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Communications Market Review

July 2020 to June 2021

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1. Reporting parameters

This is the latest report in a series of Communications Market Review (CMR) publications from the Malta Communications Authority (MCA). The report draws on quarterly and half-yearly data compiled by the MCA from network operators and service providers involved in the provision of electronic communications and postal services in Malta. Comparatives are for the period January to June 2021 with January to June 2020.

1.1. The key indicators outlined in this report

This report is composed of five sections dealing with trends observed for fixed telephony, mobile telephony, fixed broadband, pay-TV and post. Table A lists the main indicators covered in this review.

Fixed line telephony

- Subscriptions: stand-alone; subscriptions in a bundle
- Number portability
- Usage levels: voice calls; voice call minutes
- Subscriber activity levels and call duration
- ARPU (where 'ARPU' stands for the average revenue per user)
- Price movements

Mobile telephony

- Subscriptions: stand-alone; subscriptions in a bundle
- Number portability
- Usage levels: voice calls; voice call minutes; SMSs; MMSs; roaming calls and minutes
- Subscriber activity levels and call duration
- ARPU
- Price movements

Fixed and mobile broadband

- Subscriptions: stand-alone; subscriptions in a bundle
- Mobile broadband
- ARPU
- Price movements

Pay -TV

- Subscriptions: stand-alone; subscriptions in a bundle
- ARPU
- Price movements

Post

- Mail volumes
- Quality of mail delivery services
- Price movements: benchmarking local postal rates vs EU average

Table A: Key market indicators for electronic communications and post

1.2. The reporting period and contributors

The current review outlines the main figures for the telecoms and post sectors for the period starting Q1 2017 and ending Q2 2021. All the data presented in this report is subject to a data cut-off date set at the 10th September 2021. Any data revised and updated after the cut-off date has been incorporated in the latest Data Report Sheet (DRS) published thereafter on the MCA website.[1] The data has been gathered in quarterly intervals following submissions by local operators and service providers, listed in Table B below.

Fixed line telephony	Mobile telephony	Internet	TV	Post
GO plc.	GO plc.	GO plc.	GO plc.	Maltapost plc.
Melita Ltd.	Melita Ltd.	Melita Ltd.	Melita Ltd.	Premiere Post Ltd.
Epic Communications Ltd.	Epic Communications Ltd.	Vanilla Telecoms Ltd.		Express Mail Operators
Vanilla Telecoms Ltd.	Yom Ltd. (VFC Mobile)	Epic Communications Ltd.		

Table B: Operators providing quarterly data

[1] The MCA publishes a DRS on a regular basis, the latest of which can be found on: https://www.mca.org.mt/articles/key-market-indicators-electronic-communications-and-post-q1-2017-q2-2021

2. Key market outcomes

The pandemic brought the industry's importance into sharp focus and likely accelerated trends that were already underway – particularly relating to the take-up and importance of higher broadband speeds. The first-half of 2021 can be seen as a period of semi-normalisation for the industry, with a reversal underscored by several pandemic-related shifts.

Subscription figures for fixed broadband services at the end of June 2021 were higher than a year earlier, given that the pandemic-defined environment bolstered much of the trends that have been observed in recent years. Fixed broadband subscriptions were up by 4.3% year-on-year, representing 8,931 new subscriptions in the 12-month period to the end of June 2021. The rising take-up of fast and ultra-fast fixed broadband continued, with 59.7% of all subscriptions at the end of June 2021 registered on plans with headline download speeds of 100Mbps or more. Fixed broadband subscriptions were predominantly purchased in a bundle, with 93% of all subscriptions recorded at the end of June 2021 being recorded in a bundle set-up.

Given the prevailing bundle environment, fixed telephony is typically bundled with the fixed broadband service. Nonetheless, take-up for the fixed telephony service was unchanged year-on-year as subscriptions totalled 258,790 at the end of June. In addition, fixed telephony traffic volumes for the first half of 2021 were considerably lower than recorded for the same period a year earlier. In this respect the number of voice calls was down by 23.2%, whilst the number of minutes was down by 23.1%.

Evidently, despite the near universal availability of the fixed telephony service across local business premises and households, end-users increasingly prefer mobile telephony to reach others. The gap between the number of voice minutes on mobile is getting increasingly wider to voice minutes on fixed telephony.

Mobile telephony subscriptions generally recovered and grew past pre-pandemic levels following the sustained drop in the first half of 2020. Subscriptions for mobile telephony are now at the highest level recorded, as subscriptions by the end of June reached 642,060, up by 4.2% year-on-year. Alongside increased mobile voice minutes, total calls over the period were also up from the first half of 2020. The 1.9% increase in mobile voice call minutes in the first half of 2021 compared to the first half of 2020 came alongside a 5.4% rise in the number of calls.

Growth extends to mobile data services, as the jump in mobile data usage was substantial, with Mb units consumed domestically up by 52% in the first half of 2021 compared to the first half of 2020. The mobile telephony segment was also strongly impacted by the dramatic drop in tourism flows, however roaming minutes have recovered albeit still not fully given the prevailing tourist flows.

The local pay-TV model has seen a 2.1% rise in subscriptions year-on-year ending last June. New clients subscribed to cable-based TV service, with this platform seeing a 3.5% increase in subscriptions between June 2020 and June 2021. The DTTV and IPTV platforms recorded contrasting trends in terms of take-up, with the former now approaching switch-off date and seeing a 57% drop in subscriptions whilst the IPTV platform recorded a 9% rise in subscriptions.

The postal sector experienced a big hit from the pandemic almost immediately, particularly as a consequence of the widespread disruption to international postal supply chains. However, activity has since recovered from the first-half of 2020 and mail volumes for the first half of 2021 are up by 2.4% from that historic low. Significantly bigger postal activity was recorded for registered mail, as volumes in the first half of 2021 almost doubled compared to the same period a year before, whilst standard letter mail volumes were up by 0.5%.

2.1. Mobile telephony

- Subscriptions up by 25,727 (or by 4.2%) over 12 months to 642,060 by the end of June 2021.

- The number of post-paid subscriptions was up by 19,350 (or by 7.8%) year-on-year and the number of pre-paid subscriptions was up by 6,377 (or by 1.7%).

- The proportion of the subscriber base on a post-paid plan was up from 40.2% at the end of June 2020 to 41.6% at the end of June 2021.

- 9.6% of all subscriptions as at end of June 2021 in a bundle package.

- The number of mobile inward portings totalled 12,141 in the first half of 2021, up by 5,088 (or by 72.1%) from 7,053 inward portings in first half 2020.

- The number of mobile voice call minutes in the first half of 2021 totalled 589.0 million, up by 10.8 million (or by 1.9%) from 578.2 million in the first half of 2020.

- The number of mobile voice calls was also up, by 12.7 million (or by 5.5%) from 233.3 million to 246.0 million.

Mobile telephony	FH 2019	FH 2020	FH 2021
Subscriptions (end of period)	626,605	616,333	642,060
Activity levels per subscription			
Number of voice calls	395	373	386
Number of voice call minutes	805	925	924
Number of SMSs	193	139	125
ARPM (overall; excl. taxes)	€0.05	€0.04	€0.04
Average rate per SMS (domestic)	€0.10	€0.14	€0.19
ARPU	€88.96	€89.73	€85.59

Table 1: Take-up, activity levels and pricing for the mobile sector

- Mobile roaming traffic remains subdued due to the impact of COVID on travel activity. Call volumes in the first half of 2021 were 18.4% less than in the first half of 2020. Minutes volumes were 18.7% less.

- The average rate per minute (ARPM) of mobile communications in the first half of 2021 was down by 24% to €0.035 from €0.046 in the first half of the previous year..

2.2. Fixed telephony

- Number of subscriptions unchanged year-on-year for a total of 258,790 by end of June.
- 4,637 more post-paid subscriptions as at end June 2021 compared to twelve months earlier. 98.2% of all subscriptions on a post-paid plan.
- Number of pre-paid subscriptions down big as one operator switches off the service.
- 82% of all fixed telephony subscriptions as at end June 2021 on a bundle package.
- 1,041 inward portings in the first half of 2021, down significantly from first half of 2020 as clients of then Ozone Malta now full absorbed by current operators.
- Traffic volumes over fixed telephony down significantly in the first half of 2021 when compared to the same period a year earlier: by 9.9 million (or by 23.2%) for outgoing voice calls and by 43.6 million (or by 23.1%) for voice call minutes.

Fixed line telephony	FH 2019	FH 2020	FH 2021
Subscriptions (end of period)	256,838	258,751	258,790
Voice activity levels per subscription			
Number of voice calls	216	166	127
Number of voice call minutes	788	732	560
Average rate per minute (ARPM)	€0.08	€0.09	€0.11
on-net FTF call	€0.02	€0.02	€0.02
off-net FTF call	€0.03	€0.02	€0.02
FTM call	€0.32	€0.32	€0.43
FTI call	€0.37	€0.44	€0.44
Average revenue per user (ARPU)	€62.49	€62.66	€63.79

Table 2: Take-up, activity levels and pricing for the fixed line sector

- Fixed telephony ARPU in the first half of 2021 was up by 1.8% when compared to the same period a year earlier.
- The ARPM of fixed line communications in the first half of 2021 stood at €0.113, which is up by 1.8% than the ARPM observed in the first half of 2020. Access revenues are apportioned by type of call accordingly.

2.3. Fixed and mobile broadband

- Subscriptions up by 8,931 (or by 4.3%) year-on-year to reach 217,862 by end of June.
- 93.8% of all subscriptions reported in a bundle, up from 92.4% a year earlier.

Fixed broadband	FH 2019	FH 2020	FH 2021
Subscriptions (end of period)	197,519	208,931	217,862
less than 30Mbps	13,681	6,874	4,103
30Mbps but less than 100Mbps	104,911	99,054	83,737
100Mbps and more	78,927	103,003	130,022
Average rate per Mbps	€1.28	€1.09	€0.56
ARPU	€120.35	€113.97	€105.26

Table 3: Take-up and pricing for the fixed broadband sector

- Most subscriptions now supporting download speeds of 100Mbps or more, representing almost 60% of the local fixed broadband client base as at end of current reporting period. 38% of all subscriptions on speeds of '30Mbps; less than 50Mbps'.
- Biggest number of subscriptions on DOCSIS cable platform, at 48.4% of the total by end of June 2021. Other platforms: copper DSL at 26.1%, FTTH at 19% and fixed wireless at 6.6%.
- Fixed broadband ARPU in the first half of 2021 stood at €105.3, down by 7.7% from €114.0 in the first half of 2020.
- The average rate per Mbps in the first half of 2021 stood at €0.56, down by almost half from €1.09 in the first half of 2020.
- Take-up of mobile broadband services up in the current review period, with active users growing by 15,767 (or by 4%) to 414,713 at the end of June 2021.
- Each end-user actively using mobile broadband consumed 55.1GB of data in the first half of 2021, up significantly from an average of 38.3GB in the first half of 2020.

2.4. Pay-TV

- Subscriptions were up by 3,572 (or by 2.1%) year-on-year to reach 174,913 by the end of June 2021.
- Most subscriptions are on the digital cable platform, representing 61.2% of the local pay-TV subscriber base as at the end of June 2021. Another 36.5% of the client base are subscribed to the IP television platform (IPTV). Just 2.4% remain on the Digital Terrestrial platform (DTTV), which is being phased out.

Pay-TV	FH 2019	FH 2020	FH 2021
Subscriptions (end of period)	167,633	171,341	174,913
Average market rates for pay-TV packages	€18.28	€15.57	€13.39
up to 24 channels	€13.33	€11.25	€11.66
25 to 49 channels	€17.00	-	-
50 to 74 channels	-	-	-
75 to 99 channels	€22.00	€22.00	€22.00
100 channels or more	€32.00	€21.00	€9.99
ARPU	€86.91	€95.90	€93.28

Table 4: Take-up and pricing for the pay-TV sector

- In absolute terms, cable-based subscriptions increased by 3,668 year-on-year to reach 107,012 by end of June. The number of IPTV subscriptions was up by 5,305 to 63,764 whilst the number of DTTV subscriptions fell by 5,401 to 4,137.
- The number of pay-TV subscriptions in a bundle was up by 6,769 year-on-year to reach 142,387 by end of June2021, equivalent to 81.4% of the local subscriber base.
- ARPU for the pay-TV segment was down by by 2.7% when comparing the first half of 2021 with the first half of the previous year.

2.5. Post

- Postal mail volumes delivered in the first half of 2021 totalled 16.6 million items, 0.4 million items more than recorded in the same reporting period a year before.
- Standard mail activity accounts for 94.8% of all postal mail volumes recorded in the first half of 2021. Express mail activity accounted for the remaining share.
- Express mail volumes in the first half of 2021 were up by 10.1% compared to the first half of 2020. Standard mail volumes were up by 2.0%.

Post	FH 2019	FH 2020	FH 2021
Postal mail volumes	18,181,702	16,216,942	16,612,022
Standard mail volumes	17,382,507	15,425,455	15,740,483
Single piece letter mail	5,875,918	4,836,316	4,763,109
Bulk mail	10,507,620	9,978,866	9,836,203
Registered mail	901,567	517,432	1,025,127
Parcel mail	97,402	92,841	116,044
Express mail volumes	799,195	791,487	871,539
Single piece letter mail	488,836	442,814	540,096
Bulk mail	-	-	-
Registered mail	-	-	-
Parcel mail	310,359	348,673	331,443

Table 5: Postal mail volumes

- As to volume developments by type of mail item, bulk mail activity accounted for 59.2% of all postal mail volumes recorded in the first half of 2021, followed by single piece letter mail at 31.9%, registered mail at 6.2% and parcel mail at 2.7%.
- In absolute terms, registered mail volumes were up significantly, almost doubling, from 0.55 million in the first half of 2020 to 1.0 million in the first half of this year. Increases were modest for standard letter mail and parcel mail. In the former case, volumes were up by 24,075 mail items (or by 0.5%) and the latter case by 5,973 (or by 1.4%). The bulk mail heading registered a decline of 142,663 items (or by 1.4%).

More detailed information on the main market outcomes for the electronic communications and postal sectors is provided in Sections 3 to 7 of this document.

3. Fixed telephony

3.1. Take-up

The fixed telephony subscriber base did not see a material change in take-up for the 12-month period ending June 2021. The total number of subscriptions was up by just 39 between June 2020 and June 2021, as a result of an almost equal but opposite change in the number of subscriptions on post-paid and pre-paid plans. A major drop in subscriptions to the latter category materialised as the main operator supplying the service notified the MCA and its clients that it would be switching off its pre-paid service.

Subscriptions as at end of period					
	FH 2017	FH 2018	FH 2019	FH 2020	FH 2021
Total	239,582	248,420	256,838	258,751	258,790
Post-paid	221,186	233,225	243,076	249,541	254,178
Pre-paid	15,386	11,549	9,924	5,499	345

Table 6: Subscriptions for fixed telephony

As at end of June 2021, just 0.1% of all fixed telephony subscriptions were on a pre-paid plan, whilst the rest were subscribed to a post-paid plan. Significantly, 83.7% of all post-paid subscriptions were in a bundle set-up, alongside other electronic communications services.

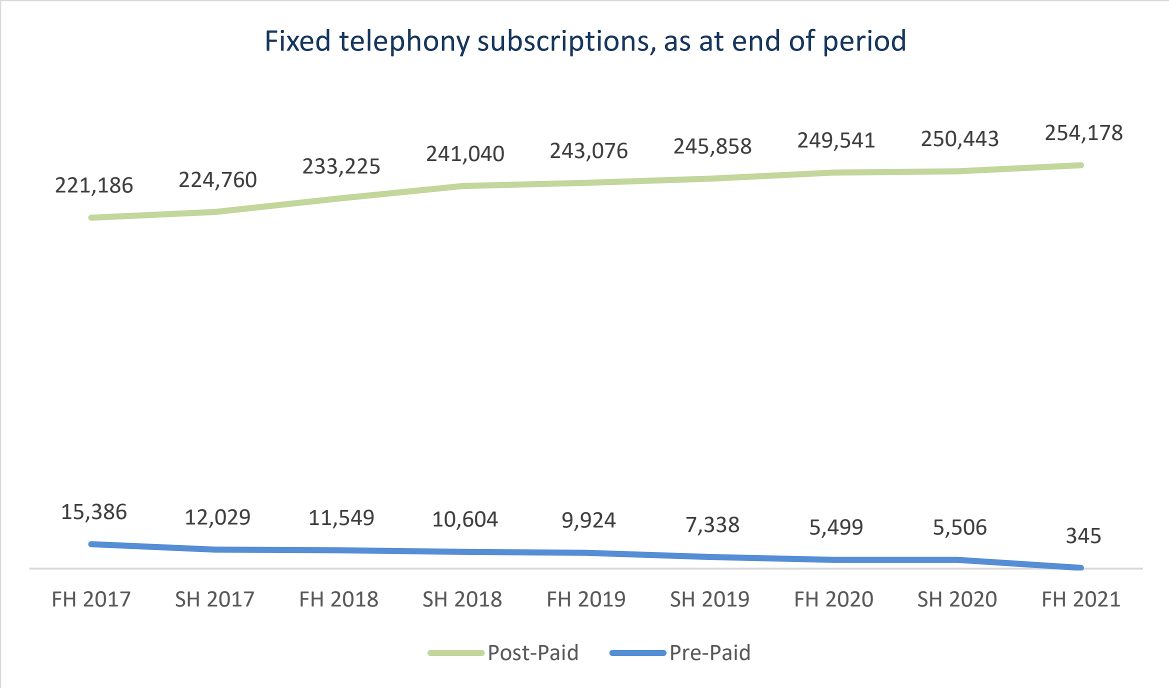


Figure 1: Fixed line telephony subscriptions as at end of period

Whilst the take-up of fixed telephony in a bundle is very strong, the predominant purchase is in a triple play bundle alongside fixed broadband and pay TV (see Table below).

