

Datafile of European Telecommunications

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This information is taken from CIT Publications' [Datafile of European Telecommunications](#) which includes profiles of all telecoms sectors in 16 European countries as well as 49 company profiles.

Belgium

Basic Telephony

Regulatory bodies:	The Ministry of Telecommunications (MoT) has overall responsibility for the authorisation of public network and voice telephony licences. The Belgian Institute of Postal Services and Telecommunications (BIPT) puts forward regulatory recommendations to the MoT and deals with the supervision of the telecoms market.
Date of liberalisation:	Local telephony: 1 January 1998 Domestic long-distance telephony: 1 January 1998 International telephony: 1 January 1998

Market commentary

Despite being at the administrative heart of Europe, the Belgian telecoms market is one of the least competitive in Europe with national PTO Belgacom continuing to enjoy a virtual monopoly in the local loop, partly as result of the country's dearth of legislation on key issues such as interconnection, leased lines and accounting methods. This has resulted in a flood of complaints to the BIPT from operators which maintain that interconnection tariffs are much higher than EU benchmarks, that Belgacom's tariffs are not transparent and that there is no effective mechanism for solving interconnection disputes. One of the most vociferous critics has been the Netherlands-based telco VersaTel; in January 2000 it launched a verbal attack on Belgacom's Benefit and Benefit Pro fixed line tariff packages (designed for residential and business customers respectively), claiming that the packages were unnecessarily complex because they bundled local, long-distance and international calls together. In response to VersaTel's threat of legal action Belgacom agreed to unbundle the package into its constituent parts where requested. The pair, however, came to blows again three months later when VersaTel made an application to Belgacom for access to the local loop and requested that the PTO supply it with technical information necessary for its planned DSL rollout

schedule (such as the location of local exchanges and the availability of co-location sites). Having been repeatedly denied both, on 25 July VersaTel filed a complaint with the European Commission. Taking the grievance to the EC had the desired effect and within a month Belgacom announced it would publish details of its local loop infrastructure in the fourth quarter of 2000, thus enabling contractual negotiations with alternative operators to begin. As an interim compromise Belgacom also offered its competitors the option of reselling its own ADSL service TurboLine; alternative operators quickly countered that the pricing structure made it uneconomic for them to take Belgacom up on its offer and by October 2000 no company had done so. In the same month the Belgian government and Belgacom gave an undertaking that local loop unbundling would begin by 31 December 2000.

Despite the liberalisation of the Belgian facilities-based public voice telephony market on 1 January 1998, the country's former incumbent PTO continues to control the lion's share of the market. Indeed Belgacom has been quoted as saying that it does not expect to be seriously challenged in the local telephony market until 2002. Although the lack of legislation has undoubtedly helped Belgacom to retain market control, it has also been assisted by the relatively unsophisticated state of the country's alternative infrastructure, particularly cable television networks, many of which are incapable of offering two-way services and will take many years to upgrade.

Although there has been a steady inflow of licence applications to the BIPT - at the end of October 2000 there were 36 companies holding public telecoms network licences - the vast majority are either carriers' carriers or pan-European telcos seeking to offer advanced voice and data services to the large number of multinational companies active in Belgium. Competition in the residential market comes primarily from cable television operators, though many of these are, at best, in the early stages of their network upgrade programmes; even the country's largest cable TV operator Telenet does not expect to be able to offer telephony services across the whole of its network until 2002.

Main operators

Belgacom

While Belgacom has little fear of being toppled from its throne in the immediate future, it has nonetheless been putting its house in order, concentrating on improving customer service and lowering tariffs. At the start of January 1999 a special team known as Apollo 100 was set up to solve pressing problems in the area of installation and service particularly for leased lines and ISDN. By the end of 1999 60% of all leased lines were installed within ten days, compared to just 36% a year earlier. Moreover, there was a 49% reduction in average service disruption repair time on PSTN/ISDN lines from 51 hours in December 1998 to 26 hours. By the end of 1999 Belgacom presided over a network of 5.14 million PSTN and ISDN lines, translating to a national teledensity of 50.3%. The total number of ISDN channels at the end of the year stood at 319,480, up from 184,700 in January. From 91.3% digitalisation at the end of 1999, Belgacom expects to complete its digitalisation programme by the start of 2001.

