



Montenegro
AGENCY FOR ELECTRONIC MEDIA
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MARKET REPORT
ON RADIO AND TV PROGRAMME DISTRIBUTION TO END USERS
- SEPTEMBER 2015 -

Pursuant to the licences awarded by the Agency for Electronic Media, the following seven operators of non-terrestrial platforms have the right to distribute radio and TV programmes to the end users in the authorized service zone: two cable, two IPTV operators, and one MMDS, DHT and mobile operator each. Since one licensed IPTV operator has not yet started to provide service, this report refers to the six operators that provide the service of conditional access to AVM content via non-terrestrial platforms.

In addition, "Radio-difuzni centar" d.o.o. acquired the status of an operator of the first multiplex for terrestrial broadcasting in 2014, covering the whole territory of Montenegro, and the right to provide its service by means of radio-frequencies in all four allotment zones for DVB-T/DVB-T2, as defined by the Radio-frequency Allotment Plan for Digital Terrestrial Broadcasting (Bjelasica, Lovćen, Podgorica and Tvrdaš).

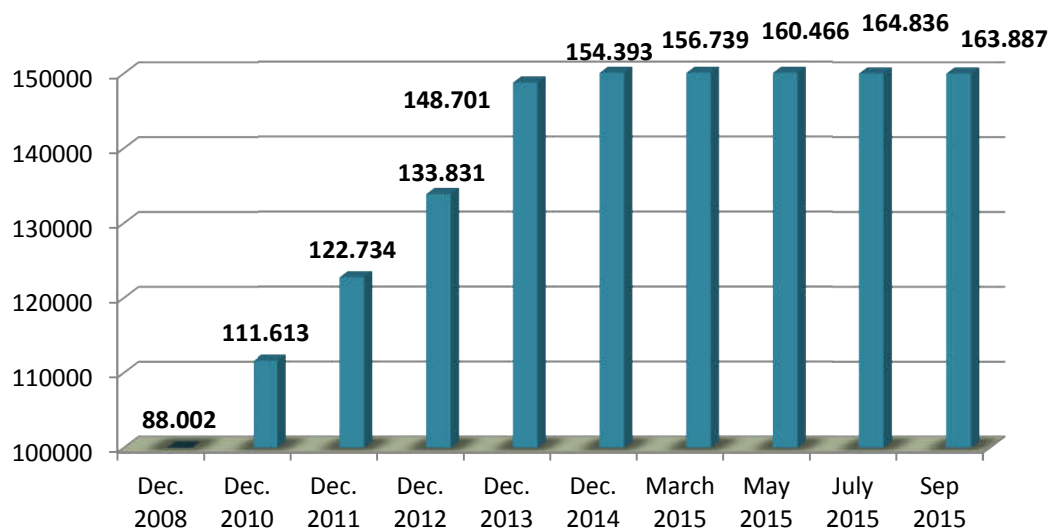
In the first half of 2015, the right to provide on-demand AVM services through DVB-T2 networks with local coverage was awarded to the company "Radio-difuzni centar" d.o.o. for the service zone covering 15 municipalities. In the Municipality of Ulcinj, the right to provide on-demand AVM services through DVB-T2 networks with local coverage was awarded to the company "Mir & Teuta" d.o.o.

The national public broadcaster (RTCG), with its two TV channels, as well as the broadcasters TV Vijesti, TV Prva and TV Pink M obtained the right to access the first national multiplex (MUX 1).

In the Municipality of Ulcinj, the access to the local multiplex has been obtained by the broadcasters TV Teuta and TV Boin. 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 at 30 September 2015, the number of connections for the distribution of radio and TV programmes over different conditional access platforms was **163,887**.