Fixed telephony subscriptions in a bundle	2017		2018		2019		2020		2021
	FH	SH	FH	SH	FH	SH	FH	SH	FH
Fixed telephony subscriptions on a dual play contract	**67,120**	**66,932**	**65,909**	**65,357**	**62,160**	**65,251**	**68,147**	**70,765**	**74,152**
Fixed telephony + mobile telephony	6,597	6,092	5,555	5,090	4,602	4,232	3,856	3,561	3,260
Fixed telephony + fixed broadband	55,227	55,793	55,649	55,306	52,754	55,691	58,678	61,280	65,829
Fixed telephony + pay-TV	5,296	5,047	4,705	4,961	4,804	5,328	5,613	5,924	5,063
Fixed telephony subscriptions on a triple play contract	**40,675**	**46,859**	**55,064**	**61,148**	**72,595**	**76,382**	**79,418**	**81,232**	**81,605**
Fixed telephony + fixed broadband + mobile telephony	37	24	16	3	5,632	5,132	4,462	3,465	1,171
Fixed telephony + fixed broadband + pay-TV	40,638	46,835	55,048	61,145	66,963	71,250	74,956	77,767	80,434
Fixed telephony subscriptions on a quad play contract	**49,175**	**49,785**	**51,691**	**53,164**	**53,433**	**53,887**	**55,049**	**55,970**	**56,890**
Fixed telephony + fixed broadband + pay-TV + mobile telephony	49,175	49,785	51,691	53,164	53,433	53,887	55,049	55,970	56,890
Total number of fixed telephony subscriptions in a bundle	**156,970**	**163,576**	**172,664**	**179,669**	**188,188**	**195,520**	**202,614**	**207,967**	**212,647**
Total number of fixed telephony subscriptions at end of period	**239,582**	**240,280**	**248,420**	**255,437**	**256,838**	**256,838**	**258,751**	**259,456**	**258,790**
Percentage of fixed telephony subscriptions in a bundle	65.52%	68.08%	69.50%	70.34%	73.27%	76.13%	78.30%	80.16%	82.17%

Table 7: Fixed line subscriptions on a bundled offer

3.2. Market shares

Based on subscription figures supplied by local service providers, GO's market share in the fixed telephony segment stood at 50.3%, down by 2.4 percentage points over a 12-month period ending June 2021. Melita's market share stood at 45.5% by the end of last June, up by 2.4 percentage points in twelve months.

Market shares	GO	Melita	epic	Vanilla Telecoms
End of FH 2021	50.3%	45.5%	4.2%	0.1%
End of FH 2020	52.7%	43.1%	4.1%	0.1%
End of FH 2019	55.4%	40.3%	4.1%	0.1%

Figure 2: Market shares in terms of fixed line telephony subscriptions as at end of period

The market share of Epic and Vanilla Telecoms stood at 4.2% and 0.1% respectively at the end of last June, unchanged from the market share recorded as at end of June 2020.

3.3. Fixed line inward portings

A total of 1,041 fixed line inward portings[2] were recorded in the first half of 2021. This is down by 1,399 (or by 57.3%) compared to the same period a year earlier. This change is mainly a result of a small operator, namely Ozone Malta, having stopped operations in 2020, and thus leading impacted clients to port their number to the current batch of operators.

Melita reported the biggest number of inward portings in the first half of 2021, at 727 representing 69.8% of all inward portings reported during the period under review. GO recorded 1602 inward portings during the same period, representing 15.4% of all inward portings, followed by Vanilla Telecoms at 88 and Epic at 66.

[2] The term 'fixed line inward portings' refers to the total number of subscribers that switch from a fixed line operator to another whilst keeping the same number. Figures presented above only take into account inward portings.

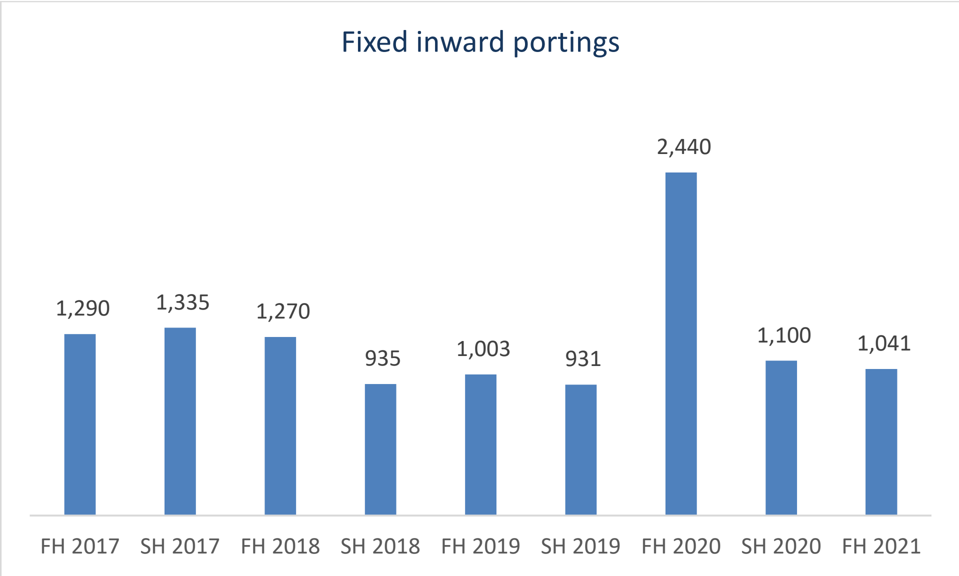


Figure 3: Fixed line number portability - number of inward portings

3.4. Usage trends

Fixed telephony voice usage volumes were down on a general level. Comparing traffic activity for the first half of 2021 to the first of 2020, the number of outgoing calls dipped by 9.9 million (or by 23.2%) whilst the number of voice call minutes was down by 43.6 million (or by 23.1%).

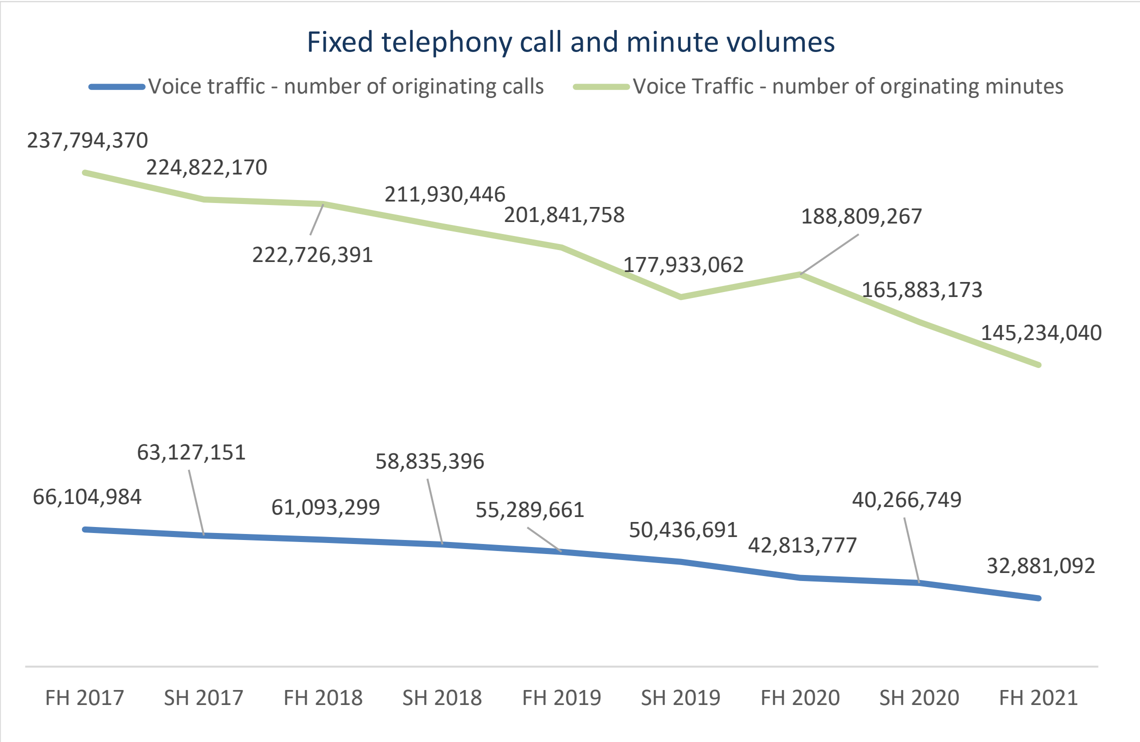


Figure 4: Voice traffic originating from local fixed line networks

The overall downward trend in fixed voice traffic volumes is further outlined hereunder for two categories of voice traffic: (i) national; and (ii) international.

The national voice traffic element refers to volumes of fixed calls and voice minutes originating and terminating in Malta. On this front, again when comparing volumes in the first half of 2021 to volumes in the first half of 2020, the number of calls was down by 9.6 million (or by 22.9%) whilst the number of voice call minutes was down by 41.5 million (or by 22.6%).

On-net fixed-to-fixed traffic volumes continue to represent the largest element of voice calling activity, with this element showing some big declines. When it comes to the number of calls, volumes for the same comparative period were down by 5.6 million (or by 32.5%). In the case, of voice call minutes, volume was down by almost 23.0 million (or by 25.7%).

The off-net fixed-to-fixed, fixed-to-mobile and the 'other'[3] call elements also recorded declines in volumes, both in terms of voice calls and minutes.

[3] This encompasses freephone calls, premium calls and payphone calls.

Voice traffic volumes – number of calls					
	2019 FH	2019 SH	2020 FH	2020 SH	2021 FH
National	63,859,644	59,443,000	54,000,817	41,985,866	32,356,875
....on-net	32,594,971	28,701,962	24,750,090	17,181,054	11,589,946
....off-net	13,386,805	12,700,846	11,188,072	9,493,474	7,197,544
....fixed-to-mobile	16,517,323	16,682,373	16,263,351	12,974,540	11,802,436
....other	1,360,545	1,357,819	1,799,304	2,336,798	1,766,949
International	2,245,340	1,650,299	1,288,844	827,911	524,217

Table 8: Outgoing fixed line traffic - number of national voice calls

Voice traffic volumes – number of voice call minutes					
	2019 FH	2019 SH	2020 FH	2020 SH	2021 FH
National	225,490,009	213,062,051	194,211,692	183,622,425	142,081,182
....on-net	137,236,132	124,542,376	108,096,496	89,592,590	66,611,150
....off-net	57,481,332	55,878,806	50,639,231	52,841,901	40,383,913
....fixed-to-mobile	27,244,519	28,607,640	28,624,227	29,746,913	28,028,668
....other	3,528,025	4,033,230	6,851,738	11,441,020	7,057,451
International	12,304,361	9,664,340	7,630,067	5,186,842	3,152,857

Table 9: Outgoing fixed line traffic - number of national voice call minutes

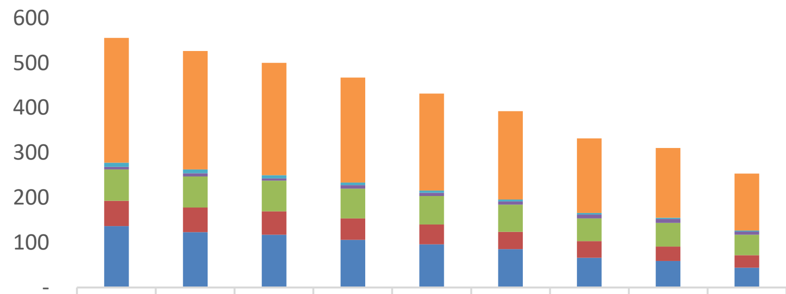
On the international traffic activity front, the number of calls originating from local fixed numbers and terminating on numbers located in a foreign jurisdiction was down by 0.3 million (or by 36.7%) when comparing the first half of 2021 to the first half of 2020. Meanwhile, the number of international voice call minutes was down by 2.0 million (or by 39.2%).

3.5. Activity levels and call duration

Activity levels per active subscription reported in the first half of 2021 continued prior-year downward trends, as voice call and minute volumes declined whilst subscriptions hardly moved.

The average number of voice calls and voice call minutes per active fixed line subscription in the first half of 2021 stood at 127 and 560 respectively. This is down from an average of 166 voice calls and 732 voice call minutes per subscription in the first half of 2020.

Average Number of Calls per Active Subscription



	FH 2017	SH 2017	FH 2018	SH 2018	FH 2019	SH 2019	FH 2020	SH 2020	FH 2021
Voice traffic - average number of fixed line calls per subscriber	277.77	263.11	250.02	233.54	215.86	196.38	166.08	155.41	126.89
average number of FTI calls per subscriber	9.43	8.51	6.75	5.65	5.03	4.61	3.21	2.54	2.02
average number of other voice calls per subscriber	5.72	6.96	5.56	7.65	7.02	7.40	9.06	8.53	6.82
average number of FTM calls per subscriber	69.41	69.34	68.27	66.10	63.49	59.95	50.33	52.69	45.55
average number of off-net FTF calls per subscriber	56.25	54.67	51.98	47.59	43.68	38.72	36.83	32.54	27.78
average number of on-net FTF calls per subscriber	136.96	123.62	117.46	106.56	96.63	85.69	66.65	59.11	44.73

Figure 5: Average number of calls per active fixed telephony subscription

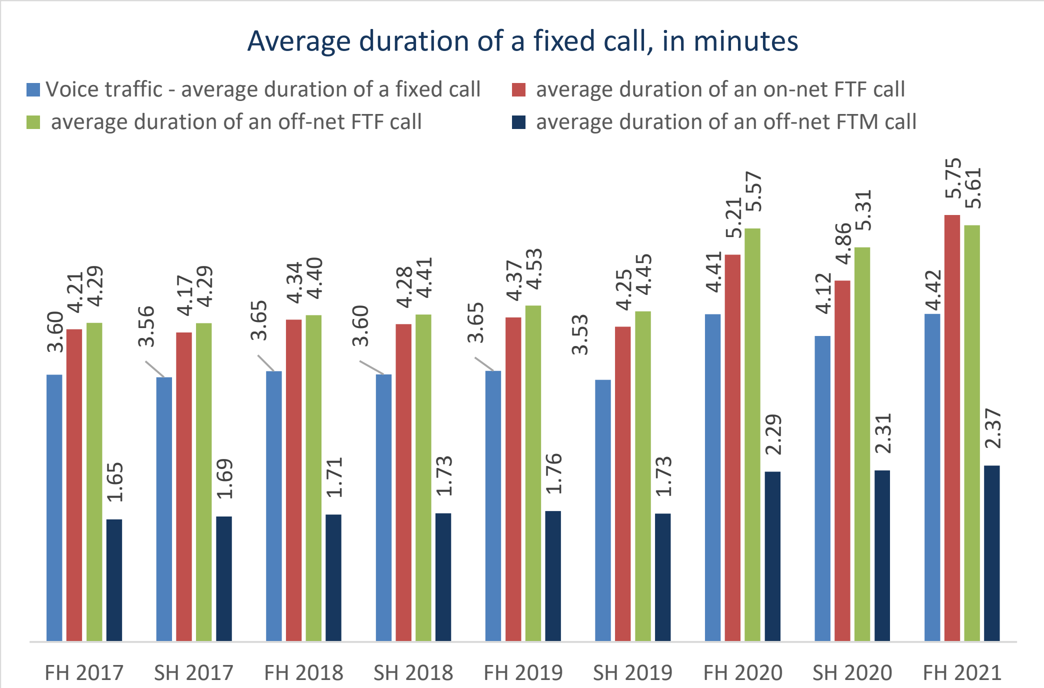


Figure 6: Average duration of an outgoing fixed line call

On average, a fixed line call generally lasted 4 minutes and 42 seconds during the first half of 2021, slightly up from 4 minutes and 41 seconds in the first half of 2021. From the different type of calls FTI were the lengthiest in the first half of 2021.

3.6. Fixed telephony ARPU

Fixed telephony ARPU totalled €3.79 in the first half of 2021, which is up by1.8 % from €62.66 recorded in the first half of 2021. Fixed ARPU figures are derived by dividing the total revenues of service providers, including revenues from access fees, by the average number of active subscriptions.[4]

[4] The average number of active subscribers during a given period corresponds to the number of active subscriptions at the start of the period plus the number of subscriptions at the end of the same period, divided by two. The revenue element for each individual service is composed of revenues from both stand-alone and bundle subscriptions to a specific service, but excludes installation and connection revenues. Readers should note that operators are left at their discretion to allocate their 'bundled' revenues to the individual services.

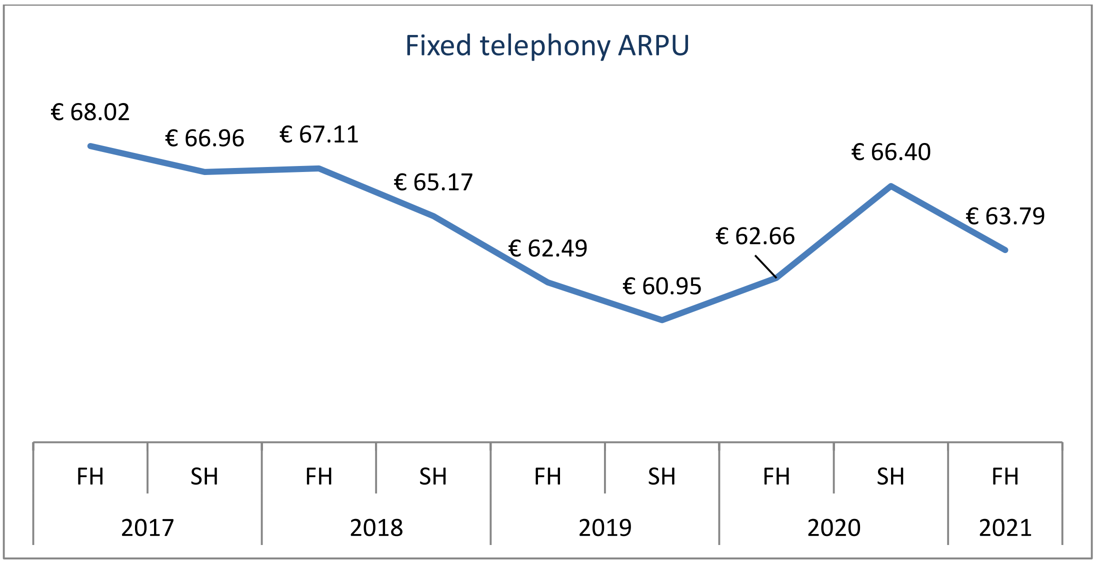
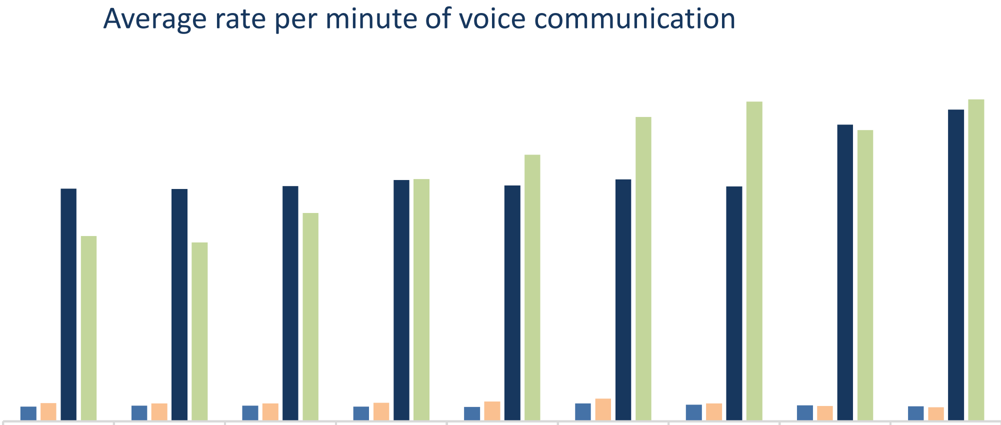


Figure 7: Average revenue per fixed line user

3.7. Average rate per minute of fixed line communications

Figures for the average rate per minute of fixed line communications are derived by subdividing voice traffic revenues, including revenues from access fees[5], VAT and excise tax, by the number of minutes reported under each respective heading.

