



Central Asia Telecom Industry Report, 2008-2009

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Covering 3.98 million square kilometers and with a 56 million-plus population, the five Central Asia countries span Eurasian Continent, and adjoin the northwest of China. It is known as strategic energy and resource base in the 21st century due to its rich natural resources. The economies of the five countries show a steady momentum over nearly a decade's development after their independence and have already resumed growth.

Telecom Subscriber Number in Key Central Asia Countries, 2007-2008

Unit: 10,000	Fixed-line Subscribers		Mobile Subscribers		Broadband Subscriber	
	2007	2008	2007	2008	2007	2008
Uzbekistan	—	—	593	1127	—	—
Kyrgyzstan	48	—	190	—	—	—
Tajikistan	—	—	213	343	—	—
Kazakhstan	324	—	1258	—	38	—
Pakistan	481	442	6316	8802	—	—

Source: ResearchInChina

The fast economic progression in the five Central Asia countries has promoted the rapid growth of telecom industry, particularly the mobile industry. However, they are still in the initial stage with low penetration rate and weak infrastructure, which needs foreign capital to develop the local telecom industry. Now, Central Asia has been one of the important target markets for China's telecom operators in oversea market.

The report has made a depth analysis of the followings such as telecom market overview of main Central Asia countries, telecom industry development strategies and investment, telecom business research and key operators. It involves the sectors like fixed-line business, mobile communication and broadband Internet. In addition, the countries in the report consist of six Central Asia countries such as Uzbekistan, Kyrgyzstan and Kazakhstan.

Uzbekistan Telecom Market Overview

Profile of Uzbekistan

Country	The Republic of Uzbekistan
Location	Inland Country in Central Part of Central Asia
Area	447,400 square kilometers
Official Language	Uzbek, official language; Russia, universal language
Population	27. 606 million (2009E)
Currency	Cym
Total GDP	266.2 (2008E)
GDP Per Capita	964(2008E)

Source: ResearchInChina

Uzbekistan Telecom Market Development

Uzbekistan Mobile Subscriber Number and Penetration Rate

	2008	2007	2006
Mobile Subscribers	3,636,243	2,119,612	700,470
Mobile Penetration Rate	45.30%	21.90%	10.40%

Source: AC&M Consulting

According to AC&M Consulting, as of Dec 31, 2008, there were approximately 12.3 million subscribers in Uzbekistan, representing a penetration rate of approximately 45.3%.

The following table shows their and their primary mobile competitors' respective registered subscriber market shares in Uzbekistan as of Dec 31, 2008:

Uzbekistan Mobile Operators and Market Shares

Operator	Subscribers	National Market Share
MTS-Uzbekistan ⁽¹⁾	5,646,855	46.0%
Unitel ⁽¹⁾	3,636,243	29.6%
COSCOM ⁽¹⁾	2,683,000	21.9%
Perfectum Mobile ⁽²⁾	251,641	2.0%
UzbekMobile ⁽²⁾	23,158	0.2%

Source: (1) AC&M Consulting.
(2) Company estimates.

MTS-Uzbekistan

According to AC&M Consulting, as of December 31, 2008, MTS-Uzbekistan had approximately 5.6 million subscribers, representing a market share of approximately 46.0%. MTS-Uzbekistan is 100.0% owned by MTS and operates a TDMA and GSM-900/1800 network.

COSCOM

According to AC&M Consulting, as of December 31, 2008, COSCOM had approximately 2.7 million subscribers, representing a market share of approximately 21.9%. COSCOM is 74.0% owned by TeliaSonera and 26.0% owned by a local Uzbek company. It operates a GSM-900 network.

Other competitors in Uzbekistan

Unitel also competes with smaller operators Perfectum Mobile and UzbekMobile.

Uzbekistan Mobile Subscribers and Penetration Rates, 2006-2008

	2008	2007	2006
Estimated Mobile Subscribers	12,276,098	5,931,796	2,716,700
Mobile Penetration Rate	45.30%	21.90%	10.40%

Source: AC&M Consulting

Uzbektelecom

As the largest telecom operator in Uzbekistan, Uzbektelecom network has covered all over the country. Via its telecom network, it can provide sundry services such as fixed-line and cell phone, international / inter-connection, data transmission services, voice & data transmission, Internet access, video conferencing, television and radio programs channels transmitting. In the meantime, it is the largest telecommunications service provider among government sectors.

MTS Operation Indices in Uzbekistan Market, 2005-2009

	2005	2006	2007	2008	Jan-Mar, 2009
Total number of MTS subscribers, mln	0.6	1.4	2.8	5.65	59.71
Market share, %	55%	58%	50%	46%	46%
Penetration, %	4%	9%	22%	44%	47%
Churn rate, %	59.7%	50.0%	58.2%	21.3%	6.6%
Operating highlights					
ARPU, USD	16.2	11.2	9.7	7.7	5.8
MOU, min	433	437	516	536	416
APPM, USD	0.04	0.03	0.02	0.01	0.01
SAC per gross new subscriber, USD	3.5	3.5	4.3	7.7	8.2

Source: Uzbektelecom; ResearchInChina

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