



2021

Annual
REPORT



Communications
Commission

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Kakha Bekauri

Chairman of the Communications Commission

A number of important and interesting events took place in the field of telecommunications in 2021. You will learn more about the achievements and projects implemented in 2021 in the annual report, but I would like to share my vision on our further plans and topics that are critically important for a better future.

Firstly, let me focus on the media environment. We all know that the media environment in Georgia is free and pluralistic. This is not the opinion of the Chairman of the Communications Commission, but an assessment made by all influential international organizations. It is

unfortunate and paradoxical that in such a free media environment, an audience-oriented product has not been created to a greater extent.

Media monitoring conducted in 2020-2021 has clearly shown that in the modern media, false information prevails over information based on the facts, and there are frequent attempts to mislead the viewer. I believe that the use of hate speech and aggression restricts different opinions, which hinders healthy discussion in society, as well as political and professional circles. European countries have long agreed that hate speech and false information limit the ability to make informed choices. There is a standard of impartiality in European countries that obliges the media to give all parties the opportunity to express their opinions, to convey facts with complete accuracy, and to clearly separate opinions and facts from each other. In this part, our legislation and media standards are inconsistent with the European ones.

Unlike Europe, in our country the propaganda of war, incitement to racial, ethnic, religious, political, or other hatred and animosity, dissemination of false information, and violations of privacy are not regulated by the Law on Broadcasting and such important issues are subject only to the self-regulation of the media. I can honestly say that the media's self-regulation mechanism has



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failed and has been unable to protect our society from false information and hate speech. Our goal is to give viewers access to information based on facts. Establishing high journalistic standards is of the highest priority for the Communications Commission.

Along with the establishment of media standards, the Communications Commission and the Media Academy have been actively working on the development of media literacy in the country for the fifth year. We have achieved truly impressive results in a short time. Our main goal is to involve more interested parties in the development of media literacy. Through close coordination and cooperation, we will be able to strengthen media literacy in the country.

As for the telecom sector, the Commission has been declaring for a long time that the rules of the telecommunications market should be changed and that the markets of mobile and fixed services should be opened. In the modern world, the telecommunications sector has already entered a new stage of development and Georgia should be part of this process. Large companies need to open the space for small operators to develop. The well-being of small- and medium-sized businesses is the most important driving force for the development of the country's economy. Progressive companies no longer compete in infrastructure, but rather in innovative products and customer-oriented services. We must create such an environment in Georgia.

In 2021, there was an open demand for access to mobile virtual operators, and small- and medium-sized companies started talking

about it out loud. The Communications Commission, as the regulatory body responsible for creating a competitive environment for market participants, will do its utmost to open the Georgian telecommunications market, which is a necessary condition for innovation and the introduction of new technologies. We know that negotiations are currently underway between large operators and small companies and hope that these negotiations will be successful. The Communications Commission, with its decisions and actions, has really created the preconditions for the opening of the market.

At the same time, we need to encourage the sector to invest properly and efficiently in the development of the telecommunications field. The digital economy is evolving dynamically, and innovative telecommunications products created by technology giants are posing new challenges to telecom operators. The sector needs to rapidly introduce new technologies to compete in digital products and services. For such dynamic development, the Communications Commission restored tariff flexibility of companies and moved out of retail regulation.

2021 was also important since the Parliament elected current employees of the Commission as Commissioners. I am sure that the new staff with its professionalism and many years of experience will bring success not only to the Commission but to the industry as a whole. Finally, I would like to thank all employees of the Communications Commission for their efficient work. I believe that with joint efforts and high professionalism we will respond to all challenges with dignity and will successfully achieve our goals.

New Commissioners

In 2021, the Parliament of Georgia elected Ekaterine Imedadze, Natia Kukuladze, and Ivane Makharadze as Commissioners of the Communications Commission for a 6-year term. The new Commissioners are highly qualified and have many years of work experience, which will significantly contribute to the development of the telecommunications sector and more efficient work by the Communications Commission.

Ekaterine Imedadze



Ekaterine Imedadze has been working in the Communications Commission since 2019. She has 12 years of work experience in Georgian and international telecommunications companies. Imedadze held senior positions in the VEON group of companies for 11 years. In particular, she was the lead of Global Project Management at the group's Amsterdam office, and previously held company positions as the Financial Reporting Manager and the Head of Risk Management. She also used to work in the telecommunications sector in the areas of project management, internal audit, and the digital transformation of operating companies, before that she headed the financial departments of several leading private companies in Georgia. Imedadze holds a Master's in Business Administration from the University of Bradford and graduated from Tbilisi State University in Physics. She also did postgraduate studies in Artificial Intelligence Modeling and Applied Mathematics and has completed a blockchain technology certificate program at New York University and an Innovation Leadership program at the Massachusetts Institute of Technology (MIT).

Natia Kukuladze



Natia Kukuladze has been working in the Communications Commission since 2019. She has 18 years of experience in Strategic Communications Management. Over the years, she has held senior positions in various public, international and private organizations in the field of strategic communications, including in the government administration, the Ministry of Education and Science, the Service Development Agency, etc. Kukuladze is also engaged in academic activities, working as an associate professor at the Business and Technology University. Kukuladze graduated from Tbilisi State University, holds a Master's in Public Administration from the Georgian Institute of Public Affairs and the US National Academy of Public Affairs. She has been accredited by the Netherlands Institute of Marketing and the European Marketing Confederation in Marketing Management. She has also completed an internship at the UK Government Communications Service and the US State Department. She was a participant in the Harvard Business School Certified Program.

Ivane Makharadze



Ivane Makharadze has been working in the Communications Commission since 2008. He has 14 years of diverse experience in the field of Audiovisual Media Services. Ivane Makharadze is the Communications Commission representative on the European Platform for Regulatory Authorities (EPRA) and represents Georgia at the European Audiovisual Observatory. Since 2021, Ivane Makharadze has been an expert on the Steering Committee on Media and Information Society of the Council of Europe (CDMSI). He was a member of the Committee of Experts on Media Pluralism and Transparency of Media Ownership (MSI-MED). Ivane Makharadze is a lawyer by profession, graduated from Tbilisi Ivane Javakhishvili State University, Faculty of International Law and International Relations, and holds a Master's in European Media Law from Saarbrücken.



COMCOM has renewed ISO 9001:2015 certification



In 2021, the Communications Commission successfully completed the reassessment process of the ISO 9001:2015 certification for international recognition. The certificate was awarded to the Communications Commission by the multinational audit company Bureau Veritas Certification in 2020. The ISO 9001:2015 certification confirms that the Communications Commission protects the interests of consumers and fulfills the duties imposed on it by law according to the highest international standards. The Communications Commission guarantees that, on the one hand, each consumer has continuous access to high-quality telecommunications services, and, on the other hand, there is a fair, competitive, free, and enabling environment for the telecommunications market players.

The audit company, as part of the reassessment process, verified and confirmed that in 2021 the Communications Commission maintained and developed the quality management system implemented in the previous years according to ISO 9001:2015. During 2021, the quality management system of the Communications Commission has become even more flexible and efficient. In particular, additional evaluation tools – performance indicators – have been introduced for all key and auxiliary processes to assess process effectiveness.



The Communications Commission has approved a new rule of public consultations



In 2021 the Communications Commission approved a new rule for holding public consultations. The updated procedural norms will facilitate the organization of the public consultations process even more transparently and effectively and will have a positive impact on both the telecommunications industry and the interests of consumers. The amendments were adopted by the Communications Commission with the active involvement of stakeholders.

The new rules for public consultation are fully in line with European best practices and are also based on recommendations developed under the EU-funded Twinning Project. The aim of the project was to approximate the Georgian legislation to the EU law, to improve the regulatory framework for electronic communications, and to strengthen the institutional framework.

Under the new procedure, the draft of the legal act will be published on the website of the Communications Commission before the final decision is made and interested parties will be given the opportunity to submit their opinions in writing within at least 30 calendar days. In addition, a single information point will be created on the website of the Communications Commission, where documents related to public consultations will be posted, including relevant draft decisions, written opinions submitted by interested parties, and responses of the Communications Commission.

The Communications Commission conducted media monitoring of the pre-election period of the municipal elections of Georgia in 2021. In accordance with internationally recognized standards, both qualitative and quantitative media monitoring was carried out for the second time.

Observations of the pre-election period, as in the previous year, showed that the Georgian media is pluralistic and diverse, yet at the same time highly polarized and politically biased. The media space is saturated with false information, hate speech, political bias, and manipulation, which remain a major challenge for broadcasters. The main problem of the media is also pointed out by the reports published by international monitoring missions, including those of the OSCE-ODIHR.

Media monitoring showed that TV Imedi, TV Pirveli, and Mtavari Channel covered the pre-election period in favor of various political parties. Their news programs, as well as political programs, were characterized by a violation of balance and journalistic standards.

Heavy accusations were heard on the TV Pirveli and Mtavari Channel which were not substantiated by evidence. The hosts of the programs openly supported specific electoral candidates and called on the viewers to support them as well. Journalists used offensive language and hate speech.

Exceptions in this regard were the Public Broadcaster and the Public Broadcaster Ajara TV, which covered current events impartially and in accordance with the standards of journalistic ethics. Rustavi 2 also covered the events impartially, with election-related stories helping to inform the electorate, although relatively more time was devoted to covering the activities of the ruling party than to other electoral candidates.

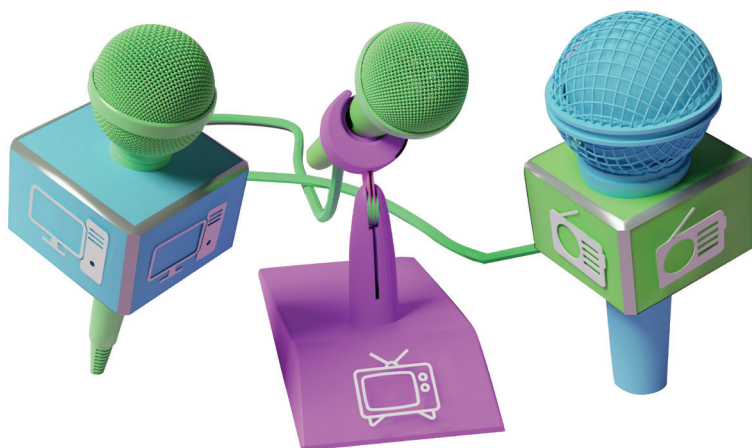
Media monitoring was conducted by monitors trained by the Council of Europe Media Expert and Executive Director of MEMO 98 Rasto Kuzel. The monitoring covered the peak period, from 19:00 to 24:00, while the monitoring of political programs was carried out throughout the day. Quantitative analysis was carried out on about 50 broadcasting channels, and qualitative media monitoring was provided on 6 general national broadcasters, namely the first channel of the Public Broadcaster, Public Broadcaster Adjara TV, Rustavi 2, TV Imedi, TV Pirveli and Mtavari Channel.

During the media monitoring process, the Communications Commission observed pre-election advertisements, pre-election debates, news, and political programs, as well as pre-election propaganda and public opinion polls. During the qualitative monitoring, the following issues were observed by the Communications Commission: balance, accuracy, relevance, omission of important information, as well as hate speech, disinformation, discrimination, and audio / visual manipulation.

The Communications Commission has published three reports on the monitoring of the media during the pre-election period of the 2021 municipal elections in Georgia¹. In addition, during the pre-election period, the Commission revealed several violations of the Electoral Code and recognized the broadcasters as violators. The protocols drawn up by the Communications Commission were upheld by the court and financial sanctions were imposed on the broadcasters.

