

Telecommunications in Israel 2013

From Monopoly to Competition: 1994-2013

Market Sectors	1994	2013
Domestic Fixed Services	Bezeq	-Bezeq -Hot (the cable company) -012 Telecom -Cellcom Fixed Telecommunications Services -Partner Fixed Telecommunications Services -Globcall -BIT
Mobile Telephony	Pelephone	MNOs: -Pelephone -Cellcom -Partner -Hot Mobile -Golan Telecom MVNOs: -Rami Levi -Alon Cellular -Home Cellular (6 more companies were licensed and have yet to start operation)
International Services	Bezeq	012 Smile Barak-Netvision Bezeq International Xfone 018 Telzar Golan Telecom Hallo 015 Mirs International
Internet Service	Only university network	012 Smile Bezeq International Barak-Netvision Golden Lines Over 50 smaller ISP's

The following pages will provide you with facts and data relating to the evolution and structure of Israel's ICT market, from the monopoly-based market it was until 1994 to the ultra-modern multi-player market it is today, in 2013.

In 2011, the telecommunications sector in Israel had revenues of US\$ 7.5 billion, representing about 4% of the GDP.

Regulation

A Policy for a Multi-operator Environment

Israel has pursued progressive liberalization and privatization in its communications and information technology subsector. These reforms have included privatization, with the sale by the Government of its controlling interest in Bezeq, Israel's incumbent fixed-wire line service provider, in 2005; adoption of a regulatory regime suitable for a multi-operator environment; and competitive local exchange carrier (CLEC) licenses for infrastructure, transmission, data (broadband) and telephony services, a wireless tender carried out in 2010 which led to the entry of two new infrastructure-based operators, and an ongoing process for the development of a wholesale market in fixed communications.

Regulatory functions are exercised by the Ministry of Communications.

The Communications Law empowers the Minister of Communications to enact legislation concerning all relevant telecommunications services and equipment, including technical specifications for telecommunications equipment and type approvals. The Communications Law states that any license and change thereof must contribute to competition in the field of telecommunications. It also provides that a licensee must fulfill certain prerequisites (requirements vary from one licensee to another). Licenses may be revised or cancelled if an operator becomes, *inter alia*, anti-competitive, or unfit to provide telecommunications services. There are generally no controls over the tariffs of private suppliers, and certain Bezeq tariffs, which are regulated owing to Bezeq's largely monopolistic market position. Cross-subsidies from monopolized services to competitive services are not allowed. The Ministry attempts to provide incentives to increase competition; for example, the Ministry's 2010 spectrum tender included a provision by which new entrants would receive their bid amounts back, in increments, as their market share in the household (as opposed to the business) sector increases.

The Communications Law was amended in August 2001 to eliminate the existing cable television franchises and introduce a revised licensing regime. This allows use of cable infrastructure for the provision of telephony and advanced fixed telecommunications services, such as data communications and broadband Internet access, in addition to multi-channel subscriber television already provided by franchise. In May 2003, a new amendment to the Communications Law allowed CLECs to compete in the fixed telecommunications services without USO (universal service obligation) as from September 2004. The Ministry of Communications subsequently issued a set of regulations to establish the terms of procedures to apply for such a license, called a "Specialized Domestic license", and, to date 5 such licenses have been granted. These operators comprise over 30% of the fixed telephony market as of 2012, with the cable incumbent (HOT), providing most of these lines.

The Chronology of Market Liberalization

In 1984, the regulatory and operational functions in Israeli telecommunications were separated. All telecommunications facilities, which had until that time been government-operated, were transferred to the newly established Bezeq company. Bezeq was granted a tightly-regulated monopoly for the provision of telecommunications services.

The rise of the ICT revolution in the 90's, the interest of existing and potential carriers in using the new technologies to provide enhanced services, and a desire to confer the benefits of competition onto the consumer, have led the Ministry to initiate strategic amendments to the existing regulatory structure.

