Belgium

10 Dec 2014

Belgium's broadband market has seen considerable expansion since 2005. This was mostly fuelled by an increased migration of dial-up users to broadband services, applying equally to the residential and business sectors. Belgium is one of a few European countries which attained very high broadband penetration rate, resulting in a rather saturated market. Operators like Belgacom and Telenet have responded to this change and begun to realign their customer acquisition strategies. They include reducing churn by offering bundled components, launching new value-added services such as IPTV and VoD over VDSL and launching converged services for seamless fixed and mobile access.

The incumbent Belgacom continues the rollout of its fibre-to-the-curb (FTTC) network, with a declared coverage of more than 70 per cent of households. Fibre-to-the-home (FTTH) remains marginal, apart from a few trials. As of end-2012, Belgium had only about 15,000 homes passed by FTTH/B networks. However, the rollout of NGA (next generation access) networks continues. Recently, a study on strategic options to promote the development of broadband was submitted for consultation at the request of the Ministry of Enterprise and Simplification.

When the Ministry launched its Digital Action Plan 2010-2015 covering 30 points, attention turned in particular to the necessity of well-performing networks. Some actions like the reinforcement of regulations and the granting of new licences for mobile services are already underway. Other legislative or administrative interventions, for example regarding the rights of way for fibre rollout and the equipment in buildings or the use of the digital dividend, would still need to be undertaken.

By 2010 all new building permits in the country required the installation of ducts for fibre. This will allow network operators to get fibre connections installed in new homes far more quickly and at a lower cost. [86549]

Incumbents

The market for fixed line telecommunications was liberalised on 1 January 1998 following an EU directive. Today the Belgian government holds 53.5 per cent in the incumbent operator Belgacom, Belgacom itself holds 5.9 per cent, and the remaining 43.1 per cent of shares are in free float.

After partial privatisation, Belgacom still dominates the fixed voice market. In April 1999, the company became one of the first operators in the world to launch ADSL commercially. By the end of 2000, its ADSL services were available to 75 per cent of the population. Today, at least 1 Mbps access is available on the 99.9 per cent of its copper lines – one of the highest indicators globally.

On 29 September 2014, Belgacom rebranded all of its services under the Proximus banner, which was previously used for its mobile offerings. [86549] [91358]

Mobile

At the end of 2013, Belgium had 12.315 million mobile subscribers, up slightly from 12.313 million at end-2012. The mobile penetration stood at 110 per cent in the same period. France Telecom's Mobistar, Belgacom's Proximus and KPN Group Belgium (Base Company or Base) are the key players in the mobile market. At the end of 2013, Proximus had a 40.5 per cent market share, up by 2 percentage points since end-2012. Mobistar came second with 27.1 per cent, having lost 3.8 percentage points over the 12 months, whilst

Base maintained a 24.6 per cent market share. Mobistar lost its market share to MVNOs (Telenet and Lycamobile).

All three mobile network operators were granted 3G licences in February 2001. Proximus launched its 3G network first and covers about 99 per cent of the population. Mobistar also claims its 3G network was available to 99 per cent of the population. Base's 3.5G HSPA+ infrastructure covers around 96 per cent of the population.

At the end of 2013, the country had around 472,200 mobile broadband subscribers using data cards / modems for PCs. This figure has fallen slightly from 473,000 at end-2012. The service penetration among population still remains low however - at 4.2 per cent at end-2013.

To prepare for the introduction of 4G LTE services following the 4G auction held by the regulator in November 2011, the three largest mobile operators have invested in the LTE. Proximus began the upgrade of its mobile network to LTE and launched LTE trials in June 2011, using the 1800MHz band, initially in Hasselt, Mons, Waver and the industrial park of Haasrode. Commercial services were launched in November 2012. Base launched 4G LTE offering in October 2013. In February 2013, Mobistar allocated EUR 150 million to speed up the 4G network rollout and launched the service commercially in early 2014. As of January 2014, Proximus' 4G service covered 258 cities and communities in Belgium, whereas Base 4G network covered 203 cities and Movistar's 30 cities. [94002]

Regulatory Developments

Belgian Institute of Postal Services & Telecommunications - Institut Belge des Services Postaux et Telecommunications (BIPT) is the telecoms regulatory authority in Belgium. Under the law passed in January 2003, BIPT operates under the Ministry for Telecommunications. The regulator funds itself using revenues from the management of licences and numbering.

