HUNGARIAN CENTRAL STATISTICAL OFFICE
STATISTICAL REFLECTIONS
13 September 2019

Telecommunications, internet, television services, 2nd quarter 2019

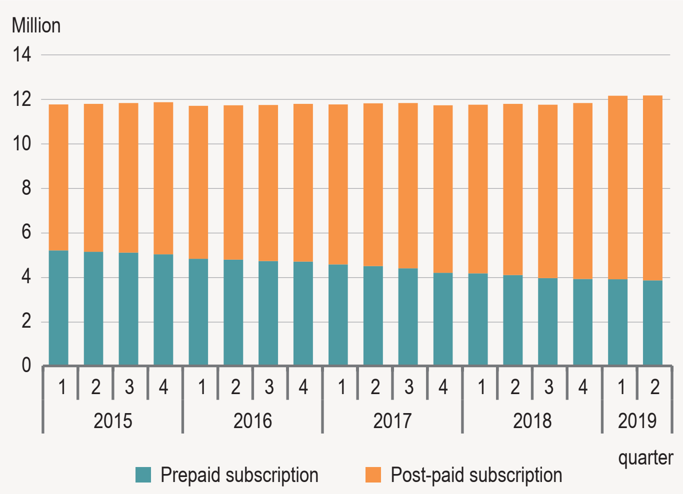
- **Mobile market is saturated, data traffic grows dynamically**
- **The proportion of VoIP call duration further increased**
- **Internet subscription numbers exceeded 10 million**
- **Digital technology covers 80% of television services**

Mobile market is saturated, data traffic grows dynamically

At the end of the 2nd quarter of 2019 the **number of mobile phone subscriptions – including M2M cards[1] – was 12.2 million**. Within it the number of monthly subscriptions surpassed 8.3 million. The relapse of prepaid subscription numbers, going on for 8 years continued, it decreased by 241 thousand in one year. 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*

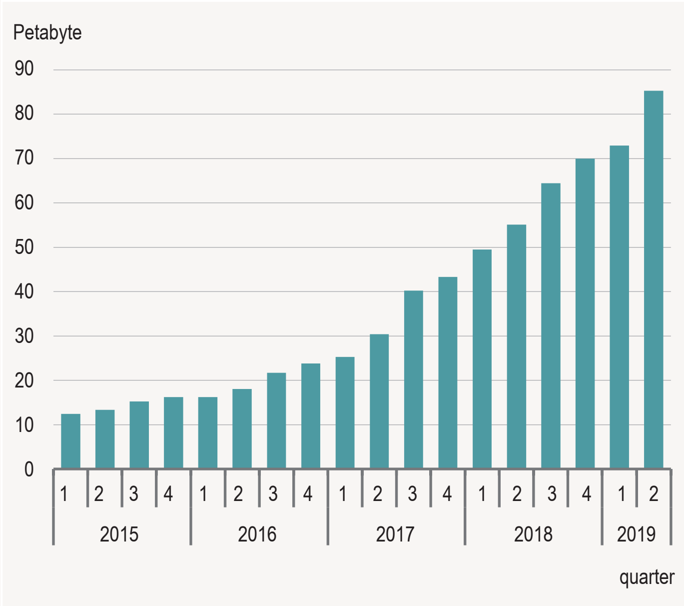


* M2M cards included from 2019.

With the spread of combined service packages and monthly subscriptions, mobile data subscription numbers are continuously growing also. Monthly subscriptions offer data traffic as well for subscribers 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.

Mobile network data traffic increased to 85 petabyte in the 2nd quarter of 2019. Total data traffic takes place:

- 92% through the 4G/LTE system[3],
- 5.8% in the 3G/UMTS system[4],
- 2.3% was GPRS[5] data traffic.

In the 2nd quarter of 2019 a **total of 2.1 billion calls were initiated from mobile network**, 2.4% less year-on-year. Total time spent on mobile telephony (6.1 billion minutes) **grew by 2.4%**. An average daily 5.5 minutes call time came by one subscription.

