



Montenegro
AGENCY FOR ELECTRONIC MEDIA
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MARKET REPORT
ON RADIO AND TV PROGRAMME DISTRIBUTION TO END USERS
- OCTOBER 2016 –

Pursuant to the licences awarded by the Agency for Electronic Media, the distribution of radio and TV programmes to the end users is done through a terrestrial free-to-air platform (DVB-T2 FTA) and via different conditional access platforms (KDS, IPTV, DTH, MMDS and DVB-T2).

There are two operators using the terrestrial free-to-air (FTA) platform.

"Radio-difuzni centar" d.o.o. has the status of an operator of the first multiplex for digital terrestrial broadcasting, covering the whole territory of Montenegro (MUX 1), one part of which is used as a FTA and a larger part as a conditional access platform, as well as the status of an operator of the second multiplex for digital terrestrial broadcasting (MUX 2), whose capacities are used as a conditional access platform. Moreover, this operator has a status of an operator of 15 local multiplexes, which are, also partially, used as FTA platform.

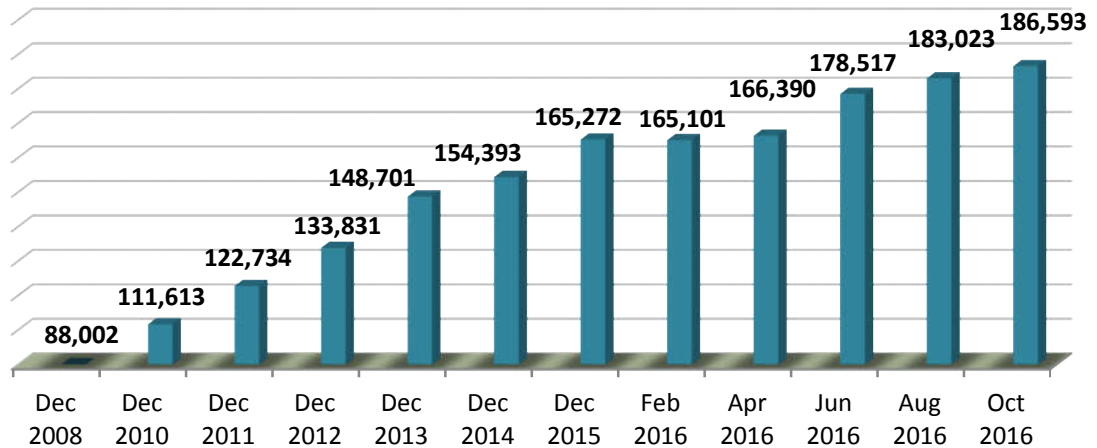
In addition, the Podgorica-based company „M-tel" d.o.o. became an operator of the local multiplex MUX UL 1 in the Municipality of Ulcinj, after the company "Mir & Teuta" d.o.o had transferred its licence for this multiplex temporarily to this company. The capacities of this multiplex are also used only partially as a FTA platform.

The national public broadcaster (RTCG), with its two TV channels (TVCG1 and TVCG2), as well as the broadcasters TV Vijesti, TV Prva and TV Pink M have obtained the right to access the first national multiplex (MUX 1). The access to the local multiplex has been obtained by the broadcasters TV Teuta and TV Boin in the Municipality of Ulcinj (MUX UL L1), TV Boin in the Municipality of Podgorica (MUX PG-DG L1), TV Sun in the Municipality of Bijelo Polje (MUX BP L1), and TV Glas Plava in the Municipality of Plav (MUX PL-GS L1). In addition, the local public broadcasters established by the municipalities of Budva, Niksic and Pljevlja have obtained the right to access local multiplexes in Budva (MUX BD L1), Niksic (MUX NK-PZ L1) and Pljevlja (MUX PV L1) respectively.

As regards the conditional access (Pay-TV) platforms, the following nine operators of non-terrestrial platforms have distribution rights: two cable, three IPTV operators, one MMDS and DHT each, and two operators of *terrestrial* platforms with conditional access (DVB-T2). Since one licensed IPTV operator has not yet started to provide service, this report refers to the eight operators of ***conditional access platforms***.

