

Republic of Uzbekistan

The telecommunications market of Uzbekistan is in the process of saturation and is one of the fastest growing sectors of the economy. Uzbekistan has the highest rate of growth in the number of mobile subscribers in the CIS. The growth rate of revenues from mobile services lags behind the pace of growth in the number of mobile subscribers. There were 24.3 million mobile subscribers to the end of 2011.⁸³

TELECOMMUNICATIONS MARKET

Indicator ⁸⁰	Measurement	Value
Computers	Per 100	n/a
Internet Users	Per 100	31.2
Fixed Lines	Per 100	6.6
Internet Broadband	Per 100	0.3
Mobile Subscriptions	Per 100	84.0
Mobile Broadband	Per 100	19.9 (est)
International Bandwidth	Per 100	17.2 kb

There have been no changes in number of operators in the last 3 years: “MTS” brand from “Uzdunrobita” (established June 1991) GSM/UMTS; “Beeline” brand from “Unitel” (established in April 1996) GSM/UMTS; “Ucell” brand from “COSCOM” (established in April 1996) GSM/UMTS; “Perfectum Mobile” brand from “Rubicon Wireless Communication” (established in November 1996) CDMA 2001X; “UzMoble” brand from JSC “Uzbektelecom” (established in August 2000) CDMA-450.

Three major players of the market (MTS, Beeline, and Ucell make up the “Big Three”) own more than 98% of the total subscriber base; the “Big Three” operators provide services at GSM, UMTS, and LTE standards. Over 90% of mobile phone handsets are purchased on the black market, because the devices are delivered without any certification that significantly reduces their price.

83 <http://www.worldbank.org>

QUICK FACTS UZBEKISTAN

Land Area: 425, 400 sq km
Population: 28.2 million
GNI per capita, PPP \$3,110 (WB, 2010)

TLD: .uz
Fixed Telephones: 1.9 million (2010)
GSM Telephones: 24.3 million (2011)
Fixed Broadband: 0.15 million (2010)
Internet Users: 8.8 million (2012)



In August 2011, all mobile operators in Uzbekistan suspended internet and messaging services⁸⁴ for the duration of university entrance exams in an attempt to prevent cheating. Five national mobile operators shut down mobile internet, text, and picture messaging for four hours from 9 am local time, citing “urgent maintenance work on telecommunications networks.” Voice services were not affected but the restrictions affected not just those taking tests, but all of the country’s estimated 19 million mobile phone users. In March 2011, Russia’s RBC Daily⁸⁵ reported that Uzbek regulators had demanded mobile operators notify the government about mass distributions of SMS messages with “suspicious content.” A source at the Uzbek Agency for Communications and Information, which regulates the wireless market, told RBC Daily

84 <http://www.news.com.au/breaking-news/uzbekistan-halts-mobile-internet-sms/story-e6frfku0-1226107023386>

85 <http://www.rbcdaily.ru/2011/03/15/media/562949979862486>

that mobile operators would also have to switch their internet networks off whenever authorities wish. In addition, operators who control access to the internet, were asked to monitor activity in social networks and the internet as a whole.

In February 2010, TeliaSonera increased its ownership in UCell from 74% to 94% by acquiring 20% of the shares in the jointly-owned TeliaSonera Uzbek Telecom Holding from Takilant for US\$ 220 million.

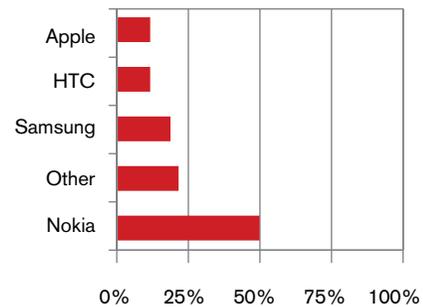
Pricing Analysis (\$US)	Uzbekistan		All countries surveyed	
			Rank by Cheapest	Median Price
PRE-PAID Package Pricing				
Monthly Package Cost	0.30			
Cost per Minute National Call (First 3 Min)	0.03		1	0.09
Price for Data Traffic (Price per MB)	0.07		8	0.05
Price for One Text Message	0.02		6	0.02
POST-PAID Package Pricing				
Monthly Package Cost	9.40		7	7.53
Cost per Minute National Call (First 3 Min)	0.02		1	0.06
Price for Data Traffic (Price per MB)	0.09		8	0.04
Price for One Text Message	0.02		4	0.03

Operator	MTS (Uzdun-robota)	Beeline	Ucell	Per-fectum Mobile	UZMO-BILE
Brands					UZ-TELE-COM
Survey Respondents	33.7%	42.2%	12.0%	1.2%	
Subscribers	9.0m	6.9m	8.0m	0.3m	0.17m
Mobile Internet Users	2.2m	1.4m	2.0m	0.02m	0.01m
Ownership	MTS-Russia	Vimpel-Com-Russia	Telia-Sonera Finland	Rubicon Wire-less	Uzbek Tel-ecom

