HUNGARIAN CENTRAL STATISTICAL OFFICE

STATISTICAL REFLECTIONS

12 December 2019

Telecommunications, Internet, Television Services 3rd quarter 2019

- **Mobile market is saturated, data traffic surpassed 100 petabyte**
- **The proportion of VoIP call duration further increased**
- **Mobile-internet subscription numbers exceeded 7 million**
- **Digital technology covers 80% of television services**

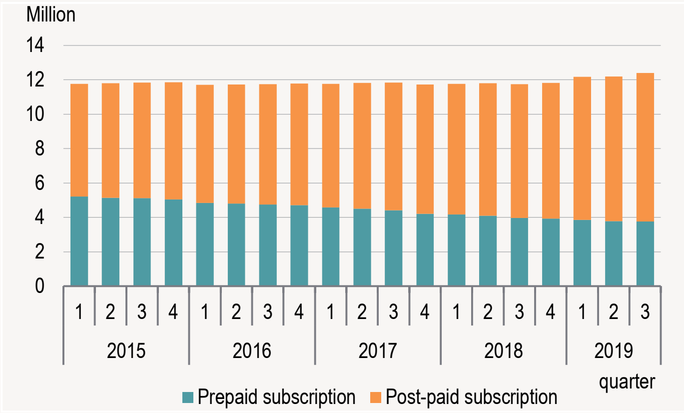
In the 3rd quarter of 2019 the enterprises in the Information, communication section achieved a HUF 901 billion sales revenue at current prices through their sales, 4.5% more than in the same quarter of the previous year. The combined sales revenue of the largest weight carrying information technology and other information service divisions increased by 19%, companies in the telecommunications division reached 2.5% more in sales revenue. **85 thousand people have been full time employees** in the section, 1.9% more year-on-year. Headcount decreased by 6% in the telecommunications division and it surpassed the previous year's numbers overall by 5.9% in the information technology and other information service divisions. **Gross earnings grew by 9.6%** in one year in the section. The highest average earnings occurred in the information technology and other information service divisions: 8.9% more than in the previous year.

Mobile market is saturated, data traffic surpassed 100 petabyte

At the end of the 3rd quarter of 2019 the number of **mobile phone subscriptions – including M2M cards[1] – was 12.4 million.** Within it the number of monthly subscriptions surpassed 8.6 million. **The number of prepaid subscription numbers decreased by 203 thousand** in one year, the relapse in the business is going on for 8 years. The 2017 official decree[2] regarding prepaid subscriptions control, regulating compulsory data reconciliation with subscribers played a role in this trend.

Figure 1

Number of mobile phone subscriptions by type of subscription*

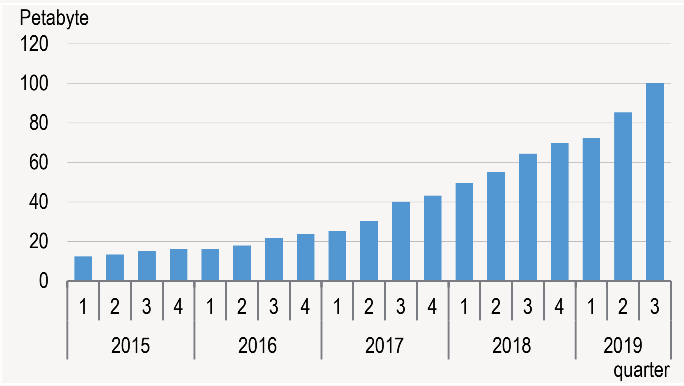


* M2M cards included from 2019.

With the spread of combined service packages and monthly subscriptions, mobile data subscription numbers are continuously growing as well. Monthly subscriptions offer subscribers data traffic as well and their price per minute is more favourable, too.