¹Pre-election media monitoring reports

<https://comcom.ge/en/regulation/broadcasting/elections/georgianmunicipalelections2021?fbclid=IwAR0CwgQHSWWK3a26G3JaCFbXS7ouH0N-Jb3eqc-9nCuO-tbr-aLaDfGfIGRE>



Cases of violations detected by the Communications Commission in 2021:

- TV Imedi violated the Organic Law of the Election Code of Georgia. TV Imedi did not broadcast free political advertisements of the political unions European Georgia and the National Movement during the pre-election period due to hate speech.
- Mtavari Channel broadcasted pre-election political advertisements in violation of the law. The ads called for Mikheil Saakashvili to be released from prison and to attend a rally in his support.
- TV Imedi broadcasted pre-election political advertisements in violation of Georgian law, which referred to the period of the previous government and a call to attend a rally organized by the political union Georgian Dream.
- The Public Broadcaster, the Public Broadcaster Ajara TV and Radio, TV Imedi, TV Pirveli, TV Formula, Rustavi 2 and Studio Maestro covered a public opinion poll in violation of the law.
- TV Pirveli, Mtavari Channel and Formula aired paid political advertisements of the National Movement in violation of the law. Leaders of the National Movement, Lelo, European Georgia, Girchi-More Freedom and Droa participated in the advertisement.
- TV Imedi, Studio Maestro and TV Georgian Channel did not broadcast the pre-election debates.

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The Communications Commission also fined Mtavari Channel by 112,000 GEL for illegally placing political advertisements during the non-pre-election period. The broadcaster aired three video clips which were not allowed by law. During the non-pre-election period, the Mtavari Channel was declared in violation of the law and was fined for posting video clips of political content in 2019 and 2020. The channel was fined 1% of its annual revenue as it was a third violation of the same kind.

The decision of the Communications Commission was followed by unsubstantiated allegations by the channel. There was an attempt by the management of Mtavari Channel to mislead the society, implying the Commission had restricted freedom of speech and expression by its decision. Also, the representatives of Mtavari Channel made threatening and bullying statements towards the members and employees of the Communications Commission. The same channel aired commercials aimed at obstructing the professional activities of the Commission members and employees and discredit the Communications Commission as a state institution, as well as hinder enforcement of the law and influence the Commission's decisions.

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The Communications Commission, in parallel with the media monitoring of the pre-election period of the 2021 municipal elections in Georgia, conducted an analysis of paid and free pre-election political advertisements. According to the information provided to the Commission by TV and radio broadcasters, they received a total of 3.8 million GEL from paid political advertising. As for the regional broadcasters, 22 regional broadcasters received a total of 44,661 GEL from paid political advertising.

The analysis also showed that TV and radio broadcasters devoted a total of more than 39,000 minutes to free political advertising during the pre-election period. Free political advertising was distributed on 12 national television channels. A total of more than 35,000 minutes was devoted to free political advertising on TV, valued at approximately 22.5 million GEL. The market value of free political advertising was determined by assigning the value for advertising spots that the broadcasters themselves had set in the respective broadcasted programs.

Mtavari Channel aired free political advertisements worth 3.2 million GEL;

The Public Broadcaster devoted airtime to free political advertising worth 3.2 million GEL;

The cost of free political advertising aired by TV Pirveli was about 3.1 million GEL;

Rustavi 2 (Media Holding) aired free political advertising at a value of 2.5 million GEL;

PosTV devoted airtime worth 1.7 million GEL to free political advertising;

The Public Broadcaster Ajara TV aired free political advertising worth 1.7 million GEL;

Formula devoted airtime to free political advertising at a value of 1.6 million GEL;

The cost of free political advertising aired by Studio Maestro was about 1.6 million GEL;

TV Imedi aired free political advertising at a value of GEL 1.5 million;

Euronews Georgia devoted airtime to free political advertising worth GEL 1.4 million;

Palitra News aired free political advertising worth 0.8 million GEL;

Obieqtivi aired free political advertising worth 266 thousand GEL.

²Analysis of paid and free political advertisements -

<https://comcom.ge/en/yvela-siaxle/tv-broadcasters-place-free-pre-election-advertising-worth-gel-225-million.page?fbclid=IwAR1kl89MMMo6fgLwGceLNcrIBX4KVlEQ2bX-c8kSODMDlnAxOY2n48aYejU>

An important problem and challenge in the media is the spreading of programs containing obscenity and utterances violating basic human rights. The spreading obscenity also occurs in the non-election period.

According to the 2009 decision of the Constitutional Court of Georgia, the Communications Commission has the responsibility and authority to take legal actions against the spread of obscenity by broadcasters. Because the 2020 media monitoring revealed the problem of obscenity by broadcasters, the Communications Commission immediately called on broadcasters to comply with the requirements of the law and not to broadcast programs containing obscenities violating human dignity and fundamental rights. Also, the Commission warned broadcasters that otherwise, it would act within the powers assigned to it by law.

It should also be noted that to establish the respective legal standards, the Communications Commission, when considering the issue of obscenity, does not apply a fine and only records the violation if it is confirmed. Recording the violation and establishing the practice is the most important step in making it clear what is to be considered a violation. The task of the Communications Commission, like that of regulators of the Western countries, is to introduce a high media standard and rid it of programs containing obscenity.

One of the first issues discussed by the Communications Commission regarding obscenity was the program aired on the Mtavari Channel. The program contained a graphic image with unethical connotations and obscene expressions. The Communications Commission considered the case, and the decision was guided by the following important legal bases and international practices:

According to the Law of Georgia on Broadcasting, broadcasters are prohibited from placing programs or advertisements which contain obscenities and violate dignity and fundamental rights. "Obscenity" is defined as "an act that contradicts the ethical norms established in society and has no socio-political, cultural, educational or scientific value".

It is also important to note that, according to the case law of the European Court of Human Rights, the medium of dissemination of information or ideas is of great importance in identifying standards of freedom of expression. According to the Constitution of Georgia, the Communications Commission is obliged to guarantee freedom of expression in the media and to protect the rights of broadcasters and their audiences. The Communications Commission in particular must protect the fundamental rights and legitimate interests of the audience, listeners, and viewers.

Since the program was aired at 21:57, during prime time, it was possible that it was watched by a large number of viewers. Members of the broadcaster's audience may have been minors at this time. Consequently, the rights of the juvenile audience were violated by airing the program. In addition, the placement of obscene programs in the socio-political program was also problematic regarding the rights of the adult audience, as in order to avoid obscene broadcasts, adult viewers may have lost reasonable opportunity to have access to the information via broadcasting.

While discussing the issue, the Communications Commission has examined a number of international examples and practices, including the decisions of the European Court of Human Rights, the United Kingdom Regulatory Authority (Ofcom), and the US Federal Communications Commission (FCC).

Since the purpose of the Communications Commission was not to sanction broadcasters, but to protect viewers from obscene broadcasts, the Commission exercised its legal power and restrained itself from sanctioning Mtavari Channel.

In 2021, the Communications Commission also discussed the issue of obscenity in the case of the television company Alt Info. The case concerned programs which were aired by the broadcaster and where obscene language was often used by both presenters and invited guests.

The Communications Commission examined the legality of the broadcasting of the programs and considered that the programs of Alt Info contained statements that contradicted the ethical norms established in the society, had no socio-political, cultural, educational, and scientific value and could not be justified by the context. The vocabulary used in Alt Info's programs also violated human dignity and fundamental rights. Due to the fact that obscene expressions were placed in the socio-political program, the rights of adult and juvenile audiences were violated.

In this case as well, in accordance with existing practices and similar approaches, the Communications Commission recognized Alt Info as a violator due to the infringement of the law and released it from further responsibility.



Inappropriate programs for minors and footage of violence in the media



Another major problem observed in broadcasters is the spread of programs and footage inappropriate for minors.

In 2021, the Communications Commission has discussed this issue several times. Among them, the Commission reviewed the programs aired by the broadcasters, which showed footage of torture and rape, with inappropriate vocabulary. The Communications Commission also reviewed films that featured footage of violence, murder, sex scenes and nudity.

Georgian law obliges broadcasters to comply with the criteria defining the categories of programs and to place them in the broadcasting network in accordance with the time limits established by law.

When discussing each issue, the Communications Commission also takes into account the objective factor that the changes in the rules for the placement of programs inappropriate for minors came into force in 2020, consequently broadcasters need some time to bring their broadcasting networks into line. Therefore, the Communications Commission, in accordance with the law, applied only minimal fines to broadcasters and, in order to protect adolescents from any harmful influence, obliged the TV companies to comply with the requirements of the law.

We would like to remind the readers that the amendments of September 1, 2020 to the Code on the Rights of the Child and the Law of Georgia on Broadcasting protect adolescents from information containing threats from broadcasters and the Internet, while parents are given a flexible mechanism to protect their children from the dangers of the Internet, which can have a detrimental effect on their psyche.



International audit in a TV rating company

For the transparency and credibility of the companies measuring the ratings on the TV market an international audit was conducted in 2021 funded by the Communications Commission.

The audit³ was conducted by one of the only two companies on the market, Tri Media Intelligence. Tri Media Intelligence is the official representative of the company Kantar Media in Georgia. The activities of the company were studied by the international audit company 3M3A. According to the conclusion of the audit, TMI's activities were positively assessed in all components as the company meets all internationally recognized standards.

The precondition for conducting the audit was regarding the circumstances on the Georgian market, which is different from the international practice. There are two TV rating measurement companies operating in the Georgian market. Consequently, there are two different data sets on the market, which is a problem not only for broadcasters but also for advertisers. With different sets of data, advertising customers do not know which one is accurate, therefore, this circumstance has a negative impact on the development of the broadcast advertising market.

This reality raises questions and uncertainty among customer companies, which is why in recent years they have directed funds intended for advertising not to broadcasting, but to digital media, where the benefits of advertising can be measured with absolute accuracy.

That is why the Communications Commission, as the policy-making body in the field of broadcasting, expressed its readiness to cover the costs of international audits, the results of which would answer the questions raised in the advertising market. It should also be noted that a similar type of audit has not been conducted for years.

The Communications Commission has offered both TV rating measurement companies to select an international auditor themselves. Tri Media Intelligence agreed with the offer and was ready to audit their company by an internationally recognized auditing company selected by TV MR Georgia. Despite this offer, after a long working process, TV MR Georgia did not accept it and refused the audit. The company named the protest and resistance of the subscribers of TV Pirveli, Mtavari Channel, Formula, and Kavkasia as the reason.



³Audit report

<https://comcom.ge/uploads/other/8/8399.pdf?fbclid=IwAR32nor32Pacdedeik6yM9pn0nRaH0VLkZdEMca-wTlSZ4-VdMsqlUyhgk8>

Supreme Court ruling on financial transparency of broadcasting

The decision of the Communications Commission on the financial transparency of broadcasters is in full compliance with the Law of Georgia on Broadcasting, upheld by the Supreme Court in 2021 after decisions made by the Court of Appeals and the City Court. In particular, the Supreme Court made a precedent decision and declared inadmissible the lawsuit of the former management of the TV company Rustavi 2, which demanded the annulment of the decision of the Communications Commission. None of the courts satisfied the claim of the broadcasters against the Commission.

Based on this, the broadcasters are obliged – not only by the decision of the Communications Commission and the Law on Broadcasting, but also by the decision of the Supreme Court – to fill in the forms on financial transparency approved by the Communications Commission.

The main purpose of the Amendment to the Law on Financial Transparency of Broadcasters adopted in 2013 was to ensure the public would have detailed information on media funding sources even in the non-pre-election period. In particular, the extent to which the sources of broadcasters' funding, including commercial funding sources, influence their editorial policy.

Most of the broadcasters had not complied with the requirements of the Financial Transparency Law for years, as they had appealed against the decision of the Communications Commission in various courts. Due to the fact the obligations of the law have not been fulfilled by the broadcasters for years, Georgia has repeatedly been criticized in international reports, including those of the US State Department.