[5] The access revenues for the fixed telephony service have been included in the calculations for the average rate per minute of fixed line communication. Given the observed decline in usage of fixed telephony service, the relevant rate(s) could see upward changes given that access revenues are more fixed in nature.



	2017 FH	2017 SH	2018 FH	2018 SH	2019 FH	2019 SH	2020 FH	2020 SH	2021 FH
on-net FTF	€ 0.020	€ 0.022	€ 0.021	€ 0.020	€ 0.020	€ 0.024	€ 0.023	€ 0.022	€ 0.021
off-net FTF	€ 0.025	€ 0.024	€ 0.025	€ 0.026	€ 0.027	€ 0.031	€ 0.024	€ 0.021	€ 0.019
FTM	€ 0.320	€ 0.320	€ 0.323	€ 0.332	€ 0.324	€ 0.333	€ 0.323	€ 0.408	€ 0.429
FTI	€ 0.255	€ 0.246	€ 0.286	€ 0.333	€ 0.367	€ 0.418	€ 0.440	€ 0.401	€ 0.443

Figure 8: Average cost of a fixed line call derived from revenue-based workings

Overall, the ARPM for a fixed line voice call in the first half of 2021 was €0.11, up from €0.09 in the first half of the previous year. The ARPM of both on-net FTF calls and off-net FTF calls stood at €0.02 in the first half of 2021, thus being the lowest from all types of calls. Meanwhile the ARPM for FTM voice calls stood at €0.43, which is up from the same period last year.

4. Mobile telephony

4.1. Take-up

Whilst the subscriber base took a hit with the onset of the pandemic, given the disruption on migration flows, the trend has reversed during the 12-month period ending last June.

Year-on-year, the number of subscriptions was up by 25,727 (or by 4.2%) to reach a total of 642,060 by the end of June 2021. Both pre-paid and post-paid subscriptions were up, but the biggest rise in take-up materialised under the post-paid segment. In this case, subscriptions increased by 19,350 (or by 7.8%) year-on-year, compared to an increase of 6,377 (or by 1.7%) for the pre-paid segment.

Subscriptions as at end of period					
	FH 2017	FH 2018	FH 2019	FH 2020	FH 2021
Total	601,099	615,423	626,605	616,333	642,060
Post-paid	204,640	217,655	233,339	247,683	267,033
Pre-paid	396,459	397,768	393,266	368,650	267

Table 9: Subscriptions for mobile telephony

The pre-paid segment accounted for 58.4% of the mobile telephony subscriptions recorded at the end of June 2021, down from 59.8% a year earlier. The post-paid segment accounted for almost 42% of the mobile telephony subscriber base at the end of last June.

On a general level, mobile subscribers largely purchase the service on a stand-alone basis, although local service providers have bundle offers in place that may allow end-users to register their mobile subscription as an add-on to their bundle plan. Only around 10% of all local mobile telephony subscriptions were purchased in the same contract of the bundle by the end of June 2021.

Mobile telephony subscriptions in a bundle	2017		2018		2019		2020		2021
	FH	SH	FH	SH	FH	SH	FH	SH	FH
Mobile telephony subscriptions on a dual play contract	**6,597**	**6,092**	**5,555**	**5,090**	**4,602**	**4,232**	**3,856**	**3,561**	**3,260**
Mobile telephony + fixed telephony	6,597	6,092	5,555	5,090	4,602	4,232	3,856	3,561	3,260
Mobile telephony subscriptions on a triple play contract	**37**	**24**	**16**	**3**	**5,632**	**5,132**	**4,462**	**3,465**	**1,171**
Mobile telephony + fixed telephony + fixed broadband	37	24	16	3	5,632	5,132	4,462	3,465	1,171
Mobile telephony subscriptions on a quad play contract	**49,175**	**49,785**	**51,691**	**53,164**	**53,433**	**53,887**	**55,049**	**55,970**	**56,890**
Mobile telephony + fixed telephony + fixed broadband + pay TV	49,175	49,785	51,691	53,164	53,433	53,887	55,049	55,970	56,890
Total number of mobile telephony subscriptions in a bundle	**55,809**	**55,901**	**57,262**	**58,257**	**63,667**	**63,251**	**63,367**	**62,996**	**61,321**
Total number of mobile telephony subscriptions at end of period	**601,099**	**604,759**	**615,423**	**615,843**	**626,605**	**634,386**	**616,333**	**633,123**	**642,060**
Percentage of mobile telephony subscriptions in a bundle	9.28%	9.24%	9.30%	9.46%	10.16%	9.97%	10.28%	9.95%	9.55%

Table 10: Mobile subscriptions on a bundled offer

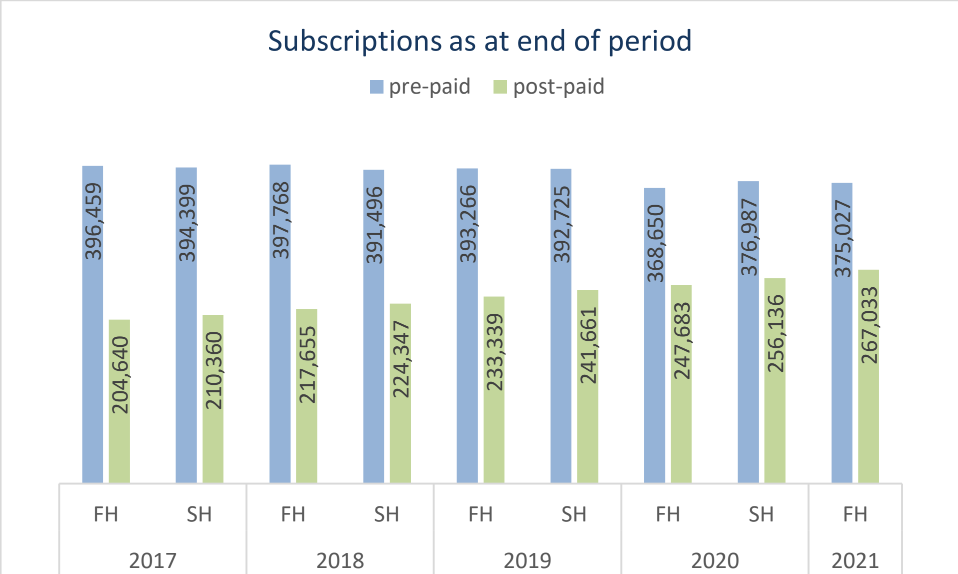


Figure 9: Mobile telephony subscriptions as at end of period

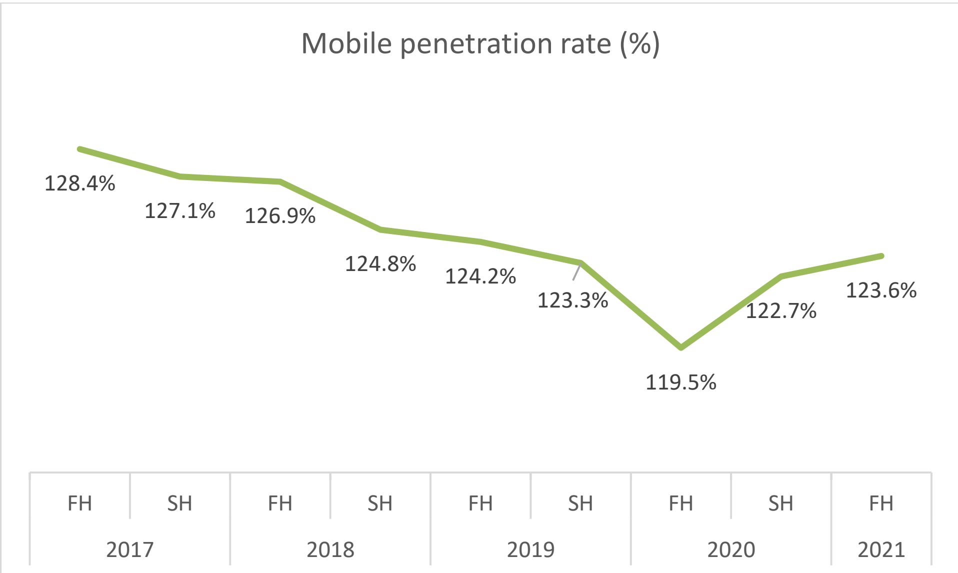


Figure 10: Mobile penetration in Malta[6]

The adoption rate of the mobile telephony service depends on how the subscriber base evolves in view of changes in population. By the end of June 2021, the mobile penetration rate stood at almost 124%.

[6] Note: penetration rates calculated based on annual subscription figures. 2021 rate calculated based off 2020 population estimate. Population data provided by the NSO: https://nso.gov.mt/en/News_Releases/Documents/2021/07/News2021_122.pdf.

4.2. Market shares

GO's market share stood at 38.3% by the end of June 2021, up by 0.2 percentage points year-on-year. Melita's market share also registered an uptick during the same period, up by 0.7 percentage points. On the other hand, epic saw its subscriber base shrink by 0.9 percentage points.

Market shares by subscriptions	GO	epic	Melita
End of FH 2021	38.3%	36.8%	25.0%
End of FH 2020	38.0%	37.7%	24.3%
End of FH 2019	36.4%	40.7%	22.9%

Figure 11: Market shares by operator, subscriptions as at end of period

4.3. Mobile inward portings

There were 12,141 mobile inward portings in the first half of 2021, up significantly by 5,088 (or by 72%) compared to the same period a year earlier.[7]

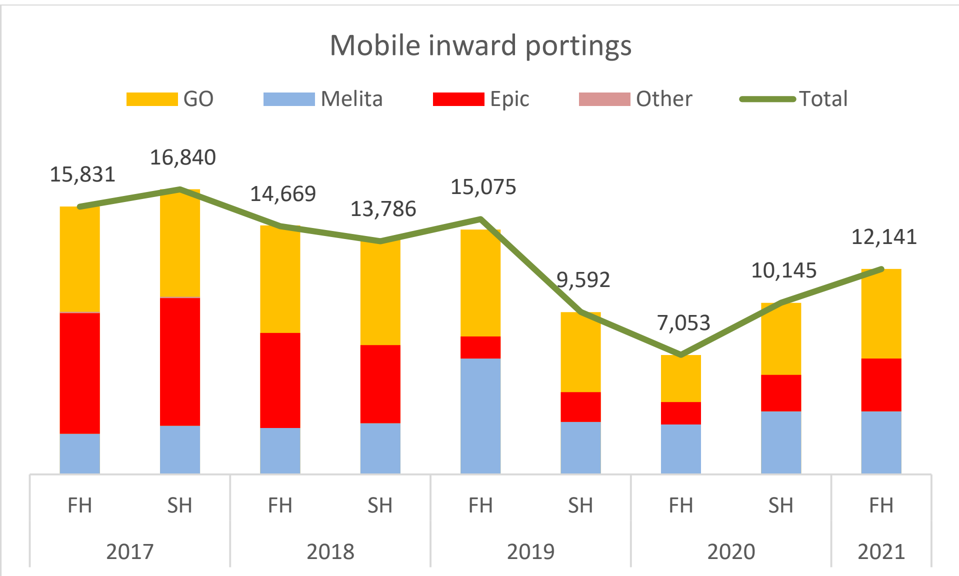


Figure 12: Mobile number portability - number of mobile portings

[7] This term corresponds to the total number of mobile users that switch their subscription from one operator to another, whilst keeping the same number. Figure 12 only takes into account the number of mobile inward portings.

43.7% of all inward portings reported in the current review period took place on Go's network, followed by 30.6% for Melita and 25.6% for epic.

4.4. Usage trends

Mobile traffic in terms of voice minute and data volumes steadily increased during the period under review.

Voice minute and call volumes

The number of mobile voice call minutes totalled 589 million in the first half of 2021, up by 10.8 million (or by 1.9%) from the same period a year earlier. This increase materialised alongside a 5.5% increase in the number of mobile-originating calls, which totalled 246.0 million in the first half of this year. The latter figure represents a rise of 12.7 million voice calls compared to the first half of 2020.

Voice traffic volumes – number of calls					
	2019 FH	2019 SH	2020 FH	2020 SH	2021 FH
National	236,145,186	244,410,697	224,746,276	237,146,579	234,869,851
....on-net	131,321,660	134,499,005	121,806,361	127,161,065	122,675,879
....off-net	82,442,337	85,770,884	81,482,877	87,348,774	89,950,805
....mobile to fixed	22,381,189	24,140,808	21,457,037	22,636,740	22,243,167
International	9,321,296	10,756,066	8,595,651	9,797,823	11,178,569

Table 10: Outgoing mobile traffic - number of national voice calls

Voice traffic volumes – number of voice call minutes					
	2019 FH	2019 SH	2020 FH	2020 SH	2021 FH
National	479,630,439	489,431,310	556,070,622	553,851,276	566,363,469
....on-net	270,846,737	272,970,936	309,852,582	297,823,541	297,847,703
....off-net	159,157,622	165,015,111	192,269,080	197,539,601	208,767,302
....mobile to fixed	49,626,080	51,445,263	53,948,961	58,488,134	59,748,464
International	20,378,667	23,745,374	22,130,124	22,713,687	22,620,700

Table 11: Outgoing mobile traffic - number of national voice call minutes

Roaming minute and call volumes

Whilst COVID19 enhanced domestic voice traffic volumes, it certainly had the opposite effect on roaming voice call activity. Tourism flows plunged during the past months and as a result roaming traffic volumes fell significantly.

When it comes to outbound voice roaming i.e. voice calls and minutes operated on foreign mobile networks by local subscribers when roaming abroad, activity for the first half of 2021 was lower than in the corresponding period a year earlier.

The number of outbound roaming calls was down by 0.8 million, from 2.9 million in the first half of 2020 to 2.2 million in the first half of 2021. Meanwhile, the number of outbound roaming minutes was down by 2.2 million, from 9.7 million to 7.5 million.

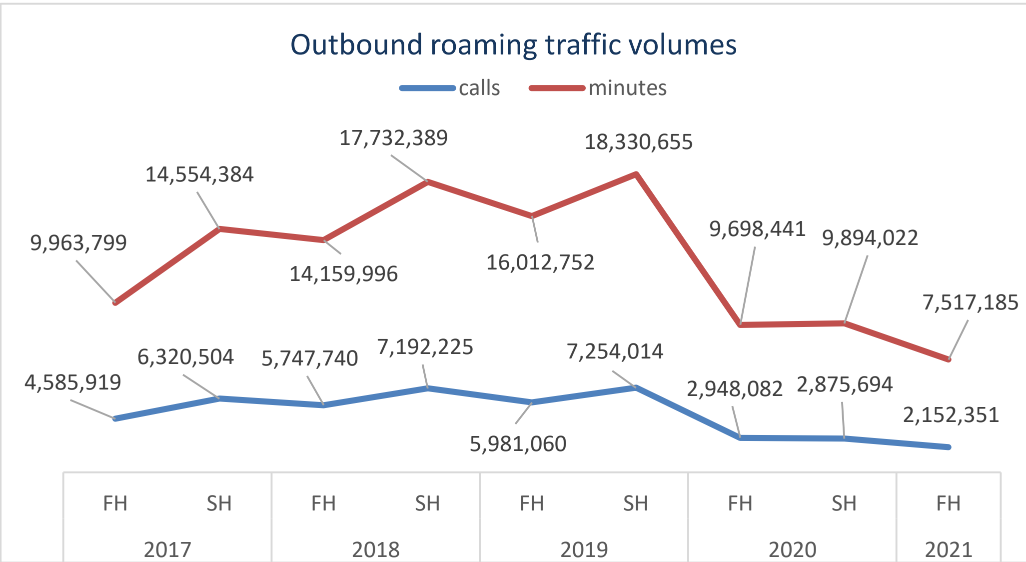


Figure 13: Outbound roaming activity

As for inbound voice roaming activity, which encompasses calls and minutes operated on local mobile networks by foreign subscribers when roaming in Malta, volumes in the first half of 2021 were lower than in the first half of 2020.

The number of inbound roaming calls totalled 11.1 million in the first half of 2021, down from 13.3 million in the first half of 2020. At the same time, the number of inbound roaming minutes was down by 10.5 million, from 57.8 million to 47.3 million.

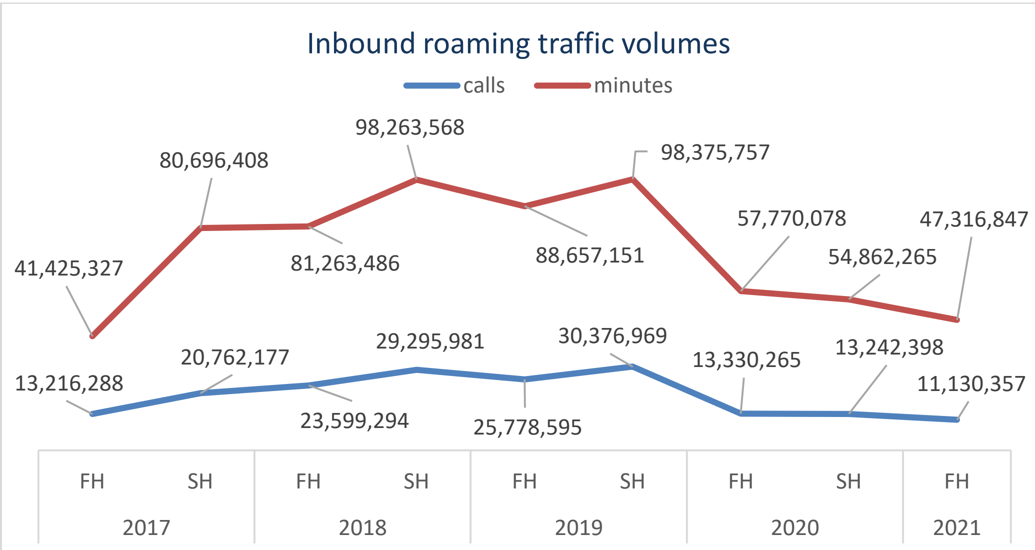


Figure 14: Inbound roaming activity

SMS and MMS volumes

The drop in usage of traditional SMS was again notable throughout the period under review. The number of SMSs recorded in the first half of 2021 was down by 7.4 million (or by 8.6%) compared to SMS volumes in the first half of 2020.

However, not all segments of the SMS traffic activity followed a negative trend, although where this happened the drop has been significantly bigger than where a rise materialised. For example, comparing SMS volumes in the first half of 2021 to volumes in the first half of 2020, the number of on-net SMSs was down by 8.7 million (or by 18.4%) whilst the number of off-net SMSs was up by 1.3 million (or by 3.5%).

As for MMS activity, the volumes are very small and keep dwindling over time. A total of 24,744 MMSs were recorded in the first half of 2021, down by 54.7% from 54,603 in the first half of 2020.