Figure 2

Mobile network data traffic*

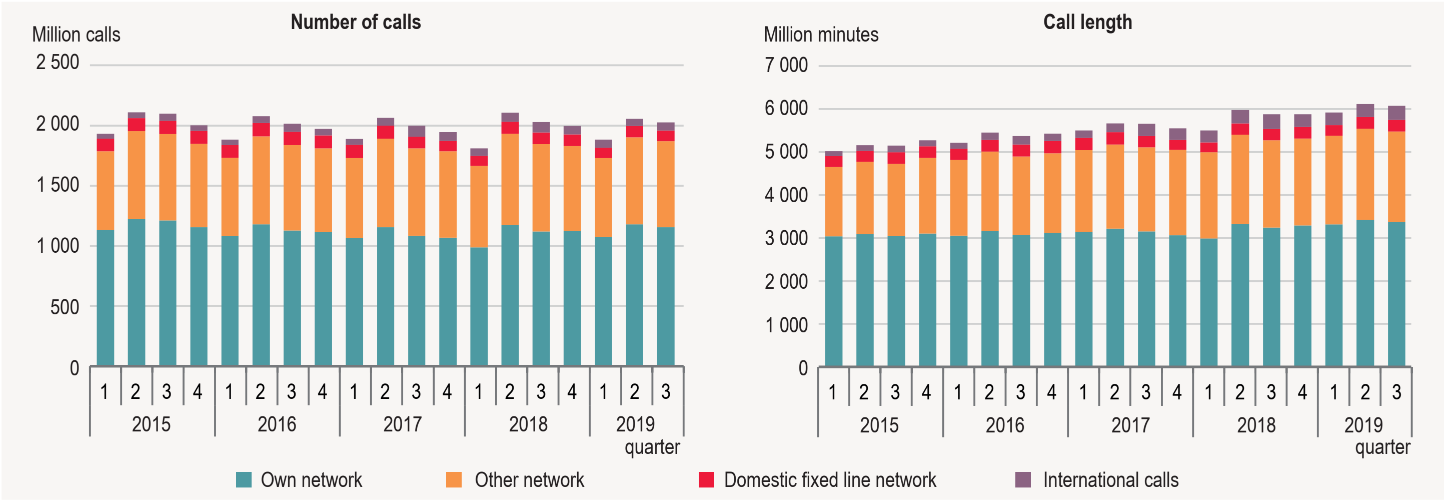


* Data traffic through SIM cards providing voice and mobile internet service.
1 petabyte=1000 terabyte.

[1] M2M (machine to machine) communication: communication between devices without human intervention
[2] NMHH Decree 1/2017. (I. 11.) modifying NMHH Decree 2/2015. (III. 30.) on the Detailed Rules of Electronic Communications Subscriber Agreements.

Figure 3

Number and call length of mobile calls



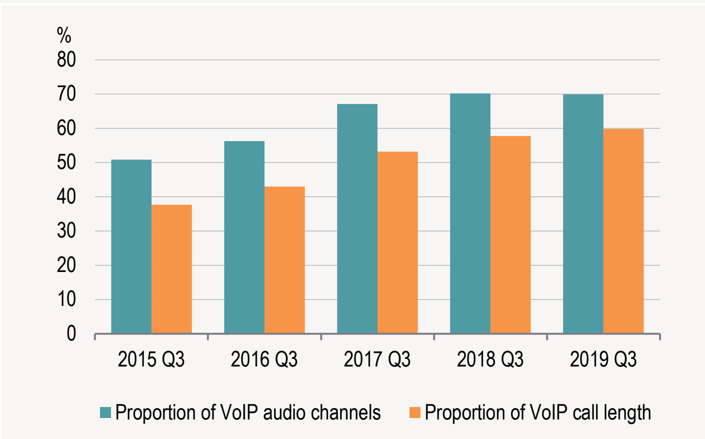
Mobile network data traffic increased to 100 petabyte in the 3rd quarter of 2019. Total data traffic takes place:

- 92% through the 4G/LTE system[3]
- 5.1% in the 3G/UMTS system[4]
- 2,9% was GPRS[5] data traffic.

In the 3rd quarter of 2019 a **total of 2.0 billion calls were initiated from mobile network,** 0.2% less year-on-year. Total time spent on mobile telephony (6.1 billion minutes) **grew by 3.3%.** An average daily 5.3 minutes call time came by one subscription.