In 2021, the Communications Commission expanded the radio broadcasting area to allow citizens to listen to the radio even in sparsely populated areas. The Communications Commission has amended the Resolution on the Zonal Division of Local Broadcasting. This amendment will facilitate the entry of new broadcasters into the radio broadcasting market, which in turn will improve radio broadcasting in small settlements far from municipal centers.

As a result of the adoption of the resolution, the radio broadcasting market will become diverse and competitive, and the limited frequency resource will be distributed as efficiently and optimally as possible.

By the decision of the Communications Commission, 15 zones have been defined for radio broadcasting, which will make it possible to use the free frequency resource more efficiently. Radio broadcasting will be available in the following areas: Tbilisi, Kakheti, Mtskheta-Mtianeti, Stepantsminda-Gudauri, Shida Kartli, Kvemo Kartli, Samtskhe-Javakheti, Imereti, Racha, Lechkhumi, Kvemo Svaneti, Samegrelo, Svaneti, Guria, and Adjara.

The adopted amendments will not apply to existing radio broadcasters who have a 10 + 10 (20 years in total) license validity as defined by law.

Following the new zoning, the Communications Commission conducted a public opinion poll⁴ in accordance with the law, investigating radio broadcasting priorities.

The poll, which included a qualitative and quantitative survey, involved 4,200 respondents.

Public opinion polls revealed that most radio listeners (55%) want to listen to mainly specialized radio, while 25% want general radio broadcasting. The operation of general radios is demanded across the country. The survey focused on the public attitude and demand for topics of both private specialized broadcasting and private general broadcasting. The survey was also conducted regarding the demand for local radio broadcasting that covers news in particular regions.

According to the respondents, the Georgian radio space is mainly entertainment (musical) and politics, however, radio is still diverse. As a result of the study, the quality of the national radio signal strength was positively assessed, interference was mainly observed when moving over long distances or in mountainous regions. As a result of the study, it has been determined that the main needs are related to the content and format of radio programs, as well as the technical side of radio access and the importance of the popularization of radio broadcasting.

One of the most important issues revealed by the survey is the so-called ideal radio format. For most of the respondents the ideal radio station covers a wide variety of topics and different types of music genres, has analytical programs and is less political. In the case of an ideal radio, listeners ask for interactive programs. Listeners also want a radio that has an app and a website that will allow them to quickly find and replay programs.

Based on a public opinion poll, the Communications Commission should determine and publish radio broadcasting priorities, after which an update according to the free spectrum resource of the new zones will be published. Competitions for obtaining broadcasting licenses will be announced separately for private, general, or specialized radio broadcasting according to the approved priorities. The competition will be open to any radio broadcaster whose license has expired and wishes to obtain one again.

⁴Public opinion survey - <https://comcom.ge/uploads/other/8/8362.pdf>

Extension of radio broadcasting licenses

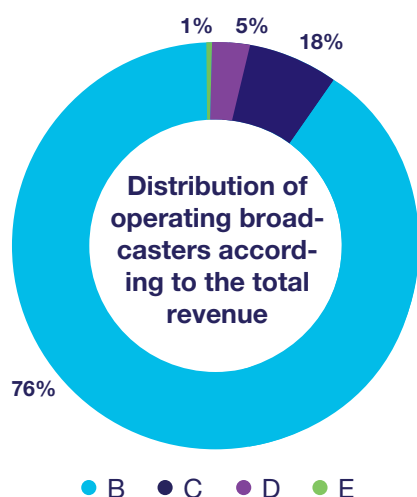
At the end of 2021, as a result of the joint work of the Communications Commission, the Government of Georgia and the radio broadcasters, the amendments to the Law of Georgia on Broadcasting entered into force. The radio broadcasters appealed to the Communications Commission and the government administration, on the one hand, to extend the license for the broadcasters free of charge due to the pandemic situation, and on the other hand, to write off the accumulated debt to the TV and Radio Center. Due to the fact that according to the statistics of the Communications Commission, the advertising revenues of radio broadcasters significantly decreased in 2020, the Parliament of Georgia took into account the opinion of the Government of Georgia and the Communications Commission and amended the Law of Georgia on Broadcasting. By the decision of the government, the debts of the radios to the TV and Radio Center, about 1.5 million GEL, and the end-of-year service fees were written off.

According to the amendments to the law, the Communications Commission has extended the term of the private radio broadcasting license for radio broadcasters for five years free of charge. The licenses of the mentioned radio broadcasters that were to expire on December 31, 2021, in accordance with the amendments to the Law of Georgia on Broadcasting, were extended until December 31, 2026. As part of this process, the Communications Commission has also extended the license period to December 31, 2026, free of charge, for all radio broadcasters whose licenses would have expired by December 31, 2025.



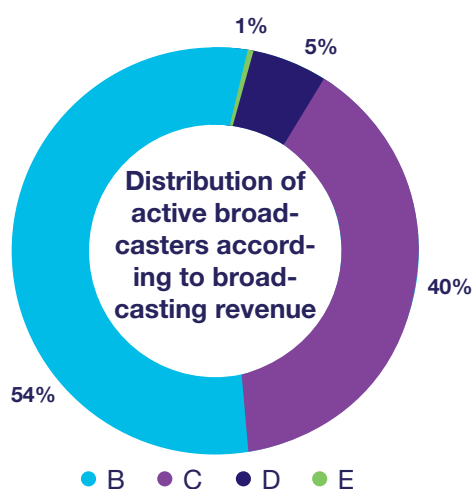
Development trends in the field of broadcasting

In 2021, 109 actors⁵ were registered in the field of broadcasting. Their total revenue, including state funding and other non-broadcast revenues, was 207.5 million GEL. Only 6⁶ persons received more than 10 million GEL (category B⁷ companies) and their total revenue was 76.3% of the total revenue in the broadcasting sector, while the total revenue of those who received less than 100,000 GEL in 2021 (57 persons in category E) amounted to 1% of revenue.



⁷Categories by Revenue:

Category	Revenue earned 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



The broadcasting revenue⁸ of the broadcasters operating in 2021 was 121 million GEL, compared to 115.8 million GEL in 2020. Only 3 persons (category B companies) received more than 10 million GEL in broadcasting revenue and their share was 54% of the total revenue, while the share of those who received less than 100,000 GEL in 2021 (61 persons in category E) was 1% of total revenue.

As of December 2021, there were 116 authorized television broadcast channels and 55 licensed radio broadcasters in the country, from which 19 were the national open TV broadcasters. In addition, there were three channels of the Public Broadcaster and Ajara TV. Accordingly, in 2021, there were a total of 22 open broadcasting channels.

During 2021, the revenue was recorded for 77 TV and 42 radio broadcasters.

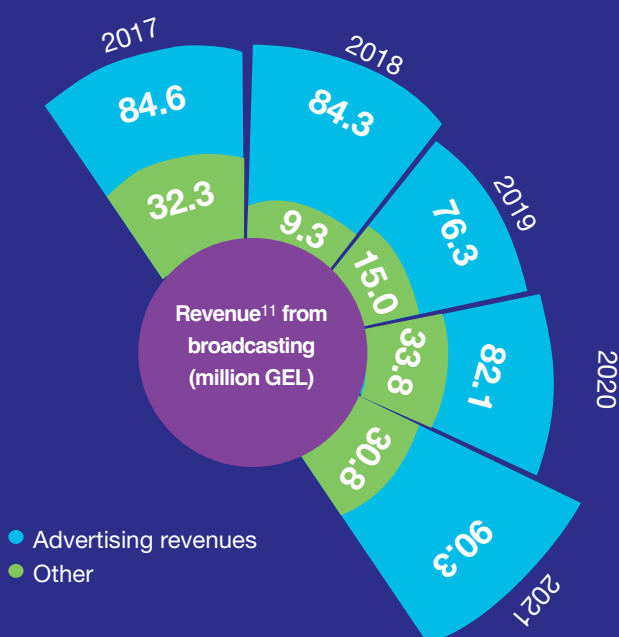
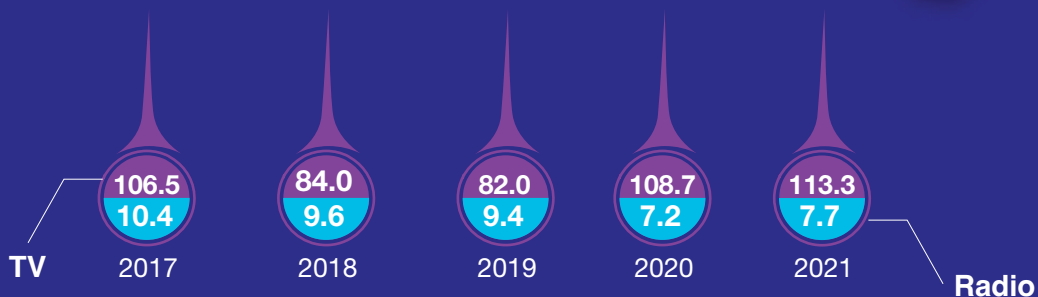
Of the total broadcasting revenue, 113.3 million GEL accounts were for the TV broadcaster and 7.7 million GEL for the radio broadcaster.

⁵An actor is a person which had any kind of income from broadcasting during the year

⁶Broadcasting company Rustavi 2 was authorized as JSC Media Holding in 2021, the annual report presents the data of Rustavi 2 and Media Holding jointly

⁸Broadcast revenue is the revenue received by the broadcaster besides the state funding and other non-broadcast revenues

Revenue from broadcasting⁹ (million GEL)



In 2021, the total advertising¹⁰ revenue received from broadcasting (television and radio) amounted to 90.3 million GEL, as compared to 82.1 million GEL in 2020.

⁹This information is different from the data given in the last year's report, as some of the broadcasters corrected the information

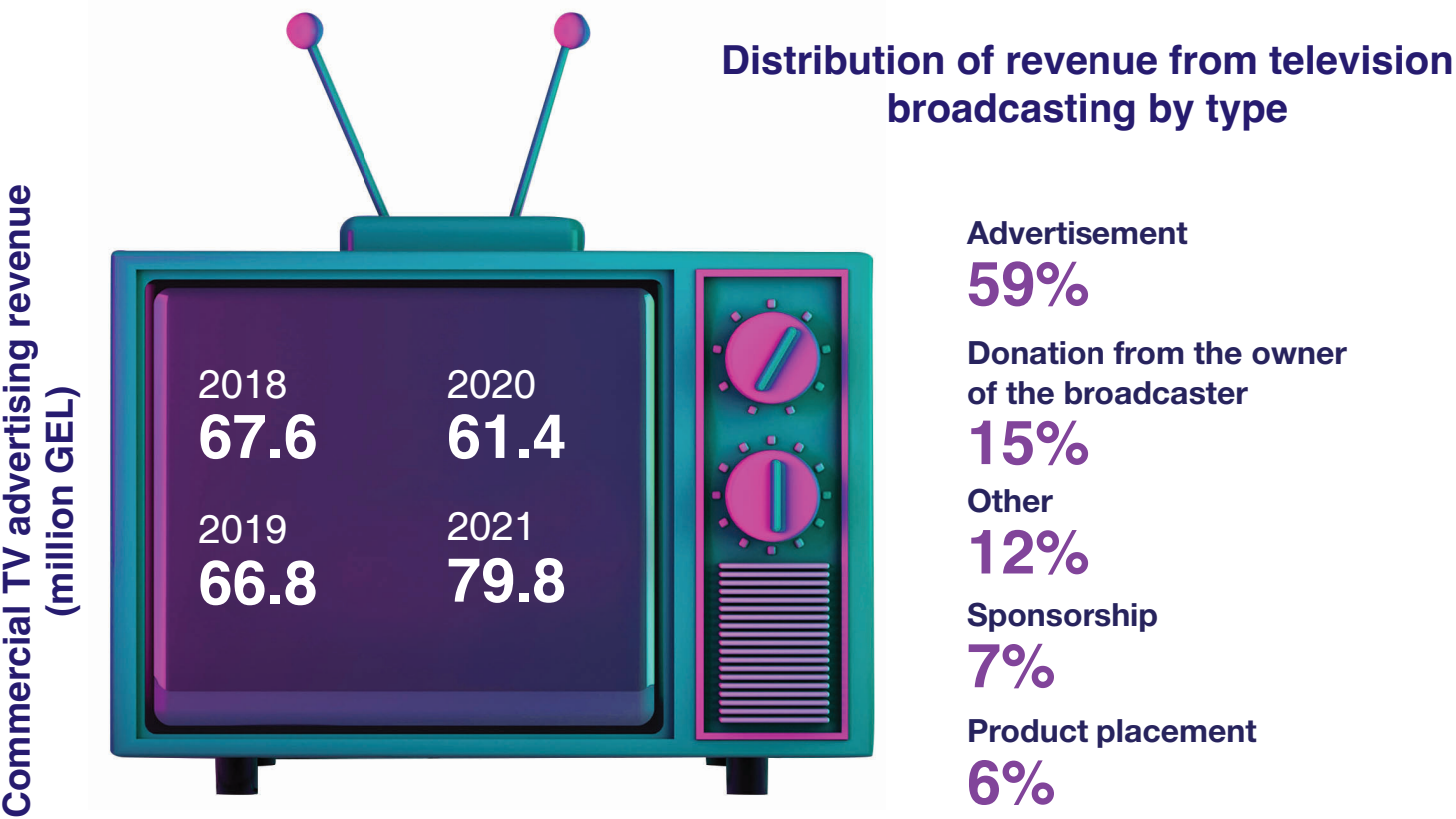
¹⁰Advertising combines 5 categories - direct advertising, sponsorship, teleshopping, announcements and product placement