As at **31 October 2016**, the number of connections for the distribution of radio and TV programmes over different conditional access platforms was **183,593**.

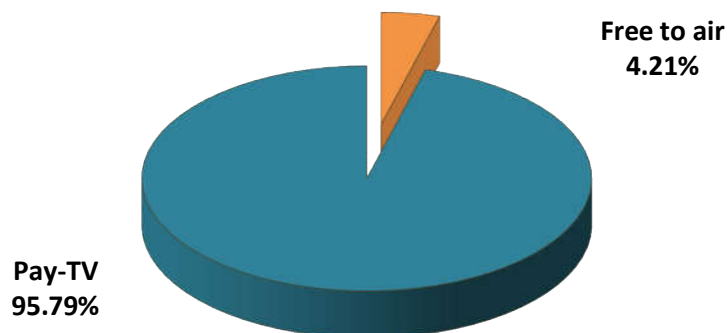
Compared with the number of connections at the end of August, the number of users of Pay-TV services rose by **3,570** or 1.95%, in a period of two months. Since the beginning of the year, the number of connections has increased by 12.90%.



Graph 1: Number of connections to conditional access platforms (Pay-TV)

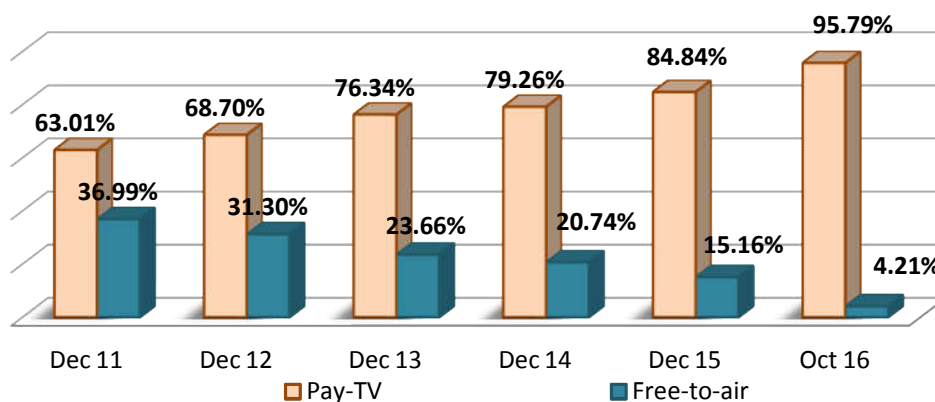
Presuming that all or most of the data on connections account for the users belonging to the category of households, an estimate of how Montenegrin households receive radio and TV programmes can be made by cross-referencing this data with the number of households in Montenegro¹.

At the end of the reporting period, **4.21%** of Montenegrin households used only free-to-air reception of radio and TV programmes. On the other hand, the remaining **95.79%** of households opted for one of the conditional access platforms for distribution of radio and TV programmes.



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

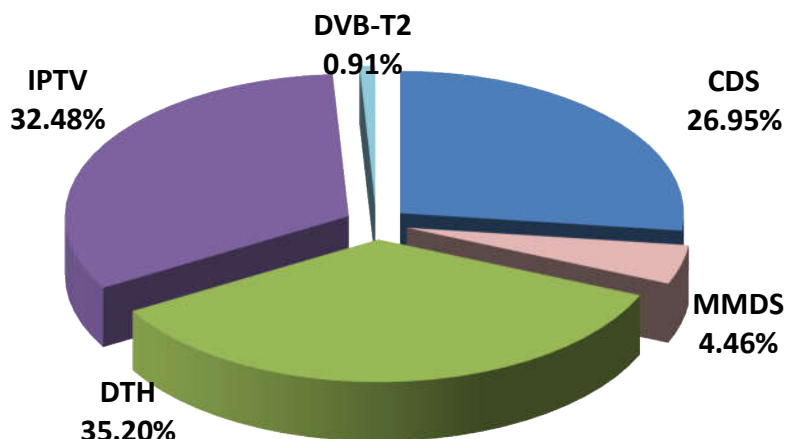
The following graph shows the trends in the share of households with only free-to-air television and the ones using one of the conditional access platforms, against the total number of households in Montenegro over the last five years, and at the end of the reporting period.