According to the rolling – quarter to quarter, deferred by one quarter, rolled-up – data of the four quarters from the 3rd quarter of 2018 to the 2nd quarter of 2019 the number of mobile calls increased by 1.3%, their duration by 5.0% compared to the 3rd quarter of 2017 – 2nd quarter of 2018 period. In the 2nd quarter of 2019 0.6% more calls were initiated in own network than a year earlier, their duration grew by 2.9% in one year. Calls in other networks lessened by 4.7%, however their duration increased by 2.5%. The duration of the small weight carrying international calls, after the growth during the previous quarters decreased by 1.2%.

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.
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.

Figure 3

Number and call length of mobile calls

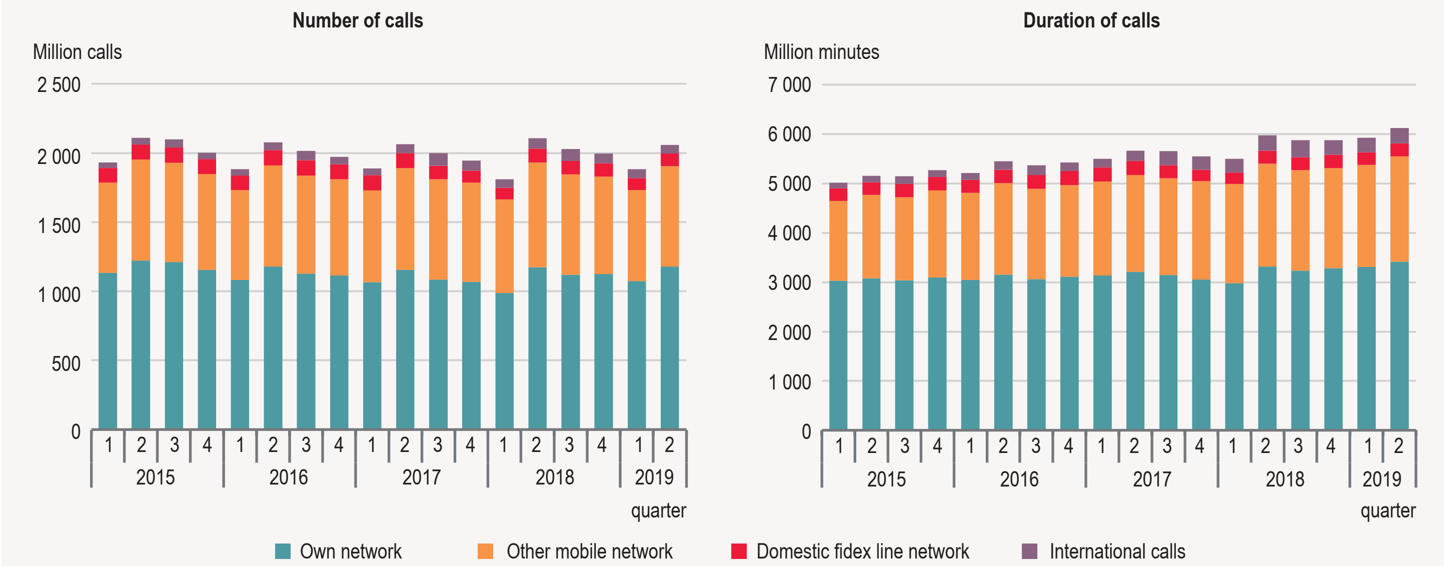
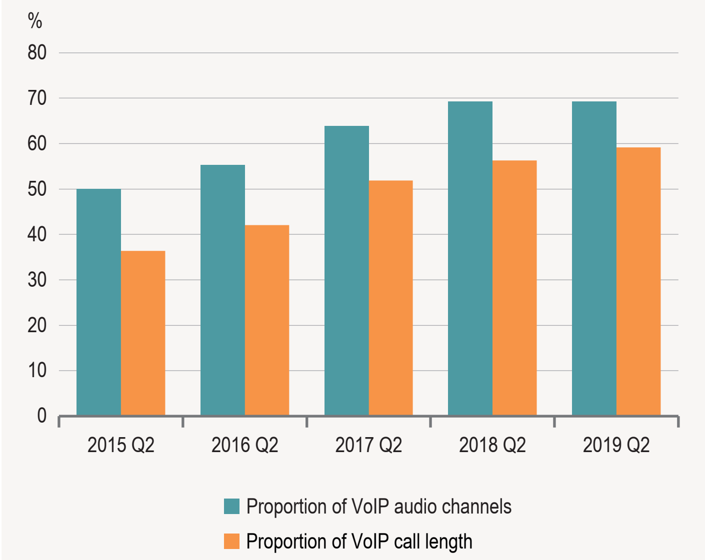