¹¹This information is different from the data given in last year's report, as some of the broadcasters corrected the information

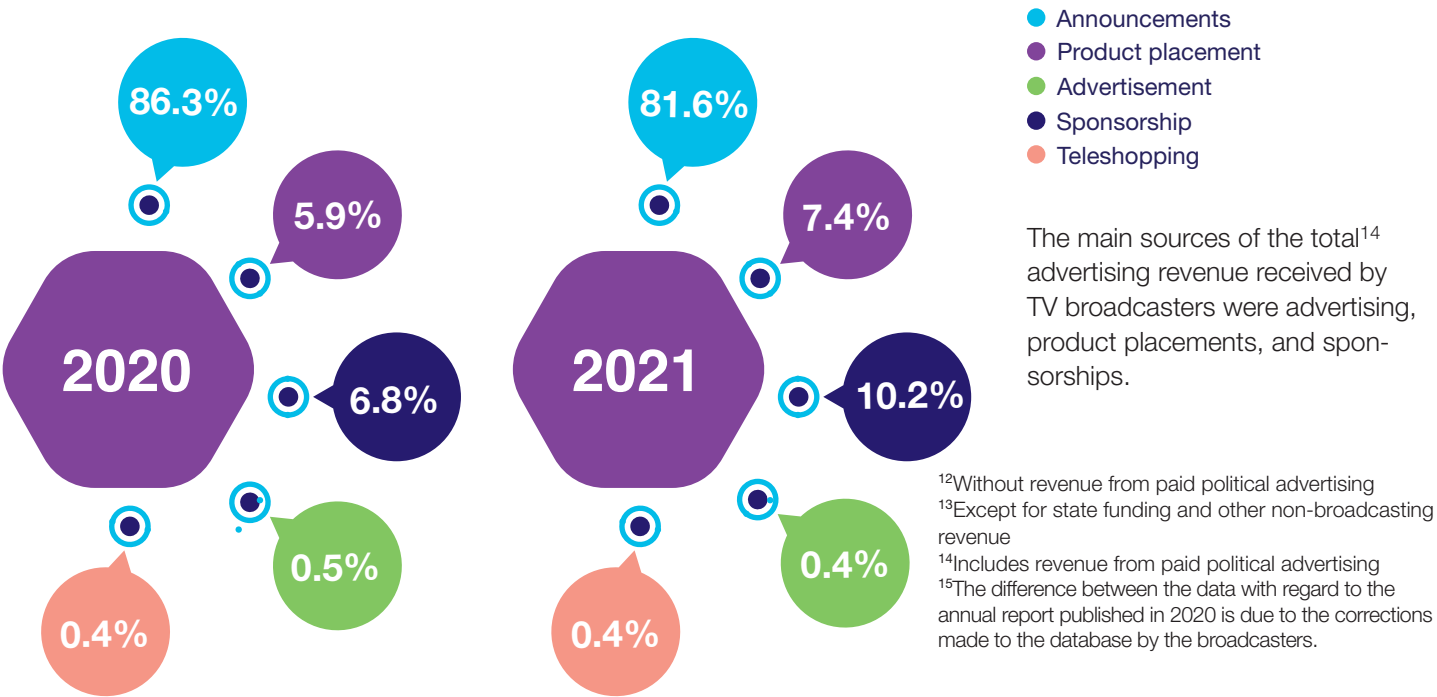
In 2021, TV broadcasters received 30%, or 18.4 million GEL, more revenue from commercial advertising than the previous year. In particular, in 2021 TV broadcasters aired commercial advertising in the amount of 79.8 million GEL¹², and in 2020 broadcasters received 61.4 million GEL from TV commercial advertising.

In addition to commercial advertising revenue, broadcasters received an additional 3.2 million GEL from paid political advertising during the 2021 municipal elections.

It should be noted that 67% of the total¹³ broadcasting revenue received by television broadcasters was advertising and sponsorship.



Distribution of advertising revenues received by TV broadcasters by categories¹⁵



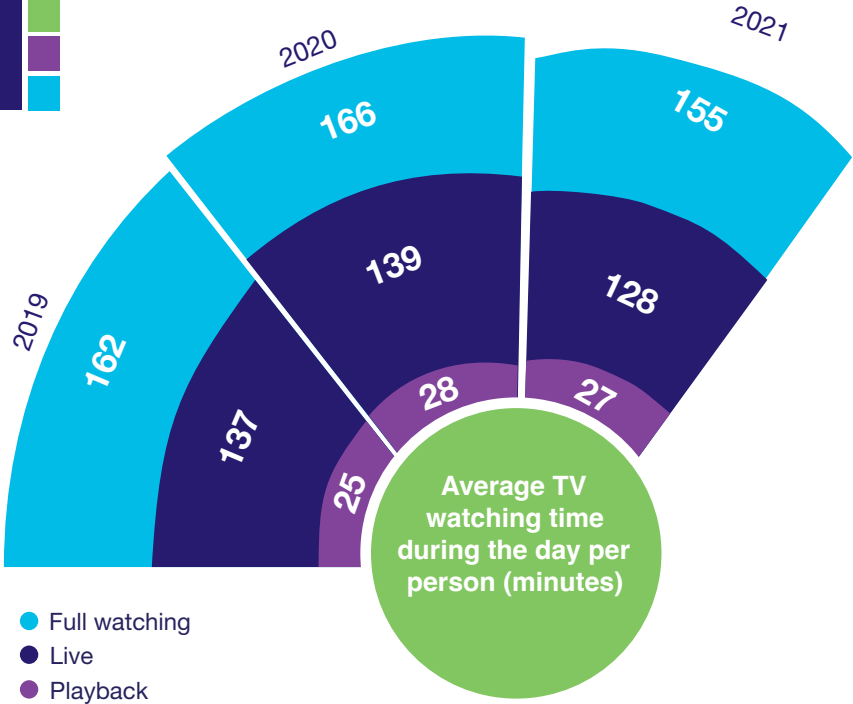
According to the amount of revenues¹⁶ received from television broadcasting, in 2021 the largest share was held by TV Imedi – 24.8%, Mtavari Channel – 18.6%, Media Holding (Rustavi 2)¹⁷ – 10.2%, Formula – 8.4%, TV Pirveli – 6.4%, Silk Media (Euronews Georgia) – 5.4%, Pos TV – 4.6%, Ajarasport.tv¹⁸ – 4.0%, Public Broadcaster – 2.7%, and Silknet¹⁹ – 3.6%. The total revenue share of other broadcasters was 11.3%.

According to the amount of received television commercial²⁰ advertising²¹ revenues, in 2021 TV Imedi had the largest share with 34.3%. Mtavari Channel – 14.4%, Media Holding (former Rustavi 2) – 13.1%, TV Pirveli – 8.0%, Formula – 7.2%, Pos TV – 5.7%, Silknet – 4.4%, GDS TV – 3.2%, Public Broadcaster – 3.1%, RBJ – 0.8%. The total share of advertising revenues of other broadcasters was 6.0%.



Watching in live and in playback modes

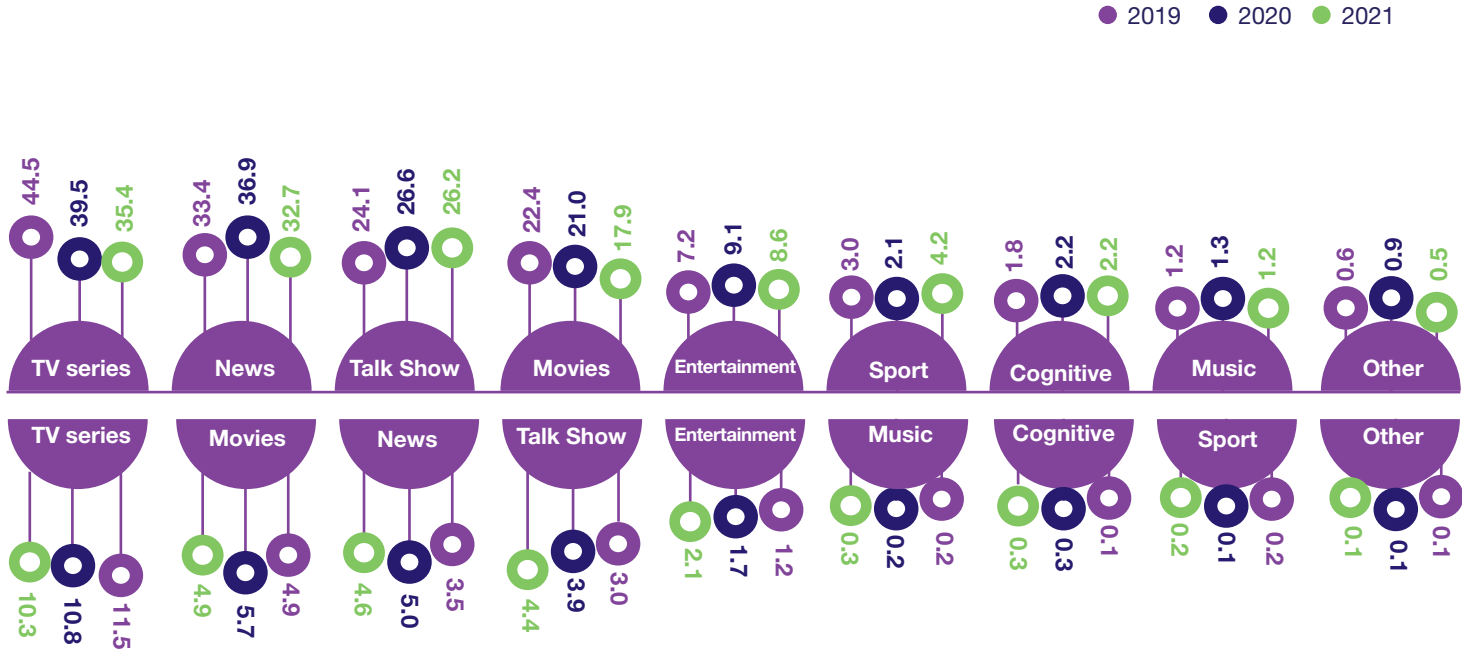
In 2021, one person watched TV programs on average about 155 minutes a day.



