



Mobile Phone Market Slows down in Poland

Mobile Phone Market in Poland slows down the first half of the year 2002 can become a disappointing one for mobile phone manufacturers. Sales grew almost 18 % compared to the first half of 2001. But it is a dramatic slowdown contemplating the growth rate from the previous year (used to be 80 %). Penetration of mobiles in Poland is still rather low - around 27 % - and the question is whether this slower growth is a result of saturation of the market or whether there are still some potential customers. The structure of sales is changing slowly. Prepaid phones made 26 % of the sales compared to 22 % in the first half of 2001. It differs quite a bit from the sales figures released by the operators. The reason for that are big replacement sales of mobiles in loyalty campaigns. Operators offered cheap prepaid (or even free) start-packs for the old phones. Therefore they increased their prepaid customers' base. Another problem for the operators are phones which have been taken abroad. One can assume that almost one million of 4.1 million mobiles sold in 2001 were taken to other countries. Most of those were probably prepaid phones which are not so heavily subsidized but still generated losses for the operators. The hopes for a better second half of the year are based on the low penetration rate of the market. But there is one contradiction: In order to gain new, less wealthy customers the prices should be kept low but that will not stop unauthorised exports of the phones.