

## **BELGIAN INSTITUTE FOR POSTAL SERVICES AND TELECOMMUNICATIONS**

### **PRESS RELEASE**

## **Radio spectrum auction brings in 1.2 billion euro**

**Brussels 21 June 2022 – Yesterday, the BIPT closed the main phase of the radio spectrum auction. Following the start on 1 June 2022 the main phase of the auction of the new 5G spectrum (700 MHz, 3600 MHz) and the existing 2G and 3G radio spectrum (900MHz, 1800 MHz, 2100MHz) was ended with proceeds of 1,202,192,400 euro. Five operators, namely Citymesh Mobile NV/SA, Network Research Belgium NV/SA, Orange Belgium NV/SA, Proximus NV/SA and Telenet Group NV/SA, participated in the auction and each succeeded in acquiring part of the spectrum, thus shaping our country's mobile telecom landscape for the next 20 years. The proceeds of 1.2 billion euro turned out to exceed the entry price set before the start of the auction by 468.5 million euro as a result of the successive higher bids during the simultaneous multiple-round ascending auction. These proceeds may be further increased by the proceeds of a positioning phase regarding those bands. This will be followed by the 1400 MHz band auction.**

During this auction the operators together bid 899,850,000 euro for the radio spectrum put up for auction, which is clearly more than the entry price set in the Telecom Act (431,350,000 euro). The total amount paid by the operators for all the available radio spectrum (reserved and put up for auction) was 1,202,192,400 euro, so they can use that spectrum to provide their current and new mobile services to be developed for the next 20 years (302,342,400 euro for the reserved spectrum and 899,850,000 euro for the radio spectrum put up for auction).

As the regulator of the electronic communications market, the BIPT manages the radio frequencies spectrum. Per radio frequency band the specific requirements are laid down in the necessary implementation orders (for instance: the minimum speed each operator has to enable in the frequency band concerned, territorial coverage requirements, reserved spectrum for new and existing players, rules regarding maximum spectrum purchases per player). The Royal Decrees required were not published in the Belgian Official Gazette until 23 December 2021, after a political agreement had been reached in the Consultation Committee. As part of the European roll-out of the 5G technology the 3400-3800 MHz frequency band, which is important for 5G, had to be made available before 31 December 2020 already. Awaiting the final auction, starting from July 2020, the BIPT granted provisional user rights to use part of the 3400-3800 MHz frequency band.

On 18 March 2022, the BIPT declared the candidacies of the current mobile operators having their own networks, Orange Belgium NV/SA, Proximus NV/SA, Telenet Group NV/SA, as well as those of the new operators Citymesh Mobile NV/SA and Network Research Belgium NV/SA, to be admissible in order to take part in the auction of the radio spectrum made available. They all participated in the simultaneous auction of the 700 MHz, 900 MHz, 1800 MHz and 2100 MHz frequency bands, as well as the 3600 MHz band. Citymesh Mobile NV/SA is owned for 51% by Citymesh NV/SA and for 49% by RCS & RDS NV/SA, of which Digi Communications NV is the main shareholder.

One of the two newcomers (Citymesh Mobile NV) exercised the option at the end of March 2022 to obtain a reserved radio spectrum package of 30 MHz duplex in the various radio frequency bands for both 5G and 2G, 3G and 4G applications against payment of €83,340,000. This way this new mobile

operator can enter the Belgian market with an adequate spectrum package. The three existing mobile operators have also exercised the option to acquire the radio spectrum reserved for them allocated automatically against payment of 73,000,800 euro each, in order to guarantee the continuity of their current services on the mobile market. The proceeds of this reserved spectrum therefore total up to 302,342,400 euro.

Apart from the reserved radio spectrum, the reserve price (i.e. the minimum entry price for the auction as set in the Telecom Act) amounted to 431,350,000 euro for the remaining spectrum put up for auction.

