



# ANNUAL REPORT

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Kakha Bekauri - Chairman of the Communications Commission	4
5G introduced in Georgia	6
Starlink in Georgia	7
Comprehensive analysis of telecom markets	8
Removing barriers to entry into fixed services market	10
Removing barriers to entry into mobile service market	11
Comparative analysis of prices of telecommunication services	13
Sharing physical infrastructure to increase Internet access	15
Georgia in European Union common roaming space	16
Internetization and digital adoption programs for rural communities	17
Changes in rules for amateur radio stations	19
New orbital positions for Georgia to provide independent satellite communications	20
Supporting educational literature on technology development	20
Precedent for cartel deals in media field	21
Internet space without illegal audio-visual products	22
Development trends of telecom sector	23
Trends in broadcasting sector development	72
Harmonization of law of Georgia “On Broadcasting” with European legislation	83
International practice regarding product placement on air	84
Media monitoring of pre-election period	85
Development of media literacy	86
Media Academy	94
Media Criticism	
Media School	
Media Lab	
Cooperation with international partners	100
Cooperation with local partners	105



## **Kakha Bekauri**

Chairman of the  
Communications Commission

I believe that 2023 was a turning point and outstanding year for both the Communications Commission (ComCom) and the telecommunications industry. Last year, ComCom implemented several projects aimed at assisting consumers in effective communication and making well-informed decisions.

In 2023, we made significant decisions in the telecom sector. In particular, through years of dedicated effort, Georgia has successfully implemented 5G technology, positioning the country alongside the European Union and other technologically advanced countries. Furthermore, Georgia stands out as the first country in the region for the launch of Starlink high-speed satellite Internet. We are nearing the completion of our extensive research on the telecommunications market in Georgia, specifically focusing on the fixed and mobile services markets. Our collaboration with European experts has been invaluable in this endeavor. After conducting an analysis of the service market environment, we are equipped with valuable insights from which we can take effective steps and make appropriate decisions to enhance competition in the telecom market. We have said many times that the rules of the game in the telecom sector should be changed to remove barriers to

market entry for small and medium-sized companies and increase competition. Our goal is to fully open the telecom market and allow new companies to operate without any barriers, so that finally, consumers have access to a variety of services.

It was an important year for the broadcasting industry as well. Together with our international partners, we often mention the challenges of the media, that the media in Georgia is pluralistic and diverse, but at the same time, it is sharply polarized, politically biased, and saturated with hate speech. The process of improving Georgian legislation in the direction of media services and bringing it closer to European standards continued in 2023 as well. With the participation of the Communications Commission and the involvement of the European Commission, in order to harmonize the law of Georgia “On Broadcasting” with The EU’s Audiovisual Media Services Directive, drafts of legislative amendments were prepared. The Parliament of Georgia adopted and approved amendments to legislation, as a result of which, broadcasting of programs and advertisements containing hate speech and calls to terrorism became subject to regulation by the Communications Commission. The legislative provisions have also been clarified, which defined the rules of response by the Communications Commission in the case of transmission of materials inappropriate for minors, in particular programs or advertisements containing pornography and obscenity. However, the spread of false information, manipulation, and political bias remain a challenge for the media. To solve this problem and enable the viewers to make a properly informed choice, it is necessary to establish high media standards.

Along with the establishment of media standards, the Communications Commission and the Media Academy have been effectively working on the development of media literacy in the country for several years now. I can point out with confidence that our projects and achieved results in the direction of media literacy are recognized internationally, and innovative approaches of ComCom in this regard are named as successful examples by our international partners.

And finally, traditionally, I would like to thank each member of ComCom for their high professionalism and duly performed work, on the basis of which the Communications Commission fulfills the obligations and functions assigned to it by law as efficiently as possible. Last year, ComCom was once again awarded the international ISO 9001:2015 certificate for its commitment to protecting user interests and fulfilling legal obligations. This achievement reflects ComCom’s ongoing efforts to enhance its operations, align with global standards, drive technological advancements, and maintain strong customer communication. I can say with confidence that in today’s fast-paced and ever-evolving landscape, the Communications Commission plays a crucial role in ensuring a level playing field for market players and creating an environment that fosters fair competition and growth. Additionally, it is dedicated to providing uninterrupted and high-quality access to telecommunication services for all consumers.

## 5G introduced in Georgia

As a result of several years of active work, 5th generation mobile technology, or 5G, launched in Georgia, which placed the country in the ranks of EU member states and other technologically advanced states of the world.

In 2023, the Communications Commission (ComCom), in order to introduce new generation technologies in the country, announced an auction for operators for 24 lots and within the auction allocated frequency bands of 700, 3400-3700 and 2600 MHz, as well as 800 and 1800 MHz.

The Communications Commission determined the necessary parameters and conditions for the introduction of 5G by taking into account the recommendations of the European Commission and the experience of European counterpart regulators. According to the recommendations, in order to develop broadband infrastructure and mobile networks, member states should make decisions to ensure increased availability of the use of the radio frequency spectrum intended for 5G, as well as timely issuance of licenses and financial benefits. The initial fee for the frequency resource was determined in collaboration with experts from EY, one of the renowned Big Four companies. ComCom developed the terms of the auction according to these recommendations. According to ComCom's decision, the possibility of establishing a discount for the use of the radio frequency spectrum has increased from 5%-20% to 80%.

The Communications Commission has announced an auction for 4 combined and 20 separate lots for the introduction of 5G technology. According to this decision, the companies participating in the auction, when building 5G networks, should be guided by the technical standards defined by the European Union, which would ensure high quality and security of the network. According to the terms of the auction, along with the development of the network, the companies that would obtain the necessary frequencies for the implementation of 5G Internet would be obliged to allow a Mobile Virtual Network Operator, or MVNO, to their own network. In particular, the license holder would be obliged to negotiate with all operators wishing to access the relevant network on fair and non-discriminatory terms.

Despite the fact that the Communications Commission almost completely took into account the comments made by the companies regarding the terms of the auction, and in order to provide a choice for the companies, it auctioned one lot without the obligation to admit a Mobile Virtual Network Operator, only one license seeker, Cellfie Mobile, took part in the auction.



Initially, in order to obtain the necessary frequency for the introduction of 5G technology, the operators of all four combined lots had the obligation to allow an MVNO on their own network, for which the companies would receive an additional discount. At the request of Magticom and Silknet, in order not to delay the introduction of the new technology in the country, ComCom announced an auction for one combined and two separate lots without the obligation of MVNO admission. However, Magticom and Silknet did not participate in the auction.

As a result of the auction, Cellfie Mobile was granted licenses to use the frequency resources necessary for the introduction of 5G technology for a period of 15 years. Cellfie Mobile was declared as the winner in one combined and three separate lots, covering the 700 MHz, 3400-3700 MHz, 2600 MHz, and 1800 MHz frequency bands. The fees for these lots amounted to 4,497,045 GEL. Under the terms of the auction, Cellfie Mobile had the obligation to provide access for Mobile Virtual Network Operators on its own infrastructure, for which the company received a 20% discount within the auction. Accordingly, Cellfie Mobile is the only operator in Georgia that took part in the auction announced for the introduction of 5G mobile technology.

At the end of 2023, Cellfie Mobile launched their 5G network in Gudauri and Bakuriani, as well as Didube and Didi Dighomi in Tbilisi.

It is noteworthy that 5G is a new generation wireless Internet technology, which, compared to the existing technologies, will significantly increase the speed of mobile Internet, reduce delays, and, together with the communications sector, will bring such important fields as healthcare, education, agriculture, energy, infrastructure, etc. to a completely new level, which, in turn, will strengthen the economy of the country.

## Starlink in Georgia

At the end of 2023, Elon Musk officially announced that Starlink high-speed Internet was available in Georgia. Accordingly, Georgia is the first country in the region to have Starlink high-speed satellite Internet services. The Communications Commission granted the relevant authorization to Starlink in July 2022. In accordance with the terms of the authorization, SpaceX provides high-speed broadband Internet services in Georgia through Starlink satellite systems.



Starlink is one of the world's most advanced satellite broadband Internet systems, providing high-speed, low-latency broadband Internet access around the world, including in areas where Internet connectivity is unreliable, of poor quality, or completely unavailable. Starlink is especially important and interesting in the mountainous regions. After the introduction of Starlink, access to high-speed Internet became possible for anyone in all such geographical areas in Georgia.

SpaceX has launched more than 5,000 low-earth orbit Starlink satellites worldwide.

According to the latest data of 2023,  
Starlink has **221 customers in Georgia.**

## Comprehensive analysis of telecom markets

In 2023, the Communications Commission, together with European experts, conducted a comprehensive analysis of the Georgian telecommunications market, in particular, that of fixed and mobile communications services, and presented the initial results to the stakeholders.

Within the framework of the first stage of the research of the telecom sector, the study of the retail and wholesale markets of mobile and fixed broadband services has been completed.

According to the results of the analysis, following wholesale markets should be subject to assessment for regulatory purposes, such as the so-called Bitstream segment of the wholesale access market for broadband Internet services, markets for access to physical infrastructure, and the Internet transit market, as well as the wholesale market for the access to mobile networks. At the next stage, in accordance with the recommendation of the European Commission, it is necessary to define the operators with significant market power and the corresponding obligations imposed on them, which ensures the removal of barriers to market entry, the development of small and medium-sized operators, and the increase of competition, which positively affects the availability of various services for end users.

As part of the analysis, ComCom initially identified the retail markets for fixed broadband services. These markets encompass both residential and business subscribers. Based on the perspective analysis of development trends, market share dynamics, market entry barriers, and competition in the market of fixed broadband services offers, it was revealed that the mentioned retail market is not sufficiently competitive, and the development of effective competition cannot be expected without ex-ante regulation. Based on the research findings, it has been concluded that, for the purposes of ex-ante regulation, in order to promote healthy competition in the fixed services sector and ensure a diverse range of high-quality broadband Internet options for users, it is necessary to assess the markets related to physical infrastructure access, wholesale access to broadband Internet services (also known as the Bitstream market), and Internet transit.

As part of the market analysis, the retail segments of mobile voice services, short text messages, and mobile Internet were also evaluated. In Georgia, we found that the market shares of mobile service providers have remained stable over time. However, we did not observe the expected diversity of offers that is typical of a competitive market, nor did we see sufficient readiness from network owner operators to effectively develop network resources. Based on the analysis, it was determined that to strengthen the competition in the retail market of mobile services, it is necessary to conduct an in-depth study of the relevant wholesale markets and, if necessary, determine a proportional and effective regulatory framework.



As part of the research, the segment of wholesale access to the mobile network was also assessed and the need for ex-ante regulation in the mentioned market was highlighted.

The Communications Commission, together with European experts, initiated a comprehensive analysis of the telecom sector in 2022 to remove barriers to entry into fixed and mobile service markets and to increase competition. The study was conducted as part of the “Facility for the Implementation of the Eu-Georgia Association Agreement – II” (AA Facility – II) between the European Union and Georgia. It should also be noted that in line with the support provided within the European Union Technical Assistance and Information Exchange Instrument (TAIEX), the European Commission experts engage in all the key stages of the mentioned market analysis. They have offered recommendations at the stage of development of the market analysis framework and content, as well as concerning the results of the analysis of the retail and relevant wholesale markets of fixed and mobile services.

The project is large-scale, and in accordance with the European Commission’s recommendations and methodological rules for determining markets subject to regulation, involves the analysis of markets that need to be studied for the purposes of ex-ante regulation and assessment of regulated markets of relevant products and services.

There are two major companies in the telecommunications market of Georgia that provide customers with both mobile and fixed services. This situation provides the operators with a notable edge, as their market shares are substantial. This poses a challenge for smaller operators looking to compete with them, while new entrants face difficulties in breaking into the market. This indicates structural barriers to entry into the market of mobile services and broadband Internet services.



In addition, in recent years, the scarcity of pricing policy choices for telecommunications services has become more apparent, therefore Georgia faces the challenge of keeping up with the growing demands that have arisen in the wake of technological development, both for large volumes of mobile Internet services and high speed fixed Internet services.

Based on the above, it became necessary to analyze the segments of both mobile and fixed communication services. The study will assess, on the one hand, the availability of communication services for consumers, and on the other hand, the possibilities for development and expansion of the sector, which can be achieved by eliminating market entry barriers and strengthening small and medium-sized operators.

To analyze the market and determine the appropriate regulatory framework, European regulators should be guided by the European Electronic Communications Act, as well as recommendations of the European Commission on relevant markets for products and services in the electronic communications sector subject to ex-ante regulation, along with methodological rules for defining these markets. As per the commitments made in the Association Agreement between Georgia and the European Union, Georgia's legislative and regulatory framework must be fully aligned with the European standards. To enhance competition in the retail market and improve access to wholesale network elements, the Communications Commission should identify the markets that require mandatory study for regulation, as advised by the European Commission.

In line with the regulations and practices followed by the European Union and international standards, the Communications Commission will thoroughly examine and analyze various service market segments. This analysis will be conducted based on the advisory document on the comprehensive analysis of the telecommunications market, prepared according to the methodological rules recommended by the European Commission. The aim is to identify the markets that require regulation and ensure a fair and competitive environment. In parallel with the comprehensive analysis of the telecommunications market, the Communications Commission is working on the amendment of the resolution of August 31, 2007, of the Communications Commission on the approval of the "Methodological rules for the determination of the relevant segments of the service market and the analysis of competitiveness". In 2018, as part of the European Union public services Twinning program, the initial draft of the amendments was developed. In 2019, as part of the project by the European Bank for Reconstruction and Development, a revised version of methodological rules was drafted. The review of the mentioned document was conducted in 2021 within the framework of the European Union public services Twinning program, the Twinning Review Mission. In addition, in 2022, within the European Union Technical Assistance and Information Exchange Instrument (TAIEX), additional recommendations were presented on the draft of methodological rules developed by European experts. In 2023, the revision of the draft document was carried out by the experts of AA Facility – II. The views of the interested parties regarding the final draft developed in 2023 and were discussed before and during the public consultations held under administrative proceedings.



## Plan for 2024

The purpose of the comprehensive analysis is to analyze the competitive landscape in the telecommunications market, to identify any barriers to entry, and subsequently, establish the necessary regulatory framework to address these challenges. In 2024, as part of the official public proceedings, a comprehensive assessment will be conducted to analyze the competitive environment in the retail market of telecom services. This assessment will determine the relevant wholesale markets and, if an operator with significant market power is identified, appropriate measures to be taken.

The benefit of the said regulation is two-fold: It will give the opportunity to small-sized companies or new entrants to the market to develop their activities and create alternative communications offers, and the network operators will have more incentive to fully use their own network capabilities, thereby earning additional revenue. Ultimately, the benefits will be seen by the end-users, who will have the opportunity to enjoy a diverse selection of telecommunication services.

As part of the project, operators with significant market power in the telecommunications markets will be identified and the appropriate regulatory framework will be established. This framework aims to ensure that subscribers have access to a wide range of telecommunication services, while also promoting the growth of smaller telecom companies and the availability of alternative communication services for customers.

In 2024, the methodological rules of the market research will be determined by a resolution, which will be in full compliance with the relevant rules and recommendations of the European Commission and on which the comprehensive analysis of the telecommunications market will be based.

## Removing barriers to entry into fixed services market

As part of the comprehensive analysis of telecom markets, a study is currently being conducted on the fixed services market. Once this study has been completed, if necessary, operators with significant market power will be identified and a regulatory framework will be determined, to eliminate any barriers to entry and promote competition in the fixed services market.

The regulation of the broadband Internet market segment (Bitstream) includes ensuring that small and medium-sized operators have access to the network of a dominant operator, allowing them to provide retail services to subscribers.

The regulation outlines the requirements for operators who want to use the network infrastructure of a significant market power operator to provide service to subscribers. This includes accessing the infrastructure from either the central or local access point to the subscriber's home. On the one

hand, this allows relatively small operators to enter the market and develop and create alternative offers on the fixed segment of broadband Internet, and on the other hand, it gives users the opportunity to choose and receive alternative services, which ultimately leads to a variety and availability of services. The end-users will be able to receive the services of an alternative operator through the already existing network infrastructure, and the network operators will receive additional wholesale revenue.

In addition, it should be noted that according to the recommendation of the European Commission on the regulated markets of relevant products and services, the segment of wholesale services of local and central access at a fixed location needs to be mandatorily studied for regulatory purposes. Access to Bitstream is currently regulated in a number of European countries, including Belgium, Germany, Croatia, Italy, Spain, Norway, and Denmark.

### Plan for 2024

As part of a thorough examination of the telecom industry, the Communications Commission will identify operators that have a strong influence on the fixed broadband service market. The Commission will establish regulations to eliminate obstacles to entry in this segment and promote competition. This, in turn, will have a positive effect on the development of the fixed broadband service market in the country and the creation of a choice of communication services for users.



Bitstream

## Removing barriers to entry into mobile service market

The Communications Commission has been working for several years on the issue of improving the competitive environment in the mobile service market and removing entry barriers for new companies. Accordingly, to create an environment promoting the development of Mobile Virtual Network Operators, the Communications Commission has taken a number of steps in 2019-2022.

In 2023, the Communications Commission once again discussed the need for a mandatory ex-ante regulatory regime and assessed the existing environment and ongoing processes for MVNO market entry.

Observing the statistical data of the market, the current situation in terms of competition in the mobile service market has not changed significantly compared to the period of the introduction of the mandatory ex-ante regulation regime. The distribution of the market shares of market players is almost the same in terms of dynamics, and there is no improvement in terms of the offers either.

As part of a thorough analysis of the telecom market, the Communications Commission, in collaboration with European experts, has decided to base its decision on the findings of the analysis. Consequently, the regulation on mandatory access for Mobile Virtual Network Operators has been extended for an additional year, until June 30, 2024.

Back in 2019, the Communications Commission decided that in the wholesale market segment of mobile network services, authorized persons with significant market power – Magticom, Silknet, and Cellfie Mobile – would be obliged to give MVNOs access to the network. However, in order to allow negotiations between the parties, the Communications Commission considered it appropriate to monitor the process and set a deadline of June 30, 2023, for the network operators to publish a reference-offer for MVNOs.

Eclectic, operating under the brand name Hallo, has officially launched its mobile services and is now providing practical



activities to users. Based on the information provided by the Communications Commission, it appears that other companies interested in accessing existing mobile networks have not been granted the opportunity to do so.

It is worth noting that in 2023, within the framework of the 5G auction held by the Communications Commission, MVNO access obligations were defined for the frequency resource allocated to Cellfie Mobile, which gives a reason to expect that the operator will cooperate with access seeker companies and, under the conditions of a mutually interested economic model, access to the network will take place.

The Communications Commission has consistently emphasized the significance of eliminating obstacles to entering the mobile service market. This is crucial in fostering a competitive landscape, ensuring affordable services in the retail market, and promoting the introduction of innovative services.

## MVNO model as applied globally

An MVNO is a mobile service provider that does not have its own network or infrastructure and provides mobile services through the network of an existing operator. There are different models of virtual access and their various conditional categorizations, which are determined by access to network elements used at different network levels and for different purposes. However, there are light, medium, and full MVNOs. Virtual operators do not have the large capital costs associated with the construction and operation of a network, which is usually a significant obstacle to starting a business providing mobile services. Accordingly, the companies admitted to the operator's network are given the opportunity to direct their resources to develop their offerings and to provide the users with diverse, up-to-date services, focused on quality and innovation, and adapted to individual requirements.

In the wake of technological progress and the development of next generation access (NGA) networks, such as 5G, the role of Mobile Virtual Network Operators is increasing. By developing innovative, niche services, this contributes to the development of the digital economy in various fields and speeds up the digitization processes.

In many countries of the world, MVNO access was allowed on commercial terms and there was no need to use regulatory mechanisms. Although in some countries, including North Macedonia, Cyprus, and Spain, ex-ante regulation was nec-

essary for the development of the said market, and in Norway the regulation is still valid today. Several European countries, including the Czech Republic, Croatia, France, and Greece, have defined regulation and mandatory access terms under license obligations.

According to the latest data, there are about 2,000 active Mobile Virtual Network Operators in the world, and more than 300 are planning to launch their services.

The MVNO market is valued at 81.7 billion USD and is predicted to reach 135 billion USD by 2030.



### Plan for 2024

As part of the ongoing comprehensive analysis of the telecom markets conducted by the Communications Commission, in accordance with the methodological rules of the market analysis established by the European Commission, the need to regulate market access to the retail and wholesale segments of mobile services should be determined.

As part of the market analysis, ComCom will evaluate the competition in the market and identify the relevant regulated markets and operators with significant market power and specific obligations. This assessment will consider the legislation and the needs of the market. The purpose of the study is to remove the barriers to entry into the mobile service markets and determine the mechanisms promoting competition. This, on the one hand, will provide access to various telecommunication services, and on the other hand, it will give small companies the opportunity to develop their activities and create alternative communications offers. The operators owning the network will also be able to extend the use of the capabilities of their own network, thereby receiving additional revenue.

The Communications Commission will decide regarding the regulation of the wholesale market for access to mobile networks, based on the results of a comprehensive analysis of the telecom sector.

## Comparative analysis of prices of telecommunication services

” As long as Georgia maintains high prices for high-speed and high-volume Internet, the users will again be forced to choose low-speed and low-volume services or pay significantly higher, premium prices and thus get high speed and volume “



- This is an excerpt from the conclusion of the so-called benchmarking study commissioned by the Communications Commission in 2023. The aim of the research on the prices of telecom services in Georgia was to compare the prices in the country with similar indicators of European countries. In particular, the affordability of mobile voice and Internet services, as well as fixed Internet services, both individually and in combination with other telecommunications offerings.

As a result of the analysis, it was found out that low volume and speed services in Georgia, both in the mobile and fixed market, are almost similar to or cheaper than the prices of the countries included in the study, and as for the prices of high volume and speed services, they significantly exceed the average of European countries.

According to the research, high prices for high-volume and high-speed services are particularly important and problematic, as according to the data of 2022, the consumption of mobile Internet is growing sharply and reaches an average of 12 GB. In the digital era, the trend of Internet consumption is directed towards increasing speed and volume, which will increase even more with the introduction of 5G technology. The situation is similar for fixed Internet services, since the time spent online by users and the demand for receiving various services online is increasing, therefore, the role of high-speed Internet services is critically important for subscribers.

In particular, low-volume packages for residential subscribers of mobile services in Georgia, such as 5 GB and unlimited minutes, are 1% more expensive than in Europe, and the price of 5 GB Internet and 577 minutes is 23% higher. In Georgia, prices for high-volume packages are higher, in particular, the price of 10 GB of Internet and 1795 minutes is 35% more expensive than the average price in 24 European countries, and 20 GB of Internet and unlimited minutes is 36% more expensive than the average price in 24 European countries.

As for business subscribers, for them 10 GB of Internet and 1795 minutes is 1% higher than the average price of similar packages in the countries included in the study, while 5 GB Internet and 577 minutes are 32% cheaper in Georgia. The price of 20 GB Internet and unlimited minutes is 36% higher than the average price of similar packages in the other European countries.

## 100 Mbps



The situation in the fixed Internet market is as follows: in Tbilisi, for residential subscribers, the price of one of the most consumed optical Internet packages, a 25 Mbps Internet package, is 5% cheaper than the average price of similar services in the other European countries, and 17% cheaper in the regions. Prices for high-speed fixed Internet in Georgia are significantly higher than in the rest of Europe. In particular, the price of Internet packages with a speed of 100 Mbps is 136% higher than the average price of similar services in European countries. It should be noted that on average, 55% of families in European countries use an Internet speed of 100 Mbps or higher, in 19 of these countries more than 40% of families use Internet of this speed, while in Georgia only 1% of subscribers, or 4 thousand subscribers, have an Internet speed of 100 Mbps or higher.

As for business subscribers, fixed Internet services are more expensive for them than in European countries. In particular, the price of 10 Mbps optical Internet for business subscribers in Georgia is 189% higher than the average in 23 European countries. It should be noted that high-volume optical Internet in Georgia is not available in standard offers to businesses at all.



The comparative analysis of the combined offers showed that for more than half a million families living in Tbilisi and the regions, the cost of the cheapest Internet and TV packages is lower than the European average, which in the case of the regions is determined by promotional prices offered by the operators. In particular, in the combined offers, the cost of 20 TV channels and optical 25 Mbps Internet package for subscribers is 43% lower in Georgian regions and 24% lower in Tbilisi compared to 24 European countries. Compared to European countries, the optical Internet package of 30 TV channels and 100 Mbps is 35% more expensive in the regions of Georgia, and 30% more expensive in Tbilisi.

The research was conducted by the British research organization – Strategy Analytics (Teligen, TechInsights) – in accordance with the internationally recognized and tested methodology developed by the Organization for Economic Cooperation and Development (OECD). The data of Georgia are compared with similar indicators of 22 EU member states and Great Britain. According to the methodology, in order to compare with European countries, the prices of the services of two large operators, Magticom and Silknet, were used, since these companies own more than 70% of the telecommunications market of Georgia and offer the users both fixed and mobile Internet. The data used in the research reflect the lowest price from the offers available in Georgia as of April 2023. Prices are calculated according to Purchasing Power Parity (PPP) and are presented in US dollars.

### Plan for 2024

In order to improve the results highlighted in the comparative price analysis and to respond to the identified challenges, the Communications Commission, after completing a comprehensive analysis of the telecommunications market, will make appropriate decisions that will help to improve competition by removing barriers to entry into the fixed and mobile services market and create alternative offers. The regulatory mechanisms will be aimed at ensuring that Georgian users, like their European counterparts, can enjoy high-volume and high-speed services at an affordable price.

## Sharing physical infrastructure to increase Internet access

Telecommunication services and digital services are gaining increased importance in the development of the country and in the daily lives of users. Ensuring the availability of telecom services to meet growing demand is a significant challenge due to the large capital capacity of investments in network infrastructure.

In 2023, with the involvement of the Communications Commission, the Parliament of Georgia adopted the Law of Georgia “On Sharing the Telecommunication Infrastructure and Physical Infrastructure applicable for Telecommunication Purposes”. The purpose of the law is to ensure non-discriminatory, fair, and reasonable conditions of access to telecommunications infrastructure and physical infrastructure used for telecommunications purposes to promote the development of high-speed broadband infrastructure in the territory of Georgia.

The enforcement of the law will help telecom operators to effectively develop their networks, in particular, to use the already existing infrastructure of electricity, outdoor lighting, heat supply, transport, etc. to build the network.

The instrument will contribute to the development of the telecommunications sector by enabling the expansion of the network infrastructure, the improvement of the availability of communications services, and the development of digital services.

The law is based on the European Union Directive 2014/61/EU. By sharing the relevant infrastructure, it serves to reduce the costs related to the construction of broadband infrastructure, which will lead to increased competition between telecom operators and will ultimately have a positive impact on the users, who will be guaranteed more access to the Internet and freedom of choice.

To fulfill the goals outlined by the legislation, it pertains to the operator’s physical infrastructure, encompassing both the telecommunications infrastructure and other existing infrastructure that may not be specifically designated for telecommunications, but can be utilized for broadband telecommunications purposes.

The law also includes the coordination of public construction works, which means informing authorized persons in the process of designing and implementing infrastructural works partially or fully financed from the state budget, local self-government, or the budget of the Autonomous Republic of Adjara, if they wish to carry out their broadband network development and construction works in coordination with other public works. The law also applies to the internal infrastructure of newly constructed apartment buildings and/or multifunctional buildings. To effectively exchange information about the above-mentioned infrastructure, planned and ongoing construction works, the law envisages the creation of a Single Information Point by the Communications Commission, where information about the rules and procedures for obtaining permits and approvals related to similar types of work will be available.

The law also provides for an effective mechanism for resolving disputes between authorized persons and infrastructure operators regarding telecommunications access and access to the physical infrastructure used for telecommunication purposes and imposing appropriate administrative penalties for violation of the obligations stipulated by the law. According to the law, disputes are reviewed, and appropriate settlements are made by the Communications Commission.

**Plan for 2024** According to the Law of Georgia “On Sharing the Telecommunication Infrastructure and Physical Infrastructure applicable for Telecommunication Purposes”, the Communications Commission has been assigned the responsibility of developing legal acts and conducting relevant activities, after which the provisions of the law will be fully implemented. The Communications Commission, in cooperation with stakeholders, including telecom operators, energy sector operators, regulatory bodies and administrative bodies of the relevant fields, is working on the adoption of subordinate normative acts. The normative acts have also to provide the methodology for calculating tariffs for the access to physical infrastructure owned by the infrastructure operator, in case of a dispute on tariffs between the operator and the authorized person.

The price calculation methodology ensures the transparency of the calculation of fees for access to electricity, outdoor lighting, heat supply, water, transport, and infrastructure used for other purposes, which will increase the use of the infrastructure.



## Georgia in European Union common roaming space

In 2023, the Communications Commission, together with the Ministry of Economy and Sustainable Development of Georgia, conducted an economic impact analysis for joining Georgia to the European Union roaming space.

As a result of the analysis, it was determined that by joining the EU roaming space, the costs of Georgian subscribers for roaming services will be significantly reduced. Along with this, large as well as small and medium-sized businesses will be given the opportunity to take advantage of innovative communication products and expand the area of consumption of digital products created by them. Joining EU roaming space will also contribute to the development of the digital market of Georgia, harmonization with the single digital market of the European Union and the process of integration into the European Union.

Roaming services in the single European space are referred to as “Roam Like at Home” (RLAH), which gives subscribers from EU countries the opportunity to use their mobile services in these countries without paying additional roaming fees, or to benefit from significantly reduced tariffs. RLAH was initiated by the European Commission back in 2013, and in 2014, was approved by a majority vote by the European Parliament. After going through the process of gradual reduction of tariffs, since 2017 the RLAH has been fully implemented for the countries of the European Union and the Eastern Alliance, and the benefits of the creation of a single European roaming space became fully available to users.

In 2022, the Georgian government initiated the process of joining Georgia to the EU roaming space. The above means the creation of a common roaming space between Georgia

and the European Union, which will allow Georgian users to access local roaming tariffs, including voice, SMS, and Internet services, while traveling in the European Union.

In order to join the roaming space of the European Union, Georgia’s legal framework and regulatory norms related to roaming must fully comply with the legislation and regulations of the European Union and the Body of European Regulators for Electronic Communications (BEREC).

The Communications Commission, together with the Ministry of Economy and Sustainable Development of Georgia, with the involvement of EU experts, has launched a project to join Georgia to the European Union roaming space, which serves to prepare the relevant legal and economic foundations.



### Plan for 2024

After studying the needs of the compliance of the legal environment of the European Union and Georgia, the experts will present recommendations on the next steps. With the involvement of the specialists of the Communications Commission and the Ministry of Economy and Sustainable Development of Georgia, primary and secondary draft laws will be prepared, which will ensure the harmonization of Georgian legislation with European legislation. The revision of the legal documentation, the primary and secondary legislation prepared within the project, will be conducted by European experts hired to support Georgia by the EU4Digital Initiative of the European Union. The EU4Digital Initiative is the leading regional program of the European Union, which supports the process of digital transformation and harmonization of digital markets of the Eastern Partnership (EaP) member countries involved in joint policy development. After the adoption of the draft law by the Parliament of Georgia, the deadlines for adoption of secondary legislation for the Communications Commission will be determined.



## Internetization and digital adoption programs for rural communities

In 2023, progress was made in the implementation of the state program of universal Internetization “Log-in Georgia”. This program, which has been underway since 2020, through financial support from the World Bank and the European Investment Bank.

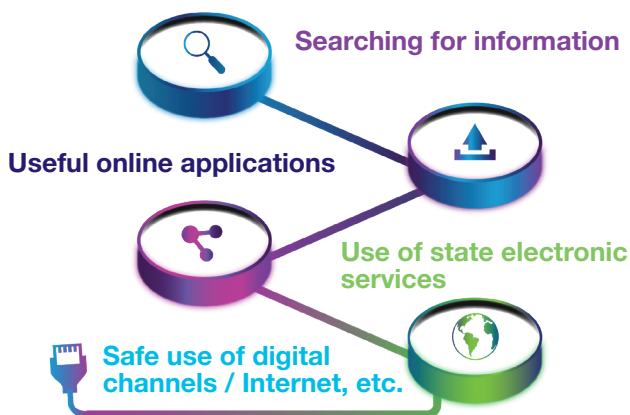
With the support of the Communications Commission, the company Open Net completed the construction of an optical network in the territories of Tkibuli-Ambrolauri-Oni, Chokhatauri-Samtredia and Kobuleti-Khelvachauri. The network includes 425 km of infrastructure, which provides new opportunities for another 58,000 residents as well as for private telecommunications operators.

In 2023, construction works began and are actively underway on the Zugdidi-Khobi route, which includes 270 km of infrastructure, 48 settlements and 26,500 residents.

In compliance with the procurement procedures of the World Bank, new tenders have been announced for the construction of the optical network in the regions of Abasha-Senaki, Tskaltubo-Vartsikhe-Khoni, Chiatura-Sachkhere and Zestafoni-Kharagauli, and design and construction works are underway.

In 2023, the second component of the project was efficiently executed, which is implemented within the framework of the Digital Adoption Program to popularize the Internet and promote the use of digital services among the population. The goal of the program is to raise the digital awareness of the selected municipalities and the population living in rural areas and teach them how to use the Internet purposefully and promote their involvement in the digital economy.

Within the framework of the state program of universal Internetization, a fiber optic backbone with a length of 800 km was built. The total volume of completed and ongoing tenders is more than 2,000 km, which covers 386 settlements and 210,000 residents, covering Guria, Samegrelo, Adjara, Racha, Lechkhumi, Kvemo Svaneti, and Imereti regions.



The program includes workshops on issues of digital literacy and the safe use of the Internet, which serve to raise the awareness of the beneficiaries of the program on such issues as: searching information, using e-mail, using Google Maps and translator, sharing the location, using online communication tools, safe navigation on the Internet, identification of real and fake information, etc. In addition to the thematic workshops, the program includes information meetings on the topic of state electronic services, including the use of state e-auctions and the rights of Internet users.

In 2023, the Digital Adoption Program was successfully implemented in 135 villages and settlements of Khelvachauri, Kobuleti, Ozurgeti, Chokhatauri, Samtredia, Ambrolauri and Oni municipalities. In total, within the framework of the program, 53 seminars were held and 3550 people were trained. The beneficiaries included schoolteachers, high school students, stay-at-home spouses, local entrepreneurs, disabled people, as well as temporarily unemployed citizens.

In 2023, the Communications Commission conducted an Internet needs assessment to implement the Digital Adoption Program pursuant to the needs of the local communities. The purpose of the study was to create an objective, unbiased, and comprehensive picture of the digital literacy needs in the selected settlements, the beneficiaries of the universal Internetization project, as well as to suggest the solutions to addressing the needs identified by the study and to give recommendations for the development of an effective program. Within the framework of the study, all necessary components for planning a training program were assessed, including knowledge, skills, experience, awareness, attitudes, and readiness in addition to contextual and environmental factors, which are important to consider for the development of appropriate training programs.

The results of the study revealed that only 10% of the respondents do not use the Internet, and most Internet users, more than 50%, are quite confident in using the Internet and digital technologies and believe that they can perform various tasks on the Internet independently. Part of the population, despite using the Internet, is less skilled and cannot cope with tasks in the digital space independently. A small part “uses” the Internet; however, their digital skills are so poor that they are not only unable to perform some key “digital activities”, but are not even aware of such activities. It should be noted that the level of awareness of a significant part of the rural population is low. In most cases, they have only a superficial understanding of the opportunities and services they can receive electronically through the Internet.

Other results of the study include:

*94% of respondents consider the ability to use the Internet and computer to be important or very important;*

*10% of surveyed respondents do not use the Internet;*

*52.9% of respondents expressed a desire to take part in trainings on the development of digital skills;*

*The majority of teachers actively use information technologies in the learning/teaching process, but a significant part of them has little information on the scope and diversity of the use of the Internet as a learning resource in the educational process;*

*The women participating in the study use the Internet more intensively and attach more importance to digital skills than men.*

As part of Log-in Georgia, the Communications Commission conducted a study to evaluate digital inclusion in Georgia. The study was conducted by Digital Europe, a consortium consisting of the international companies Nextpuzzle and Cobrus Consulting. It should be noted that the consortium consists of Danish experts and Denmark is one of the leading countries in the world in terms of digital and technological development. With the involvement of local stakeholders and based on consultative meetings held with the inter-agency working group, recommendations were developed to support digital inclusion in Georgia.

Within the framework of the state project of universal Internetization, about 1,000 villages and 500,000 citizens of Georgia, including the population of mountainous regions, will be given the opportunity to receive high-quality Internet and use digital services. The state program of Internetization, Log-In Georgia, was developed in order to promote the implementation of the 2020-2025 National Broadband Development Strategy of Georgia.

Open Net will complete the construction of the optical fiber network in Zugdidi-Khobi region, which includes 270 km of infrastructure, 48 settlements, and 26,500 residents. The construction of 270 km of infrastructure will also be completed in the direction of Tskaltubo-Vartsikhe-Khoni, where there are 35 settlements and 15,000 residents. The network will be set up in the Abasha-Senaki section, which includes 240 km of infrastructure, 48 settlements and 16,100 residents. The construction of the network in the direction of Chiatura-Sachkhere will also be completed, where a 290 km network will be set up for 67 settlements and 38,000 residents.

Design will be completed, and construction works will begin on the Zestaponi-Kharagauli section, which is considered for 260 km of infrastructure, 36 settlements, and 13,800 residents.

In 2024, Open Net will continue building the network in eastern Georgia, including Kareli, Gori, Kaspi, and Mtskheta, where there are 98 settlements and 57,000 residents. Works will also continue in Adigen, Akhatsikhe, Aspindza, Akhalkalaki, and Borjomi, which includes 89 settlements and 44,500 residents.

To raise public awareness about the Internet and promote the use of digital services, the Communications Commission will continue to train the target population within the framework of the Digital Support Program. Training seminars will continue until 2025 in Samegrelo and Imereti regions, and more target regions will be added.

## Changes in rules for amateur radio stations

In order to encourage and develop the activities of radio amateurs in Georgia, the Communications Commission has made changes in the rules for the use of amateur radio stations.

According to the changes, a single unique call sign was defined for the beginner and professionally qualified categories of radio amateurs, the call sign systems were simplified, the amateur frequency ranges corresponding to the radio station categories have been updated, and radiation powers and classes of use were updated. Only 3 categories remained out of the previous 4 valid categories, namely: B, A, and E categories. For categories A and B, the questionnaire to determine the qualification level of a radio amateur was updated.

The new regulation implements a new permit application for an amateur radio station, which is accessible in multiple languages. This permit enables a radio amateur with a valid authorization to engage in radio communications for a duration of three months without the need for an additional license. This privilege is applicable when operating within the territories of the USA, Israel, Australia, Europe, and a number of other countries.

The need for the above changes was caused by the introduction of new radio systems and technologies, as well as the specific requirements for the use of amateur radio stations at the national level. The new rules were prepared according to the recommendations and decisions of the European Conference of Postal and Telecommunications Administrations (CEPT), as well as the radio regulations of the International Telecommunication Union (ITU).



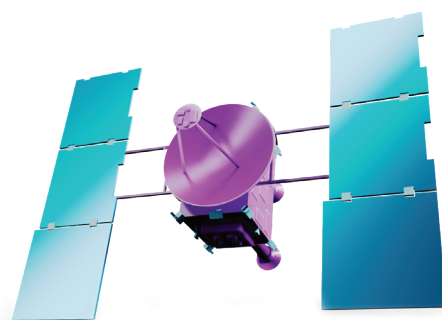
## New orbital positions for Georgia to provide independent satellite communications

In 2023, Georgia acquired a data transmission geostationary satellite orbital position and a new broadcasting geostationary satellite orbital position. This means that satellites can be placed in the obtained orbital position, which will provide Georgia and the surrounding territories with data transmission services and broadcasting of television programs. Launch of its own satellite data transmission services by Georgia is important to ensure stable and secure communications for both government agencies and commercial organizations.

Orbital positions were assigned in the end of 2023 at the International Telecommunication Union (ITU) World Radio Conference (WRC-2023) and were reflected in the plans of the Fixed Satellite Service (FSS) and the Broadcasting Satellite Service (BSS) by the final acts of the conference. With this, the WRC-2023 conference concluded the four-year coordination process that began in 2019 at the World Radiocommunication Conference WRC-2019, and successfully implemented by the Communications Commission, together with the satellite

communications regulatory authorities of various countries, in accordance with the schedule set by the International Telecommunication Union Radiocommunication Bureau (ITU BR).

It should be noted that the new orbital position of the geostationary satellite of the Broadcasting Satellite Service (BSS) obtained at the conference, will in the future improve the broadcasting capabilities in the territory of Georgia compared to the previous one.



## Supporting educational literature on technology development

With the support of the Communications Commission and the authorship of the members of the Advisory Council of the Communications Commission Office, more than 10 books have been published in the field of telecommunications, regarding the development and challenges in the field of telecommunications.

In 2021-2023, 6 new books on telecommunications were published in the Georgian language, co-authored by Sergo Shavgulidze, the member of the advisory board of the Communications Commission, and with the support of the Communications Commission, the Shota Rustaveli National Science Foundation, the Georgian Technical University, and the Caucasus University. These include: *The Road to 6G: Challenges for Communications Engineers* and *New Security Technologies for 6G Networks*. These academic books and textbooks review the evolution from existing 5G networks to future 6G networks, explore emerging technologies and topics such as artificial intelligence, unmanned aerial vehicles, and large-scale satellite constellations. They also review technological trends, threats, etc., related to the security of 6G networks.

In 2023, co-authored by Sergo Shavgulidze, a new monograph *Communication through Low Earth Orbit Satellites* was also published, which reviews the results of research related to the topic of communication networks of Low Earth Orbit (LEO) satellite mega-constellations. The monograph was prepared based on the latest publications and scientific achievements. In particular, the report examines the potential for utilizing advanced mega satellite networks to ensure equal access, as well as the associated challenges. It explores the feasibility of relieving congestion in the orbital periphery to facilitate access to mega constellations of Low Earth Orbit satellites. Additionally, it discusses the implementation of ring road networks that offer universal access and can be supported by delay-tolerant network protocols, using cost-effective nanosatellites. The book presents the architecture of a terrestrial satellite communication system and evaluates its technical capabilities through extensive computer simulation of a real-life farming scenario. It also reviews LEO satellite-based positioning for future equal access localization.

In addition, for specialists working in the field of telecommunications, for bachelor's, master's, and doctoral students of the Technical University of Georgia, the Caucasus University and the University of Georgia, Revaz Svanidze's textbook *Digital Fiber optical Systems of Transmission and Technologies* was published by the author in Georgian and international magazines. It reviews optical fiber systems of transmission and includes published research on technology. Revaz Svanidze also published the book *5G Mobile Technologies and Electromagnetic Radiation*, which reviews the characteristics of 5G mobile technology, electromagnetic radiation of cell phones, and their harmful effects on ecology and humans.