In 1994, the first significant step towards a competitive telecommunications market was taken: the incumbent Bezeq was required to form subsidiary companies in order to provide services in market sectors other than domestic, fixed wire line telephony, such as the

cellular (Pelephone Ltd.) and international (Bezeq International Ltd.) market sectors. By the end of 1994, the cellular market sector became indeed a competitive one, when Cellcom, the second cellular company, began operations, after winning a tender issued by the Ministry of Communications. Competition levels grew further in 1998, as Partner stepped in (again through a public tender) and in 2001 when MIRS was granted a cellular license. The international telephony and data market saw the entry of competition in 1997, as Barak and Golden Lines began operation. The introduction of competition in the international calling field was indeed a "case study" in the effects of competition: the price of a call abroad dropped over 70% in a matter of weeks. An amendment of the Telecommunications Act in 1997 enabled the licensing of DBS satellite TV service provider; which began operation on July 2000, and competes with the cable company in the multi-channel broadcasting market.

Bezeq's exclusive monopoly-by-law on fixed telephone services ended in June 1999. Subsequently, in September 2000, the Minister of Communications enacted regulations for the licensing of new operators in the fixed services market – any entity meeting the licensing criteria may receive a license. In February 2001 the Ministry issued a tender for the assignment of additional 2G and 3G cellular frequencies. The tender for additional cellular services using 2G or 3G frequencies was concluded successfully, and frequency bands were allocated for future use by the three major mobile telephone operators.

In August 2001, the Telecommunications Act was amended by the Parliament on the basis of a proposal drafted by the Ministry of Communications. This amendment did away with the existing cable television franchises, and introduces instead a licensing regime, which allows use of cable infrastructure for the provision of telephony and advanced fixed telecommunications services such as data communications and broadband Internet access, in addition to the continued provision of multi-channel subscriber television.

In May 2003, the Telecommunications Act was amended by the Parliament, in order to allow CLEC's to compete in the fixed telecommunications services without USO (Universal Service Obligation) as of September 2004. Subsequently, the Ministry of Communications has issued a set of regulations to establish the terms and procedures to apply for such a license, called a "Specialized Domestic License". Up to the present, five of these Licenses were given by the Ministry of Communications to O12 Telecom, Globcall Telecommunications. Cellcom fixed Telecommunications services, Bezeq International, and Partner fixed Telecommunications services.

While Bezeq remains Israel's leading domestic, fixed-service operator, the cable operator HOT Telecom has acquired above 300,000 voice telephony subscribers, mainly in the households and small business segment. As previously stated, alternative operators provide over 30% of the revenues in the fixed telephony market.

In early 2007, the Minister of Communications appointed a public committee, headed by Professor Rueben Gronau of the Economics Department at the Hebrew University (the Gronau Committee), to recommend a future regulatory and competitive policy. The committee presented its recommendations in the summer of 2008. To provide incentives for investment by incumbent operators, the committee recommended that the Minister adopt a policy of mandated access to incumbent networks, including, *inter alia*, local loop unbundling (along with other network elements necessary to implement LLU), wholesale line rental and resale of incumbent services. The committee's recommendations were based on a thorough investigation of the European regulatory scheme, and were designed to ensure that competitive carriers would upgrade network infrastructure, causing incumbents to do so as well.

The committee recommended that Bezeq not be given a "regulatory holiday" nor any monopoly over the use of the NGA, and that competitors be provided access to the NGA according to European best practices as they evolve over time. The Minister adopted the recommendations of the committee on the matter of a wholesale market in fixed communications, as the committee recommended them.

A further committee, headed by Mr. Amir Hayek, CPA, recommended that the policy of wholesale access should be carried out, and the Minister of Communications adopted the main points of this committee's recommendations. The ensuing policy document set out a "roadmap" for a wholesale market in fixed communications, along with liberalization of the constraints on incumbents, including, *inter alia*, more flexibility in tariffs and reductions in structural separation within the "Bezeq" Group. The implementation of this policy is ongoing, and remains a strategic focus of the Ministry.