Graph 3: Comparison of the total number of households with free-to-air TV, and conditional access platforms

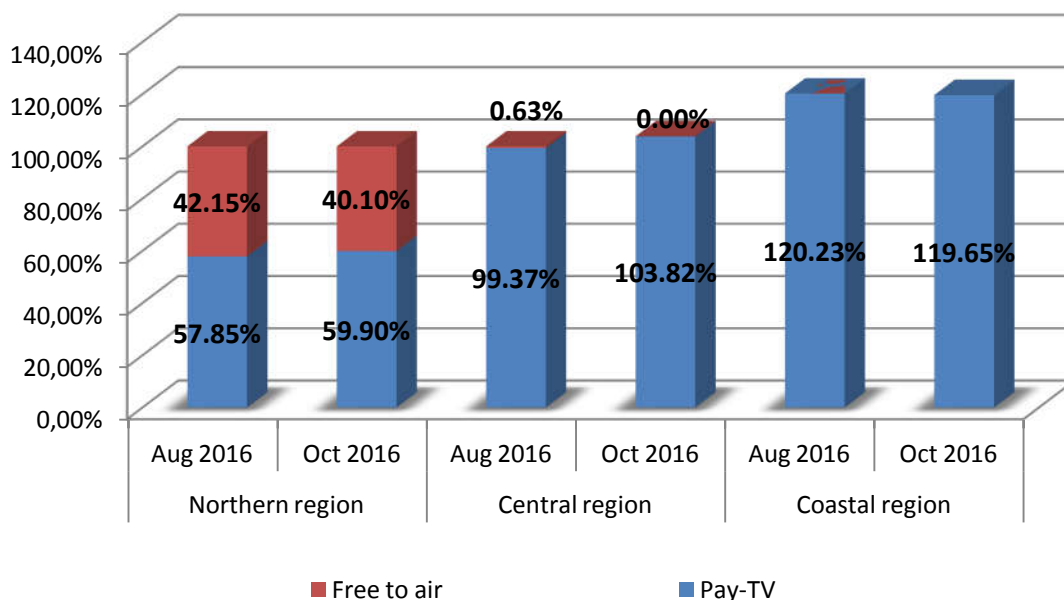
¹ Census of 2011 – Source: Monstat "2011 Census of Population, Households and Dwellings in Montenegro"

In terms of the share of conditional access platforms, the IPTV and DTH platforms are in the leading position in the market of distribution of radio and TV programmes to the end users, with the respective market shares of 35.20% and 32.48%. They are followed CDS with 26.95%, MMDS with 4.46%, and DVB-T2 with 0.91%.



Graph 4: Market share of conditional access platforms

A demand for radio and TV programme distribution service is different in the northern, central and coastal region² of Montenegro. In proportion to the number of households, the demand is highest in the coastal region, with 119.65%. This means that the number of connections to conditional access platforms exceeds the number of households in this region by 9,953. It order to interpret the data accurately, it must be taken into account that a certain number of connections in the coastal region account for the ones in hotels and other tourist facilities. It is followed by the central region with 105.45%, and northern region, where 59.90% of households that use conditional access platforms. According to the aforementioned data, the disproportion in the development of market of these services is increasing across the regions. Despite the fact that the number of users of non-terrestrial platforms has increased by 21,321 since the beginning of 2016, there has been only a slight increase in the northern region, where approximately 21,500 households still have access to free-to-air television only.



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

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.

In the reporting period, an average price of the basic tier was €9.72 (between €11.90 and €5.00). The basic tier offers 61 TV channels on average (between 118 and 13). Only one operator distributes radio programme, and has 7 radio stations in its tier.

The five operators that have additional tiers offer 5 additional tiers on average (between 9 and 1). An average price of the additional tier is €6.07 (between €25 and €2.00).

According to the structure of additional tiers, sports and film channels have the highest share. The best selling additional tiers on the territory of Montenegro are the PINK tiers with 19%, the ARENA and HBO tiers with approximately 12% each.

One operator offers the access to its services online and through mobile applications. In this way, it is possible to access a certain number of radio and TV channels offered by this operator. In addition, video on demand service is provided by one operator.

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 €10.47 per month.