From 128 minutes spent watching live TV, one person spent an average of 35 minutes a day watching TV series. This time is 4 minutes less than in 2020.

Generally, use of the replay function by a person occurs most often for TV series, which is at average 0.5 minutes less than in 2020, though, compared to 2019, it has decreased by almost 1 minute. The number of replayed newscasts and talk shows is increasing every year.

Average time of watching live TV per day by one person

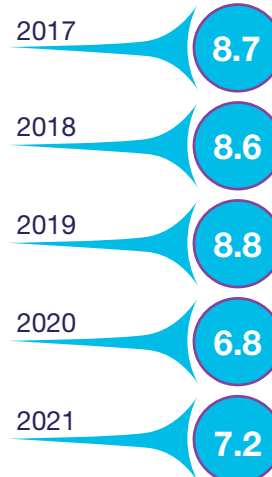


Average time of watching TV in playback mode per day by one person

Trends in the development of radio broadcasting

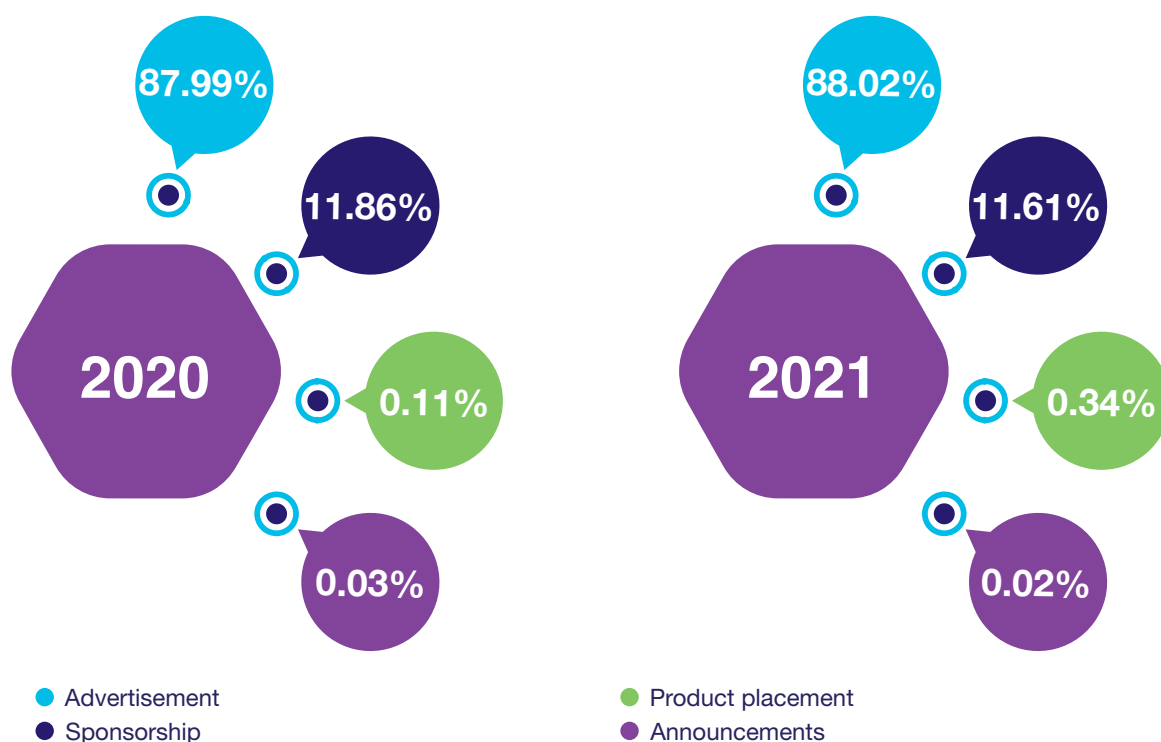
As for radio broadcasters, in 2021 the advertising revenues of radio broadcasters amounted to 7.2 million GEL, which is 0.4 million GEL more than last year.

Radio Advertising Revenues (million GEL)

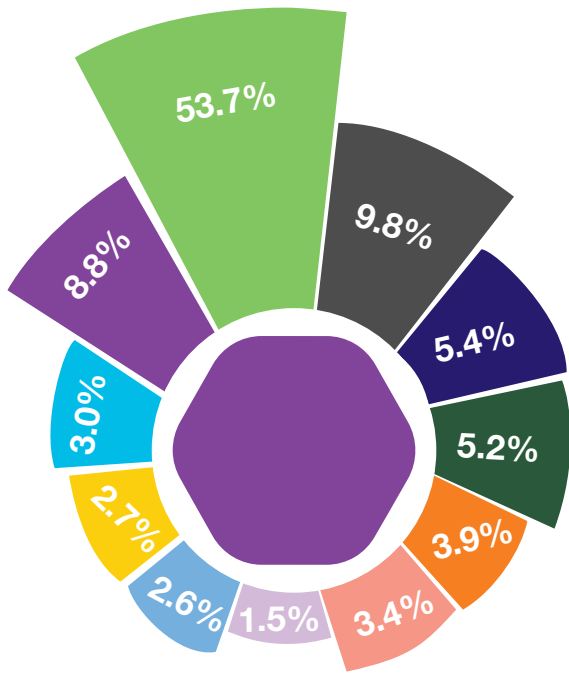


The main share of the advertising revenues of radio broadcasters, 99.6%, was from advertising and sponsorship, and a very small share included product placement and announcements.

Distribution of advertising revenue of radio broadcasters by type



According to the amount of advertising revenues from radio broadcasting, in 2021 the largest share was held by Radio Holding Fortuna at 53.7%. Radio Imedi – 9.8%, Georgian Radio – 5.4%, Radio Palitra – 5.2%, Radio Georgian Times – 3.9%, MD Group – 3.4%, Chveni Radio – 3%, Media Holding Voice of Abkhazia – 2.7%, Mediastream Company – 2.6%, Hereti Broadcasting Company – 1.5%. The total share of advertising revenues of other radio broadcasters was 8.3%.

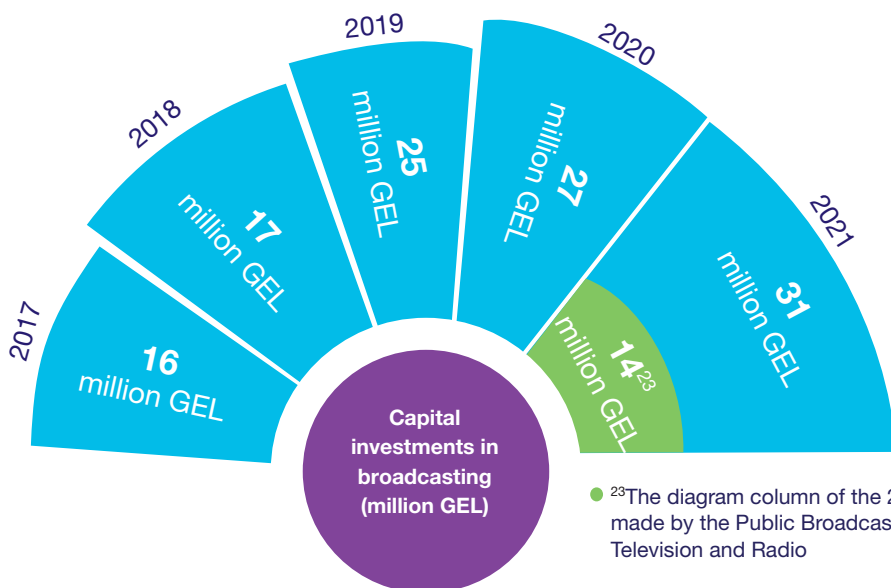


Distribution of advertising revenues of radio broadcasters by companies

- Radio Holding Fortuna
- Radio Imedi
- Georgian Radio
- Radio Palitra
- Radio Georgian Times
- MD Group
- Chveni Radio
- Other
- Media Holding Voice of Abkhazia
- Mediastream Company
- Hereti Broadcasting Company

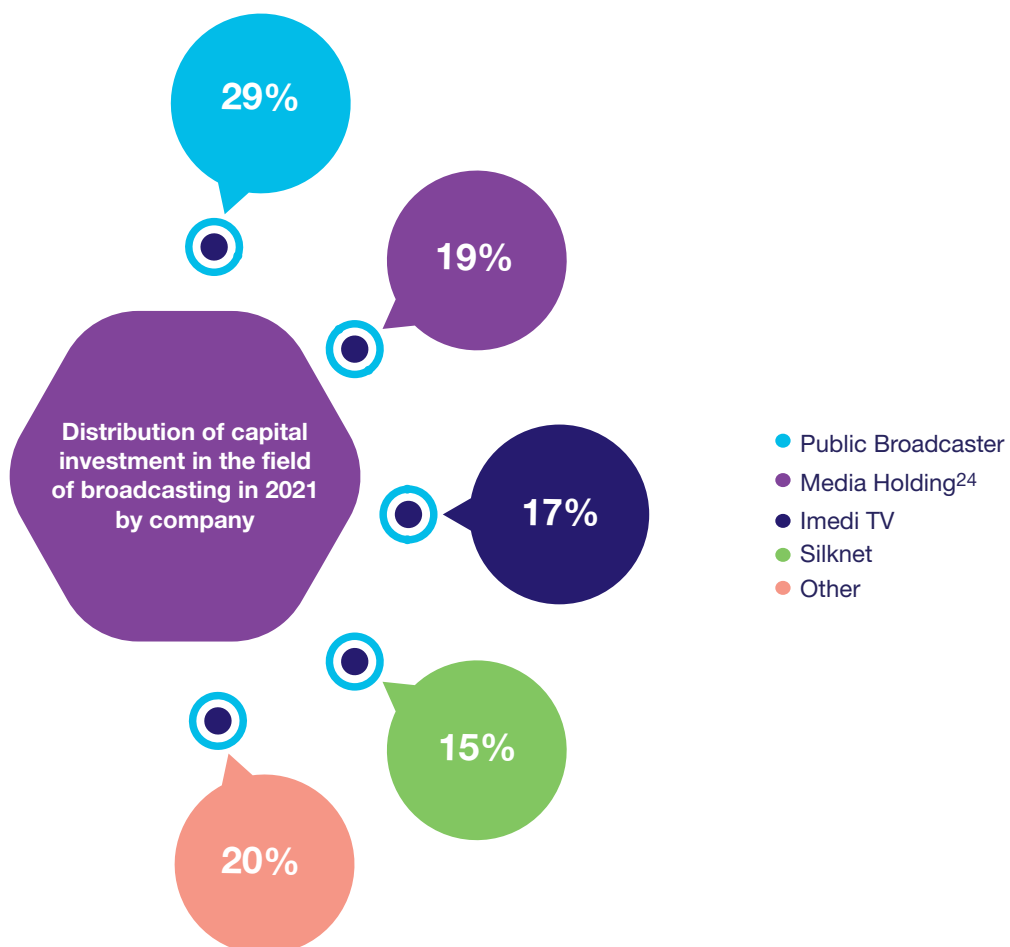
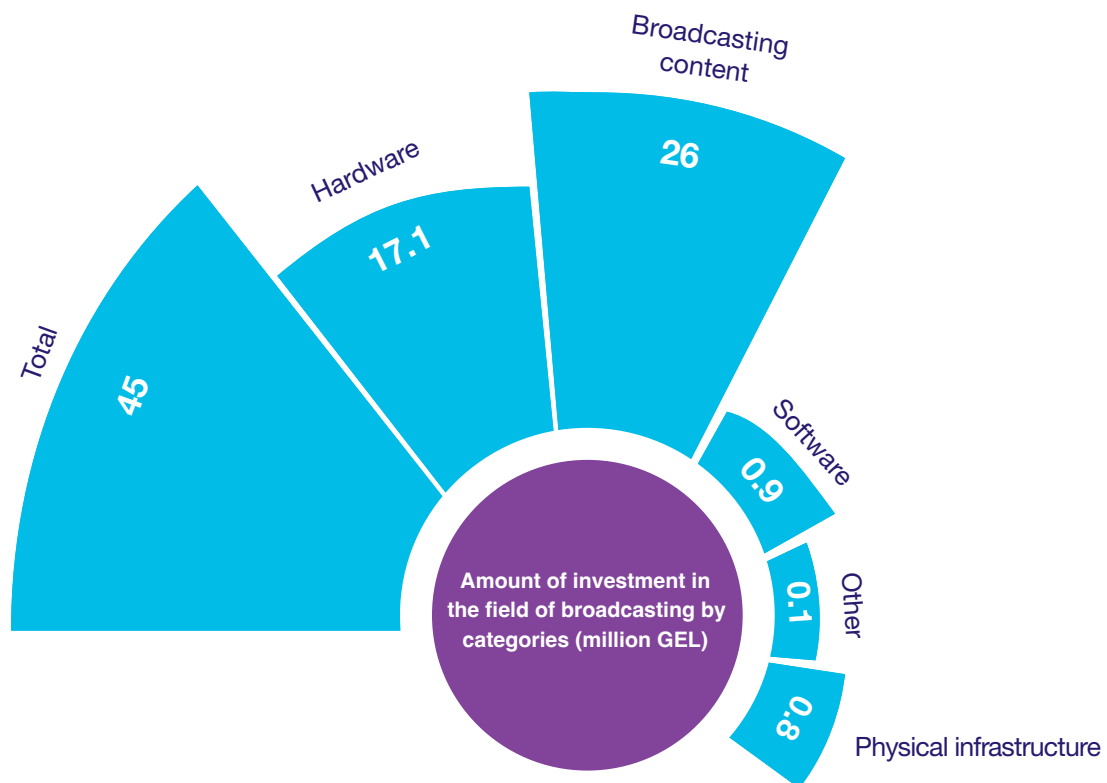
Capital investments in broadcasting