Figure 4

Changes in fixed VoIP telephony



According to the rolling – quarter to quarter, deferred by one quarter, rolled-up - data of the four quarters from the 4th quarter of 2018 to the 3rd quarter of 2019 the number of mobile calls increased by 0.9%, their duration by 4.8% compared to the 4th quarter of 2017 – 3rd quarter of 2018 period. In the 3rd quarter of 2019 3.2% more calls were initiated in own network than a year earlier, their duration grew overall by 4.1%. Calls in other networks lessened by 1.6%, on the other hand their duration increased by 3.7%. The duration of the small weight carrying international calls, – after the growth period lasting until the end of the 1st quarter of 2019 – decreased by 4.2% in the 3rd quarter of 2019.

The proportion of VoIP call duration further increased

The number of fixed main lines stagnated; it was 3.2 million at the end of the 3rd quarter of 2019. 33 fixed main lines came per one hundred inhabitants. 84% of fixed lines belonged to individual subscribers, their number basically did not change. Business main lines lessened by 3.3%, their proportion was 15%.[6]

Within fixed main lines the proportion of **VoIP voice channels** (cable tv as well as broadband, fixed telephony) **was 70%.** 53% of calls took place on VoIP voice channels. 60% of total call time was partly or completely VoIP based.[7]

The **number of calls initiated** in the 3rd quarter of 2019 **from the fixed line network was 14% less; their duration was 9.2% shorter** than in the 3rd quarter of 2018. Average call time increased by 0.3 minute in one year.

According to the data of the four rolling quarters from the 4th quarter of 2018 to the 3rd quarter of 2019 the number of fixed line calls decreased by 15%, their duration shortened by 8.6% compared to the period between the 4th quarter of 2017 and the 3rd quarter of 2018. In the 3rd quarter of 2019 the combined number of local and long distance calls decreased by 14% year-on-year. The duration of calls was 6.7% shorter than a year earlier. The duration of international calls, representing 1.5% of fixed line calls, fell by 4.8%.

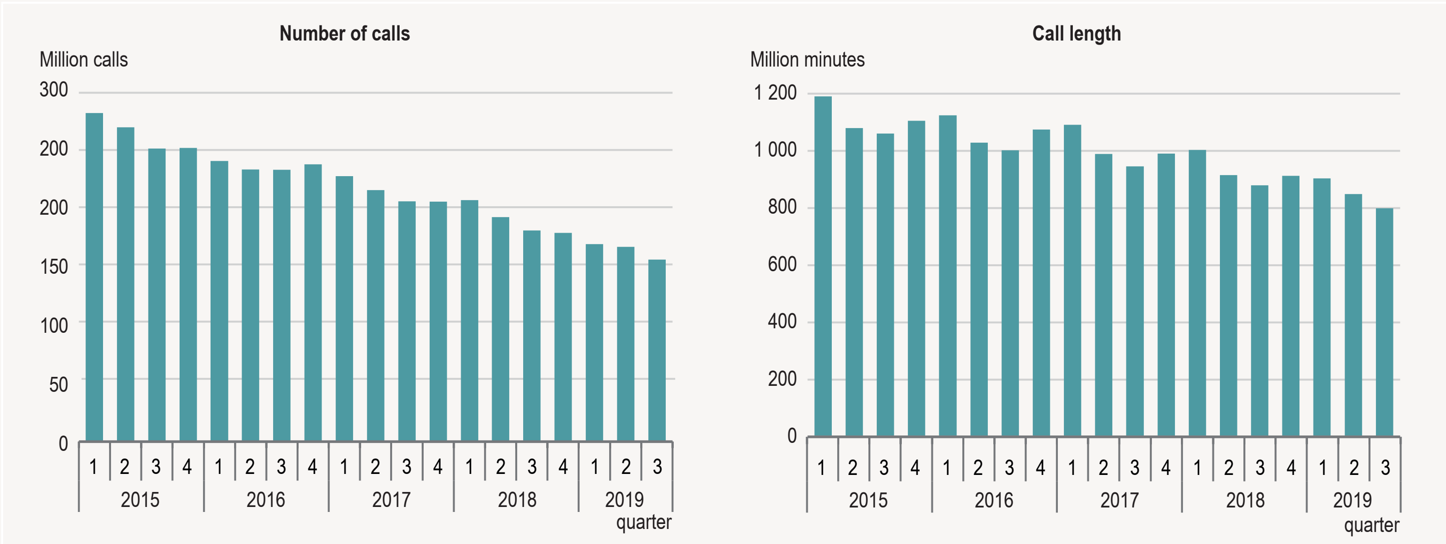
73% of fixed main line calls were initiated from individual lines, 25% from business lines. Time spent on fixed line calls meant 89% individual, 10% business calls. Three quarters of local and long distance calls were initiated by individual subscribers. Close to two-thirds of international calls originated from business lines.[8]

