

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.

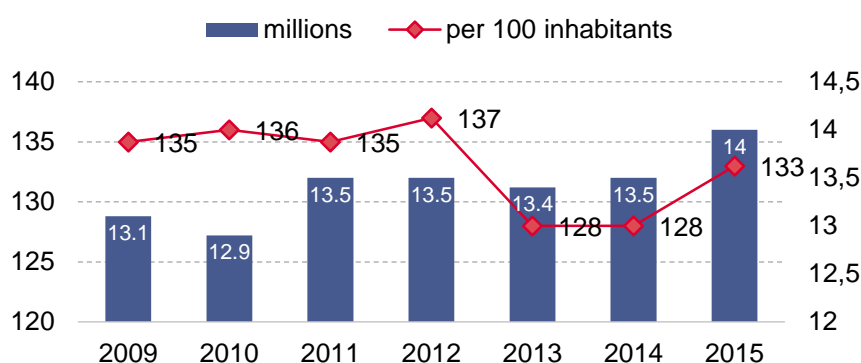
No exclusive rights exist in the area of electronic communications and the level of the competition environment is adequate in the terms of the European Union.

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 there were 133 mobile phones for every 100 inhabitants at the end of 2013. In comparison with other member states of the European Union, the Czech Republic has above-average rates of mobile-subscriber density.

Mobile Phone Penetration - Numbers of Active Mobile SIM Cards



Source: Czech Statistical Office, 2016

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.

Largest Telecommunications Companies

Company	Revenues* (CZK)	Number of Customers**
O2 Czech Republic	37,797,000,000	4,896,000
T-Mobile	24,008,247,000	6,024,000
Vodafone	12,322,000,000	3,420,000

* For the year 2015

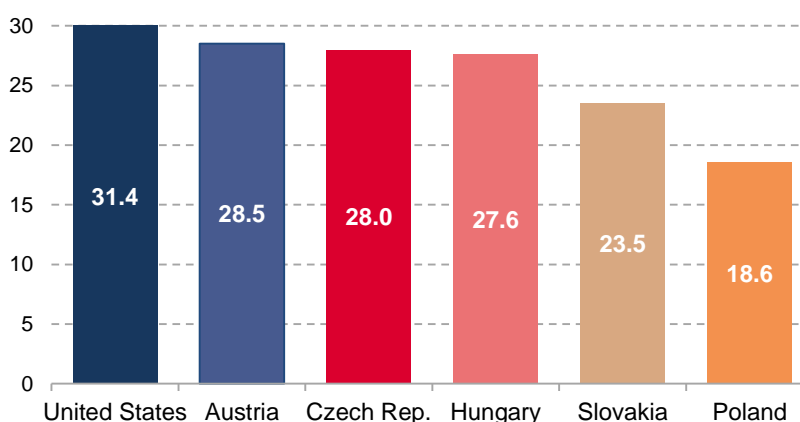
** Q1 2016

Source: Czech Top 100 and CTK (Czech News Agency), 2016

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 90% of enterprises and 41% has connection speeds exceeding 10 Mb/s. In comparison with this, only 36% of enterprises had internet-connection speeds greater than 2 Mb/s in January 2007. ADSL is the most common internet-connection technology among enterprises. In January 2012 ADSL was used by 60% of enterprises, whereas almost 97% 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 average rate for fixed broadband access in the EU27 as well as in the Czech Republic was 92% in 2012.

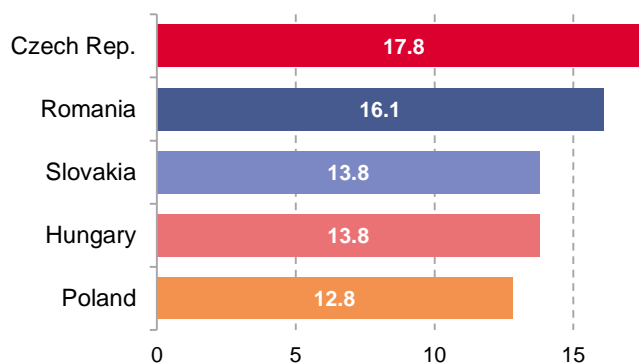
Broadband Penetration Rate (% , Dec. 2015)



Source: OECD broadband statistics, 2016

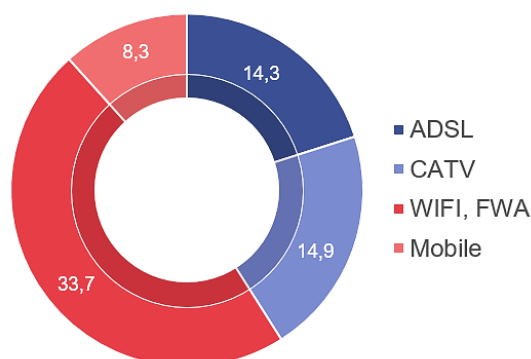
The internet is accessible using various technologies, ranging basic dial-up up to ADSL, Wi-Fi, CATV, fiber connection, mobile and satellite. The largest ADSL operator in the Czech Republic is O2 Czech Republic followed by three other major operators – T-Mobile, Vodafone, and CRa. ADSL technology is 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.

Average internet connection speed (Mbps)



Source: Akamai's State of the Internet Report Q1 2016, 2016

Broadband access of households (% , 2015)



Source: Czech Statistical Office, 2016

Note: 71,2% of households have broadband access

78% of the country's inhabitants over the age of 16 are regularly using 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. 74% of the internet users over the age of 16 use a computer every day or almost every day. Most of them use a computer at home (96%), at work or at a school (47%).