In 2021, the amount of capital investments²² in broadcasting was 44.9 million GEL, which is 27.1 million GEL (65.7%) higher than in the same period of 2020. It should be noted that, the data of 2021 include capital investments of LEPL Public Broadcaster and LEPL Public Broadcaster Adjara Television and Radio, which amount to 14.4 million GEL, this was not the case for the 2020 data.



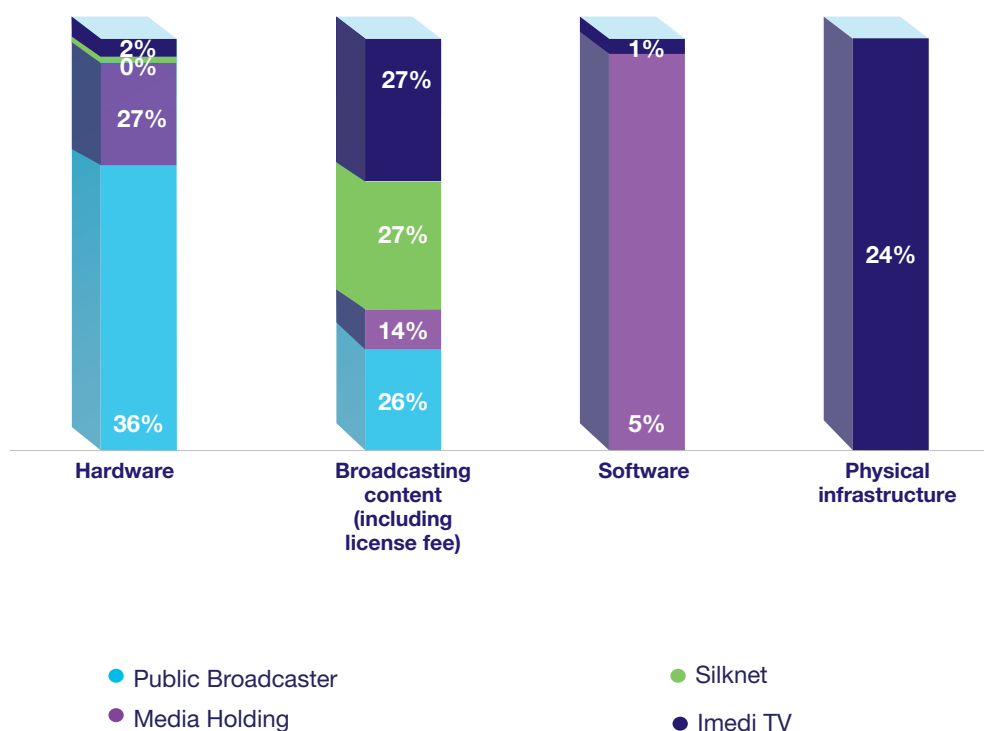
²³The diagram column of the 2021 data shows the capital investments made by the Public Broadcaster and the Public Broadcaster Adjara Television and Radio

²²The amount of capital investments includes the data of the broadcasters that received more than one million GEL revenue annually

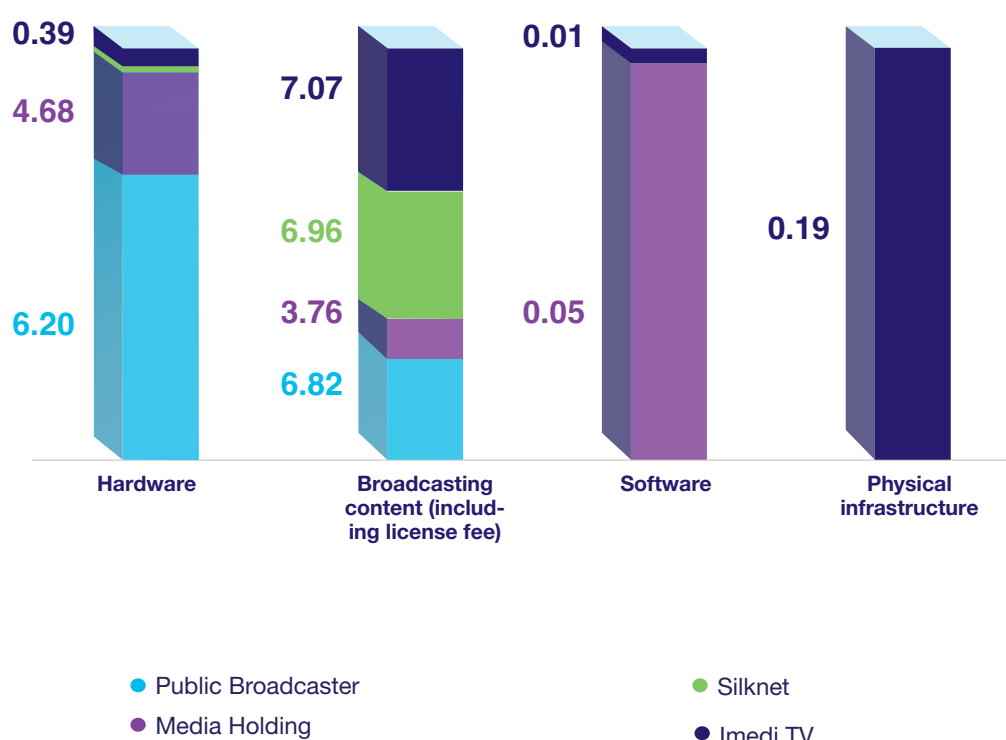


²⁴ „Media Holding” together with other authorized persons, includes the data of “Broadcasting Company Rustavi 2”

The share of companies by the categories of capital investment in the field of broadcasting



Share of companies by categories of capital investment in the field of broadcasting (million GEL)





Media Academy has been working successfully for the third year already. Media Academy implements important projects to support media and improve their qualification through the media school, media criticism and media lab platforms. The executive director of Media Academy has been Shorena Shaverdashvili from 2021.

Shorena Shaverdashvili



Shorena Shaverdashvili has 19 years of experience in the field of media. She was the co-founder and editor-in-chief of the magazine Hot Chocolate and the weekly political online publication Liberal. In 2010-2011 Shorena Shaverdashvili was a member of the Board of Trustees of the Public Broadcaster, and in 2008-2011 she was a co-founder of the media advocacy group Media Club and Media House Decom. She also worked as a program coordinator and assistant producer of Internews Georgia. Shorena Shaverdashvili held the position of General Manager at the printing house Cezanne for many years, and later became the managing partner of the publishing house Cezanne Publishing. Shorena Shaverdashvili is a graduate of the Department of International Relations and Philosophy at Tufts University in Boston.



In order to improve the professional skills of journalists, the Media School has worked with beginners, existing media managers, producers and journalists, even during the pandemic.

At the same time, in 2021, the Media School of the Media Academy, set up according to the German model – in particular the Bavarian Regulatory Commission BLM – began preparations for practical classes. To start new training programs, the Media School will be equipped with the latest technology and a multifunctional editorial office will be created, where novice journalists will learn how to work on different media platforms, be it print media, radio, television, or online media.

Since its establishment, the Media School has trained up to **150** media representatives in various fields. Even in 2021 during the pandemic, the Media School conducted several certified trainings and upgraded the qualifications of up to **50** media representatives.



“ Course on safety for journalists “

The Media School conducted a training seminar for media representatives, during which journalists received detailed information on how to cover rallies and work in emergency situations in order to fully provide information to the public and not harm their health.

The journalists worked with photojournalist Davit Mdzinarishvili, risk management trainer Giorgi Kupatadze and security specialist Irakli Andronikashvili.

In addition to the theoretical part, the training included important and practical work, such as analysis of threats and the environment during the coverage of demonstrations. Besides that, experienced experts discussed with journalists what mistakes the media makes when covering emergency situations. The experts provided journalists with detailed information on what mandatory technical equipment they need to work safely in a stressful environment.

In the process of training, journalists had the opportunity to become participants in staged interrogations and gain experience in this area as well. During the training, media representatives also learned about the rules of first aid.

“ Georgian TV Media Broadcasting Policy “

Within the framework of Media Literacy Week, the Media School conducted a training seminar for students, led by Ketevan Sadghobelashvili, a journalist, screenwriter, producer of the Public Broadcaster and head of the documentary studio Epoch.

The journalists discussed how the media is in the process of transformation, how journalists should behave in the political environment, and how and why the degree of polarization in the media is increasing, as well as what standards should be observed and what makes a responsible media. The examples of how media bias has become an effective tool in the struggle for power were also discussed during the seminar.

“ Psychology of Perception and Communication “



Within the framework of the interactive training, journalists worked with psychologist Rusudan Gorgiladze. Significant time was spent to study the basics of the perception process and to understand the ways in which a person receives information from the environment, as well as how to create a sense of so-called reality and what filters occur in the process. Following the example of the European Public Broadcaster, the participants discussed ways of delivering news. The training also focused on the use of propaganda methods in dictatorships and democratic societies and examples of the use of “fake news”.



The second cycle of the online masterclass

Davit Chkhikvishvili

In 2021, the Media School continued the second cycle of online lectures with video lectures by Davit Chkhikvishvili. Davit Chkhikvishvili has been an operator of the Reuters agency for 28 years, he has filmed important events around the world, including hundreds of demonstrations and numerous wars. Davit Chkhikvishvili started working as a cameraman 32 years ago and his video archive includes unique footage of both Georgian and international conflicts, including videos of the war for Abkhazia, the August War, the wars in Chechnya, Afghanistan, Iraq, Ukraine, and many others. Chkhikvishvili received an award for the best story of the year in New York for his coverage of the August War. Anyone who is interested in journalism and wants to know how to create a high-quality media product, had the opportunity to get knowledge online for free through a lecture course by a professional cameraman with such experience.