Subscribers talked fewer times but for longer on fixed main lines (5.1 minutes) than on mobile (3.0 minutes). Calls per one fixed main line were 7 less, those initiated from mobile subscriptions were 9 less compared to the 3rd quarter of the previous year. Calls initiated from mobile phones represented 88% of the total phone conversation time.

[3] 4G/LTE (Long Term Evolution): fourth generation mobile phone technology.
[4] 3G/UMTS(Universal Mobile Telephone Service) third generation mobile communication, data transmission mode through broadband, two-way radio connection
[5] GPRS (General Packet Radio Service) package-linked data transmission.
[6,8] Based on data collection No. 1707 – titled *Interim data of telecommunication services and carried* out by the National Ministry of Innovation and Technology (ITM) – in the National Statistical Data Collection Programme (OSAP).
[7] Partly or fully VoIP-based fixed calls (realized via the internet or other, also IP-based data networks).

Figure 5

Number and call length of fixed line calls

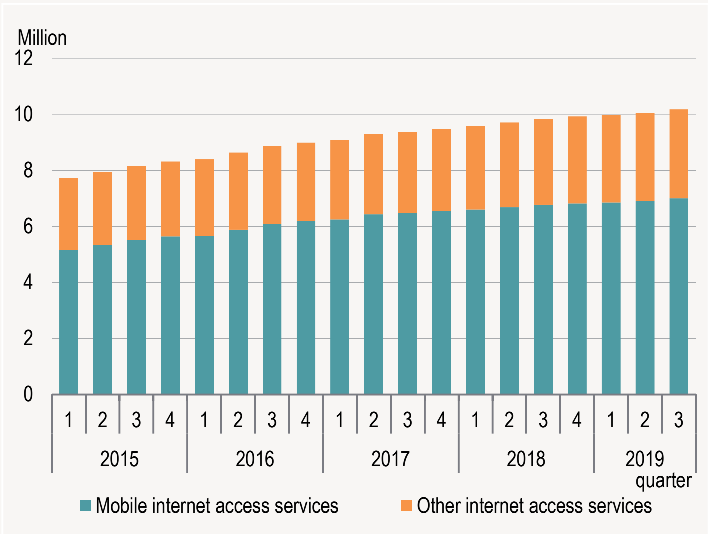


Mobile-internet subscription numbers exceeded 7 million

The number of internet subscriptions was 10.2 million at the end of the 3rd quarter of 2019, surpassing the 3rd quarter 2018 data by 3.5%. Market concentration is high: 10 providers covered more than 97% of the total subscriptions. 82% of internet subscriptions were individual, 18% business contracts.