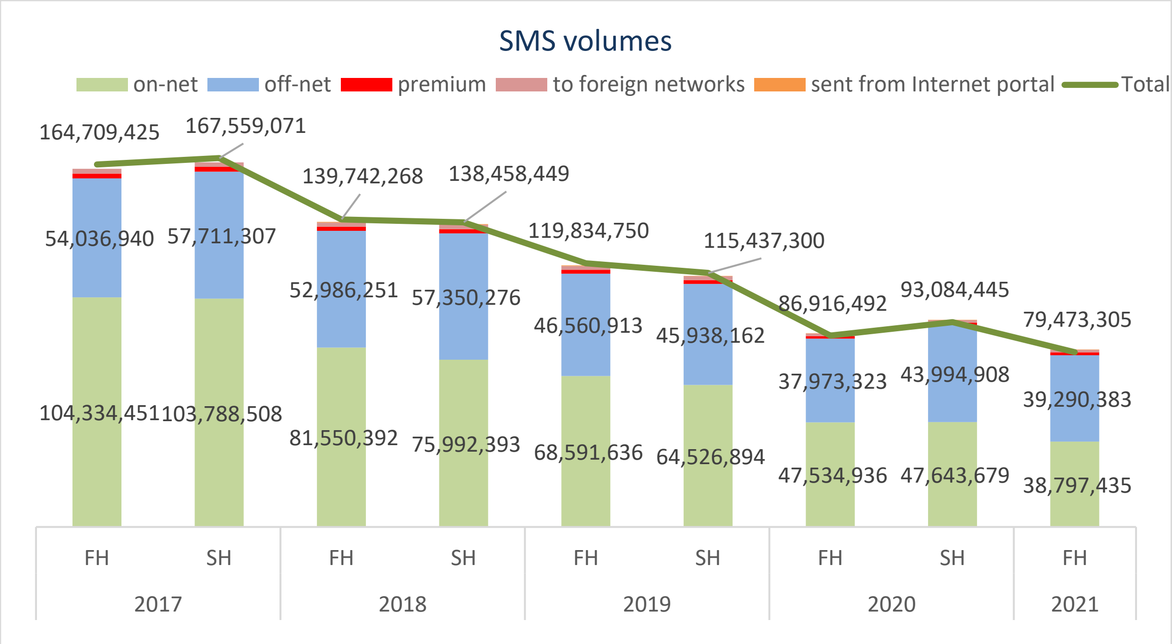


Figure 15: SMS activity - number of outgoing SMSs (1)

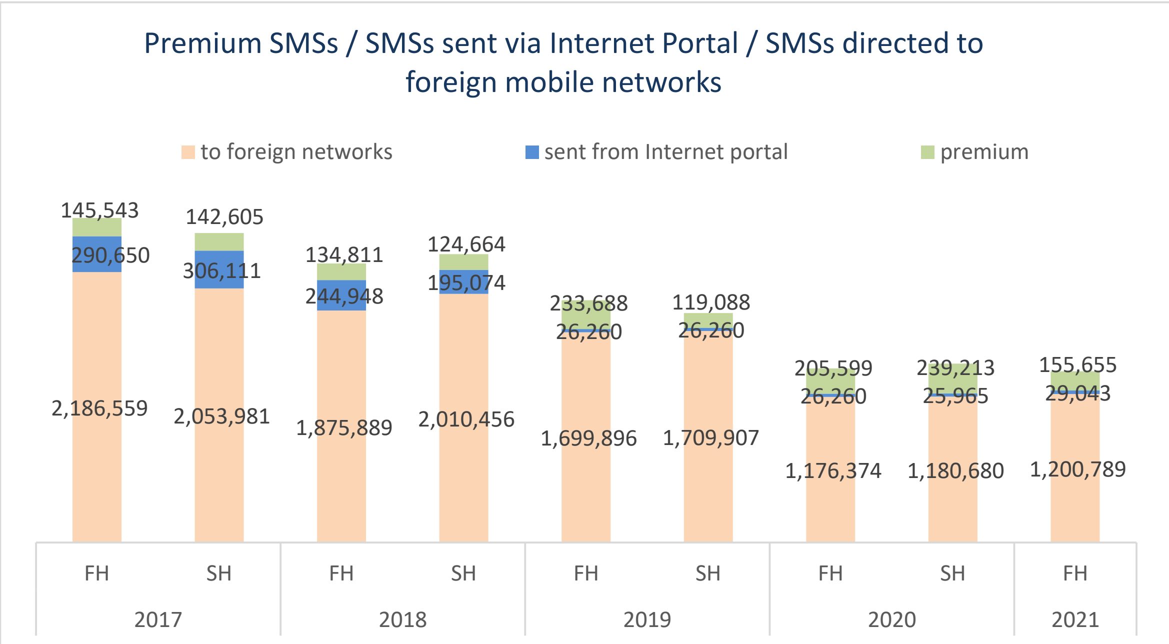


Figure 16: SMS activity - number of outgoing SMSs (2)

4.5. Activity levels per mobile subscription

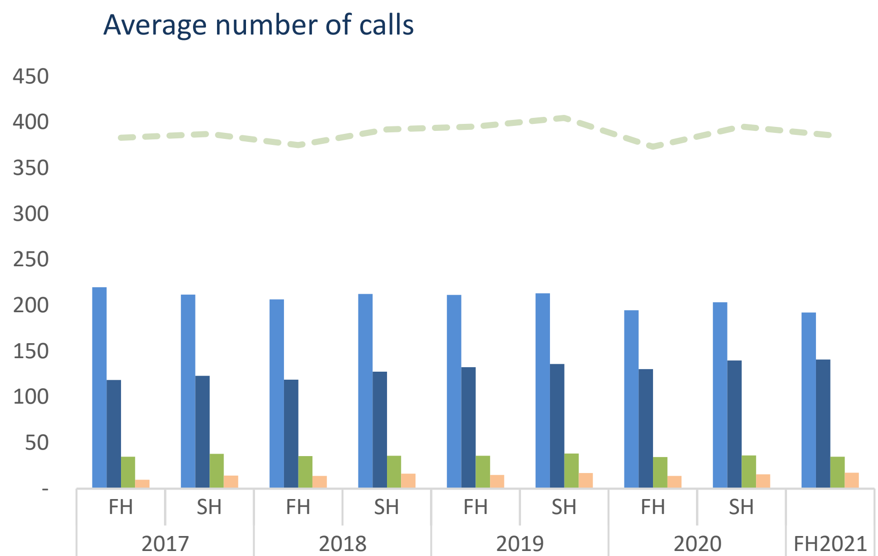
Developments in activity levels per mobile subscription depend on the rate of growth in traffic volumes and the change in the number of subscriptions. The figures outlined in the previous section are therefore much relevant to the recorded activity levels for each mobile user.

Average number of calls and voice call minutes per user

The average number of voice calls[8] per mobile user was at 386 in the first half of 2021, up from 373 in the first half of 2020. On a more disaggregate level, the average number of on-net calls per user was down from 195 to 192, and the average number of off-net calls was up from 130 to 141. A rise in the average number of calls was observed for mobile-to-fixed and mobile-to-international numbers.

Notwithstanding the recorded rise in the average number of calls, the average number of voice call minutes per user in the first half of 2021, at 924, was relatively unchanged to what was recorded in the first half of 2020, at 925. The change in activity levels per user was not uniform across the different types of calls. For example, the average number of on-net voice calling minutes per mobile user was down from 495 in the first half of 2020 to 467 in the first half of this year. On the other hand, the average number of off-net voice call minutes per user was up from 307 to 327.

[8] This figure includes calls taking place on-net, off-net, MTF and MTI. Same applies for voice call minutes.

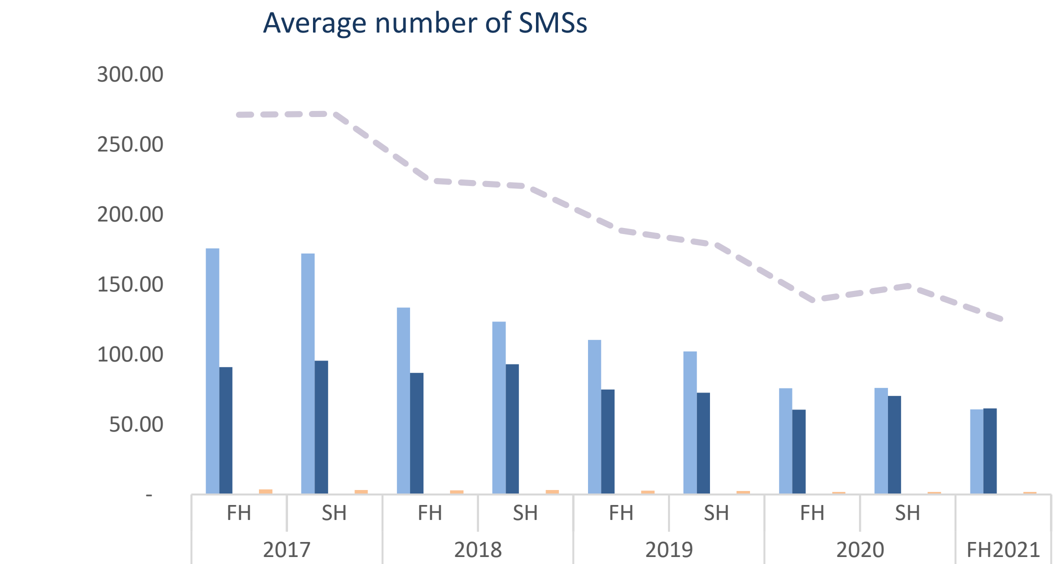


	2017 FH	2017 SH	2018 FH	2018 SH	2019 FH	2019 SH	2020 FH	2020 SH	FH2021
average number of on-net MTM calls per subscriber	219.94	211.67	206.72	212.55	211.39	213.32	194.78	203.55	192.41
average number of off-net MTM calls per subscriber	118.49	123.23	119.06	127.54	132.71	136.04	130.30	139.82	141.08
average number of MTF calls per subscriber	34.95	38.10	35.36	35.82	36.03	38.29	34.31	36.23	34.89
average number of MTI calls per subscriber	9.60	14.09	14.01	16.30	15.00	17.06	13.75	15.68	17.53
Voice traffic - average number of mobile calls per subscriber	382.98	387.09	375.15	392.21	395.13	404.71	373.13	395.28	385.90

Figure 17: Average number of calls per active subscription

Average number of SMSs

A continued drop in the average number of SMSs per mobile user is evident from Figure XX below. Overall, the average number of SMSs per mobile user dropped from 139 in the first half of 2020 to 125 in the first half of 2021. This is mainly a result of a drop in on-net SMS activity.



	2017 FH	2017 SH	2018 FH	2018 SH	2019 FH	2019 SH	2020 FH	2020 SH	FH2021
on-net SMSs	175.74	172.14	133.67	123.44	110.41	102.34	76.01	76.26	60.85
off-net SMSs	91.02	95.72	86.85	93.16	74.95	72.86	60.72	70.42	61.62
sent from Internet portal	0.49	0.51	0.40	0.32	0.04	0.04	0.04	0.04	0.05
premium SMSs	0.25	0.24	0.22	0.20	0.38	0.19	0.33	0.38	0.24
directed to foreign mobile networks	3.68	3.41	3.07	3.27	2.74	2.71	1.88	1.89	1.88
Average number of SMSs per subscriber	271.17	272.01	224.22	220.38	188.52	178.15	138.99	149.00	124.65

Figure 18: Subscriber activity - average number of SMSs per active subscription

Average mobile voice call duration

With the number of calls increasing at a faster rate than minute volumes, call duration subsided. It seems that the continued increase in uptake of post-paid plans and the inherent benefit of substantial if not unlimited on-net minute allowances translated into mobile users getting comfortable calling more frequently and at a shorter duration.

On average, a mobile call lasted 2 minutes and 23 seconds in the first half of 2021 compared to 2 minutes and 29 seconds in the first half of 2020. On the domestic front, the longest calls in the first half of 2021 pertain to the mobile-to-fixed call category at 2 minutes and 41 seconds.

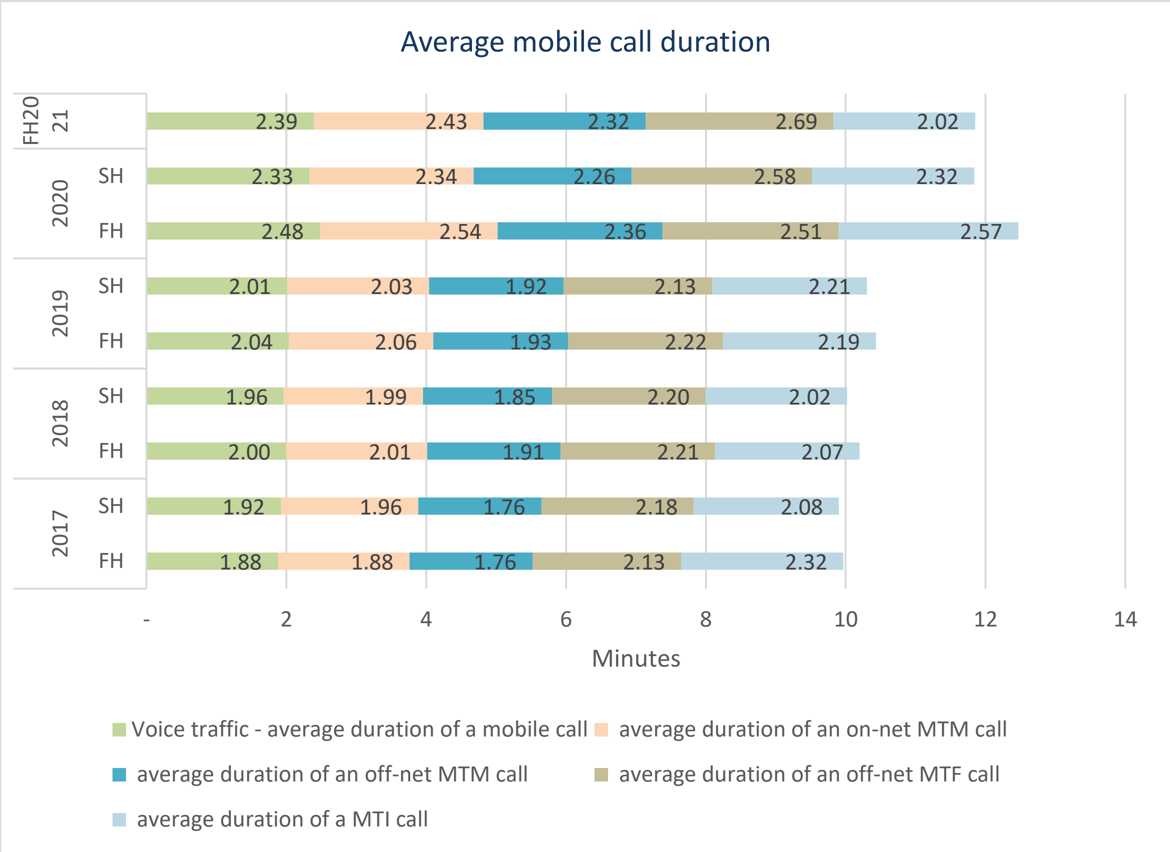


Figure 19: Average duration of an outgoing mobile call

4.6. Mobile ARPU

Mobile telephony ARPU in the first half of 2021 totalled €85.59, which is down by 4.6% from €89.73 in the first half of 2020. These figures are derived by dividing total revenues of mobile service providers, including access and activity revenues related to voice, SMS, MMS and data traffic, by the average number of active subscriptions, during a given period.[9]

[9] The average number of active subscriptions during a given period is derived by adding the number of active subscriptions at the start of the period plus the number of subscriptions at the end of the said period, divided by two.

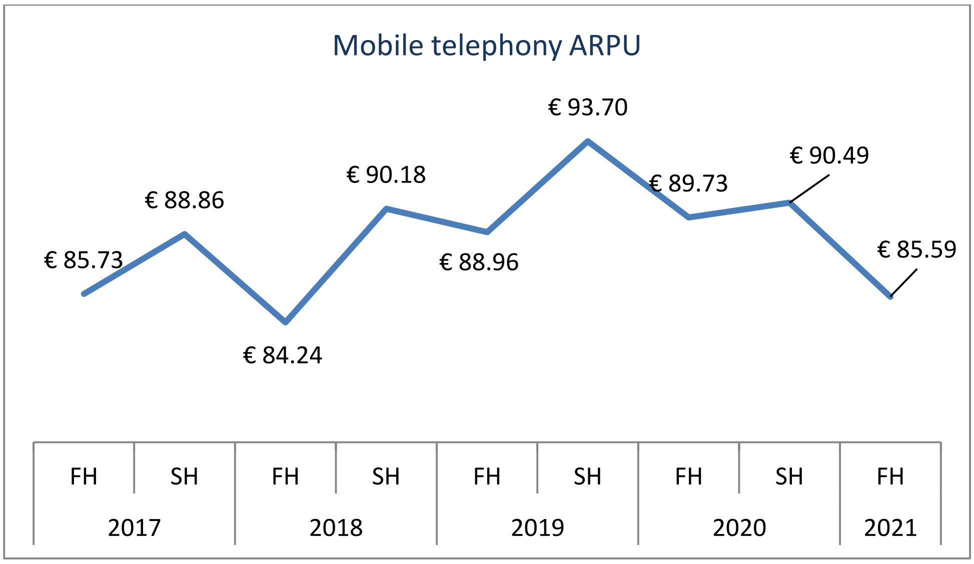


Figure 20: Average revenue per mobile user

This change is likely to the continued expansion of the post-paid client base, and thus the increasing availability of data and call minute allowances.

4.7. Pricing developments for mobile telephony

It is difficult to determine the exact price paid by the end-user to make a mobile voice call and / or to send an SMS, given the wide array of plans currently on offer and the availability of call and SMS allowances. To this effect, the MCA has developed a metric whereby it seeks to map price movements in mobile voice calls and SMSs by taking into account changes in the average revenue per call minute and the average revenue per SMS based on figures supplied by local service providers.[10]

As figure XX shows, the average rate per minute (ARPM) of mobile communication went further down in the first half of 2021, most likely a result of the more beneficial voice calling allowances being offered locally.

The ARPM of mobile communication for a domestic call stood at €0.035 in the first half of 2021, down from an average of €0.046 in the first half of 2020.[11]

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[10] To calculate the Average Rate Per Minute (ARPM) of mobile voice communication, figures are derived by dividing domestic and international mobile voice traffic revenues (including voice related access revenues but excluding roaming revenues, VAT and excise tax), by the number of minutes reported under each respective heading. In the case of the average rate per SMS, figures correspond to the division of SMS-related revenues by the number of SMSs made during the period. These calculations exclude revenues from VAT, excise tax, and retail roaming services.

[11] It is again noted here that local mobile operators may offer monthly allowances such as free calls or discounted call rates, such as on weekends and evenings, and also in the case of particular schemes for closed user groups and bundled products. However, the current calculations do not take these factors into account.

