Montenegro
Agency for Electronic Media

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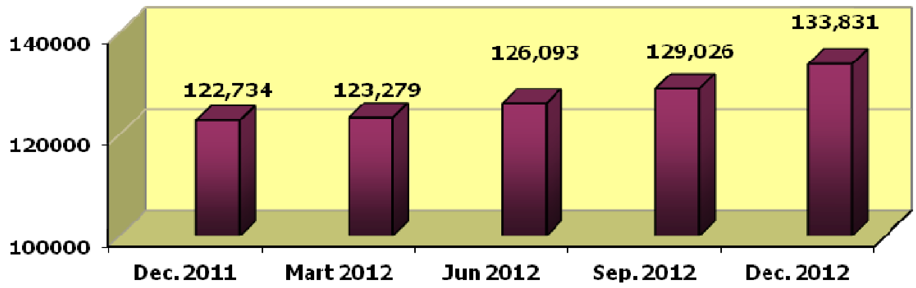
MARKET REPORT
ON RADIO AND TV PROGRAMME DISTRIBUTION TO END USERS
- DECEMBER 2012 -

Pursuant to the licences awarded by the Agency for Electronic Media, the following seven operators have the right to distribute radio and TV programmes to the end users in the authorized service zone: four cable operators, and one MMDS, IPTV and DHT operator each.

As at 31 December 2012, the number of connections for the distribution of radio and TV programmes over different CDS/MMDS/DTH/IPTV platforms was **133,831**.

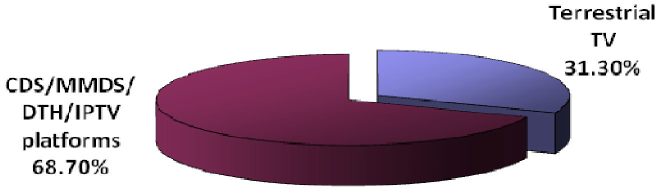
Compared with the number of connections at the end of December 2011, a positive trend in the development of the radio and TV programme distribution services is evident. Over a period of one year, the number of connections increased by 11,097 or **9.04%.**



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

Presuming that all or most of the data on connections account for the users belonging to the category of households, on the basis of cross-referencing with the number of households in Montenegro[1], it is possible to get an estimate about the primary technology used by Montenegrin households for the reception of radio and TV programmes.

The conclusion is that **31.30%** of Montenegrin households use only terrestrial (analogue) i.e. free-to-air reception of radio and TV programmes. On the other hand, the remaining **68.70%** of households 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] *Census of 2011 – Source: Monstat "2011 Census of Population, Households and Dwellings in Montenegro"*

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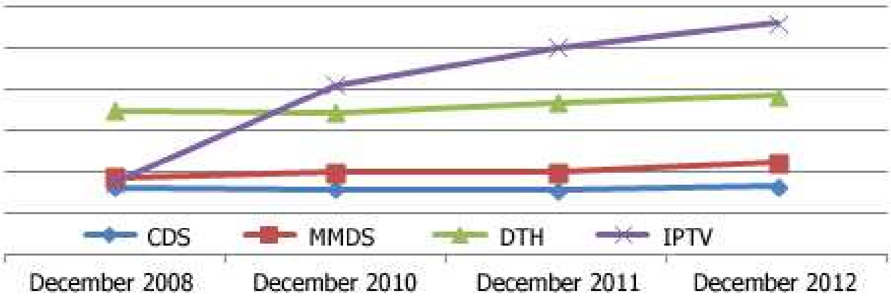
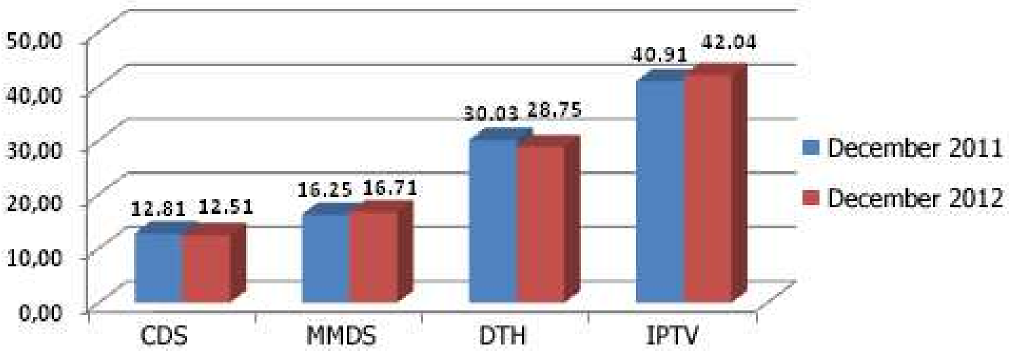
Apart from a 9.04% increase in the number of connections at the market level, individual platforms also saw an increase in the number of users. The MMDS operator saw the highest increase in the number of users (12.08%), followed by the IPTV operator (12.06%). The CDS operators and DTH operator increased the number of connections by 6.46% and 4.39% respectively.