Review of Israel's Telecommunications Market Sectors

Fixed Services

The "phone-lines-to-households penetration rate" is falling, owing mainly to increased use of mobile services and broadband (rather than dialup) internet, and currently stands at approximately 92%, while the "home-pass rate" for domestic telephony exceeds 99%. Broadband service in Israel (by cable modem or ADSL) has a home-pass rate of 99%, and a penetration rate of approximately 82% of households (2010). High speed internet access is firmly entrenched as a standard service in most Israeli homes

In March 2002, the cable companies (before the merger into the unified HOT Telecom company) were granted licenses to provide broadband telephony access on their infrastructure (using cable modems). The cable infrastructure became a competitor to the Bezeq's infrastructure. As a result, the penetration rate of broadband 2012 households had grown from approximately 4% in 2002 to approximately 82% in 2007, with a home-pass of 99%. The prices of broadband Internet Access have decreased precipitously, and currently stand at approximately 88 NIS (about \$23 per month), with average speeds of about 8 Mbps. Since high-speed internet access is a key driver for the global ICT economy, it is an important key in advancing the Israeli market. Recent market developments have increased the pace of speed upgrades among consumers, with both Bezeq and HOT offering 100Mbps service. Bezeq has rolled out a fiber-to-the-curb (FTTC) network and HOT is upgrading their hybrid fiber-coax network to allow higher speeds to more consumers.

Since September 2004, it had become possible to new competitors to enter the fixed telecommunications service market, free from Universal Service Obligations, and there are 5 providers operating according to those licenses. These licences are granted to operators who own limited infrastructures, and to operators who provide VOIP service over broadband infrastructure of other operators.

Cellular Telephony

There are five cellular operators in Israel who provide digital technology nationwide coverage and modern 3G (third generation) services. Pelephone, the oldest operator, has rolled out a UMTS network. The second operator, Cellcom, still operates the American IS-136 TDMA technology as a legacy second-generation network, but uses European DCS 1800 and UMTS for third generation services. Orange (Partner Communications), the third operator, uses GSM technology DCS 1800 and UMTS. Two new operators entered the market in 2010: Hot mobile, which uses third-generation UMTS technology alongside a legacy iDen network acquired along with small operator Mirs Communications, while Golan Telecom uses UMTS technology exclusively. Both Golan Telecom and HOT mobile have concluded national roaming agreements which allow for nationwide coverage while they build their networks.

In addition to these infrastructure-based competitors, the Ministry amended the regulatory framework to allow provision of services by mobile virtual network operators (MVNO's). Two of Israel's leading supermarket chains have begun offering services as MVNO's.

The introduction of competition in 1995 led to an extremely high subscriber growth rate, one of the highest in the world. As of 2011, penetration stands at approximately 130%. This rapid growth was achieved by providing nationwide coverage, low tariffs, introduction of Calling Party Pays (CPP) method in 1994, network quality, and effective marketing. On December 18, 2001, tenders were concluded for licenses for additional 2G and 3G cellular frequency bands, in order to expand network capacities and enable use of broadband cellular applications employing DCS-1800 and UMTS technologies. Cellcom, Pelephone and Partner participated in these tenders; a total of 115MHz has been assigned to those parties at a total license fee of 240 million USD. The new frequencies enabled the operators to provide GSM1800 modern services and 3rd Generation UMTS features. During the year 2004 additional 10 MHz were assigned to the UMTS network of Cellcom, by tender, and in 2010 a further spectrum tender resulted in the entry of two new operators.

As part of the process of increasing competition, the Ministry lowered the regulated rate for termination of calls on mobile networks from approx.. 0.27 NIS to approx.. 0.07 NIS, at the beginning of 2011, after a comprehensive consultation. These updated rates contribute to a more competitive environment and better reflect the cost of terminating calls on mobile networks.