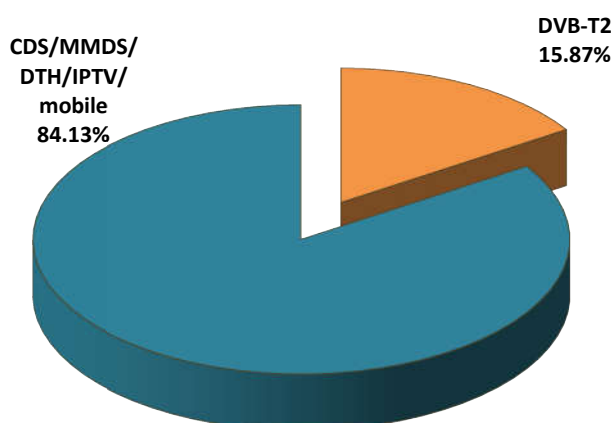
Compared with the number of connections at the end of July 2015, a negative trend in the number of users of radio and TV programme distribution services has been recorded. Over a period of two months, the number of connections decreased by 983 or 0.60%.



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

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

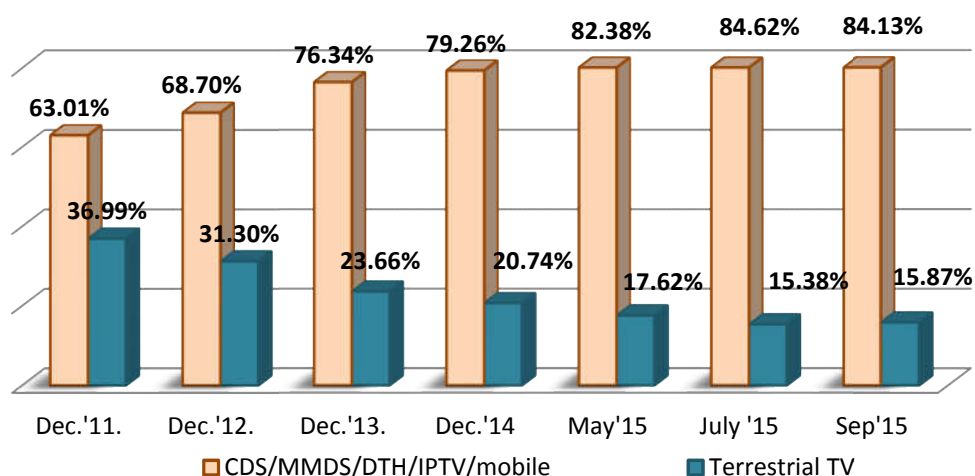
At the end of the reporting period, **15.87%** of Montenegrin households used only terrestrial (analogue) i.e. free-to-air reception of radio and TV programmes. On the other hand, the remaining **84.13%** of households opted for one of the alternative platforms for distribution of radio and TV programmes.



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

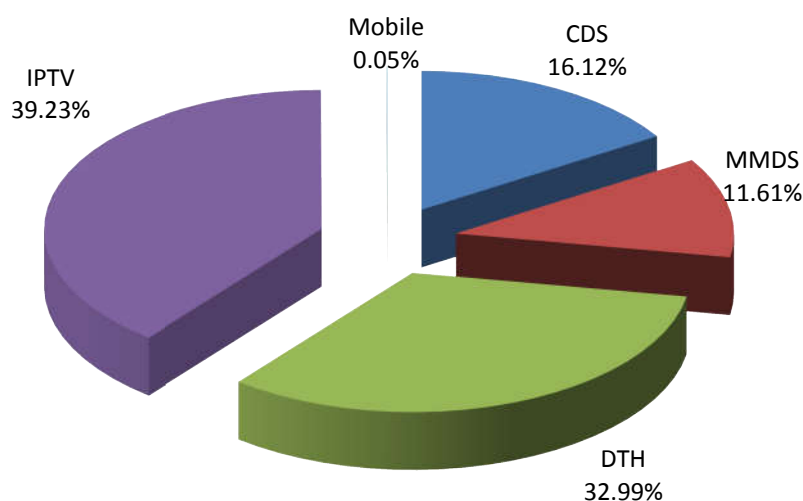
The following graph shows the trends in the share of households with only terrestrial analogue television and the ones using one of the available platforms, against the total number of households in Montenegro over the last four years, and at the end of the reporting period.

