

17. Telecommunications

On 1 May 2005 the new Act on Electronic Communications came into force, by which the Czech Republic implemented the regulatory framework of the European Union from 2002. The electronic-communications sector in the Czech Republic has been fully liberalized (with number portability as of 1 January 2006). Every natural person or legal entity that fulfills the conditions stipulated by law can enter the market and provide electronic-communications services or operate a public communications network.

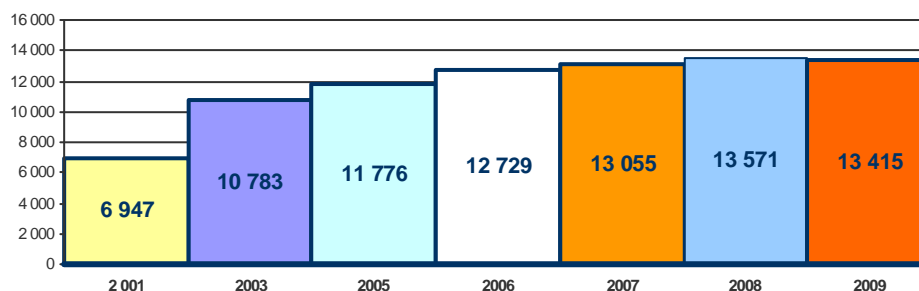
No exclusive rights exist in the area of electronic communications and the level of the competition environment is adequate in the terms of the European Union.

The Czech telecommunications market – one of the most highly developed and most liberalized in Central and Eastern Europe – is distinguished by the growth of demand for data, internet and other communication services.

MOBILE PHONES

The number of mobile-network subscribers is constantly increasing, albeit at a slower pace than in previous years. As early as in 2004, the density of subscribers of publicly available mobile services exceeded 100% in the Czech Republic and at the end of 2009 there were 128 mobile phones for every 100 inhabitants. In comparison with other member states of the European Union, the Czech Republic has above-average rates of mobile-subscriber density.

Mobile Network Users in thousands



Sources: Czech Statistical Office, 2011

In the scope of development and practical usage of information technologies in the Czech Republic, there is a typical difference between companies and households. The use of modern information technologies and communications technologies by households has until now been below the European Union average, even though development has significantly accelerated in the past year.

Business, however, has achieved comparable and even above-average rates. In comparison with the other countries of Central and Eastern Europe, the Czech Republic is among the best equipped for access to electronic-communications and information-technology services.

Solely private businesses operate in the electronic-communications sector. The last exception to this was ČESKÝ TELECOM, a.s., in which the state owned a 51% share. Its privatization was finalized in April 2005, when the Spanish company Telefónica S.A. acquired the majority share.

Mobile operators in the Czech market

Operator	Number of customers *million	Year
T-Mobile	5,464*	2009
Telefónica O2	4,945*	2009
Vodafone	3,006*	2009

Source: Czech Statistical Office, 2011

Largest telecommunications companies

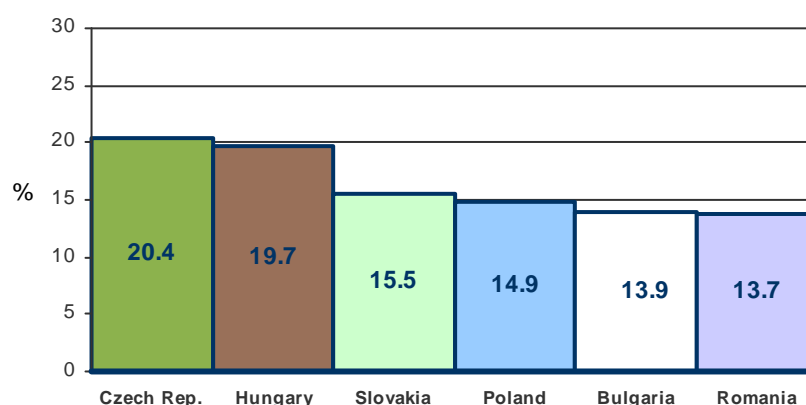
Company	Revenues (CZK)	Year
Telefónica O2	55,712,000	2010
T-Mobile	28,049,000	2010
Vodafone	18,394,000	2010