## Precedent for cartel deals in media field

In 2023, the Communications Commission concluded an 18-month investigation and found violations of the Law of Georgia “On Competition”, a so-called cartel dealing among competing authorized undertakings in the field of broadcasting.

The Communications Commission considered the complaints of undertakings active in the field of electronic communications, the largest players in the broadcasting transit service market: Magticom, Silknet, Akhali Kselebi and Central Communications Corporation of Georgia, versus top-rated broadcasting companies: Telemedi, Mtavari Channel, TV Pirveli, Postv, Formula, and Media Holding, as well as the intermediary company Media Rights Georgia.

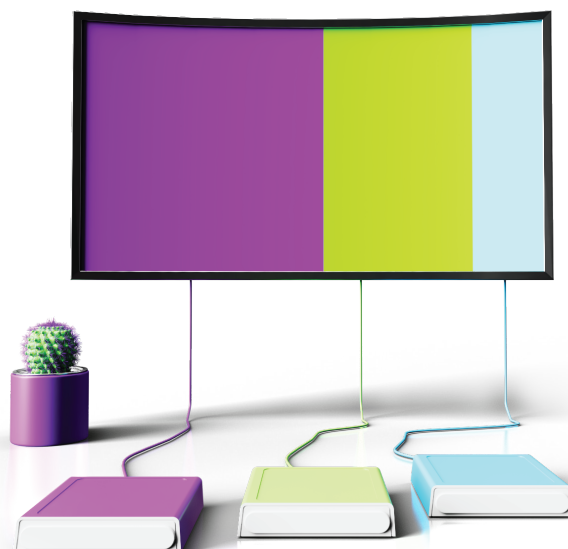
The complaining party claimed that the competing broadcasters united and, through the intermediary company Media Rights Georgia, requested the telecommunications companies a jointly established fee for broadcasting transit. According to their explanation, the establishment of the single transit fee by the broadcasters limits the competition and contradicts the Law of Georgia “On Competition”. Accordingly, Magticom, Silknet, Akhali Kselebi, and Central Communication Corporation of Georgia requested to impose responsibility on the defendants and to declare the concluded contract void.

After conducting an extensive 18-month study following international practices, the Communications Commission evaluated the contract between broadcasters and the intermediary company. The aim was to establish a standard price for the services of broadcasting transit right transfer services. Within the same research, issues of cooperation between broadcasters and broadcasting transistors were also studied. As per the findings of the Communications Commission, the price agreement reached by the competing broadcasters is considered as price fixing and deemed to restrict competition and is therefore in violation of Article 7 of the Law of Georgia on Competition.

Considering the precedential nature of the case, as the Communications Commission reviewed the matter in accordance with the Law of Georgia “On Competition” for the first time, it was decided to impose a nominal fine of 100 GEL on the broadcasters who breached the law and directed the parties to terminate the unlawful contract within a month.

It should be noted that in 2020, amendments to the Law of Georgia “On Competition” entered into force. The legislative amendments define the authority of sectoral regulators to be guided by the Law of Georgia “On Competition” and the legal acts adopted on its basis, when considering possible violations of competition in the regulated economic sector. On the basis of the mentioned amendment, in addition to preliminary ex-ante regulation of relevant markets, the Communications Commission was also assigned the function to enforce ex-post competition law.

Given the significance of the study on the potential breach of the Georgian Law “On Competition”, the Communications Commission conducted a thorough investigation by analyzing international practices, including similar disputes, agreements, and economic relations within the relevant market. The Communications Commission conducted a comprehensive study of the market in order to investigate the reason for the disagreement between the parties on commercial terms in a free mode and to make a decision that would ensure the development of competition in the said market and its proper functioning. In accordance with the law, the investigation was conducted in cooperation with the National Competition Agency of Georgia.



## Internet space without illegal audio-visual products



In order to protect intellectual property and copyright and related rights on the Internet space, the Communications Commission has been actively monitoring Georgian and foreign websites for many years.

Placing audio-visual products on the Internet space in violation of copyright, in addition to damaging the country's image and reputation, can cause serious financial losses to companies that have legally purchased audio-visual products.

According to the data of 2023, access to most illegal websites operating on the Georgian market has been limited. The Communications Commission, in cooperation with stakeholders, has put in place additional mechanisms to prevent pirate websites from bypassing restrictions through various technical means and methods.

In 2023, the Communications Commission issued a warning to Cloud Nine for providing illegal websites in violation of the law. As a result of the monitoring conducted by the Communications Commission, it was found out that the company, receiving Internet services from Cloud Nine, distributes copyright-violating websites such as adjaranet.to, adjaranet.com and imovies.cc.

The Communications Commission provided Cloud Nine with information regarding the above and set a deadline to prevent the distribution of web pages through its services. After this, Cloud Nine stopped distributing web pages. However, during subsequent monitoring, it was discovered that adjaranet.to, adjaranet.com, and imovies.cc were still operating using Cloud Nine's services.

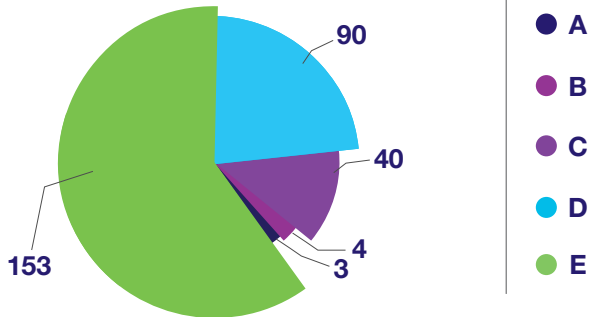
Due to the fact that Cloud Nine violated the Law of Georgia "On Electronic Communications and the Regulation on Provision of Services in the Field of Electronic Communications and Protection of Consumer Rights", the Communications Commission issued a written warning to the company.

**Plan for 2024** Due to the fact that the complete liberation of the Internet space from illegal audio-visual products remains a priority, the Communications Commission constantly requests websites to remove illegal audio-visual products from their platforms and take legal measures.

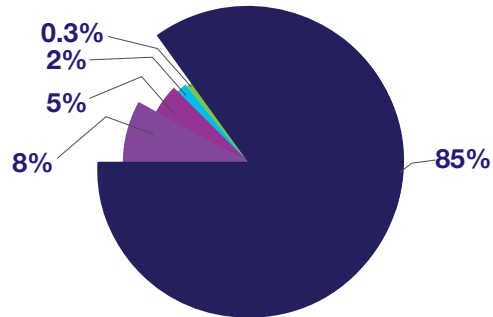
International practice shows that it is practically impossible to completely eliminate the mentioned problem, because new illegal websites are constantly appearing on the market. As part of ongoing efforts, the Communications Commission will diligently monitor and take necessary actions to safeguard copyright and related rights, while addressing the spread of illegal websites.

In 2023, 290 entities<sup>1</sup> were registered in the field of electronic communications. Only three companies: Magticom, Silknet, and Cellfie Mobile received more than 100 million GEL revenue (category A<sup>2</sup> companies) and their combined revenue amounted to 85% of the total. The combined revenue of those companies that gained less than 100,000 GEL in 2023 (E category companies) was 0.3% of the total revenue.

The number of entities operating in the field of electronic communications by category

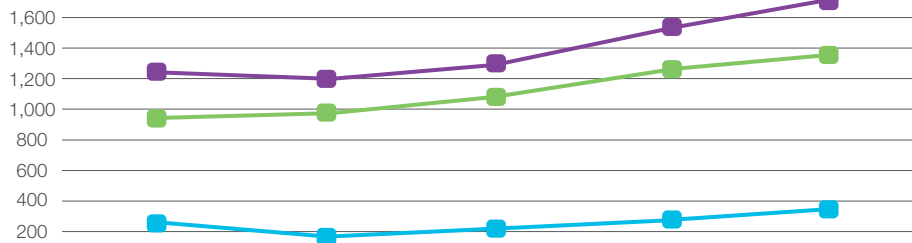


Distribution of revenue of entities operating in the field of electronic communications by category



In 2023, the revenue received by authorized persons for electronic communication services increased by 190 million GEL compared to the previous year and amounted to 1,659 million GEL, of which retail revenue was 1,353 million GEL. During the past five years, there has been a consistent annual growth rate<sup>3</sup> of 10% in revenue generated from these services.

Revenue received by authorized persons in the field of electronic communications (million GEL)



	2019	2020	2021	2022	2023
● Retail	919	961	1,058	1,202	1,353
● Other communications and non-communications	266	192	211	267	306
● Total	1,185	1,153	1,269	1,469	1,659

The global telecommunications market reached a staggering volume of 1.885 billion US dollars in 2023, with projections indicating continued growth until 2030. Anticipated growth in the sector's revenue is projected to reach \$2.875 billion<sup>4</sup>. The main reason for this is the investments made in optical fiber and 5G technologies, the development of digital services, the increase in demand for the "Internet of Things", as well as the creation and distribution of new generations of devices and, as a result, the increased demand for high-speed Internet.

<sup>1</sup>An actor is an entity, which had any kind of revenue from electronic communications during the year

<sup>2</sup>The following categories are considered:

<sup>3</sup>CAGR – Compound Annual Growth Rate

<sup>4</sup>Source: - [IEEE ComSoc](#)

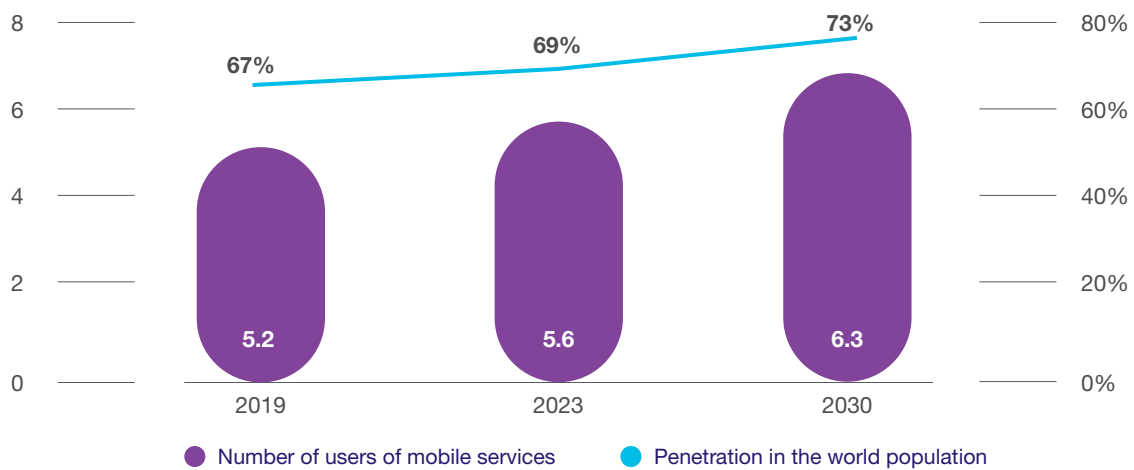
Category	Revenue received during the year
A	More or equal to 100 million GEL
B	From 10 million to 100 million GEL
C	From 1 million to 10 million GEL
D	From 100,000 to 1 million GEL
E	Less than 100,000 GEL

## Mobile communications Overview of the world trends

Mobile communication services are developing at a fast pace around the world. It is evident that the widespread adoption of technology, along with the growing availability of high-speed Internet and the rise in mobile Internet users, highlights the increasing role modern telecommunication digital services play in the daily lives of the population.

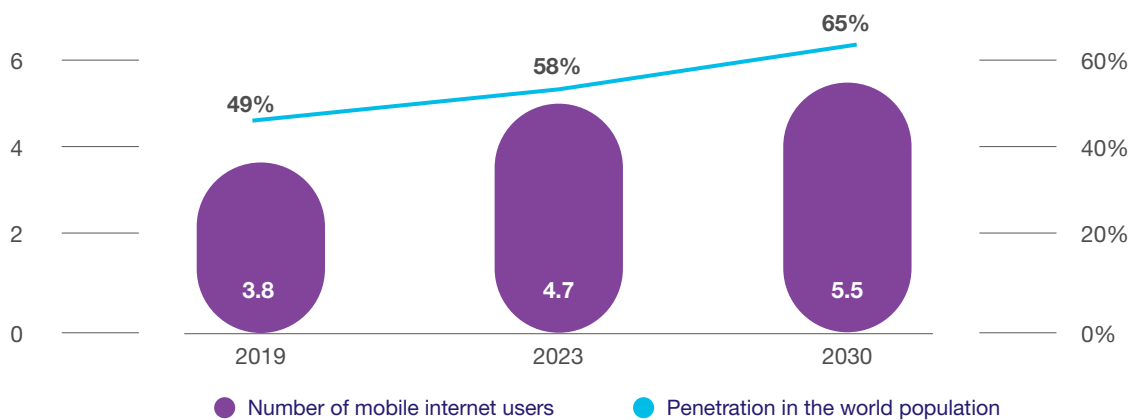
The number of mobile users worldwide continues to grow, reaching 5.6 billion in 2023.

Number of mobile service users in the world and penetration in the world population (in 2019, 2023, and forecast for 2030, in billions)



The number of mobile Internet users is characterized by a higher growth rate. In 2023, up to 4.7 billion people were using the Internet through their mobiles.

The number of mobile Internet users in the world and penetration in the world population (in 2019, 2023, and forecast for 2030, in billions)

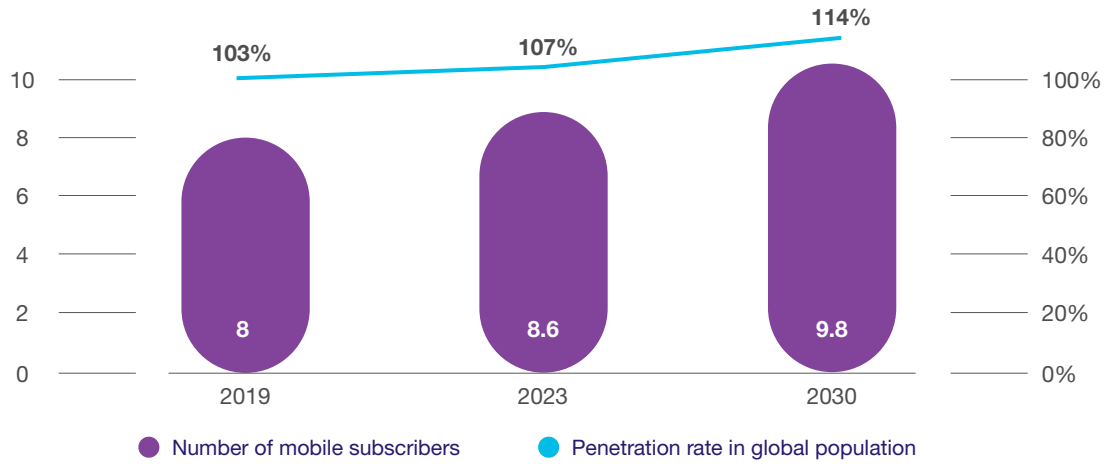


<sup>5-6</sup>Source: 2019 data: GSMA: [The Mobile Economy 2020](#)  
2023 - 2030 data: GSMA: [The Mobile Economy 2024](#)



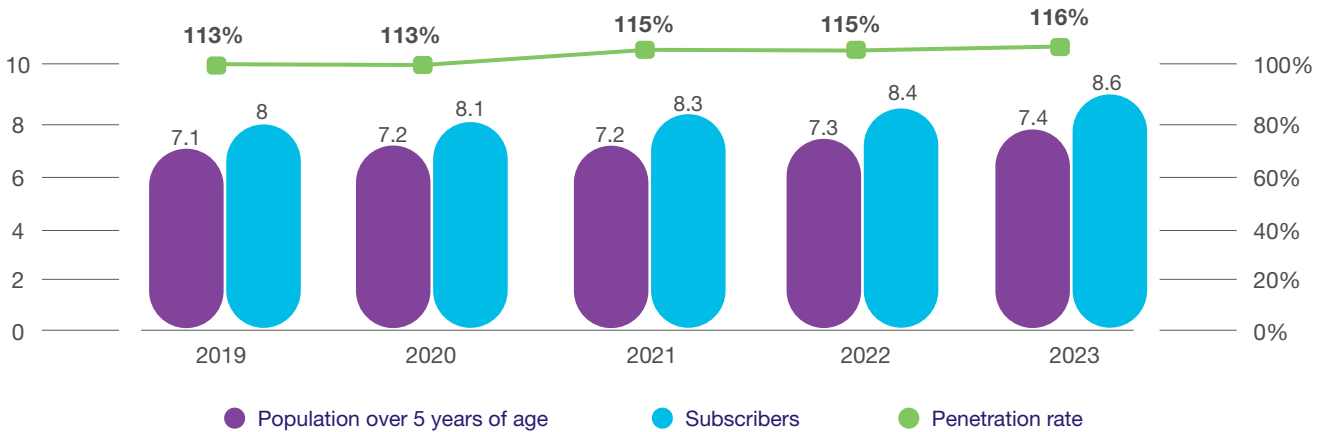
The penetration of mobile communications subscribers (SIM cards) among the world population reached 107% in 2023:

The number and penetration of mobile subscribers in the world<sup>7</sup> (in 2019, 2023, and forecast for 2030, in billions)



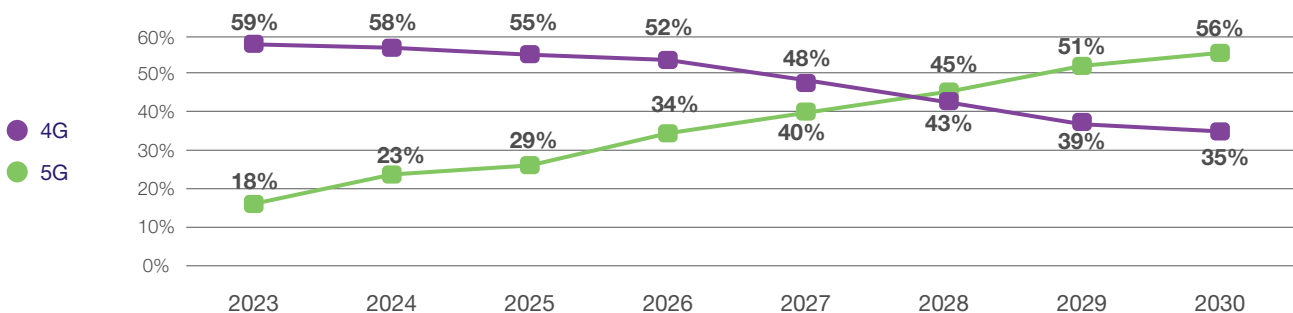
The penetration rate in the population over the age 5 years has increased by 3% in the last 5 years to 116%.

The penetration rate of mobile subscribers in the world<sup>8</sup> among the population over the age of 5 years



5G technology continued to develop during 2023, and it is expected that from 2024, the number of subscribers using 4G technology will gradually decrease and the number of subscribers using 5G technology will exceed them.

Distribution of 4G and 5G technology in mobile service coverage (2023 and forecast<sup>9</sup>)



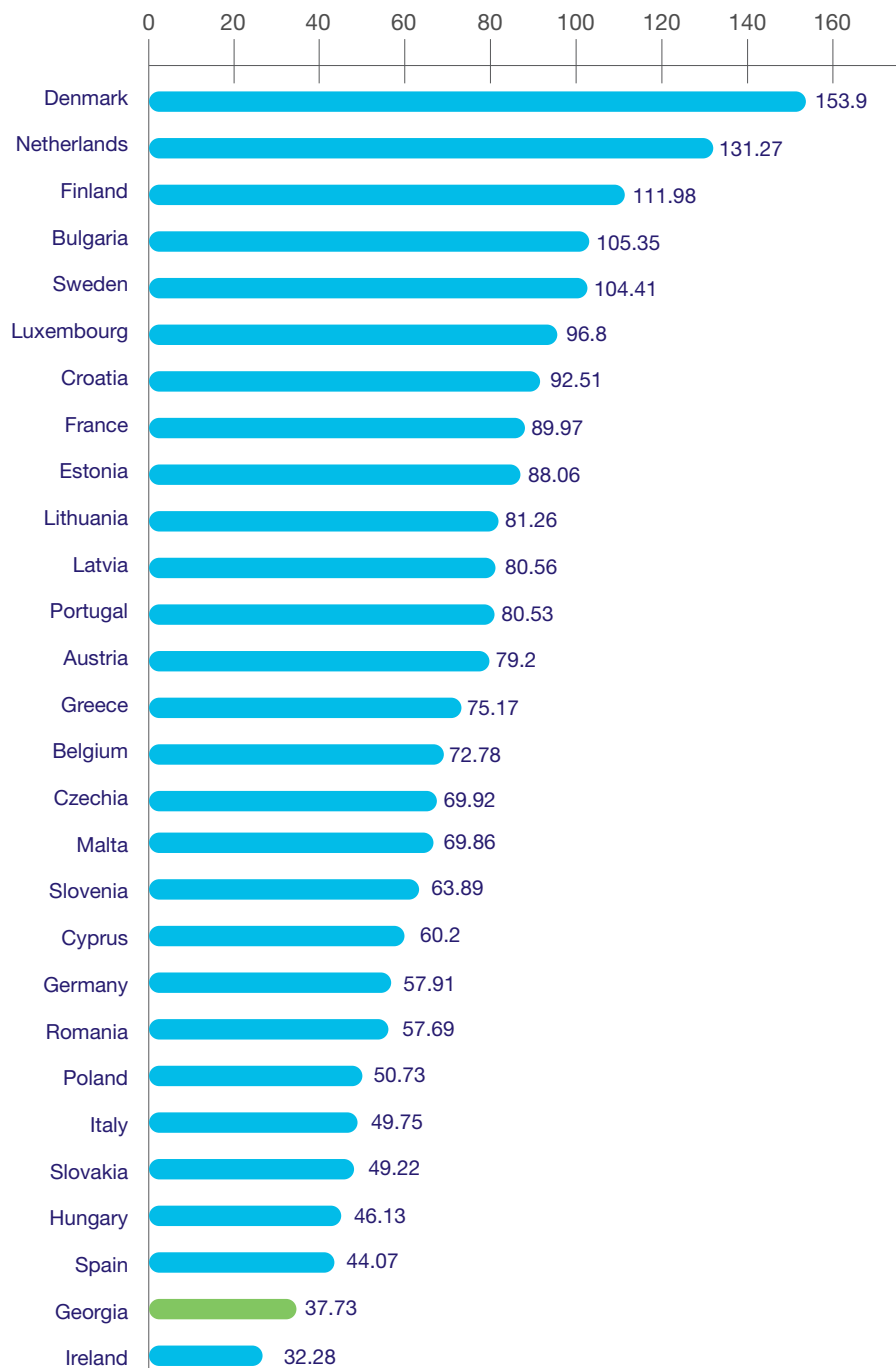
<sup>7</sup> Source: 2019 data: GSMA: [The Mobile Economy 2020](#), 2023–2030 data: GSMA: [The Mobile Economy 2024](#)

<sup>8</sup> Source: 2023 data: ITU: [Measuring Digital Development: Facts and Figures 2023](#)

<sup>9</sup> Source: GSMA: [The Mobile Economy 2024](#)

With the wide spread of 5G technology, the speed of mobile Internet is increasing and in many countries of the world it exceeds 100 Mbps. Since 5G technology was introduced in the Georgian telecom market in 2023 and is in the development stage, the average speed is low and according to the Speedtest Global Index<sup>10</sup> for January 2024, it ranks 66th among 144 countries, and compared to EU countries it is only ahead of Ireland.

■ Average mobile Internet speed in EU countries and Georgia (as of January 2024) (MBps)

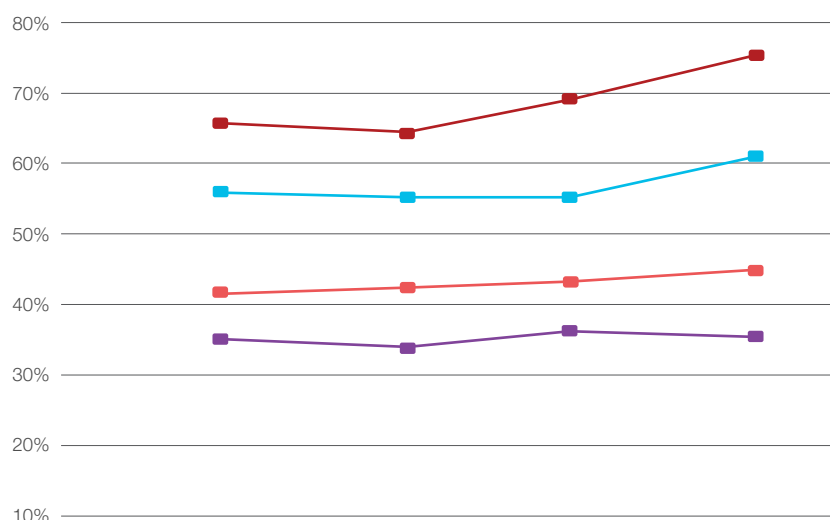


<sup>10</sup>Source: [Speedtest Global Index](#)

## Financial indicators

Considering the evolution of mobile technologies and the increasing demand for mobile services, it is crucial to analyze the EBITDA margin (profit before interest, income taxes, depreciation, and amortization), a key financial profitability indicator, of telecommunications companies in Georgia and compare it with data from European counterparts. Based on the data from the past 4 years, the profitability of Georgian companies consistently surpasses the average rate of European telecommunication companies, which stands at 35%. In 2022, Magticom achieved an impressive EBITDA margin of 75%, Silknet also performed well with a margin of 61%, while Cellfie Mobile achieved a margin of 45%. The dynamics are also worth noting. The interest rate index has experienced substantial growth, signaling a notable increase in companies' profitability since 2019. The EBITDA margins of Magticom, Silknet, and Cellfie Mobile in 2019-2022 increased respectively by 9, 5, and 4 percentage points. In contrast to the Georgian market, the average European EBITDA margin data has been stable, which in 2022, compared to 2019, has actually not changed and is still 35%.

### Comparison of EBITDA margins of the three largest telecommunications market operators in Georgia with the average EBITDA margins of European telecom operators



	2019	2020	2021	2022
● Magticom	66%	65%	69%	75%
● Silknet	56%	56%	56%	61%
● Cellfie Mobile	41%	42%	43%	45%
● European average <sup>11</sup>	35%	34%	36%	35%

## Mobile communications<sup>12</sup> in Georgia

In 2023, compared to the previous year, the number of mobile subscribers<sup>13</sup> increased and by the end of the year reached 5.91 million, and penetration among the population of Georgia reached 169%<sup>14</sup>. This data indicates that one user has more than one mobile number and, depending on the need, becomes an active user of different operators in order to get favorable conditions for different services.

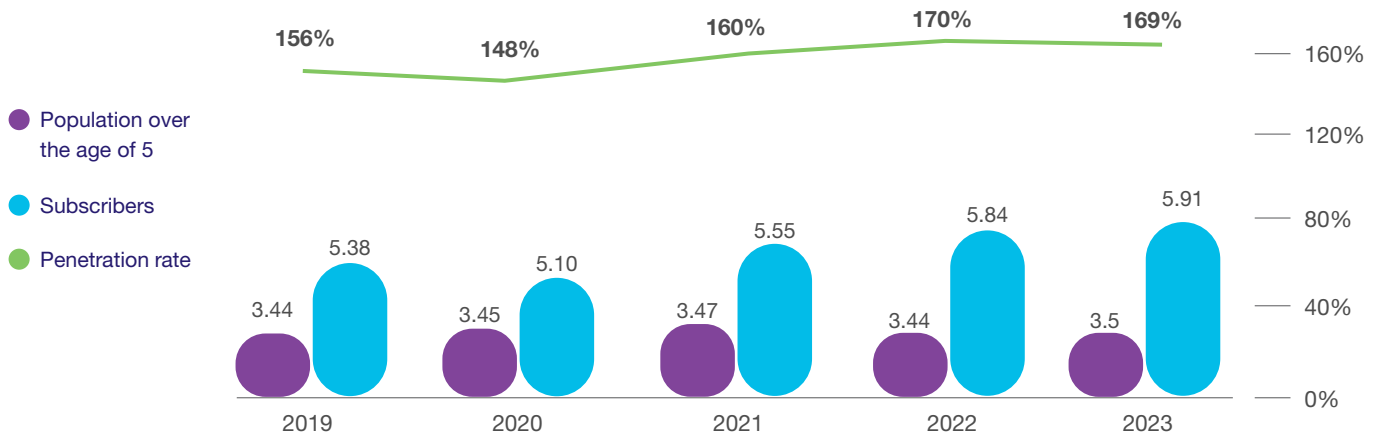
<sup>11</sup>Source: S&P Global Ratings: [Industry Credit Outlook 2024](#)

<sup>12</sup>As of February 15, 2023.

<sup>13</sup>A subscriber is considered as any single SIM card, using any kind of mobile service, that was implemented or provided at least once during the quarter, or for which a subscription fee was charged (including company employees and excluding test cards).

<sup>14</sup>The population of Georgia includes persons over the age of 5 years.

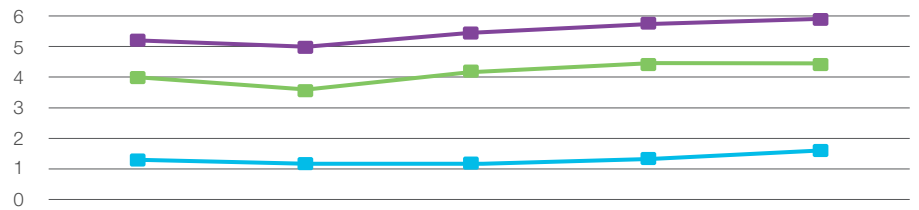
## Number of subscribers and penetration among the population over the age of 5



Penetration in the mobile service market, compared to the previous year, decreased by 1%, the reason for which is the increase in the population of Georgia recorded by the National Statistical Office of Georgia in 2023.

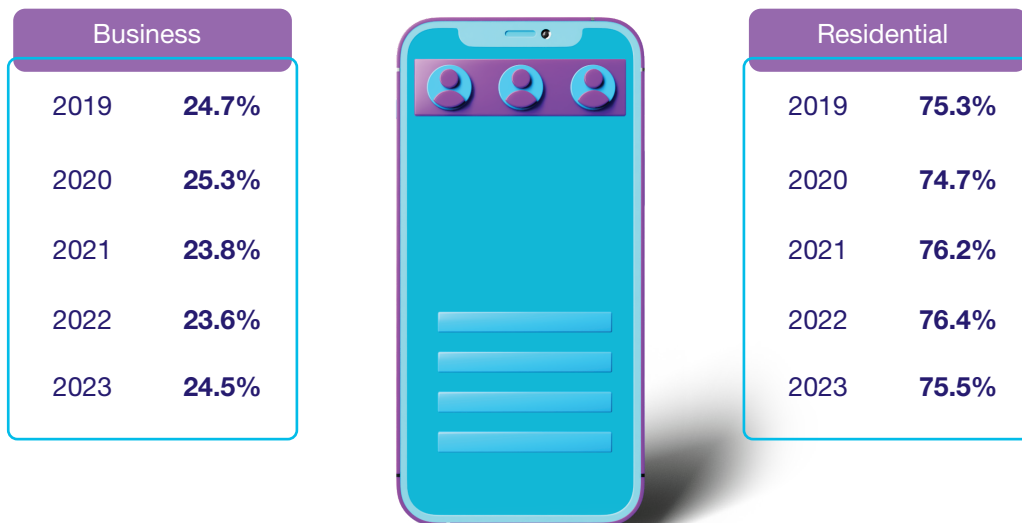
The increase in the number of subscribers is mainly caused by the increase in the number of business subscribers. In the last quarter of 2023, the number of business subscribers made up 25% of the total number of subscribers.

## Number of subscribers by type (in millions)






	2019	2020	2021	2022	2023
● Residential	4,05	3,81	4,23	4,46	4,46
● Business	1,33	1,29	1,32	1,38	1,45
● Total	5,38	5,1	5,55	5,84	5,91

## Distribution of subscribers



By the end of 2023, the market share of mobile operators in terms of the number of subscribers remained unchanged compared to the previous year. The distribution of market share was as follows: Magticom held 41%, Silknet held 34%, and Cellfie Mobile held 24%. At the end of 2022, the virtual operator Eclectic started operating under the brand name Hallo. According to the data of the 4th quarter of 2023, it had 30 thousand subscribers with a market share of 0.5%.

■ The number of subscribers and market share by the number of subscribers

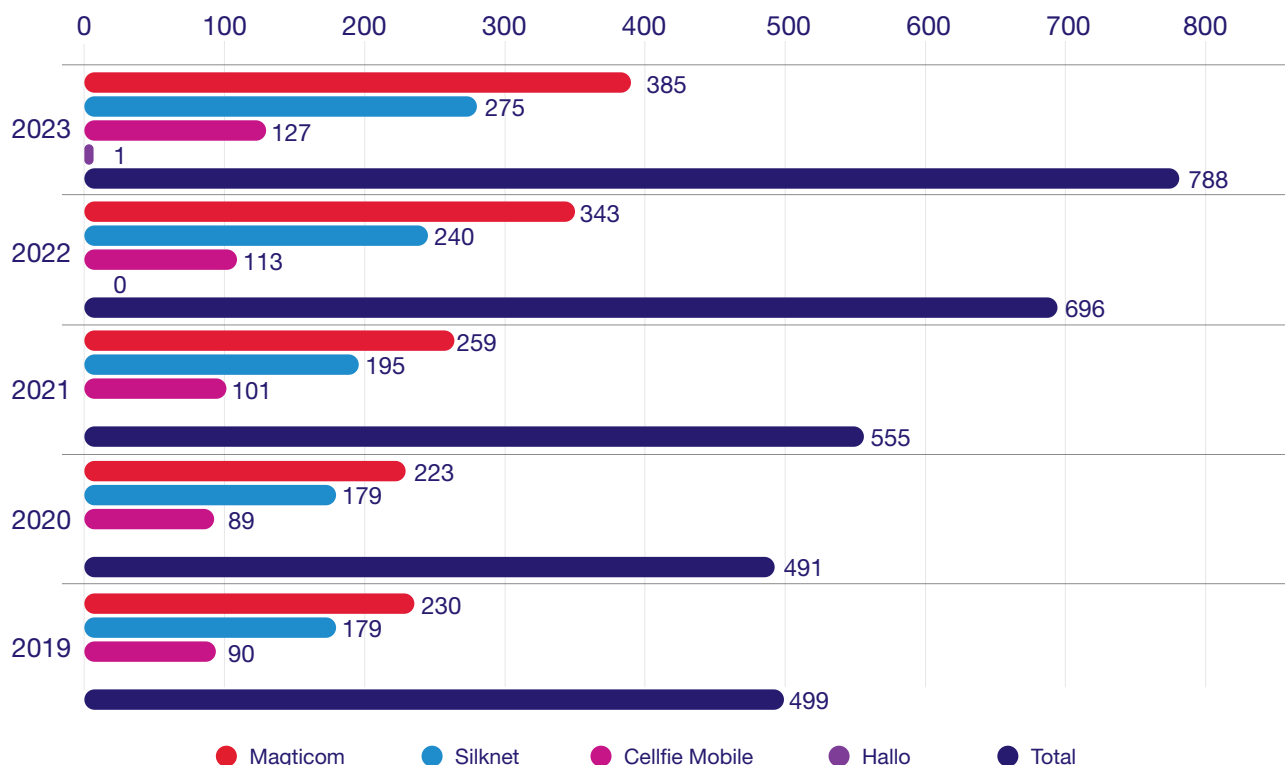
	2019	2020	2021	2022	2023
 <b>აქატი MAGTI</b>	<b>2.19</b> 41%	<b>2.07</b> 41%	<b>2.31</b> 42%	<b>2.44</b> 42%	<b>2.45</b> 41%
 <b>სილკნეტი SILKNET</b>	<b>1.79</b> 33%	<b>1.7</b> 33%	<b>1.85</b> 33%	<b>1.96</b> 33%	<b>2.02</b> 34%
 <b>cellfie<sup>®</sup> mobile</b>	<b>1.4</b> 26%	<b>1.33</b> 26%	<b>1.4</b> 25%	<b>1.45</b> 25%	<b>1.41</b> 24%
 <b>Hallo</b>				<b>0.004</b> 0.1%	<b>0.03</b> 0.5%

■ The number of residential and business subscribers according to the companies

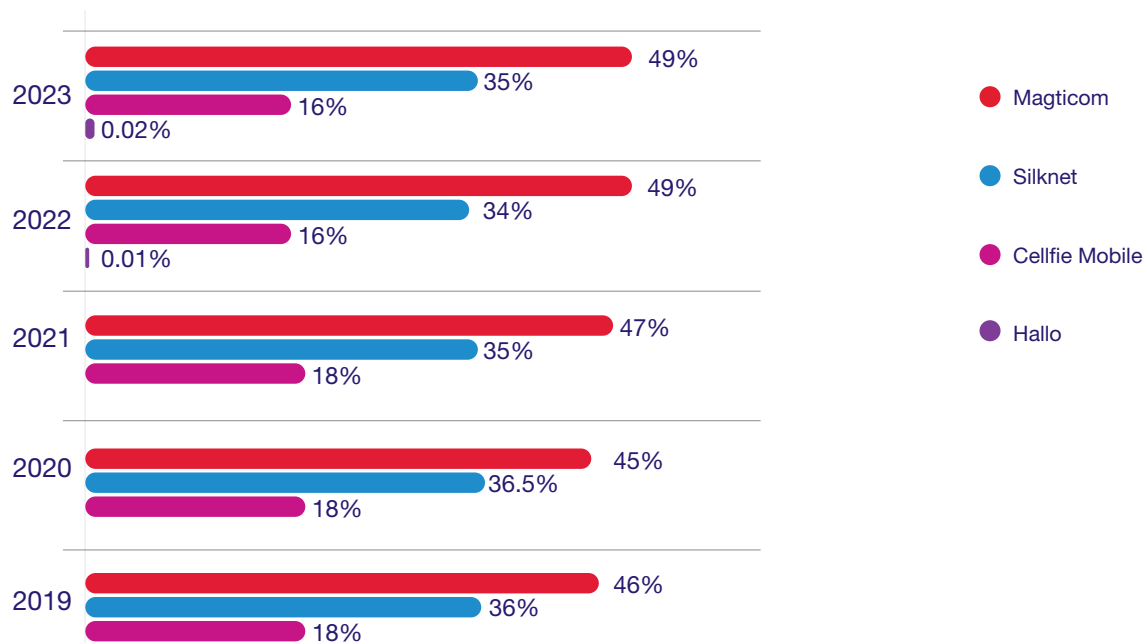
	<b>Magticom</b>	<b>Silknet</b>	<b>Cellfie Mobile</b>	<b>Hallo</b>	<b>Total</b>
Residential	<b>1.80</b>	<b>1.53</b>	<b>1.10</b>	<b>0.03</b>	<b>4.46</b>
Business	<b>0.65</b>	<b>0.49</b>	<b>0.31</b>	<b>0</b>	<b>1.45</b>

In 2023, the revenue of mobile operators from retail services amounted to 788 million GEL. The distribution of market shares in retail revenues was as follows: Magticom held 49%, Silknet held 35%, and Cellfie Mobile held 16%.

■ Retail Revenue (in millions GEL)<sup>15</sup>



### Market share by retail revenues<sup>16</sup>



The varying distribution of market shares in terms of revenues and subscribers among the companies suggests that Magticom subscribers tend to pay a higher average price for mobile services compared to Cellfie Mobile users. Meanwhile, Silknet shows a nearly equal distribution of subscribers and revenues, indicating that Silknet subscribers pay more than Cellfie Mobile subscribers but less than Magticom subscribers on average.

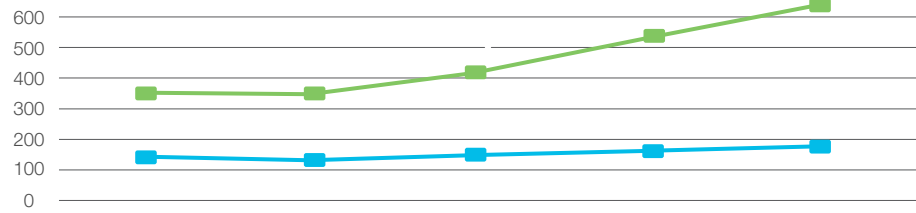
### Distribution of operators according to revenues and subscribers



<sup>15-16</sup>The given information differs from the data specified in last year's report, as some of the companies have since corrected their information.

In 2023, 79% of revenues from mobile services were generated by residential subscribers, and 21% by business subscribers. Revenues in both segments are characterized by an increasing trend.

■ Revenue by the types of subscribers (million GEL)



	2019	2020	2021	2022	2023
● Residential	369	359	416	542	619
● Business	131	130	138	154	169

The distribution according to the residential and business subscribers shows that this ratio is more or less similar for companies.

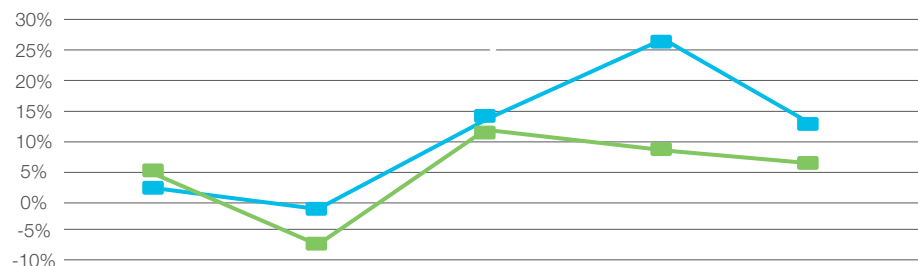
■ Distribution of the residential and business subscribers by the companies

	Magticom	Silknet	Cellfie Mobile	Hallo
Residential subscriber	40%	34%	25%	1%
Business subscriber	45%	34%	21%	0%

## Revenues from mobile services in relation to GDP

In 2023, the growth of revenues from mobile services in Georgia exceeded the growth rate of the country's GDP (gross domestic product).

