



# Datafile of Eastern European Telecommunications

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## Belarus

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### Mobile communications

#### Regulations

The Ministry of Posts and Telecommunications is in charge of telecoms policy, licensing, equipment certification and tariff approval. The Radio Frequencies Commission allocates frequency. The market is open to competition.

#### Mobile market overview

The Belarussian cellular market has been slow to develop for a number of reasons, not least the turbulent economic history of the country since it gained independence from the former USSR in 1991. Indeed, in contrast to the majority of European nations, in late 1999 the paging market in Belarus supported more subscribers than that for mobile telephony. However, it looks as if the balance will soon start to swing following the launch in April 1999 of the country's first commercial GSM cellular network. Until that date Belarus held the dubious distinction of being the only European nation without a digital network.

Following a tender held in 1997 a dual-band GSM 900/1800 licence was awarded in August 1998 to Mobile Digital Communications (MDC), a consortium comprising SB Telecom (49%), Beltelecom (31%) and the Belarussian company Beltechexport (20%); SB Telecom is a subsidiary of the Swiss financial group SBC. Having paid USD5 million for its licence, MDC began rolling out the first phase of its network in November 1998 covering Minsk, the international airport and the road between them. The service launched commercially in mid-April 1999 and five months later had managed to attract 4,300 subscribers, up from 1,000 at the end of June. Despite there being only eleven base stations in the MDC network at the end of September, roaming agreements were available with Russia, the Baltics, Ukraine and Poland. According to the company this step has been taken in a bid to attract high-end business users from the outset.

As far as network expansion is concerned, by the end of 1999 MDC is planning to provide coverage in and around the cities of Brest (south west) and Gomel (south east). By mid-2000 it is aiming to have coverage along the highway which runs from Brest to Orsha in the north east of the country via the capital. The same road links Minsk directly with Moscow. Once this second phase is completed MDC is planning to utilise the full frequency allocation of its licence and begin offering services in the 1800MHz frequency. By the end of 2000 MDC is planning to launch services in three further major cities and provide coverage of the whole Minsk region.

The relative speed with which MDC has been able to attract customers does not bode particularly well for Belarus's existing analogue operator Belcel. Having launched in May 1993 in Minsk, by the end of 1998 Belcel had installed 34 base stations in its network and was available in 16 towns and cities, reaching around 60% of the population. During 1998 Belcel's subscriber base increased by nearly 49% to 12,200, well short of its target of a 60% increase over the year. Furthermore, subscription rates began to wane in 1999: in the first three months of the year 1,200 new customers

were connected to the network - a figure that fell to 900 in the second quarter and just 300 in the three months to the end of September.

On paper at least, Belcel still has time to reach the targets it has set itself for the end of 2000: by then it is aiming for a subscriber base of 30,000 and coverage of all urban areas and all major roads between Minsk and regional capitals. By the end of 2002 the company hopes to have coverage on the Belarus section of the Brest-Moscow and St Petersburg-Kiev highways, to have made the service available in trains and to have expanded its fixed cellular service which it offers in certain areas of the country where fixed line connections are sparse.

Because NMT-450 handsets are not compatible with their digital counterparts, Belcel has been restricted in the number of roaming agreements it has been able to forge with foreign operators. At the end of 1998 it signed a roaming agreement with Russian NMT-450 operator Moscow Cellular Communications (MCC) and in mid-1999 added the Lithuanian analogue operator Comliet to this list. Belcel says it plans to forge similar agreements with several other central and east European analogue operators, among them Centertel in Poland and LMT in Latvia. It must be pointed out, however, that like Belcel, the operators in question are all struggling to keep pace with the popularity of digital services in their respective domestic markets.

Having undergone a change of ownership in 1998 when Cable & Wireless sold its stake to the US-based company PLD Telekom, Belcel's shareholder structure changed again in mid-1999 after PLD Telekom was taken over by Metromedia International Group (MIG) of the US. PLD Telekom now operates as a wholly owned subsidiary of MIG.