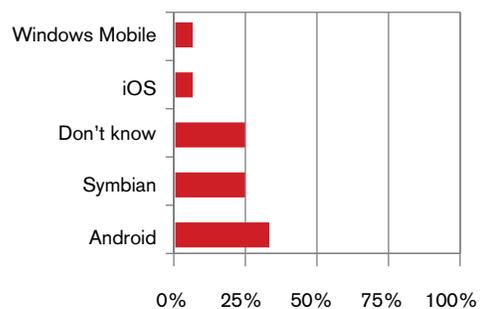
INTERNET ACCESS

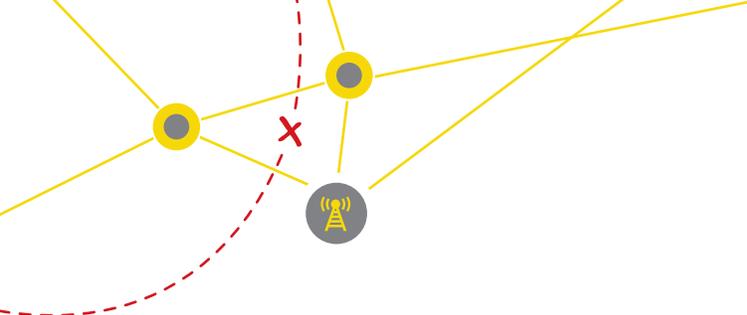
87% of respondents used mobile internet and 11% do not use mobile internet. 18% of mobile internet users used WiFi to access the internet with 41% paying for a limited volume of data with their subscription and a further 29% paying for usage. Almost 9% indicated they had no access to the internet while using their mobile handsets. Almost 70% owned a smartphone but only 12% had "jailbroken" their phone. Only 35% had ever updated the firmware on their phones.

TOP 5 MOBILE HANDSET MANUFACTURERS

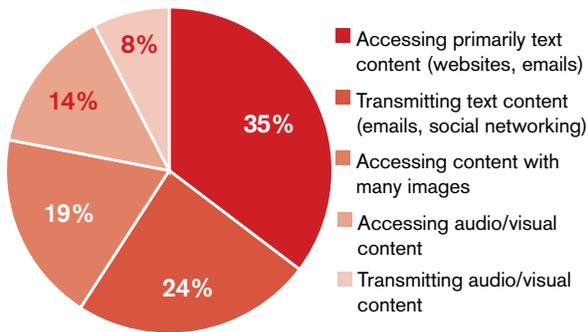


TOP 5 MOBILE OS IN USE





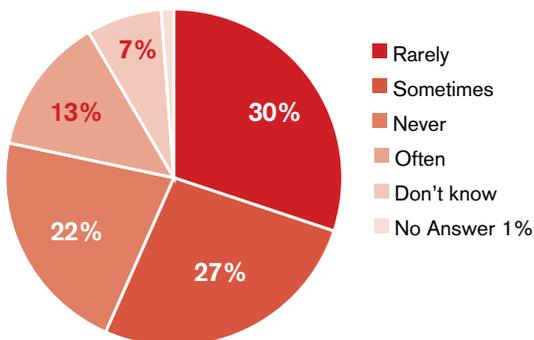
USE OF THE INTERNET 2012 (IN COUNTRY SURVEY)



TYPES OF MOBILE DOWNLOADS INCLUDING CONTENT (LEFT) AND TYPES OF APPS (RIGHT)



HOW OFTEN DO YOU ENCOUNTER BLOCKED WEBSITES? (IN-COUNTRY SURVEY)



CENSORSHIP AND CIRCUMVENTION

The Uzbek Agency of Communication and Information (UzACI) acts as the main control center in communication and information relations. This administrative structure is authorized to develop and implement state policy in the communication and information technologies sector. According to the decree of the president, there is only one Tier-1 ISP, which is Uzbek telecom— a joint-stock company. All incoming and outgoing internet data passes through the Uzbek telecom switching equipment.

It is rumored that the government can request any information from ISP about their users (name, home address, IP, history logs, etc.) even if there is no crime committed. Most internet users, therefore prefer to use public internet cafes, proxies, and anonymizers to access the internet. It is also understood that the government can easily request any information from mobile carriers about a subscriber (name, address, call logs, and SMS content) even if there is no crime committed.

Several news websites and online newspapers are permanently blocked (although available through proxies and anonymizers). Articles and news criticizing the state, the government, or the president, may be blocked (again, available through proxies and anonymizers). Websites propagating racism, religious beliefs, terrorism, or with adult and pornographic content are restricted.

In some cases, the government can impose a partial/ temporary ban on the provision of services: every year on August 1, all mobile carriers turn off extra services such as SMS, MMS, and data for 3-6 hours. This is a day of national university examinations.

The government requires all mobile operators to send informative and warning SMS messages to users. Some activities of mobile operators, such as marketing campaigns or entertainment programs may be blocked by the state. For example, the state ordered all mobile operators and ISPs to not provide any special support on St. Valentines day.

PHONE BRANDS⁸⁶

Phone	1280	6300	E1252	5530	U1280
Manu	Nokia	Nokia	Samsung	Nokia	Huawei
Released	March 2010	January 2007	October 2010	August 2009	July 2009
					
Data	No	GPRS/EDGE C10	No	GPRS/EDGE C32	GPRS/EDGE C10
Bluetooth	No	V2.0	No	v2.0 with A2DP	v2.0 with A2DP
Sensors	n/a	n/a	Dual SIM	n/a	n/a
Internet	No	No	Yes	Yes	n/a
OS	Nokia	Symbian Series 40	Samsung	Symbian OS v9.4 S60r5	n/a
GPS	No	No	No	No	No
Camera	No	2 MP	No	3.15 MP	2 MP
WiFi	No	No	No	b/g	No

CONCLUSION

There is a large black market for mobile handsets. Competition in the market is very good and latest 3G and 4G services are being rolled out. A major concern is the level of state control on mobile operators and the legislative environment they operate in.

FURTHER INFORMATION

Communications and Information Agency of Uzbekistan - www.aci.uz/en
The Governmental Portal of Republic of Uzbekistan - www.gov.uz/en/

MTS (Uzdunrobita) - www.mts.uz
Beeline - www.beeline.uz
Ucell - www.ucell.uz
Perfectum Mobile - www.cdma.uz
UZMOBILE - www.uzmobile.uz/ru/

⁸⁶ Data and images from www.gsmarena.com