

Central and Eastern Europe telecoms market: trends and forecasts 2019–2024



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About this report

This report provides:

- a 5-year forecast of more than 290 mobile and fixed KPIs for Central and Eastern Europe, as a whole and for 16 key countries
- an in-depth analysis of the trends, drivers and forecast assumptions for each type of mobile and fixed service, and for key countries
- an overview of operator strategies and country-specific topics, in order to highlight similarities and differences by means of a cross-country comparison
- a summary of results, key implications and recommendations for mobile and fixed operators.

Our forecasts are informed by on-the-ground regional market experts from our topic-led research programmes and our consulting division, as well as external interviews. In addition to our robust set of historical data, our forecasts draw on a unique and in-house modelling tool, which applies a rigorous methodology (reconciliation of different sources, standard definitions, top-down and bottom-up modelling).



Our forecasts are refined throughout the year. This report presents the results at the time of publication and will continue to give useful background information about key drivers. However, we recommend that you always use the Analysys Mason [DataHub](#) to view the latest data associated with this report.

REPORT COVERAGE		
Geographical	Key performance indicators	
Regions modelled: - Central and Eastern Europe (CEE) Countries modelled individually: - Bulgaria - Croatia - Czech Republic - Estonia - Hungary - Latvia - Lithuania - Montenegro - Poland - Romania - Russia - Serbia - Slovakia - Slovenia - Turkey - Ukraine	Connections	Revenue
	Mobile	Mobile
	- Handset, mobile broadband¹, IoT² - Prepaid, contract 2G, 3G, 4G, 5G - Smartphone, non-smartphone	- Service³, retail - Prepaid, contract - Handset, mobile broadband¹, IoT² - Handset voice, messaging, data
	Fixed	Fixed
	- Voice, broadband, IPTV, dial-up - Narrowband voice, VoBB - DSL, FTTP/B, cable, BFWA, 5G, other	- Service³, retail - Voice, broadband, IPTV, dial-up, specialist business services - DSL, FTTP/B, cable, BFWA, other
	Voice traffic	ARPU
	Fixed and mobile	Mobile:
	Outgoing minutes, MoU	- SIMs, handset - Prepaid, contract - Handset voice, data

¹ Includes USB modem, and mid- and large-screen, but not handset-based data.

² IoT connections and revenue figures include mobile services only.

³ Service revenue is the sum of retail and wholesale revenue.

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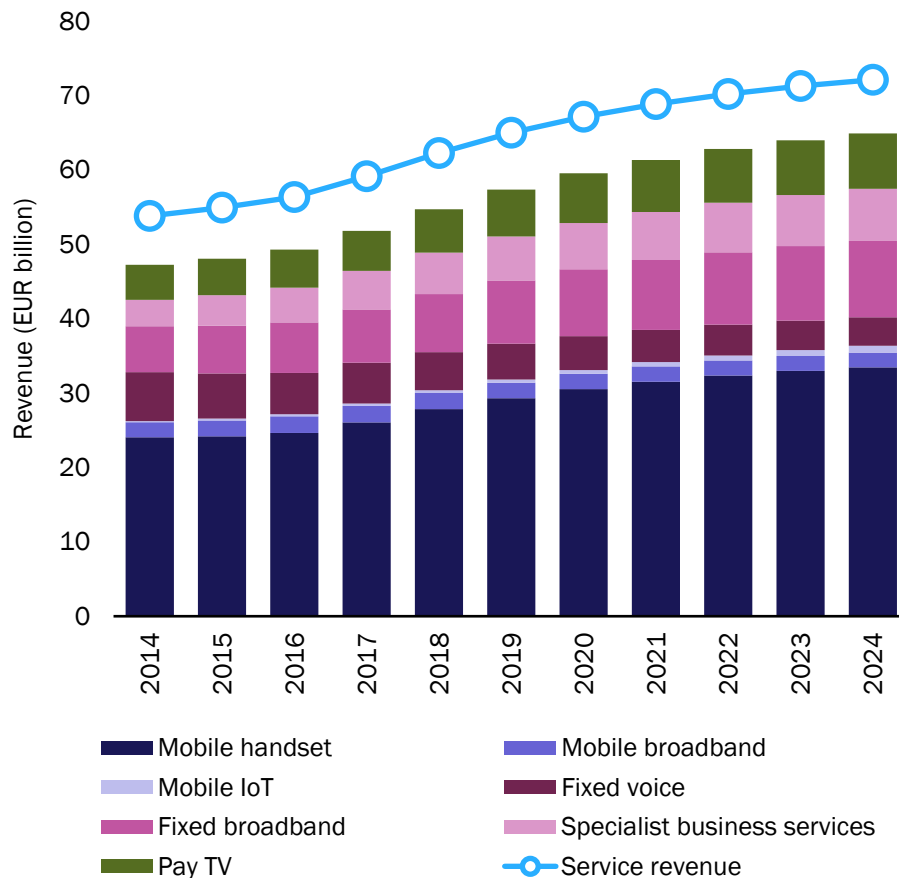
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Telecoms service revenue growth will be driven by the demand for data and the monetisation of network investments

