



**Montenegro**  
**AGENCY FOR ELECTRONIC MEDIA**  
**Number: 02 – 1021**  
**Podgorica, 18 August 2015**

**MARKET REPORT**  
**ON RADIO AND TV PROGRAMME DISTRIBUTION TO END USERS**  
- JULY 2015 -

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

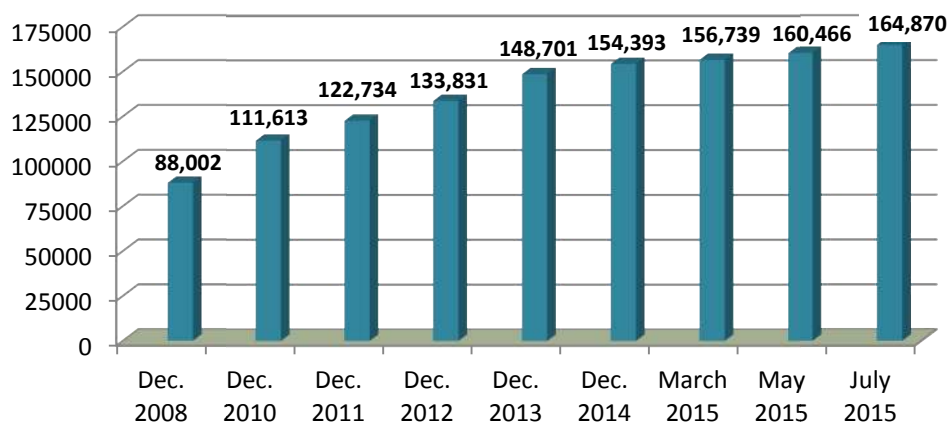
Moreover, "Radio-difuzni centar" d.o.o. acquired the status of an operator of the first multiplex for terrestrial broadcasting in 2014, covering the whole territory of Montenegro, and the right to provide its service by means of radio-frequencies in all four allotment zones for DVB-T/DVB-T2, as defined 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 fifteen DVB-T2 networks with local coverage, whose service zone has been defined within geographic zones of all municipalities, with an exception of the Municipality of Ulcinj, where 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 digital television signal has been broadcast in Montenegro as of 17 June 2015.

As at 31 June 2015, the number of connections for the distribution of radio and TV programmes over different CDS/MMDS/DTH/IPTV/mobile platforms was **164,870**.

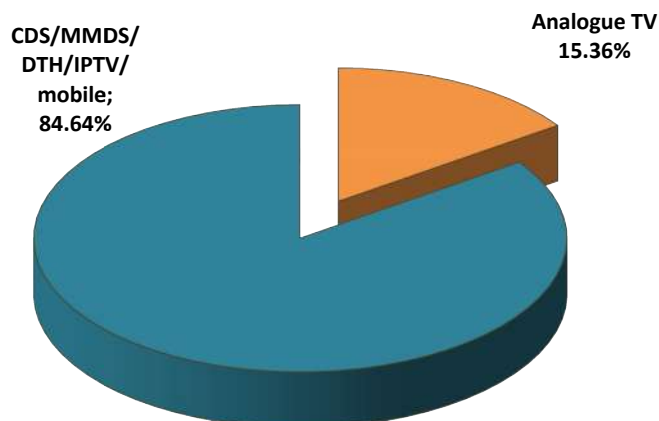
Compared with the number of connections at the end of May 2015, a positive trend in the number of users of radio and TV programme distribution services has been recorded. Over a period of two months, the number of connections increased by 4,404 or 2.74%.



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

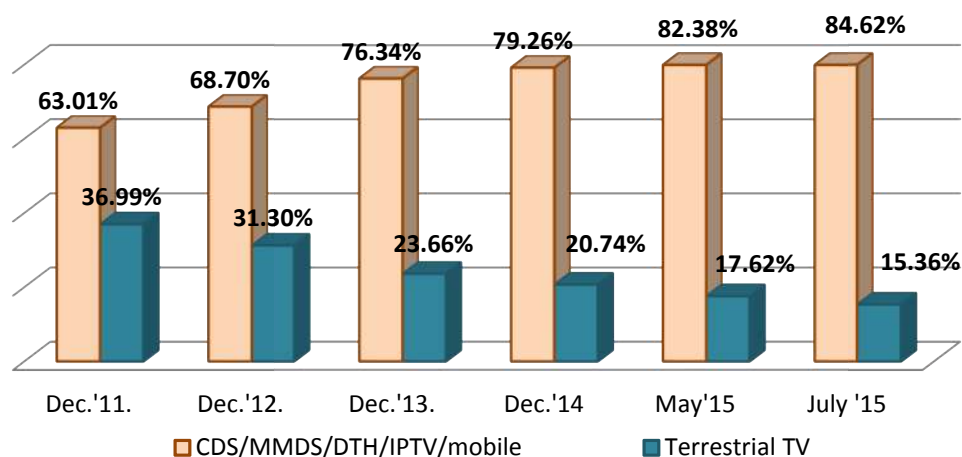
Presuming that all or most of the data on connections account for the users belonging to the category of households, an estimate of the primary technology used by Montenegrin households for the reception of radio and TV programmes can be made by cross-referencing this data with the number of households in Montenegro<sup>1</sup>.