Number Portability

On September 1, 2006, the act approved by the Israeli government on August 15, 2004 regarding the implementation of the number portability in Israel has become valid. "The Portability Law" allow fixed and mobile telephony subscribers to keep their phone number in the case of exchanging operators. Over 300,000 consumers have taken advantage of this option, which is seen as a critical factor in improving the competitiveness of both the mobile and fixed telephony markets. One notable feature of the Israeli number portability scheme is the short turnaround time of 3 hours, with no more than half an hour of interruption of service. The introduction of 2 new operators was a significant test of the number portability system, which continues to perform well.

International Telecommunications Services

International long distance services have traditionally been a monopoly of Bezeq International (a subsidiary of Bezeq). In July 1997, two privately-owned facility-based carriers, Golden Lines and Barak, were also licensed. In May 2004, three additional licenses were given to Internet Gold, Xphone, and Netvision. Some smaller entrants have since begun offering services, bringing the total to 8.

In 2007, outgoing fixed international telephone traffic amounted to 1.6 billion minutes; the figure for incoming traffic was 1.3 billion minutes.

The licensed operators currently deliver services over a modern digital network, including several switching facilities incorporating advanced intelligent network infrastructure. The operators also use VOIP technology. Other enhancements include optical submarine cables (including Lev, a 5 Gb/s fiber cable between Israel, Cyprus and Italy, in service since 1998, and MED Nautilus, a 3.84 Tb/s DWDM system in restorable ring configuration, between Israel, Cyprus, Greece and Italy); digital satellite links; modern operator facilities; and advanced data communications facilities. In recent years, two new submarine cables have been inaugurated, one (owned by Bezeq International) to mainland Europe and another (owned by the Tamares Group) to Cyprus. These new cables carry mainly internet traffic, which is growing at a fast pace

Outgoing traffic quickly tripled and the new carriers rapidly gained substantial market share as the incumbent operator lost its exclusive position. Fair and transparent interconnection arrangements, equal access rules and bold cuts in retail prices, have enhanced competition in international services. As a result of the competition –in 1997- prices dropped by approximately 70% and in 2004 additional substantial reductions accrued. Today, owing to significant competition from non-licensed traffic such as VoIP, international calling is

becoming part of a bundle of services. For example, many mobile operators offer unlimited international calling to a large number of destinations as part of their service package.

Internet & Broadband

There are 3 large Internet service providers in Israel and 45 smaller license holders, serving more than three million users, including above 60% of households and above 80% of businesses. Cellular phone companies introduced wireless Internet during 2001. Bezeq began to offer ADSL services in 2000, and the cable companies started to provide broadband cable modem access in March 2002.

Internet service providers purchase international IP bandwidth, connect to the backbone networks of Bezeq and HOT, and provide services to consumers based on a VPN configuration. The average speed in Israeli is approximately 8Mbps, with speeds of up to 100 Mbps available on HOT's network and 100 Mbps on Bezeq's network. Bezeq is completing the rollout of a fiber-to-the-curb network and beginning trials of a fiber-to-the-home network, while HOT is investing in their hybrid fiber-coaxial network to provide higher speeds as well

As a result of the competition, the penetration rate of broadband to households has grown from approximately 4% in 2002 to approximately 82% in 2010. Fixed broadband service in Israel (by Cable Modem or ADSL) has a home-pass of 99%. The tariffs of broadband Internet have dropped precipitously and broadband internet is now a common, household product.

The cable company and Bezeq are obligated to provide universal deployment of broadband Internet access service. Broadband penetration rates are high: over 1,100,000 ADSL subscribers and 600,000 cable modem subscribers, translate to a penetration rate of 82%, placing Israel among the leading countries in the world in terms of broadband penetration.