BIPT's main responsibilities include ensuring compliance to the Radio Communications Law 1979 and the Reform of Public Services Law 1991, overseeing of the transposition of the relevant EU directives into Belgian law, management of spectrum and frequencies, mediation between telecom operators and awarding licences to fixed network entrants.

The key legislation and regulation, with particular relevance to broadband services include:

• Act of 2 January 2001 concerning local loop access: BIPT forced Belgacom to provide access to its local loops from 2001. Following two years of negotiations, Belgacom's first Reference Unbundling Offer (RUO) was approved in 2002. Sub-loops and co-mingling have been on offer since 2002.

• Electronic Communications Act of 13 June 2005: Belgium began implementing the EU regulatory framework and divided the telecoms sector into four markets, namely access market, mobile market, fixed telephony market and leased line market.

• Wholesale Broadband Reference Offer (BRO): Belgacom, the operator with significant market power (SMP), is required by regulation to publish an annual broadband reference offer. This offer outlines the tariffs for its wholesale broadband products. There is also a separate procedure for Belgacom's Reference Offer for Bitstream Access (BROBA) using IP or ATM, which is also reviewed and approved by BIPT annually. [86549]

The Competitive Landscape

Belgacom and Telenet are the operators that dominate the broadband market. Belgacom covers nearly 100 per cent of Belgium with both broadband networks.

Like other developed economies, Belgium is facing the challenge of ever increasing demand for higher speeds. The incumbent is still well at the forefront of deploying the next generation access networks. In 2004, Belgacom launched its EUR 500 million Broadway project, deploying VDSL between street cabinets and end users. As of Q2 2013, the operator offered up to 30 Mbps speeds on its VDSL network to around 83 per cent of households. In December 2013, Belgacom started activating the next generation VDSL2 Vectoring technology which will enable the incumbent to deliver up to 70Mbps speeds over its existing copper network. At the end of 2013 Belgacom had more than one million active VDSL2 lines, and its network covered 88.5 per cent of the population.

Belgacom's main rival in the broadband and TV market is cable operator Telenet, majority owned by Liberty Global. In early 2007, Telenet acquired another cableco UPC Belgium, a relatively small player with fewer than 42,000 broadband subscribers at the time. In June 2008, Telenet also acquired its rival Interkabel and in doing so united the four large cable operators owned by municipalities and serving around 800,000 homes.

Telenet is a strong rival to the incumbent in terms of broadband speeds. In February 2010, Telenet launched broadband services with download speeds of up to 100 Mbps, based on EuroDOCSIS 3.0 technology. Under the 'Digital Wave 2015' investment programme it plans to modernise its entire network investing EUR 30 million a year. In September 2014, Telenet announced plans to invest EUR 500 million over the next five years to upgrade its hybrid fibre-coaxial (HFC) network to support 1Gbps speeds. The company currently offers peak download speeds of 160Mbps to residential market and 200Mbps to business customers.

In addition to cable companies, Belgacom faces increasing competition from mobile operators pursuing convergence strategies. In 2005-2006, Mobistar ventured into the unbundled ADSL service market using Next Generation Network (NGN) technology. Mobistar also developed an active partnership with Telenet with the latter becoming a Mobile Virtual Network Operator (MVNO). The partnership allowed both companies to offer combined fixed-mobile packages. In response, Base and Proximus have also launched multiple fixed-mobile bundles in partnership with their parent companies, KPN and Belgacom. When it comes to Mobistar however, in May 2013 the company stopped selling fixed line services to new residential subscribers. The company said it will not resume selling these services again until its rivals are forced to open access to their networks. The operator was particularly disappointed with the slow implementation of regulations forcing cable companies to offer access to their networks. The move paid off, and in September 2014, Mobistar announced plans to launch broadband and TV services over cable operators' networks. [86549] [88039]

Pricing & Tariffs

In Q4 2014 Belgacom charged EUR 25.50 per month for its entry level residential service which included 100GB usage, access at Wi-Fi hotspots, broadband connection with 30Mbps/3Mbps speeds and mobile broadband with 21Mbps/2Mbps speeds.

