



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

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, three IPTV operators, and one MMDS and DTH 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.

With regard to the terrestrial platform, "Radio-difuzni centar" d.o.o. has the status of an operator of the first and second multiplex for terrestrial broadcasting, covering the whole territory of Montenegro (MUX 1 and MUX 2), as well as the status of an operator of 15 local multiplexes. In addition, the company "Mir & Teuta" d.o.o has the status of an operator of the local multiplex MUX UL 1 in the Municipality of Ulcinj.

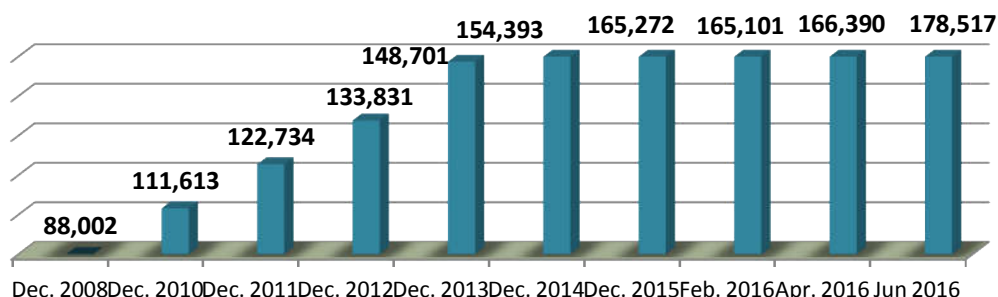
The national public broadcaster (RTCG), with its two TV channels (TVCG1 i TVCG2), as well as the broadcasters TV Vijesti, TV Prva and TV Pink M have obtained the right to access the first national multiplex (MUX 1).

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 at **30 June 2016**, the number of connections for the distribution of radio and TV programmes over different (CDS/MMDS/DTH/IPTV) conditional access platforms was **178,517**.

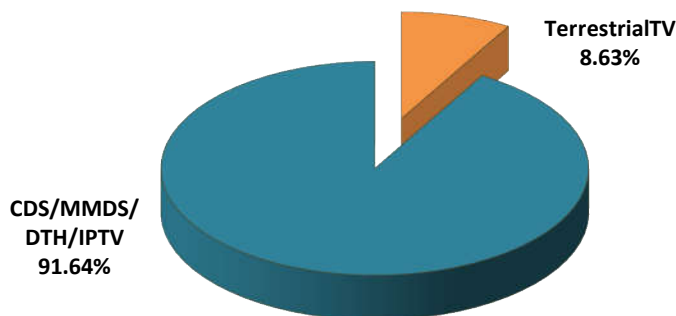
Compared with the number of connections at the beginning of the year, the number of users of radio and TV programme distribution services has increased by 13,245 or approximately 8%, in a period of six months. Over a period of two months (May and June 2016), the number of connections rose by 11,648 or 6.98%.



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

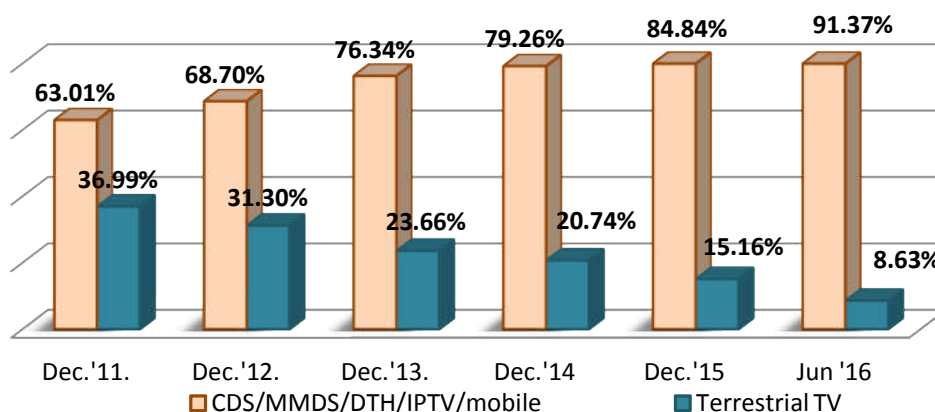
Presuming that all or most of the data on connections account for the users belonging to the category of households, an estimate of the primary technology used by Montenegrin households for the reception of radio and TV programmes can be made by cross-referencing this data with the number of households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

At the end of the reporting period, **8.63%** of Montenegrin households used only terrestrial (analogue) i.e. free to air reception of radio and TV programmes. On the other hand, the remaining **91.64%** of households opted for one of the alternative platforms for distribution of radio and TV programmes.