Factors encouraging this growth include the competition between Bezeq and the cable company (both are under universal service obligation for broadband as well as telephony), competition between five major ISP's widespread use of computer in business and at home, advanced telecommunications infrastructure and a regulatory policy of minimal intervention. Several sophisticated Hebrew-language portals and a vast array of Hebrew web sites also contribute to ubiquitous Internet use in Israel. In addition, the Israeli government has undertaken many e-government initiatives and many interactions with government agencies are done online, such as license renewal, payments, taxation, viewing of court documents, etc.

Israel is a world leader in developing Internet technologies and applications, and Israeli companies operating in the field have marked several international successes. This international reputation is also recognized on the home market, and influences local interest and use.

The country's strong tradition of academic inquiry and research has placed Israel on the global research network for the NGI (Next Generation Internet), linking Israel to the world's seekers of scientific and industrial knowledge through StarTap (Chicago) to the U.S.- Internet 2 Network, through the Point of Presence (London) to the EU GEANT Network and to Q-Med (Mediterranean consortium Quantum extension).

Broadcasting

Public TV channels

There are three public TV channels: channel 1, offering diverse cultural, entertainment, news and documentary content; channel 33, offering culture and news content, including a daily Arabic language timeslot; and the Educational TV, whose contents are broadcast over 3 different platforms – special daily timeslots on channel 1 and on the commercial channel 2, and all day on the cables-carried channel 23.

Channels 1 and 33, as well as Israel's public radio stations, are operated and regulated by the Israel Broadcasting Authority; the Educational TV is financed by the Ministry of Education.

Commercial TV channels

There are two commercial TV channels – channel 2 and channel 10. These, as well as Israel's commercial regional radio stations, are regulated by the Second Authority for Television and Radio.

Multichannel TV

Israel's multichannel subscriber television market is regulated by the Council of Cable and Satellite TV Broadcasting, overseen by the Minister of Communications.

Currently, this market comprises three operators, all of whom are required to include all public and commercial channels in their offering.

1. Cable TV:

Hot Telecommunication Systems Ltd (known under the brand name "Hot"), is the cable TV operator; historically the result of the 2006 merger of three regional cable TV companies (each holding a regional monopoly), the company offers a countrywide, fully digital cable network (including a recording converter, VoD service, and HD channels), and services 893,000 subscribers (2013). Since 2009, the company is held by the European Altice SA cable TV group.

2. Satellite TV:

DBS Satellite Services (1998) Ltd, the satellite TV operator, known under its brand name "Yes", began its operations in July 2000 using Israel's AMOS communications satellites. With 578,000 subscribers (2013), it is 49.9% owned by Bezeq, and 50.1% by Eurocom. The company offers a fully digital network, a recording converter, VoD service, and HD broadcasting.

3. Digital Terrestrial TV:

An amendment to the law in 2008 has paved the way to digital terrestrial TV, authorizing the Second Authority for TV and Radio to operate the service; initial operations started in 2009. The service, brand-named *IDAN Plus*, is offered free of charge, and only requires the one-time acquisition of a special digital converter and antenna kit. As of 2012, circa 500,000 households use the service, which contains Israel's public and commercial TV channels (channel 1, channel 2, channel 10, channel 23, channel 33, the Knesset channel), all public radio stations, and some regional commercial radio stations. Regulatory work is being carried nowadays so that IDAN Plus channel offering grows significantly in the very near future, to include niche and subject-based channels currently broadcast solely by Hot and Yes, as well as a subject-based (possibly children's) channel exclusive to IDAN Plus.

In May 2013, the Minister of Communications and the Ministry of Finance have passed a series of reforms in the multichannel television market, under the Economic Arrangements bill. The reforms include a narrow broadcast package by DBS and Hot, giving the Minister the authority to lower prices or intervene in the composition of stations. He also received the authority to require Yes and Hot to sell the narrow broadcast package to companies wanting to enter the television market, thus paving the way to more competition. Any telecommunications company that wants to provide television broadcasts will be allowed to market Yes or Hot's narrow broadcast packages. It can buy the package of channels at a price approved or ordered by the minister, and it will have the right to add its own channels to the package and sell them to its customers.

