



BELGIAN INSTITUTE FOR POSTAL SERVICES AND TELECOMMUNICATIONS

BIPT

PRESS RELEASE

The Belgian telecom prices on the business market are average in comparison to the neighbouring countries for the lion's share of the smaller businesses

Brussels, 22 July 2015 - For the second time, BIPT publishes a study comparing the prices for telecom products on the business market in Belgium with the prices in our neighbouring countries (Germany, France, the United Kingdom and the Netherlands). The Belgian prices for telecom products in the business segment have been found to be favourable to average for the majority of the 8 business types defined in the study. As regards the business types characterized by a high mobile communications use or a strong focus on international calls by means of a fixed line, Belgium ranks less favourable compared to the five countries studied.

The business telecom market in numbers

With a turnover of 2.36 billion euro in 2014, the business market¹ holds a 39% share in the total retail revenue from fixed and mobile electronic communications (6.07 billion euro).

The revenue from fixed services amounted to 62% of the business turnover. While in 2014 the number of fixed business voice channels had decreased to 1,491,331, which represents a decrease by 4.8% on an annual basis, the demand for bandwidth for Internet access and data services increased. By the end of 2014 at least 771,000 Belgian customer sites were provided with business connectivity services.

In that same year Belgium had 2,519,658 active business retail SIM cards, a 19.8% share of the total number of active mobile SIM cards, excluding M2M. The retail turnover from business mobile services of the three mobile network operators and full MVNO Telenet decreased in 2014 by 6% to 780 million euro. In 2013 that turnover decreased by another 12%. 73.2% of the business mobile SIM cards are used for mobile data, ensuring a 195 million euro turnover from data (+1%). The growth in data turnover however is not sufficient to compensate the decrease in turnover from voice and SMS causing an overall drop for the retail turnover from business mobile services of 6% to 780 million euro.

Average prices for the majority of the smaller companies

By order of BIPT, consultant Teligen carried out a study for the second time to compare the price level of telecom products on the business telecom market with the prices in our neighbouring countries (Germany, France, the United Kingdom and the Netherlands). In the report 8 types of business users are distinguished, representing different user levels of telecom products, in bundles or stand-alone.

These can be subdivided into 2 groups: on the one hand there are the one-man businesses (one-man businesses at a fixed location, home-based professionals, and 2 types of mobile professionals) and on the other hand the SMEs with 5 up to 50 telecom users (retail outlets, wholesale businesses, local production companies and local service companies).

¹ Based on data from 9 operators: Belgacom, Base Company, BT Limited, Colt Telecom, Mobistar NV, Telenet NV, Verizon Belgium Luxembourg, Brut el, Tecteo.

The Belgian telecom prices for the business market are, compared to the neighbouring countries, on the whole average for the majority of the one-man businesses (one-man businesses at a fixed location, home-based professionals and mobile professionals with a relatively limited voice and data use). For the smallest SME business type (retail outlets) the Belgian telecom prices are the cheapest.

For the majority of these business types Germany is one of the more expensive countries. Often prices are higher in the Netherlands as well, but only for one-man businesses, while in France and the United Kingdom prices are lower.

Belgium holds a less favourable position for businesses characterized by a high use of mobile calling and international fixed calls

Mobile professionals, such as commercial representatives, with a very high use of mobile communications services pay relatively more than in most neighbouring countries. That is due on the one hand to the higher mobile telephony costs in Belgium for this user profile and on the other hand also to the very competitive prices for mobile communications in a number of neighbouring countries such as France and the United Kingdom.

In comparison with 5 countries, Belgium also holds an unfavourable position for the business types including a strong focus on international fixed telephony. That is the case for wholesale businesses and local service companies in particular.

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