[HU] 3G Service Licenses Awarded

IRIS 2005-2:1/28

Gabriella Cseh
Budapest

On 7 December 2004 the National Communications Authority (“Authority") closed the procedure for three of the four frequency blocks (Blocks A - D) offered at the UMTS (3G) mobile telephone service tender invited on 31 August 2004 (See IRIS 2005-1: 16). According to the Authority's decision, the best bid for Block A was made by T-Mobile Hungary Ltd. and for Block C by Pannon GSM Telecommunications Ltd.. T-Mobile Hungary Ltd. shall pay HUF 17 billion (EUR 1 is HUF 250) net for the 15-year frequency usage license. Pannon GSM Telecommunications Ltd. shall pay HUF 19 billion, and in addition, the latter company shall also acquire the UMTS license for a DCS (1800 MHz) frequency package. The first installment of HUF 5.5 billion will be paid by both companies in 2005, the outstanding amount will be paid in three installments within three years. As a result of the tender, third generation mobile telephone services shall be launched in 2006. During December 2004, the Authority also reached a decision with respect to Block B. Accordingly, Vodafone obtained the license for this block, with a sales revenue-proportional payment option. The company will pay at least HUF 16.5 billion for the 15-year license, in line with its revenue generated from the service. According to the deal, Vodafone has to pay HUF 5.5 billion net in 2004, HUF 2.5 billion net in 2005, then in the following years from 2006 to 2019 0.3% of its sales revenue from the UMTS service with a guarantee that, if this amount is lower than HUF 8.5 billion the company will add the difference. Vodafone also agreed that there would be no upper limit for the payment amounting to 0.3% of the UMTS sales revenue. The Authority announced that the tender for Block D reserved for new market entrants proved to be unsuccessful, because the bidders were not eligible for registration. With the entry of UMTS a third broadband internet access technology will appear in Hungary in addition to conventional fixed-line and cable television access. In addition to improving the quality of conventional mobile telephone calls, UMTS will significantly increase the data transmission rate and this way make internet-based multimedia services accessible via mobile telephone. The tender was invited pursuant to Act C of 2003 on electronic communications and the Government Decree providing for the rules for the use and tender for a frequency.

-

Decree 11/2003 (I.30) on rules of frequency auctions and tender

© European Audiovisual Observatory (Council of Europe) 2026

© European Audiovisual Observatory (Council of Europe) 2026