In the same period, Telenet's entry level broadband service was offered for EUR 26. It also included 30Mbps/3Mbps speeds, 100GB usage allowance and WiFi access, but no mobile broadband tariff was included. [86549]
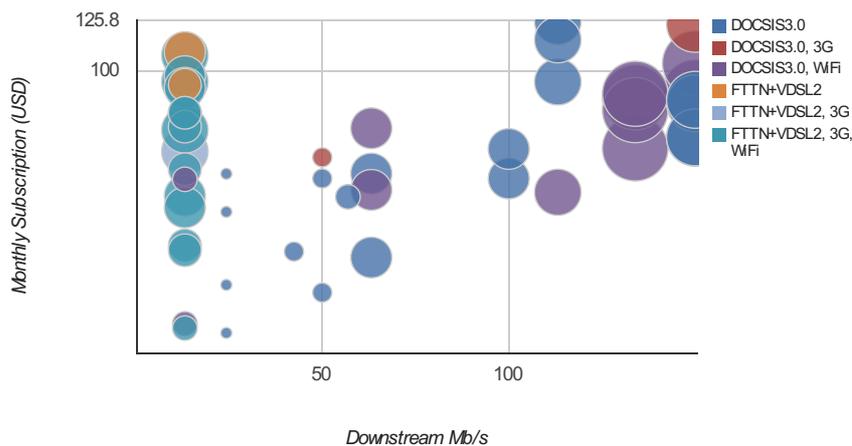
Subscriber statistics
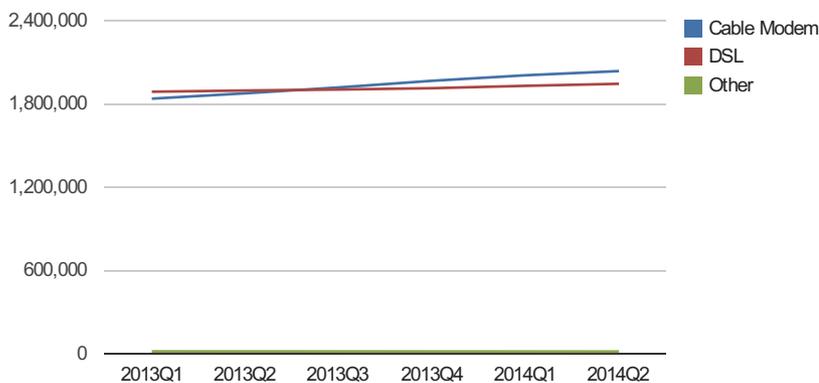
Technology	2013Q1	2013Q2	2013Q3	2013Q4	2014Q1	2014Q2
Cable Modem	1,835,715	1,874,337	1,916,487	1,964,337	2,004,042	2,034,147
DSL	1,885,730	1,894,353	1,901,578	1,911,163	1,928,139	1,942,727
Other	17,657	17,492	17,317	17,146	16,951	16,746

2014

October – The European Commission (EC) has referred Belgium to the European Court of Justice, claiming that the country ignored a formal request, issued in April 2014, to ensure the independence of its telecoms regulator, the BIPT.

September – Numericable has upgraded its premium broadband package to support download speeds of up to 200Mbps. Upload speeds have been increased slightly from 5Mbps to 8Mbps. Its Internet 200 Mega service is priced at EUR 59.90 per month.

September – Mobistar has announced plans to launch new TV and broadband services by the end of 2014. The company is partnering with Alpha Networks, Zappware and Siligence to develop the first service of its kind in Europe, where third-party providers such as Mobistar are able to use regulated networks owned by cable

operators such as Telenet and VOO (Brutele).

August – Numericable is upgrading its access network equipment to enable the delivery of advanced broadband services using the DOCSIS 3.1 standard. It claims to be the first to deploy a multi-gigabit DOCSIS 3.1 access network on a mass scale in Europe.

May – Mobistar has launched its 4G LTE network across all 19 municipalities within Brussels. The company claims to offer coverage of 96 per cent outdoors and 53 per cent indoors. Mobistar will continue its 4G rollout, but plans to switch on LTE signal in an area only once indoor coverage of greater than 50 per cent can be guaranteed.

May – Base has launched commercial 4G services in Brussels, following similar moves by its rivals. Ten communities had been covered in the first phase of its rollout. They are Anderlecht, Auderghem, St-Agatha Berchem, Brussels city, Evere, Ganshoren, Jette, Koekelberg, Woluwe St Lambert and Woluwe St Pierre. Base plans to have full 4G in Brussels as soon as possible. Its 4G network is currently present in more than 650 cities, towns, and villages covering 50 per cent of the country's population.