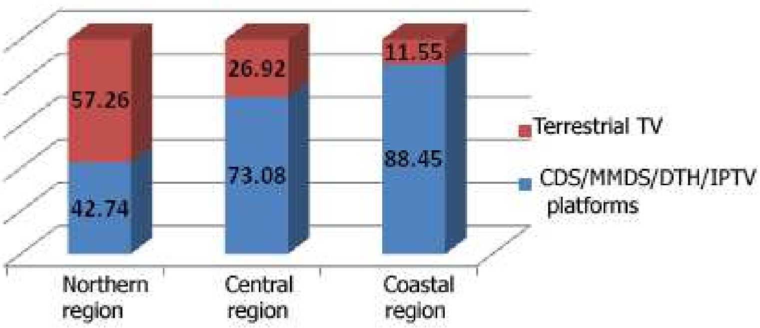
Graph 3: Trend of growth in the number of connections by platforms

With a 42.04% market share at the end of December 2012, the IPTV operator kept its leading position in the market of radio and TV programme distribution services to the end users. It is followed by DTH distribution (28.75%), MMDS (16.71%) and CDS platform (12.51%). Compared with December 2011, the IPTV platform increased its market share by 1.13%, MMDS by 0.46%, whereas the DTH and CDS operators saw a 1.28% and 0.30% decrease in their respective market share. At the end of 2011 and 2012, the individual market share of different platforms has the following structure:



Graph 4: Market share of CDS/MMDS/DTH/IPTV platforms at the end of 2011 and 2012

A demand for radio and TV programme distribution service is different in the northern, central and coastal region[2] of Montenegro. In proportion to the number of households, the demand is highest in the coastal region, as much as 88.45%. It is followed by the central region with 73.08%, and northern region, where 42.74% of households that use the services of operators. Considering the above data from the aspect of primary technology used by households in certain regions for reception of radio and TV programmes, a conclusion can be drawn that terrestrial (analogue) reception of radio and TV programmes still prevails in the northern region.



Graph 5: Structure of households by primary platform used for reception of radio and TV programs – by region

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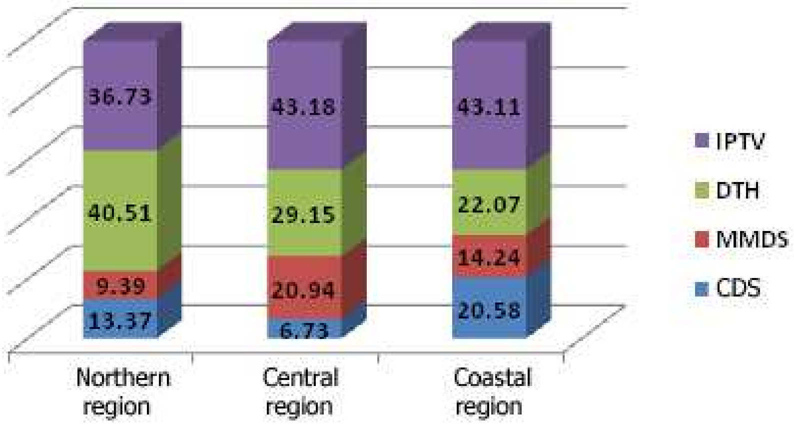
[2] *The Northern region: Andrijevica, Berane, B.Polje, Kolašin, Mojkovac, Plav, Pljevlja, Plužine, Rožaje, Šavnik Žabljak.*
The Central region: Cetinje, Danilovgrad, Nikšić, Podgorica.
The Coastal region: Bar, Budva, H.Novi, Kotor, Tivat, Ulcinj.

Across the regions, the share of individual platforms is slightly different compared with the overall share:



Graph 6: Market share of CDS/MMDS/DTH/IPTV platforms – by region

In the reporting period, the average price of the basic tier was €9.43 (between €10.85 and €5.95). Compared with December 2011, the price increased by €0.06 or 0.64 percent. The basic tiers offer 68 TV channels on average (between 101 and 29). Five operators do not have any radio stations in their basic tiers, while the remaining two operators offer four and 14 radio stations respectively.

Two operators do not have any additional tiers available, while the remaining five operators offer four additional tiers on average (between 7 and 1). An average price of an additional tier is €6.07 (between €21.50 and €2.50).

A demand for additional tiers is also different across the regions. Compared with the number of basic tier subscribers, a demand for additional tiers in the central and coastal region is 36.89% and 35.44% respectively, as opposed to 17.07% in the northern region.

According to the structure of additional tiers, film and sports channels have the highest share, followed by adult channels. The best selling additional tier on the territory of Montenegro is HBO (35.77% of the total number of additional tiers sold). It is followed by the ARENA sports tier (27.90%), and the PINK tiers (11.88%).

Taking into account 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 tiers sold, a household using this type of service pays an average of €10.82 per month. Compared with December 2011, this amount increased by €0.09 or 0.83 %.

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