Belgacom was one of the first European telcos to trial an ADSL service when it rolled out its pilot TurboLine service to 1,000 households in January 1998. The service was launched commercially in April 1999 and a month later the operator signed a five-year agreement with Alcatel for the supply and installation of ADSL equipment; by the end

of 1999 some 90 local exchanges had been upgraded to DSL. The company has pledged to speed up this upgrade, and expects to reach 75% of the Belgian population by the end of 2000 with national coverage planned for the end of the following year. Its rollout programme appears to be on target; it claimed coverage of 73% of the population of Flanders by October 2000. In October 1999 Belgacom launched four improved TurboLine packages - TurboLine Go, TurboLine Plus, TurboLine Pro and TurboLine Premium - which are differentiated in terms of speed and capacity. By October 2000 Belgacom claimed to have over 10,000 ADSL lines in operation, 40% of which were connected to businesses and the remainder to residential customers.

Belgacom is 50.1% owned by the state, with the remainder owned by the ADSB Telecommunications consortium, itself owned by SBC (35%), Tele Danmark (33%), Singapore Telecom (27%) and domestic partners (5%).

Telenet

Flanders-based Telenet claims to have passed virtually all of its 2.3 million franchise homes and 130,000 businesses with 2.24 million customers subscribing to television services at the end of 1999. It launched a limited telephony service on 1 January 1998; by the end of 1999 it had passed 1.14 million homes with broadband cable capable of carrying telephony and internet services and had signed up 53,152 users. Telenet claims it takes an 11% share of the voice telephony market in areas where its service has been rolled out; switches have been installed in Asse, Ghent, Roselare, Hoboken and Hesselt, with an operational centre in Mechelen. In the business market Telenet introduced a fibre-to-the-premises service in 1999 under the brandname iFiber; offering symmetrical data transmission speeds of up to 2Mbps. Telenet plans to use fixed wireless access technology to expand its service coverage.

Telenet has built an 8,500km fibre-optic backbone which connects its headends with the antenna of its 18 constituent cable companies via hundreds of fibre-optic rings; the network was completed in early 2000. It is also in the process of upgrading the existing 52,000km of coaxial cable networks so as to provide two-way communications. This project is expected to be finished in the first quarter 2002 - nine months earlier than originally expected - and will cost an estimated BEF50 billion of which Telenet will provide BEF37 billion. The remaining BEF13 billion will come from the individual cable companies and includes investment in new decoders. Telenet claimed to have invested in the region of BEF6.78 billion in 1999 alone.

In November 1999 the MediaOne Group sold its 25% stake in Telenet to its fellow shareholders: 18 Flemish cable companies, eight Benelux financial institutions and the Flemish investment corporation GIMV. In May 2000 US-based Callahan Associates began exclusive talks with Telenet over the acquisition of a 55% stake; at the start of November the discussions were still ongoing. If and when the deal is completed the cable companies' stake will drop from 46.67% to 21% while GIMV and the financial institutions will see their 26.67% shareholdings fall to 12%.

Priority Telecom/UPC Belgium

Another company which has plans to go head-to-head with Belgacom in the residential market is Priority Telecom, a wholly owned subsidiary of United Pan-European

Communications (UPC). UPC Belgium operates cable television and communications services to 125,082 subscribers in selected areas of Brussels and nearby Leuven. Of its 133,120 franchise homes UPC Belgium claims to have passed 133,000. The company has been offering internet services since September 1997 and in the first quarter of 1999 introduced its Chello broadband internet service. In November 1999 it began offering impulse pay-per-view services in Leuven and plans to extend this to its entire franchise area as soon as its network has been upgraded to full two-way capability. At the end of December 1999 UPC estimated that 98% of its network had been upgraded. It plans to offer cable telephony services, under the Priority brandname, in early 2001. Priority claims it will be able to offer discounts of up to 20% on Belgacom's tariffs.

