

# HUNGARY IMPLEMENTS EU FRAMEWORK

László Tóth

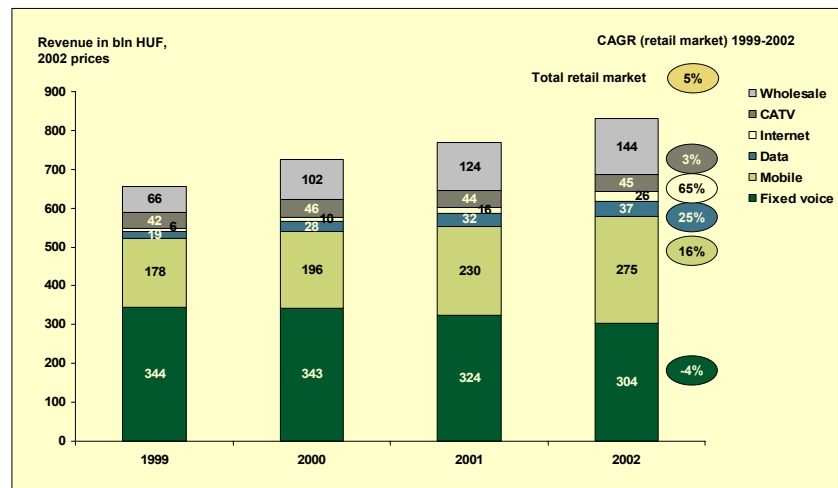
Ministry of Informatics and Communication,  
Hungary

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<http://www.ihm.gov.hu>

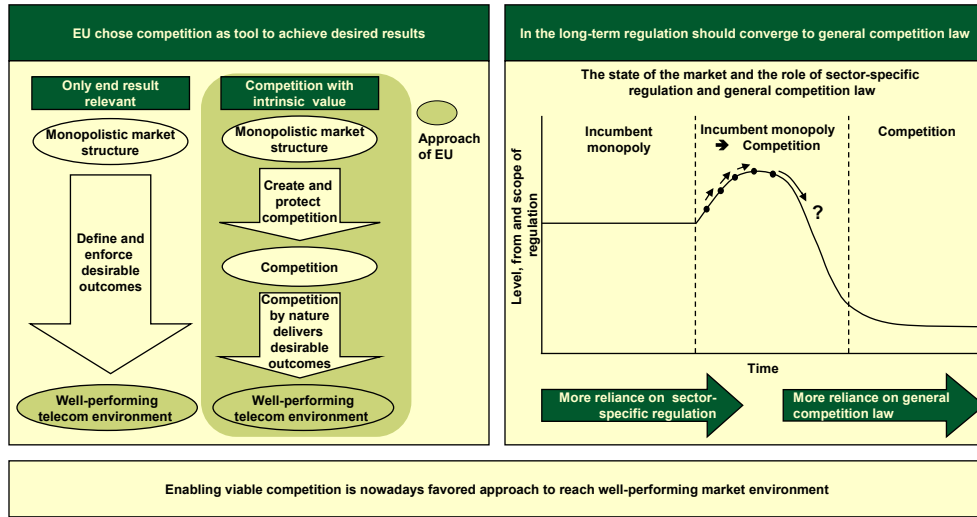
## EVOLUTION OF THE HUNGARIAN TELECOMMUNICATION MARKET



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## REGULATION CAN FOLLOW TWO BASIC APPROACHES TO REACH DESIRED END RESULT

- 2 -



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## IT IS A LONG ROAD

- 3 -

- 1993: Concession-regime
- 1994: Launch of mobile services
- 2001: Liberalisation
- New EU framework
- Lessons of the previous years
- Establishment of a project to address key questions and to deliver a comprehensive concept



**New Act**



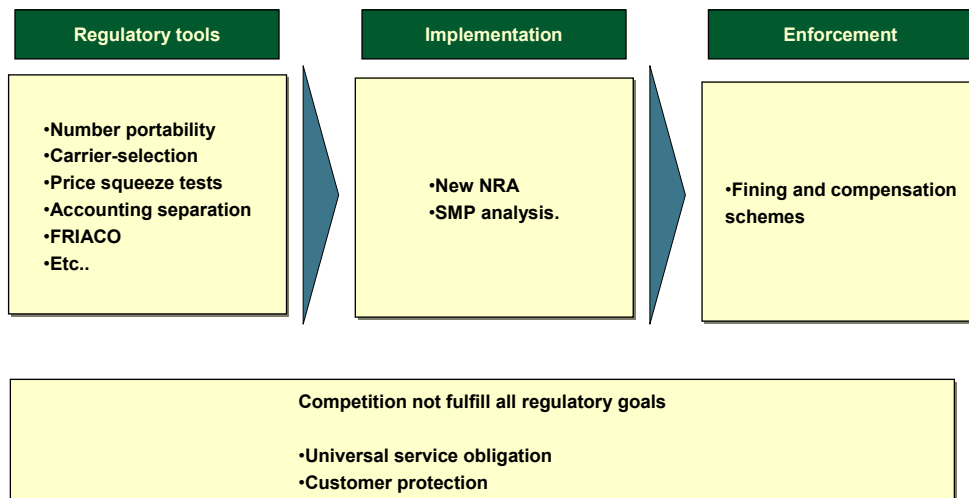
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## GOALS OF THE NEW ACT

- Well-performing telecom environment
- Flexible regulation suitable for long-term (SMP regulation)
- Institutional background
- Stimulate growth of Internet penetration
- Implementation of new EU directives

## LOGIC OF THE REGULATION



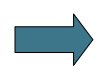
## END-USERS ARE THE CLEAR WINNERS - MAIN ISSUES

Liberalization, competition	Stimulate growth of Internet penetration	Institutional framework
<ul style="list-style-type: none"> <li>• Number portability</li> <li>• Carrier selection</li> <li>• Wholesale regulation               <ul style="list-style-type: none"> <li>– accounting separation</li> <li>– price squeeze tests</li> <li>– forcing RIO based contracting</li> <li>– etc.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Interconnect based dial-up Internet</li> <li>• FRIACO</li> <li>• Non discriminatory, compulsory wholesale offers (DSL)</li> <li>• etc.</li> </ul>	<ul style="list-style-type: none"> <li>• New management model (governed by a board)</li> <li>• Clear and complete definition of tasks, roles, responsibilities, competencies</li> <li>• etc.</li> </ul>
<b>Limits of competition</b>		
<ul style="list-style-type: none"> <li>• New model for USO (separates universal service from social subsidy)</li> <li>• Special attention on customer protection</li> </ul>		

## THE NEW ACT IS NOT A MIRACLE, ONLY A FRAMEWORK

### One of the biggest challenges: liberalise fixed market

- in an unfavourable investment climate
- in a small county with small market size
- with a stagnating fixed penetration rate (36%), while mobile at the double



We believe that liberalisation is the good way in fixed business as well.

**ONLY A FEW EU COUNTRIES HAVE IMPLEMENTED THE FRAMEWORK.**



***Thank you for your  
attention!***