Figure 4

Changes in fixed line VoIP telephony



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 2nd quarter of 2019. 33 fixed main lines came per one hundred inhabitants. Individual subscribers possessed 87% of fixed lines, their number increased by 3.8% in one year. Business main lines lessened by 18%, their proportion was 13%.[6]

Within fixed main lines the proportion of **VoIP voice channels** (cable tv as well as broadband, fixed telephony) **was 69%**. 53% of calls took place on VoIP voice channels. 59% of total call time was partly or completely VoIP based.[7]

The number of calls initiated in the 2nd quarter of 2019 **from the fixed line network** was 13% less; their duration was 7.2% shorter than in the 2nd 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 3rd quarter of 2018 to the 2nd quarter of 2019 the number of fixed line calls decreased by 14%, their duration shortened by 8.5% compared to the period between the 3rd quarter of 2017 and the 2nd quarter of 2018. In the 2nd quarter of 2019 the combined number of local and long distance calls decreased by 13% year-on-year. The duration of calls was 6.7% shorter than a year earlier. The duration of international calls, representing 1.2% of fixed line calls, fell by 30%.

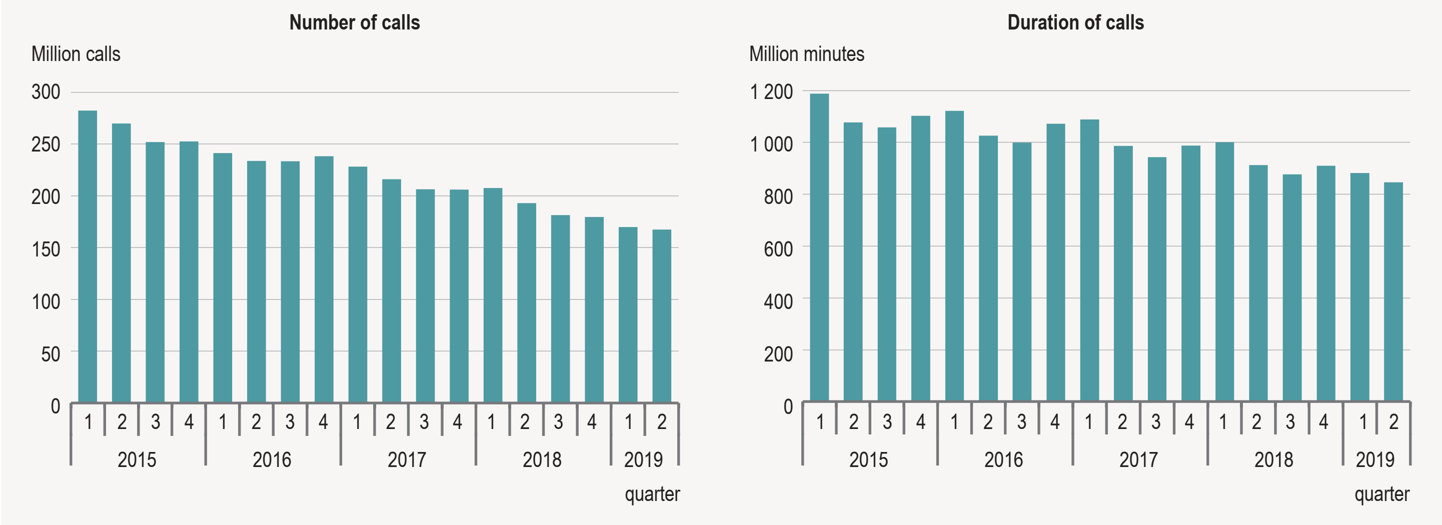
71% of fixed main line calls were initiated from individual lines, 27% from business lines. Time spent on fixed line calls meant 88% individual, 11% business calls. Close to three quarters of local and long distance calls were initiated by individual subscribers. The larger proportion of international 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 eight less, those initiated from mobile subscriptions were ten less compared to the 2nd quarter of the previous year. Calls initiated from mobile phones represented 88% of the total phone conversation time.