Davit Chkhikvishvili's lecture course includes 6 master classes, which cover such important topics as filming wars and demonstrations, news coverage techniques, observance of safety norms in emergency situations, etc.

The first cycle of the master class included a course of 30 lectures by four authors: journalist Eka Beridze, playwright Basa Janikashvili, journalist Tamta Sanikidze and photo reporter Davit Mdzinarishvili. The online lectures have had over a million views since the start of the project. The online masterclass will continue in the future.



In 2021, the Media Criticism platform www.mediacritic.ge continued to work actively. Disinformation and fake news are the biggest problem of the media today. No less problematic is the biased information policy, incomplete and one-sided information, as well as concealment of information, manipulation, confusion of facts and comments, etc.

In response to these challenges, Media Criticism offers the public criticism of television and online media, which aims, on the one hand, to provide highly qualified analysis to the public and, on the other hand, to assist the media in raising the professional standard.

For the third year, Media Criticism has been working on the basics of the editorial code developed together with professional journalists and media experts, the main principles of which are information accuracy, impartiality, integrity, public interest, and accountability, as well as separation of facts and assessments, balance, privacy, and trust. The materials published on the Media Criticism website focus on the violations of these media standards.

During 2021, 215 articles were published on the platform, of which 149 were regular authors of Media Criticism, and 66 were invited authors.

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

- ▶ **100 replicas** – A small format critical article, mainly related to violations found in the daily news;
- ▶ **69 reviews** – Analytical articles that include the analysis of one or more media products;
- ▶ **46 blogs** – Analytical articles of authorial character;

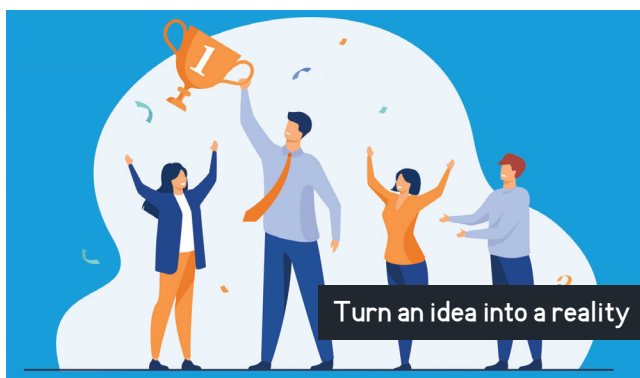
Since its founding, on the Media Criticism Facebook page have been read by more than **2,700,000** users. In 2021 alone, up to **300,000** visitors were registered on the Media Criticism platform, and **5,800** subscribers were added to the social media.



Another important direction of the Media Academy – Media Lab continues to work actively. It is a physical and virtual space for startups trying to create innovative solutions in the fields of digital media, telecommunications, big data collection and processing, as well as artificial intelligence, gaming, and virtual reality. The main goal of Media Lab is to develop digital literacy, support digital media startups and create a strong startup community. Media Lab promotes the development of exciting projects and creates new opportunities for startups.

Media Lab is a unique opportunity to create an interesting and viable ecosystem of startups in the country and to introduce new, innovative products both in Georgia and abroad. To this end, Media Lab offers startups a full range of services: workspace, acceleration program, incubation program and assistance in finding international and local partners and investors, as well as meetings, trainings, workshops and competitions.

” Ideadrome “
Turn an idea into a reality



Media Lab successfully held the Ideadrome startup competition twice in 2021. Ideadrome is a fast acceleration program where startups not only compete with each other, but also undergo training, work with mentors and take the first steps to develop their own startups. The aim of the competition is to discover potential startups and promote them to turn their ideas into reality. The topics of the competition in 2021 were simplification of communication in digital space, educational gaming, protection from fake information and increasing access to information. Participants were trained on important issues such as startup validation, team management, solution validation strategies, prototyping and product testing methods, as well as simple finances for startups and selecting the right business model for the idea. Contestants worked with peers and mentors to develop new skills. After the trainings, the ideas were presented to the jury. The prize fund of Ideadrome is 10,000 GEL.

The participants of Ideadrome continue to work successfully on their startup. They have gained funding, won various competitions, interested Georgian and foreign investors, created real products and are actively testing them in the global market.

From the participating Ideadrome teams: Side Mission received 15,000 GEL in funding for product development from the Georgian Innovation and Technology Agency (GITA). The first version of the game is almost complete and will be released soon in the market; FeedbackKit traveled to Poland to meet with international investors as part of a 100,000 GEL grant program organized by GITA. The social network Bubbler interested Arizona State University and launched the product in a test mode there. In addition, the project received 15,000 GEL funding from GITA.

Acceleration and incubation program

Besides Ideadrome, Media Lab offers startups an acceleration and incubation program that also aims to help them refine ideas, raise funding, and bring products to market. In 2021, more than ten startups have undergone Media Lab acceleration. Media Lab helped them turn their ideas into a real product as quickly as possible and at a lower cost. More than 500 hours devoted to intensive consultations with startups involved in the acceleration program were full of challenges and innovations.

To understand how successful a business idea might be, it is important to evaluate and analyze the idea at an early stage to determine its viability. To this end, a program was created in which startups go through the entire process, which includes mentoring, free trainings and workshops, as well as the assistance of a lawyer, developer, engineer, and/or other specialists.

The startups participating in acceleration can use the Media Lab workspace equipped with modern equipment, high-speed internet, isolated meeting rooms and other necessary tools. The space can be used by small startup groups as well as freelancers, programmers, designers, sound engineers, bloggers and all interested people who want to help startups develop their products.

The workspace is designed for 10 teams and meets the standards required for startups to work.



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Trainings in Media Lab

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In 2021, Media Lab conducted online trainings and trained more than **500** young people. Trainings are conducted by members of the Media Lab team, as well as by invited trainers and mentors, covering topics such as: how and why to launch a startup, how to manage a startup team, how to create value for customers, and how to create and test a prototype with zero GEL, as well as how to talk to and interest investors, present an idea and create the first version of a product.

During 2021, Media Lab also conducted trainings in various higher education institutions of Georgia, including many within the framework of various events such as the NASA Space App Challenge and Techstar Startup Week.

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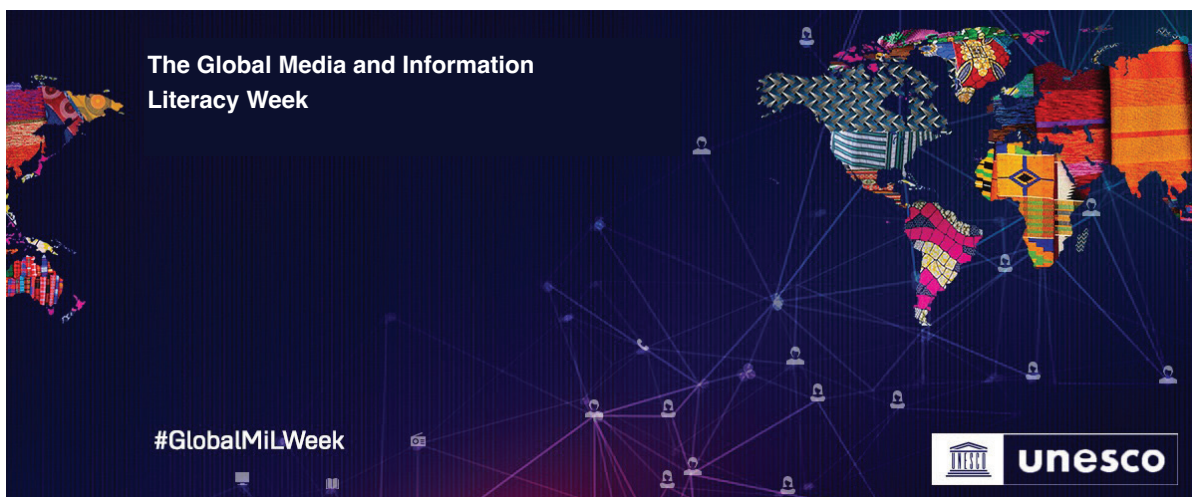
Educational, informational and motivational content

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Media Lab constantly creates educational and informative articles for its own audience. The aim of the online resources and articles posted on www.medialab.ge is to raise the awareness of the digital media field, to develop digital literacy and to introduce potential startups to the opportunities that exist in the local or global environment.

In 2021, more than **120** articles were published on www.medialab.ge, which had more than **200** thousand views.

Media Lab posts had up to **1.3 million** views in the social network.



In 2021, the Communications Commission, under a UN resolution, held the Global Media and Information Literacy Week for the first time. The resolution was co-sponsored by Georgia and highlighted the global concerns about the exponential spread of disinformation. The resolution emphasizes the importance of media and information literacy and the need for all Member States to stand together to address this challenge.

In 2021, the Media Literacy Week (MLW) in Georgia was organized by the Communications Commission, the agency responsible for the development of media literacy in the country. Numerous important events were held with participation from public, international, and non-governmental agencies. In particular, the Ministry of Education and Science, National Center for Teacher Professional Development, Media Academy, Information Center on NATO and the European Union, UNICEF Georgia, European Union, international experts, NGOs, universities, and schools participated in the Media Literacy Week.

Within the framework of the Media Literacy Week, the Communications Commission, together with its partners, held various important events, including:

- ▶ Two conferences with the participation of international partners and experts; the discussion covered the topics such as disinformation, safe internet, hate speech, freedom of speech, and standards of media impartiality;
- ▶ A training for 50 teachers of Tbilisi, Racha-Lechkhumi and Imereti public schools and vocational colleges within the framework of the EU-funded project “Disinformation as a Challenge”;
- ▶ A training on dealing with disinformation for students of Samtskhe-Javakheti State University;
- ▶ A discussion on disinformation, misinformation, fake information and media literacy in partnership with UNICEF for Tbilisi Public School No. 123;
- ▶ “Georgian Telemedia Broadcasting Policy”, a training seminar for students in partnership with the Media Academy;
- ▶ A training on ways to detect fake information and ensure safe navigation on the Internet was conducted for up to 100 beneficiaries of SOS Children’s Village in Tbilisi and Kutaisi.

The Challenge of Disinformation: Promoting Critical Thinking in Schools

In 2021, the Communications Commission, with the support of the EU Delegation, implemented the project, “The Challenge of Disinformation: Promoting Critical Thinking in Schools”. The project aimed to raise awareness about the negative impact of disinformation, develop media literacy and critical thinking skills, and raise awareness on Georgia’s approximation with Europe. Within the framework of the project, trainings were conducted for vocational and public school teachers in Tbilisi and the regions, including minorities.

Within the project, a special educational module was created by a media literacy expert, **45 interactive** trainings were conducted, and more than **700 teachers** from **400 vocational** and public schools were trained. Teachers gained knowledge about the negative impact of disinformation and anti-Western propaganda and the mechanisms of how to protect themselves.

Within the framework of the project, a creative and interactive module was developed, considering relevant and modern teaching approaches and covered such important topics as critical thinking, ways to detect disinformation, methods for verifying information, etc. The training process was led by experienced trainers. In order to develop critical and logical thinking skills amongst school students, the certified teachers will apply their new knowledge in the classroom.

Within the framework of the project, a social network group was created comprised of **600 teachers**. This space allows teachers to receive information, ask questions and exchange views on media literacy initiatives and news. After the completion of the project, about **150 teachers** have already expressed a desire to conduct additional training in their schools. Upon request, critical thinking development training was conducted in **30 schools**, in different age groups, and the number of beneficiaries exceeded the planned target.

