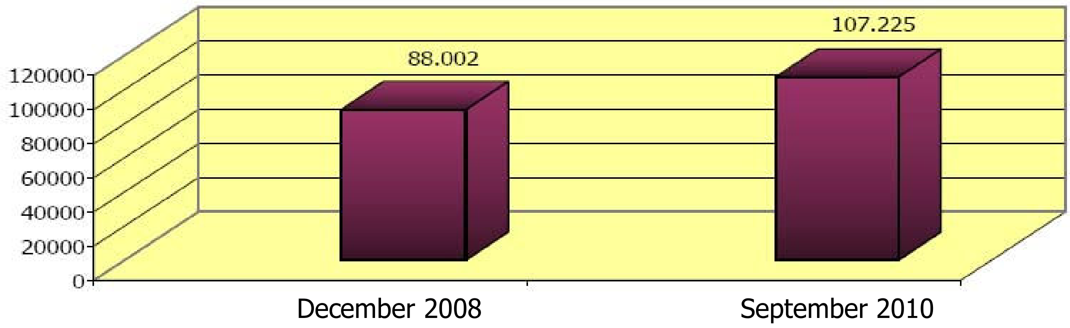
Montenegro
BROADACSTING AGENCY
Number: 02 - 496
Podgorica, 8 October 2010

REPORT
ON THE MARKET OF RADIO AND TV PROGRAMME DISTRIBUTION SERVICES TO THE END USERS

Pursuant to the licences awarded by the Broadcasting Agency of Montenegro, the following six operators have the right to distribute radio and TV programmes to the end users in the authorized service zone: three cable operators, and one MMDS, IPTV and DHT operator each. In comparison to December 2008, the number of operators decreased, after three cable operators stopped working.

As of 30 September 2010, the number of connections for the distribution of radio and TV programmes over different CDS/MMDS/DTH/IPTV platforms was **107,225**.

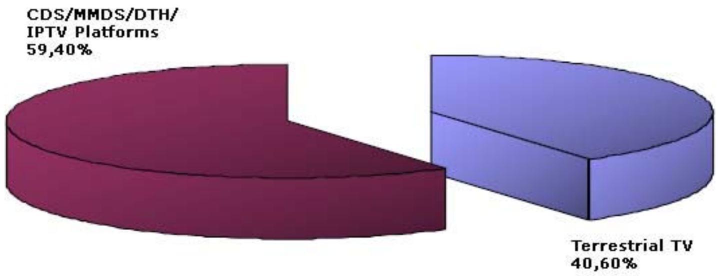
Compared to the number of connections at the end of 2008, a positive trend in the development of the radio and TV programme distribution services is evident. Over a period of two years, the number of connections increased by 19,223 or **21.84 percent**.



Graph 1: Number of connections (CDS/MMDS/DTH/IPTV)

Given that all or most of the data related to the connections account for the users belonging to the category of households, on the basis of their cross-referencing with the number of households in Montenegro[1], we can get an approximate information about the primary technology used by Montenegrin households for the reception of radio and TV programmes.

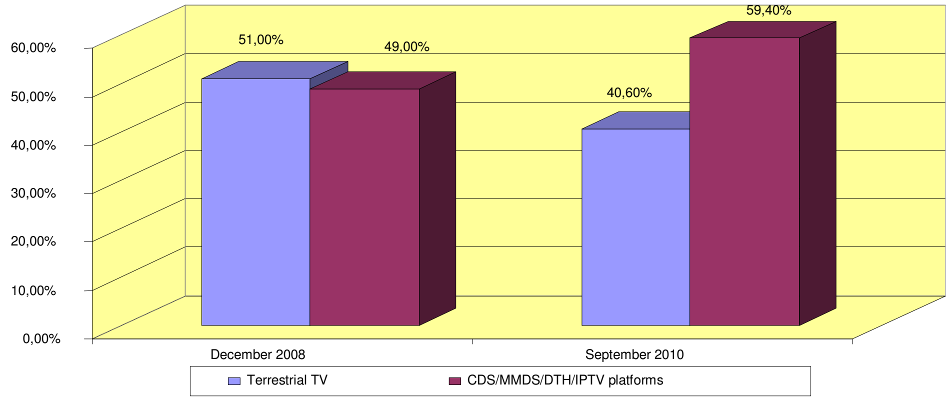
A conclusion can be drawn that **40.60 percent** of households in Montenegro use only the terrestrial (analogue), free-to-air reception of radio and TV programmes. On the other hand, the remaining households (**59.40 percent**) have opted for one of the alternative platforms for distribution of radio and TV programmes.