Radio stations

In total, there are 22 public (countrywide) and commercial (regional) FM radio stations; in addition, there are 39 educational radio stations (generally using the 106FM frequency) operated locally by different schools, colleges and university campuses across the country. There are 150 radio transmitters across Israel, serving all stations.

Postal Services

Over the past two decades the Israeli postal market has undergone wide-ranging reform. The process began with the establishment of the Israeli Postal Authority (IPA) in 1987 and culminated in 2006–07 with the creation of the Israeli Postal Company (IPC), the opening of the bulk-mail market to competition, the introduction of a new set of tariffs (in November 2007) and the granting of a new license to the IPC (in January 2008), thus creating a regulatory framework and introducing additional flexibility in the introduction of new products. Israel's postal industry generates annual revenues of some \$800 million (2006) from the delivery of some 710 million postal items (about 100 per inhabitant). The dominant firm in the market is the government-owned IPC, since it is the only universal provider and operates in every submarket.

Courier services have been provided by competitive operators for many years. In March 2001, a private company began providing mail delivery services to large bulk-mail customers, but further competition was prevented by legal processes. The legal debate lasted for several years and in the meanwhile a status quo was maintained: the company continued its activity without expanding its volume.

In March 2006, the IPA was transformed into the IPC and in September of that same year the "Sagi Report" on setting new tariffs was submitted. The report was adopted six months later and the tariffs came into effect 13 months later, in November 2007. On January 3, 2008, following a drafting process of over two years, a license to the IPC was finally granted. The license determined the regulatory framework in which the company operates in terms of the definition of universal service and the relationship between the regulator and the Company. Moreover, the license defined a framework for the addition of new and even non-postal services.

Today, the bulk mail segment is open to competition. A public committee (the "Reich Committee") is currently beginning its deliberations on a new tariff structure for the Postal Company.

Israel's Role in World Telecommunications

Since Israel is a small country, with almost no natural resources, it has always had to depend on its intellectual resources, for survival and development. This is one of the factors that have made the country a technological leader.

Innovation and Manufacturing

Israel is widely acknowledged as a technological innovator. A major share of local service provider's networks and applications was designed and produced by Israeli companies. These technologies include public switching, transmission, access network technology, wireless local loop systems, data networking devices, network management software, billing systems and value added services software.

Hundreds of active start-up companies are developing a variety of new technologies, mostly related to information processing, and many in the telecommunications field. Technological R&D activities in Israel are intensive. Traditional industry-academy cooperation, supported by Ministry of Industry and Trade's Chief Scientist, has led the country to some significant breakthroughs in several areas.

Excellence areas include Internet applications, broadband, local area networks, digital wireless, opto-electronics, video and image processing, satellite communications, network management, network security and telemedicine. This excellence in R&D and original innovation has turned Israel's ICT industry into the country's leading economic sector.

Foreign Investment

The Israeli telecommunications industry has consistently been highly attractive to foreign investors. Several leading multinational telecommunication companies have invested in the Israeli market, including investment in Israeli high-tech companies, R&D and manufacturing facilities in Israel.

More than 100 dedicated high-tech venture capital funds operate in Israel. Indirect investment in Israeli telecommunications firms is also provided by institutional and private investors purchasing shares of Israeli companies traded on the New York Stock Exchange, as well as in London and on other European exchanges.

Israel is one of the countries with the highest number of companies which are traded in the American stock exchange, Nasdaq. Israeli IT and telecommunication companies in Nasdaq are world leaders in areas such as Internet security, value added service solutions, billing solutions and customer care services, VoIP technologies, fixed wireless access technologies, telecommunication services via satellite, optical and copper networking solutions, data and ATM, etc.

International and Regional Cooperation

Over the past several years, Israel has pursued the development of international and regional telecommunications cooperation. Israel has signed bilateral telecommunications agreements with 27 countries.