At the end of the reporting period, **15.36%** of Montenegrin households used only terrestrial (analogue) i.e. free-to-air reception of radio and TV programmes. On the other hand, the remaining **84.64%** 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

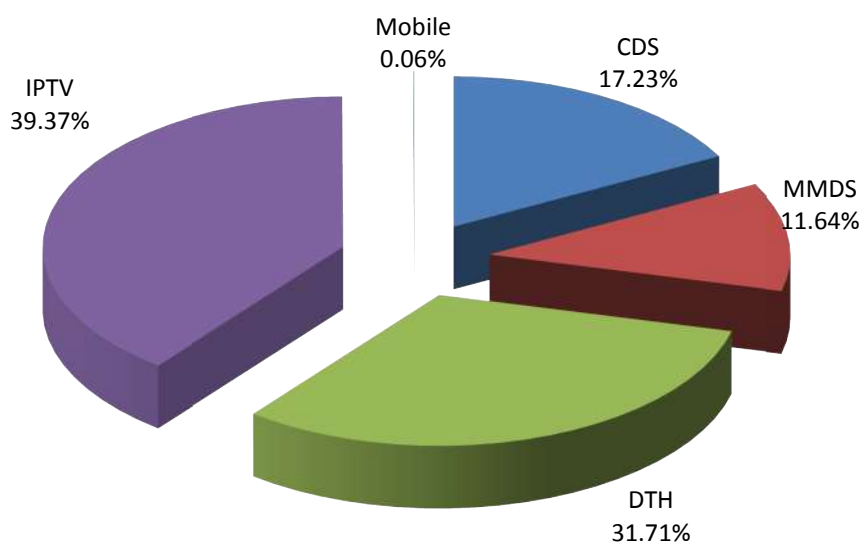
The following graph shows the trends in the share of households with only terrestrial analogue television and the ones using one of the available platforms, against the total number of households in Montenegro over the last four years, and at the end of the reporting period.



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

As regards 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 39.38%. It is followed by DTH distribution with 31.71%, CDS with 17.21%, MMDS with 11.64%, and mobile platform with a 0.06% market share.

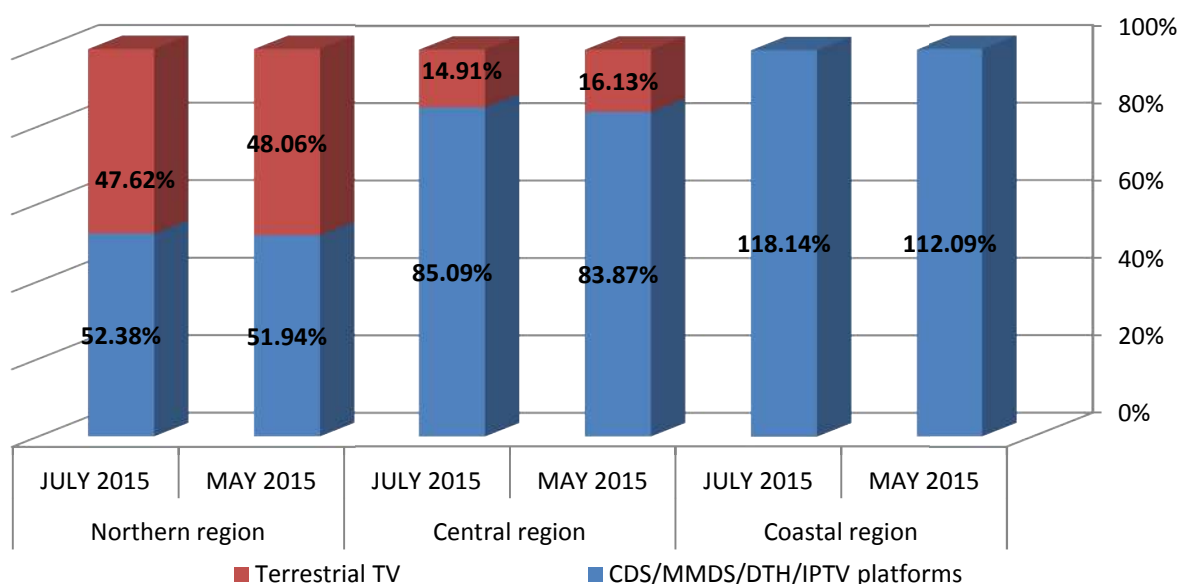
<sup>1</sup> Census of 2011 – Source: Monstat "2011 Census of Population, Households and Dwellings in Montenegro"



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 region<sup>2</sup> of Montenegro. In proportion to the number of households, the demand is highest in the coastal region, with 118.14%. 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 85.09%, and northern region, where 52.31% of households use the services of operators.

Compared with the data from May 2015, there is a considerable increase in the number of non-terrestrial connections in the coastal region, whereas slightly more than a half of the population in the northern part of the country uses the television services with conditional access.



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

<sup>2</sup> 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 €9.71 (between €11.90 and €6.05). The basic tier offers 67 TV channels on average (between 172 and 29). Only one operator distributes radio programme, and has 14 radio stations in its tier.

The five operators that have additional tiers offer 6 additional tiers on average (between 9 and 4). An average price of the additional tier is €5.16 (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 29.77% and 29.17% respectively, as opposed to 15.77% in the northern region.

According to the structure of additional tiers, sports and film channels have the highest share, followed by adult channels. The best selling additional tiers on the territory of Montenegro are the PINK tiers with 36%, the ARENA sports tier with 19.41%, and HBO with 17.87%.

Six out of ten 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 comparatively small, with only 1.89% 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 €10.71 per month.

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