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



Graph 3: Comparison of the total number of households with analogue TV, and radio and TV programme distribution platforms

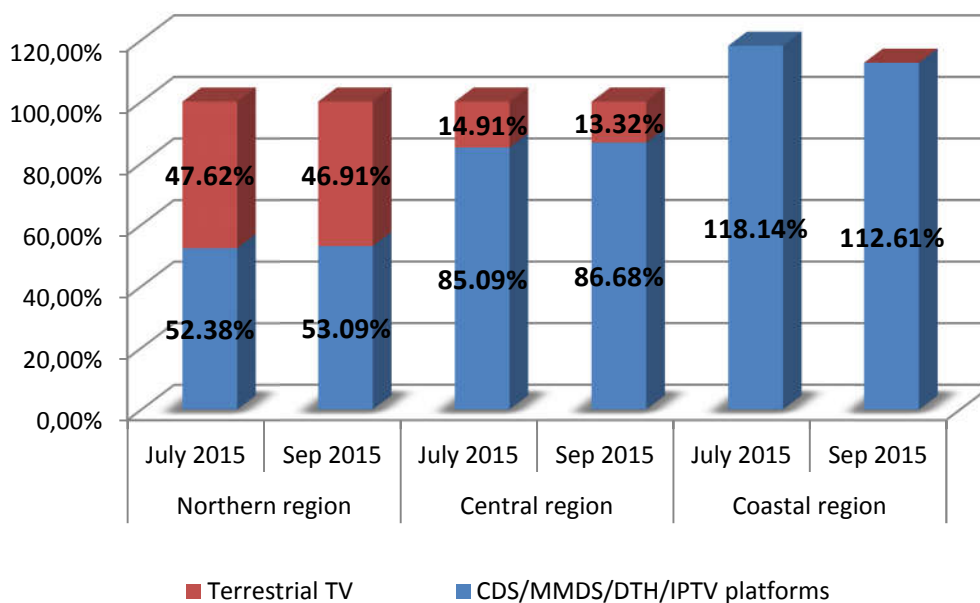
In terms of the share of non-terrestrial platforms, the IPTV platform is in the leading position in the market of distribution of radio and TV programmes to the end users, with a market share of 39.23%. It is followed by DTH distribution with 32.99%, CDS with 16.12%, MMDS with 11.61%, and mobile platform with a 0.05% market share.



Graph 4: Market share of non-terrestrial 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 112.61%. This means that the number of connections to non-terrestrial platforms exceeds the number of households in this region. In 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 86.68%, and northern region, where 53.09% of households use the services of operators.

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.



Graph 5: Structure of households by primary platform used for reception of radio and TV programs - by region (at the end of July and September 2015)

In the reporting period, an average price of the basic tier was €10.17 (between €11.90 and €6.05). The basic tier offers 81 TV channels on average (between 176 and 40). Only one operator distributes radio programme, and has 11 radio stations in its tier.

The five operators that have additional tiers offer 5 additional tiers on average (between 10 and 4). An average price of the additional tier is €5.39 (between €25 and €2.54).

A demand for additional tiers is also different across regions. In proportion with the number of basic tier subscribers, a demand for additional tiers in the central and coastal region is 29% and 28% respectively, as opposed to 16% in the northern region.

According to the structure of additional tiers, sports and film channels have the highest share, followed by film channels. The best selling additional tiers on the territory of Montenegro are the PINK tiers with 36%, the ARENA sports tier with 18%, and HBO with 15%.

Six operators distribute radio and TV programmes to the end users in digital technology in the whole or part of their service zone. Although most of the operators offer the possibility of reception of a certain number of high-definition TV channels (HDTV), the share of users that opted for this possibility is 10.76% of the total number of the additional tiers sold.

Two operators offer the access to their services online and through mobile applications. In this way, it is possible to access a certain number of radio and TV channels offered by the operators. One operator offers the access to these services free of charge, while this service is still being tested by the other operator and is currently free of charge for all users.

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 €11.21 per month.