Figure 1: Telecoms and pay-TV retail revenue by type and total service revenue, Central and Eastern Europe, 2014–2024



Source: Analysys Mason

Telecoms retail revenue in Central and Eastern Europe (CEE) will increase at a CAGR of 2.7% between 2018 and 2024, and growth will be visible in most market segments.

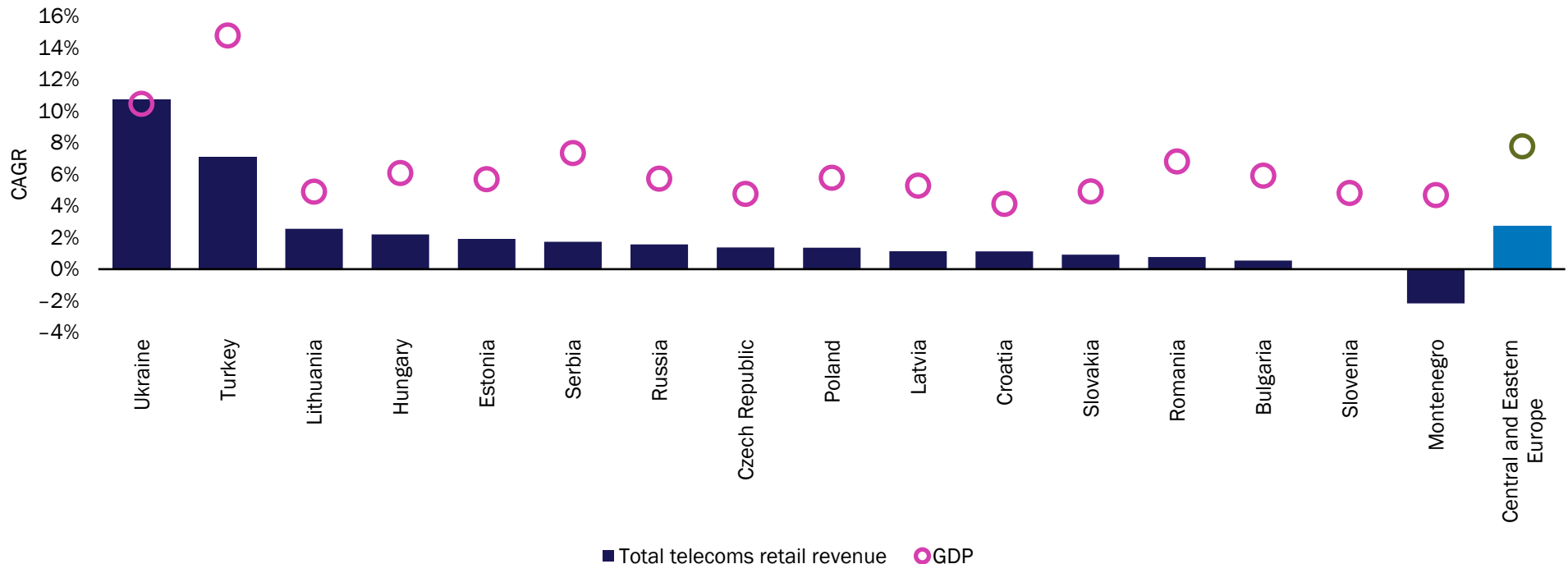
The economic outlook for the region remains positive, but the pace of GDP growth may decline slightly during the forecast period. This should not affect household and business spending on telecoms services, and we expect that growth in each of the total mobile and fixed service revenue segments will be over 2% between 2018 and 2024.