Israel is committed to an active policy of international and regional integration, with a view to participating in future cooperative endeavors relating to telecommunications products and services.

The Israeli Ministry of Communications is regularly taking part in the year-round activities of the Euro-Mediterranean Regulators Group (EMERG), an EU initiative aimed at increasing EU-Mediterranean regulatory harmonization and promoting cooperation among the telecommunications regulation authorities around the Mediterranean basin.

Israel has fully participated in the WTO (World Trade Organization) & GATS telecommunications services negotiations, and has committed itself, within the framework of the WTO multilateral agreement, to an open, competitive and transparent telecommunications industry.

Even before Israel ascended to the Organization of Economic Cooperation and Development (OECD), Israeli representatives served as observers to telecommunications-related activities of the organization, chiefly the working group for communications infrastructure and services policy (CISP). Today Israel is a member of the working group and other related OECD bodies.

Satellites

The AMOS-1 Israeli geostationary satellite, located at 4 degrees west, began operations in 1996. It was built by the Israeli Aircraft Industries (IAI) and uses 7 Ku-band transponders, primarily for direct-to-home television broadcasting, TV distribution and VSAT services for customers in the Middle East and in Central Europe. Spacecom Ltd. is the exclusive marketer and service provider of AMOS-1 services.

Another satellite, the Gurwin-II TechSAT, was launched in July 1998. This experimental satellite was designed, manufactured and is controlled by The Technion-Israel Institute of Technology. The Gurwin-II TechSAT provides communications, remote sensing and research services.

ImageSat system— designed and manufactured, like AMOS-1, by IAI, provides services via MBT Ltd., an international consortium headed by Israeli Aircraft Industries, had launched its EROS satellite in 2000. EROS is a non-geostationary orbit satellite, which provides highly accurate commercial photography and surveillance services.

In December 2003, Spacecom Ltd. launched AMOS-2 and it is co-located with AMOS-1. AMOS-2 has 11 Ku-band transponders and 3 backup transponders, 72 MHz bandwidth each. It has 3 spot beams: the Middle East beam supports up to 11 transponders; the Europe beam supports up to 6 transponders; and US East Coast beam supports up to 8 transponders.

Amos-3 was launched in April 2008, to replace Amos-1 in its geosynchronous orbit. Amos-3 has 15 Ku-band transponders.

2013 Statistics

General information

Population	7,707,000
Land area	20,770 sq km

Fixed Services

Number of domestic telephony operators	2 general licenses (Bezeq, Hot), 5 special licenses (Cellcom-netvision 013, Partner-012, Bezeq int.,)
Number of fixed phone lines	2.9 million
Total revenues	\$1.5 billion (2011)
Percentage of digital telephone network	100%
Home-pass	99%
Number of broadband infrastructure operators	2 (Bezeq and HOT)+a 3 rd , FTTH network being deployed (using Electric Corporation infrastructure)

Internet & Broadband

Number of ISP	70+ (3 major players)
Number of broadband subscribers	~1,800,000 (~1,100,000 ADSL, ~700,000 Cable)
Broadband penetration	80% of households
Broadband penetration per 100 inhabitants	~25%
Broadband home-pass	99%
Average speed	10 Mb/s

Cellular Telephony

Opening of competition	1995
Number of operators	5 network operators + 9 MVNO licensees (of whom 3 are already operating as of December 2012)
Country coverage	99% of the Israeli population
Total revenues	\$2.91 billion (2012)
Number of subscribers	9,964,000
Penetration rate	132%
Average ARPU	\$93
Average MOU	426
Date of UMTS spectrum auction	December 2001, July 2011
Number of UMTS licenses	5
UMTS frequencies band price	\$45 million (per operator)

International telecommunications Services

Opening of competition	1997
Number of operators	8
Total number of minutes (in 2012)	2.6 Billion (Incoming & Outgoing)