Figure 6

Changes in internet subscription numbers



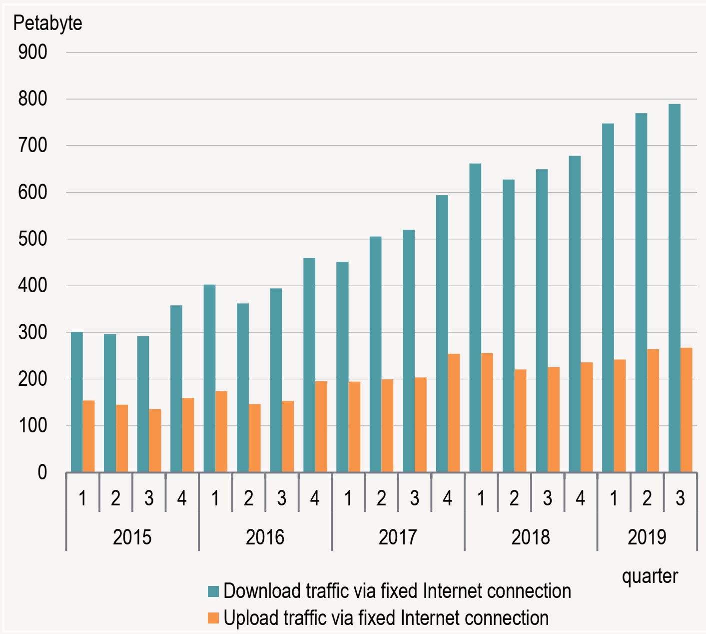
The rapid adaptation of providers to technological changes, furthermore the spreading of mobile phones and the continuous price competition stands partly behind the dynamic growth going on for years; as a result mobile internet subscriptions are becoming more affordable. Internet subscriptions distribution shows this trend, too:

- 69% mobile internet
- 15% cable
- 8% optical
- 7% xDSL
- 1% other technologies.

Fixed line internet download traffic[9] is growing dynamically year after year, in the 3rd quarter of 2019 download traffic was 22%, the upload one 19% higher than in the same period of the previous year.

Figure 7

Changes in fixed line internet data traffic



The qualitative development in the field of the fixed line internet segment is shown by the fact that subscriptions moved within the high-end access categories (cable and optical) toward the exceptionally high speed offering ranges.

Net sales revenue of internet services is growing continuously; its change in the **3rd quarter of 2019** significantly surpassed that of the subscription-number increase. The HUF 77 billion sales revenue was **14% more at current prices year-on-year,** and more than half of it came from mobile internet services.

[9] Based on data collection No. 1994 – titled *Interim data of internet and television services and carried* out by the National Ministry of Innovation and Technology (ITM) – in the National Statistical Data Collection Programme (OSAP).

Figure 8

Distribution of fixed line internet subscriptions by guaranteed and nominal bandwidth