All five operators obtained user rights in these frequency bands during a simultaneous multiple-round ascending auction. In the course of the auction, the lots were assigned together in two parallel procedures, during which the bidders could place a bid in successive rounds with ascending prices.

The main auction for the 700 MHz, 900 MHz, 1800 MHz and 2100 MHz bands could be closed after 99 rounds. The 900 MHz, 1800 MHz and 2100 MHz frequency bands are currently mostly used for 2G, 3G and 4G applications. The 700 MHz band is a new frequency band that can be used for 5G technology in the future. This frequency band is suitable for providing coverage of large areas and also allows better indoor coverage, which makes it interesting for Internet of Things applications.

However, the 3600 MHz band is considered to be the main band allowing large-scale implementation of 5G. Much more bandwidth is available here than in the 700 MHz band and thanks to the high data speed in this frequency band it is extremely suitable for all kinds of industrial applications.

The main auction for the 3600 MHz band could be closed after 46 rounds.

The total amount of the bids received for the two procedures is 899,850,000 euro, i.e. 468,500,000 euro more than the minimum amount foreseen (amount corresponding to the totality of the lots sold at the reserve price).

Table below shows the result for each frequency band and each candidate.

Frequency band	Candidate	Amount of spectrum	Amount
900 MHz band	Citymesh Mobile NV/SA	5 MHz duplex	28,005,000 €
	Orange Belgium NV/SA	10 MHz duplex	56,720,800 €
	Proximus NV/SA	10 MHz duplex	57,410,800 €
	Telenet Group NV/SA	10 MHz duplex	57,410,800 €
1800 MHz band	Citymesh Mobile NV/SA	15 MHz duplex	27,000,000 €
	Orange Belgium NV/SA	15 MHz duplex	27,000,000 €
	Proximus NV/SA	25 MHz duplex	109,880,000 €
	Telenet Group NV/SA	20 MHz duplex	69,390,000 €
2100 MHz band	Citymesh Mobile NV/SA	5 MHz duplex	9,000,000 €
	Orange Belgium NV/SA	15 MHz duplex	60,030,000 €
	Proximus NV/SA	25 MHz duplex	144,590,000 €
	Telenet Group NV/SA	15 MHz duplex	60,420,000 €
700 MHz band	Citymesh Mobile NV/SA	5 MHz duplex	19,335,000 €
	Orange Belgium NV/SA	10 MHz duplex	122,860,000 €
	Proximus NV/SA	10 MHz duplex	122,870,000 €
	Telenet Group NV/SA	5 MHz duplex	21,340,000 €
3600 MHz band	Citymesh Mobile NV/SA	50 MHz	30,990,000 €
	Network Research Belgium NV/SA	20 MHz	10,970,000 €
	Orange Belgium NV/SA	100 MHz	54,850,000 €
	Proximus NV/SA	100 MHz	56,320,000 €
	Telenet Group NV/SA	100 MHz	55,800,000 €

The position of the frequency blocks corresponding to the generic lots has not been determined yet. The selected candidates can submit to the BIPT no later than 5 July a common proposal per frequency band for the positioning of the various frequency blocks.

If those candidates are unable to reach an agreement or if the BIPT does not accept the common proposal, an extra round will have to take place. During the extra round the candidates can make additional bids for the preferred positions for each frequency band.

After the common proposals have been accepted by the BIPT and/or the extra round is finished, the main auction for the 1400 MHz band will start. For the auction of this frequency band only three candidacies have been submitted and deemed admissible. In principle the 1400 MHz band is rather suited to have extra download capacity (i.e. the capacity needed to get downlink traffic on a device, being an added downlink band used next to another band which is also used for upload). The entry price for the 1400 MHz band are estimated at 46.5 million euro.

For more information:



**Jimmy Smedts** | Spokesman

**Belgian Institute for Postal Services and Telecommunications**

Ellipse building C | Koning Albert II-laan 35 box 1 | 1030 Brussels  
**T** +32 2 226 88 22 | **M** +32 478 63 91 82 | **www.bipt.be**