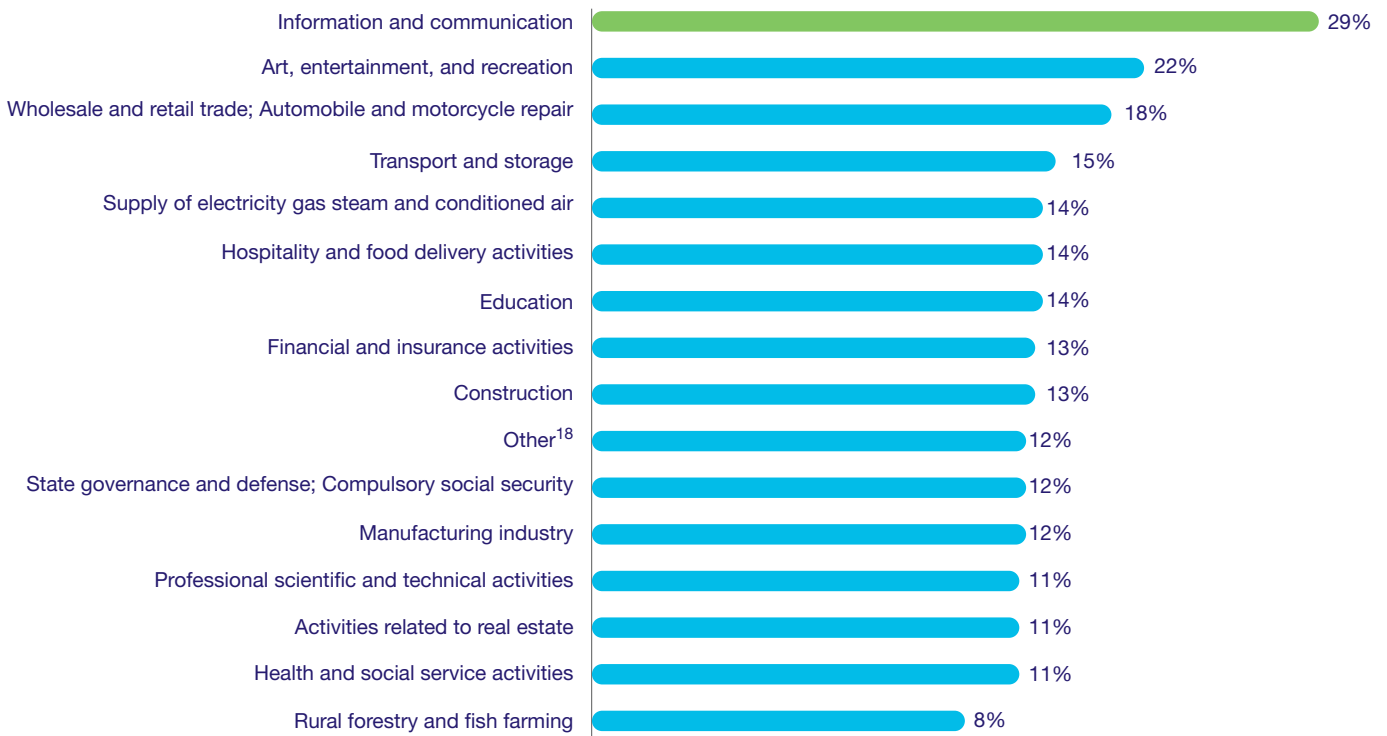
■ Growth of mobile service revenues in relation to GDP growth



	2019	2020	2021	2022	2023
● GDP growth	5%	-7%	11%	10%	7.50%
● Mobile service revenue growth	3.8%	-1.9%	13.20%	25.50%	13.20%

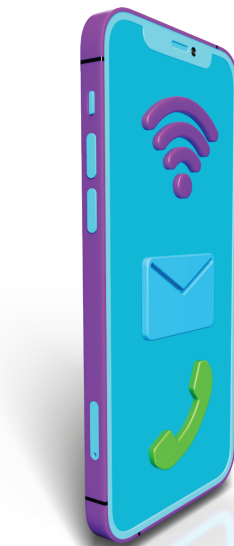
Over the previous 5 years, the average growth rate of the information and communications sector in terms of gross domestic product has been leading in the 16 largest industries<sup>17</sup>.

**Average GDP growth rate over the last 5 years according to the types of economic activity**



**Average Revenue Per User<sup>19</sup>**

According to the data of 2023, the Average Revenue Per User (ARPU) per month increased by 8% and amounted to 12.8 GEL<sup>20</sup> (without VAT).



ARPU (GEL)	
2019	8.6
2020	8.6
2021	9.7
2022	11.8
2023	12.8

<sup>17</sup>Source: National Statistics Office of Georgia: [Gross output of the economy, at current prices.](#)

<sup>18</sup>„Other” includes the aggregate growth rate of five relatively small industries. These industries are: agriculture, forestry and fish farming; administrative and support services activities; other types of services; water supply; sewerage, waste management and decontamination activities and activities of households as tenants; production of undifferentiated goods and services by households for their own consumption.

<sup>19</sup>ARPU – Average Revenue per User.

<sup>20</sup>As of December.



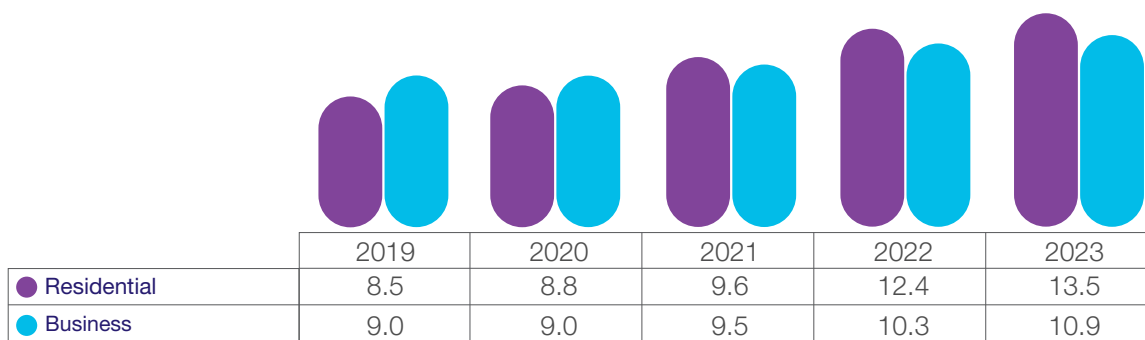
In terms of operators, according to the data of December 2023, Magticom has the highest ARPU rate, followed by Silknet, while Cellfie Mobile and Hallo subscribers spend the least amount on mobile services. In addition, the indicators of the operators have increased compared to the same period of the previous year.

### ■ ARPU by company

	<b>Magticom</b>	<b>Silknet</b>	<b>Cellfie Mobile</b>	<b>Hallo</b>
2022	<b>14.1</b>	<b>12.1</b>	<b>7.7</b>	<b>7</b>
2023	<b>14.6</b>	<b>13.3</b>	<b>8.9</b>	<b>8.5</b>

In previous years, on average, business subscribers generated more revenue than residential subscribers. However, in 2022, due to an increase in tariffs for residential subscribers, this trend shifted. This change continued in 2023 with the Average Revenue Per User (ARPU) of residential subscribers being 24% higher than that of business subscribers.

### ■ Average ARPU by the subscriber types



### Voice traffic and MOU<sup>21</sup>



#### Voice traffic (billion minutes)

2019	<b>9.92</b>
2020	<b>10.18</b>
2021	<b>10.23</b>
2022	<b>9.17</b>
2023	<b>8.41</b>

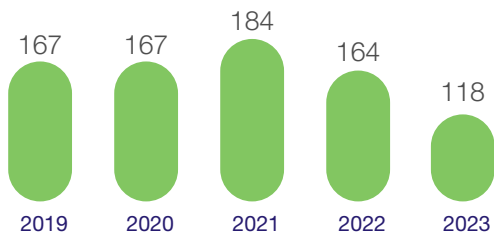
Following the global trend, the average Minutes of Use (MOU) per month provided by traditional technologies is also decreasing in Georgia. The reason for this is the increasing use of the Internet, which allows subscribers to make voice communication without any additional fees through various social networks or relevant OTT (Over the Top) applications (WhatsApp, Viber, Zoom, Teams, etc.).

In 2023, compared to the previous year, the total outgoing voice traffic decreased by 8% and amounted to 8.41 billion minutes. The MOU rate has also been reduced. The average MOU<sup>22</sup> in fourth quarter 2023 was 118 minutes. This trend started in 2022 and is expected to be irreversible.

<sup>21</sup>MOU – Minutes of Use - Voice traffic and minutes of use per month.

<sup>22</sup>Average of fourth quarter.

## Average MOU by the subscribers



In terms of mobile network operators, the MOU data for the fourth quarter of 2023 is different. On average, Cellfie Mobile subscribers spoke the most per month, which is caused by the relatively low rates offered by the company, followed by Silknet users, with Magticom subscribers having spoken the least.

## Average monthly MOU by the companies (billion minutes)



## Mobile Data

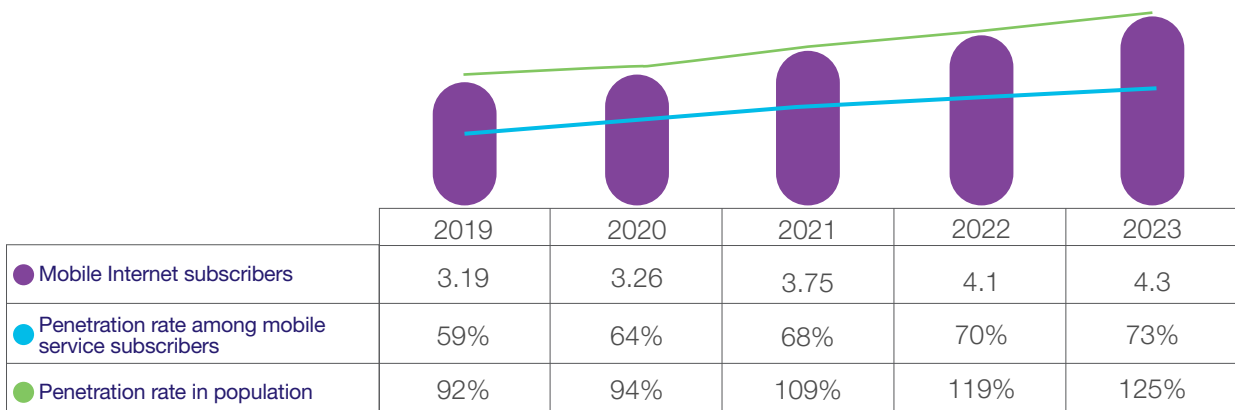
The number of mobile data users continues to grow at a rapid pace, caused by ever-increasing demand for online services and digital platforms. The population's skills in using modern technologies are also increasingly improving.

The number of mobile Internet users is growing significantly every year. From 2019 to the end of 2023, the average annual growth of the number of mobile Internet users was 7.7%<sup>23</sup>.

By the end of 2023, 4.3 million mobile subscribers were using Internet services.

As of the end of 2023, the mobile Internet usage rate among the population<sup>24</sup> of Georgia was 125%, while among mobile service subscribers it was 73%.

## Mobile Data subscribers (millions)



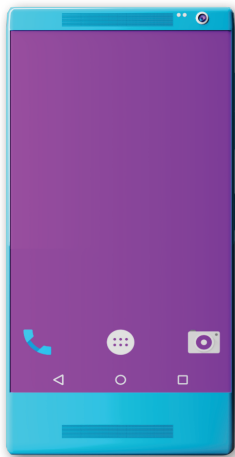
<sup>23</sup>Using CAGR – Compound Annual Growth Rate.

<sup>24</sup>The population of Georgia includes persons over the age of 5 years.

By the end of 2023, Silknet had the most mobile Internet users with 1.57 million. Magticom followed closely with 1.52 million users, while Cellfie Mobile had 1.21 million subscribers using mobile Internet.

Mobile Internet users (million)

	2019	2020	2021	2022	2023
<b>Silknet</b>	1.19	1.17	1.35	1.48	1.57
<b>Magticom</b>	1.01	1.08	1.34	1.45	1.52
<b>Cellfie Mobile</b>	0.99	1.00	1.06	1.17	1.21



The distribution of mobile Internet users among total subscribers varies across different companies. Cellfie Mobile is currently leading the market, with 86% of its subscribers utilizing mobile Internet. The significant increase in the rate can be attributed to the competitive pricing of their mobile Internet services and the growing number of users in this segment. According to the same indicators, the second place is occupied by Silknet with 78%, and the third place by Magticom with 62%.

Penetration rate of mobile Internet users according to the companies



62%



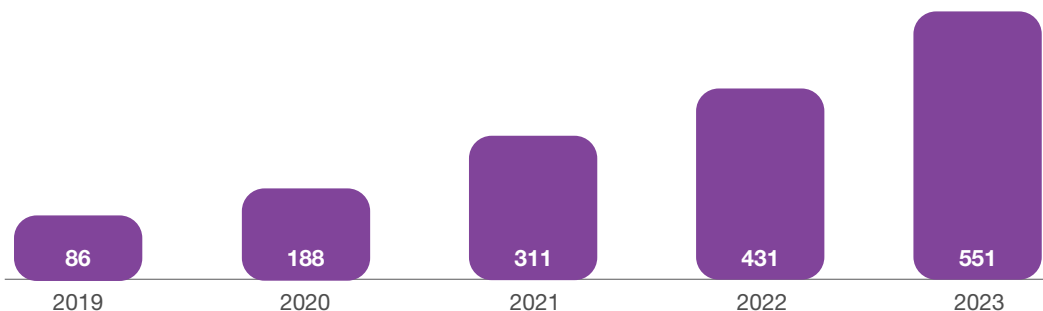
78%



86%

In 2023, the volume of mobile Internet traffic generated by mobile service subscribers, compared to the previous year, increased by 28%, amounting to 551 petabytes. This situation is due to the increase in the number of mobile Internet users, the number of new generation phones on the market, and the increased demand for Internet services.

Mobile data traffic (petabytes)



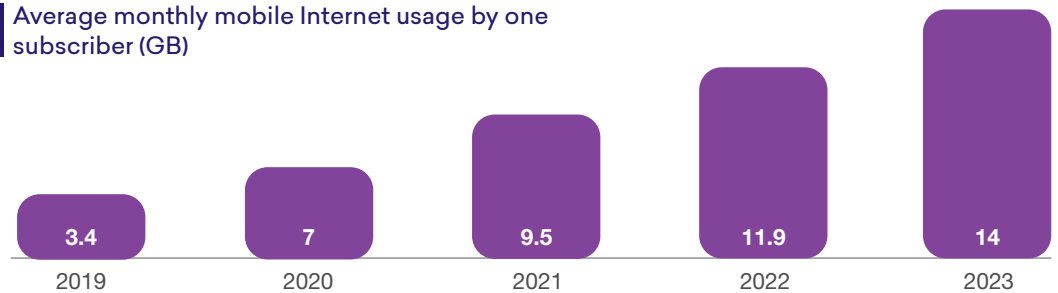
In 2023, mobile internet subscribers of Magticom generated 48% of the total traffic, 263 petabytes in absolute indicators, while the subscribers of Silknet and Cellfie Mobile - 33% and 19% respectively.

■ Distribution of mobile data traffic according to the companies



The increase in the total volume of mobile Internet is caused by the increase in the average volume of mobile Internet per subscriber. Compared to the previous year, this indicator increased by 18%.

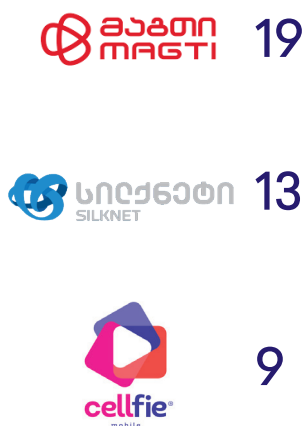
■ Average monthly mobile Internet usage by one subscriber (GB)



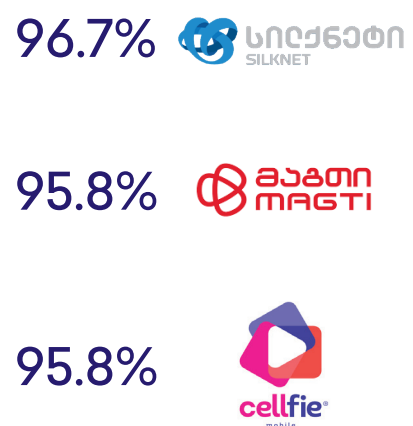
On average, Magticom subscribers generate the most mobile Internet traffic per subscriber:

As the use of 4G technology increases, the volume of Internet traffic generated by the use of 2G and 3G technologies decreases. In 2023, 96% of all mobile data traffic used 4G technology.

■ Average monthly consumption of mobile Internet per subscriber by company (GB)



■ Share of traffic with 4G technology in total mobile Internet traffic



Based on the fact that Cellfie Mobile introduced 5G technology in 2023, it is expected that in 2024, 5G will also gain a certain share in mobile Internet traffic in Georgia.

5G technology and its potential and broad capabilities are already evident in many markets around the world and offer superior opportunities not only to residential subscribers, but also to business subscribers in the irreversible process of digital transformation. Therefore, it is important that 5G technology and its advantages become available to the Georgian market.

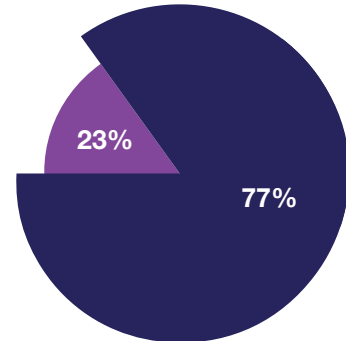
## Business subscriber's segment

By the end of 2023, there were 295 thousand active subscribers under a state-consolidated<sup>25</sup> tender, which is 23% of the total business subscribers.

In 2023, out of the total revenue of 168 million GEL received from business subscribers, 44.5 million GEL was received from subscribers under the consolidated tender.

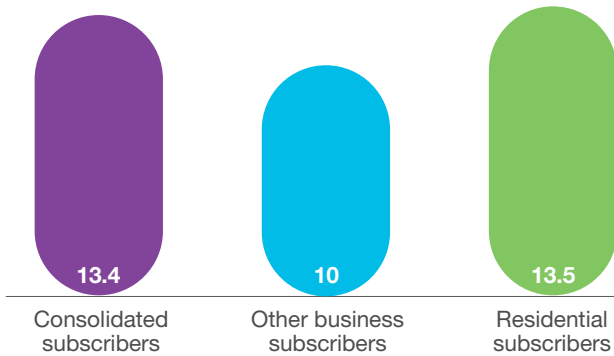
The monthly ARPU of the consolidated tender subscribers is on average 3.4 GEL higher than the ARPU<sup>26</sup> of the business subscribers.

### Distribution of business subscribers



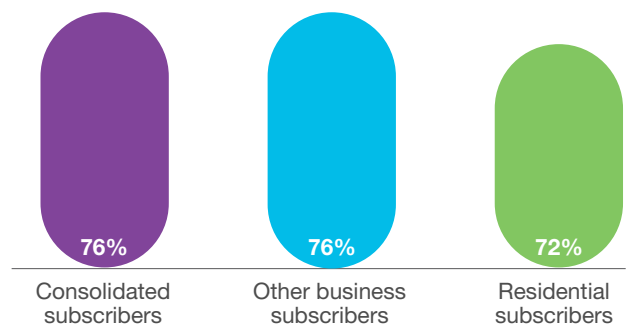
- Consolidated subscribers
- Other business subscribers

### ARPU (GEL)



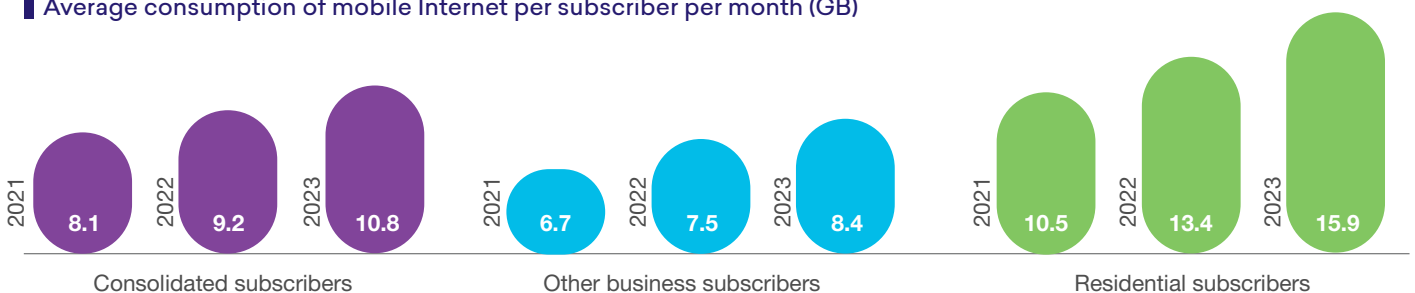
As of the end of 2023, in subscribers connected within the consolidated tender, the density of mobile internet users is 76%. This indicator for other legal entity subscribers equals to 76% as well, whilst in physical person subscribers, the density of mobile internet users is 72%.

### Penetration rate of mobile Internet users



Consolidated tender subscribers consume a larger volume of mobile Internet compared to other business subscribers. However, the average monthly Internet consumption by a residential subscriber is higher than that of the business and consolidated tender subscriber.

### Average consumption of mobile Internet per subscriber per month (GB)

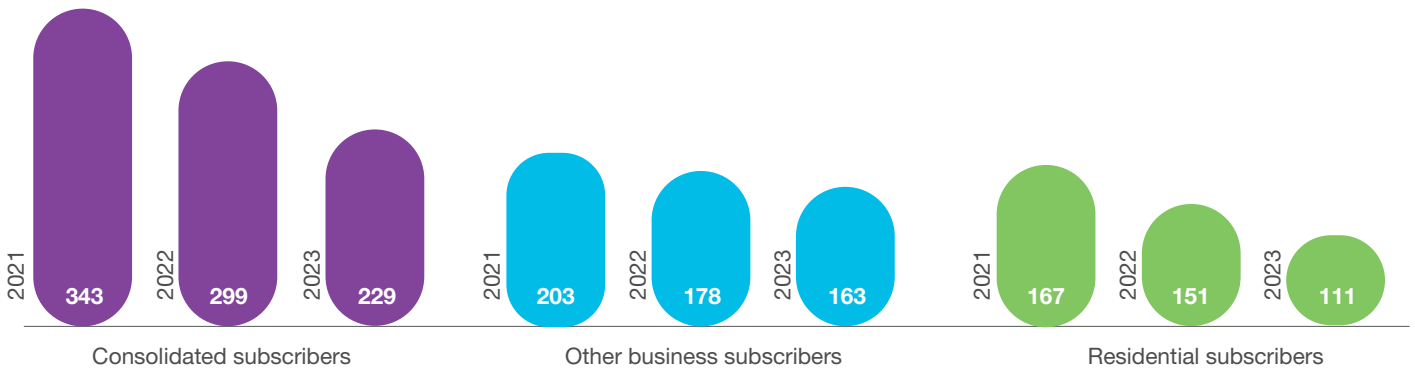


<sup>25</sup>Procurement of mobile services for public organizations through a state unified tender.

<sup>26</sup>As of December 2023.

### Average MOU (minutes)

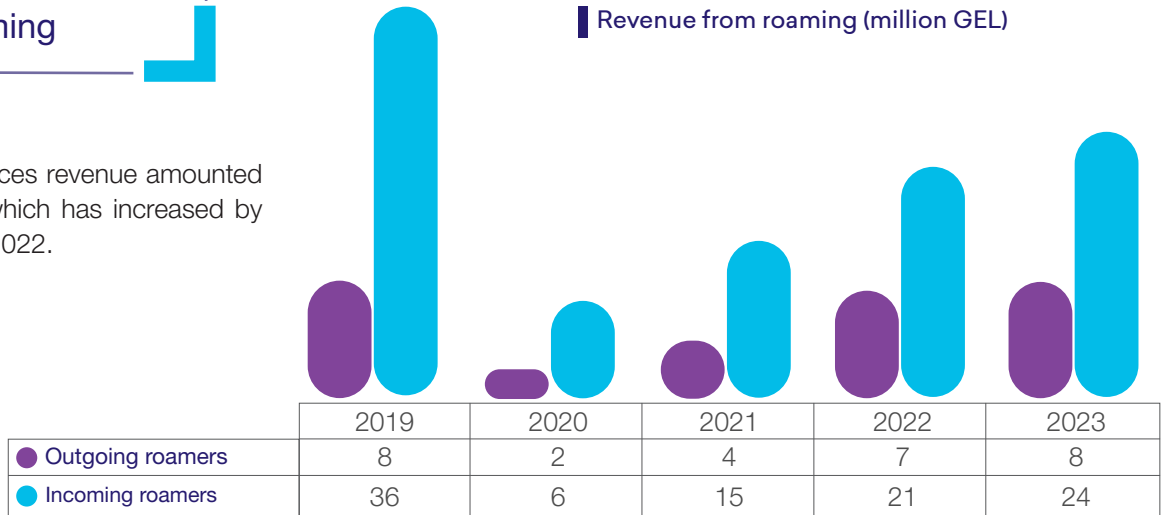
In 2023, the majority of consolidated tender subscribers were utilizing voice services. In 2023, the MOU amounted to of 229 minutes<sup>27</sup>. Business subscribers used an average of 163 minutes, whereas residential subscribers used 111 minutes. For all three segments, the average volume of minutes per subscriber has been decreasing.



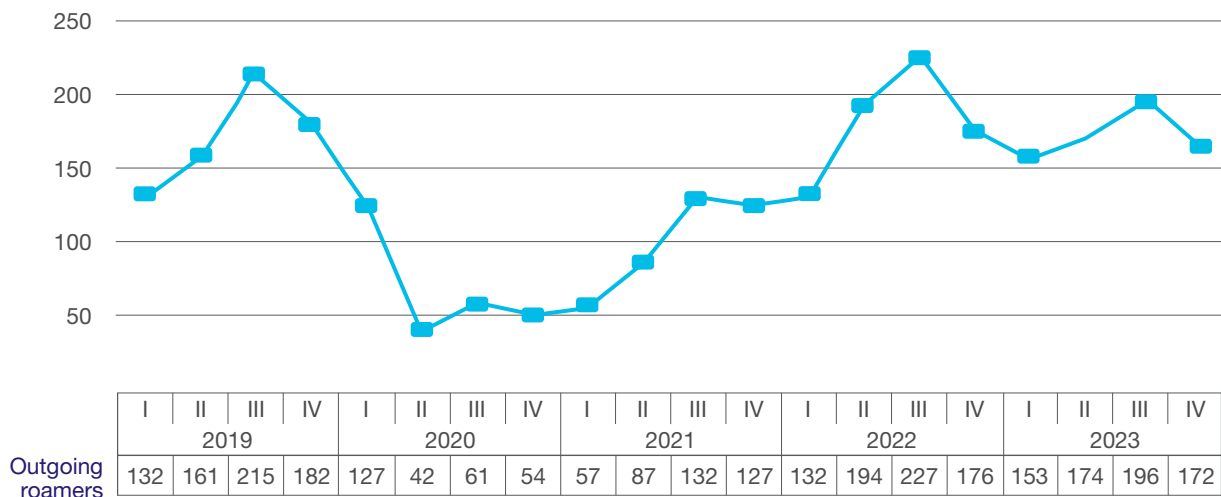
### Roaming

### Revenue from roaming (million GEL)

In 2023, roaming services revenue amounted to 31.5 million GEL, which has increased by 10% as compared to 2022.



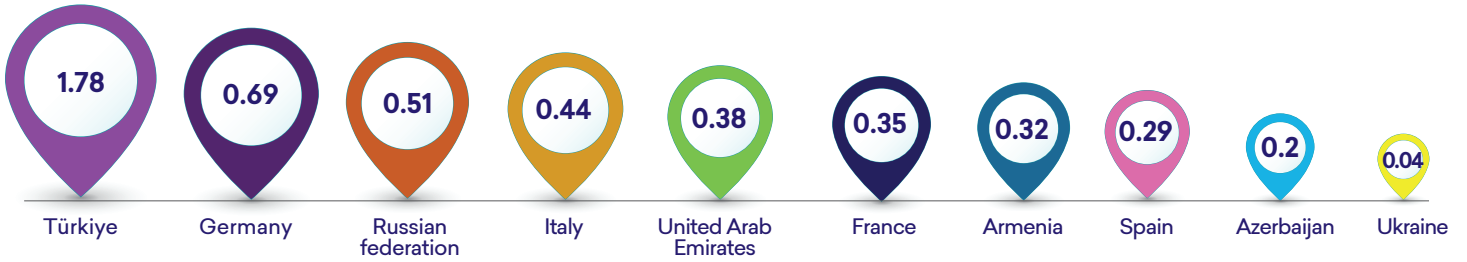
### Outgoing roamers (thousands)



<sup>27</sup>Average of the fourth quarter of 2023.

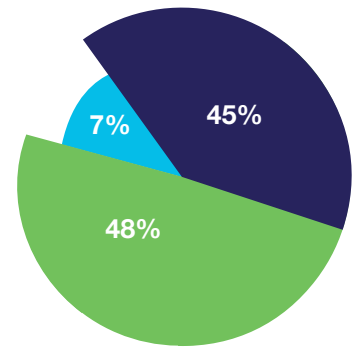
In 2023, a significant sum of 1.78 million GEL was allocated towards roaming services for individuals traveling from Georgia to Türkiye. This expenditure can be attributed to Türkiye's role as a transit country for reaching their ultimate destination.

**Top countries for outgoing roamers (million GEL)**



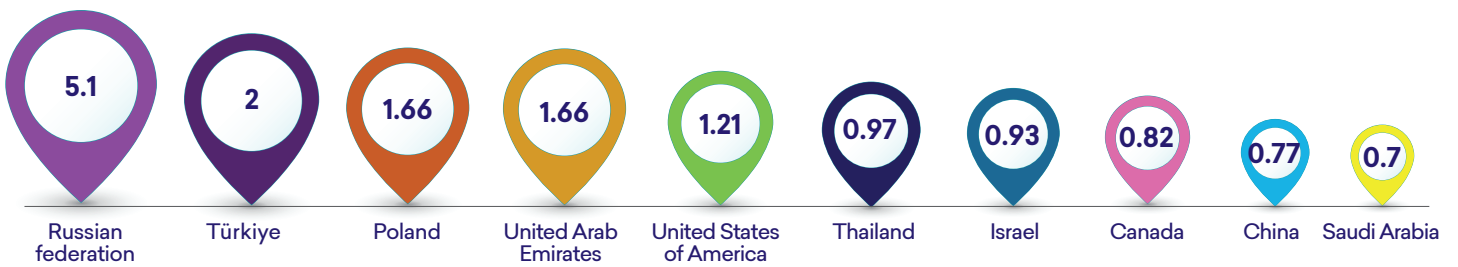
**Distribution of revenues generated by outgoing roamers by service**

- Internet
- Voice services
- SMS



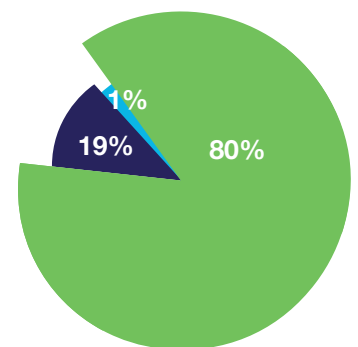
The most money on mobile services during their stay in Georgia was spent by roamers from the Russian Federation. This trend has not changed compared to 2022.

**Top countries for incoming roamers (million GEL)**



**Distribution of revenues generated by incoming roamers by service**

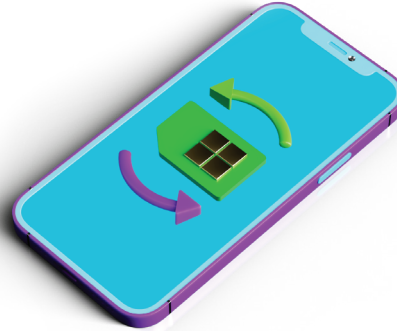
- Internet
- Voice services
- SMS



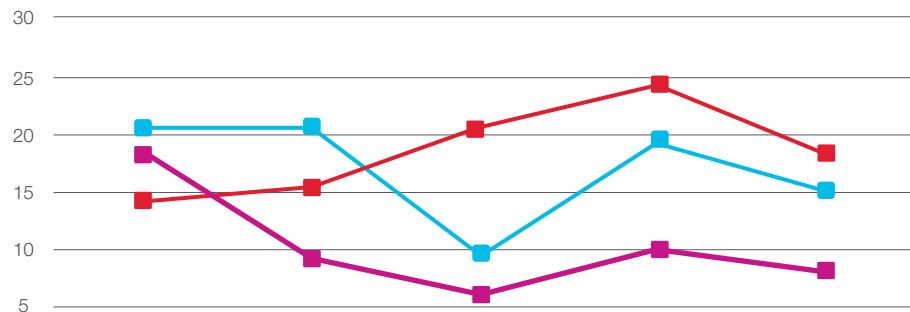
## Mobile number porting

In 2023, 39,000 numbers were ported to mobile operators' networks, which is 13,000 less than in 2022.

Number of ported numbers (thousands)	
2019	52
2020	46
2021	37
2022	52
2023	39



Number of ported subscribers (thousands)

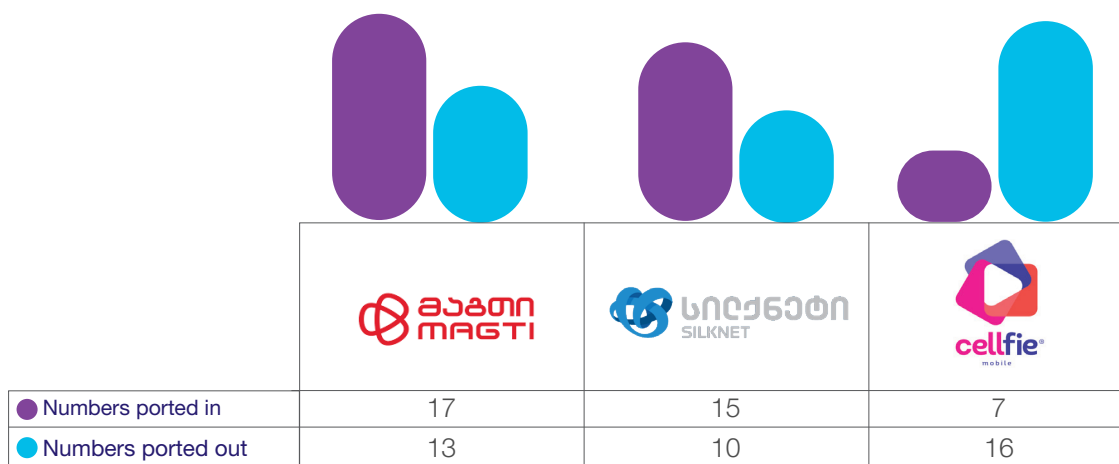


	2019	2020	2021	2022	2023
 მატკომ MAGTI	14	16	21	24	17
 სილკნეტი SILKNET	21	21	9	19	15
 cellfie mobile	17	9	6	10	7

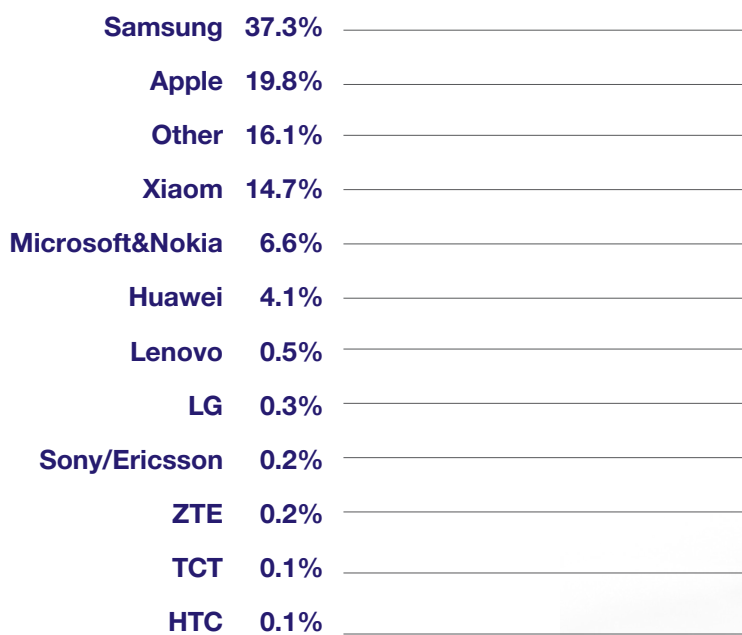


The Magticom network received the highest number of ported subscribers, while the Cellfie Mobile network experienced the largest loss of ported subscribers.

Number of ported subscribers according to the companies (thousands)



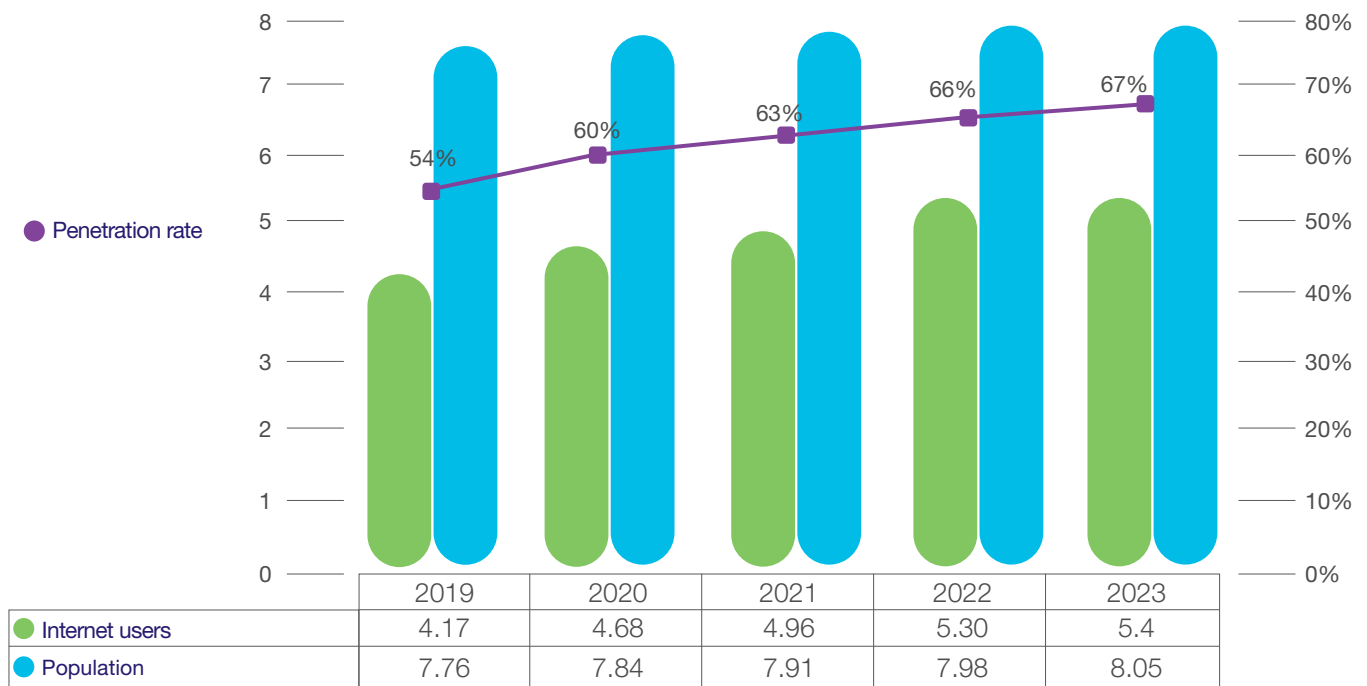
### Distribution of mobile devices by manufacturer



## Availability of fixed Internet services worldwide

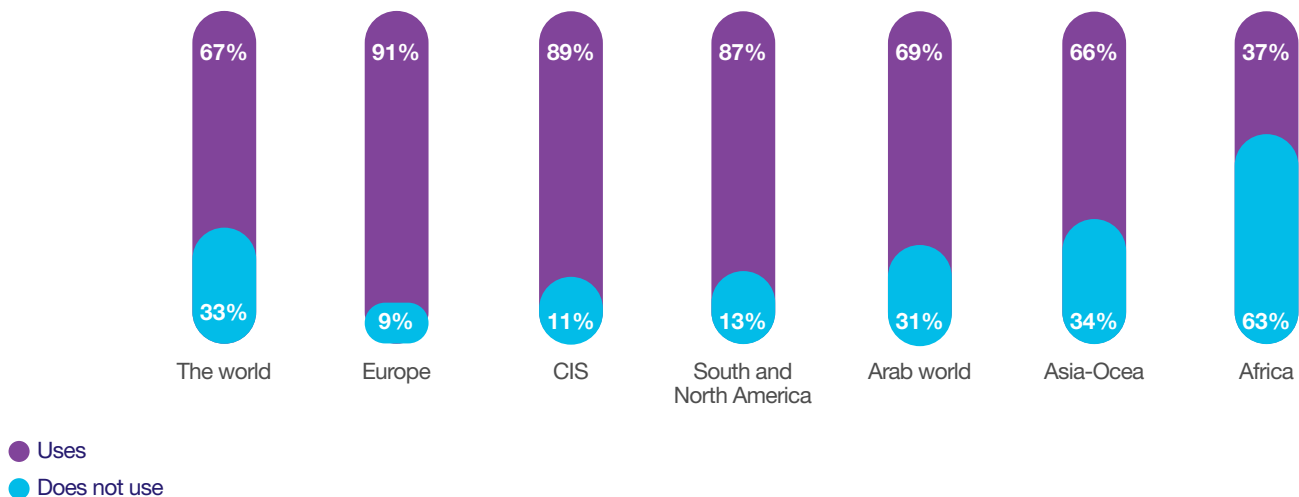
In 2023, 67% of the world's population, 5.4 billion people, used fixed Internet. Compared to the data of the previous year, the number of Internet users increased by 4.7%. However, despite this, 2.6 billion people in the world still remain without Internet<sup>28</sup>.

Number of Internet users in the world (billion)



Europe has the highest rate of Internet users, standing at 91%<sup>29</sup>.

Distribution of internet users by region



<sup>28-29</sup>Source: ITU - [Measuring Digital Development: Facts and Figures 2023](#)

Availability of communication services in non-urban settlements, the so-called digital division, is almost eliminated across Europe. In the rest of the world, this gap still exists, although it is narrowing. The challenge involves not only the physical accessibility of the Internet and other communication services, but also the problem of education and awareness.

### Share of Internet users according by settlement



### Fixed broadband Internet service<sup>30</sup>

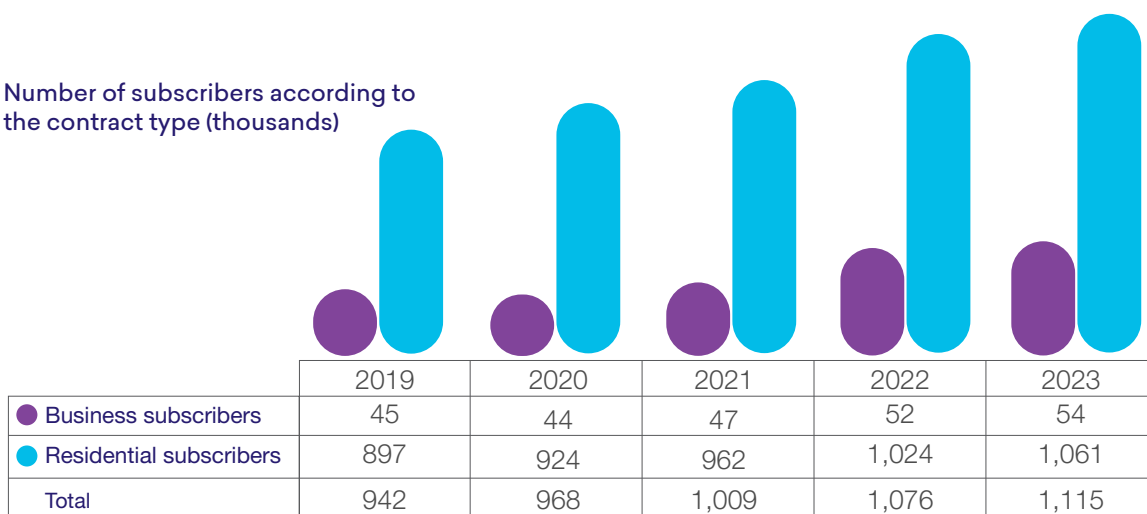
Fixed broadband Internet service in Georgia is still characterized by a positive trend of development, which is evidenced by the fact that the number of subscribers of optical fiber technology is increasing, while the number of subscribers of other outdated fixed broadband Internet technologies is decreasing. This is due to the fact that fiber optic technology offers subscribers faster Internet, greater bandwidth, and lower latency compared to older technologies such as xDSL, fixed wireless Internet and fixed LTE Internet.