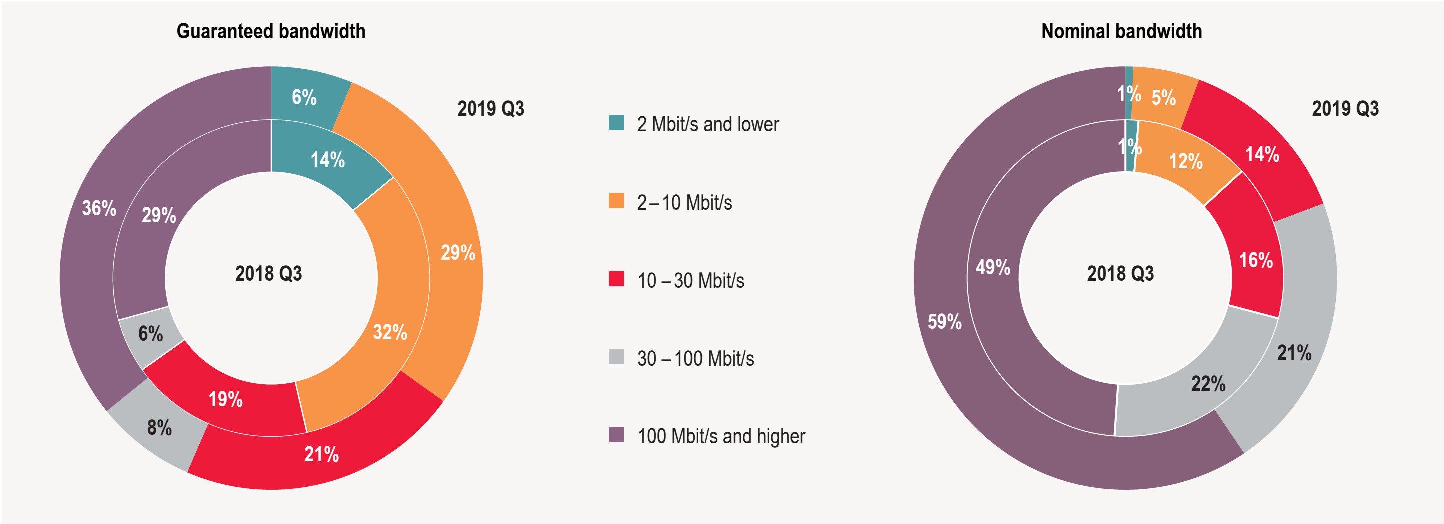


Figure 9

Changes in internet subscriptions net sales revenue

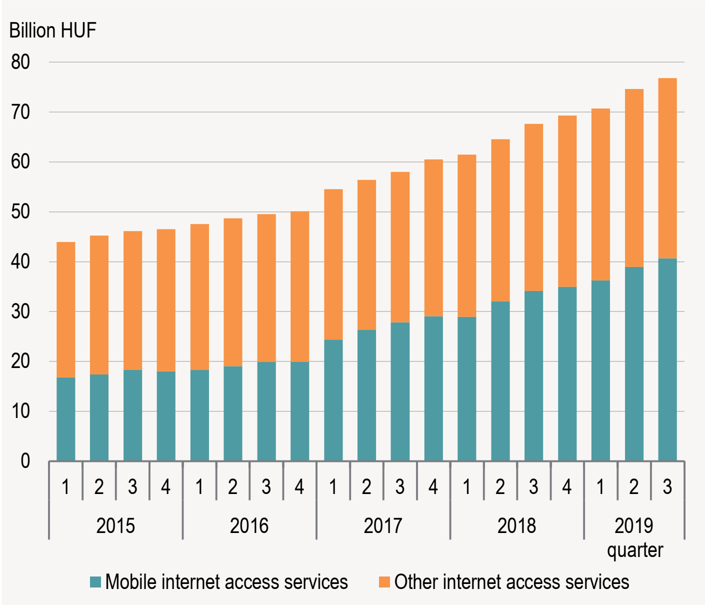
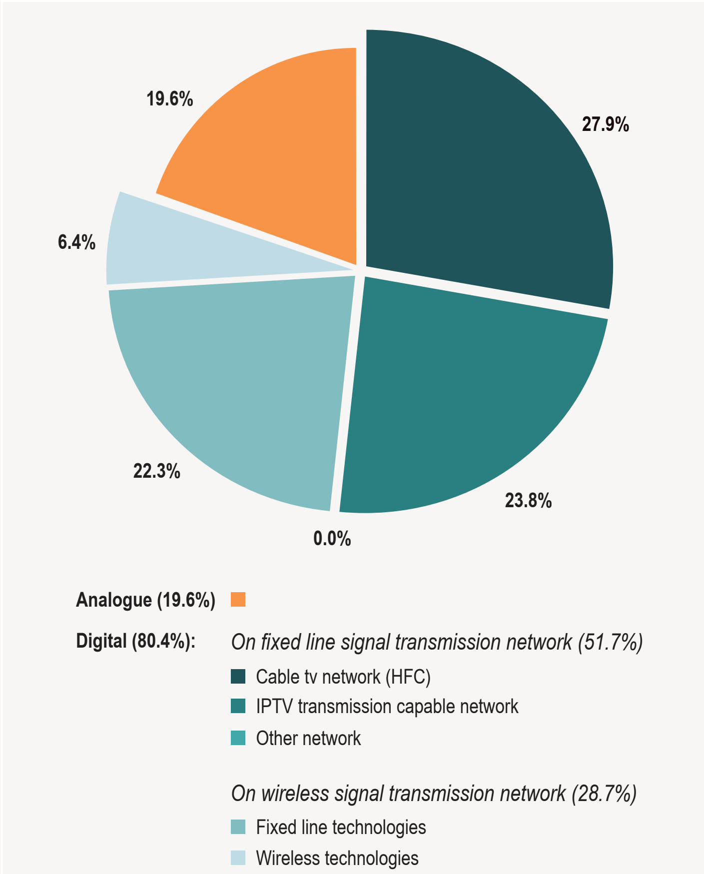


Figure 10

Distribution of television service subscriptions by subscription packages and signal transmission technologies, 2019 Q3