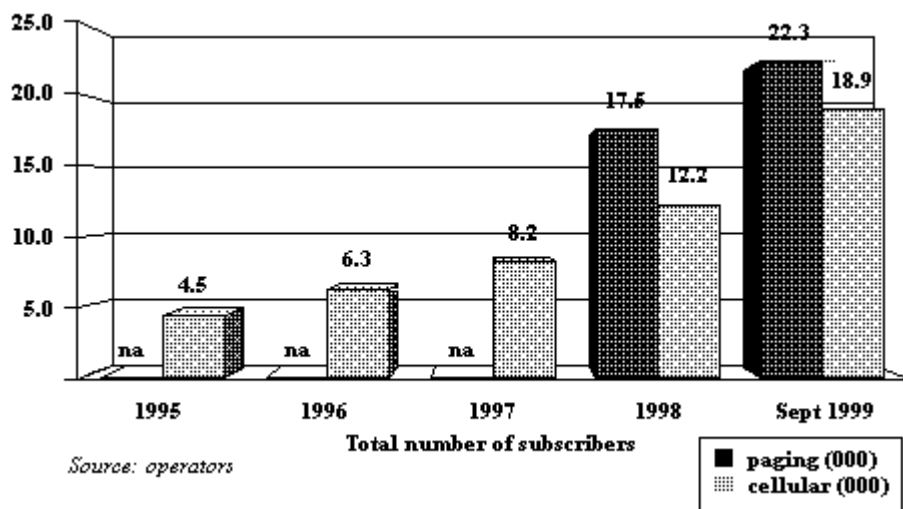
The Belarussian paging market has experienced growth in recent years. However, this may begin to change in line with the rise in popularity of MDC's digital network and the text messaging service it plans to launch in the near future. There are five main paging operators in Belarus, the three biggest of which are Solid Paging, which had 7,000 subscribers at the end of September 1999, Mobilcom (6,000) and Radiopage (3,800). Despite currently holding third place in the subscriber stakes, Radiopage has the backing of Segol Radio Page, one of Russia's largest paging operators which merged with another Russian paging provider, Multi-Page, at the start of 1998.

### Main Operators

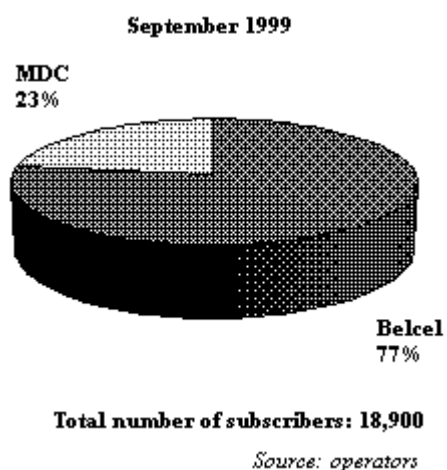
Mobile telephony					
	Network	Launch date	Coverage	Subscribers (000s)	
				End 1998	Sept 1999
Belcel (Republic of Belarus Communications Enterprise 50%, PLD Telekom 50%)	NMT-450	1993	60% (pop)	12.2	14.6
Mobile Digital Communications (SB Telecom 49%, Beltelecom 31%, Beltechexport 20%)	GSM 900/1800	1999	Minsk, airport	-	4.3
<b>Total number of mobile subscribers (September 1999): 18,900</b>					
Paging					
Solid Paging (Solid Ltd)	POCSAG	1993	Major cities	5.3	7
Mobilcom (private investors)	POCSAG	1993	Major	4.8	6

100%)			cities		
Radiopage (Segol radiopage 100%)	POCSAG	1994	Major cities	2.9	3.8
Vessobel (private investors 100%)	POCSAG	1994	Major cities	3	3.5
MDF (private investors 100%)	POCSAG	1995	Major cities	1.5	2
<b>Total number of paging subscribers (September 1999): 22,300</b>					

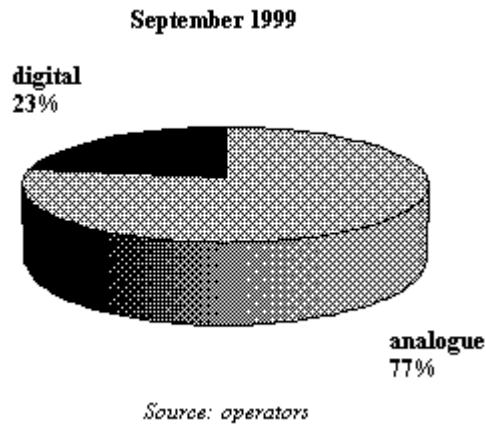
**Growth of mobile services**



**Mobile market share**



**Analogue/digital split**



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