In terms of the development of fixed broadband Internet services, it is worth noting that Starlink<sup>31</sup> high-speed satellite broadband Internet became available in Georgia from 2023. This technology is especially important and interesting in mountainous regions, as well as in settlements where broadband Internet services are not available.

As of the fourth quarter of 2023, the number of fixed broadband Internet service subscribers amounted to 1.115 million. In comparison to the previous year, there was a 3.6% increase in the number of subscribers, which amounts to an additional 39.1 thousand subscribers. Specifically, the number of residential subscribers saw a 3.6% increase, while the number of business subscribers experienced a 4% increase. During the last five years, the average annual growth rate of the number of subscribers was 4.3% for residential subscribers, and 4.6% for business subscribers.

The share of residential subscribers in the total number is 95.2%.

### Number of subscribers according to the contract type (thousands)



<sup>30</sup>According to the ITU definition, it is a technology that allows data to be transmitted at a speed of 256 Kbps or more.

<sup>31</sup>Starlink is one of the world's leading satellite broadband Internet systems, providing high-speed, low-latency broadband Internet access around the world.

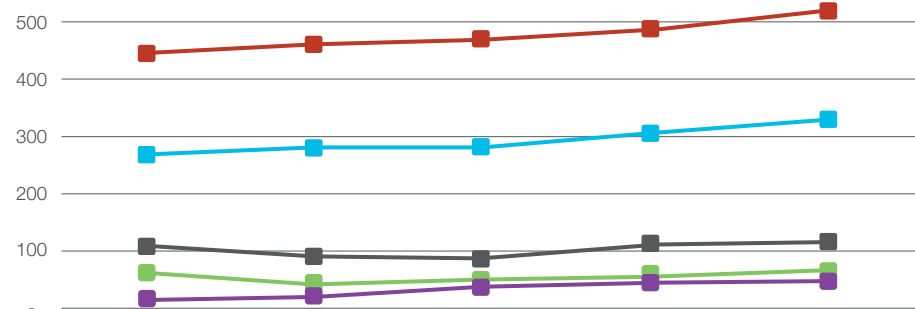
In 2023, there were 1.061 million residential subscribers, which is 37.1 thousand subscribers more than the previous year. Accordingly, the penetration rate of the fixed broadband Internet service subscribers among households increased to 95.7%.



Subscribers penetration among households	
2019	<b>80.9%</b>
2020	<b>83.3%</b>
2021	<b>86.7%</b>
2022	<b>92.3%</b>
2023	<b>95.7%</b>

In 2023, Silknet experienced the highest growth in residential subscribers, with an increase of 14.3 thousand subscribers compared to the previous year. Magticom also saw a significant increase of 11.7 thousand subscribers. Additionally, Akhali Kselebi Group<sup>32</sup> recorded a substantial growth rate of 6.6%, equivalent to 4 thousand subscribers.

■ Number of residential subscribers by companies (thousands)

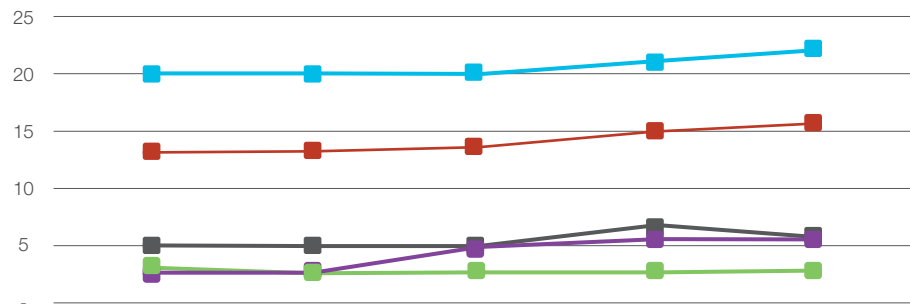


	2019	2020	2021	2022	2023
● Magticom	430	458	474	497	508
● Silknet	282	285	285	308	322
● Akhali Kselebi Group	65	57	59	60	64
● Skytel	17	25	50	55	58
● Other	103	99	94	104	109

<sup>32</sup> Akhali Kselebi Group includes the number of subscribers of Akhali Kselebi and Central Georgian Communications Cooperation. They are interdependent entities.

As of the fourth quarter of 2023, Silknet holds the highest number of business subscribers, followed by Magticom in second place. Skytel retains its position in third place, with a significant subscriber base consisting primarily of public schools.

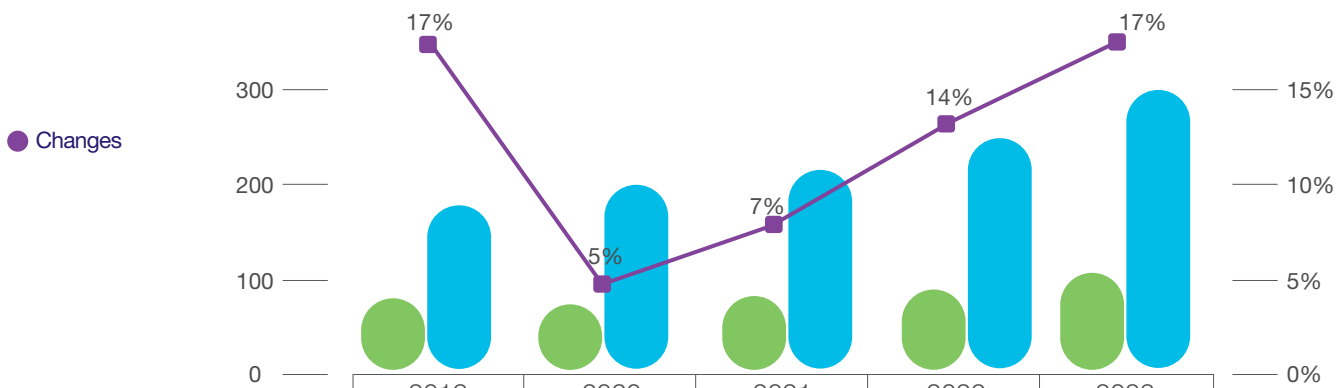
■ Number of business subscribers by company (thousands)



	2019	2020	2021	2022	2023
● Silknet	20	20	20	21	23
● Magticom	13	13	14	15	16
● Skytel	3	3	5	6	6
● Akhali Kselebi Group	4	3	3	3	3
● Other	5	5	5	7	6

In 2023, the revenue of the retail segment from fixed broadband Internet services increased by 16.8% compared to the previous year, amounting to 392 million GEL.

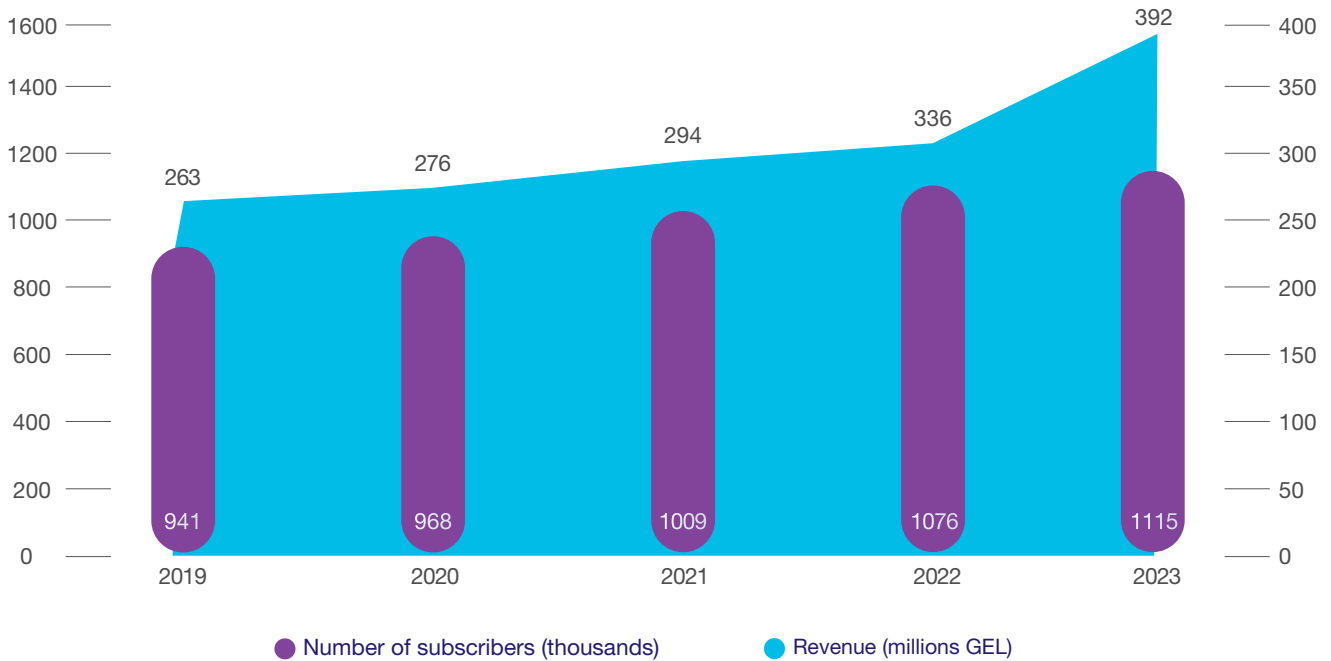
■ Retail segment revenues (millions GEL)



	2019	2020	2021	2022	2023
● Business subscribers	78	76	81	92	105
● Residential subscribers	185	200	214	244	287
Total	263	276	295	336	392

The average growth rate of revenues and number of subscribers is different. The 5-year average growth rate of revenues is 10.5%, and the number of subscribers is 4.3%, which indicates that, on average, the fee paid by single subscribers for Internet services is increasing from year to year.

**■ Growth rate of retail segment revenue and number of subscribers**



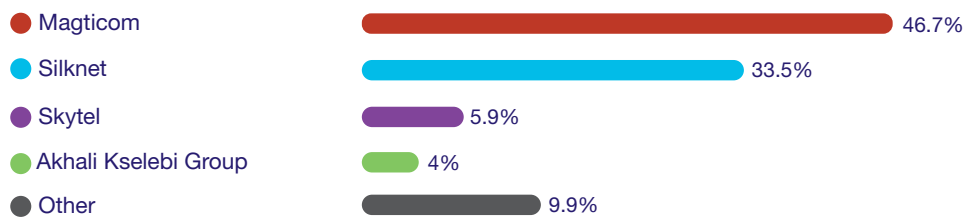
The revenue received from business subscribers is 27% of the total amount, while the number of subscribers of this type is only 5% of the market. This indicates that the costs incurred by business subscribers for fixed Internet connections are significantly higher than the subscription fees paid by residential subscribers.

**■ Distribution of revenues and subscribers by subscriber type**



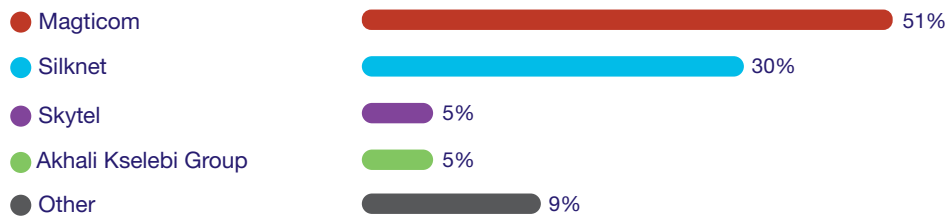
It is worth noting that in 2023, 90.1% of the revenue was generated by four market players, and the remaining 9.9% was distributed among 150 companies. Magticom holds the largest market share in terms of revenue at 46.7%, followed by Silknet at 33.5%, Skytel at 5.9%, and Akhali Kselebi Group at 4%.

#### ■ Distribution of revenues according to the companies

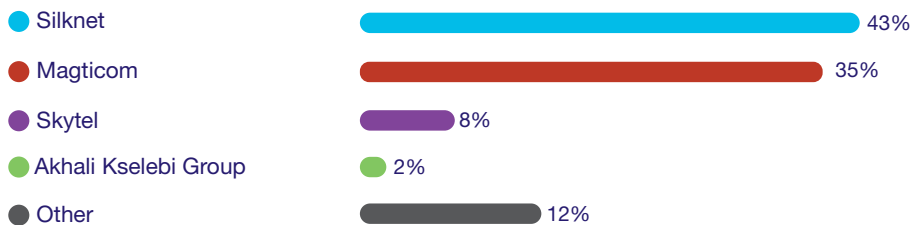


Separately, according to the shares of revenues received from residential and business subscribers, Magticom has the largest share from residential subscribers, and Silknet from business subscribers.

#### ■ Distribution of revenues received from residential subscribers by company

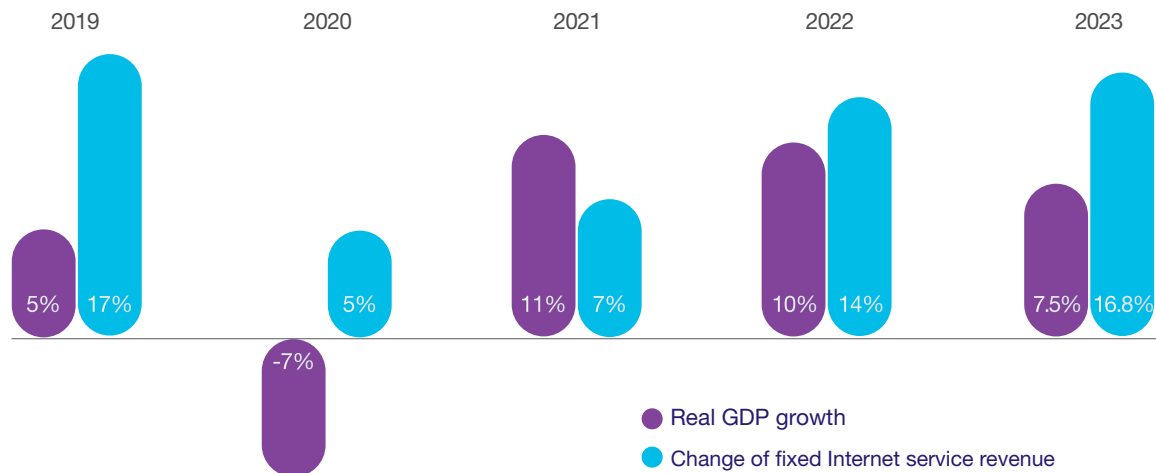


#### ■ Distribution of revenues received from business subscribers by company



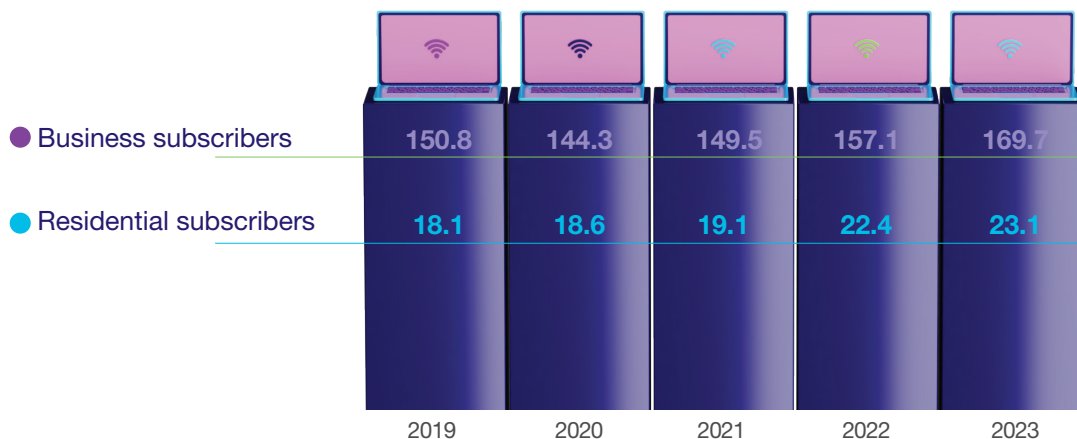
The revenue from fixed broadband Internet service and the percentage change in GDP for 2023 remain positive. Nevertheless, there was a decline in the GDP growth rate from 10% to 7.5%<sup>33</sup>, while the growth rate of revenue from fixed broadband Internet services saw an increase from 14% to 16.8%.

### GDP and Fixed Broadband Internet Service Revenue Growth Rate



In 2023, the ARPU of residential subscribers was 23.1 GEL, and the ARPU of business subscribers was 169.7 GEL, which compared to the figures of the previous year, representing a 3% increase of residential subscribers' ARPU and an 8% increase of business subscribers' ARPU.

### ARPU of residential and business subscribers



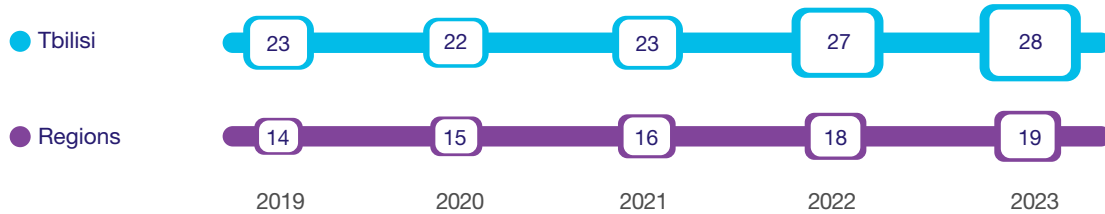
<sup>33</sup>Preliminary data for 2023 published by the National Statistics Office of Georgia.



The increase in the ARPU of residential subscribers was greater in 2022 compared to previous periods, which was due to changes in the terms of service in 2022 by the two companies with the largest market shares operating in the market, Magticom and Silknet.

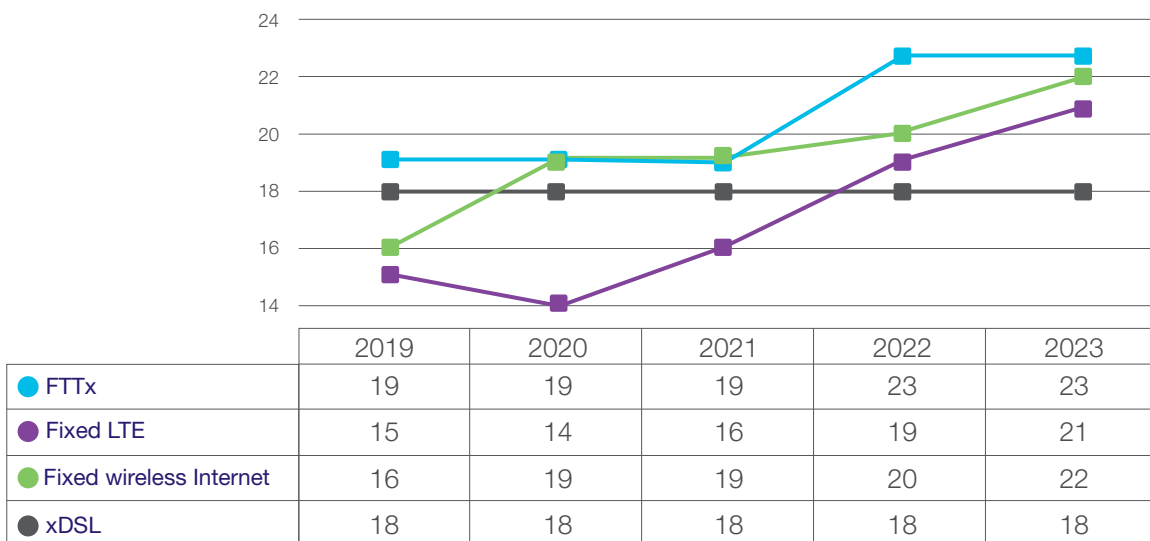
According to the data of the fourth quarter of 2023, the ARPU of residential subscribers in Tbilisi exceeded this indicator of subscribers in the regions by 50%. The ARPU in the capital city and regions, compared to the previous year, increased in percentage almost equally, by 5.4% and 5.7%, respectively.

### ARPU of residential subscribers in Tbilisi and regions



The ARPU of residential subscribers is highest for fiber optic technology and it is 23.4 GEL, and the cost of one subscriber for fixed wireless Internet technology is 21.5 GEL per month on average. It is worth mentioning that there was an increase in ARPU for all technologies compared to the previous year. The highest growth of 9.1% was observed in fixed LTE technology, followed by fixed wireless Internet technology with 6.4%, fiber optic technology with 3%, and xDSL with a increase of - 2.8%.

### ARPU (GEL) of residential subscribers by technology



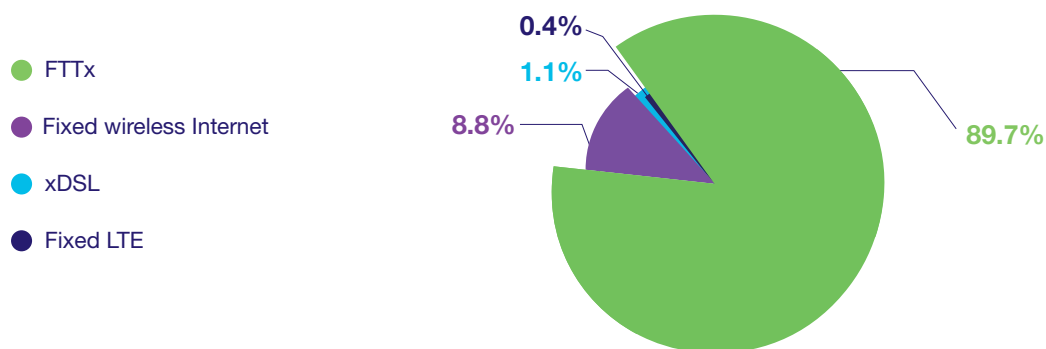
In 2023, the penetration rate of fiber optic technology subscribers in households in Georgia amounted to 85.8%, which is 3.9% higher than the previous year.

According to the data of the end of 2023, 136 authorized persons provided fixed broadband services<sup>34</sup>. 78 companies provided services with fiber optic technology, 97 with fixed wireless Internet, 6 with xDSL, and only Silknet provided services with fixed LTE technology for subscribers.

As mentioned above, the number of companies providing optical fiber technology was 78, however, from the mentioned companies, according to the number of subscribers, only three companies occupy 90% of the market, and the share of the remaining 75 companies is 10% of the market.

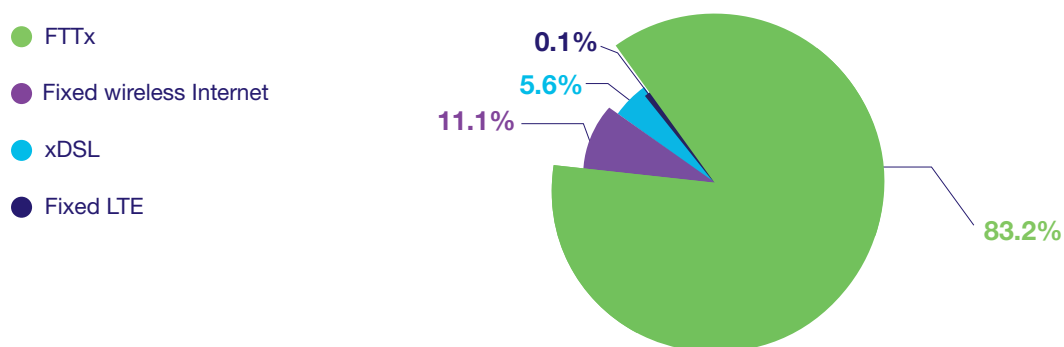
The majority of residential subscribers, 89.7%, use fiber optic technology Internet services, the largest share of other technologies comes from fixed wireless technology.

### ■ Distribution of residential subscribers by the technologies



Distribution of business subscribers by technology is slightly different. Here, fixed wireless (FWA) and xDSL technologies have a relatively larger share than in the residential subscribers' segment.

### ■ Distribution of business subscribers according to the technologies

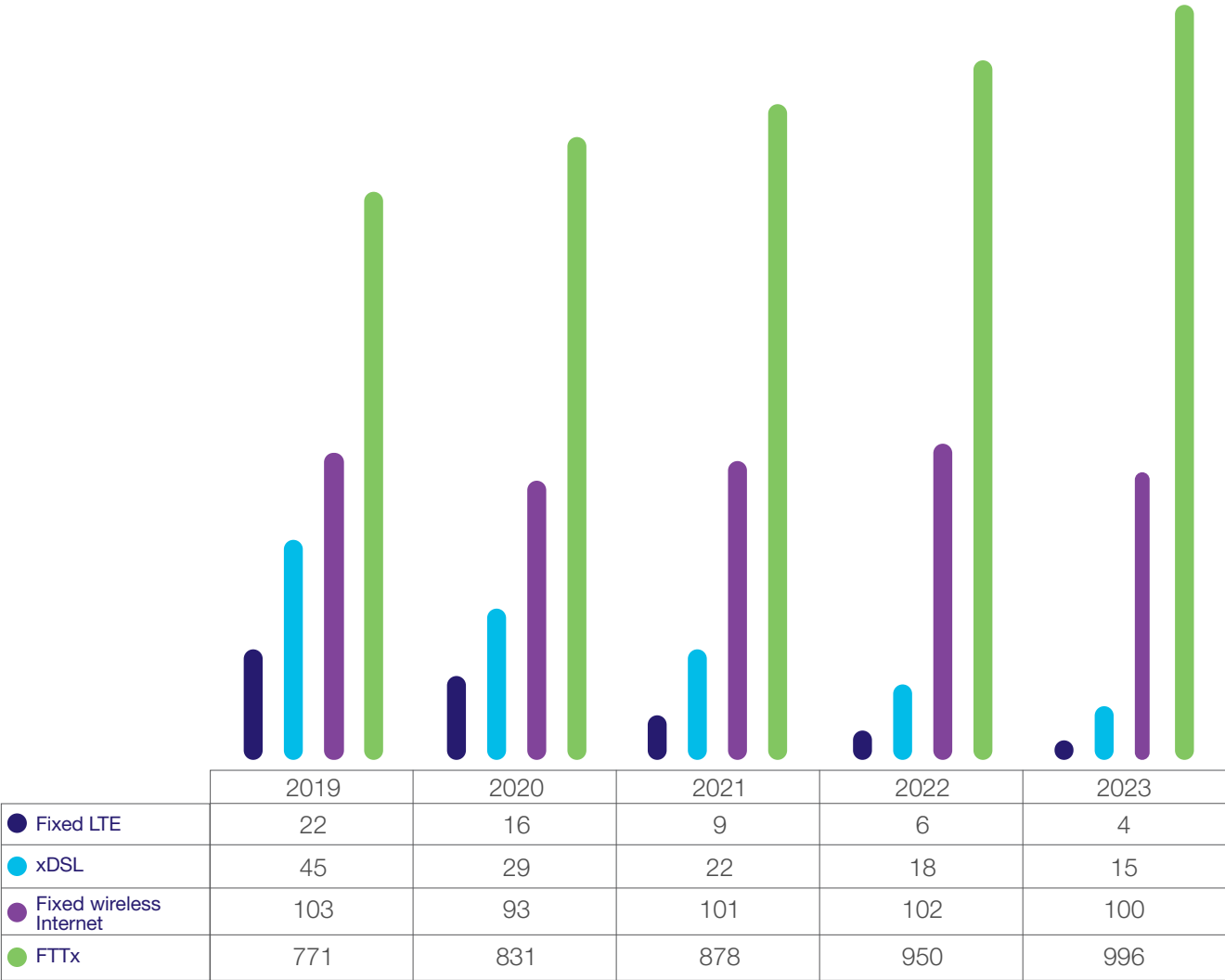


<sup>34</sup>Includes companies that had at least 1 subscriber in the fourth quarter of 2023.

In the last 5 years, the number of residential and business subscribers of fiber optic technology continues to grow, and its annual growth rate is 6.6%. Compared to the previous year, the number of subscribers of this technology increased by 4.8% to 46 thousand subscribers. According to the number of subscribers, the second place is occupied by fixed wireless Internet technology. It should be noted that in 2023, only the number of subscribers of fiber optic technology increased compared to 2022, the reason for which is the development of the Internet service network of

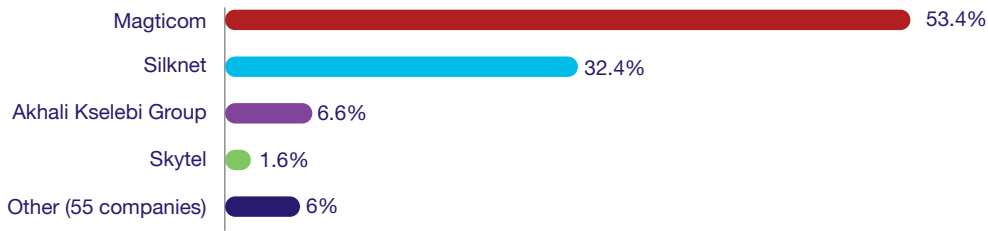
fiber optic technology and, accordingly, the increase in its availability. Since 2019, the number of subscribers of xDSL technology has been decreasing by an average of 24.7% per year, and the number of subscribers of fixed LTE technology by 33.2%. Unlike previous years, in 2023 there was also a decline in fixed wireless Internet technology subscribers. The authorized persons are actively trying to replace outdated and limited technical capabilities with fiber optic technology.

■ Number of subscribers by technology (thousands)



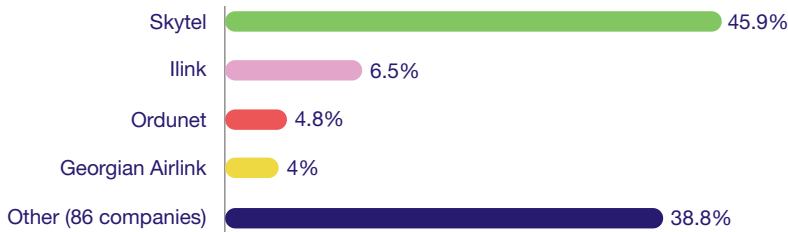
According to the data of the fourth quarter of 2023, 53.4% of residential subscribers of fiber optic technology used the services of Magticom, 32.4% of Silknet, while the share of other operators was 14.2% in total.

#### ■ Distribution of fiber optic technology residential subscribers according by company



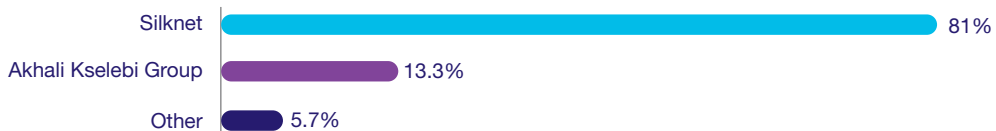
In contrast to fiber optic and xDSL technologies, the number of market players providing Internet services via fixed wireless technology is much larger. As of the fourth quarter of 2023, among 90 companies Skytel holds the highest market share in terms of the number of subscribers on this technology, with a significant 45.9%.

#### ■ Distribution of the residential subscribers using Wi-Fi technology, by company



As for the xDSL technology, 81% of residential subscribers were Silknet users, and 13.3% were Akhali Kselebi Group users, while the share of all other<sup>35</sup> operators was 5.7%.

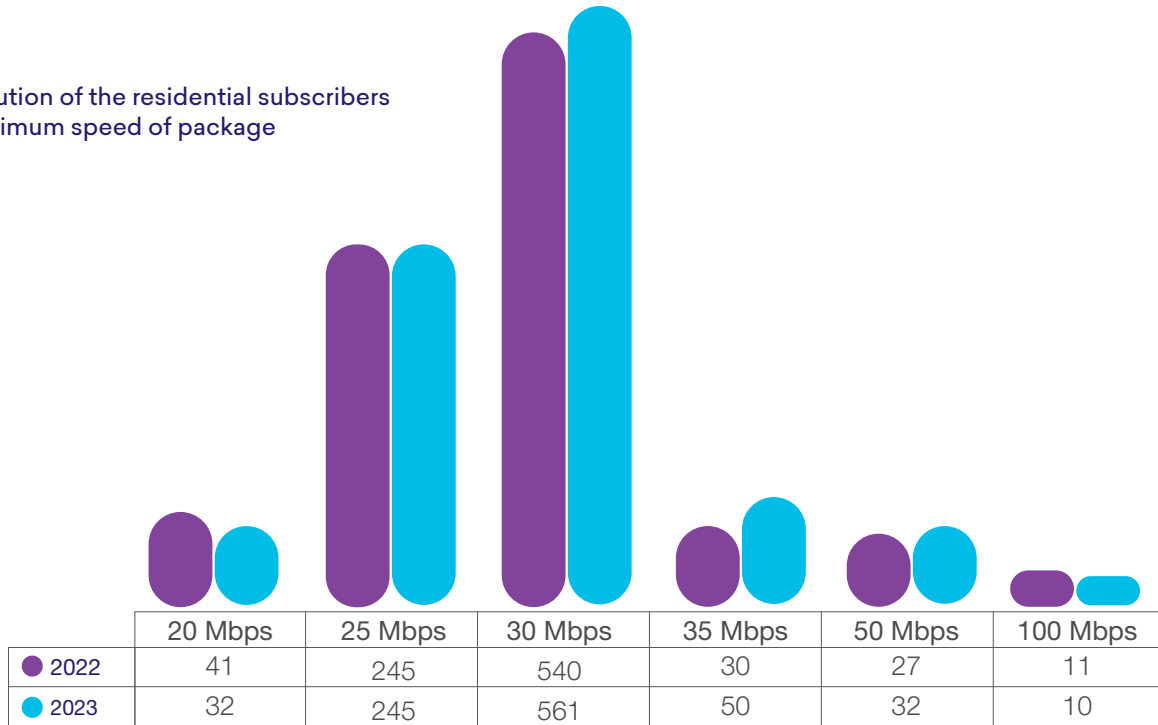
#### ■ Distribution of the residential subscribers using xDSL technology, by company



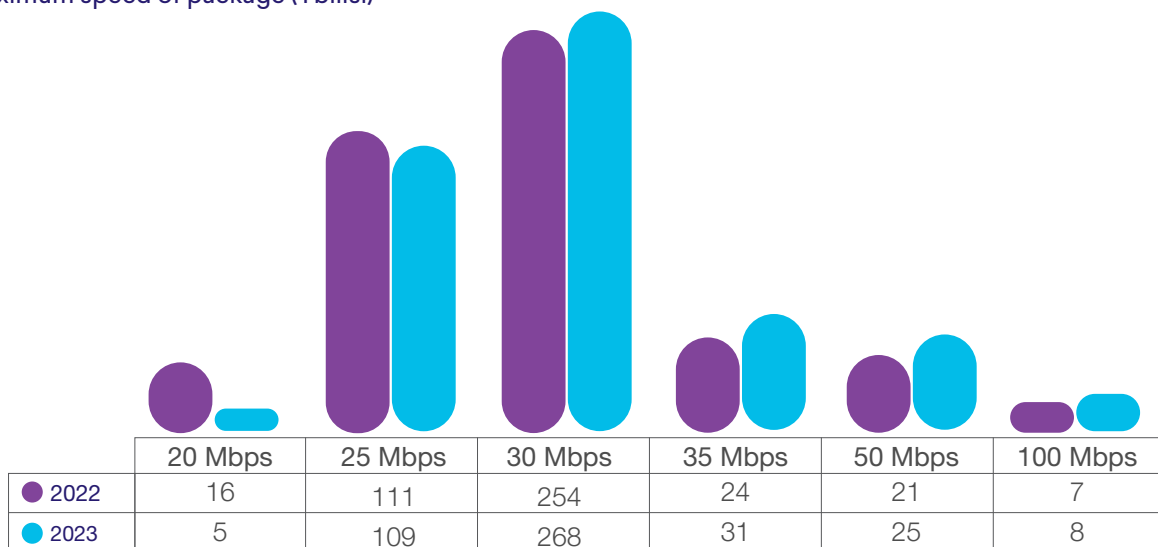
<sup>35</sup>The companies included in "Other" are: Global Ertv, ServiceNet and "Georgian Research and Educational Networking Association Grena.

The analysis of the distribution of declared speeds among residential subscribers shows that, like last year, the most popular package is the 30 Mbps Internet speed package with 561 thousand subscribers. The second most demanded package is the 25 Mbps speed Internet with 245 thousand subscribers. As for high-speed broadband Internet, there were 32 thousand 50 Mbps speed Internet subscribers, which is 3.4% of the residential subscribers, and 10 thousand subscribers of 100 Mbps speed Internet, or 1% of the residential subscribers. The mentioned data reflect the results of the Benchmarking<sup>36</sup> study, according to which the consumption of high-speed fixed Internet in Georgia is low due to high prices.

Distribution of the residential subscribers by maximum speed of package



Distribution of the residential subscribers by the maximum speed of package (Tbilisi)

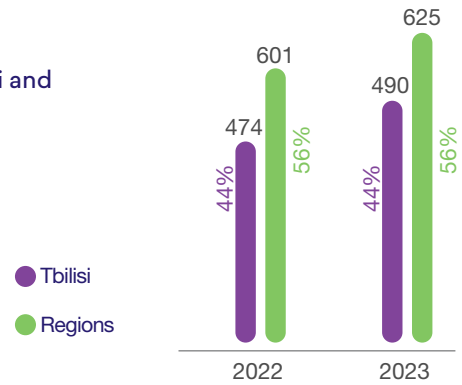


<sup>36</sup>Benchmarking, comparative analysis of the prices of Georgian telecommunication services, was conducted in April 2023 by order of the Communications Commission. The study was conducted by the British research organization - Strategy Analytics (Teligen, TechInsights) in accordance with the internationally recognized and tested methodology developed by the Organization for Economic Cooperation and Development (OECD). The results of the study are available on the website of the Communications Commission: [Comcom.Ge](https://comcom.ge)

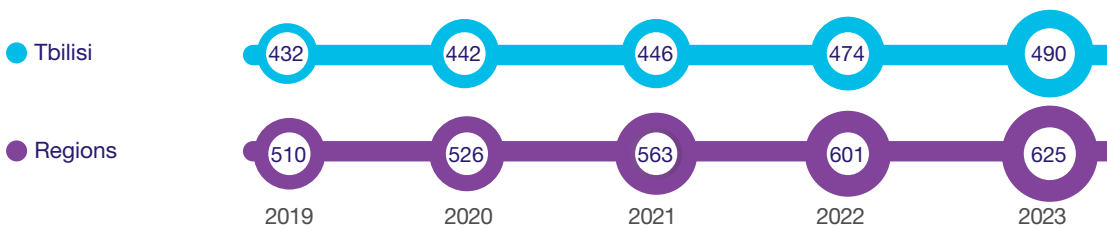


As of the fourth quarter of 2023, the percentage distribution of the number of fixed broadband Internet service subscribers in Tbilisi and regions has not changed compared to the previous year.

The number of fixed broadband Internet service subscribers in Tbilisi and regions (shares, thousand subscribers)

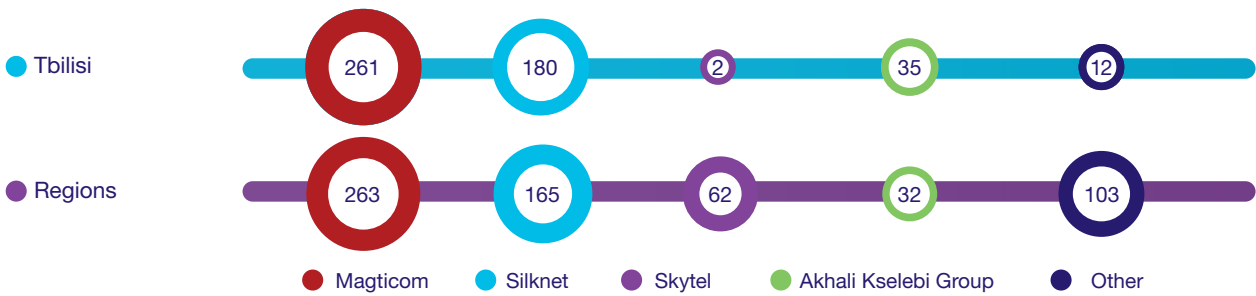


Number of subscribers in Tbilisi and regions

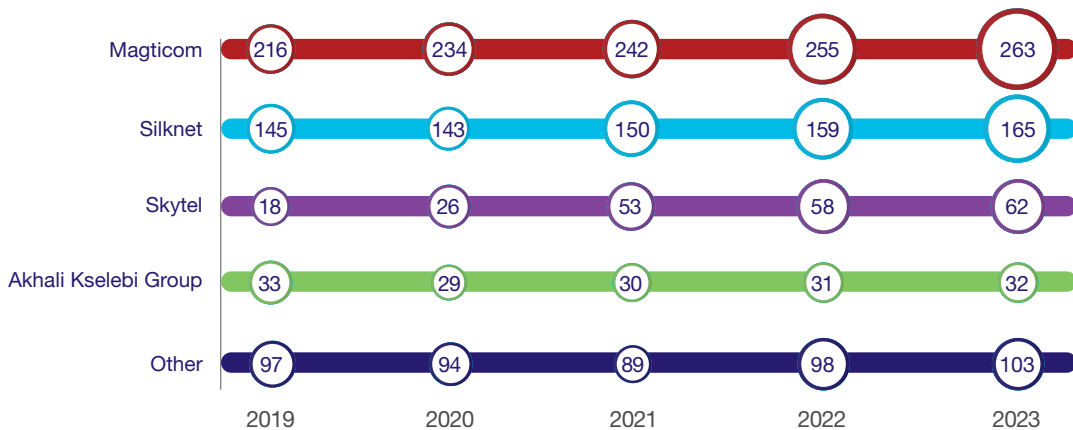


In 2023, compared to the previous year, a 3.9% increase in the number of subscribers was recorded in the regions, and in Tbilisi, the indicator was 3.3%.