February – Proximus has become the first operator to launch LTE services in Brussels and has been upgrading all of its subscribers to 4G at no extra cost. Around 20 per cent of the capital's population is within the network footprint. It expects to take 12 to 18 months to develop a high-quality network with sufficient coverage for customers. The introduction of 4G in the capital had not been possible until now, but new legislation had allowed Proximus to begin rolling out its network in the city. Proximus 4G infrastructure is now available in 260 cities and municipalities, with more than 50 per cent of the population within the network footprint.

February – Belgacom has announced the commercial launch of its vectoring network. Nationwide activation of the vectoring technology actually commenced in December 2013 in Mechelen, with Herstal, Laeken, Roeselaere and Mons following soon after. More towns will be activated from April 2014 and by 2016 the company expects to have completed the upgrade of its entire VDSL2 network of 22,000 remote optical cabinets. The technology boosts broadband speeds over copper lines from 30Mbps on standard VDSL2 to 70Mbps on vectored lines.

January – Mobistar has paid Telenet and VOO (which includes Brutele and Tecteo) EUR 600,000 each as an initial contribution to the costs associated with the opening of their respective networks. The companies now have six months in which to open up their networks for wholesale access and are also obligated to offer the necessary technical and operational systems to potential wholesale customers.

2013

November – Mobistar is rolling out a 4G network in 30 cities and towns: Antwerp, Deurne, Borgerhout, Berchem, Wilrijk, Merksem, Hoboken, Ghent, Wondelgem, Ledeberg, Sint-Amandsberg, Heule, Courtrai, Kuurne, Leuven, Bruges, Ostend, Sint-Stevens-Woluwe, Diegem, Kraainem, Zellik, Strombeek-Bever, Vilvoorde, Heverlee, Zaventem, Groot-Bijgaarden, Lot, Wezembeek-Oppem, Bredene, and Mons. The company acquired a 4G licence in the 800MHz spectrum auction in November 2013. Mobistar plans to add at least 40 cities and towns to its 4G network and launch commercially at the beginning of 2014. By 2015

Mobistar plans to have the same 4G coverage as its current 2G network. [91361]

November – The BIPT has concluded its auction of spectrum in the 800MHz band, with all three bidders - Base Company, Belgacom, and Mobistar, being successful. The auction was announced in August 2013. In total, three concessions were available for a 20 year term. Each spectrum allocation included coverage obligations and some additional requirements for rollout of service in a number of rural areas. [91388]

October – Base has launched commercial 4G services in 15 cities: Aalst, Antwerp, Beveren, Bruges, Charleroi, Genk, Ghent, Hasselt, Kortrijk, Leuven, Liege, Mechelen, Namur, Ostend and Sint-Truiden. The operator's 3G Dual Carrier network covers 83 per cent of the population. [91371]

July – Proximus' 4G service is now available in Charleroi, Tournai, Mechelen, Bruges and the coastal cities of Ostend, La Panne, Knokke-Heist, Nieuport and Blankenberge.

June – Belgacom's LTE network now covers more than 100 towns across the country. The operator expects the network to cover 35 per cent of the population by the end of June 2013. Proximus' 3G network coverage has reached 99 per cent. [89210]

June – B-lite, Clearwire Belgium's 4G brand, will introduce TD-LTE in Brussels. The company will use Clearwire's old WiMax network, comprising 130 base stations, including 76 in Brussels. Clearwire Belgium, owned by Max Heilbron from the US-based operator, is still seeking investors. B-lite does not yet supply mobile services but is in talks about becoming an MVNO. [91364]

May – Mobistar has stopped selling fixed line services to new residential subscribers until its rivals are forced to open access to their networks. The company claims that the residential fixed market suffers from a lack of competition and that it is no longer possible to profitably offer fixed services to residential customers. It called on the BIPT to push forward with promised reforms. The Mobistar TV service will be discontinued in September. [91361]

April – KPN (rebranded as Base this month) has launched the Dual Carrier HSPA (DC-HSPA) technology across its 3G network, upgrading the existing 21Mbps speeds to a peak rate of 42Mbps. Initially coverage of the new services will be available to 61 per cent of the population. [88043]

April – TTB, a partnership between cable operator Telenet and the Tecteo Group, which owns cable company VOO, could have its 3G licence revoked should it fail to launch commercial services over its own network. Under the terms of the joint venture's licence, which was formally awarded in August 2011, TTB was obliged to launch its network by mid-January 2013. [88065]