The availability of EU development funds for EU countries and the demand for fast broadband connections and mobile data access will encourage operators to further invest in their fixed and mobile networks. The expansion of LTE and LTE-A networks and increasing mobile data usage will be key drivers of telecoms revenue growth. Mobile service revenue will account for 55% of the overall telecoms service revenue in 2024. Fixed broadband network upgrades and specialist business services will remain crucial for revenue growth in the fixed segment. Fixed network operators will look for opportunities to reduce infrastructure costs, and fibre network roll-outs will continue across the region.

The countries that will contribute most to telecoms retail revenue growth in the region will be Turkey (44% of the total revenue growth) followed by Russia (21%). Operators in both countries still have a significant amount of unmet service demand and will not struggle to increase service penetration.

The rate of telecoms retail revenue growth mainly depends on LTE network expansions, NGA network investments and fixed broadband service take-up

Figure 2: Growth in telecoms retail revenue and nominal GDP by country, Central and Eastern Europe, 2018–2024



Source: Analysys Mason

LTE deployments and broadband network upgrades will drive revenue growth in Ukraine, Turkey and Lithuania.

Increasing LTE service take-up and further migration from prepaid plans to contracts will lead to significant increases in operators' mobile revenue in Turkey and Ukraine. Mobile revenue growth in CEE will be driven by expanding LTE coverage and increasing data usage. Investments in next-generation access (NGA) and fixed network upgrades, together with a growing demand for high-speed connections and increasing fixed broadband penetration, will keep broadband ASPU steady, despite the potential slowdown in economic growth in CEE.



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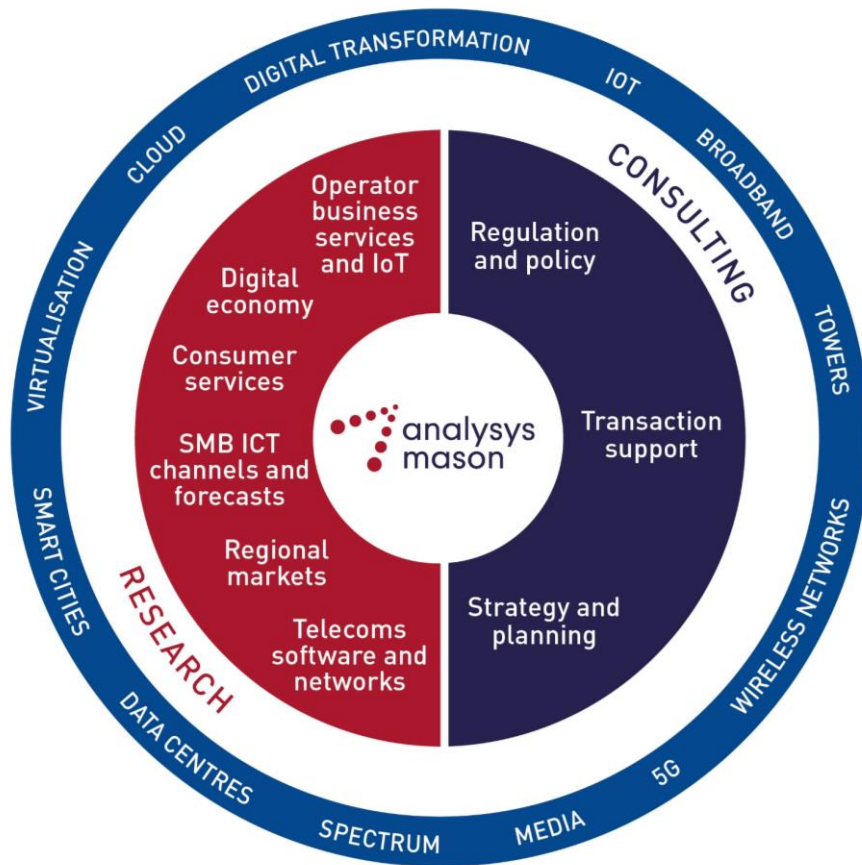
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