Distribution of subscribers by company in Tbilisi and regions

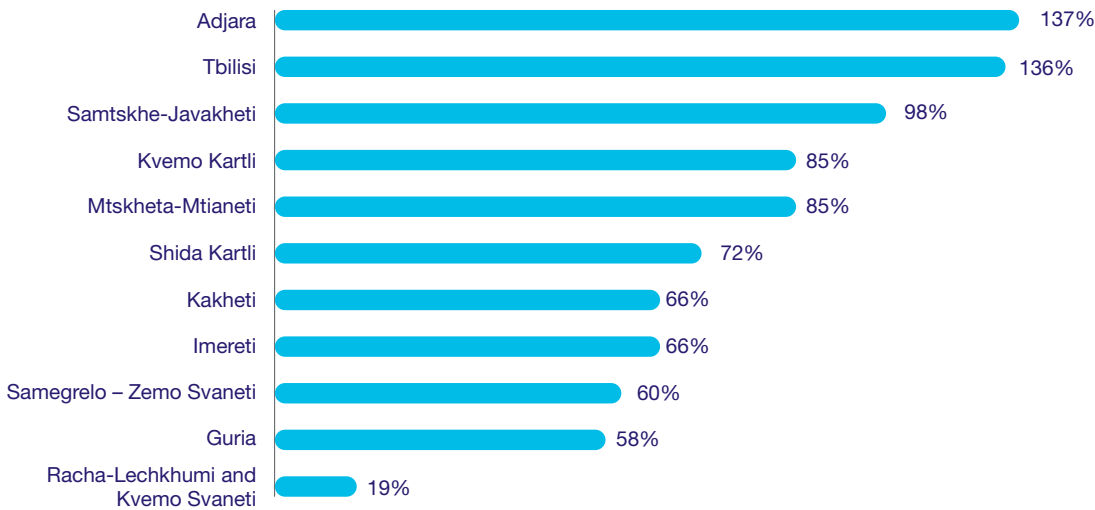


Number of subscribers in regions by company (thousand)



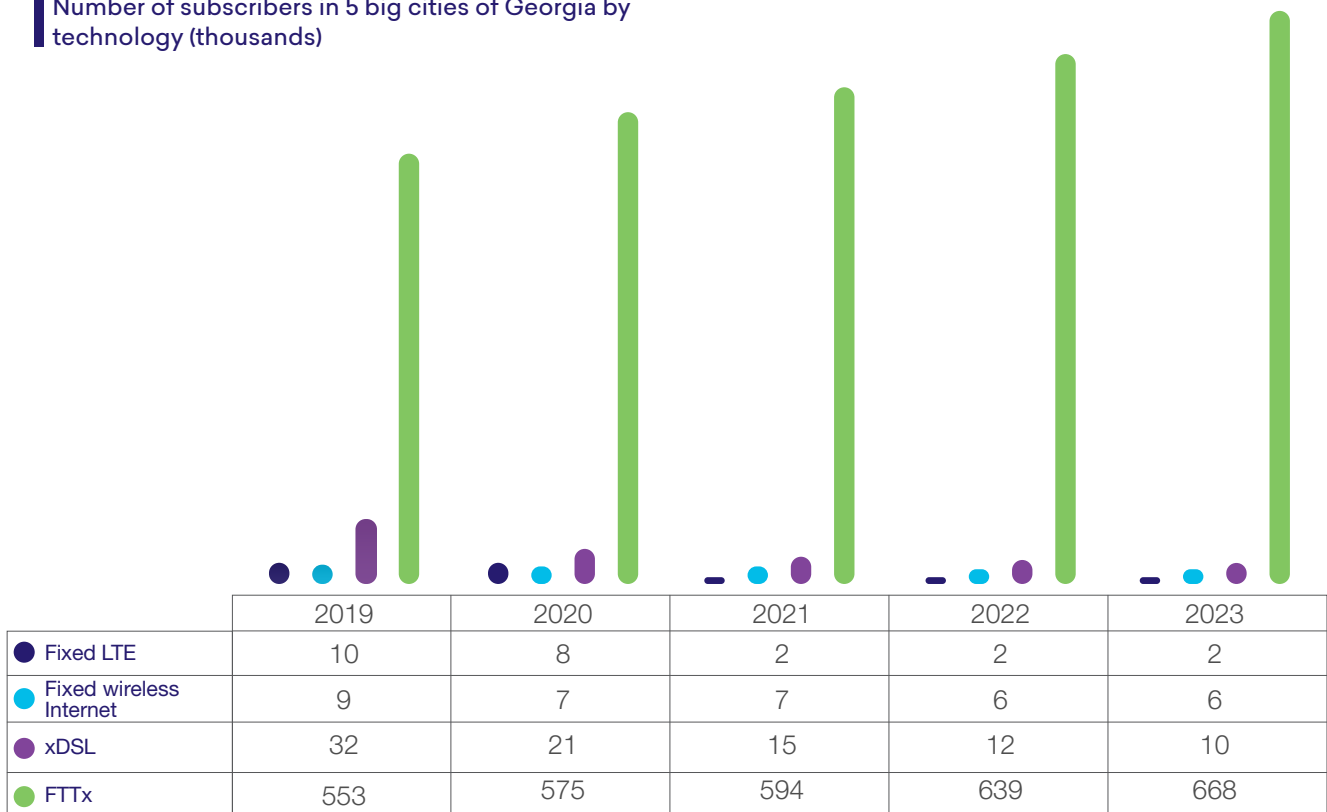
As of the fourth quarter of 2023, the penetration of fixed broadband Internet services in Georgia was 95.7%. The penetration is highest in Adjara and varies by region. The fixed broadband Internet service penetration rate in Tbilisi stands at 136.2%, while in Adjara it is slightly higher at 136.8%. This is mainly caused by the Internet services in leased/rented real estate, the accounting of the registered and actually living population, and also several Internet services of different providers in one family. Racha-Lechkhumi and Kvemo Svaneti once again has the lowest rate in the regions, standing at 18.5%.

### Penetration rate of broadband Internet service by region



At the end of 2023, the number of subscribers of fixed broadband Internet services in the five big cities of Georgia – Tbilisi, Kutaisi, Batumi, Rustavi, and Poti – was 62% of the number of subscribers in the country. The fiber optic network is developing in the mentioned cities and, accordingly, the number of subscribers of this technology is increasing.

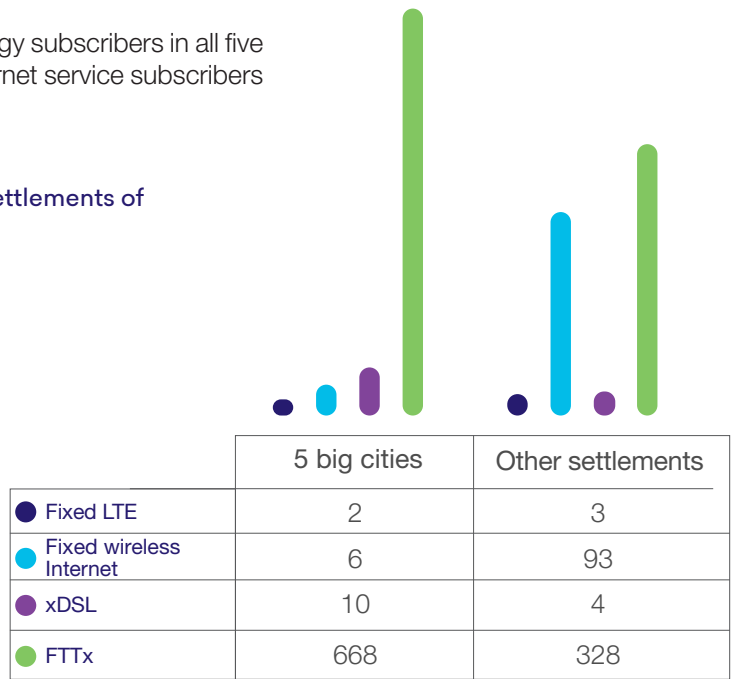
### Number of subscribers in 5 big cities of Georgia by technology (thousands)





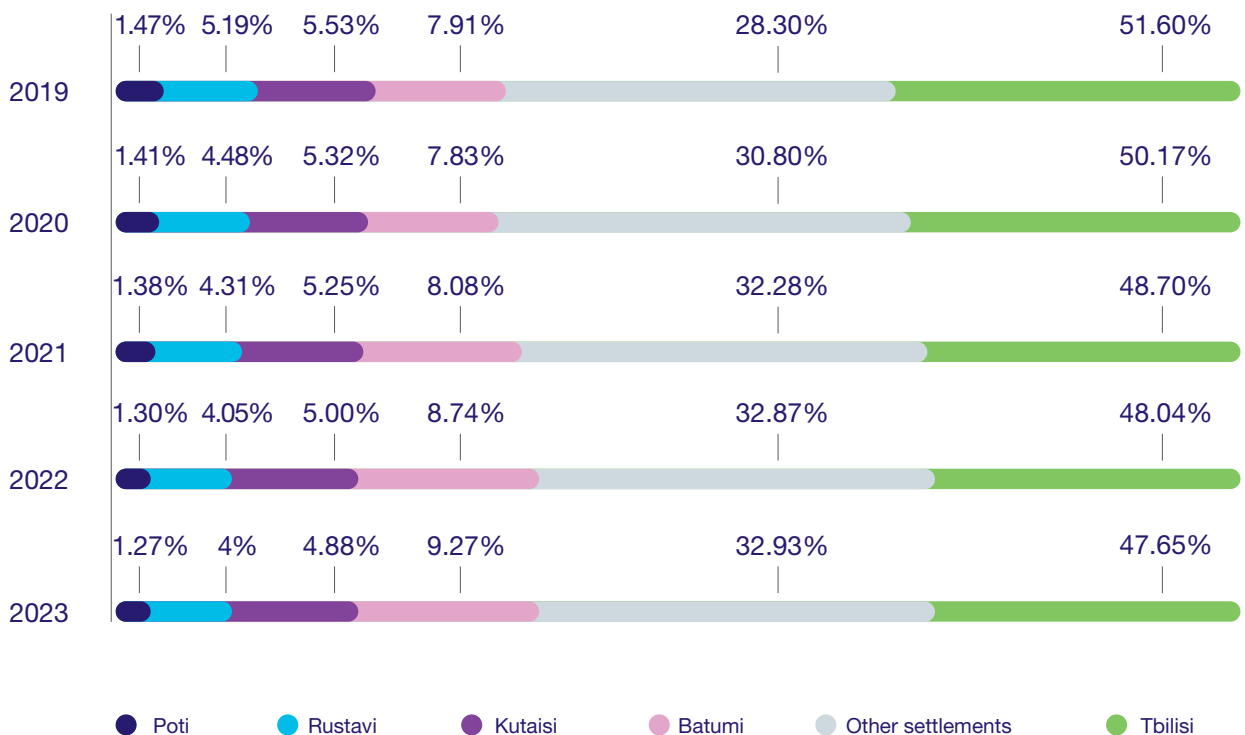
It should be noted that the share of fiber optic technology subscribers in all five big cities is 97% of the total number of broadband Internet service subscribers of the cities.

**Distribution of subscribers in 5 big cities and other settlements of Georgia by the technologies**



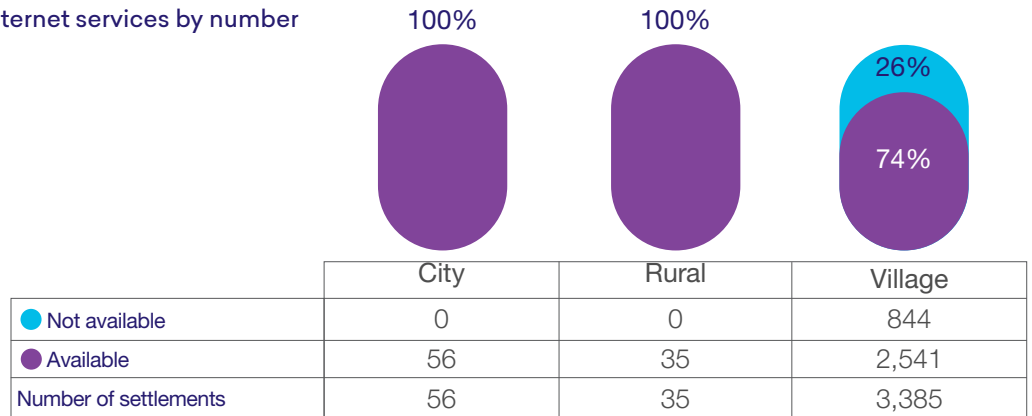
Tbilisi has the highest number of subscribers utilizing optical fiber technology, accounting for 48% of the total, amounting to 475 thousand subscribers. A total of 67% of fiber optic users, amounting to 668 thousand subscribers, reside in the five major cities of Georgia: Tbilisi, Kutaisi, Batumi, Rustavi, and Poti. The remaining 33%, or 328 thousand subscribers, are located in other cities, rural areas, and villages.

**Distribution of subscribers of fiber optic technology in 5 big cities and other cities, rurals, and villages of Georgia**



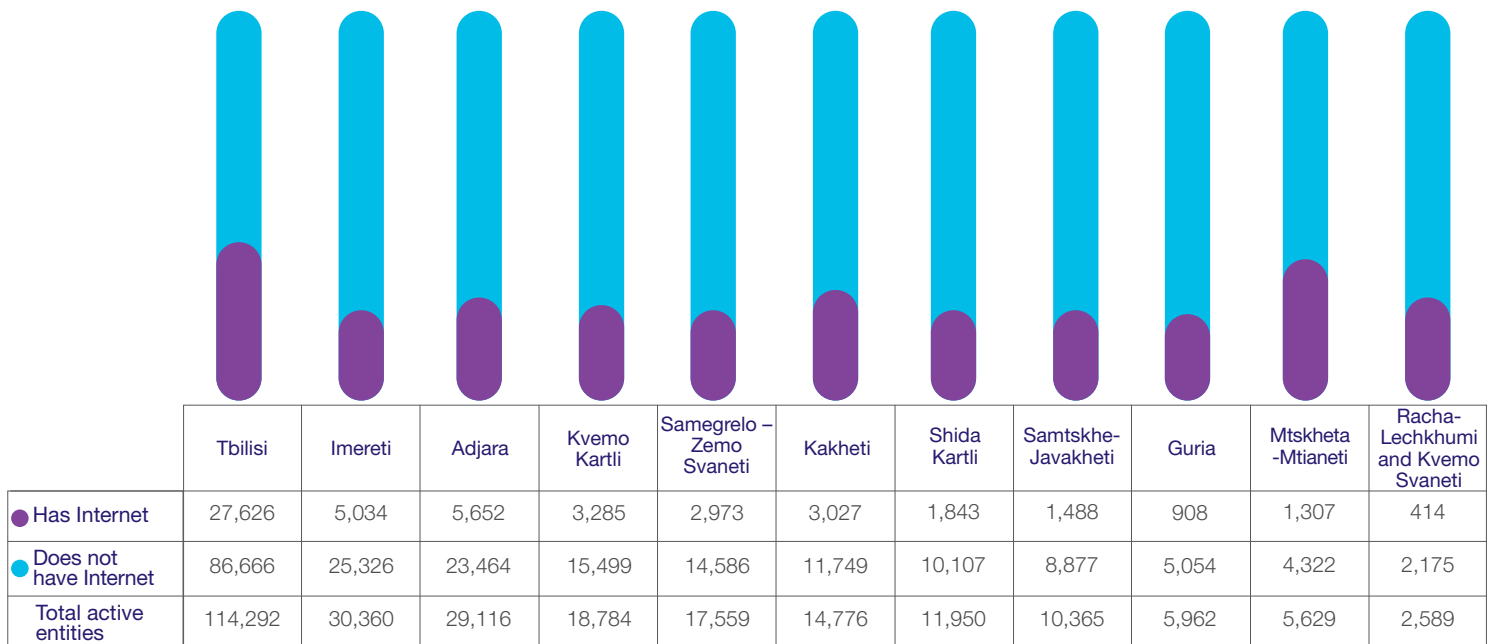
Fixed broadband Internet services are available<sup>38</sup> in all cities and rural areas of Georgia. As for villages, there are a total of 3,385 villages in Georgia, of which 2,541 have at least one subscriber of Internet services. Last year the mentioned service was available in only 2,510 villages of Georgia.

### Availability of fixed broadband Internet services by number of settlements



In Georgia, there are currently 261 thousand organizations<sup>39</sup> operating, with 54 thousand business subscribers using fixed broadband Internet services. This means that only 20% of organizations have this type of Internet service. According to the same data, 24% of organizations operating in Tbilisi have Internet services. The reason for this may be that the offers for business subscribers, in comparison to those of residential subscribers, are expensive, which was confirmed by Benchmarking along with a comparative analysis of the retail prices of Internet services in Georgia. It showed that the price of 10 Mbps fiber optic Internet for business subscribers in Georgia is 189% higher than the average of 23 European countries. It is worth noting the fact that in Georgia, high-speed fiber optic Internet is not available in standard business subscribers' offers at all. Accordingly, small, and medium-sized organizations may be taking advantage of residential offers of fixed broadband Internet or mobile Internet offers.

### The number of active business entities and the availability of fixed broadband Internet among them

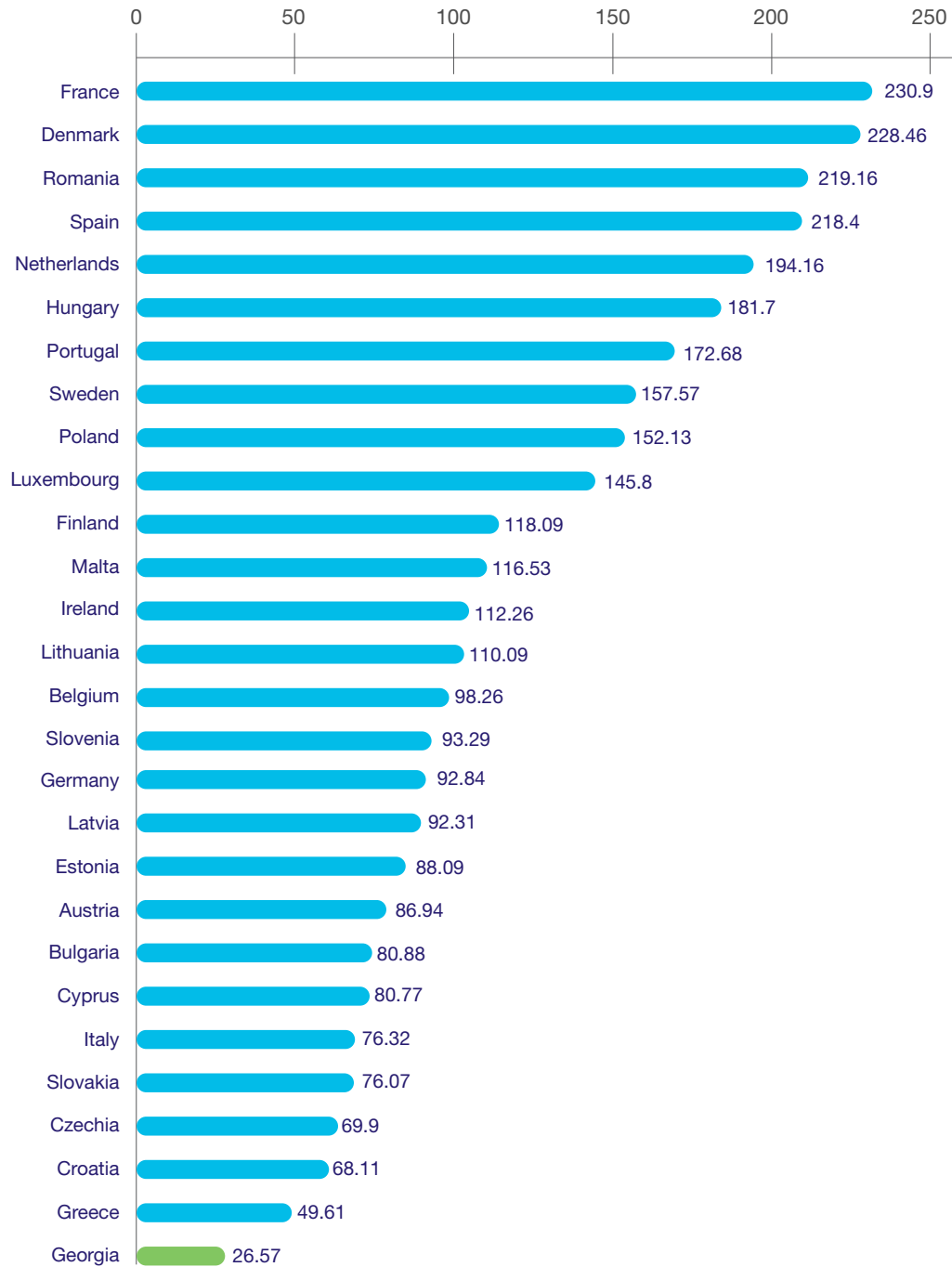


<sup>38</sup>Availability means the existence of at least 1 subscriber of the fixed broadband Internet service in the settlement (residential or business subscriber).

<sup>39</sup>Source: National Statistics Office of Georgia.

High Internet speed is becoming increasingly important. The average speed of fixed broadband Internet in 46 countries of the world exceeds 100 Mbps<sup>40</sup>. According to the average speed of the fixed Internet, Georgia is in last place compared to the countries of the European Union:

■ Average speed of fixed broadband Internet in EU countries and Georgia (as of January 2024 (Mbps))



<sup>40</sup>Source: <https://www.speedtest.net/global-index>

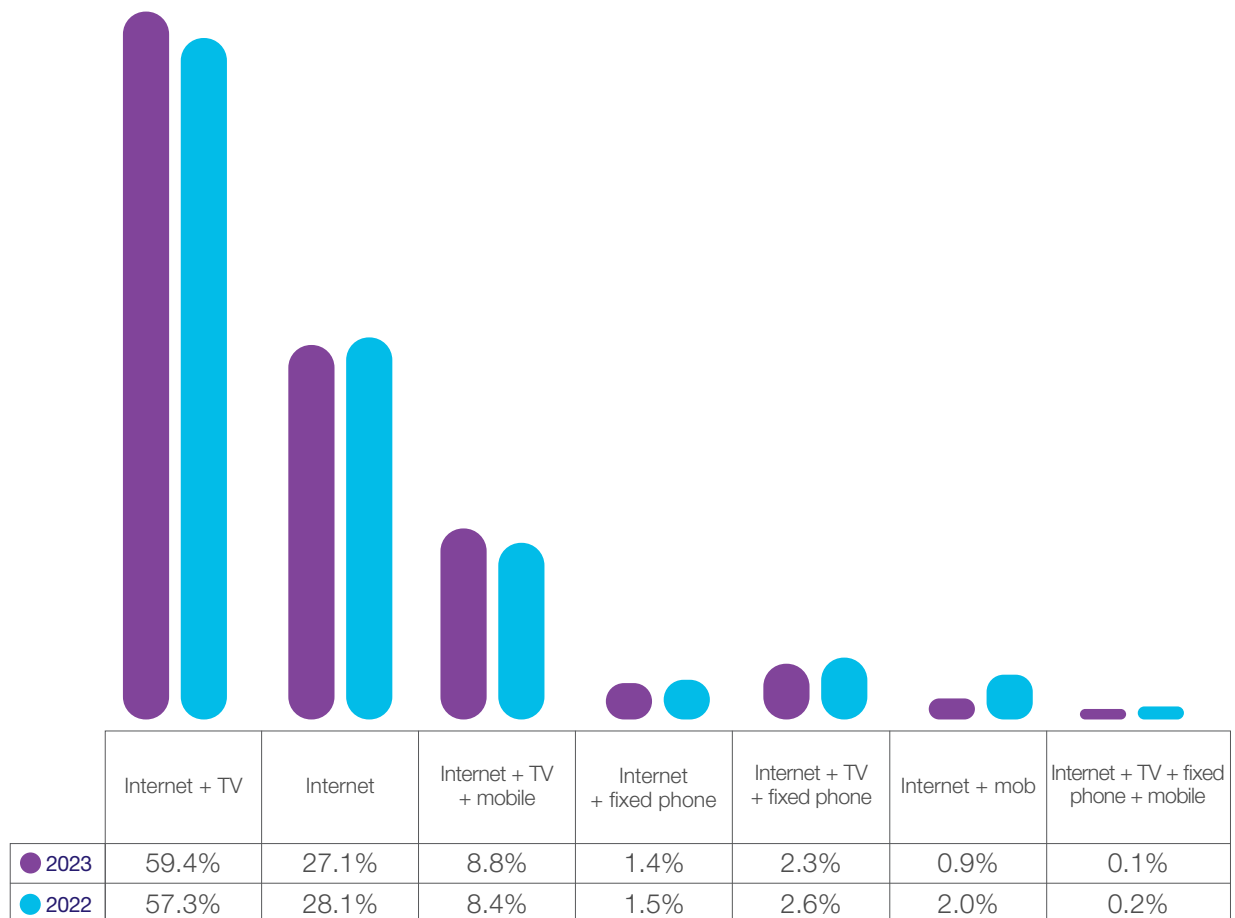
## Use of other communication services in combination with fixed Internet

In addition to the fixed broadband Internet service in Georgia, subscribers also use other services offered by the same Internet providers. Silknet, Magticom, Skytel and Akhali Kselebi Group primarily provide a range of combined services.

The use of broadcast transit (IPTV technology), fixed telephone services (PSTN or VoIP technology), and mobile services in combination with Internet services, according to the data of December 2023, compared to the previous year, still gives us a similar picture<sup>41</sup>. 59.4% of residential Internet subscribers utilize transit broadcasting services in conjunction with their Internet connection, making it the most popular choice. The combination of three services is dominated by the Internet, television, and mobile communications (8.8%), which is increased by 9% compared to the previous year. Similar to the previous year, only a fraction of subscribers, 0.1%, use all four services offered by a single provider.

It should be noted that the share of Internet service provider companies, which offer other services in combination with the Internet, is 90% of the entire market of broadband Internet services (according to the number of subscribers).

### Use of other communication services in combination with fixed Internet



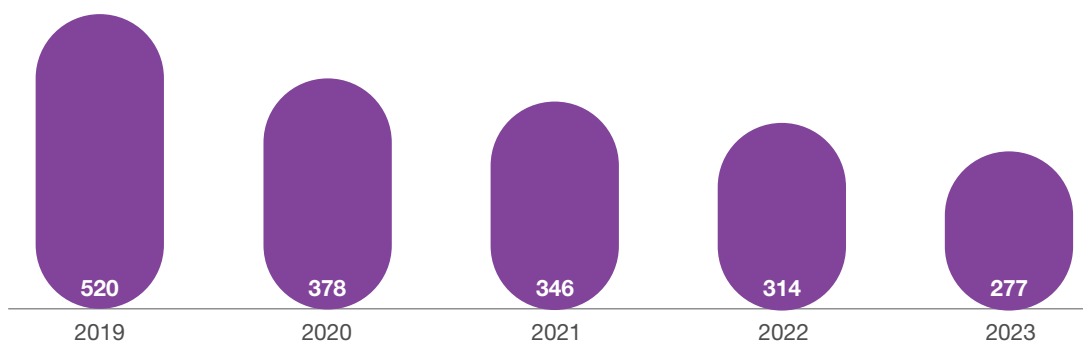
<sup>41</sup>The analysis includes residential subscribers of Magticom, Silknet, Skytel and Akhali Kselebi group.

## Fixed telephone service

In 2023, fixed telephone services in Georgia were provided by wired, wireless (CDMA) and VoIP (Voice over IP protocol) technologies. Based on the data from the fourth quarter, a total of 23 companies rendered services. Eight authorized persons were engaged in delivering services using fixed wired technology, while one utilized wireless technology and nineteen utilized VoIP<sup>42</sup>.

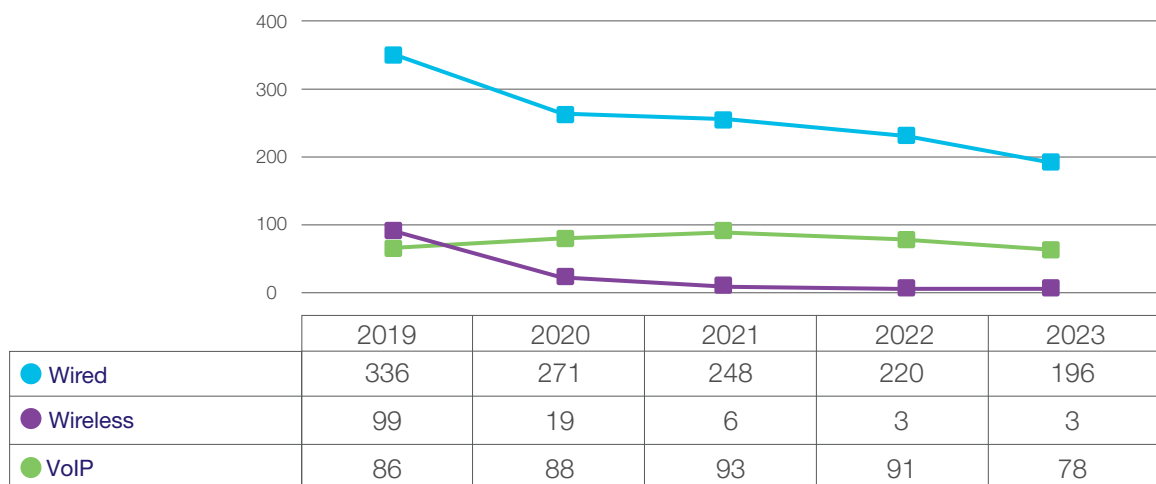
At the end of 2023, the number of fixed telephone service subscribers amounted to 277 thousand subscribers. Compared to the same period of 2022, the number of subscribers decreased by 12% (37 thousand subscribers). The decrease in the revenue and traffic of fixed telephony subscribers is a worldwide trend, which is mainly the result of the development of mobile services, the availability of the Internet, and the resulting increase of usage of OTT (Over-the-Top) services.

■ Number of subscribers (thousands)



In 2023, like previous years, the number of subscribers decreased for all used technologies.

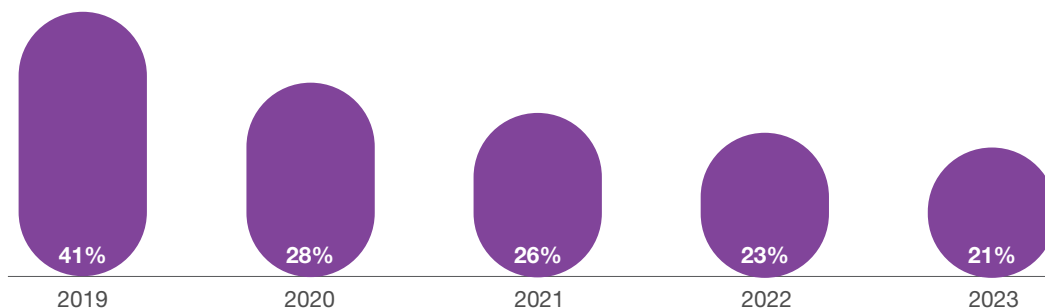
■ Number of subscribers according by technology (thousands)



<sup>42</sup>Some companies use several technologies at the same time. Accordingly, the sum of the number of operators according to technology is not equal to the sum of the number of operating operators.

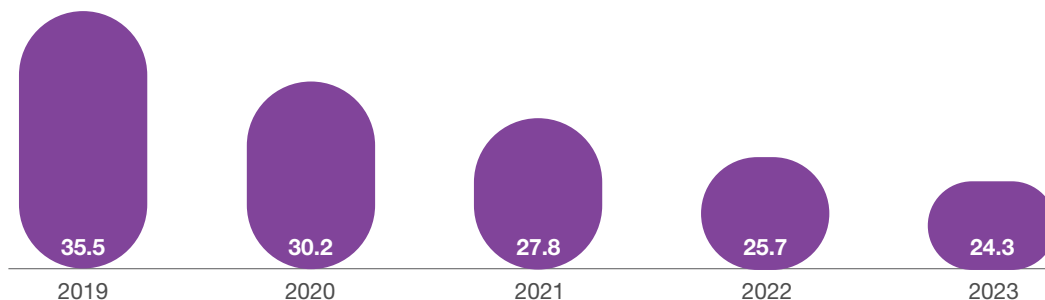
Accordingly, the penetration rate of fixed telephone service subscribers in households is decreasing and as of the fourth quarter of 2023, it is 21%<sup>43</sup>. Unlike the terms of mobile services, if a subscriber does not use fixed services, fixed telephone service providers do not cancel their telephone number/line in a short period of time, which more or less helps to maintain the number of subscribers. Otherwise, the mentioned indicator would be even lower.

■ Penetration rate in households

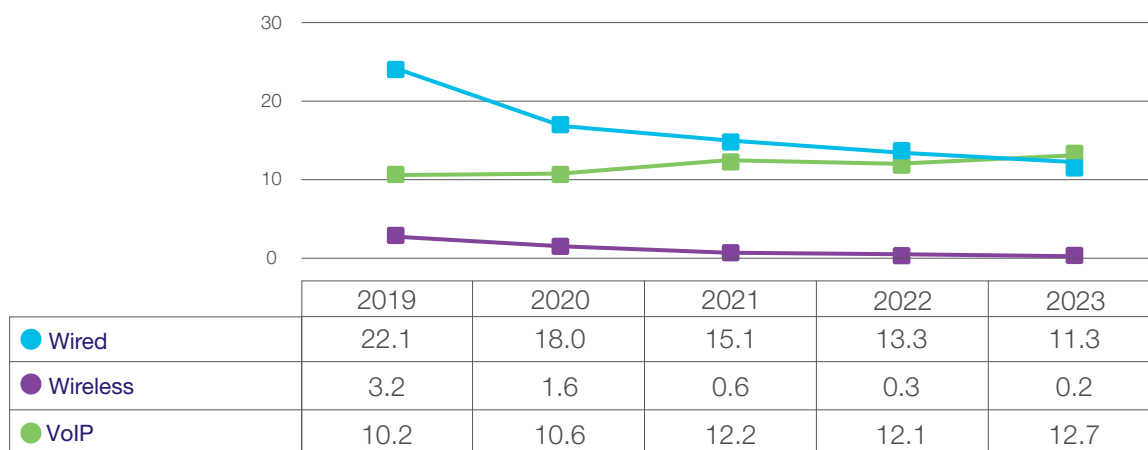


Along with the decrease in the number of subscribers, the total retail revenue from fixed line telephone services is characterized by a decreasing trend.

■ Revenue from the retail segment (millions GEL)



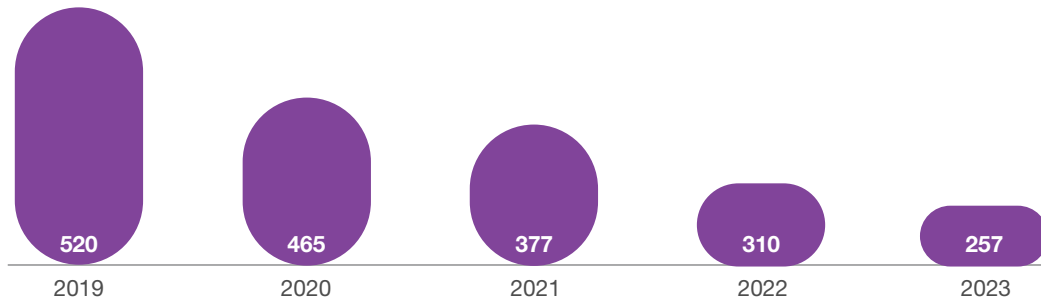
■ Revenue from retail segment by technology (millions GEL)



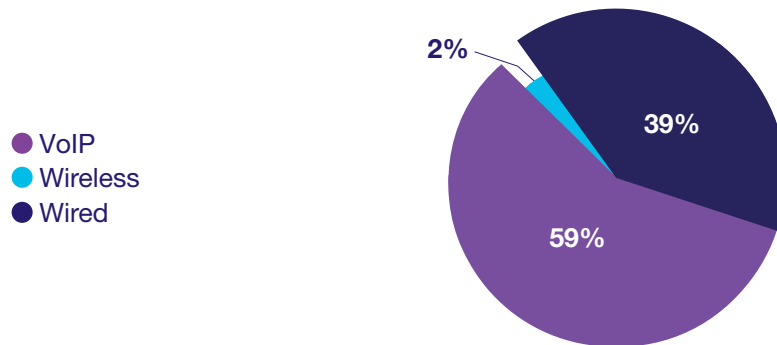
<sup>43</sup>The number of residential subscribers using fixed telephone services is correlated with the number of households in the country, according to the 2014 census.

The decreasing trend of the outgoing traffic of fixed telephone services continues.

Outgoing minutes (millions)

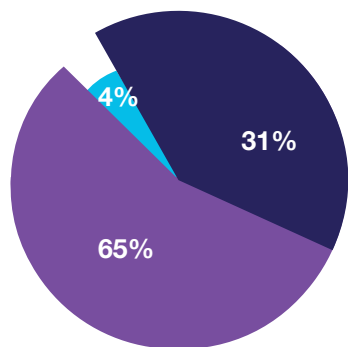


Outgoing minutes by technology (millions)



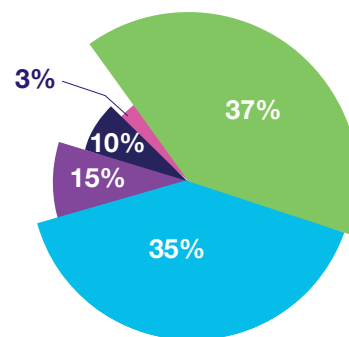
The shares of the companies providing services with wired and VoIP technologies in the market of fixed telephone services are as follows:

Distribution of wired technology subscribers



- Silknet
- Akhali Kselebi
- Other

Distribution of VoIP technology subscribers

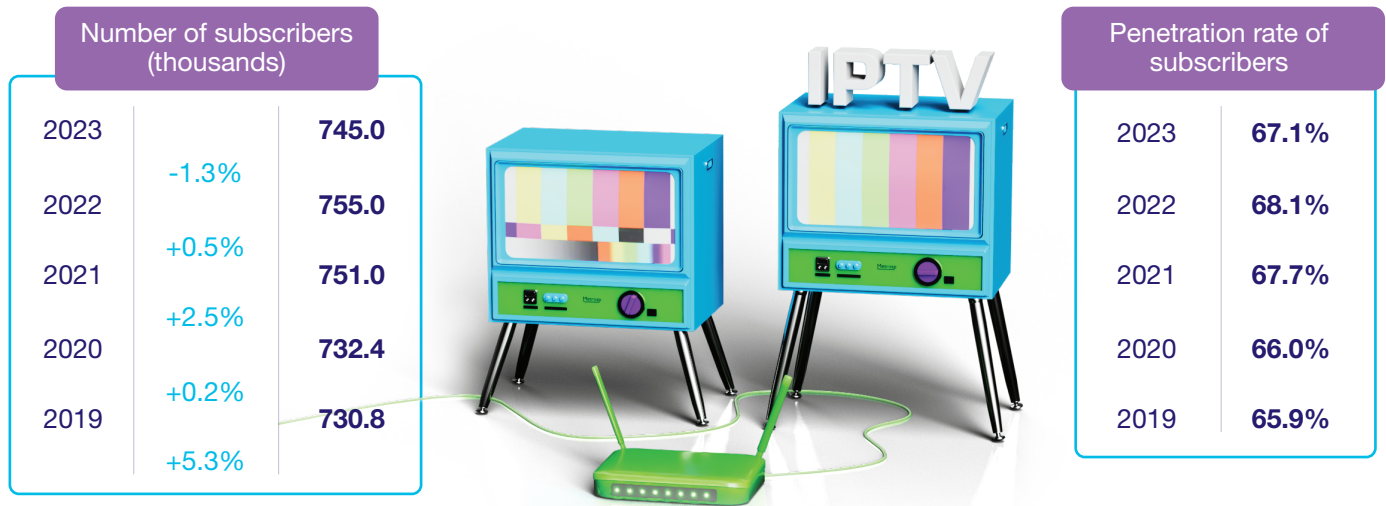


- Silknet
- MyPhone
- Inex Phone
- Magticom
- Other

## Broadcast transit<sup>44</sup>

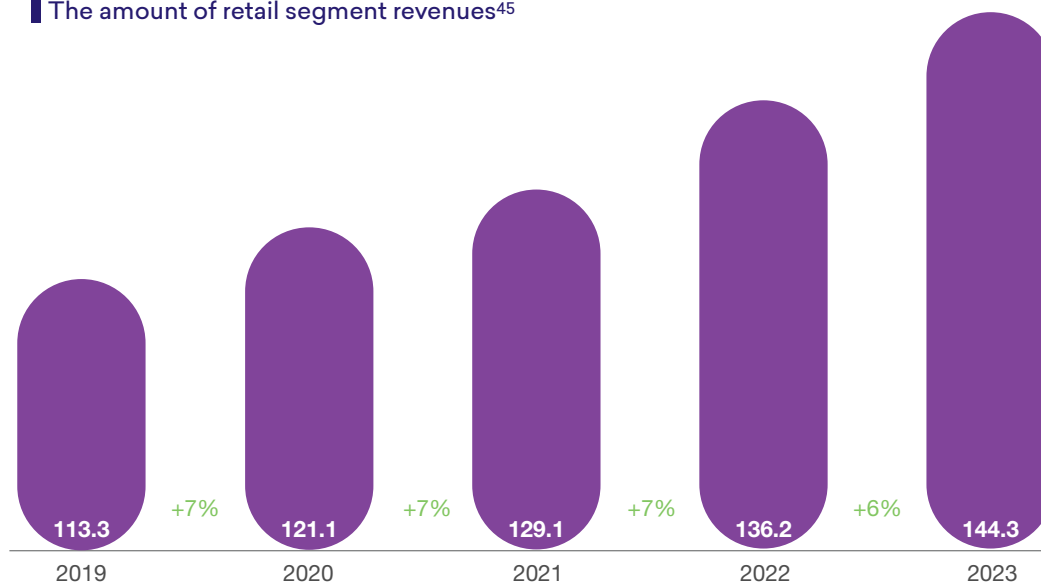
In the fourth quarter of 2023, 745 thousand subscribers received broadcasting transit services, which is 1.3% (9,000 subscribers) less compared to the corresponding period of the previous year and is due to the disconnection of Magtisat services from December 31, 2022. Since 2019, the annual average growth of the number of subscribers has been 2%.

Accordingly, the penetration rate of the subscribers also decreased slightly. The penetration of broadcasting transit subscribers per household amounted to 67.1%.



It is to be noted that the annual retail revenue received from broadcasting transit reached 144.3 million GEL, showing a 6% increase compared to the previous year's figure, which translates to an additional 8 million GEL. The average annual retail revenue growth post-2019 stands at 6%.

### The amount of retail segment revenues<sup>45</sup>



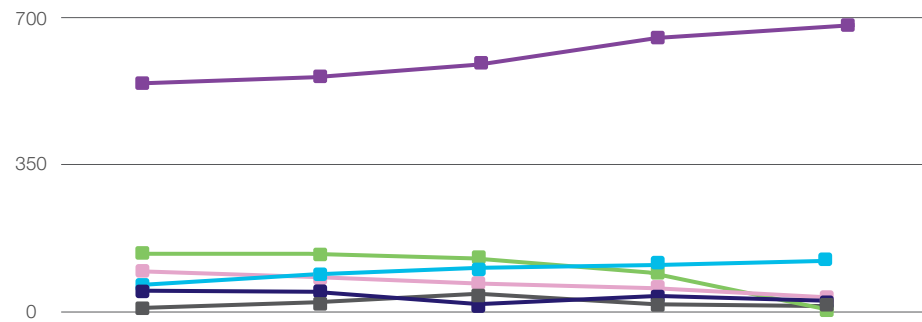
<sup>44</sup>Data presented as of February 15, 2024.