[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

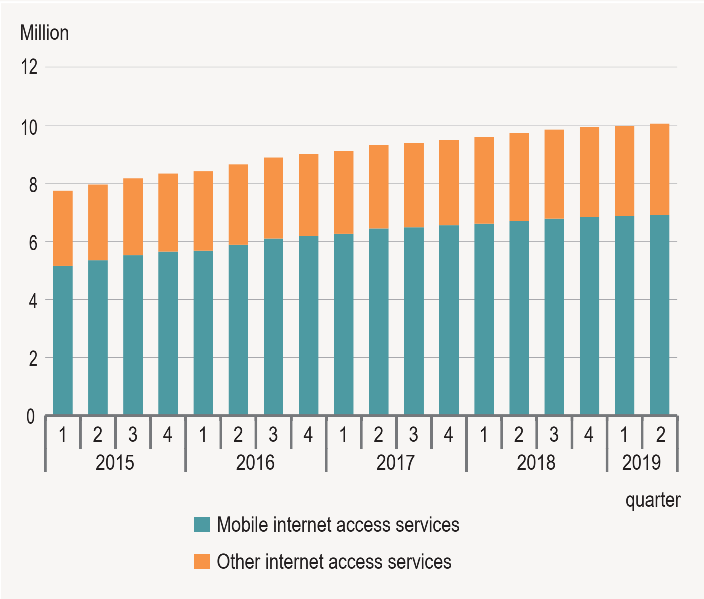


Internet subscription numbers exceeded 10 million

The number of internet subscriptions exceeded 10 million at the end of the 2nd quarter of 2019, surpassing the 2nd quarter 2018 data by 3.3%. Market concentration is high: 10 providers covered more than 96% of the total subscriptions. 81% of internet subscriptions were individual, 19% business contracts.

Figure 6

Changes in internet subscription numbers



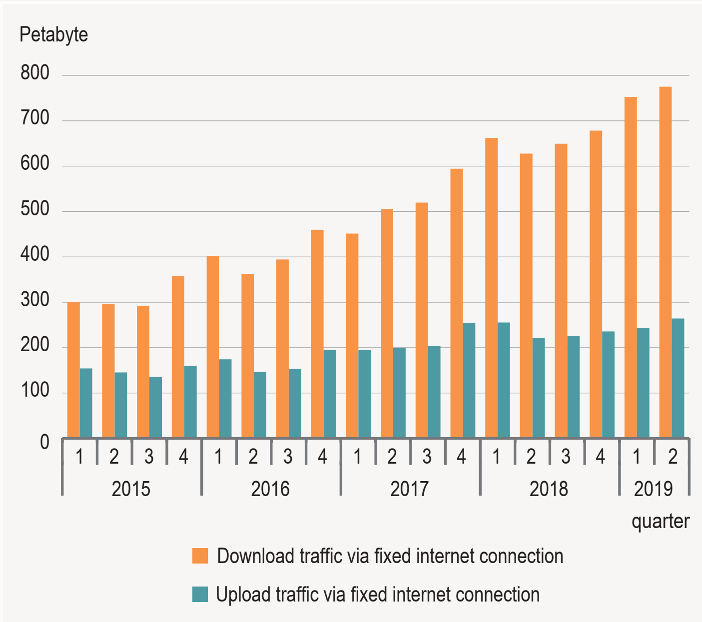
The rapid adaptation of providers to technological changes, the spreading of mobile phones and the continuous price competition stands behind the dynamic growth going on for years; as a result mobile internet subscriptions become more affordable. Internet subscriptions distribution shows this trend:

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

Download traffic of fixed line internet[9] is growing dynamically year after year, in the 2nd quarter of 2019 it was 24% higher than in the same period of the previous year.