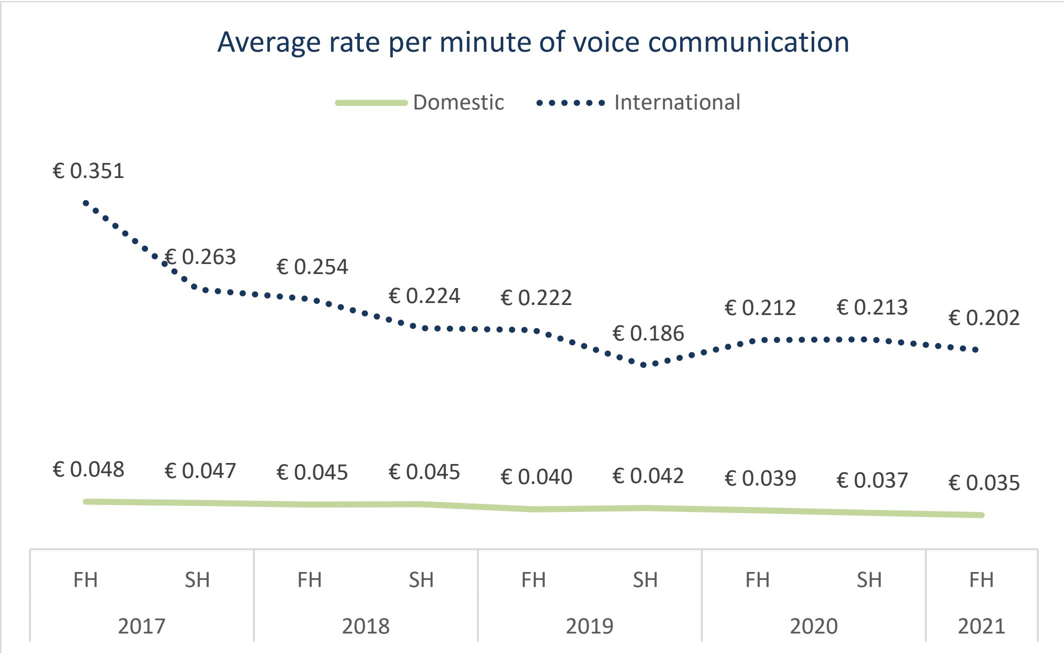


Figure 21: Average rate per minute of mobile communications

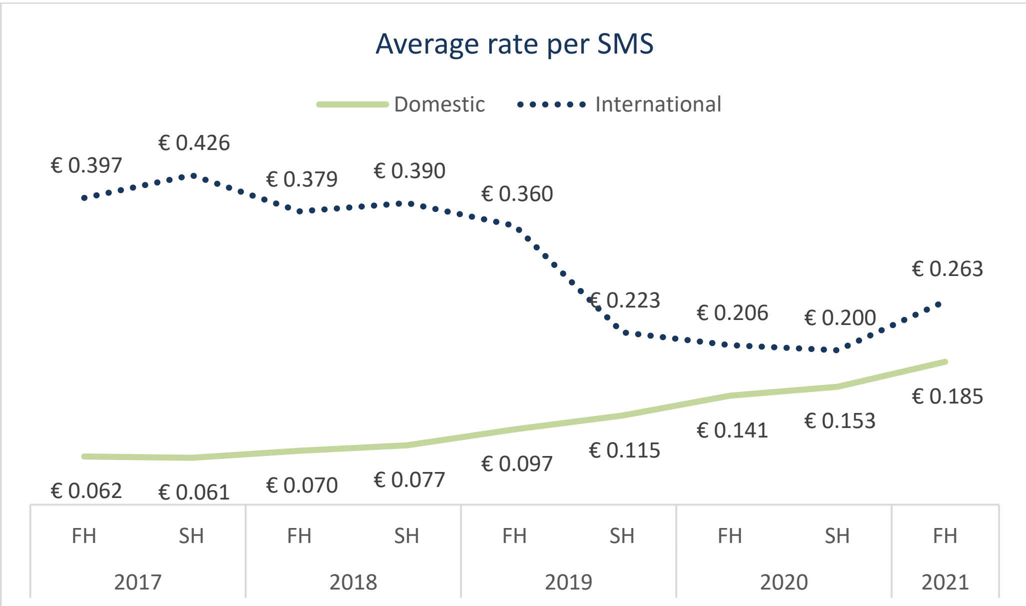


Figure 22: Average rate per domestic and international SMS

In terms of the average rate per SMS, Figure 28 illustrates that, in the first half of 2021, the end-user on average paid €0.185 for a domestically bound SMS and €0.263 for an internationally bound SMS[12].

[12] Calculations take into account an access allocation, given that access revenues reported by local service providers are apportioned to the different mobile telephony services, including calls, data and SMS.

5. Broadband

5.1. Take-up of fixed broadband

The fixed broadband segment recorded an increase of 8,931 subscriptions (i.e. a 4.3% increase) in the 12-month period till the end of last June. Notably, this increase materialised on the back of bigger take-up for fast and ultra-fast fixed broadband, particularly in a bundle, as outlined in more detail in the following sections.

Subscriptions as at end of period					
	FH 2017	FH 2018	FH 2019	FH 2020	FH 2021
Total	173,194	188,004	197,519	208,931	217,862
…less than 30Mbps	61,691	23,701	13,681	6,874	4,103
…30Mbps but less than 100Mbps	94,238	113,026	104,911	99,054	83,737
…100Mbps or more	17,265	51,277	78,927	103,003	130,022

Table 12: Fixed broadband subscriptions

The registered growth in subscription numbers was even faster than rate of population growth, thus resulting in a rising fixed broadband penetration rate, from 40.5% at the end of June 2020 to almost 42% by the end of June 2021[13].

Relevant also to underline that, during the period under review, more people entered into contract agreements encompassing a bundle of fixed broadband with other electronic communications services. Year-on-year, the number of fixed broadband subscriptions in a bundle was up by 11,179 (or by 5.8%) to reach 217,862 by the end of last June.

At the end of the current reporting period, 93.8% of fixed broadband subscriptions were purchased in a bundle (up by 1.3 percentage points year-on-year).

[13] [13] Note: penetration rates calculated based on annual subscription figures. 2021 rate calculated based off 2020 population estimate. Population data provided by the NSO: https://nso.gov.mt/en/News_Releases/Documents/2021/07/News2021_122.pdf.

Fixed broadband subscriptions in a bundle	2017		2018		2019		2020		2021
	FH	SH	FH	SH	FH	SH	FH	SH	FH
Fixed broadband subscriptions on a dual play contract	**55,227**	**55,793**	**55,649**	**55,306**	**52,754**	**55,691**	**58,678**	**61,280**	**65,829**
Fixed telephony + fixed broadband	55,227	55,793	55,649	55,306	52,754	55,691	58,678	61,280	65,829
Fixed broadband subscriptions on a triple play contract	**40,675**	**46,859**	**55,064**	**61,148**	**72,595**	**76,382**	**79,418**	**81,232**	**81,605**
Fixed broadband + fixed telephony + mobile telephony	37	24	16	3	5,632	5,132	4,462	3,465	1,171
Fixed broadband + fixed telephony + pay-TV	40,638	46,835	55,048	61,145	66,963	71,250	74,956	77,767	80,434
Fixed broadband subscriptions on a quad play contract	**49,175**	**49,785**	**51,691**	**53,164**	**53,433**	**53,887**	**55,049**	**55,970**	**56,890**
Fixed broadband + fixed telephony + pay-TV + mobile telephony	49,175	49,785	51,691	53,164	53,433	53,887	55,049	55,970	56,890
Total number of fixed broadband subscriptions in a bundle	**145,077**	**152,437**	**162,404**	**169,618**	**178,782**	**185,960**	**193,145**	**198,482**	**204,324**
Total number of fixed broadband subscriptions at end of period	**177,327**	**181,318**	**188,004**	**191,833**	**197,519**	**202,513**	**208,931**	**213,419**	**217,862**
Percentage of fixed broadband subscriptions in a bundle	81.81%	84.07%	86.38%	88.42%	90.51%	91.83%	92.44%	93.00%	93.79%

Table 13: Fixed broadband subscriptions purchased in a bundle

Take-up by technology

Fixed broadband services are available over the following technology platforms: copper DSL, fibre (FTTH), DOCSIS cable and fixed wireless.

The largest increase in subscriptions year-on-year was recorded by the FTTH platform, with subscriptions up by 9,628 (or 30.4%) from end June 2020 to end June 2021. This change has to be seen in the context of a corresponding drop of 6,000 copper DSL subscriptions, considering that these two platforms are owned by the same operator.

The cable platform registered an increase of 4,333 subscriptions during the same period, which means cable-based broadband subscriptions were up by 4.3% year-on-year.

Subscriptions on the fixed wireless platform increased by 970 (or by 7.3%) in the 12-month period to the end of June 2021.

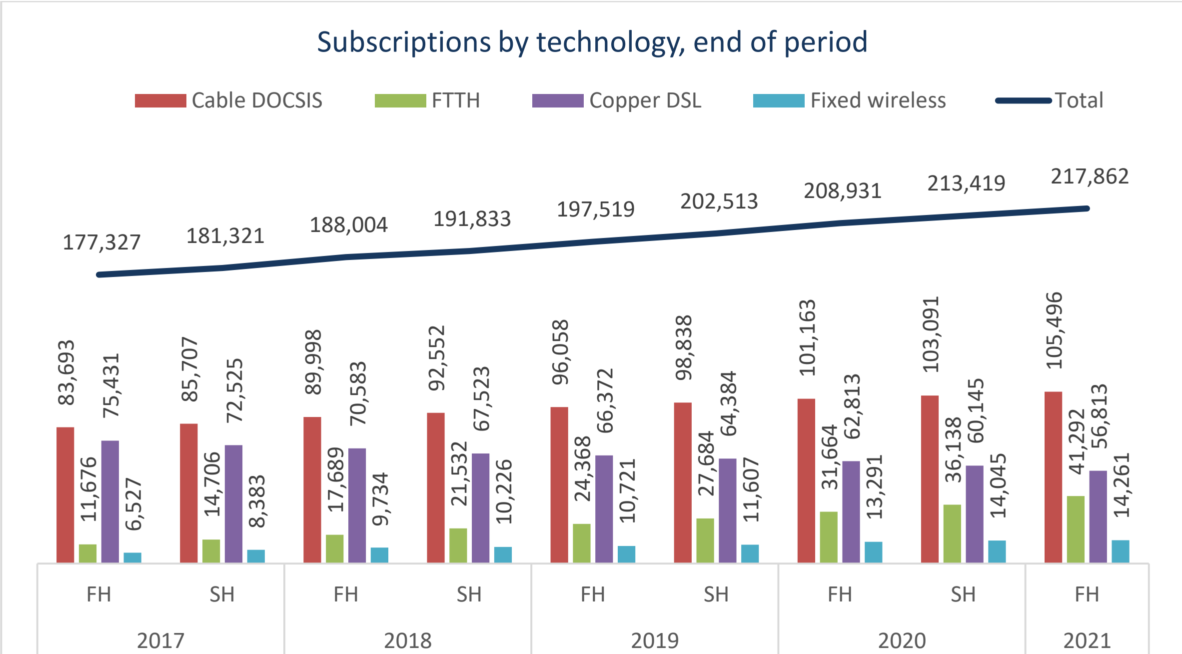


Figure 23: Fixed broadband subscriptions as at end of period - by technology

Given the above-mentioned developments, the cable platform accounted for 48.4% of all fixed broadband subscriptions at the end of June 2021, followed by the DSL platform at 26.1%, FTTH at 19.0% and fixed wireless at 6.5%.

5.2. Take-up by download speed[14]

Almost 60% of all subscriptions at the end of June 2021 supported download speeds of 100Mbps or more. This is by 10 percentage points year-on-year. In absolute terms, the number of subscriptions supporting download speeds of 100Mbps or more increased by 27,019 year-on-year to reach 130,022 by the end of the current reporting period.

During the same period, the number of subscriptions supporting download speeds of 30Mbps but less than 100Mbps fell from 99,054 at the end of June 2020 to 83,737 by the end of last June. The latter figure corresponds to 38.4% of all subscriptions at the end of June 2021.

The subscriber base for fixed broadband subscriptions supporting download speeds of less than 30Mbps was also down during the same period, in this case by 40.3% from 6,874 to 4,103.

[14] The download speeds reported in this segment are those advertised by the operators and they do not necessarily represent the download speeds end-users reach in their households.

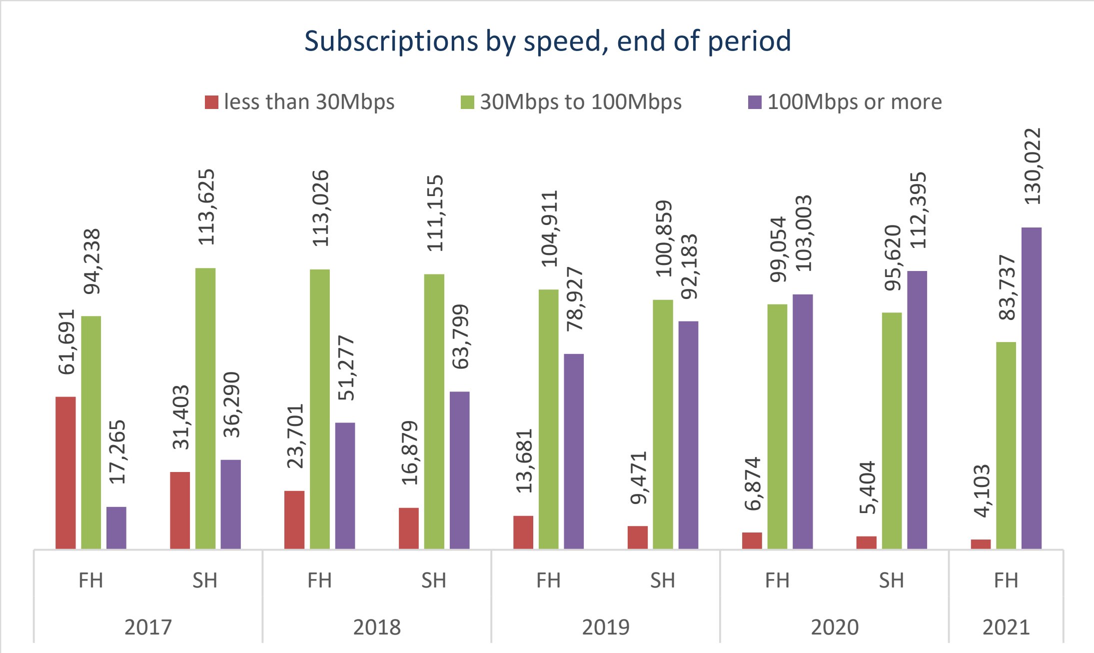


Figure 24: Fixed broadband subscriptions as at end of period, by speed

Interestingly, 94.7% of all FTTH subscriptions supported download speeds of 100Mbps or more, whilst 86.2% of all cable-based fixed broadband subscriptions supported the same download speed category.

With respect to DSL, none of the subscriptions supported a download speed of 100Mbps or more, but 90% allowed for a download speed of between 50Mbps and 100Mbps.

97.3% of all subscriptions on fixed wireless solutions supported download speeds of 30Mbps but less than 50Mbps.

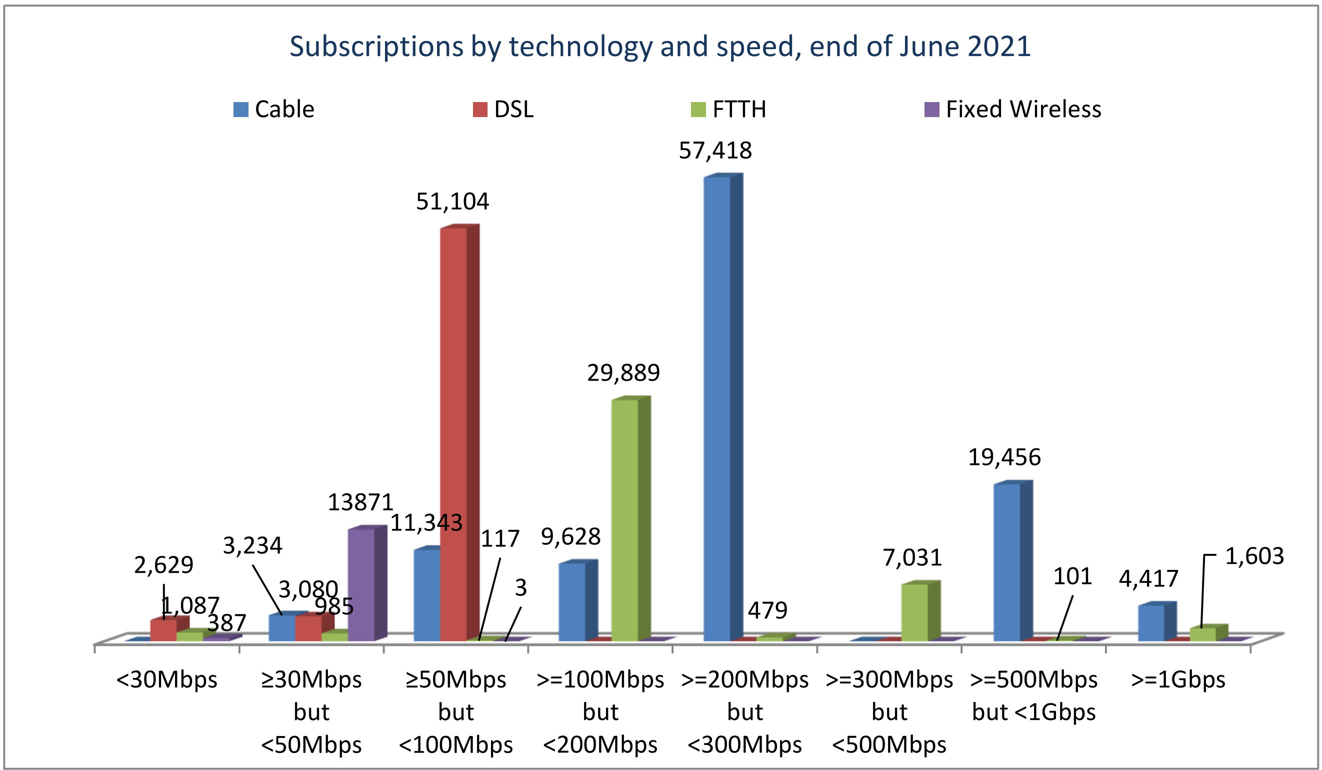


Figure 25: Broadband subscriptions as at end of period - by technology & connection speed

5.3. Market shares

Melita accounted for 48.5% of the fixed broadband market share by the end of June 2021, unchanged year-on-year. GO followed close at 47% of the fixed broadband client base, slightly up from 46.8% a year earlier. Epic also registered a decline in market share during the same period, from 4.6% to 4.4%. Vanilla Telecom's market share was unchanged.