Digital technology covers 80% of television services

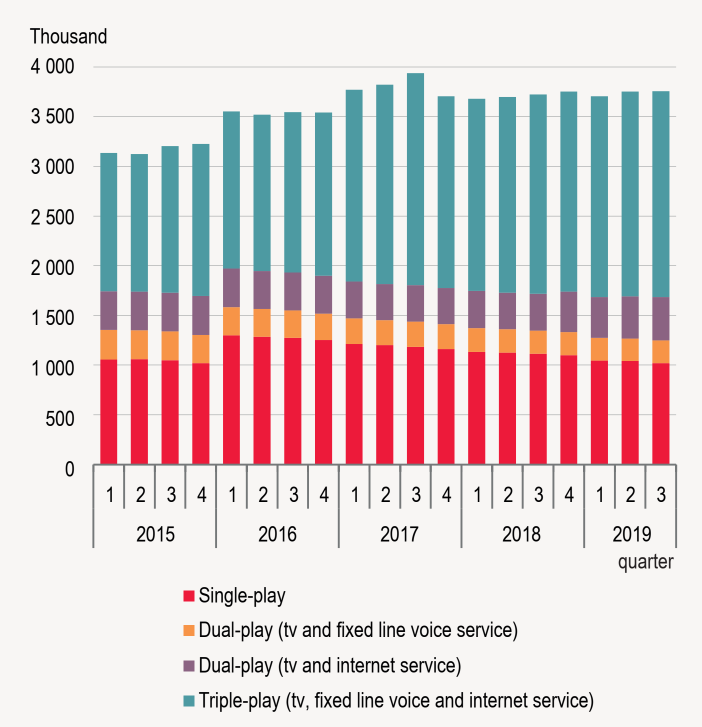
At the end of the 3rd quarter of 2019 the **subscription numbers of television services**[10] **increased by 0.9%,** compared to the 3rd quarter of 2018 and came close to 3.8 million. Digital packages represent an ever growing proportion of subscriptions, year after year. 71% of subscription packages reached customers through fixed line signal transmission networks.

Triple-play subscriptions - containing tv, fixed line voice- as well as internet services – are most popular, their number increased by 3.2% compared to the same period of the previous year.

[10] Based on data collection No. 1994 – titled *Interim data of internet and television services and carried* out by the National Ministry of Innovation and Technology (ITM) – in the National Statistical Data Collection Programme (OSAP).

Figure 11

Number of television service subscriptions by subscription packages



Methodological notes

Interim data cannot be considered final, these can change – due to quarterly corrections – during the year. In the Statistical Classification of Economic Activities in the European Community (abbreviation in Hungarian: TEÁOR; in English: NACE Rev.2) internet service doesn't appear as individual activity however it has to be reported; this is the reason why the basis of our list of respondents is made up by the register of telecommunication service providers published on the National Media and Infocommunications Authority's homepage. The respondents of the reference year are assigned according to the previous year's September state of the register. We used unrounded values for the calculation of dynamic relative numbers. Sum of partial data may differ from total amounts due to rounding. Data referring to fixed telecommunications slightly differ from each other (under 1.0%) as they come from different sources (OSAP 1639 *Telecommunications and broadcasting performances*, OSAP NFM 1707 *Interim data of telecommunication activities*). Comparability of 2014 and 2015 data originating from "OSAP 1639 *Telecommunications and broadcasting performances*", "OSAP NFM 1707 *Interim data of telecommunication activities*" is limited due to the enlargement of respondents' circle. Starting 2018 we publish the data traffic of mobile network and the fixed line internet in petabytes. Data referring to fixed internet slightly differ from each other (under 1.0%) as they come from different sources (OSAP 1639 *Telecommunications and broadcasting performances*, OSAP NFM 1707 *Interim data of telecommunication activities*). Respondents included in the "OSAP NFM 1994 *Interim data of internet and television services*" data collection represent approximately a 99% coverage in the television services market. Comparability of the 2015 year's data coming from television services database is limited as a result of the enlargement of the respondents' circle.

Further information, data (links):

Tables (STADAT)

Methodology

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