<sup>45</sup>The given information differs from the data specified in the last year's report, as some of the companies have since adjusted their information.



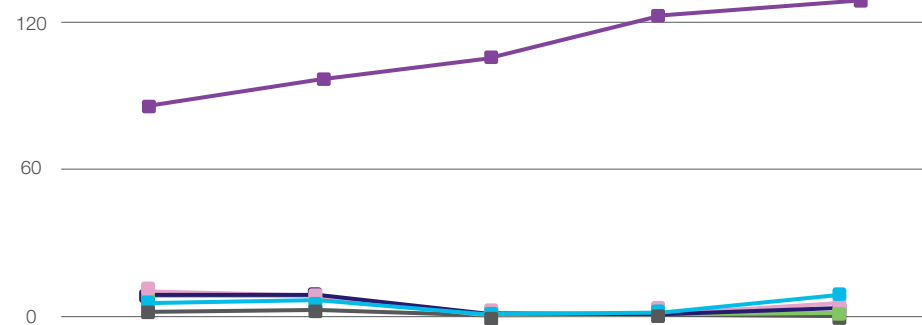
According to the data of the last quarter of 2023, IPTV technology is still the most common means of broadcasting transit. Compared to the previous year, its share increased by 5.4% and became 87%. The share of revenues from IPTV retail services also increased by 1.1% and is 91% of the total revenue.

### Number of subscribers according to the technologies (thousands)



	2019	2020	2021	2022	2023
DVBT	33.2	39.6	42.6	43.9	44.3
IPTV	547.2	556.6	581.3	613.9	645.0
Satellite	69.1	54.5	46.1	35.0	0.2
Internet TV	8.6	15.5	27.2	15.0	12.8
Coaxial	28.0	26.5	20.8	18.4	16.1
Radio frequency	44.8	39.3	33.0	28.9	25.8

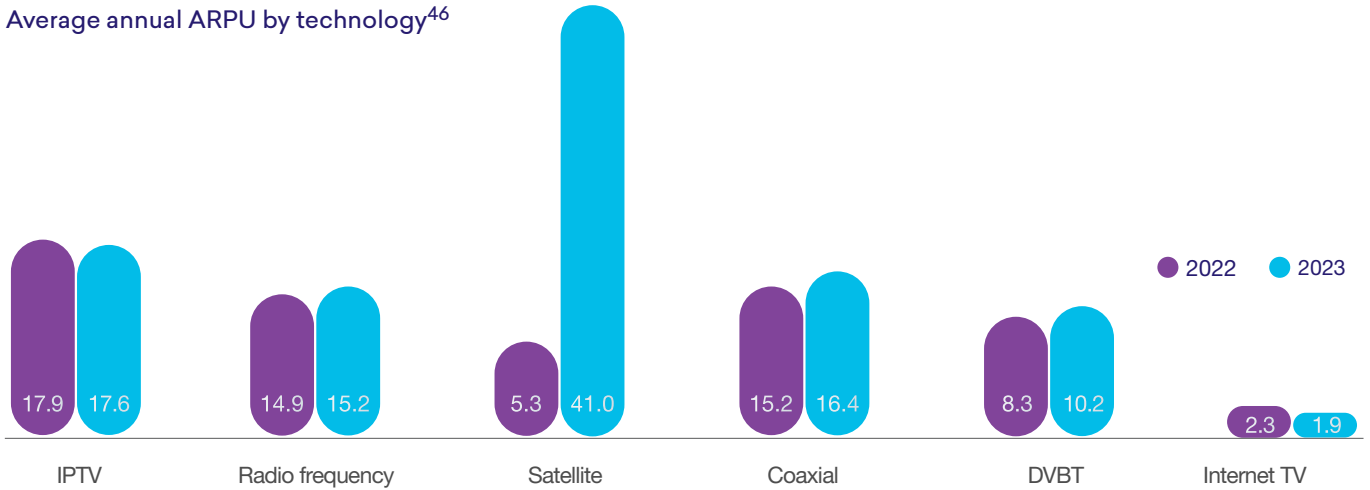
### Revenues of the retail segment according to the technologies (million GEL)



	2019	2020	2021	2022	2023
IPTV	93.9	103.1	112.0	121.6	131.2
Radio frequency	6.6	5.6	0.4	0.4	4.6
Satellite	6.0	5.6	0.4	0.2	0.2
Coaxial	4.0	3.3	0.3	0.2	2.7
DVBT	2.3	2.8	0.3	0.4	5.1
Internet TV	0.5	0.7	0	0.03	0.55

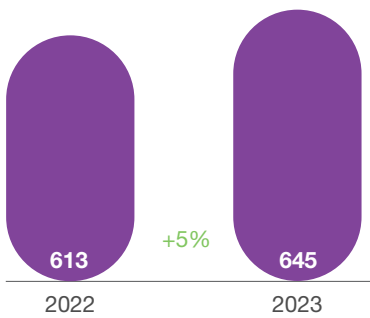
Over the course of the year, average monthly ARPU grew in radio frequency, Satellite, Coaxial and DVBT technologies.

**Average annual ARPU by technology<sup>46</sup>**

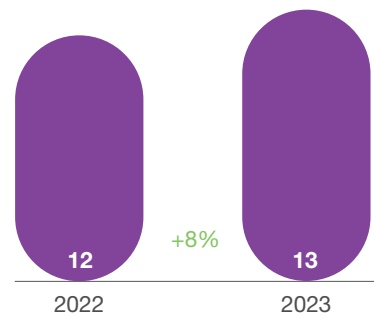


According to the data of the last quarter of 2023, compared to the same indicator of 2022, the number of IPTV subscribers increased by 5%, and the annual amount of retail revenues increased by 8%.

**Number of IPTV subscribers (thousand)**



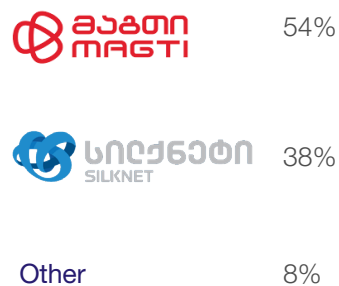
**IPTV retail revenues (millions GEL)**



In the last quarter of 2023, IPTV services were mainly provided by two operators: Magticom and Silknet.



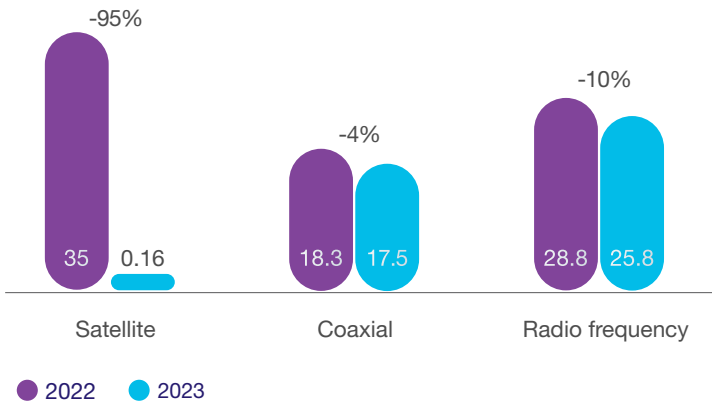
**Distribution of IPTV subscribers**



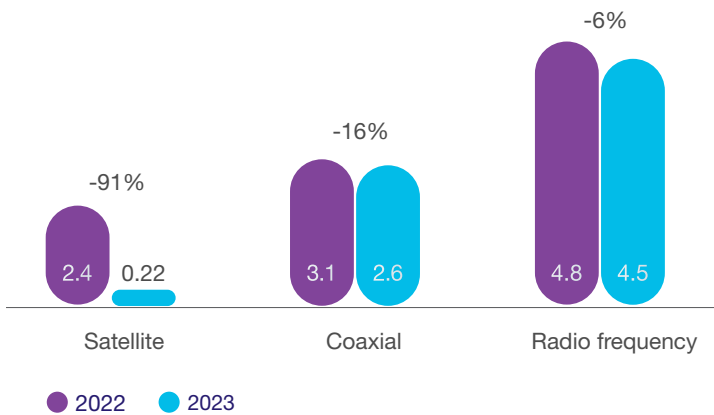
<sup>46</sup>The given information differs from the data specified in the last year's report, as some of the companies have since corrected their information.

According to the data of the final quarter of 2023, there was a significant decrease in the number of satellite technology transit subscribers, with a 95% decline compared to 2022. Coaxial subscribers also saw a slight decrease of 4%, while radio frequency technology transit subscribers experienced a 10% decrease.

**Number of satellite, coaxial, and radio frequency broadcasting transit subscribers (thousand)**



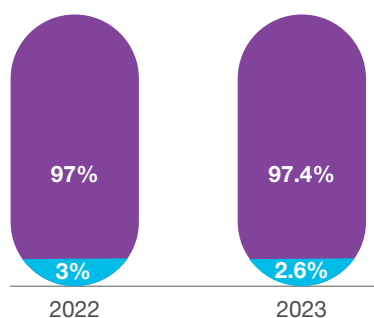
**Retail revenues of transit services of satellite, coaxial, and radio frequency technologies (millions GEL)**



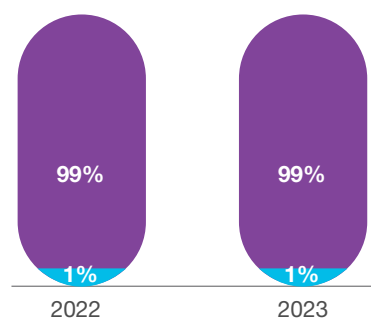
The annual retail revenues of satellite, coaxial, and radio frequency transit technologies experienced significant declines: satellite revenues dropped by 91%, coaxial revenues decreased by 16%, and radio frequency revenues saw a 6% decline.

In 2023, transitory broadcasting operators received 97.4% of subscription revenue from residential subscribers and only 2.6% from business subscribers. For comparison, in 2022 this figure was 97% and 3%, respectively. In both cases, the distribution of subscribers is similar and 99% were residential subscribers.

**Distribution of subscription revenues by contract type**



**Distribution of subscribers by contract type**



## Multiplex services

In 2023, a total of 28 multiplex operators were operating in Georgia, but only 11 of them received commercial revenue from multiplex services. The remaining operators broadcasted their own channels and therefore did not provide commercial services through multiplexes.

Throughout the year, operators received a total of 6.7 million GEL from multiplex services. The majority of this revenue was generated by Stereo+ and Georgian Teleradiocenter.



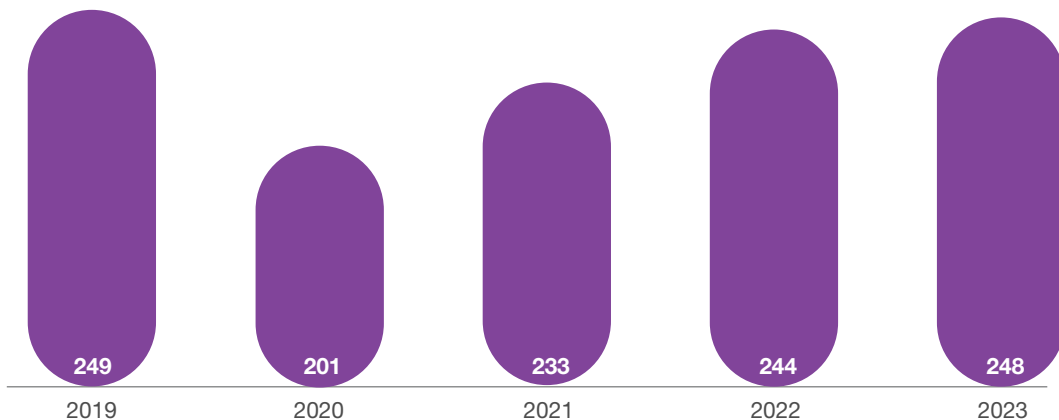
### Distribution of revenues generated by multiplexes

Stereo+	<b>71%</b>
Georgian Teleradiocenter	<b>26%</b>
Other	<b>3%</b>

## Capital investments in electronic communications

In 2023, the amount of capital investments<sup>47</sup> in electronic communications was 248 million GEL.

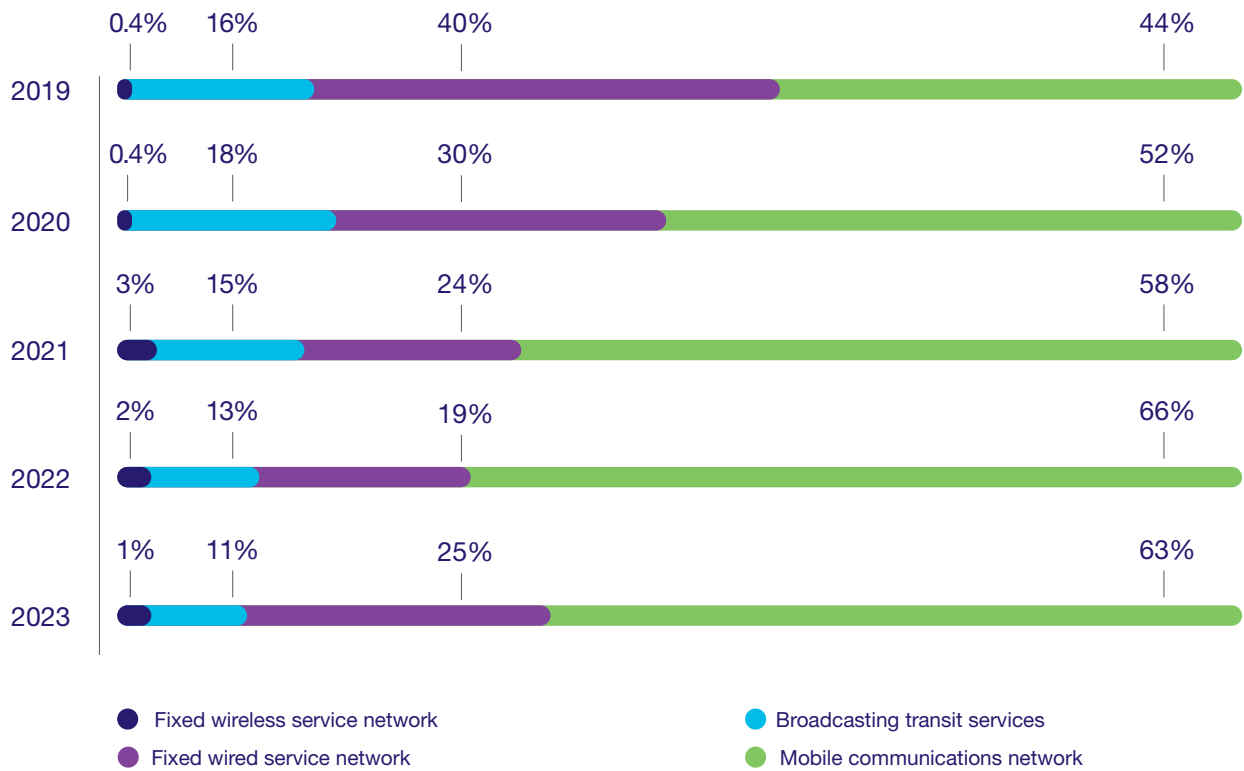
Capital investment in the field of electronic communications (million GEL)<sup>48</sup>



<sup>47</sup>Includes the amount of capital investments made in mobile and fixed (wired and wireless) service networks and broadcast transit services. The amount of capital investments includes the data of authorized persons in the field of electronic communications who received an annual revenue of more than one million GEL.

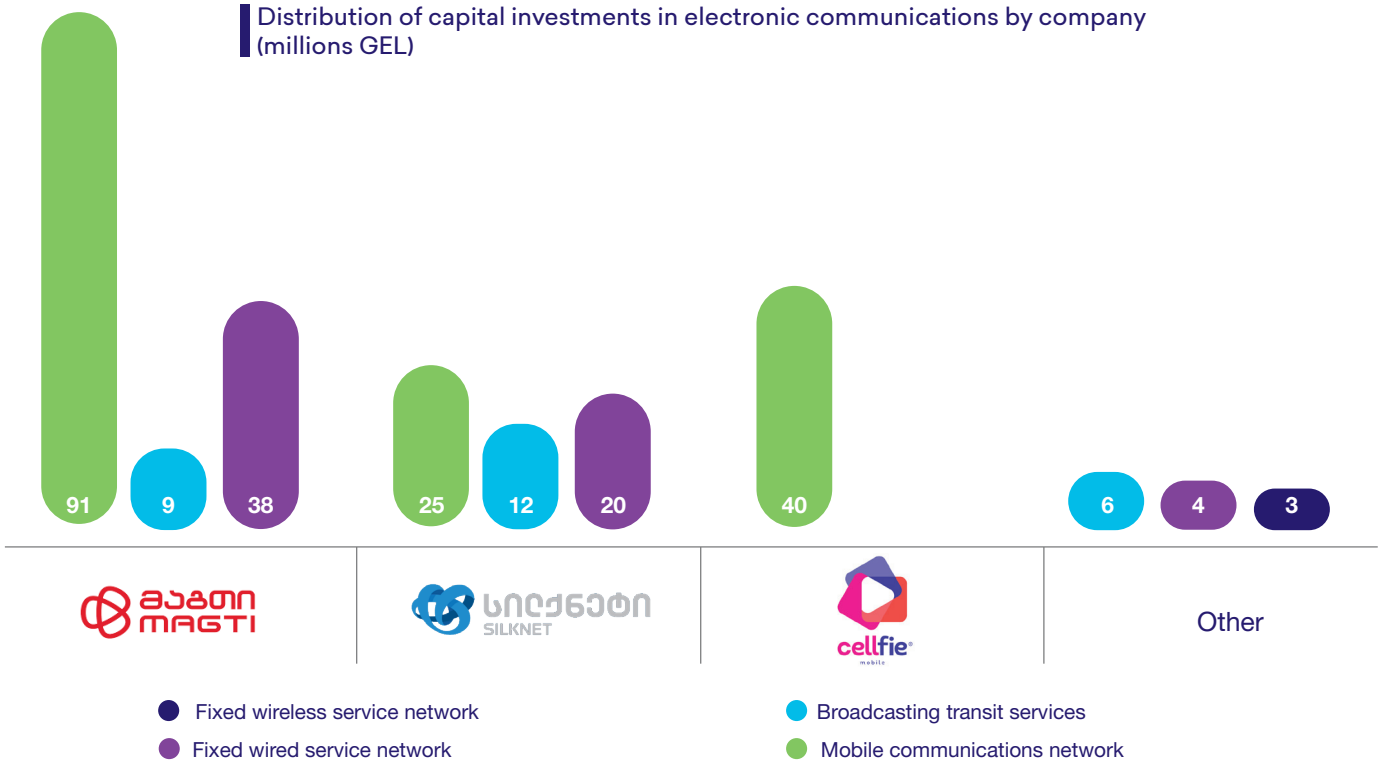
<sup>48</sup>The given information differs from the data specified in last year's report, as some of the companies have since corrected their information.

■ Distribution of capital investments in electronic communications by network type



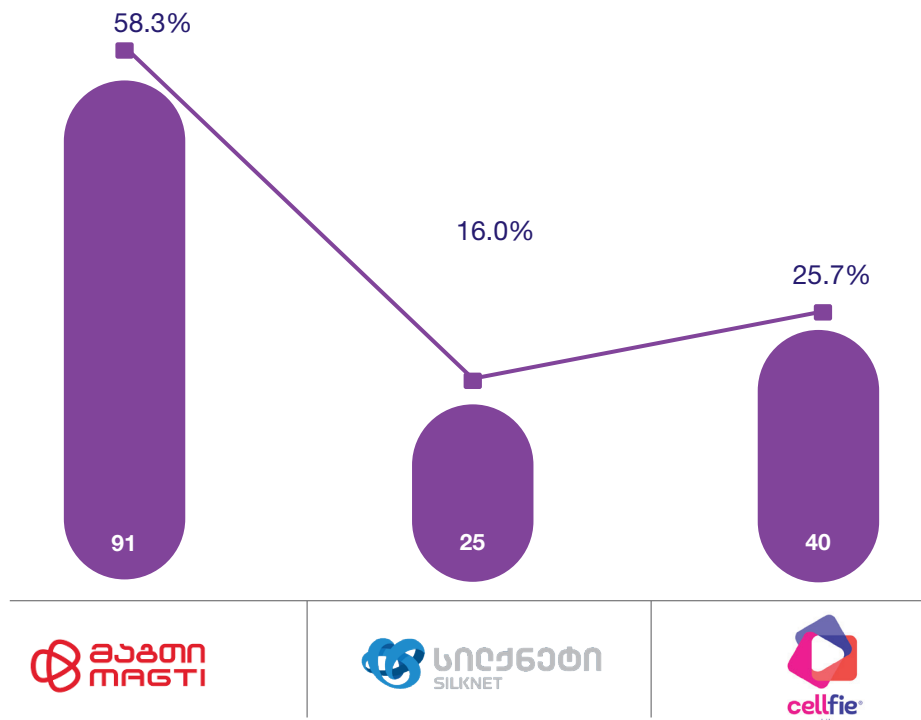
According to the capital investments in electronic communications, the top three companies are Magticom, Silknet, and Cellfie Mobile. The total investments made by them amount to 95%.

■ Distribution of capital investments in electronic communications by company (millions GEL)

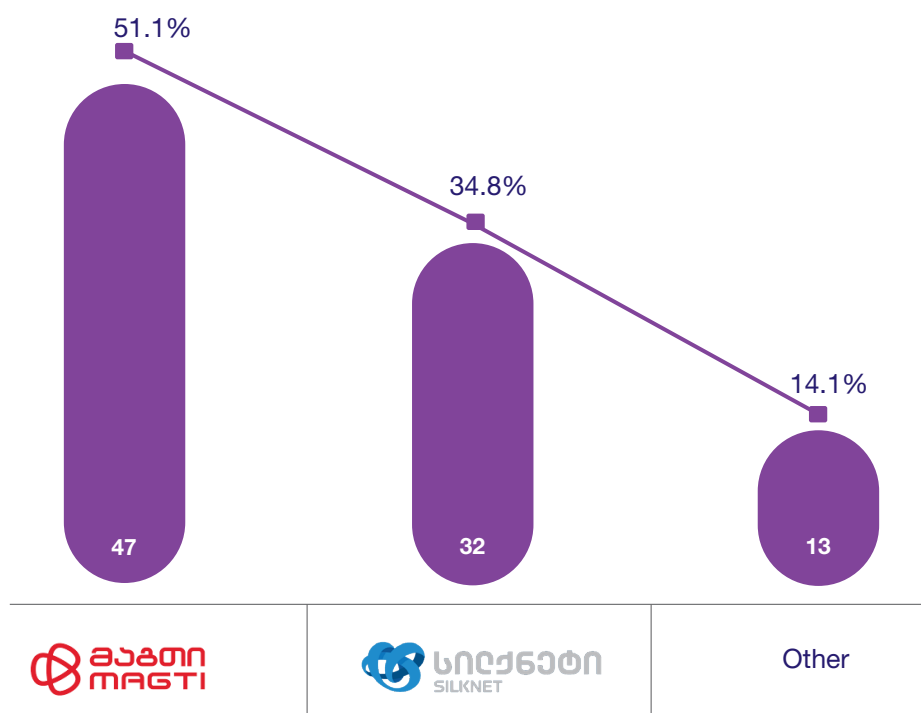


Magticom holds the majority share of capital investments in mobile services for the year 2023, accounting for 58%.

■ Distribution of capital investments in mobile services by company (millions GEL)

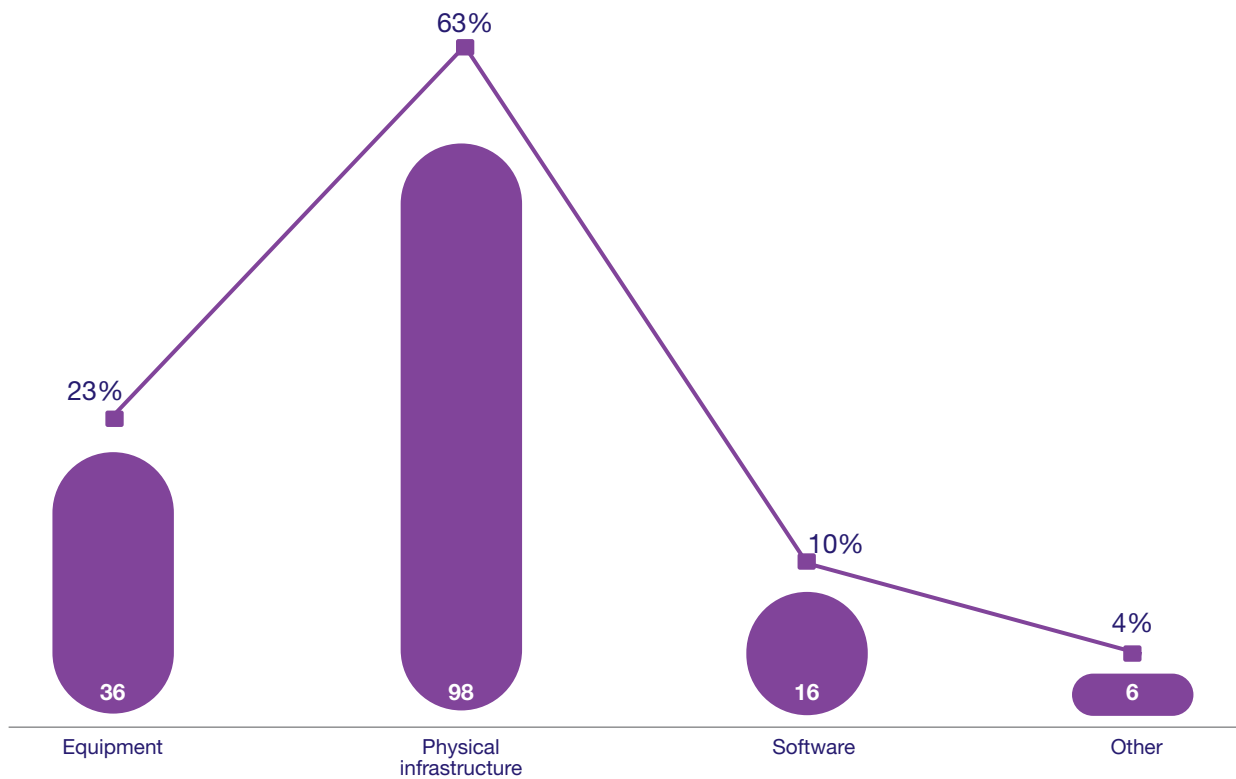


■ Distribution of capital investments in fixed services by company (millions GEL)

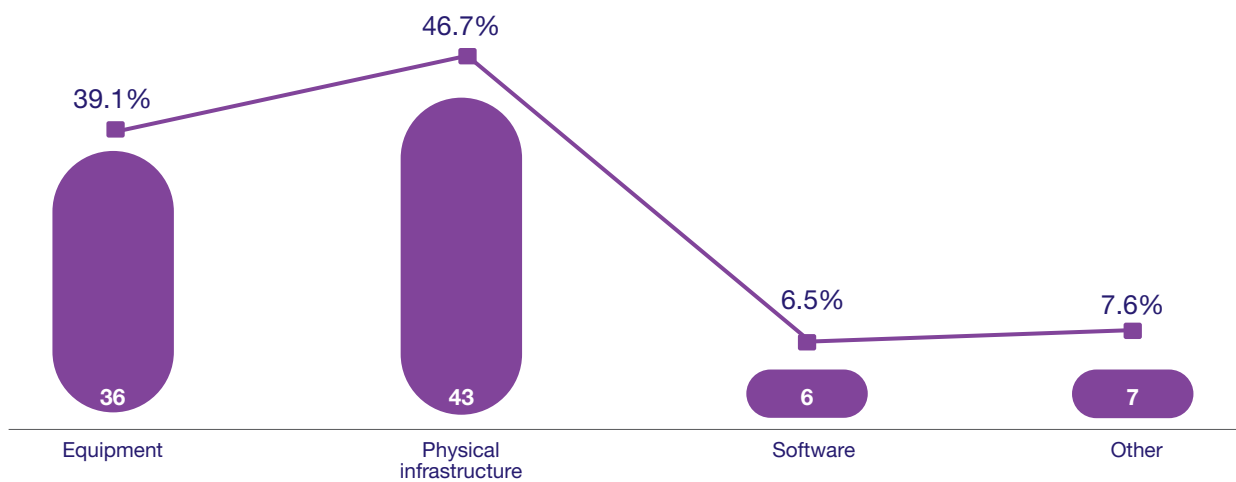


Physical infrastructure <sup>49</sup> accounted for the largest share of capital investments in mobile and fixed services in 2023, amounting to 62.8% and 46.7%.

■ Distribution of capital investments in mobile services (millions GEL)



■ Distribution of capital investments in fixed services (millions GEL)



<sup>49</sup>“Physical infrastructure” includes network cables and channels, while “equipment” includes all types of equipment, including network equipment.

# Trends in broadcasting sector development

In 2023, 109 actors<sup>50</sup> were registered in the field of broadcasting, whose total revenue, including state funding and other non-broadcasting revenues, is 253.8 million GEL.

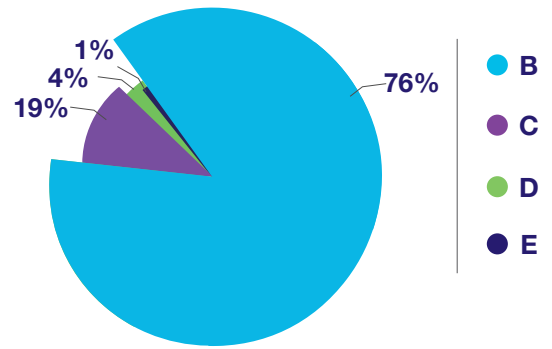
Last year, no broadcaster received more than 100 million GEL. Category B<sup>51</sup> consists of 5 broadcasters, whose combined revenue accounted for 76% of the overall revenue generated by all broadcasters.

Furthermore, the combined revenue of the entities falling under category E, which received less than 100,000 GEL in 2023, accounted for only 1% of the overall revenue.

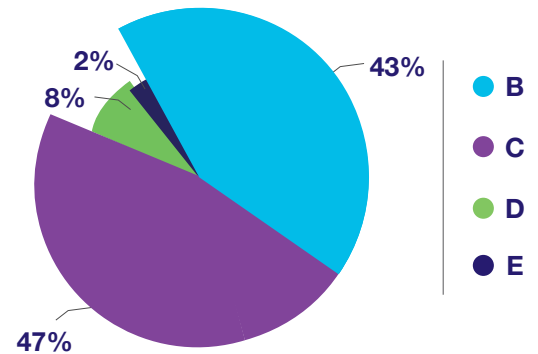
In 2023, a total of 107 active broadcasters generated revenue<sup>52</sup> through broadcasting. Their total revenue amounted to 110.9 million GEL. Two entities, Teleimedi and Media Holding, generated over 10 million GEL in revenue from broadcasting as category B companies. Their combined revenue accounted for 43% of the total revenue. In contrast, the total revenue of the 64 entities in category E, who earned less than 100,000 GEL in 2023, amounted to only 2% of all revenues.

As of December 2023, there are a total of 110 authorized television broadcasting channels in the country, with 54 of them being licensed. Additionally, there are 12 authorized radio broadcasters. There was a total of 18 open-air national television broadcasters. Furthermore, there are three channels: Public Broadcaster, Public Broadcasting Adjara TV, and radio. In 2023, a grand total of 21 open air national broadcasting channels were actively broadcasting.

Revenue shares of broadcasters by category



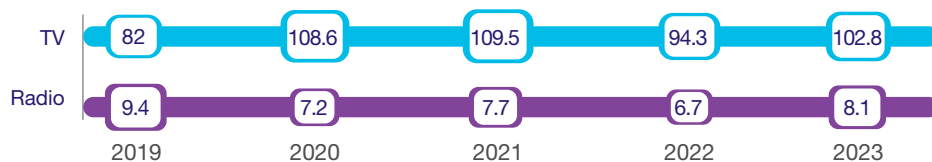
Distribution of revenues of active broadcasters by revenues received from broadcasting



In 2023, 74 TV and 41 radio broadcasters made revenue.

In 2023, the total revenue received from broadcasting amounted to 110.9 million GEL, of which 102.8 million GEL was received by television stations and 8.1 million GEL by radio stations.

Revenues received from broadcasting (millions GEL)<sup>53</sup>



<sup>50</sup>An actor is an entity which had some kind of revenue from broadcasting during the year.

<sup>51</sup>Categories by revenue:

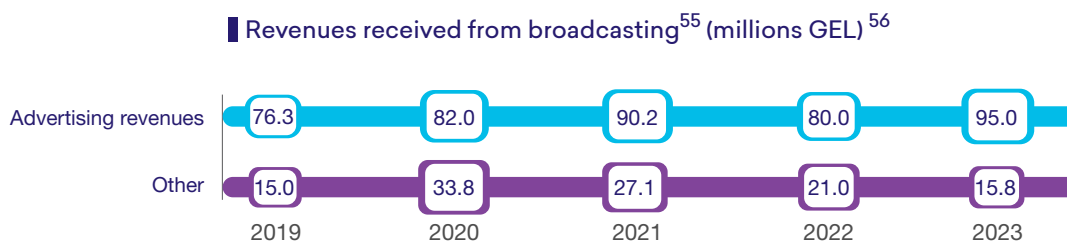
<sup>52</sup>Broadcasting revenue is the revenue received by the broadcaster in addition to state funding and other non-broadcasting revenues.

<sup>53</sup>The given information differs from the data specified in last year's report, as some of the broadcasters have since corrected their information.

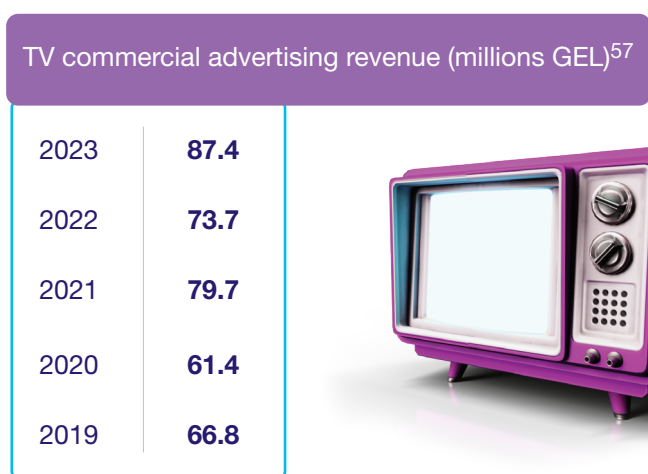
Category	Revenue received during the year
A	More than or equal to 100 million GEL
B	From 10 million GEL to 100 million GEL
C	From 1 million GEL to 10 million GEL
D	From 100,000 GEL to 1 million GEL
E	Less than 100,000 GEL



In 2023, the total advertising<sup>54</sup> revenue of TV and radio companies increased by 18.8% compared to the previous year, amounting to 95 million GEL.

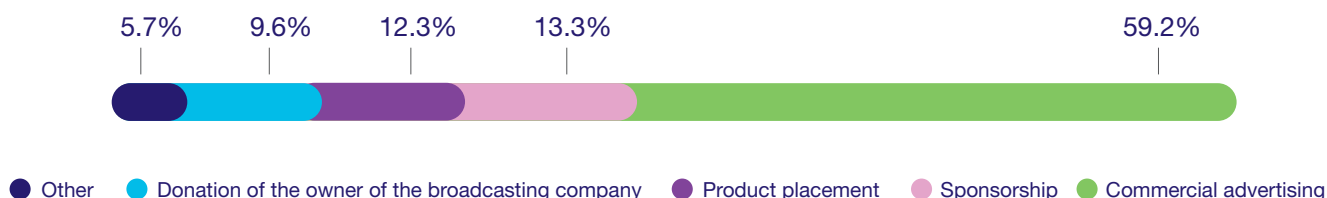


In 2023, the amount received from commercial advertising revenues of TV companies is 87.4 million GEL, which is 18.7% more compared to the previous year.



It should be noted that 72.5% of the total<sup>58</sup> broadcasting revenue received by television broadcasters was commercial advertising and sponsorship.

#### Distribution of revenues from television broadcasting by type



<sup>54</sup>Advertising includes 5 categories: direct advertising (including paid political advertising), sponsorship, teleshopping, advertisements, and product placement.

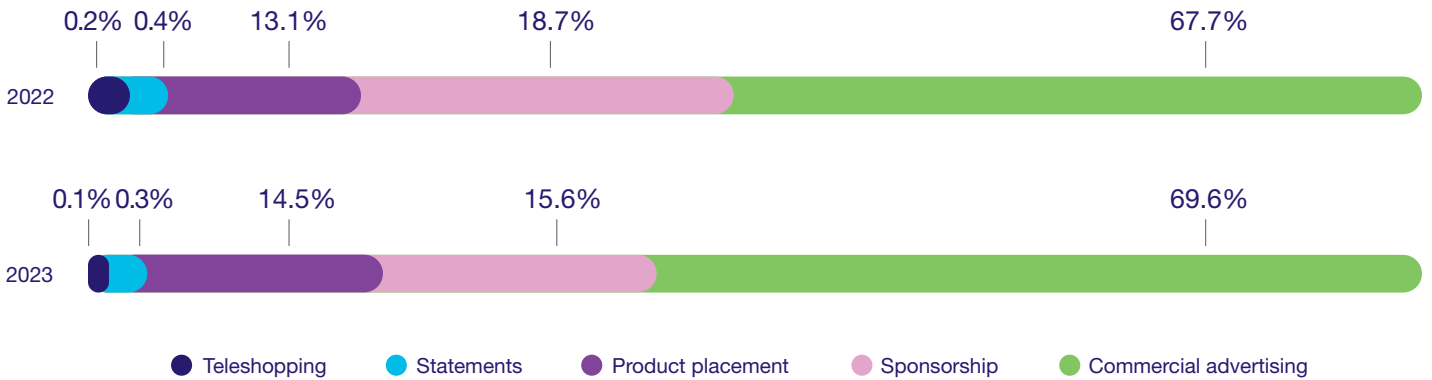
<sup>55</sup>It means all types of revenues, except for government funding and other non-broadcasting revenues.

<sup>56-57</sup>The given information differs from the data specified in last year's report, as some of the broadcasters have since corrected the information.

<sup>58</sup>Except state funding and other non-broadcasting revenues.

Commercial advertising, product placement, and sponsorship were the main sources of total advertising revenue received by television companies.

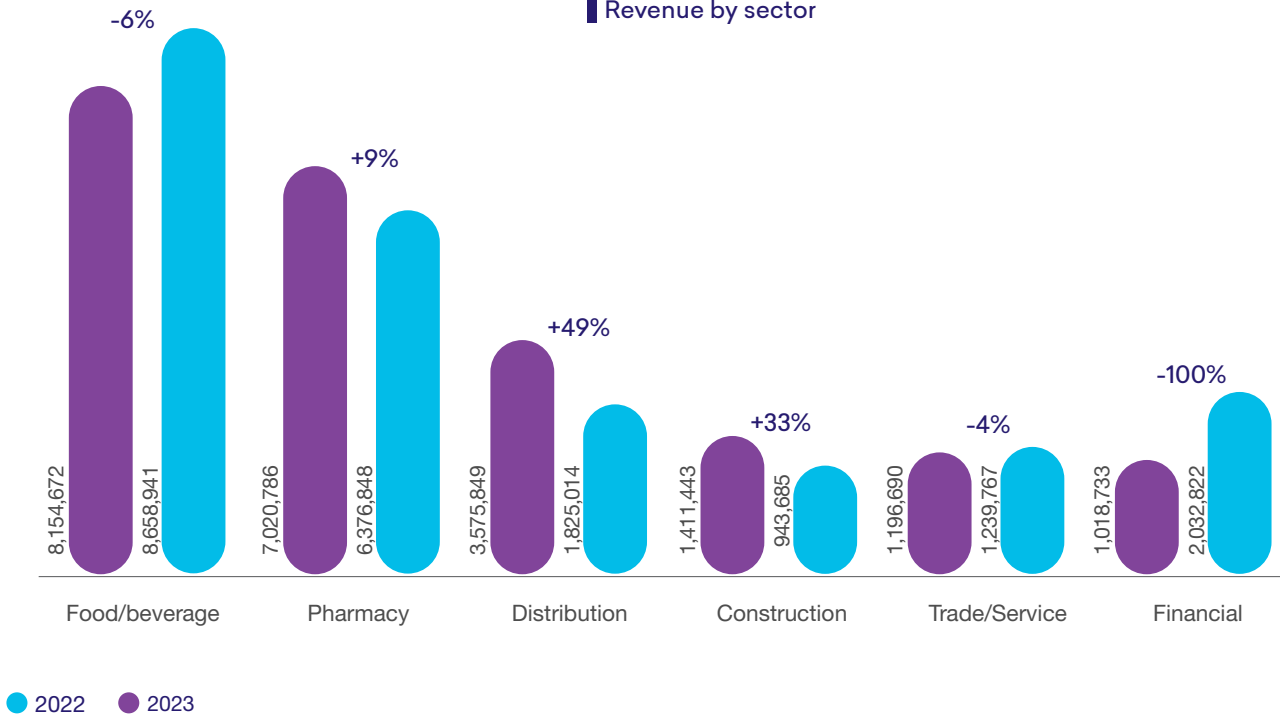
■ Distribution of revenues received from commercial advertising by television broadcasters by category<sup>59</sup>



In 2023, neither the number of sponsors of broadcasters nor the duration or number of placed advertisements has changed substantially. Based on the analysis of the top 10 broadcasters' revenues, it can be concluded that the rise in advertising revenues is primarily attributed to a substantial increase in the price of 1 second of on-air advertising time on their broadcasts.

Among the broadcasters' advertising clients, according to the revenues generated by them, the food/beverage sector is still the leader with 8.1 million GEL, while the second and third places are occupied by the pharmacy (7.02 million GEL) and distribution (3.6 million GEL) sectors, respectively.

■ Revenue by sector



<sup>59</sup>The given information differs from the data specified in the last year's report, as some of the broadcasters corrected the information.

In 2023, the revenue<sup>60</sup> received from television broadcasting was distributed among various companies. Telemedi held the largest share with 32.8%, followed by Media Holding<sup>61</sup> with 13.7%, Mtavari Arkhi with 7.7%, Postv with 7.2%, Silk Media with 6.8%, TV Pirveli and Formula with 5.4% each, GDS TV with 3.2%, BMG with 3.1%, and Public Broadcaster with 2.8%. Other broadcasters accounted for 11.9% of the total revenue share.