Source: Czech Top 100, 2011

COMPUTERS AND INTERNET ACCESS

The number of users of high-speed internet access is rapidly and constantly growing, and prices of high-speed internet access are falling. Broadband internet service has become a regular fixture in Czech households. In this respect, the Czech Republic is quickly closing the gap with the older members of the European Union. The maximum internet-connection speed is higher than 2 Mb/s in 81% of enterprises and 31% has connection speeds exceeding 8 Mb/s. In comparison with this, only 36% of enterprises had internet-connection speeds greater than 2 Mb/s in January 2007; this figure was only 1% at the end of 2002. ADSL is the most common internet-connection technology among enterprises. In January 2010 ADSL was used by 54% of enterprises, whereas 95% of all enterprises had internet access. In 2003 only 7% of enterprises used ADSL and there was no ADSL usage in 2002. Availability of fixed broadband internet access is fully comparable to that of the other EU27 countries. Taking all enterprises into account, the EU27 average for fixed broadband access was 84% in 2010, whereas the average rate in the Czech Republic was 85%.

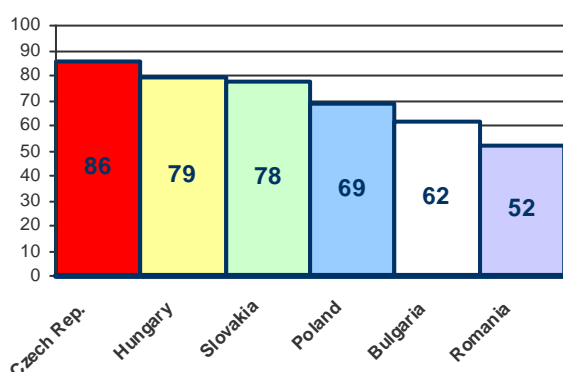
Broadband penetration rate (July 2010)



Source: Eurostat, 2011

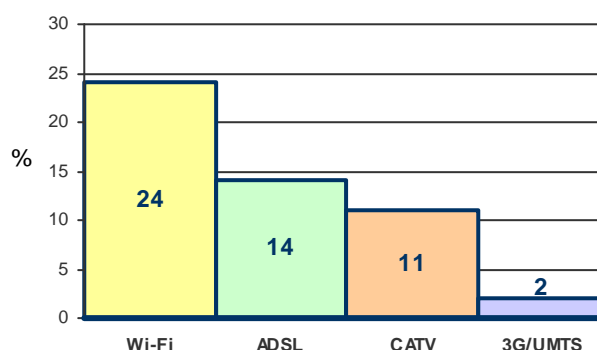
The internet is accessible using various technologies, ranging basic dial-up up to ADSL, Wi-Fi, CATV, fiber connection, mobile and satellite. The largest ADSL operator in the Czech Republic is Telefónica O2 followed by three other major operators – Volny, GTS and CRa. ADSL technology is available in almost every area in the country. There are hundreds of Wi-Fi providers and all three mobile operators offer internet access using their networks. It is almost impossible to compare all of the offers but everybody who wishes to have broadband internet access can get it.

% of enterprises with broadband internet access (2010)



Note: Companies having more than 10 employees
Source: Eurostat, 2011

51% of households with broadband access (2Q 2010)



Source: Czech Statistical Office, 2011

62% of the country's inhabitants over the age of 16 have access to the internet, up from 28% in 2003. A distinguishing feature of internet connectivity in the Czech Republic is the broad availability and use of Wi-Fi technology, which is the most popular means of internet access in households. 64% of the inhabitants over the age of 16 use a computer every day or almost every day. Most of them use a computer at home (92%), at work (40%) or at school (16%).

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