Market shares	GO	Melita	epic	Vanilla Telecoms
End of June 2021	47.0%	48.5%	4.4%	0.1%
End of June 2020	46.8%	48.5%	4.6%	0.14
End of June 2019	46.2%	48.6%	4.9%	0.1%

Figure 26: Market shares in terms of fixed broadband subscriptions as at end of period

5.4. Fixed broadband ARPU

Fixed broadband ARPU in the first half of 2020 totalled €105.26, down by 7.7% year-on-year. Fixed broadband ARPU figures are derived by dividing the total retail revenues reported by service providers in terms of monthly access fees related to the fixed broadband service (excluding installation costs and connection fees) by the average number of subscriptions during a given period.[15]

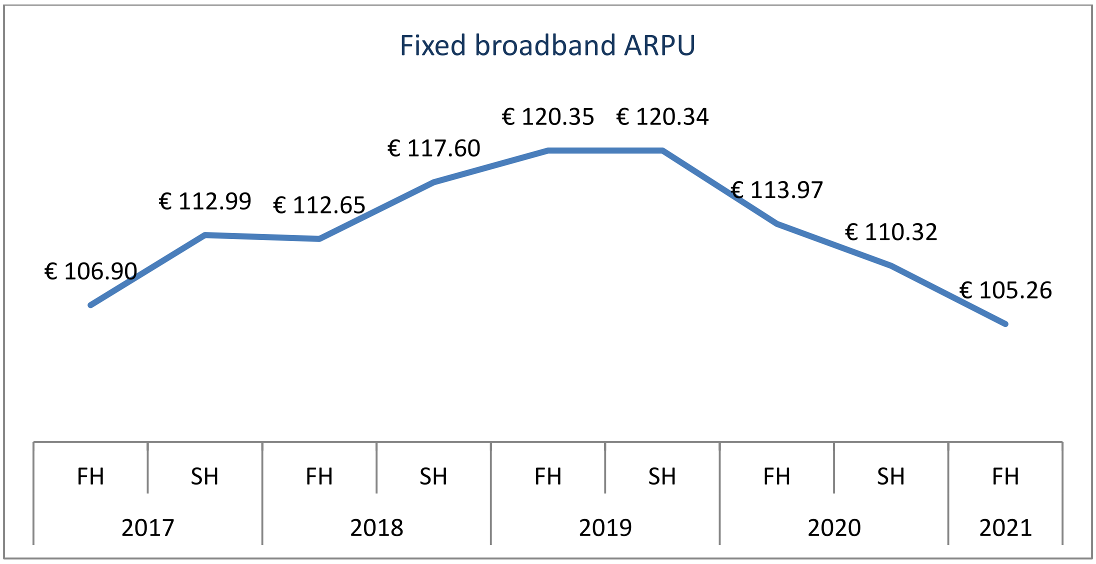


Figure 27: Average revenue per fixed broadband user

The ARPU for the fixed broadband sector has been steadily on the rise for a number of years prior to the change in trend observed in the first half of 2020. This could possibly be due to a change in product line-up for dual play offers and the methodology used by local operators to apportion bundle access revenues by service components comprising the bundle.

5.5. Average rate per Mbps

The MCA continuously monitors the pricing strategies undertaken by operators with respect to fixed broadband. Pricing developments in this sector have become increasingly more relevant seeing that such changes strongly influence competition. This segment gives special attention to the average rate charged per Mbps of advertised download speed (the rate per Mbps) based on numerous observations of products advertised on websites of operators. Of note is that the average rates per Mbps quoted in this section correspond to

[15] The average total number of subscriptions takes the sum of the total subscriptions at the start and the end of the quarter under consideration divided by two. The revenue element for each individual service is composed of revenues from both stand-alone and bundle subscriptions to a specific service, but excludes installation and connection revenues. Readers should note that operators are left at their discretion to allocate their revenues to individual services.

different categories of stand-alone and dual-play offers depending on the advertised headline download speeds.[16]

Based on the metric implemented for the purposes of this indicator, the MCA notes that the average rate per Mbps in the first half of 2021, at €0.56, was down by 12.2% compared to the average rate prevailing in the first half of 2020. This is a result of the continued emphasis on fast and ultra-fast download speeds by local service providers.

The lowest average rate per Mbps was registered for the 100Mbps and above broadband speed category. In this case, the rate stood at €0.13 in the first half of 2021, unchanged from that in the first half of 2020. As expected the highest the headline download speed the less the end-user would pay for each Mbps of download.

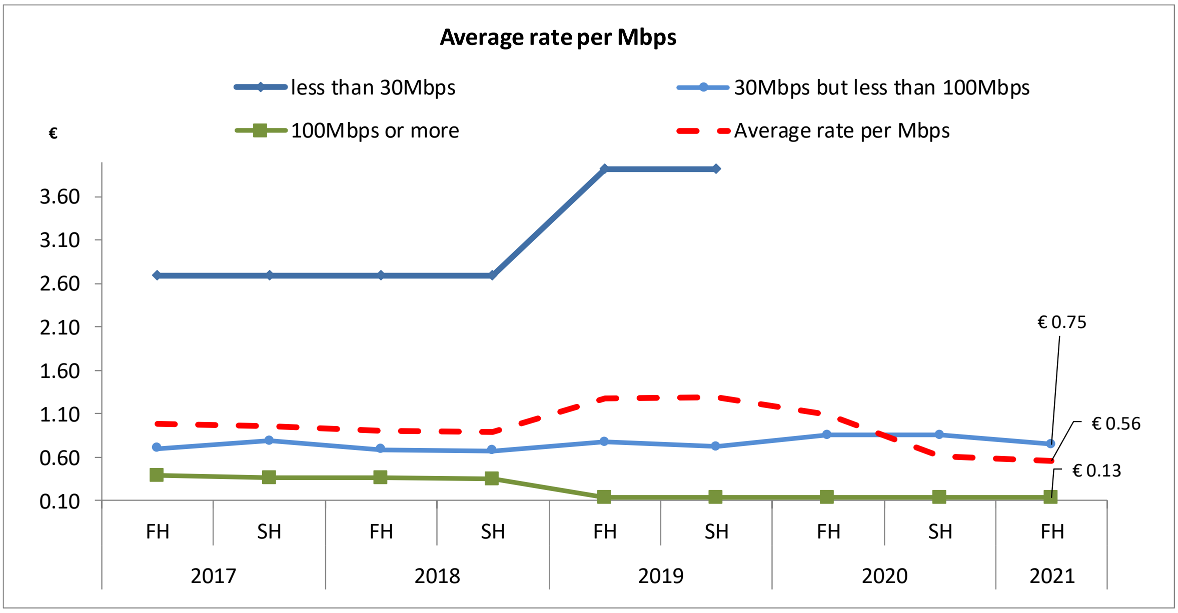


Figure 28: Average price per Mbps of fixed broadband

5.6. Take-up and usage of mobile broadband

The term mobile broadband used in this review encompasses data access and internet connectivity services offered over the following devices:

- A mobile handset with 3G or 4G capabilities; and / or

[16] The average rate per Mbps calculation in this report takes into account fixed broadband plans that are available nationwide, including dual play bundled packages and fixed wireless plans. Plans that are on a triple-play or quad-play bundle are not taken into account. Also, expenses incurred by the end-user, such as installation fees and other charges, do not feature in the calculations when determining the average rate per Mbps.

- portable computers and tablets, enabled by USB dongles / keys and built-in broadband cards.

For the sake of consistency, the methodology used to measure the take-up of mobile broadband in Malta corresponds with that adopted by the EU Commission when measuring progress in this area across the EU.[17]

The number of end-users actively accessing and using mobile broadband services in Malta totalled 414,713 at the end of June 2021. This figure is up by 15,767 (or by almost 4.0%) from 398,946 at the end of June 2020.

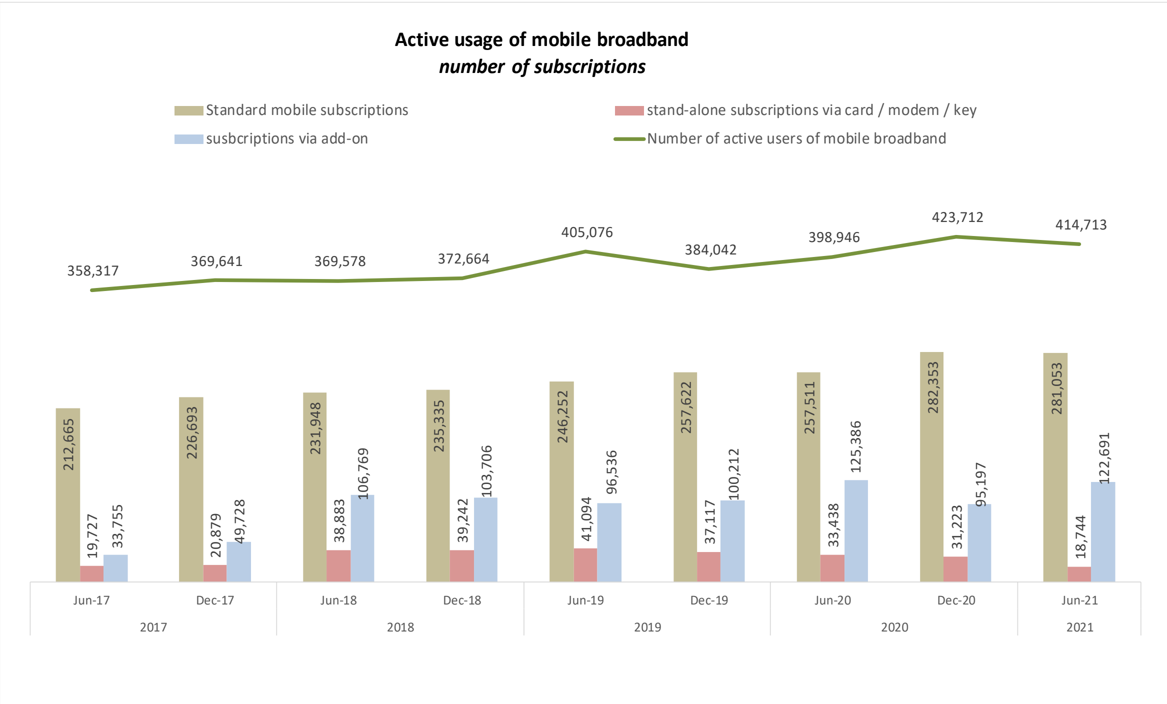


Figure 29: Mobile broadband active connections as at end of period

The rise in active usage of mobile broadband services is fully attributed to mobile telephony subscriptions. In fact, the number of active users of mobile data services through standard mobile subscriptions was up by 18,774 (or by 4.9%) from 380,202 at end June 2020 to 398,976 at end June 2021. Meanwhile, the number of active users of mobile broadband services via cards/modems and keys was down by 3,007 (or by 16.0%) from 18,744 at the end of June 2020 to 15,737 at the end of June 2021.

[17] The EU Commission states that, for the sake of clarity, what is measured for mobile BB is the number of users, and not the number of transactions, since the overall objective is to measure a penetration per 100 population.

5.7. Mobile data usage

Mobile data consumption surged in recent years, in line with consumer preferences and as operators launch more favourable data allowances with their plans. Total mobile data volumes consumed in the first half of 2021 amounted to 22,889 million Mbs, up by 7,842 million Mbs (or by 52.1%) during the same period a year before.[18]

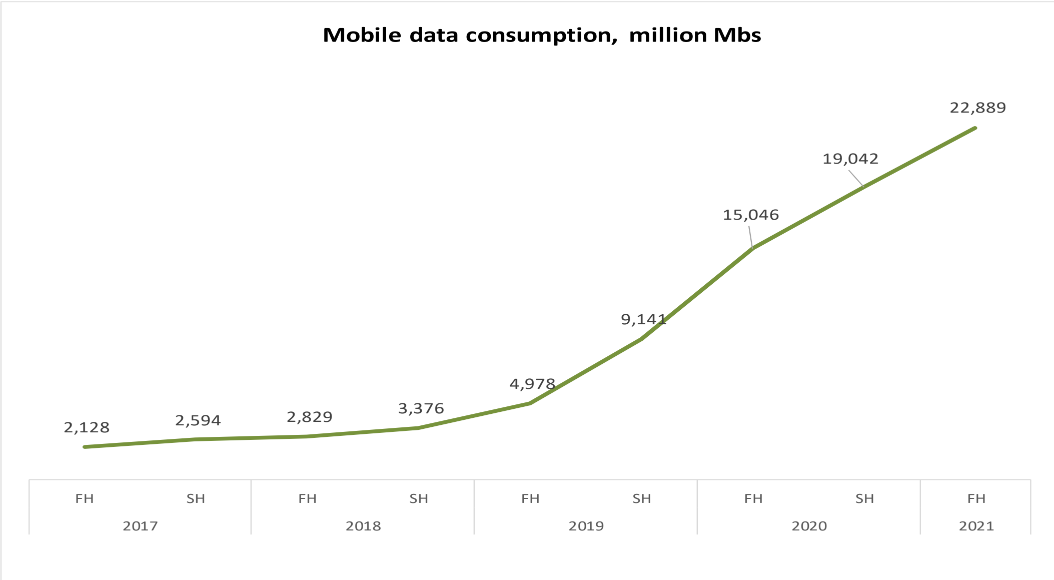


Figure 30: Mobile data during each half-yearly period

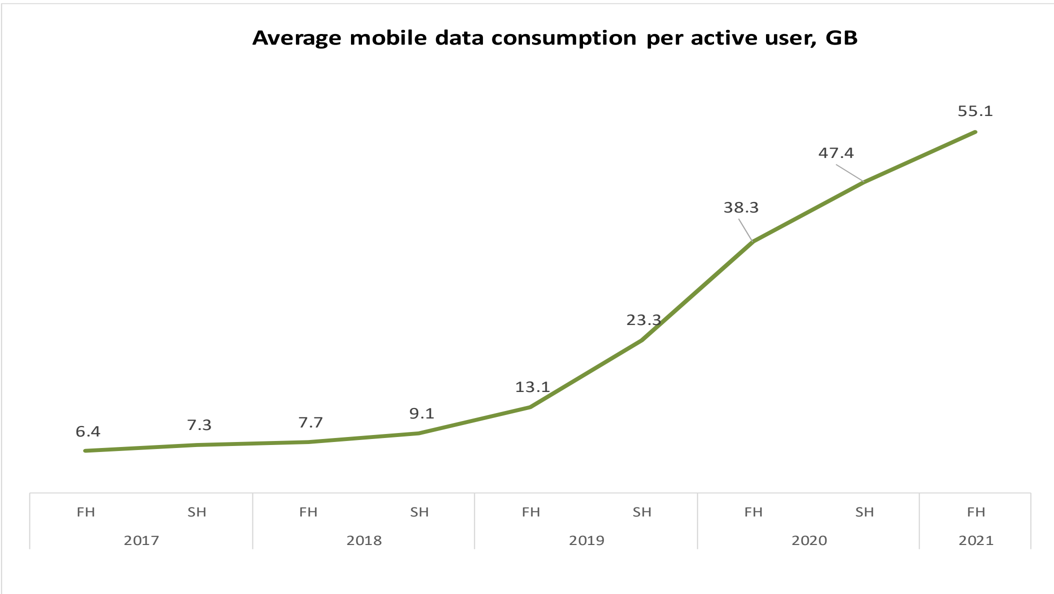


Figure 31: Active data usage per subscriber during each half-yearly period

[18] It is relevant to underline that these figures only take into account active mobile data users via paid subscriptions. It does not consider any mobile data usage over wireless networks such as residential WiFis and free or paid WiFi hotspots.

On average, each active user of mobile broadband consumed 55.1GB of data in the first half of 2021, which is significantly higher than what was consumed on average in the first half of 2020 at 38.3GB.

6. Pay-TV

6.1. Take-up

The local pay-TV segment saw positive growth in take-up during the pandemic, though the figures presented hereunder refer to traditional broadcasting and linear TV programming and services offered by the local operators. The MCA does not to date have information on take-up of the various online streaming services that have been identified internationally as having seen a major uptick in take-up across different countries.

The number of pay-TV subscriptions totalled 174,916 by the end of June 2021, which is up by 3,572 (or by 2.1%) year-on-year.[19] Looking at the subscription figures by technology shows that the cable platform, owned by Melita, accounted for 61.2% of all subscriptions by the end of June, at 107,012 subscriptions. This represents an increase of 3,668 subscriptions year-on-year. During the same period, the number of subscriptions on the IPTV platform, owned by GO, was up by 5,305 (or by 9.1%), reaching a total of 63,764 subscriptions by the end last June to represent 36.5% of the local pay-TV client base.

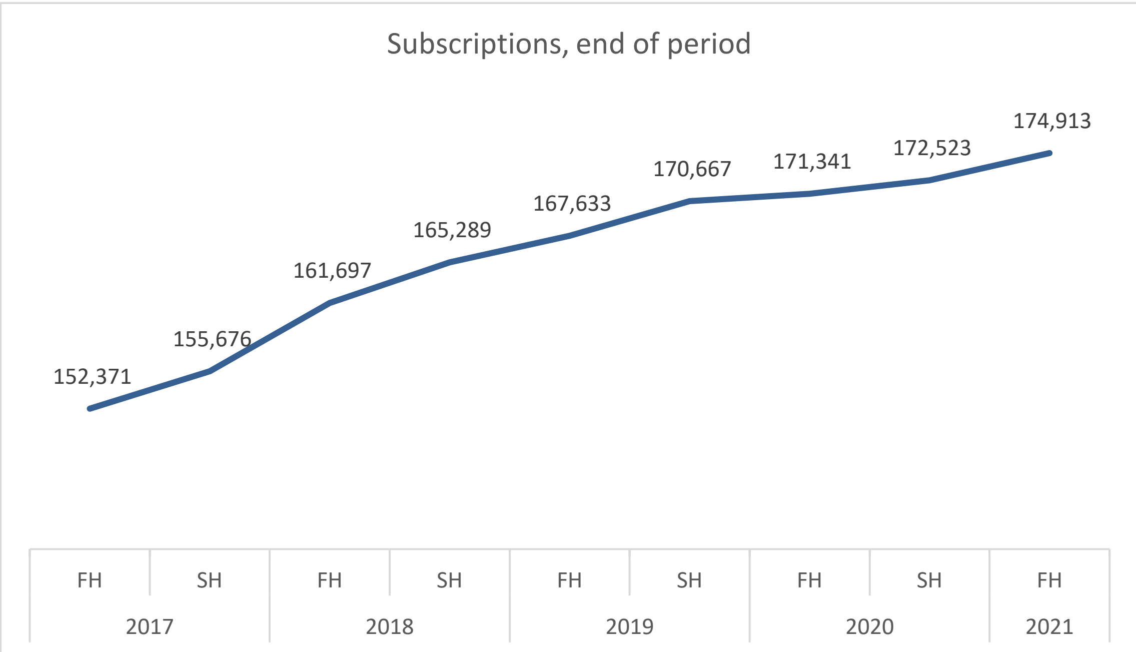


Figure 32: Pay-TV subscriptions as at end of period

The latter jump in subscriptions has to be seen in the context of the phasing out of the DTTV platform, which is managed by the same operator. The number of DTTV subscriptions

[19] This figure excludes subscriptions to Over-the-Top (OTT) Video-on-Demand (VoD) offerings or internet-only streaming services. No data on take-up of such subscriptions is available to the MCA since these providers are not authorised locally.

was down by 5,401 (or by 56.6%) year-on-year, to a total of 4,137 subscriptions by the end of the current reporting period.