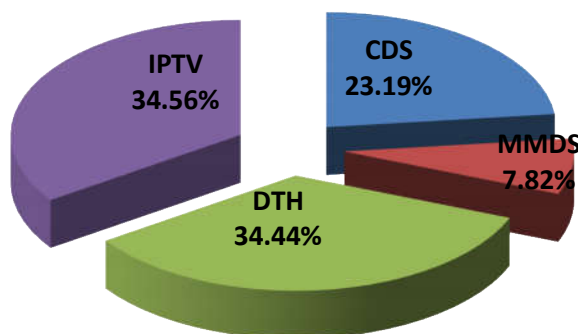
Graph 2: Household structure by primary platform for reception of radio and TV programmes

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 five years, and at the end of the reporting period.



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

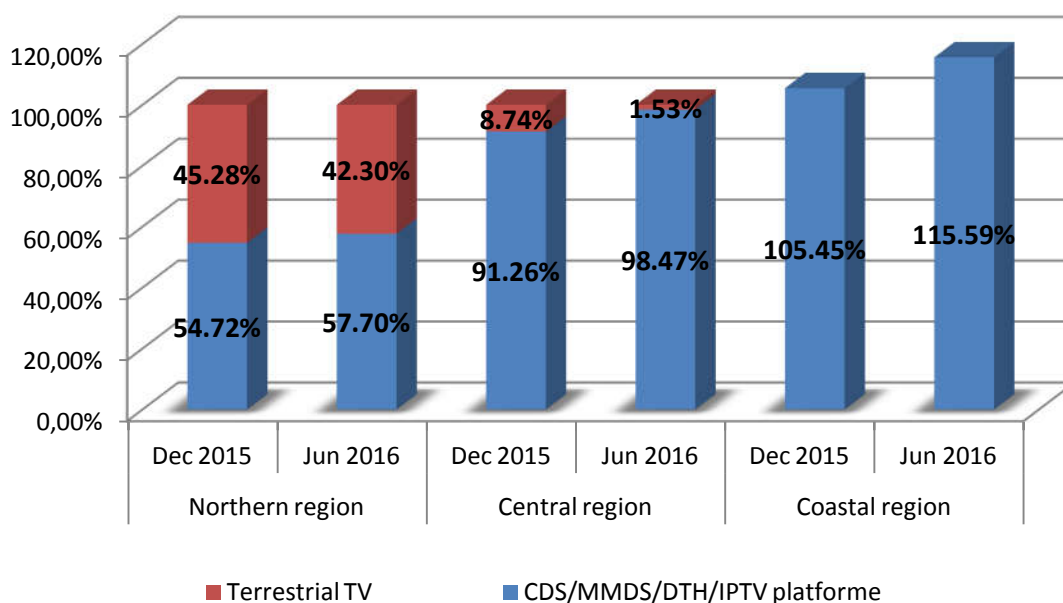
In terms of the share of non-terrestrial platforms, the IPTV and DTH platforms are in the leading position in the market of distribution of radio and TV programmes to the end users, with the respective market shares of 34.56% and 34.44%. They are followed CDS with 23.19%, and MMDS with 7.82%.



Graph 4: Market share of non-terrestrial platforms

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

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 115.59%. This means that the number of connections to non-terrestrial platforms exceeds the number of households in this region by 7,894. 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 98.47%, and northern region, where 57.70% of households use the services of operators. 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 13,245 since the beginning of 2016, there has been only a slight increase in the northern region, where approximately 22,500 households still have access to the terrestrial (free to air) television only.



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

In the reporting period, an average price of the basic tier was €9.75 (between €11.90 and €6.05). The basic tier offers 73 TV channels on average (between 184 and 41). Only one operator distributes radio programme, and has 14 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 €5.19 (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 is 20% in the central and coastal region, as opposed to 11% in the northern region.

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 27%, the ARENA and HBO tiers with approximately 12% each.

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 have opted for this possibility is 22% of the total number of the additional tiers sold.

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.

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. This service is free of charge for all clients of this 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 €10.60 per month.