#### ■ Distribution of television broadcasting revenues by company

Telemedi	<b>32.8%</b>
Media Holding	<b>13.7%</b>
Mtavari Arkhi	<b>7.7%</b>
Postv	<b>7.2%</b>
Silk Media	<b>6.8%</b>
TV Pirveli	<b>5.4%</b>
Formula	<b>5.4%</b>
GDS TV	<b>3.2%</b>
BMG	<b>3.1%</b>
Public Broadcaster	<b>2.8%</b>
Other	<b>11.9%</b>



In the year 2023, Telemedi held the largest share of revenues<sup>62</sup> from television commercial advertising, accounting for 38.6%. Following behind were Media Holding with 15.7%, Mtavari Arkhi with 9%, Postv with 8.5%, Formula with 6.1%, TV Pirveli with 6%, GDS TV with 3.8%, BMG with 3.6%, Public Broadcaster with 2.8%, and Media Holding Georgian Times with 0.5%. Other broadcasters accounted for 5.4% of the total share of advertising revenues.

#### ■ Distribution of TV commercial advertising revenues by company

Telemedi	<b>38.6%</b>
Media Holding	<b>15.7%</b>
Mtavari Arkhi	<b>9.0%</b>
Postv	<b>8.5%</b>
Formula	<b>6.1%</b>
TV Pirveli	<b>6.0%</b>
GDS TV	<b>3.8%</b>
BMG	<b>3.6%</b>
Public Broadcaster	<b>2.8%</b>
Media Holding Georgian Times	<b>0.5%</b>
Other	<b>5.4%</b>



<sup>60</sup>Apart from state funding and other non-broadcasting revenue.

<sup>61</sup>Media Holding includes the broadcasting companies Rustavi 2, Comedy Channel and Marao.

<sup>62</sup>Commercial advertising revenue includes: direct advertising, sponsorship, teleshopping, announcements, and product placement.



In 2023, ten companies ordered **Telemedi** advertising and paid more than **500 thousand GEL.** companies are:



- Rustavi Azot
- Diplomat Georgia
- PSP Pharma
- Coca-Cola Bottlers Georgia
- Smart Capital Consultancy
- Optimum Media Buying Limited
- Archi Promotions
- Ministry of Defense of Georgia
- Nestle Georgia
- Ministry of Regional Development and Infrastructure of Georgia



Two companies ordered **Media Holding** advertising and paid more than **500 thousand GEL.** companies are:

- PSP Pharma
- Coca-Cola Bottlers Georgia

Eight companies ordered advertising time from the broadcaster within the value from **100 thousand up to 500 thousand GEL.**



- Diplomat Georgia
- Aversi Pharma
- Nestle Georgia
- Optimum Media Buying Limited
- Lactalis Georgia
- McDonald's
- Impel Development
- Archi Promotions



The companies ordered **Mtavari Arkhi** advertising and paid more than **500 thousand GEL**. companies are:

- PSP Pharma
- Coca-Cola Bottlers Georgia
- Diplomat Georgia

The companies ordered advertising time from the broadcaster within the value from **100 thousand up to 500 thousand GEL**.



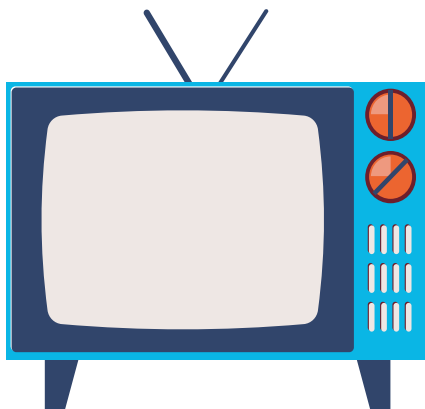
- Aversi Pharma
- GM Pharmaceuticals
- Wissol Petroleum Georgia
- McDonald's
- Cellfie Mobile
- Gorgia
- Wimm-Bill-Dann Georgia



The companies ordered **Postv** advertising and paid more than **500 thousand GEL**. companies are:

- Cavea
- Caucasus Auto Service
- Palavani
- Stereo+

The companies ordered advertising time from the broadcaster within the value from **100 thousand up to 500 thousand GEL**.



- Gemrieli
- Malco
- Archi Promotions
- Tiflis Pub
- Georgian Dairy Products
- DS Group



Two companies ordered **Formula** advertising and paid more than **500 thousand GEL**. companies are:

The companies ordered advertising time from the broadcaster within the value from **100 thousand up to 500 thousand GEL**.

The companies ordered advertising time from the broadcaster within the value from **50 thousand up to 100 thousand GEL**.

- PSP Pharma
- Coca-Cola Bottlers Georgia

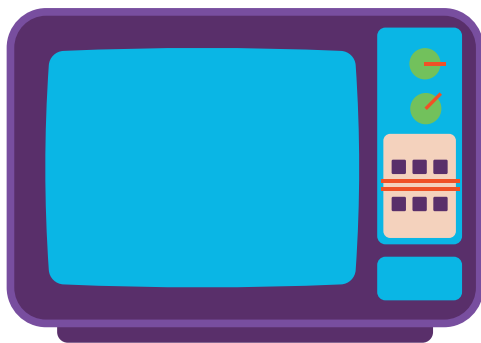
- C Corporation 22
- Tegeta Motors
- TBC Bank
- Ortachala Gate
- Aversi Pharma
- K. Eristavi National Center of Experimental and Clinical Surgery

- Cavea
- Chinese Medicine Center



The company ordered **TV Pirveli** advertising and paid more than **500 thousand GEL** is

The companies ordered advertising time from the broadcaster within the value from **100 thousand up to 500 thousand GEL**.

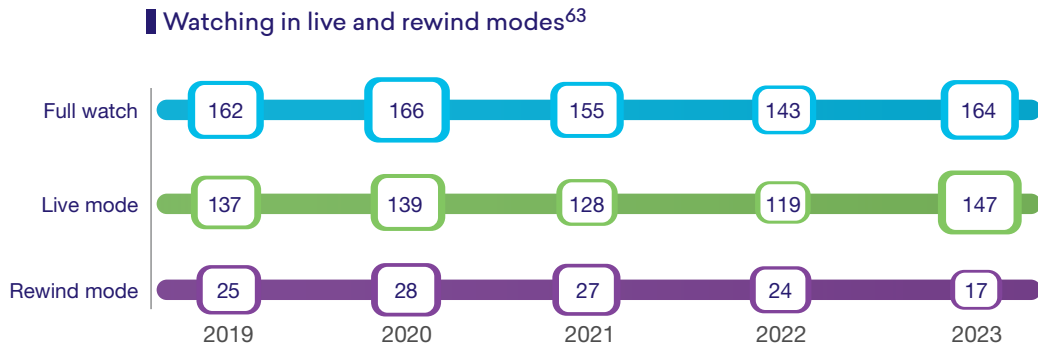


- PSP Pharma

- Coca-Cola Bottlers Georgia
- Gulf
- Cavea
- TBC Bank
- Sopharma
- Nova
- Impex pharm
- Berlin Chemie Representative Office in Georgia
- Tbilisi Central

## Watching in live and rewind modes

In 2023, one person watched TV on average about 164 minutes a day.



## Radio broadcasting

In 2023, the advertising revenues of radio broadcasters amounted to 7.6 million GEL, which is 1.3 million GEL more than last year.

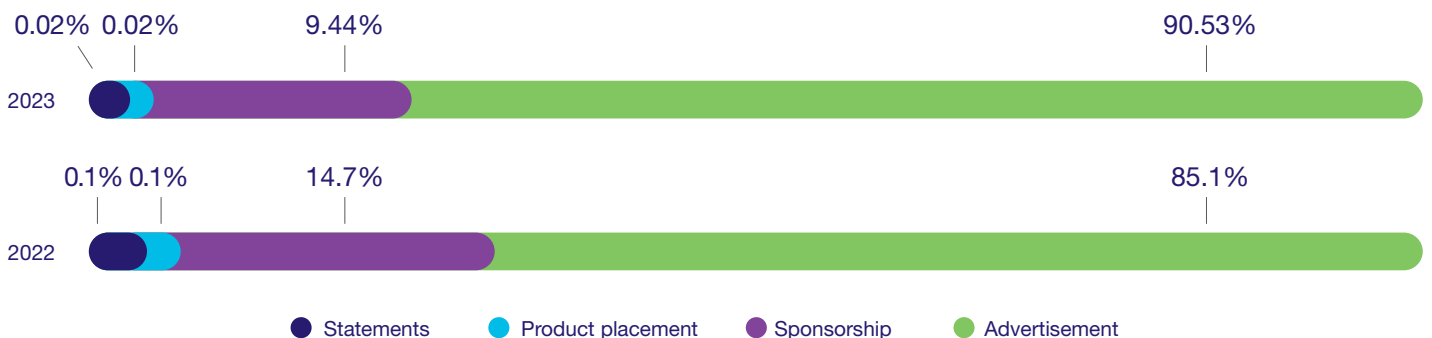
### Advertising revenues of radio broadcasters (millions GEL)

2023	7.6
2022	6.3
2021	7.2
2020	6.8
2019	8.8



The main share of advertising revenues of radio broadcasters, 99.96%, was commercial advertising and sponsorship, while product placement and announcements held a small share.

### Distribution of advertising revenue of radio broadcasters by type



<sup>63</sup>In 2023, a significant increase in data is due to the expansion of the audience measurement research panel by the company Tri Media Intelligence.

In 2023, the distribution of advertising revenues from radio broadcasting was as follows: Radio Holding Fortuna held the largest share at 57.9%, followed by Radio Imedi at 9.6%, Radio Palitra at 5.0%, Georgian Radio at 4.1%, Radio Georgian Times at 3.5%, MD Group at 3.4%, Holding – Abkhazetis Khma at 2.6%, Broadcasting Company Hereti at 2.6%, Akhal Radio at 1.3%, and Dzveli Kalaki at 1.0%. Other radio broadcasters accounted for 8.9% of the total advertising revenues.

Distribution of advertising revenue of radio broadcasters by company<sup>64</sup>

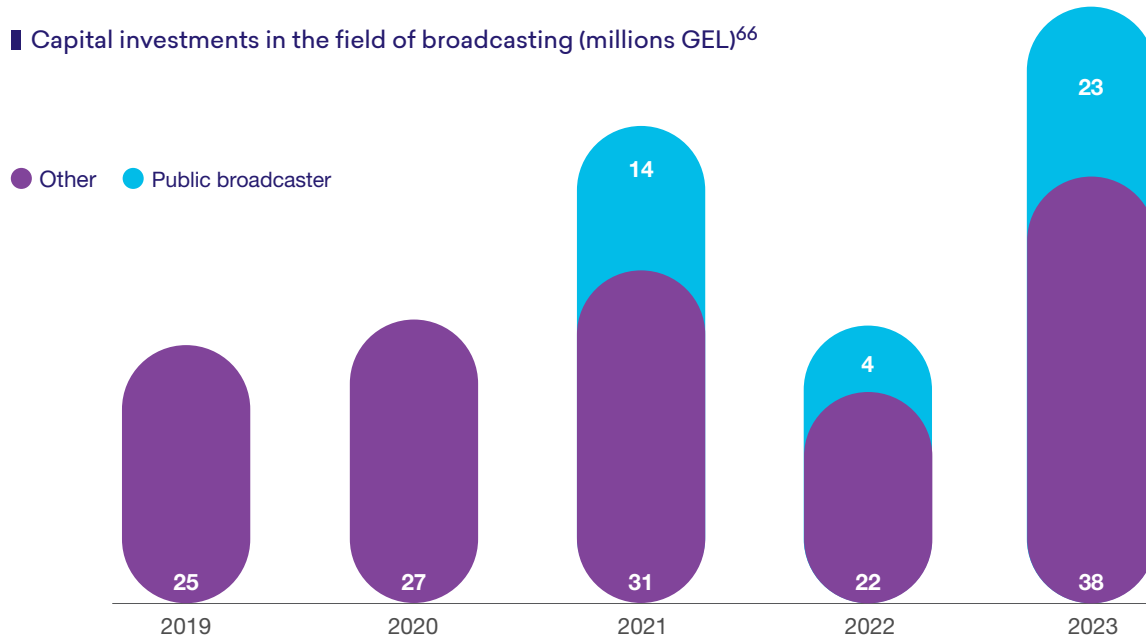
Radio holding Fortuna	<b>57.9%</b>
Radio Imedi	<b>9.6%</b>
Radio Palitra	<b>5.0%</b>
Georgian Radio	<b>4.1%</b>
Georgian Times	<b>3.5%</b>
Md Group	<b>3.4%</b>
Holding – Abkhazetis Khma	<b>2.6%</b>
Broadcasting company Hereti	<b>2.6%</b>
Akhali Radio	<b>1.3%</b>
Dzveli Kalaki	<b>1.0%</b>
Other	<b>8.9%</b>



Capital investments made in field of broadcasting

In 2023, the amount of capital investments<sup>65</sup> made in the field of broadcasting amounted to 60.6 million GEL, which is 130.7% more than the similar indicator of 2022.

Capital investments in the field of broadcasting (millions GEL)<sup>66</sup>



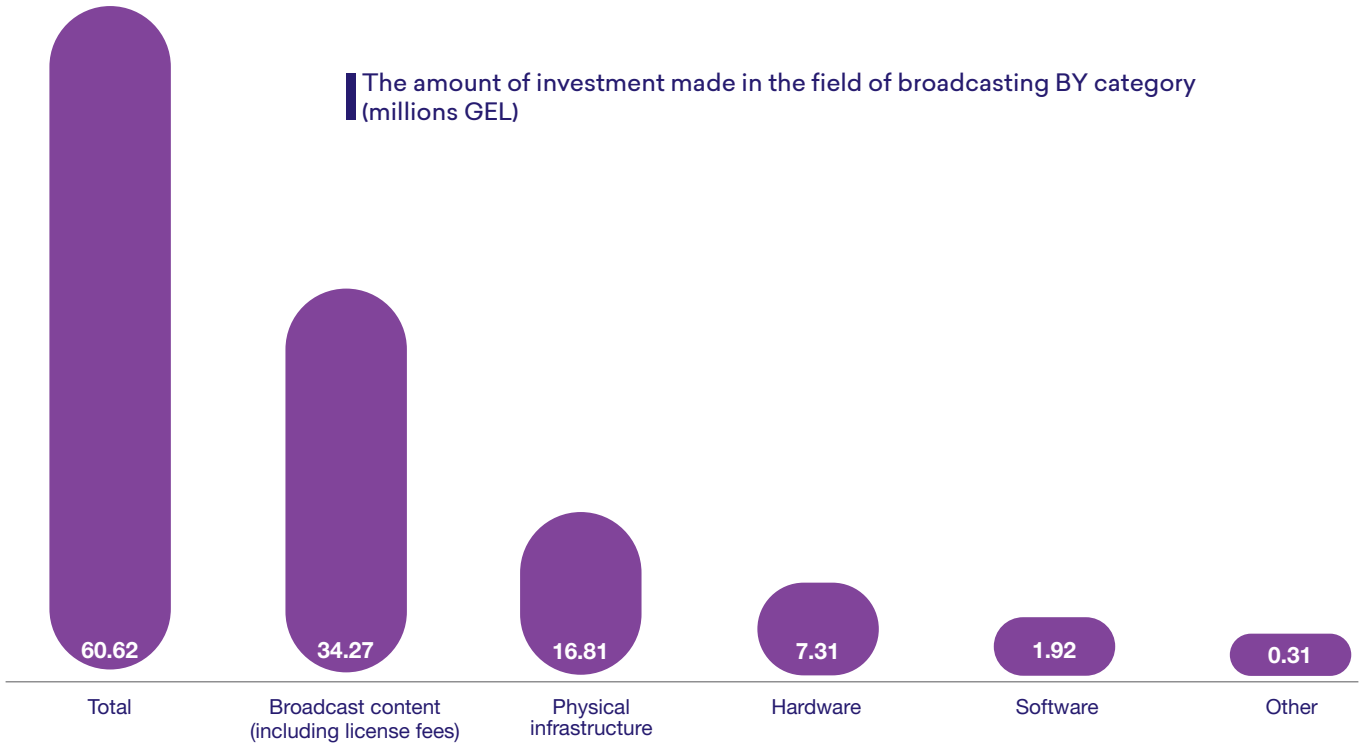
<sup>64</sup>Data does not sum to 100 due to rounding.

<sup>65</sup>The amount of capital investments includes the data of those broadcasters that had more than a million GEL revenue annually.

<sup>66</sup>Since 2021, capital investments made by Public Broadcaster and Public Broadcaster Adjara TV and Radio have been separate.



The amount of investment made in the field of broadcasting BY category (millions GEL)

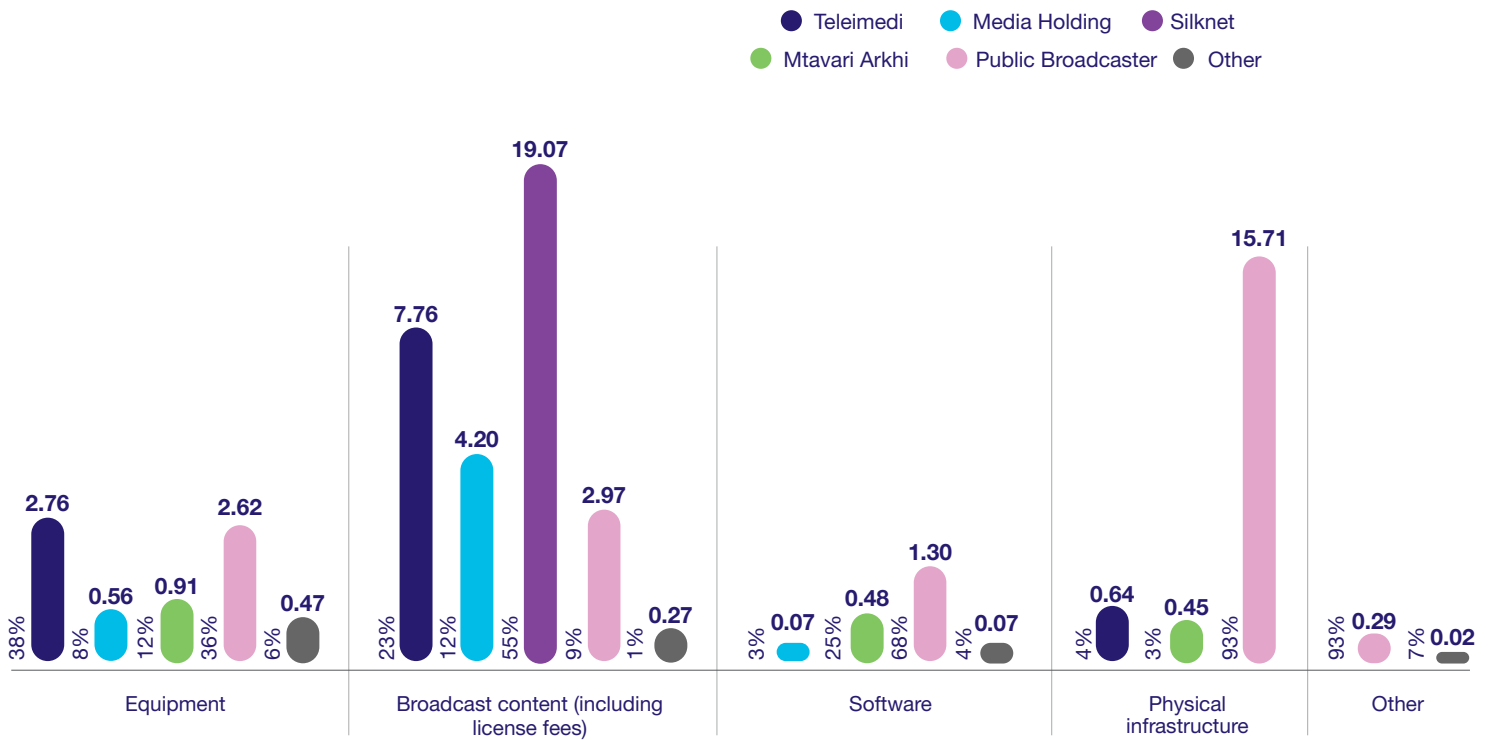


Distribution of capital investment made in the field of broadcasting by company

Public Broadcaster <sup>67</sup>	<b>38%</b>
Silknet	<b>31%</b>
Telemedi	<b>18%</b>
Media Holding	<b>8%</b>
Other	<b>5%</b>

<sup>67</sup>Includes both Public Broadcaster and Public Broadcaster Adjara TV and Radio.

■ Categories of capital investment carried out in the field of broadcasting by company (millions GEL)



## Contributions to state budget

In the year 2023, the communications sector made a significant contribution of **499,573,882** GEL to the state budget. Last year, the amount paid by broadcasters to the state budget of Georgia in the form of taxes<sup>68</sup> amounted to **56,048,528** GEL, and the amount paid by authorized persons and/or license holders in accordance with the Law of Georgia “On Electronic Communications” was **441,467,364** GEL. As for the revenue received from licensing, in 2023 the state budget received a total of **2,011,060** GEL from the communications sector. **46,930** GEL was transferred to the budget as fines for administrative violations.

<sup>68</sup>The data are based on the information provided by the Ministry of Finance. Includes: income tax, profit tax, VAT, excise duty, import tax, property tax, and land tax (agricultural-non-agricultural).

## Harmonization of law of Georgia “On Broadcasting” with European legislation

The process of improving Georgian legislation in the direction of media services and bringing it closer to European standards continued in 2023.

With the participation of the Communications Commission and the involvement of the European Commission, in order to harmonize the Law of Georgia “On Broadcasting” with the 2018/1808/EU Audiovisual Media Services Directive (AVMSD), draft legislative amendments were prepared. In 2023, the Parliament of Georgia enacted and ratified legislative amendments that addressed the institutional arrangement of broadcasting self-regulatory bodies through the Law of Georgia “On Broadcasting”. Before the changes in the law, the mentioned rules were regulated by the Code of Conduct of Broadcasters.

According to the law, issues of broadcasting of programs and advertisements containing hate speech and incitement to terrorism are subject to the regulation of the Communications Commission. In particular, the interested person has the right to appeal to the Communications Commission the decision taken by the self-regulatory body regarding the mentioned violations. Before the change, a person did not have this right, because the decision made within the framework of the self-regulation of the broadcaster could only be appealed to the same self-regulated body, whose decision was final and not subject to review by the Communications Commission and the court. According to the amendment, in the event of a violation of human rights, the Communications Commission is authorized to take the appropriate response measures provided by law on its own initiative.

The legislative provisions were also refined, defining the rules of response by the Communications Commission, in case of broadcasting of material unsuitable for minors, in particular, programs or advertisements containing pornography and obscenity.

The law improved the rules for electing and dismissing members of the Communications Commission. The participation of the relevant Competition Commission in the selection process of candidates for the membership of the Communications Commission was determined. The Competition Commission was created by the order of the Prime Minister and consists of impartial and competent persons who determine compliance with the qualification requirements, hold an interview with the candidates, and submit recommendations on candidates to the Government of Georgia. The selection of candidates will be conducted in accordance with the constitutional regulations prior to any legislative amendments. As per the revised process, the Government of Georgia will present a list of candidates to the President of Georgia, who will then submit it to the Parliament of Georgia for the final election. The issues of termination of powers of a member of the



Communications Commission are regulated directly by the Law of Georgia “On Broadcasting” instead of the regulations of the Parliament of Georgia. The grounds and procedure for dismissal of a member of the Communications Commission have also been specified. According to the amendment, the grounds for dismissal of a member of the Communications Commission is failure to fulfill authority for an inadequate reason for more than 3 months in a row instead of 15 days, or more than 4 months instead of 2 months during a year. It is also established that the Communications Commission and the member of the Communications Commission whose dismissal is being considered by the Parliament of Georgia have the right to present their position orally and/or in writing to the Parliament of Georgia at the plenary session.

The law “On Broadcasting” clarified the issue of appeal to the court by the interested person in case of violation of the law by a media service provider and specified that the court will consider the claim of the interested person only if they have addressed the same issue to the Communications Commission.

The law established a simplified authorization rule for video-sharing platform service providers, which would undergo authorization through a simple submission of an authorization notice to the Communications Commission. The scope of responsibilities and obligations of video sharing platform service providers for the content posted on their platform without editorial responsibility have been clearly established. It was also clarified that the video-sharing platform service providers can be liable only for non-fulfillment of obligations defined by law, and not directly for the illegal nature of the material posted on the platform.

The legislation has introduced measures to mitigate liability for the dissemination of content deemed inappropriate for underage audiences. Regarding the mentioned violation, broadcasters will now receive a written warning for the first offense, similar to other violations of the Law of Georgia “On Broadcasting”.

In accordance with the amendments made to the Law of Georgia “On Broadcasting”, the Communications Commission will develop codes of conduct for Video on Demand (VOD) and Video Sharing Platform (VSP) services. A study of existing codes in European countries will be conducted and working documents will be prepared considering the best practices. European experts will be involved in the development of the normative acts. The documents will be sent to the European Commission for assessment.

In addition, as a result of the changes in the law, the Communications Commission will develop secondary legislation that will ensure continuous and progressive access to media services for people with disabilities. The Communications Commission will implement regulations that ensure the ongoing and gradual availability of media services for individuals with disabilities. This includes the establishment of an online platform dedicated to the accessibility of audiovisual media services for this population. Additionally, efforts will be made to create and broadcast programs specifically tailored for individuals with disabilities, which will incorporate features such as audio description, subtitles, and sign language.

### International practice regarding product placement on air

Over the past few years, there has been an increase in the number of violations of advertising communication legislation by broadcasters. The Communications Commission has taken appropriate measures in response to these incidents during their monitoring efforts. These cases have primarily involved breaches of sponsorship and product placement regulations.

When presenters give undue prominence to a product, it becomes challenging for viewers to distinguish between the advertising and the program’s content. This violation of sponsorship and product placement rules infringes upon the rights of the audience. Violations of advertising rules can have detrimental effects on the advertising market, as advertisers tend to prioritize paying for product placement.

In 2023, in response to this challenge in the field of broadcasting and to ensure that the rights of viewers are protected and that the broadcaster does not mislead them, the Communications Commission, together with European experts, started a study. The objective of the research is to examine the product placement practices in 15 European countries.

As part of the study, the ComCom, along with the European advisors, is examining the most effective examples and approaches to regulating product placement in the commercial communications market. Some important considerations include the potential negative impact on viewers caused by unclear and excessive product placement, the various forms of commercial communication and the distinctiveness of product placement, and the key factors to consider when identifying a violation.

As a result of the research, several important factors were identified, including the fact that in all European countries, in the part of law enforcement, there are much stricter approaches than in Georgia. The research has also shown that, regardless of the content or format of the program, commercial communication must be clearly identified, because the viewer should be aware that they are watching a commercial communication. The research established that the Georgian legislation is in full compliance with the European practice, however, for effective enforcement of the requirements of the law, the regulator must become more demanding.

The Communications Commission intends to establish a standard based on research and analysis and present the approach to interested persons. ComCom will then make a decision regarding the necessity of modifying the existing regulation or practice and will undertake initiatives to enhance the understanding of both broadcasters and the public. Furthermore, thorough monitoring will be conducted and, based on the identified infractions, appropriate enforcement measures will be implemented in accordance with established protocols and legal requirements.



## Media monitoring of pre-election period

The Communications Commission, in accordance with the resolution “On Media Participation in the Pre-Election Process and Rules for Its Use”, conducts pre-election media monitoring and publishes the results. In 2023, quantitative media monitoring of the midterm elections of the Parliament of Georgia and the special elections of the Mayor of Gurjaani Municipality, as well as the interim elections of the Parliament of Georgia, the special elections of mayors of municipalities, and the midterm elections of city councils were carried out. Monitoring was conducted on those local broadcasters that transmit via the multiplexes and cover the electoral districts of the specified elections.

During the pre-election period of the midterm elections of the Parliament of Georgia and the special elections of the Mayor of Gurjaani Municipality, monitoring was conducted for 3 broadcasters: Trialeti, Gurjaani, and TV 4. And, during the

mid-term elections of the Parliament of Georgia, extraordinary elections of mayors of municipalities and mid-term elections of city councils, 15 broadcasters were monitored, including: Alt Info, Egrisi, Eri Media, Rioni, Mega TV, Gurjaani, Argo, Zari, Channel 9, ATV 12, Imervizia, Quality Channel, Ecom, Parvana, and Ninth Wave.

The monitoring was conducted during the prime-time hours, specifically from 19:00 to 24:00. The Communications Commission focused on observing pre-election advertising, pre-election debates, news and socio-political programs, pre-election agitation, and public opinion studies/polls.

During the pre-election period of the mentioned elections, the Communications Commission officially published the media monitoring reports on the website.

Based on the fact that the elections of the Parliament of Georgia are planned in 2024, in accordance with the resolution “On Media Participation in the Pre-Election Process and Rules for Its Use”, the Communications Commission is obliged to carry out pre-election media monitoring.

Along with 24-hour quantitative monitoring, qualitative monitoring of national broadcasters will also be conducted during the prime-time period. During qualitative monitoring, the Communications Commission will focus on media standards.

Media monitoring will be conducted by monitors trained by Rasto Kuzel, the media expert of the Council of Europe, Executive Director of the organization Memo 98, in accordance with internationally recognized standards.

## Integrating media literacy into formal education

Since the Communications Commission was legally entrusted with the function of promoting the development of media literacy in 2018, a number of important projects have been implemented in this direction, considering the successful practices of European countries. These projects serve to raise awareness about media literacy and promote critical thinking among pupils, teachers, parents, and students.

Since 2022, in cooperation with the Ministry of Education, Science, and Youth of Georgia and with the support of the United Nations Children's Fund (UNICEF), the Communications Commission has started a project to integrate media literacy into formal education.

Since 2018, media literacy has been incorporated as a competence into various subjects of the third-generation national curriculum. However, due to the efforts of the Communications Commission, from the 2023-2024 academic year, media literacy is offered as an elective subject in 10<sup>th</sup> and 12<sup>th</sup> grades. Accordingly, media literacy is included in the list of optional subjects of the national curriculum and is taught in different subject groups.

The project was implemented in three stages. At the first stage, a study of media literacy needs and attitudes was conducted in the school community, the purpose of which was to assess the level of attitudes, awareness, readiness, and needs of pupils and teachers of 10<sup>th</sup> and 12<sup>th</sup> grades for media literacy. As a result of the study analysis, a number of important findings were revealed, including:



- *Teachers recognize the value of media literacy and the need to integrate it into the classroom environment. Therefore, they intend to enhance their media literacy skills;*

- *The majority of the pupils assess their level of knowledge about media literacy as low. However, they are willing to engage in educational activities aimed at improving their media literacy skills;*

- *Regarding safe online navigation, a similar pattern was observed among both pupils and teachers. Those who have developed stronger digital media content analysis and evaluation skills are more likely to navigate the online space safely and utilize media content responsibly and ethically.*

In the second stage of the project, in close cooperation with the Ministry of Education, Science, and Youth of Georgia, an educational standard for media literacy was developed, based on which a manual for teachers, Media Literacy Lessons and a training module were prepared. The author of the textbook is the researcher of media literacy, Doctor of Social Sciences Nato Ingorokva. The guide covers topics such as: the fundamental concept of media literacy, the language of media and information, information processing and disinformation, cyberbullying, and key principles of media literacy. In addition, the textbook consists of complex tasks that will help teachers in the teaching process.



The last stage of the project included the training of 500 teachers. As a result of high interest, in 2023, the Communications Commission trained 600 teachers throughout Georgia, including in Tbilisi, Batumi, Kutaisi, Zugdidi, Zestaponi, Ambrolauri, Gori, Mtskheta, Telavi, Ozurgeti, Chokhatauri, Marneuli, Akhaltsikhe, and Pankisi. In total, 22 seminars were held, 14 of them in the regions.

As a result of the implementation of the project, starting from the fall semester of 2023, media literacy as an elective subject is being taught in 5 schools of Georgia, including Tbilisi and Kutaisi, among students of secondary general education, from 10<sup>th</sup> and 12<sup>th</sup> grades.

In order to further train the teachers and ensure the sustainability of the project, the Communications Commission signed a memorandum of cooperation with the National Teachers' Professional Development Center (TPDC) and UNICEF. As a

result of the memorandum, the Communications Commission handed over educational resources created within the framework of the project to the National Teachers' Professional Development Center, through which TPDC has already trained about 1000 teachers in media literacy. The number of teachers who have received training as part of the project, as well as those expressing a willingness to undergo further training, emphasize the high interest of the school community in media literacy.

In 2023, to promote the integration of media literacy in formal education and to introduce the subject of media literacy and relevant educational resources, the Communications Commission, with the participation of the Ministry of Education, Science, and Youth of Georgia and UNICEF, organized 6 information sessions with the 240 school principals of Adjara, Guria, Samegrelo, Imereti, and Kakheti.

## Plan for 2024

In order to promote the integration of media literacy into formal education, the Communications Commission is actively working in the direction of higher education as well. It should be noted that with the support of the Communications Commission, media literacy is already being taught as an elective subject in two universities: the Business and Technology University (BTU) and the European University. In particular, the subject, "Digital Literacy and Cyber Ethics", is taught at BTU, and, additionally, within the framework of the strategic communications course, special attention is being paid to teaching the fundamentals of media literacy. The European University has also introduced an optional course "Media and Information Literacy".

The Communications Commission is persistently working towards enhancing media literacy in higher education and intends to cooperate with various universities. This collaboration aims to provide students from other Georgian universities with the opportunity to study media literacy.

## Global Media and Information Literacy Week in Georgia

In 2023, the Communications Commission joined the United Nations (UN) member states to hold the Media and Information Literacy Week (MILW) in Georgia for the third consecutive year. The Global Media and Information Literacy Week is held within the framework of the resolution adopted by the UN in 2021 and serves to raise awareness about media literacy and its importance among target groups.

Activities and events planned within the framework of the MILW were held in Tbilisi and the regions, in which school-

children, teachers, parents, students, and youth interested in the startup ecosystem took part.

On this occasion, at the invitation of the Communications Commission, international media literacy experts visited Georgia, namely, Prof. Ms. Renee Hobbs, the media literacy expert and American professor; Ms. Linda Liukas, recognized as a Digital Champion by the European Commission; and Ms. Fay Lant, senior associate of media literacy at the Office of Communications in the UK(Ofcom).

It is noteworthy that the international experts assessed the media literacy projects implemented by the Communications Commission as successful and noted that Georgia has achieved impressive progress in this area. The said assessment, among others, was related to the events that the Communications Commission conducted during the week. In particular:



- The MILW was opened with the event “Integration of Media Literacy into Formal Education”, about how, since the fall semester of 2023, media literacy has been taught as an elective subject at the secondary level of general education. The meeting was held at the Ministry of Education, Science, and Youth of Georgia and was devoted to the presentation of the media literacy standard and textbook, *Media Literacy Lessons*. Ms. Tamar Makharashvili, Deputy Minister of Education, Science, and Youth of Georgia, Ms. Natia Kukuladze, a member of the Communications Commission, and Mr. Jesper Moller, UNICEF representative in Georgia, opened the meeting with a welcome speech and spoke about the importance of integrating media literacy into formal education. The event was held in a hybrid format, which was attended by about 100 teachers and interested parties nationwide.



- Media Literacy Day was celebrated in schools throughout the country in order to develop critical thinking among teenagers. Within the framework of the media literacy day, teachers and pupils discussed fake information and its harmful effects. In addition, using educational resources provided by the Communications Commission, they prepared informational banners, presentations, podcasts, and videos, completed group assignments, conducted film screenings, and participated in simulation games. Moreover, schoolyards were painted on the media literacy theme.

Media Literacy Day was celebrated across Georgia in 145 public and private schools of all regions, with 630 different projects and activities. As a result, the Communications Commission handed over certificates and symbolic awards to the participating schools, teachers, and pupils.



- At the invitation of the Communications Commission, Ms. Linda Liukas, the author of the Finnish book series, *Hello Ruby*, and recognized as a Digital Champion by the European Commission, held a presentation of a new book for teachers. Within the framework of the event held at the Georgia’s Innovation and Technology Agency (GITA), Ms. Liukas introduced to the teachers the methodology of teaching programming and effective use of the book in the educational process. About 80 teachers from different regions of Georgia attended the meeting. It should be noted that Georgia is the second country where the new edition of *Hello Ruby*, a volume of 4 books, has been translated and published by the Communications Commission, which will help elementary school pupils learn the basics of programming and coding. In addition to teachers, Linda Liukas met with parents and talked to them about online safety for children and the possibilities of using computers to their advantage.



- Within the framework of the MILW, the Global Media Literacy Hackathon was held for the first time for young people, which aimed to discover the challenges related to media literacy and innovative solutions. 10 teams participated in the four-day Hackathon, which, with the help of professional trainers and mentors, developed business projects on educational technologies (EduTech), protection against fake information and access to information. Compelling projects were created, including: a program based on artificial intelligence, which allows the user to identify false information; a platform to protect personal information when using the Internet; and an educational video game that helps school students gain practical knowledge on civic education and security topics.

The Communications Commission awarded prizes of 5,000, 2,000 and 1,000 GEL to the winning teams.





- Organized by the Communications Commission, a public lecture by Professor Ms. Renee Hobbs was held for students and academic staff of various Georgian universities at Ivane Javakhishvili Tbilisi State University. The American Professor Ms. Hobbs, a leading international expert in the field of digital and media literacy education, founder of the Media Education Lab and author of 12 books in the field of media studies and education, was invited to Georgia for the first time by the Communications Commission. Within the framework of the meeting, the importance of media literacy for a democratic society in the conditions of political polarization, as well as the trends and challenges in this area were discussed. After the lecture, the participants had the opportunity to ask questions to the professor. The meeting was held in a hybrid mode and was attended by about 120 students and interested individuals.



- The MILW was concluded with a Conference, which was devoted to the topics such as: strategic vision of media literacy development, international successful practices, and discussion of existing challenges. The chairperson of the Communications Commission, Mr. Kakha Bekauri, opened the conference and summarized the events conducted within the framework of the MILW. The Minister of Education, Science, and Youth of Georgia, Mr. Giorgi Amilakhvari, gave a speech at the conference, and UN Resident Coordinator in Georgia, Ms. Sabine Machl, the Ambassador of the European Union to Georgia, Mr. Pawel Herczynski, as well as representative of UNICEF in Georgia, Mr. Jesper Moller and Regional Director of the World Bank in the South Caucasus, Ms. Rolande Pryce, also addressed the audience.

The conference continued with the presentation of the projects and the achieved results of the Media Literacy Development Department of the Communications Commission, followed by two panel discussions. The first was moderated by the member of the Communications Commission, Ms. Natia Kukuladze, and together with the American Professor Ms. Hobbs and Ms. Fay Lunt, the head of media literacy policy and projects of the British media regulator, the Office of Communications (Ofcom), discussed the international practice of media and information literacy, global trends, and challenges. The second panel session, moderated by the Head of the Media Academy of the Communications Commission Ms. Shorena Shaverdashvili, was devoted to the discussion of the role of new media in the era of digital transformation. Mr. Ivane Makharadze, the member of the Communications Commission, Ms. Tinatin Berdzenishvili, the Director of the National Public Broadcaster, and the producer, Mr. Irakli Kakabadze, took part in the discussion.

## Plan for 2024

The UN General Assembly adopted a resolution on raising awareness on media and information literacy issues in 2021, which was co-authored by Georgia. Due to the fact that the threats of disinformation are increasing every day, the resolution underscores the importance of equipping citizens with e-media and information literacy skills and it emphasizes the responsibility of the UN member states to address this issue.

The Communications Commission, as the organization responsible for the development of media literacy in the country, within the framework of the MILW initiative, will continue organizing events annually in the last week of October. Based on the scale of the importance of media literacy, the Communications Commission plans to involve more interested parties and will conduct activities with the participation of international experts, the purpose of which will be to increase awareness about media literacy and its needs.

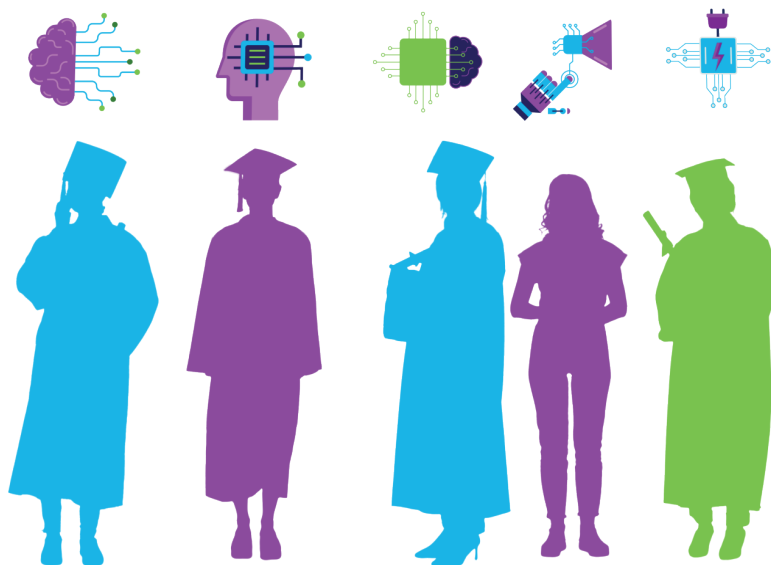
## Media literacy contest “Truth or Fiction?!” for students and schoolchildren

In 2023, the Communications Commission, together with the Media Academy, conducted the media literacy contest “Truth or Fiction?!” twice for both schoolchildren and students. The project aims to develop critical, logical thinking, and analysis skills among youth and includes an information campaign and educational seminars along with the competition. According to the rules, the participants are required to discover false information disseminated in the media that has not previously been identified as false, and then present in a creative way with relevant sources and accurate facts.



The Communications Commission awards the 3 winners selected by the jury with high-tech prizes. In addition, the Commission supports the authors of the best 15 works to deepen their knowledge and advance their competencies, which means certified training and the opportunity to be involved in media literacy projects. Along with the competitions, 17 educational seminars were held in schools attended by 600 pupils, and 14 seminars took place in different universities of Georgia with the participation of 450 students.

The Communications Commission has already held the contest “Truth or Fiction?!” ten times, with six editions for schoolchildren and four for students. As part of the competitions, approximately 170 seminars were conducted, resulting in training of over 3,700 schoolchildren and students.



## Hello Ruby

In 2023, the Communications Commission translated and published a new edition of Hello Ruby into Georgian, which includes 4 parts. Hello Ruby is a Finnish book series that aims to teach elementary school pupils the basics of programming and computer technology, as well as to develop digital literacy, critical thinking, and analytical skills. It should be noted that Georgia is the second country where the edition of Hello Ruby was translated and published.

Within the Media and Information Week, in 2023 the author Ms. Linda Liukas introduced the new edition of Hello Ruby to the teachers and retrained them in the new methodology of teaching programming. In order to use the book effectively in the educational process, the teachers performed practical work and developed an appropriate lesson plan.

Since 2019, the Communications Commission has printed 10,000 Hello Ruby books and distributed them free of charge to 59 public and 2 private schools throughout Georgia. The Communications Commission retrained about 220 computer technology teachers in teaching with these books. As a result, more than 6,000 elementary school students have had the opportunity to develop interest in programming with Hello Ruby books.



