuring protection and conditions for economic activity initiatives and competition expanding.
- Consumer Protection Act – The act regulates the protection of consumers, the powers of State bodies and the activity of consumers and associations in Bulgaria.

4. Stakeholders in telecommunication sector in Bulgaria

The state governance of telecommunications in Bulgaria is carried out by the Council of Ministers, the National Radio Frequency Spectrum Council and also by the Minister of Transport, Information Technology and Communications. Other stakeholders are the National Assembly of the Republic of Bulgaria, European Commission, the Universal Service Compensation Fund, the President of Republic of Bulgaria, Commission for Protection of Competition, the Council for Electronic Media and Commission for Consumer Protection.

In February 2002, under the new law for electronic communications, the Communications Regulation Commission (CRC) was established as a successor of the activity, ownership, archives, rights and obligations of the State Committee on Telecommunications (STC). The construction and usage of cellular mobile networks was subject to licensing from STC till February 2002.