March – Apax Partners will sell its 40 per cent stakes in Numericable, in both Belgium and Luxembourg, to its co-investor Altice VII. Numericable Belgium is a cable operator in the Brussels region offering cable internet services, cable TV in standard and high-definition, and VoIP telephony. In July 2011, Numericable's parent company in France sold its Belgium and Luxembourg operations to a consortium of private equity firms Apax Partners and Deficom Telecom. [86549] [91368]

February – Mobistar has allocated additional investment of EUR 150 million (USD 203 million) to accelerate

the development of its 4G network. It expects to deploy the network covering 80 per cent of the population by 2015. The operator also aims to convert its 2G/3G network sooner than later. [88041] [88042]

January – Liberty Global Inc (LGI) has confirmed plans to increase its stake in Telenet to 58.4 per cent. LGI already holds a 50.4 per cent stake in the operator and has been the controlling shareholder since February 2007. Upon completion of the deal, LGI intends to align the strategy and the operations of Telenet with the rest of its operations. [89210]

2012

November – Proximus has launched Belgium's first commercial 4G LTE services in eight locations: Liege, Namur, Antwerp, Mons, Waver, Ghent, Leuven, Hasselt and the Haasrode industrial park. The operator is using its existing spectrum in the 1800MHz band, but may deploy 4G services in the 2600MHz band at a later date. [88044] [91363]

November – BIPT has launched a consultation on amending the Electronic Communications Act regarding allocation and use of the 800MHz frequency band. In addition, the regulator has published a study on the terms for allocation and use of the band, carried out by an independent external consultant. The European Radio Spectrum Policy Programme requires member states to allocate the 800MHz band for wireless broadband services by 1 January 2013. BIPT has issued a series of recommendations, in particular regarding: the number of blocks of spectrum to be auctioned (3×10MHz duplex); population coverage requirements (98 per cent within six years); quality obligations (a compulsory average download speed of 3Mbps); and a minimum entry bid (EUR 90 million per lot for a 15-year period). The consultation is open until 14 December 2012. BIPT hopes to complete the spectrum allocation before the end of 2013. [88051]

October – KPN Group (Base) has signed a five-year wholesale agreement with Belgacom for the provision of fixed broadband services. Belgacom will provide VDSL2-based broadband to its rival, enabling the latter to 'upgrade and enlarge its current fixed portfolio'. Base is yet to reveal when it plans to launch services using the high speed VDSL technology. [88049]

September – Proximus plans to launch its 4G network commercially in Q3 2012. Initially the services will be available in eight areas, which will not include the capital Brussels, partly due to strict technical restrictions. Instead of LTE services, the operator intends to to roll out HSPA+ technology in Brussels. [88027]

September – Telenet has lost an appeal against a ruling which orders it to allow wholesale access to its hybrid fibre coaxial (HFC) network. However, the decision could still yet be overturned, as another court case remains pending, with a ruling not expected until 2013. [89210]

July – Belgacom has announced that it is increasing the upload speeds on all of its DSL services. Residential customers using the 'Internet Everywhere Start' tariff will see upload rates increasing to 2.5Mbps from the current 1.5Mbps, while 'Everywhere Comfort' and 'Everywhere Maxi' customers will see speeds increase to 3Mbps (from current 2.5Mbps) and 4Mbps (from current 3.5Mbps) respectively. Business users signed up to the top-end tariff, 'Offce & Go Pro Everywhere', will gain access to the upload speeds of 6Mbps, up from 5Mbps. [88048]

June – Base launched commercial high speed mobile data services in selected urban areas in Q4 2010. At the end of March 2011, it provided 3G coverage in 16 larger and 17 smaller cities with speeds of up to 21.6 Mbps. By June 2012, the operator's 3G infrastructure became available to about 85 per cent of the Belgian population. [88027]

April – After previous warnings to the mobile operator Base to ensure it achieves coverage requirements for its 3G network, BIPT has now confirmed that Base has fulfilled the requirement, with its 3G services now available to at least 85 per cent of the population. [88066]

February – KPN started the upgrade of mobile backhaul for its Belgian subsidiary. The company wants to ensure that its mobile unit Base is able to manage the increasing demand from mobile users for data services, with the view for the introduction of HSPA+ and Long Term Evolution (LTE) technology. [86549]

February – The cable operator Numericable has stepped into the mobile market by signing a mobile virtual network operator (MVNO) agreement with Mobistar. The mobile voice service was made available to Numericable's 140,000 subscribers as part of a quad-play bundle. [86549]