### Plan for 2024

Hello Ruby is a series of Finnish children's books recognized in 25 countries. The Communications Commission obtained the copyright to translate and publish the books in Georgian. In close cooperation with the Communications Commission and the Ministry of Education, Science and Youth of Georgia, within the framework of the new education reform, Hello Ruby has been included as additional textbook in the elementary grades in public and private schools of Georgia.

In 2024, the Communications Commission will distribute additional 7,500 copies of the new edition of Hello Ruby books to 100 schools. Accordingly, the training of teachers in teaching with the mentioned books will also continue.

## National Media Literacy Platform



One of the main tasks of the Communications Commission is to involve more interested groups in the process of developing media literacy in the country and to promote active coordination. This goal is served by the online media literacy platform, [www.mediatsigniereba.ge](http://www.mediatsigniereba.ge), which is a unified online space, a hub for public, international, and civil society organizations and agencies working in the field of media literacy in Georgia. It is a web platform that provides access to diverse educational resources and projects on media literacy for any interested individual.

In 2023, 7 new partner organizations joined the National Media Literacy Platform. As for the educational resource, at the moment, more than 100 educational articles are available on the website, which are sorted in the categories of teachers, students, and teenagers and cover topics such as: cyber hygiene, Internet threats, social media, artificial intelligence, etc. In addition to various manuals and textbooks posted on the platform, an electronic textbook created by the Communications Commission for the secondary level of general education in 2023, Media Literacy Lessons, is available. Also available is the Guidelines for Parents, Guardians, and Educators on Child Online Protection in Georgian language prepared by the International Telecommunication Union (ITU).

The [www.mediatsigniereba.ge](http://www.mediatsigniereba.ge) platform had more than 60,000 visitors, according to the data of 2023.

## Media Key

The project Media Key has been available on the National Media Literacy Platform of the Communications Commission for two years. It is an online platform created according to the Finnish model, which provides information about films developed by professional psychologists and film experts. The platform helps teenagers, using media literacy skills, to develop critical thinking, analyze the content of the film, as well as evaluate the main message and the essence of the media product.



By the end of 2023, within the framework of the project, discussion points about 100 films (30 Georgian and 70 foreign) were published on the website. All movies are divided according to the age categories and each of them has an individual description and recommendations on what positive impact a specific film or cartoon can have on the further development of a teenager. Media Key offers parents, teachers, and teenagers movies for four age groups, including: preschool and elementary schoolchildren (4-8 years old), elementary schoolchildren (9-11 years old), as well as 12-14 year old and 15-18 year old teenagers.

This project helps parents and teachers identify movies appropriate for the age of their children, exchange views and hold discussions on the positive content of the movie. In addition, the project helps children to develop media literacy, critical and logical thinking skills.

As part of the project, the Communications Commission arranges film screenings in schools and involves students in the task of evaluating films. Following the viewing of a film, adults hold thoughtful conversations regarding the central theme and underlying message of the movie, while also critically assessing the accuracy and credibility of the information presented.

In 2023, the Communications Commission, as part of the project, held film screenings and discussions in schools attended by 180 pupils.

### Plan for 2024

The Media Key project, acknowledged by the European Commission, aims to foster media literacy, as well as critical and logical thinking among teenagers through the analysis of films. The Communications Commission intends to continue organizing film screenings in schools and facilitating discussions involving students, teachers, and parents.

*From 2019 to 2023, the Communications Commission trained **15,400** schoolchildren, **4,000** teachers and **1,600** students in order to develop critical and logical thinking and media literacy skills. In total, more than **600** educational seminars and meetings were held, and the Digital Adoption Program has more than **3,500** beneficiaries.*

*A total of **26,000** beneficiaries have taken part in media literacy projects and programs.*

## Raising student awareness about telecommunications field and media literacy

The Communications Commission actively cooperates with the state and private universities of Georgia in order to raise awareness among students about the field of telecommunications and media literacy.

In 2023, the Communications Commission conducted presentations on the topics “Development of 5G in Georgia” and “Media Environment and Regulation”. The information meetings were conducted in an interactive format and interested young people had the opportunity to get detailed information about the media environment and the telecom market in the country, including on: the challenges in the Georgian media, international practices, new technologies being introduced, and perspectives in the direction of technological development. The meetings were held at Tbilisi State University (TSU), Georgian Technical University, Sokhumi State University, Business and Technology University (BTU), Kutaisi International University (KIU) and Alte University, where over 450 students took part.

The Communications Commission has signed a mutual memorandum of cooperation in the area of media literacy with TSU, BTU, Batumi Shota Rustaveli State University and KIU, where thematic public lectures for students and academic staff are held by international experts.



### Plan for 2024

Since young people are the most active users of modern technologies, the Communications Commission aims to furnish interested students with comprehensive information regarding the potential for the implementation and advancement of new technologies within the nation. Accordingly, the Communications Commission plans to work with additional universities to educate participating students about media literacy and the media and telecom environment so that they can make informed choices.

# Media Academy



The online platform of Media Criticism [www.mediacritic.ge](http://www.mediacritic.ge) has been offering critical analysis of media products to the public for five years and it promotes the professional development of journalists and producers.

Because the spread of disinformation and various types of fake news is still a serious problem around the world, including in Georgia, the Media Criticism platform creates a professional and qualified filter of information.

[www.mediacritic.ge](http://www.mediacritic.ge) - The site serves as a bridge between society and media, while also prioritizing the professional growth of media professionals.

Media Criticism works based on its own editorial code, which was developed together with professional journalists and media experts. The main principles of the code are: accuracy of information, impartiality and good faith, public interest and accountability, separation of facts and assessments, balance, inviolability of private life, inadmissibility of discrimination, and editorial independence.

The publications featured on the Media Criticism website provide critical analysis of media practices that fail to meet established standards.

## During 2023, 119 materials were published on the platform.

Media Criticism works in three main directions, the statistics of which are as follows:

- *68 reviews: Analytical articles that include the analysis of one or several media products;*
- *22 replicas: Small-format critical articles, relating mainly to the daily news;*
- *29 blogs: Author's analytical articles.*

During 2023, the Media Criticism platform had 335,000 visitors. Since its creation, more than a million users have seen the materials posted on [www.mediacritic.ge](http://www.mediacritic.ge) and more than three million visits have been recorded on the website.

Media Criticism's Facebook page has 24,000 followers, including 3,700 followers added in 2023.

### Plan for 2024

In 2024, Media Criticism plans to offer an even greater variety of materials to the public. In parallel with the traditional media, following the development of the so-called new media, online media products will be analyzed more often.

In order to enhance communication with the target audience, there are plans to optimize the communication channel in 2024. The Media Criticism website is currently in the process of being enhanced and developed into a versatile web application that will offer a wide range of technical features.



The Media School has been diligently working for the past five years to uphold a superior media standard. It is committed to assisting media representatives and students of the faculty of journalism in their professional development and enhancing their qualifications.

In 2023, the Media School conducted 13 segment seminars and trainings for producers and active and beginner journalists, due to high demand. Camera operators were trained as well.

More than 190 people took part in the seminars. It should be noted that the interest of students in Media School education is growing every year.

### **In 2023, the Media School seminars were devoted to the following topics:**

#### **TV Product Management**

Natia Abramia, the Change Management and Quality Improvement Manager at the BBC, has provided training to producers on enhancing the efficiency of TV production and effectively leading the creative team. The seminar participants studied topics such as developing an idea, refining the focus of a story, setting the right task, pre-interviewing and the effective use of pre-agreed frameworks, standards, and guidelines.

#### **Safety course**

The photojournalist Davit Mdzinarishvili and journalist Maka Antidze provided the participants of the seminar with information on safe coverage of rallies, demonstrations, and military conflicts.

#### **Coverage of military operations**

The journalist Davit Kakulia, with the involvement of military personnel, taught the participants of the seminar how military operations are planned and what issues should be considered by media representatives when covering such operations. Also, what is the standard of performance and safety when entering a combat zone.

#### **How to tell a story in an interesting way?**

The journalist Marika Bakuradze gave the participants information about storytelling, setting, and development of a story, as well as dramaturgy. They got acquainted with the difficulties of working in a modern multimedia environment, methods of communication with respondents, and ways of approaching them individually. They also learned how to turn a topic into an exclusive report and how to protect copyright.

#### **Course for TV operators**

The reporter Davit Chkhikvishvili taught TV operators the methods of telling a story with one shot, the process of planning the shooting, the principles of lighting and the selection of focus and composition, as well as the features of covering conflicts and emergency situations, and stress management methods.

#### **How to find the main character?**

The playwright Basa Janikashvili presented the participants of the seminar information about the dramaturgy of a story, how to unfold it from different angles, and turn it into a story.

#### **How to cover culture news?**

The theater and TV expert Nikoloz Tsulukidze informed the participants of the seminar about the features of culture coverage and the skills that journalists working in this field need in conditions of high competition.

#### **What is Europe?**

The psychologist Rusudan Gorgiladze, together with the participants, discussed in an interactive mode the history of the creation and expansion of the European Union, the institutions of the European Union, and its cultural diversity, as well as the forms of political and social organization of the countries of the European Union and the place of Georgia in Europe.



For the third year, the Media School of the Media Academy offers the project Master Class to the public for free, where managers, producers, TV presenters, and camera operators share their experience with an interested audience through online lectures. People interested in journalism have the opportunity to learn from successful and professional authors things that the media in general, preparation of high-quality media products, and professional journalists need to know.

### **In 2023, new authors and their lecture series were added to the project.**

**Tinatin Berdzenishvili, Media Manager and Director General of Georgian Public Broadcaster** - In her lectures, the author reviews in detail the basic principles of modern management, the challenges of organizational management for managers, the importance of establishing a mission and vision, organizational structure and management vertical, and, based on her own experience, provides advice to be considered to achieve results.

**Noe Sulaberidze, producer and TV presenter** - In his lectures the author talks about his 14 years of experience in producing, and based on his own examples, he shares with the audience the principles of recruiting a team, discusses the stages of creating shows, and gives advice on what qualities good producers need. He also reviews how projects and presenters are selected.

**Irakli Kakabadze, producer and TV presenter** - In his lectures, the author shares with the audience the experience of creating series and entertainment shows and reviews the conditions necessary for the success of a project, the principles of working with a creative team, examples of dealing with challenges during production, and the formulas that must be taken into account when working on similar projects. In addition, in the framework of online lectures, the audience receives information about the process of transforming TV products into YouTube products.

### **The Master Class video lectures, which are available to everyone on the YouTube channel, and have more than 3 million total views.**

The project has 12 authors, including: journalists Eka Beridze, Tamta Sanikidze, and Maka Antidze; playwright Basa Janikashvili; photojournalist Davit Mdzinarishvili; cameraman Davit Chkhikvishvili; media manager Giorgi Khaburzania; quality management manager Natia Abramia; as well as theater expert and TV presenter Nika Tsulukidze; producers Noe Sulaberidze and Irakli Kakabadze; media manager Tinatin Berdzenishvili.

#### **Plan for 2024**

Due to the high interest of the audience, the existing projects of the Media School will continue in 2024. At the same time, the Media School plans to add a long-term training certificate program for those who want to become a journalist or a camera operator. Long-term courses will be held in the newsroom of the Media Academy, which will be equipped with the necessary equipment, and course participants will have the opportunity to gain knowledge from highly qualified trainers through practice-based learning.

In addition, the Media School website will also be updated, and a web application will be created.





In order to develop digital literacy and help digital media startups, Media Lab promotes the development of interesting projects and creates new opportunities for startups creating and implementing innovative, progressive, and modern solutions in the field of digital media. Media Lab's accelerator helps startups with consultations, seminars, and specialist advice, as well as with access to Media Lab's resources, such as: the latest computer equipment, free workspace, and various types of equipment and software. In addition, Media Lab helps startups communicate with potential investors and partners.

For the development of the startup ecosystem in Georgia, it is necessary to develop and spread startup education, therefore, in addition to helping startups, Media Lab constantly implements projects for the development of digital literacy, creates educational and informative materials, constantly conducts trainings and seminars for different types of beneficiaries, so that as many people as possible become interested and receive information about approaches, opportunities, and innovations in the world. In addition, Media Lab connects people of different competences through events and projects, thereby forming a strong startup community for future collaborations and strengthening the startup ecosystem.

**In 2023, Media Lab held more than 20 seminars and workshops for startups, including in the regions.**

**In 2023, Media Lab trained up to 450 beneficiaries.**

Seminars covered product development as well as marketing, legal and financial issues. Startups were trained in design and product refinement, the art of accurately and purposefully conveying an idea, and the use of modern artificial intelligence tools, the integration of which will help to save time and resources.

The seminars covered the following topics: marketing for startups; team management and leadership; competitor study and market analysis; UI/UX design; establishing a startup in different jurisdictions; presenting an idea; artificial intelligence as a tool; and managing finances in a startup. In addition, the training series "From Idea to Product" covered the following topics:

- Features of startup and traditional businesses
- Rapid scaling of a startup
- Startup-related risks
- Management of a startup team
- Value proposition
- Idea and product testing
- Planning and creation of a prototype
- Business model
- Negotiations with investors.

During 2023, Media Lab actively cooperated with other organizations representing the startup ecosystem, with which more than 10 working meetings were held. Most of them served to connect startups with investors, to attract venture capital by them, and to present the potential of the Georgian startup ecosystem.

In 2023, the Media Lab "Prototyping" seminar was also held within the framework of the NASA Space App Challenge.

Also, for the first time in 2023, Media Lab actively started cooperation with personal and organizational development specialists and held workshops with them in the direction of mental health, leadership, and team management.

**It should be noted that in 2023, Media Lab became a member of the European Investors Network (EBAN), which unites more than 100 organizations.**

## Startup ideas competition Ideadrom

In 2023, Media Lab held the startup idea competition Ideadrom twice, the purpose of which is to discover potential startups and startup ideas and to facilitate their realization. The startups participating in the competition underwent a one-week intensive training. As part of the program, they received assistance from experts. Experienced startup and commercialization experts, lawyers, financiers, marketers, as well as personal and organizational development specialists collaborated with the teams. Participants were trained in startup idea validation, team management, prototyping, and product testing directions, and reviewed topics on simple finances, legal issues, and choosing the right business model.

After training, the participants presented their ideas to the jury. The prize fund of Ideadrom is 10,000 GEL.

The topics of the 2023 contests were: simplifying communication in the digital space; educational gaming; protection against fake information; and increasing access to information.

Ideadrom prepares startups for global challenges in a comfortable environment. Five-day workshops and intensive work with mentors give startups the opportunity to learn about common practices and optimal approaches. Ideadrom teaches how to build and manage a team and helps startups establish the necessary contacts.

Since 2020, Media Lab has held Ideadrom 7 times. Most of the participating teams are successfully continuing their activities and some of them have already brought their products to the global market.

The winning teams of the 2023 competition are Wempler and Widgera. Both teams have won different competitions and continue to develop their own projects.

Wempler is already active in the market and its revenue is growing by 60% every month. It has 6,000 active users monthly. In 2023, the startup received up to \$400,000 investment from the Georgian Innovation Technology Agency, as well as from Angel investors and venture funds.

As for the second winner of the competition, the startup Widgera has already completed the product prototype and is working on its refinement.

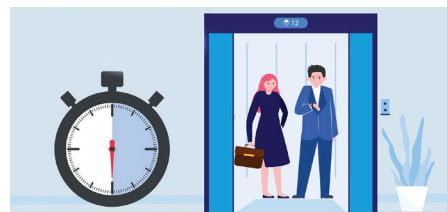
## Media Lab shared workspace, accelerator, and incubation program

2023 was a successful year for the teams participating in the accelerator program, Ideadrom, of previous years. The goal of the program is to help startups refine their ideas, raise funding, and bring their product to market. With the help of the program, the startup Webbix successfully launched its product on the market. Webbix multifunctional web builder will simplify the integration of businesses into the digital space for users. Startup Stori has raised 500,000 USD investment in 2023 and won the Product of the Month status on the Product Hunt platform. Stori is a platform based on artificial intelligence that helps users to automate marketing content and manage teams.



The startups went through free seminars of experienced mentors, including lawyers, developers, and financiers. The startups involved in the acceleration program brought their products to the market.

Media Lab's shared workspace is equipped with modern office equipment, high-speed Internet, isolated meeting rooms, and many other tools necessary for comfortable work. The space can be used by small startup groups as well as freelancers, programmers, designers, sound engineers, bloggers, and all interested persons who want to help startups in product development.



The workspace is designed for 10 teams and meets all the requirements a startup might have. The space allows for different types of events for up to 50 participants.

## Video lessons and educational resources from Media Lab

Media Lab constantly publishes articles and other informative or educational material on its platforms for readers interested in digital media and startups in general.

In 2023, in addition to video lessons, podcasts were added to Media Lab projects, which allow startups and investors to share their experiences with interested persons.



Video lessons cover these topics related to startup development:

- Initiating a startup
- Risks
- Finances
- Legal issues
- Industry analysis
- Startup scalability
- Value proposition based on a problem

In 2023, the Media Lab website posted various types of articles interesting to startups with diverse topics, such as: artificial intelligence tools; European Union AI Act; the role of artificial intelligence in education; idea validation; experience of successful startups and start uppers; experience gained from a failed startups; Metaverse potential for businesses; Startup and Design thinking; communication with investors; competitor research methods and the skills to ask the right questions; protection of intellectual property; time management; finding a suitable market for the product; marketing and aggressive marketing for startups; social media; marketing with limited resources; startup ecosystems; and UX design.

In addition to informing the public about the news regarding the startup world, the publication of educational material serves to raise awareness, share experiences, and develop digital literacy.

## Media Lab's Facebook page has about 26,000 followers.

**Plan for 2024** Based on their success, the existing projects of Media Lab will continue in 2024 and will diversify. In order to strengthen startup ecosystems, startup education, and develop digital literacy, Media Lab plans to add seminar courses and educational resources for interested persons. Media Lab will also engage in collaborative events with other ecosystem players to attract new partners and investors for startups.

In addition, the Media Lab website will be updated, and a web application will be created, which will contribute to the expansion of the startup community and the unification of the target audience.

### The Communications Commission is the chair of the Eastern Partnership Electronic Communications Regulators Network

In 2023, the Communications Commission, represented by Ekaterine Imedadze, chaired the Eastern Partnership Electronic Communications Regulators Network (EaPeReg). During the leadership of the Communications Commission, a number of important steps were taken for the success and further development of the network.

In 2023, the 21st EaPeReg Plenary Meeting was held in Dublin, organized by the Irish Commission for Communications Regulation (ComReg) and the Communications Commission, and the 22nd Plenary Meeting of the Network was held in Tbilisi, hosted by the Communications Commission. At the plenary meetings, the activities conducted by EaPeReg and its expert groups in 2023 were summarized and the activities for 2024 were planned, and the international cooperation of the network and the activities conducted within the framework of the EU4Digital – Telecom Rules program were reviewed.

Member of the Communications Commission Ekaterine Imedadze, Head of the International Relations Office Nino Grdzlishvili, representative of the Spectrum and Technology Department Roman Kurdadze, and representative of the International Relations Office Mzia Gogilashvili participated in a joint summit for electronic communications networks. The summit was organized by the Body of European Regulators for Electronic Communications (BEREC), supported by the European Commission (DG CNECT, DG NEAR), and hosted by the Portuguese National Communications Authority (ANACOM). Representatives of BEREC, the Euro-Mediterranean Regulators Group EMERG, EaPeReg, and REGULATEL (the network of electronic communications regulatory authorities of Latin America, Spain, and Portugal), participated in the summit. The purpose of the summit was to discuss current issues and share experiences regarding its main topic of international connectivity. On behalf of EaPeReg, Ekaterine Imedadze discussed the

importance of digital corridors of international connectivity at the summit and focused on the importance of creating an international digital connection corridor between Europe and Asia through the Black Sea, as well as prospects of establishing Georgia as a digital hub and creating a data center in the country.

In 2023, the cooperation of EaPeReg with the International Telecommunication Union (ITU) was especially intensified. Ekaterine Imedadze presented EaPeReg at various international and regional ITU events, including:

- The Regional Development Forum for European (RDF) recently convened to discuss important topics related to ITU projects. During the meeting, Imedadze reviewed the priority areas for EaPeReg. These areas include the creation of a digital map of broadband infrastructure and services, the development of regional digital corridors, and the establishment of a digital services hub.
- At the Global Symposium for Regulators (GSR-23), Imedadze presented the ongoing and future initiatives of EaPeReg to the chairpersons of regional networks during a dedicated session.

During the Global Symposium of Regulators, Ekaterine Imedadze, on behalf of EaPeReg, signed a trilateral memorandum on cooperation between ITU, EaPeReg, and EMERG. As part of the collaborative efforts, three productive working meetings have already been conducted. During these meetings, regulators from various countries had the opportunity to exchange valuable insights and experiences regarding digital maps with all participants. The third meeting was hosted by the Communications Commission. At the same meeting, the 2024 work plan of tripartite cooperation was defined.

In 2023, the Communications Commission was actively involved in the activities of the International Telecommunication Union (ITU). Therefore, ComCom representatives participated in a number of events organized by the ITU.

Member of the Communications Commission Ekaterine Imedadze participated in the high-level week of the World Summit on the Information Society (WSIS) held in Geneva and presented the Communications Commission at the session “The Enabling Environment”. In her speech, Imedadze spoke about the development of informational digital technologies, the creation of an environment supporting digital transformation, and the role of regulatory bodies in this process. In particular, she discussed the initiatives of the Communications Commission in the direction of promoting competition in the market of telecommunication services, removing barriers to market entry, and introducing new technologies. At the same time, she discussed the regional opportunities of Georgia and noted that it is important for the Communications Commission to create a data exchange center within the country and to make Georgia a digital hub of the South Caucasus using underwater digital corridors.

Imedadze represented the Communications Commission at the ITU Global Symposium for Regulators (GSR) as well and spoke about the important factors that contribute to ICT infrastructure placement and equal access. At the round table of the heads of regulators, she discussed the current projects of the Communications Commission and the prospects of the telecommunications sector in Georgia.

The Georgian delegation, under the leadership of ComCom member Ekaterine Imedadze, participated in the World Radiocommunication Conference (WRC-23) organized by ITU, which is held every 3-4 years and aims to review and update regulatory international agreements on use of radio regulations regarding frequency spectrum and geostationary-satellite and non-geostationary-satellite orbits. During the conference, ComCom member Ekaterine Imedadze and the head of the International Relations Office Nino Grd-

zelishvili conducted working meetings with the representatives of the communications regulatory authorities of Saudi Arabia, Oman, Bahrain, and the United Arab Emirates. At the meetings, the parties reviewed opportunities for mutual cooperation and discussed future plans. A working meeting was also held with SpaceX representatives, during which they discussed the issues and future plans related to the provision of high-speed Internet services in Georgia with Starlink satellite systems.

In 2023, Imedadze participated in the ITU and the European Commission forum called “Accessible Europe”, where she presented the current situation in Georgia in terms of digital accessibility and introduced the activities of the Communications Commission in the direction of eliminating digital inequality.

Deputy Chairman of the Study Group 5 (SG5) of the Radiocommunication Sector of the International Telecommunication Union (ITU-R), the member of the Advisory Council of the Communications Commission, Sergo Shavgulidze, participated in the meetings of the working subgroup 5D (WP5D) and 5A (WP5A) of the SG5. He also attended the ITU-R Radiocommunication Assembly (RA-23), at which RA-23 elected him as the Vice-Chairman of ITU-R Study Group 7 (SG7) for a four-year term. It should be noted that the member of the Shavgulidze received a certificate of appreciation signed by ITU Secretary General Doreen Bogdan-Martin for the significant contribution he made to support activities of the radiocommunication sector of ITU as the Vice-Chairman of the Study Group 5 (SG5).

Mariam Bibilashvili, the representative of the Media Literacy Development Department of the Communications Commission, participated in a meeting of the ITU Council Working Group on Child Online Protection. Within the framework of the meeting, she presented the projects implemented by the Communications Commission in the direction of child online protection and noted that the Communications Commission continues to inform parents about Internet threats in order to protect adolescents from possible harm.

During 2023, the Communications Commission took significant steps to deepen cooperation with its colleague regulators. In particular, the Communications Commission signed memorandums of cooperation and planned future bilateral projects:

- A mutual cooperation agreement with the Portuguese National Communications Authority (ANACOM) includes the study of technical, legal, and economic aspects of important topics such as: enforcement of the infrastructure sharing bill, infrastructure digital map, quality of service, spectrum management, and others.
- A mentioned mutual cooperation with the United Arab Emirates Telecommunications and Digital Government Regulatory Authority (TDRA) that includes each party sharing their experience on regulatory issues of electronic communications.

In order to deepen cooperation and share experience in the field of media literacy, the member of the Communications Commission Natia Kukuladze, the Head of the Media Literacy Development Department Mariam Dakhundaridze, and the head of the International Relations Office Nino Grdzelishvili, paid a working visit to the British Office of Communications (Ofcom), where they met with their British counterparts. Within the framework of the visit, at an event organized by Ofcom, Natia Kukuladze and Mariam Dakhundaridze shared the experience of the Communications Commission with the organizations that implement media literacy projects in the United Kingdom with funding being provided by Ofcom.

Cooperation between the Communications Commission and the Irish Commission for Communications Regulation (ComReg) has been greatly enhanced. In 2023, under the organization of ComReg, Ekaterine Imedadze and a representative of the International Relations Department Mzia Gogilashvili, together with representatives of the Ministry of Economy and Sustainable Development of Georgia, visited the ComReg office on a working visit and met with representatives of the Irish state and private sector. In addition to relevant ComReg specialists, representatives of in-

ternational telecommunications companies Vodafone and Google also participated in the meeting. The purpose of the meeting was to share Ireland's unique experience in digital and telecommunications policy. The Georgian side got acquainted with Ireland's national broadband program, its unified digital strategy, the updated regulations for the construction of cable infrastructure and other important issues, which are important for the development of the country's digital capabilities and establishing a leading position in the region.

In November 2023, the Communications Commission hosted the Chair of ComReg. At the meeting, Ekaterine Sichinava, the Head of the Communications Commission's Competition Promotion and Market Regulation Department, and Sandro Karumidze, the Head of the Spectrum and Technologies Department, introduced the current projects of the Communications Commission to the Irish guests.

During 2023, cooperation with the US Federal Communications Commission (FCC) was significantly deepened. Within the framework of the mentioned cooperation, an event on the topic "Connectivity Solutions" was held in Tbilisi organized by the Commercial Law Development Program (CLDP) of the US Department of Commerce and funded by the Digital Connectivity and Cybersecurity Partnership of the US State Department. Within the framework of the event, representatives of the FCC, the National Telecommunications and Information Administration (NTIA) and the US Department of Commerce shared with their Georgian counterparts their experience in the development of broadband infrastructure, the models and programs operating in the USA, the approaches of the US Federal Communications Commission to connectivity, satellite Internet, collection, and analysis of data related to the broadband infrastructure. They also discussed the development of a digital map of the infrastructure. Within the framework of the event, Ekaterine Imedadze introduced the American colleagues to the initiatives supporting the development of broadband infrastructure in Georgia and reviewed the ongoing projects and activities in the field of broadband infrastructure development in the country, which are carried out with the involvement of the Communications Commission.

## Visits of experts and study tours

In 2023, representatives from the Agency for Communication Networks and Services of the Republic of Slovenia visited the Communications Commission as part of the EU assistance instrument TAIEX. The purpose of the visit was to exchange knowledge and insights on the development of a digital infrastructure map. The experts shared their experience with the specialists of the Department of Spectrum and Technology of the Communications Commission and the Department of Information Technology regarding the technical aspects of constructing a digital map. This included discussions on the map's structure, layout features, and access levels and their use, as well as the layer division principle and security issues.

In 2023, as part of the Memorandum of Cooperation signed between the Communications Commission and the Czech Telecommunications Office (CTU), representatives of the Spectrum and Technology Department of the Communications Commission Giga Tsiskaridze and Giorgi Papava participated in the internship program organized by the CTU. The internship was conducted as part of the ITU project Partner2Connect and was on topics related to spectrum monitoring and user empowerment tools.

In 2023, the employees of the Communications Commission were trained by experts from Cullen International on the topics of regulation of electronic communications and media services. The session related to the regulation of media services was chaired by the founder and head of the research and consulting company Wagner Hatfield, Jean-François Furnemont. The session was aimed at raising the qualifications of employees, sharing international experience, and ensure effective implementation of the amendments to the Georgian Law "On Broadcasting".

In order to train and improve the qualifications of employees, working sessions were also held in the direction of regulation of electronic communications and media services. The meeting was chaired by the chief analyst and competition expert of Cullen International, Veronika Bokarova, and the head of the electronic communications department, Dries Indesteege, who shared information related to the regulation of fixed broadband Internet services, call termination, access to the mobile network, and international roaming services with the employees of the Communications Commission.

## European Platform of Regulatory Authorities

During 2023, Ivane Makharadze, a member of the Communications Commission, Konstantine Koridze, the Head of the Media Services Regulation Department, and Mariam Dakhundaridze, the head of the Media Literacy Development Department, took part in the 57th annual meeting of the European Platform of Regulatory Authorities (EPRA), the purpose of which was to share the experience of regulatory bodies of European countries with regard to audio-visual media regulation and media literacy. The thematic sessions of the 58th meeting were devoted to content regulation, new technologies for its distribution, and other related

challenges. At the session entitled "Media and Information for the Benefit of Society", a discussion was held on the challenges and opportunities of public broadcasters. Konstantine Koridze, the Head of the Media Services Regulation Department of the Communications Commission, Nino Grdzelishvili, the Head of the International Relations Office, and Tamar Khukhunaishvili, a representative of the Legal Department, informed their colleagues about the ongoing processes and the current situation aimed at the approximation of the legislation of Georgia with the Audiovisual Media Services Directive of the European Union.

## Georgia to chair Executive Council of European Audiovisual Observatory

Ivane Makharadze, a member of the Communications Commission, participated in the 69th meeting of the Executive Council of the European Audiovisual Observatory. The purpose of the European Audiovisual Observatory is to collect and disseminate information about the European audiovisual industry. The Observatory gathers information on European audiovisual markets and their financing and analyzes and prepares reports on issues affecting various sectors of the audiovisual industry. The activities of the observatory include the following areas: films, broadcasting, on demand audiovisual services, and more.

At the meeting of the Executive Council of the European Audiovisual Observatory, it was decided that in 2024, Georgia will be the chairing country. It should be noted that in June of each year, the country chairing the Executive Council holds a public media conference on various current topics. Accordingly, a public media conference of the Observatory will be held in Tbilisi in June 2024, organized by the Communications Commission.

## Representative of Communications Commission elected as expert of CDMSI

Levan Maisuradze, Head of the Legal Support Group of the Communications Commission, was elected as a national expert of the Council of Europe's Steering Committee on Media and Information Society (CDMSI) Expert Committee on Online Security, Content Creators, and Consumer Empowerment with 31 votes. The committees are composed of independent international experts and national experts of the member states of the Council of Europe. Out of 46 countries of the Council of Europe, representatives of only 7 countries are elected to the Committee. The Expert Committees are responsible for developing reports and recommendations of the Council of Europe on current issues in the direction of media and information society.

The elections of two new expert committees, namely: Online Safety and Empowerment of Content Creators and Users (MSI-eSEC), and Impacts of Generative Artificial Intelligence for Freedom of Expression (MSI-AI) were conducted by CDMSI at the 24th session of the committee. At the meeting of the steering committee, in which ComCom member Ivane Makharadze also participated, issues were discussed such as: the responsible integration of artificial intelligence in journalism, the best practices of sustainable media financing, the metaverse and its impact on human rights, the rule of law and democracy.

The session developed an action plan for the next 2 years and discussed the reports and relevant recommendations prepared by the CDMSI expert committees.

## International Institute of Communications (IIC) Regulatory Forum

Member of the Communications Commission Ekaterine Imedadze took part in an international forum of regulators organized by the International Institute of Communications. As part of the event, a panel discussion was held on the topics: "Structures and models of future regulators" and "Global progress", in which Imedadze, based on the example of the Communications Commission, discussed the activities and challenges of those regulators that have a high degree of independence and regulate both the telecommunications

and media sectors. In addition, Imedadze drew attention to the mandate of sectoral regulators in Georgia and the Eastern Partnership region, operational models, and the necessary prerequisites for the development of these models in the new digital reality. The event also discussed how the role of regulators in the field is growing, both in the direction of the development of digital media platforms and the need to ensure a safe and sustainable digital ecosystem.

## 4th Thematic Group of the Sub-Committee on Economic and Sectoral Cooperation of EU-Georgia Association Agreement

In 2023, Ivane Makharadze, a member of the Communications Commission, assessed the current environment in the media and telecom sector in Georgia at the session of the 4th Thematic Group of the Economic and Sectoral Cooperation Subcommittee of EU-Georgia Association Agreement. The meeting was aimed at summarizing the results achieved by Georgia in terms of integration into the European Union in areas such as: information society, audio-visual and media fields, science and technology, education, training and youth, and culture, as well as sports and physical activity. During the meeting, the parties discussed the ongoing work process aimed at bringing Georgian legislation closer to the European Union's Directive on Audio-Visual Media Services.

Makharadze provided the representatives of the European Union and the European Commission with detailed information about the important events in the field of telecommunications of Georgia and the projects of the Communications Commission, including the conducted 5G auction and the ongoing comprehensive analysis of the telecom market. The EU side, led by the Head of the European External Action Service and OSCE Division, Eduard Auer, positively evaluated the adoption of the law of Georgia "On sharing telecommunication infrastructure and physical infrastructure applicable for telecommunications purposes".

## GSMA Ministerial

In 2023, members of the Communication Commission Ekaterine Imedadze and Natia Kukuladze participated in the Mobile World Congress (MWC) organized by the Global System for Mobile Communications Association (GSMA). During the Congress, Imedadze and Kukuladze, in order to promote the development of strategic projects, held bilateral meetings with the chairman of BEREC, Konstantinos Masselos, the vice-chairmen of BEREC and EaPeReg,

Annemarie Sipkes and Robert Mourik, as well as the European Commission with the Deputy Director General of Communication Networks, Content, and Technologies, Renate Nikolay. The main topics of the meetings were the European Commission's support for the development of the telecommunications sector of Georgia, the accession to the BEREC of the Communications Commission, and the prospect of Georgia joining the EU roaming space.



## Council of Europe Forum

Ivane Makharadze, a member of the Communications Commission, took part in a panel discussion on media regulation within the framework of the Council of Europe Regional Media Forum, “Narrative Formation: Freedom of Expression in Wartime”. Makharadze focused on the media environment of Georgia, the changes made in the Law of Georgia “On Broadcasting” aimed at bringing it closer to the European Union Directive on Audio-Visual Media Services, the main trends, and the challenges in this direction.

During the visit, Makharadze, along with the Head of the International Relations Office, Nino Grdzlishvili, held a working meeting with the representatives of the Audio-Visual Council of the Republic of Moldova in order to share experience and deepen cooperation.

## United Nations Development Program

A Mutual Cooperation Agreement between the Communications Commission and the United Nations Development Program (UNDP) was signed by member of the Communications Commission Natia Kukuladze and Deputy Resident Representative of UNDP in Georgia Anna Chernyshova. The objective is to foster the utilization of the digital economy’s

potential within society. Within the framework of the agreement, joint activities are to be planned to increase the level of digital literacy, including: reducing digital inequality and the potential of the digital economy, as well as spreading the use of electronic services and improving digital literacy skills in society.

## Cooperation with local partners

### Digital Transformation Forum in Georgia

In 2023, a four-day digital transformation forum was held organized by the ICT cluster of Georgia with the support of the USAID Economic Security Program, as well as other donor organizations and partners. The forum aimed at mastering and developing the country’s digital capabilities. It was opened by member of the Communications Commission Ekaterine Imedadze, USAID Mission Director John Pennell, the Deputy Minister of Economy and Sustainable Development Irakli Nadareishvili, the Vice President of the National Bank of Georgia Nikoloz Gagua, and the Director of the Skills Agency of Georgia Tamar Kitaishvili.

Imedadze discussed the importance of the digital transformation forum and noted that one of the main directions of the meeting is inclusive digital transformation, which fully responds to the actual issues of the telecommunications ecosystem. In addition, she emphasized the role of the Communications Commission in the direction of the development and utilization of the potential of the digital economy of Georgia.

During the Digital Transformation Forum, the third meeting was hosted by the Communications Commission and the sessions were dedicated to the development of inclusive digital transformation, telecommunications, and digital literacy. In terms of the issue of digital literacy, a discussion was

held on the topic, “Integration of Media Literacy in Formal Education”, which was moderated by Natia Kukuladze, a member of the Communications Commission. In the opening speech, she presented the role of the Communications Commission in the direction of media literacy.

During the session, the participants discussed the importance of the integration of media literacy into formal education, achievements in this regard, and the main challenges and opportunities to promote the teaching of media literacy in schools. In addition, they discussed existing needs and the international experience in the direction of introducing media literacy in formal education. The panel discussion, among other important issues, was devoted to the discussion of the cooperation initiative and joint future steps.

The telecoms section of the event commenced with a formal opening by a member of the Communications Commission, Ekaterine Imedadze, and the co-founder of the Georgian ICT cluster, Davit Kiziria, as well as the head of the Department of Communications, Information, and Modern Technologies of the Ministry of Economy and Sustainable Development, Eka Kubusidze, and Attaché of the European Union Delegation to Georgia for Digitalization, Economic, and Investment Plan Lise Vanwimmelbeke. Emphasis was placed on infrastructure sharing, development of broad-

band infrastructure, and creation of a neutral point of Internet Exchange (IXP) in Georgia.

At the event, Sandro Karumidze, the Head of the Spectrum and Technology Department of the Communications Commission, delivered a presentation on 5G technology. He emphasized its key features and unique attributes, along with the current global trends in this field.

Furthermore, Eka Sichinava, the Head of the Telecommunications Market Regulation and Competition Promotion Department, conducted a panel discussion. Alongside the thorough analysis conducted by the Communications Com-

mission, the discussion delved into the various challenges faced by the telecom market in Georgia, including market opening and the establishment of virtual access models.

The Media Lab of the Media Academy of the Communications Commission also took part in the forum and presented the stages of formation of a startup to a business. Head of Media Lab Rusudan Chachanidze spoke about her organization's activities and functions. She also led a panel discussion, which was dedicated to the stages of developing a startup idea into a real business.

## Digital Transformation and Georgia

Member of the Communications Commission Ekaterine Imedadze spoke about the development of the telecom sector and the current challenges in the program "Digital Transformation and Georgia", which was organized by the Cluster Information and Communication Technology (ICT) of Georgia and supported by the USAID Economic Security Program. During the meeting, Imedadze, together with Davit Kiziria, a member of the board of the ICT cluster and co-founder of the

Georgian Consortium for Digital Transformation, discussed the trends in the field of telecommunications, which have a great potential to influence the industry as well as wider society. In addition, he spoke about the potential of Georgia in the global process and the development prospects of the country's telecommunications sector.

## Internet Governance Forum in Georgia

Members of the Communications Commission Ekaterine Imedadze and Natia Kukuladze, Head of the Spectrum and Technology Department Sandro Karumidze and Head of the Competition Promotion and Market Regulation Department Ekaterine Sichinava took part in the ninth forum of the Internet Governance of Georgia (IGF) and discussed the country's digital potential, 5G technology, and media literacy development opportunities, as well as the work implemented and challenges in this direction. The forum was opened with a welcome speech by member of the Communications Commission Natia Kukuladze, together with the Deputy Minister of Economy and Sustainable Development of Georgia Guram Guramishvili, and the Senior Adviser for Private Sector Development of USAID Georgia David Tsiklauri. Kukuladze emphasized the importance of the forum and noted that sharing information and experience on the mentioned issues is a priority for the Communications Commission.

Imedadze participated in the panel session "Georgia on the Crossroad of International Internet Connection and New

Challenges of Internet Fragmentation". She discussed the opportunities and challenges that are related to the formation of Georgia as a digital hub connecting Europe and Asia.

The panel session on the topic, "Internet Infrastructure Development" was moderated by Karumidze. The session assessed 5G technology, virtual mobile operators, the law on infrastructure sharing, and the Internet Exchange Center. They also discussed development opportunities. Sichinava took part in the panel along with other speakers. She evaluated the development trends of the mobile market in Georgia and the prospects for the development of 5G networks and virtual operators.

Within the framework of the forum, another panel session was held, where the results and challenges of teaching digital literacy in Georgia, cyber education at the academic level, and issues of digital citizenship indices were discussed. Kukuladze participated in the session, reviewing the work carried out by the Communications Commission and the results achieved in this direction.

## Second International Conference on Competition and Users Rights in Georgia

In 2023, the Second International Conference on Competition and Users Rights was held in Georgia, organized by the Communications Commission, the National Competition Agency, the National Bank, the National Energy and Water Supply Regulatory Commission, and the Insurance State Supervision Service. Vakhtang Abashidze, a member of the Communications Commission, took part in the opening session on achievements and challenges in competition and consumer rights, together with the heads of the regulatory bodies. He focused on the projects implemented by the Communications Commission in the direction of the protection of users' rights and the development of media literacy.

Abashidze also spoke about the importance of partnerships within the unified platform of regulatory bodies, which, in accordance with the legislation of Georgia, provides for the cooperation of regulatory agencies. He noted that in order to promote the improvement of competition in the country, the coordinated cooperation of regulatory agencies in this direction is of the utmost importance.

During the conference, Levan Maisuradze, the head of ComCom's Legal Support Group, took part in the panel session. He introduced the Georgian legislation on consumer rights to the public and provided information about the authority of the Communications Commission.

## Cyber Security and IT Innovations Regional Conference

Member of the Communications Commission Ekaterine Imedadze and Head of the Spectrum and Technology Department Sandro Karumidze took part in the Cyber Security and IT Innovations (GITI) regional conference. In the opening part of the event, Imedadze spoke about the technological development of the country as a prerequisite for the success of the future economy. She focused on removing barriers to entry into the telecommunication market and introducing innovative telecommunication models, which, according to her, will ensure the availability of high-quality and diverse telecommunication services in the country.

Imedadze took part in the panel session on the development of the national digital ecosystem of the country.

During the event, in order to share the best practices on the procedural simplification of the business process, a second panel session was held, in which Karumidze took part. He reviewed the prospects of 5G technology development in Georgia, as well as the works conducted by the Communications Commission in the direction of introducing the country to the technology.

## International Business Innovation Forum

Member of the Communications Commission Ekaterine Imedadze took part in the International Business Innovation Forum organized by the Kutaisi International University (KIU), where she spoke about the role of the Communications Commission in the development of digital technologies. The main theme of the forum was "Digital Transformation: A New Vision of Education for the Future", aiming at the development of entrepreneurship and innovation in the educational sector.

Within the framework of the forum, a panel discussion was held on the role of digital technologies, where Imedadze focused on the opportunities and challenges created by the new digital reality.

Within the framework of the forum, experts from different countries of the world, together with their Georgian counterparts, also discussed how important the existence of a sustainable digital ecosystem is for the economic growth of the country.

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