Priority Telecom is a wholly owned subsidiary of UPC.

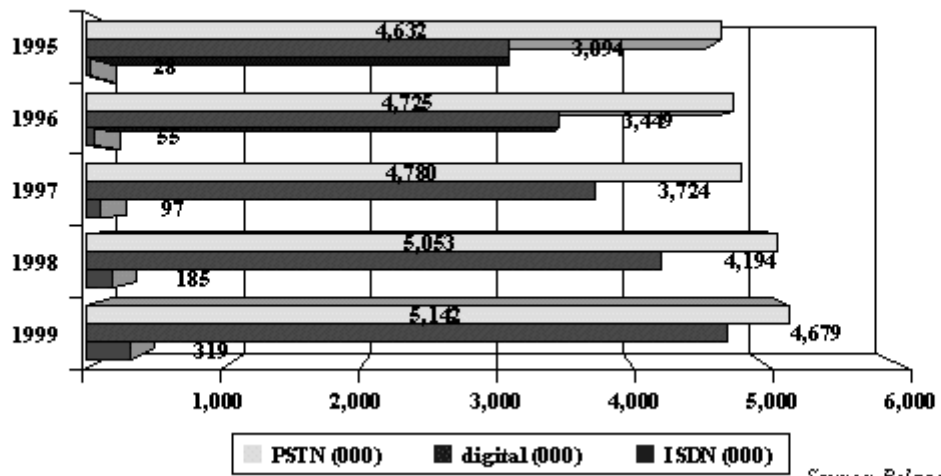
RSL Com Belgium

RSL Com Belgium, formerly known as European Telecom, began offering voice and data services to closed user groups in January 1995. In 1998 it received a licence to provide public voice telephony and was awarded the pre-selection code 1510. According to the company approximately 80% of Belgacom's customers can currently pre-select its international and long-distance services, a figure which is expected to rise to 100% by the end of 2000. RSL Com has installed switches in seven main cities and claims to be able to offer residential customers savings of up to 17% on national calls and up to 65% on international calls.

RSL Com Belgium is a wholly owned subsidiary of RSL Com.

Facilities-based licensees				
Operator	Date licensed	Operating licence	Network	Local telephone subscribers
Belgacom	1992	Local, long-distance, international	PSTN	5,142,130
Telenet	1998	Local, long-distance, international	Cable	53,152*
<p><i>Other companies holding public telecommunications networks licences: Global One Communications (12/98), KPN Belgium (12/98), BT (12/98), WorldCom (12/98), VersaTel (12/98), KPNQwest (04/99), Level 3 Communications (01/99), United Pan European Communications (01/99), Colt Telecom (01/99), La Région Wallone (01/99), Codenet (01/99), GTS Network (10/2000), Esprit Telecom Benelux (01/99), Viatel Belgium (02/99), Mobistar (02/99), Brutélé (02/99), NMBS (04/99), GC Pan European Crossing (04/99), Winstar (06/99), Carrier 1 Belgium (06/99), Iaxis (06/99), Interoute Belgium (06/99), Cable & Wireless Belgium (09/99), Swisscom Belgium (09/99), Vine Telecom (12/99), Association Liégeoise d' Electricité (01/2000), Louis Dreyfus Communications (01/2000), 1-21 Belgium (03/2000), Tele2 Belgium (03/2000), NETs SA (08/2000), Simogel (08/2000), Seditel (08/2000), Inatel (08/2000).</i></p>				
<p>Total number of telephone subscribers (December 1999): 5,147,000 Teledensity (December 1999): 50.3%</p>				
<p><i>*number of internet and telephony customers combined</i></p>				

Growth of main lines - Belgacom



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