2011

November – BIPT has announced winners of its 4G spectrum auction. Four operators won new frequencies in the 2600GHz band. The highest bidder was BUCD BVBA, an Asian company which acquired a total of 45MHz of spectrum. Belgacom and Mobistar both won 2×20MHz spectrum. KPN Group Belgium was awarded 2×15MHz blocks. Craig Wireless was the only bidder which failed to secure new frequencies. The concessions will be valid for 15 years, starting from 1 July 2012. [86549]

November – All three operators - Mobistar, BASE and Belgacom - have secured frequencies to operate LTE networks and provide commercial 4G services. The concessions for the new frequencies are valid for 15 years, starting from 1 July 2012. [86549]

September – A draft communication on the guidelines for mobile infrastructure sharing was published by BIPT in September 2011. BIPT stated that mobile infrastructure sharing in Belgium is allowed and needs no further authorisation, as long as operators are still commercially and technically independent. [86549]

August – The regulator BIPT has granted Telenet, which had submitted a bid in partnership with Tecteo, the fourth 3G licence. Telenet is obliged to start offering commercial services no later than in March 2013. [86549]

March – While bitstream reference offer for ADSL2+ was already made available in 2008, the reference offer for VDSL2 has not been finalised yet. In March 2011, BIPT published a draft decision on the interoperability of customer premises equipment (CPE) as part of the WBA VDSL2 reference offer. The decision requires Belgacom to allow alternative operators to provide their own CPE, such as modems. This solution is expected to make it possible for operators without their own unbundled equipment to access the VDSL2 market. [86549]

2010

December – Belgacom is opening up its DSL network to competitors, and the number of other operators offering DSL services is growing. The rollout of VDSL is well advanced, with around 76 per cent of households covered by end-2010. However, Belgacom's future VDSL deployment will mainly take place in less dense areas where sub-loop unbundling is not likely to be economically viable. It is therefore likely that demand from alternative DSL operators will be very low in these areas. [86549]

October – Mobistar has launched digital TV service. Together with mobile and fixed telephony services, mobile and fixed broadband, Mobistar TV is offered as part of 'Starpack´ for EUR 55 per month, with installation, rental of the Livebox and decoder included. The launch of Mobistar TV made Mobistar a fully-fledged convergent supplier in the residential market. Within 10 weeks of the launch Mobistar signed up almost 10,000 triple play customers. [86549]

January – The Belgacom Group has approved integration of its Belgian subsidiaries into a single limited liability company. The new company includes Belgacom SA, Belgacom Mobile SA, Telindus Group NV (national activities only), Telindus NV, Telindus Sourcing SA and Belgacom Skynet SA. BICS, BGIS, Skynet iMotion Activities, Tango, Scarlet, Euremis, ConnectImmo and the international subsidiaries of the Telindus Group will continue operating as separate subsidiaries. Telindus became part of Belgacom in 2006. In the same year, Belgacom acquired the remaining 25 per cent of Vodafone's interest in Proximus. [86549]

2009

November – Proximus' parent Belgacom started upgrading its entire network across GSM, UMTS, LTE and multiple frequencies using a Single Radio Access Network platform. [89210]

June – Fibre networks are not wide spread in Belgium, except in multi-tenant buildings. Since 2009 the government promoted a national FTTH network within its SuperFastBelgium scheme. It is hoped that the regulations obliging Belgacom to provide competitors with access to its fibre network and ducts and allowing the installation of ducts above the ground will reduce network construction costs by up to 80 per cent, helping to extend fibre networks beyond the major cities. [86549]

June – Governmental bodies, consumer associations and operators are concerned that the efficiency and powers of the regulatory and control authorities in Belgium are not optimal. These concerns relate to the functioning and powers of the regulatory bodies which include BIPT as well as the Competition Council. Alternative operators have expressed strong concerns regarding the quality of the incumbent's wholesale business services. For that reason, the operational processes with regard to provision of access on a non-discriminatory, transparent and efficient basis were the subject of an audit in 2009. [86549]

2006

June – A number of smaller cable operators are collaborating to serve specific regions of the country. For example, Brutele and Teledis, the two largest cable operators in Wallonia, established an Economic Interest Group (GIE) in June 2006. They formed of a single brand, VOO, used to market the services. Brutele provides cable access services in six Brussels communities and 22 Walloon communities. [86549]