Figure 7

Changes in fixed line internet data traffic



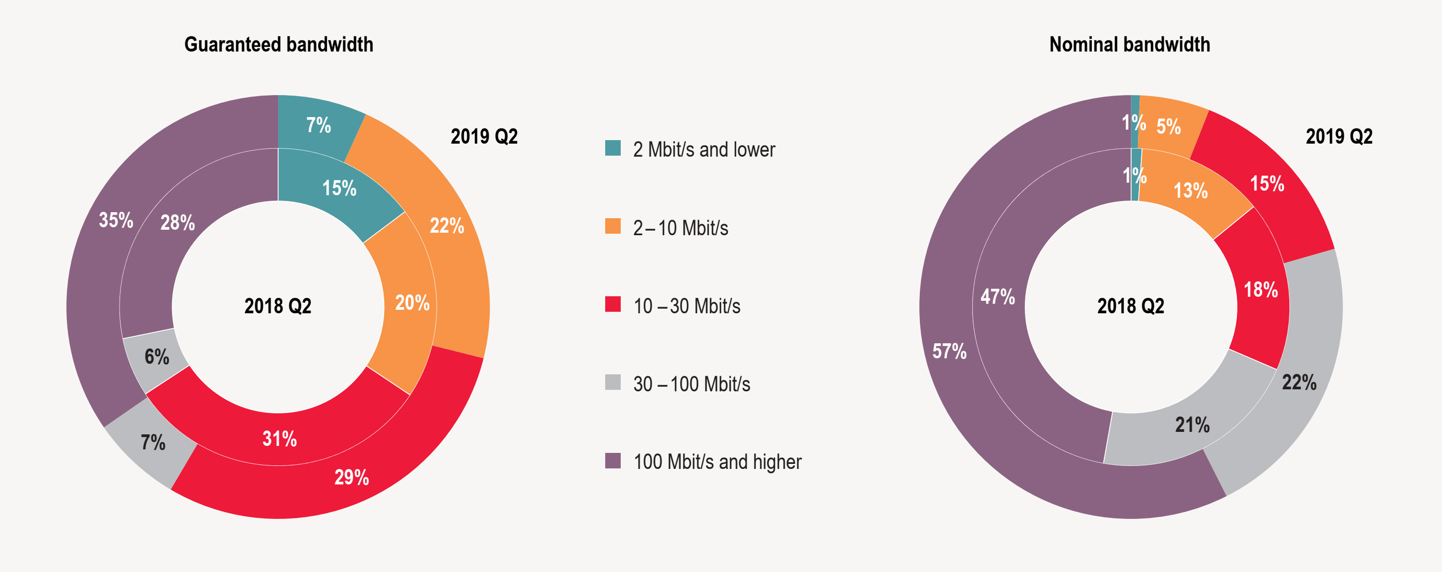
The qualitative development in the field of the fixed line internet segment is shown by the fact that subscriptions moved within the high-end access categories (cable and optical) toward the exceptionally high speed offering ranges.

Net sales revenue of internet services is growing continuously; in the **2nd quarter of 2019** its change significantly surpassed that of the subscrip-

[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

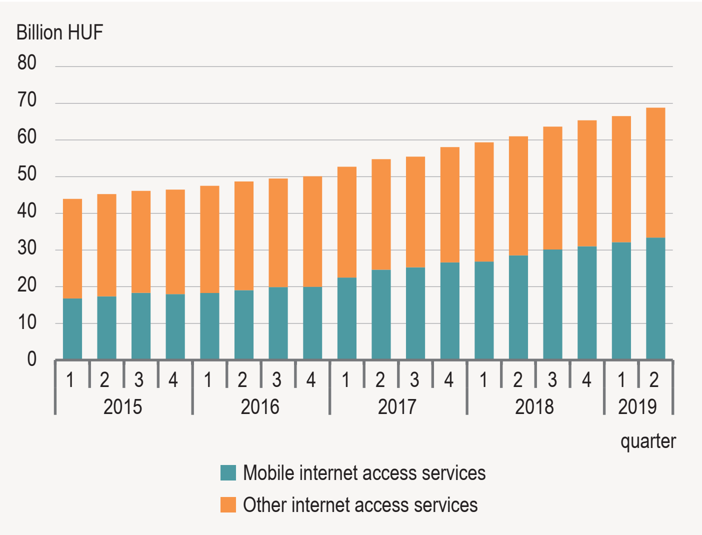
Distribution of fixed line internet subscriptions by guaranteed and nominal bandwidth



tion-number increase. The HUF 69 billion sales revenue was 13% more at current prices year-on-year, and almost half of it came from mobile internet services.