Graph 2: Household structure by primary platform for reception of radio and TV programmes

[1] The Census of 2003 – Source: Monstat „Statistical Yearbook 2004"

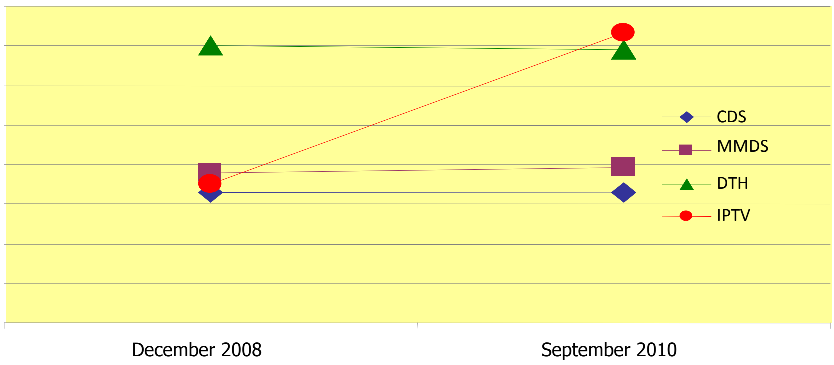
In comparison to December 2008, the primary platform for reception of radio and TV programmes by households has changed.



Graph 3: Primary technologies for reception of radio and TV programmes in 2008 andi 2010

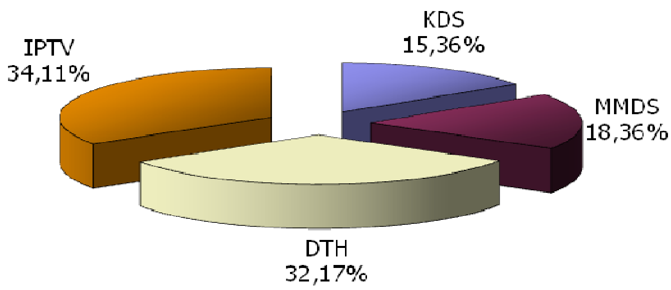
Although the entire market saw a 21.84 percent increase in the number of connections, different platforms had considerably different market penetrations. Cable and DTH operators saw a decrease in the number of connection (CDS operators by 0.35 percent, and DTH operator by 1.66 percent), while MMDS distribution saw a 4.32 percent increase in the number of connections.

An increase in the total number of connections in the market is primarily a result of a considerable increase in the number of IPTV users. Over a period of two years, the IPTV operator saw a 108.65 percent increase in the number of its users.



Graph 3: Trend of growth in the number of connections by platforms

As a result of the aforementioned increase in the number of connections, the IPTV operator took over a leading position in the market of radio and TV programme distribution services to the end users (34.11 percent market share). It is followed by DTH distribution (32.17 percent), CDS (15.36 percent) and MMDS 18.36 percent) operators. The individual market share of different platforms has the following structure:



Graph 4: Market share of CDS/MMDS/DTH/IPTV platforms

Bulevar Svetog Petra Cetinjskog 9
Podgorica, Montenegro
Telephone +382 20 201 440
Telefax +382 20 201 430
E-mail: ard@mn.yu
http://www.ardcg.org

A demand for radio and TV programme distribution service is different in the northern, central and coastal region[2]. In proportion to the number of households, the demand is highest in the coastal region, amounting to 81.38 percent. It is followed by the central region with 66.86 percent, and northern region, where 29.71 percent of households use the services of operators.

An average price of the basic package amounts to €7.92 (between €10 and €5.95). The basic packages offer 51 TV channels on average (between 89 and 25). Four operators do not have any radio stations in their basic packages, while the remaining two operators offer two and nine radio stations respectively.

Two operators do not have any additional packages in their offer, while the remaining four operators offer 5 additional packages on average (between 7 and 4). An average price of the additional package is €5.91 (between €21.50 and €2.50).

A demand for additional packages is also different across the regions. Compared to the number of basic package subscribers, a demand for additional packages is equal in the central and coastal region (38 percent), while it is lower in the northern region (20.43 percent).

According to the structure of additional packages, the film and sports channels have the highest share, followed by the adult channels. The best selling additional package on the territory of Montenegro is HBO (36.64 percent of the total number of additional packages sold). It is followed by the PINK packages (22.90 percent) and, ARENA sports package (12.92 percent).

Taking into consideration the overall scope of the radio and TV programme distribution services provided to the end users, i.e. the total number of basic and additional packages sold, a household using this service pays an average of €10.88 per month.

****

[2] Northern region: Andrijevica, Berane, B.Polje, Kolasin, Mojkovac, Plav, Pljevlja, Pluzine, Rožaje, Savnik ,Zabljak.
Central region: Cetinje, Danilovgrad, Niksic, Podgorica.
Coastal region: Bar, Budva, H.Novi, Kotor, Tivat, Ulcinj.

Bulevar Svetog Petra Cetinjskog 9
Podgorica, Montenegro
Telephone +382 20 201 440
Telefax +382 20 201 430
E-mail: ard@mn.yu
http://www.ardcg.org