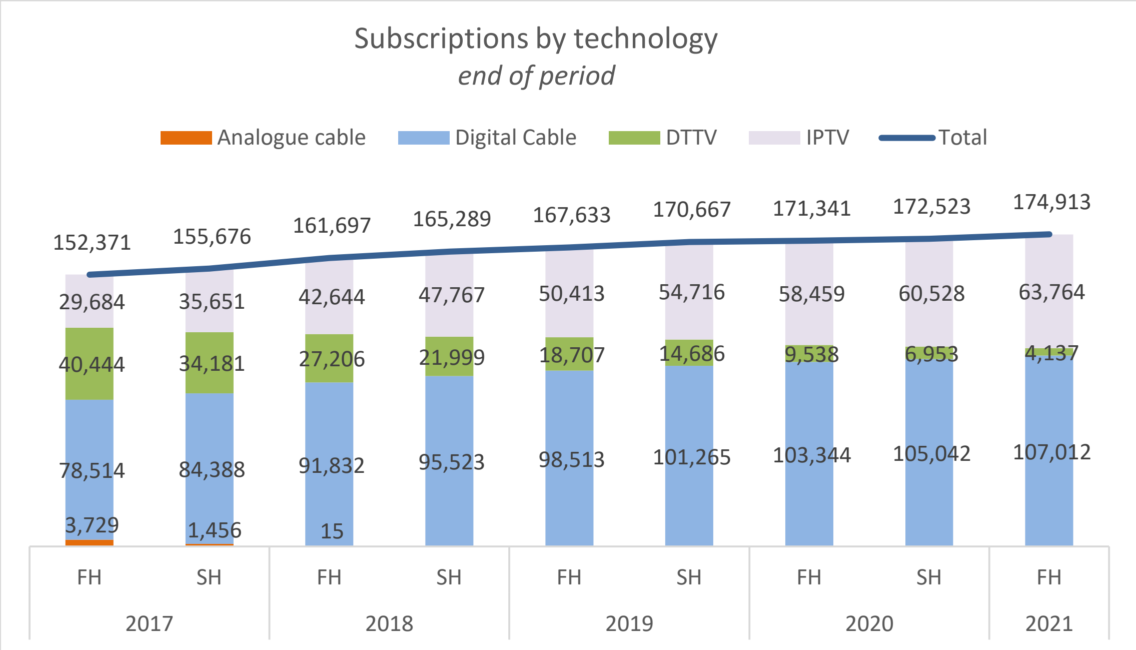


Figure 33: Pay-TV subscriptions as at end of period

As for take-up of the service per se, 81.4% of all subscriptions were in a bundle package by the end of last June. In absolute terms, the number of pay-TV subscriptions in a bundle increased by 6,769 (or by 5.0%) year-on-year to a total of 142,387.

Pay-TV subscriptions in a bundle	2017		2018		2019		2020		2021
	FH	SH	FH	SH	FH	SH	FH	SH	FH
Pay-TV subscriptions on a dual play contract	**5,296**	**5,047**	**4,705**	**4,961**	**4,804**	**5,328**	**5,613**	**5,924**	**5,063**
Pay-TV + fixed telephony	5,296	5,047	4,705	4,961	4,804	5,328	5,613	5,924	5,063
Pay-TV subscriptions on a triple play contract	**40,638**	**46,835**	**55,048**	**61,145**	**66,963**	**71,250**	**74,956**	**77,767**	**80,434**
Pay-TV + fixed broadband + fixed telephony	40,638	46,835	55,048	61,145	66,963	71,250	74,956	77,767	80,434
Pay-TV subscriptions on a quad play contract	**49,175**	**49,785**	**51,691**	**53,164**	**53,433**	**53,887**	**55,049**	**55,970**	**56,890**
Pay-TV + Fixed broadband + fixed telephony + mobile telephony	49,175	49,785	51,691	53,164	53,433	53,887	55,049	55,970	56,890
Total number of pay-TV subscriptions in a bundle	**95,109**	**101,667**	**111,444**	**119,270**	**125,200**	**130,465**	**135,618**	**139,661**	**142,387**
Total number of pay-TV subscriptions at end of period	**148,642**	**154,220**	**161,682**	**165,289**	**167,633**	**170,667**	**171,341**	**172,523**	**174,913**
Percentage of pay-TV subscriptions in a bundle	63.99%	65.92%	68.93%	72.16%	74.69%	76.44%	79.15%	80.95%	81.40%

Table 14: Pay-TV subscriptions in a bundle

6.2. Market shares

Melita accounts for the largest market share in the pay-TV segment, having gained market share over the past years. This operator's market share stood at 61.2%, which is up by 0.9 percentage points. On the other hand, GO lost market share by the same margin, to 38.8% by the end of the current reporting period.

Market shares	GO	Melita
End of June 2021	38.8%	61.2%
End of June 2020	39.7%	60.3%
End of June 2019	41.2%	58.8%

Figure 34: Market shares in terms of pay-TV subscriptions as at end of period.

6.3. Pay-TV ARPU

The pay-TV ARPU calculation outlines the total revenues reported by local service providers for the pay-TV service, divided by the average number of subscriptions in the current review period. The calculation takes into account revenues from premium services, such as movies or sports add-ons, in addition to standard revenue streams, namely those generated from installation charges and monthly access fees.[20]

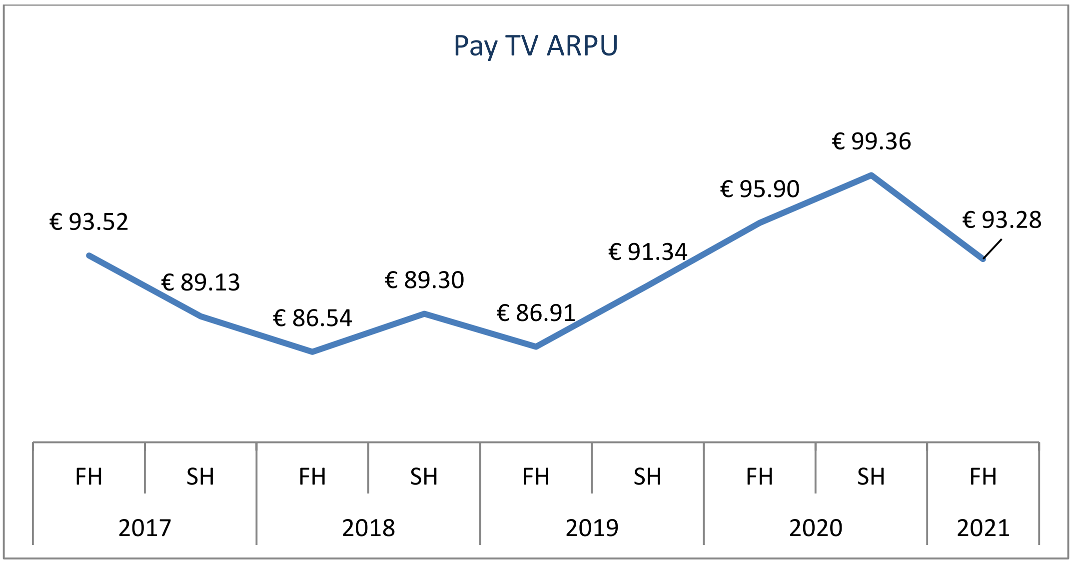


Figure 35: Average revenue per pay-TV user

Pay-TV ARPU has been in decline for several years, with ARPU for the first half of 2021 confirming this trend, going down by 2.7% to €93.28 from €95.90 from the first half of 2020.

[20] Currently, local service providers apportion monthly access fees for bundled products by each electronic communications service featuring in the bundle. Each local service providers implements its own apportionment mechanism.

6.4. Average advertised monthly access fees for stand-alone pay-TV

This section outlines changes in the average advertised monthly access fees for five distinct pay-TV channel categories, with each category encompassing stand-alone plans listing a particular number of channels, but excluding optional add-ons (such as those featuring sports and video-on-demand channels). The pay-TV categories highlighted in this section encompass the following number of channels: 'Up to 24 channels'; '25 to 49 channels'; '50 to 74 channels'; '75 to 99 channels'; and '100 channels or more'.

The product line-up scenario changed in the 12-month period to the end of June 2021. Basically, the main change from the discontinuation of some legacy plans across all TV channel categories. This coincides with the shift to a more streamlined approach by service providers to add-on plans and towards streaming services.

The average advertised monthly access fee for pay-TV packages has declined in the first half of 2021 to €13.39 from €15.57 in the first half of 2020.

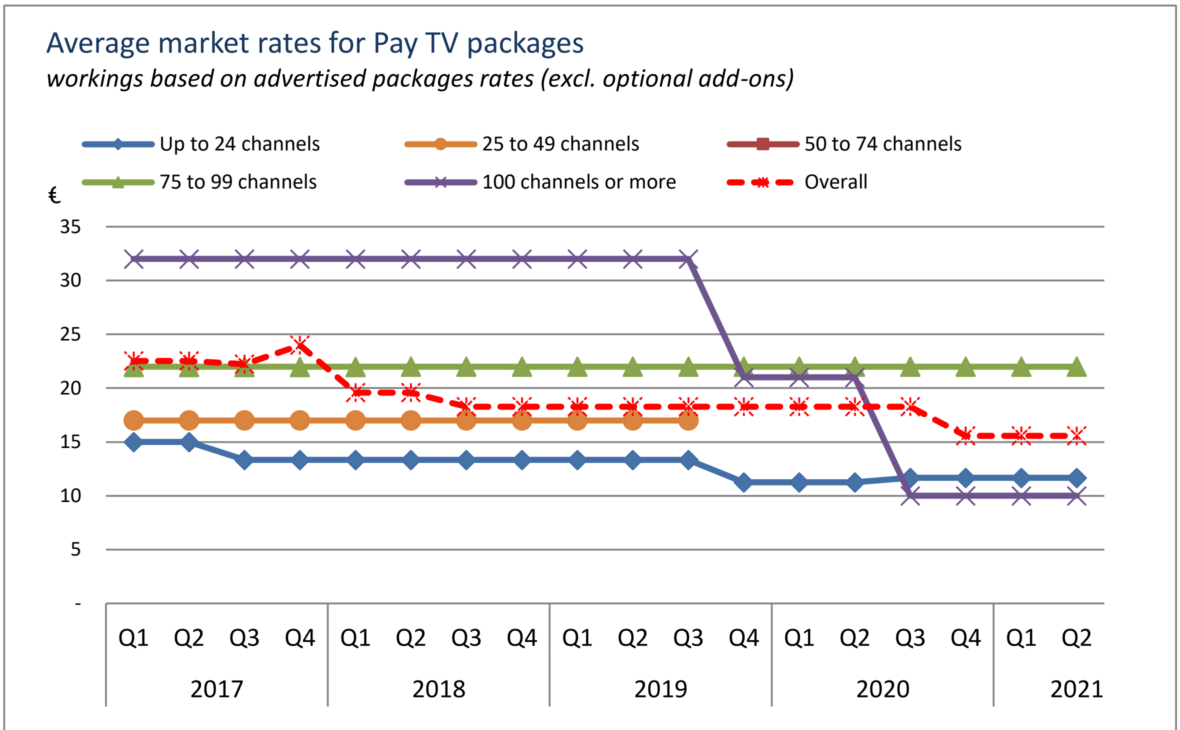


Figure 36: Average market rates for pay-TV packages

The figures presented above are for stand-alone plans only and do not take into account charges or fees that come into force for paper billing or for non-direct debit payments.

7. Post

7.1. Usage of the service

These last two years were particularly challenging for the postal segment, as mail volumes were hit hard with the initial disruptions to air travel brought about by the COVID-19 pandemic and other geopolitical developments that took place, such as the Brexit. These developments exacerbated prior-year mail volume trends characterised by secular declines.

It seems however that the sector managed to withstand the impact in the first half of this year, as postal mail volumes were up by 0.4 million (or by 2.4%) compared to volumes recorded in the same period a year earlier. In absolute terms, a total of 16.6 million postal mail items were delivered by local postal operators in the first half of 2021.[21]

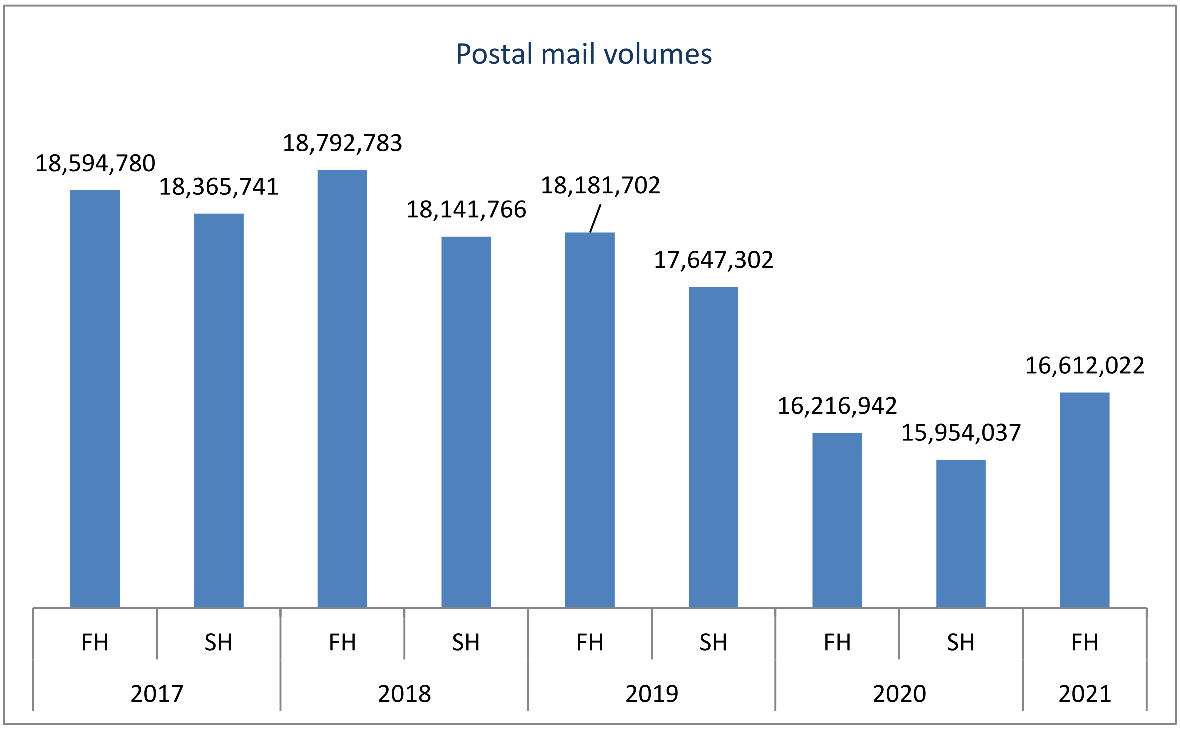


Figure 37: Postal activity - mail volumes handled by local service providers

Postal mail volumes by segment

[21] Maltapost plc (the designated Universal Service Provider, hereafter also referred to as "the USP") and Premiere Post Ltd. provide services within the universal service area. As part of its universal service obligation Maltapost is obliged to provide a set of services, outside the reserved area. Another 23 postal operators (courier and express services) provide services outside the scope of the universal service area. Up till the fourth quarter of 2018, DHL International Ltd. was also licensed to provide non-reserved postal services within the scope of the universal services. DHL International Ltd. renounced this license late 2018.

An important distinction for postal mail volumes relates to the standard postal mail segment and the express postal mail segment.

By way of definition, standard postal mail encompasses the delivery of single piece letter mail, bulk mail, registered mail and parcel mail.[22]

Express postal mail encompasses the accelerated and secure worldwide delivery of mail items, be it for important letters, documents or parcels, through express mail or courier service providers. The services are characterised by speed, tracking and managerial control (that exceed the fastest standard category of the basic universal letter and parcel services).

The standard postal mail segment accounted for 94.8% of total postal mail volumes delivered in the first half of 2021. Express mail activity accounted for the remaining share.

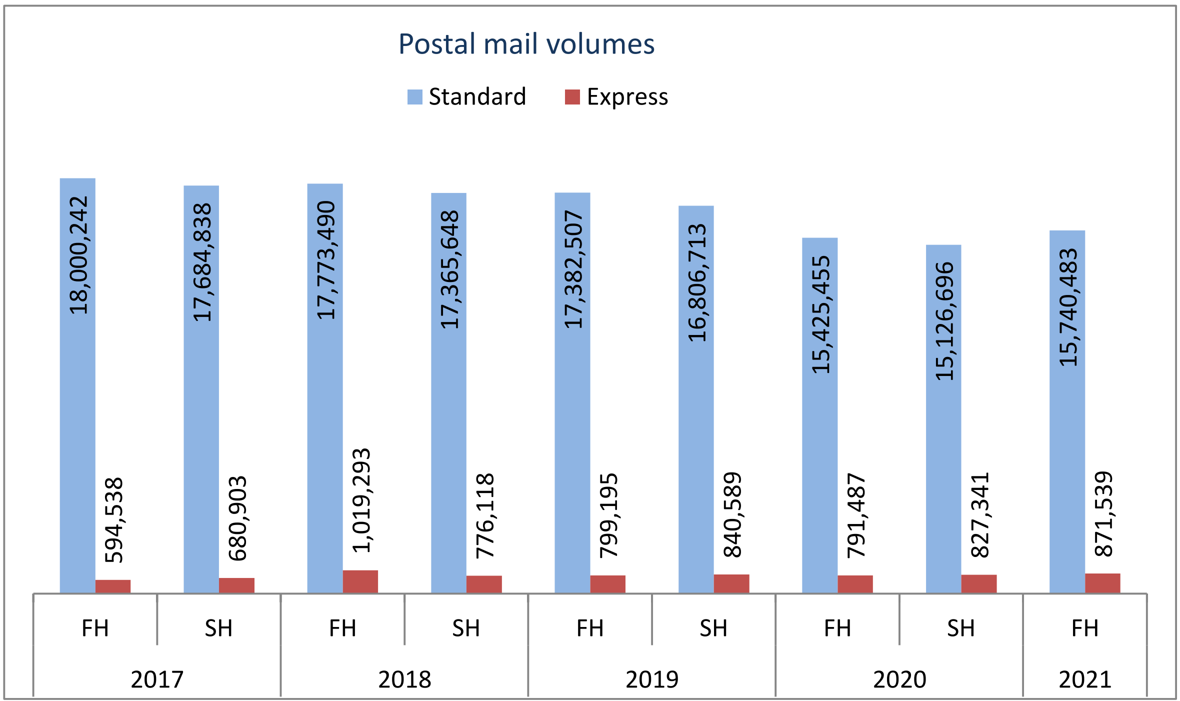


Figure 38: Postal activity - number of handled mail items by type of mail activity

[22] Single piece letter-post mail (also referred to as ordinary mail) is the ordinary day-to-day correspondence posted by individuals and businesses (other than bulk letter-post mail), at street letterboxes or over the counter at postal outlets. The registered letter-post mail service (also referred to as registered mail) refers to a service providing a flat-rate guarantee against risks of loss, theft or damage and supplying the sender, where appropriate upon request, with proof of the handing in of the postal article or of its delivery to the addressee. Bulk letter-post mail (also referred to as bulk mail) consists of a substantial number of similar letter-post items deposited with MaltaPost at the same place and time, to be transported and distributed to the addressees indicated on each of the postal articles.