Figure 9

Changes in internet subscriptions net sales revenue



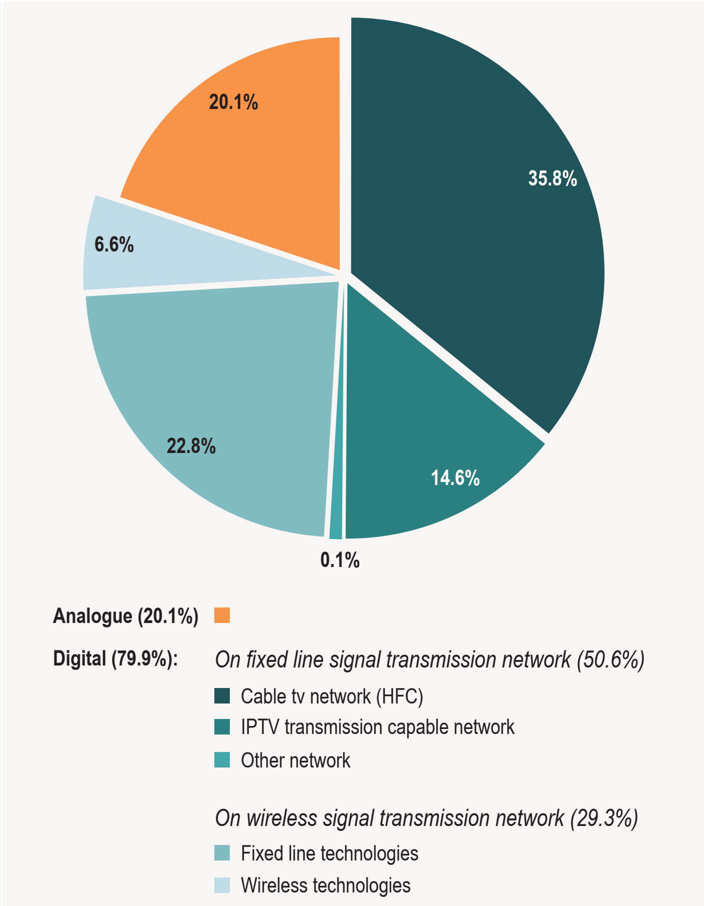
Digital technology covers 80% of television services

At the end of the 2nd quarter of 2019 the **subscription numbers of television services[10] increased by 1.9%**, compared to the 2nd 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 5.0% compared to the same period of the previous year.

Figure 10

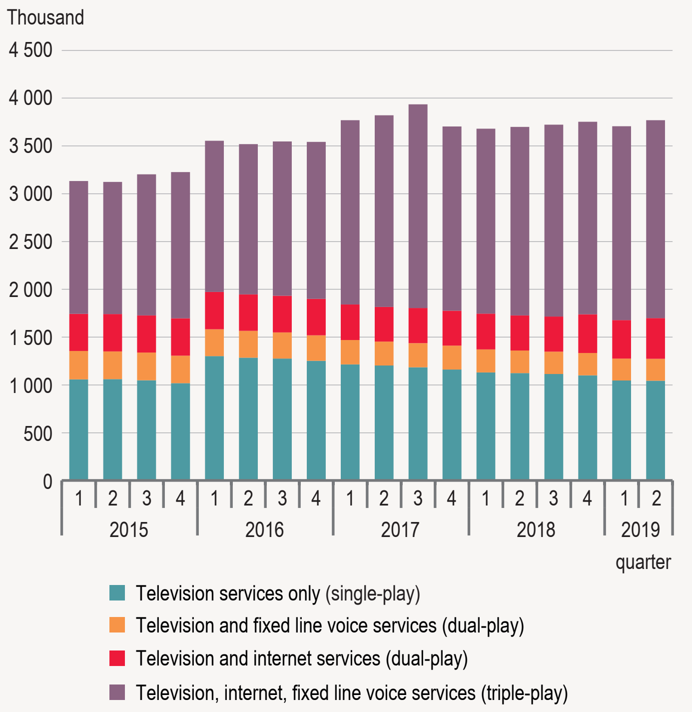
Distribution of television service subscriptions by subscription packages and signal transmission technologies, 2019 Q2



[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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