Postal mail volumes by type of mail

There are four types of postal mail categories, namely single piece (or standard) letter mail, bulk letter mail and registered letter mail and parcel mail.

Single piece letter-post mail accounted for 31.9% of all postal mail items delivered during the first half of 2021. In absolute terms, the number of single piece letter items totalled 5.3 million in the first half of 2021, which is up by 0.02 million (or by 0.5%) from volumes registered in the first half of 2020.

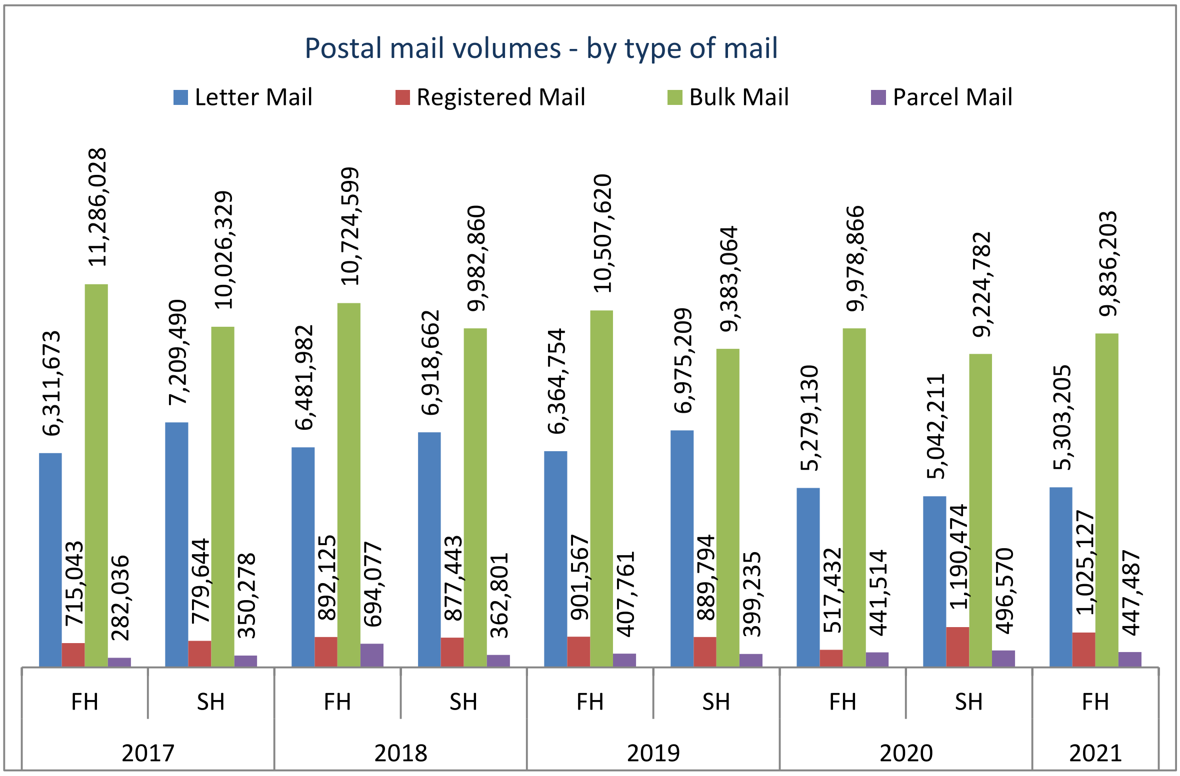


Figure 39: Postal activity - number of handled items by type of mail

Bulk letter mail items totalled 9.8 million in the first half of 2021, which is equivalent to 59.2% of total mail volumes delivered during this period. Volumes were down by 0.1 million (or by 1.4%) compared to the first half of 2020.

The number of registered letter mail items delivered in the first half of 2021 totalled 1.0 million. This is up by 0.5 million items (or by 98.1%) compared to volumes recorded in the first half of 2020.

As for parcel mail, volumes were up by 1.4% in the first half of 2021 compared to volumes in the first half of the previous year, for a total of 0.4 million mail items.

Postal mail volumes by destination

This section distinguishes between mail activity according to the destination, namely by outlining developments for domestic mail volumes; outbound cross border mail volumes,[23] and inbound cross border mail volumes.[24]

Domestic mail volumes delivered in the first half of 2021 totalled 13.1 million items. This figure is down by 0.1 million (or by 0.6%) compared to the mail volume figure recorded in the same period of 2020.

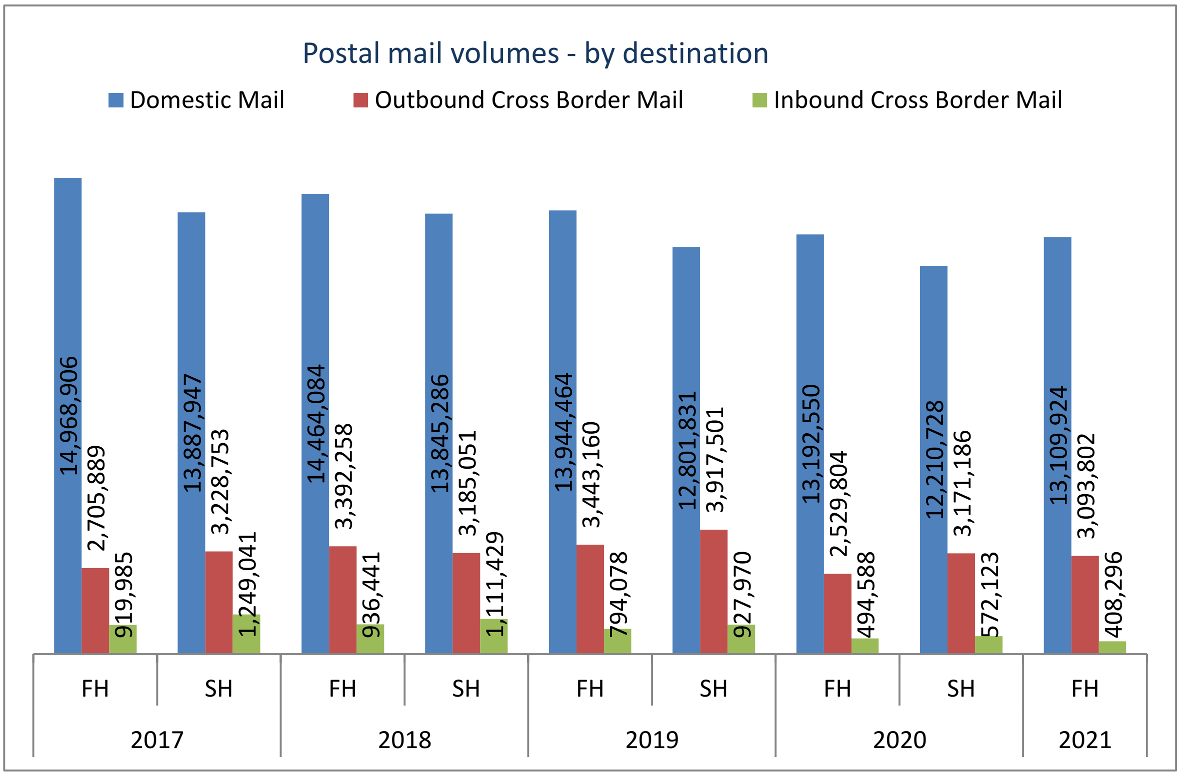


Figure 40: All postal activity - number of handled mail items by destination

Volumes of outbound cross border mail and inbound cross border mail in the first half of 2021 totalled 0.4 million items and 3.1 million items respectively. In the former case,

[23] These postal mail items originate locally for delivery to foreign destinations.

[24] Foreign-originated postal mail forwarded to Malta.

volume was down by 17.5% compared to the first half of 2020, whilst volume was up by 22.3% in the latter case.

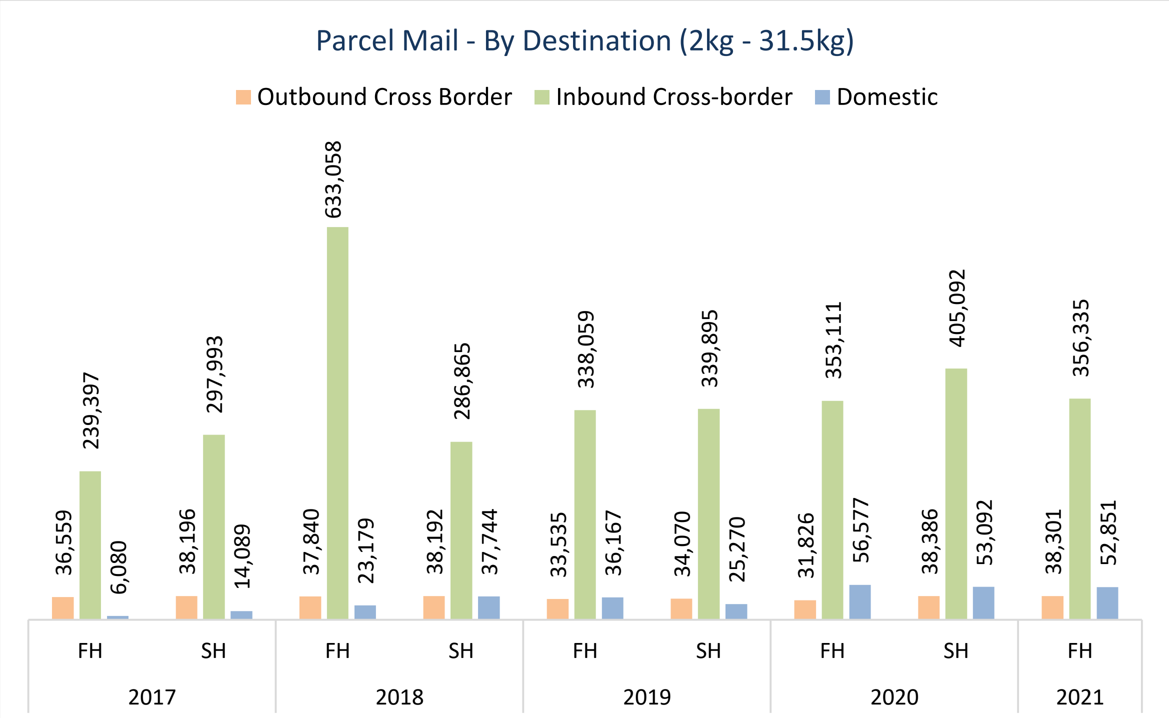


Figure 41: Parcel mail activity - number of handled mail items by destination

Specifically for parcel mail, the volume of outbound cross border mail and inbound cross border mail in the current reporting period totalled 38,301 items and 356,335 items respectively. In the case of inbound cross border parcel mail, the volume recorded in the first half of 2021 was up by 0.9% compared to the same period in 2020.[25] Meanwhile, volumes for outbound cross border parcel mail were up by 20.3%. The domestic parcel mail segment was down by 6.6%.[26]

[25] In the first half of 2018 there was a large amount of activity reported under 'inbound cross border'. This increased buoyancy is a result of an operator reporting an influx of parcels during this period.

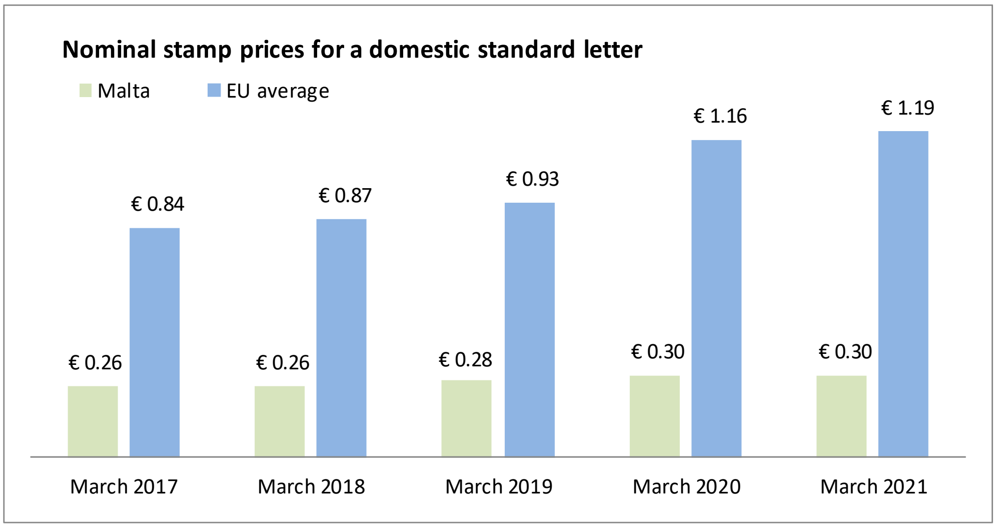
[26] As of 2019, the MCA has adjusted its postal segment to include parcels up to 31.5KGs so as to be in line with new European regulations on cross-border parcel delivery services. Further information on this article can be found here: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R0644&rid=2

7.2. Postal rates: Malta vs EU

The 2021 publication by Deutsche Post entitled 'Letter Prices in Europe' shows that Malta's nominal prices for a domestic standard letter and an outbound letter within the EU continue to benchmark at the bottom (or close to the bottom) of the ranking.[27]

This report shows that Malta's nominal price for a domestic standard letter mail item (weighing up to 50 grams) in March 2021 stood at €0.30 as against an EU average for domestic standard letter mail of €1.16.

Malta's rate for an outbound cross-border letter mail within Europe also benchmarked significantly below the EU average rate. Of note in this respect is that while Malta's rate was unchanged over the past five years, the EU average gradually went up.



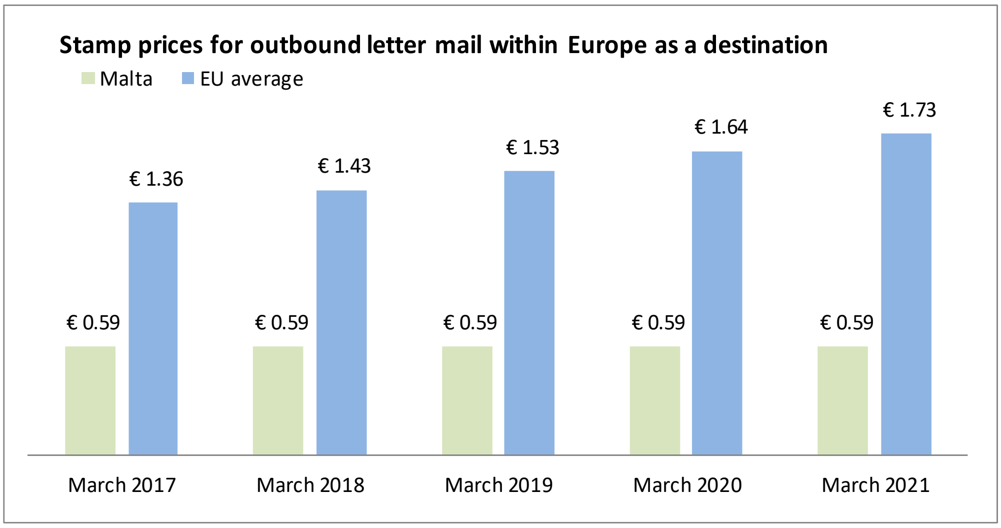


Figure 42: Nominal stamp prices in Malta and the EU

[27] Link to the 19th Edition of the study by Deutsche Post DHL Group entitled 'Letter Prices in Europe' : https://www.dpdhl.com/content/dam/dpdhl/en/media-center/media-relations/documents/2021/letter-prices-in-europe-2021.pdf

8. Tables

9. Figures

10. Glossary of Terms

ARPU Average revenue per user. Selected revenue items of the operator divided by the average number of active subscriptions during the period.

Broadband A service or connection to the Internet which is ‘always on’ and has a speed of more than 128kbps. The number of active broadband subscriptions refers to subscriptions/connections having recorded a transaction within 90 days of the period stipulated.

FTTH Fibre to the Home

DSL Digital Subscriber Line. A high-speed transmission technology mainly applied for Internet and video file access service. DSL services allow voice and data to share the same infrastructure and usually require a splitter at the customer’s premises to separate voice and data traffic from the line. Forms of DSL include ADSL, HDSL, and VDSL.

DTTV Digital Terrestrial Television. The term refers to a delivery platform primarily for television programmes in digital format, using the DVB-T standard.

SH Second half of the year, referring to the period July to December.

FNO Fixed network operator. A provider which owns a fixed line network.

FTF Fixed-to-fixed traffic.

FTI Fixed-to-international traffic.

FTM Fixed-to-mobile traffic.

ISPs Internet Service Providers. An ISP is a point of access to the Internet for small business and individual users. The ISP provides its customers with access to its router which relays traffic to web servers on the Internet.

Mbps Megabits per second (“MBit/s”) or millions of bits per second. Unit applied to measure the transmission speed of digital information.

MCA Malta Communications Authority.

MMS	Multimedia Messaging Service. MMS extends the short messaging service ("SMS") to include longer text, graphics, photos, audio clips, video clips, or any combination of the above, within certain size limits.
MNO	Mobile network operator. A provider which owns a mobile network.
MPR	Mobile penetration rate. The MPR is a term used to describe the number of active mobile subscriptions (or SIM cards) as a percentage of total population.
MTM	Mobile-to-mobile traffic.
MTF	Mobile-to-fixed traffic.
MTI	Mobile-to-international traffic.
MVNO	Mobile Virtual Network Operator. An MVNO is a mobile operator that usually would not have a licence to use radio spectrum but would have access to the radio networks of one or more of the current mobile operators and would be able to offer services using that spectrum.
Off-net activity	Activity between two or more connections on different networks.
On-net activity	Activity between two or more connections on the same network.
Pay-TV	Television services (generally a channel or set of channels) paid for by the user, by means of subscription or other ways of service payment.
Q	
QoS	Quality of Service. A statistical measure of a system or service. May also be used to set varying priorities for traffic.
Service provider	A supplier of electronic communications and postal services, to third parties, either through its own network or through a network of another operator.
FH	First half of the year, referring to the period January to June.
SMS	Short message service. This refers to short text messages which can be sent from one mobile phone to another, usually up to 160

	characters. Such messages can also be sent from the Internet to a mobile phone.
Universal service	The basic level of telecommunications services which should be available to all customers.
USO	Universal Service Obligations. A provision in Maltese law requiring certain operators to provide certain services to all specified persons who may reasonably request them.
VAT	Value Added Tax.

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