The project outcome was summarized by the Commissioner, Natia Kukuladze and Carl Hartzell, the EU Ambassador to Georgia, during the meeting with the teachers in Pankisi.

“Media literacy is a tool for the critical evaluation of information and a powerful instrument for young people. It has taken a long time to assess the damage caused by disinformation in the EU and to find the best ways to fight against it. We have taken a number of measures to help EU Member States meet this challenge. I am glad that we can support similar initiatives in Georgia too, including by the involvement of teachers, the introduction of new tools and training, which will contribute to the development of critical thinking among young people. I would like to thank the Communications Commission and the experts for preparing this training module, which I am sure will be useful for teachers,” said **Carl Hartzell**.

“Disinformation is the biggest challenge in the modern world and the main instrument to fight against it is a citizen equipped with media literacy skills. We are pleased that, with the support of the European Union, we are teaching public school teachers in Tbilisi and the regions, including minorities, how to develop critical thinking skills and analyze information to not become victims of disinformation. We also share information about European values with teachers, provide them with knowledge on how to raise the level of media literacy in the society, properly analyze what is read, heard or seen on television,” said **Natia Kukuladze**.

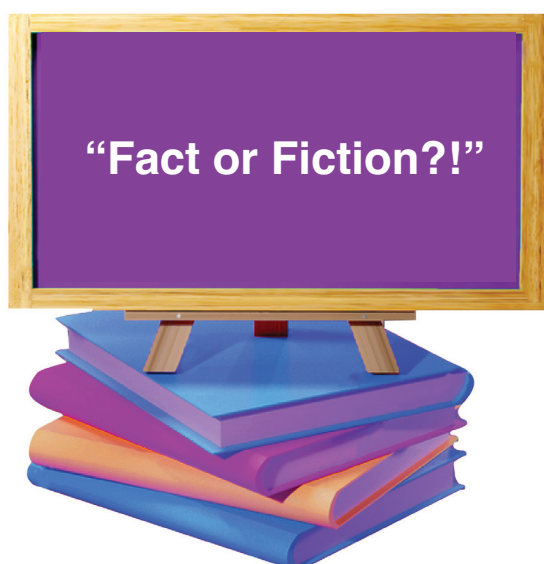


In 2021, the online Media Literacy Platform became available to the public. Mediatsigniереba.ge is an online platform that serves as a hub for all organizations and agencies working in the field of media literacy in Georgia. The project was implemented with the support of the Council of Europe.

The purpose of creating an online Media Literacy Platform is to consolidate online information and resources on media literacy and to raise awareness among the society in partnership with various stakeholders. The online platform offers updated information and educational resources on media literacy for all users, including adolescents, parents, and teachers.

Development of media literacy skills among adolescents

One of the main goals of media literacy is to protect children from the harmful effects of the Internet and to raise their awareness through the development of critical and creative thinking. To this end, the Communications Commission, in close cooperation with the Ministry of Education and Science, has been implementing important projects since 2018.



In 2021, the Communications Commission, together with the Media Academy, successfully conducted a media literacy competition "Fact or Fiction?!" for the high school and undergraduate students. The aim of the competition is to develop critical thinking, analysis and fact-checking skills among adolescents. The competition has already been successfully held six times – four times for high school students and twice for undergraduate students.

Within the competition, participants had to spot fake news shared in media and present fact-checking tools. The competent jury revealed the best applications and the Communications Commission awarded the winners with ultra-modern technology prizes. Along with the prizes, the Communications Commission provided additional opportunities for the best applicants to upgrade their skills. The successful students were trained as trainers, they received relevant certifications, and along with other experienced experts, trained the high school students, sharing their own experiences and knowledge with future contestants.

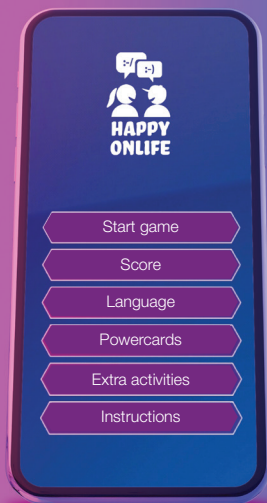
In parallel to the competition, the Communications Commission conducted training sessions on verifying facts and detecting fake information for **up to 200** students from 6 universities and **up to 1,000** high school students from 50 schools in Tbilisi and the regions. Using BBC Academy materials, as part of interactive sessions, attendees learned how to analyze false information spread through media and fact-checking.

“Media Economics”

In 2021, the Communications Commission trained **up to 1,000** students in 45 schools in Tbilisi and the regions in media economics.

The “Media Economics” project is established in Europe and teaches high school students the principles of digital media financing and media economics. The project is recognized by the Evas Foundation as a unique approach to learn media economics and media threats. The Communications Commission, together with the author of the project, Alessandra Falconi, has developed a plan of lessons adapted for Georgian schools. The module is taught via multimedia platforms and the Internet, both in groups and individually, through practical and interactive work. The target audience of the course is 10- to 15-year-old adolescents.

Within the framework of the training course, students receive comprehensive information on social media funding sources and learn what role each customer has in this process. The training also focuses on the aspects of personal information protection, cyberbullying, and the dangers of the Internet. “Media Economics” provides adolescents with information on the fundamental economic principles of social media.



In 2021, the Communications Commission actively continued to train juniors on the safe use of the Internet and protection from cyberbullying through the application Happy Onlife, recognized in EU countries.

Happy Onlife is an online application for adolescents that aims to help children learn the safe and responsible use of digital media through playing, critical evaluation and analysis of online content. Happy Onlife, considered to be one of the most effective media literacy projects in 9 EU countries, helps parents and teachers actively develop their children’s media literacy skills and protect them from cyberbullying. Happy Onlife has been adapted in 9 languages. The Communications Commission created a Georgian version of Happy Onlife, which is available on both iOS and Android mobile devices and personal computers for free.

“Happy Onlife”

In 2021, the Communications Commission updated the application translating 150 additional questions, after which the game became even more diverse and cognitive.

In 2021, training on the proper use of the Happy Onlife application was conducted by the Communications Commission for **more than 500** students in 45 schools across the country.

Since 2019, the Happy Onlife application has been downloaded by **more than 13,300** users in Georgia.

“Hello Ruby

“Hello Ruby” is one of the most successful projects of the Communications Commission, which teaches elementary school students the basics of coding, programming and computer science. The author of the Finnish book series, Hello Ruby, is Linda Liukas, one of the top 50 women in technology on the list of Forbes and recognized as a “digital champion” by the European Commission. With the consent of the author, the books recognized in 25 countries was translated into Georgian and published by the Communications Commission.

“Hello Ruby” aims to master the basics of programming, computer science, and code writing by elementary school children, as well as to develop critical thinking and analysis skills.

In 2021, the Communications Commission delivered the textbooks to 11 additional public schools free of charge. As a result, **about 1300** students from 16 schools study with the Hello Ruby books.

Due to the special interest and demand for the Finnish book series, the Communications Commission, in collaboration with the Ministry of Education and Science, trained teachers from 11 schools using the author’s teaching methodology and handed them the textbooks in 2021.



“Media Literacy and Digital Literacy in Universities

In order to develop media and information literacy skills, the Communications Commission continues to implement media literacy projects in universities. In 2020, in collaboration with the Communications Commission, the Business and Technology University (BTU) began teaching a new subject, Digital Literacy and Cyber Ethics. Now, all university students who learn business and strategic communication within the curriculum, study the basics and main directions of media literacy.

In 2021, more than 600 students learned the basics of media literacy.

Since 2020, **more than 1,200** students from Tbilisi, Batumi and Samtskhe-Javakheti State Universities, as well as the Business and Technology University, have already participated in media literacy projects.

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Development of media literacy among minorities



Ethnic minorities remain an important target group and priority for the Communications Commission. In order to develop and promote media literacy, the Communications Commission has been actively cooperating with Samtskhe-Javakheti State University for 2 years and conducts training for students. In 2021, the Communications Commission conducted training on fake news detection, safe Internet navigation, and media economics in ethnically populated regions of Kvemo Kartli and Samtskhe-Javakheti. Also, within the framework of the project “Disinformation as a Challenge”, training was conducted for teachers in Kvemo Kartli, Samtskhe-Javakheti and Pankisi.

In 2021, at a two-day seminar, organized by the Office of the State Minister of Georgia for Reconciliation and Civic Equality, the Media Literacy Development Department met with the teachers of non-Georgian language schools, presenting to them media literacy projects and conducting a training on the harmful effects of disinformation.

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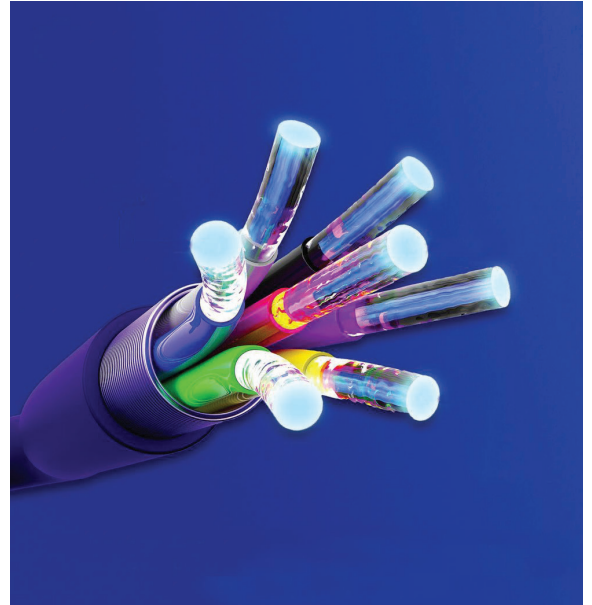
Media Literacy Needs Assessment

In 2021, the Communications Commission began work on research to promote media literacy. The Media Literacy Development Department conducted a qualitative study using a pre-defined discussion plan, which includes in-depth interviews with 11 experts in the field, their analysis and preparation of a report. The research aims to identify the challenges in the field of media literacy in Georgia, potential research issues and a needs assessment.

Representatives of the government agencies and academia, as well as non-governmental and private organizations participated in the study.

Based on the results of the qualitative research, the Communications Commission planned to conduct quantitative research, which will be implemented by the Media Literacy Development Department throughout Georgia in 2022.

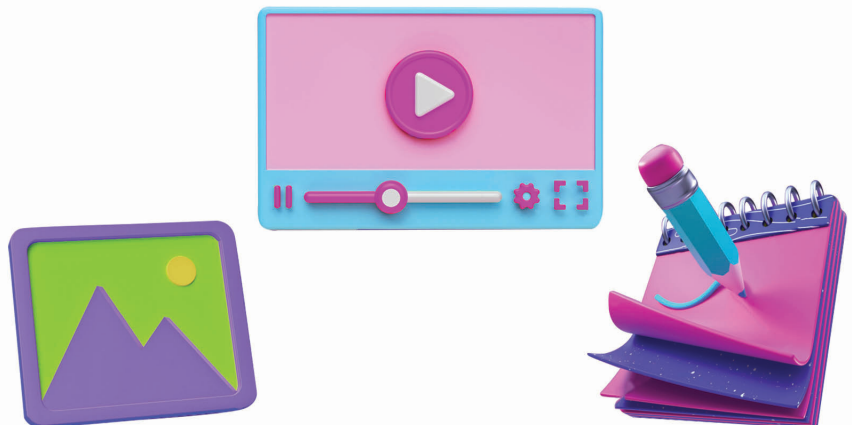
In 2021, a pilot project of the State Program on Broadband Infrastructure Development was implemented in the Ozurgeti municipality. In particular, the construction of fiber-optic infrastructure has been completed, as a result of which up to 29 thousand residents of the Ozurgeti region will have access to high-speed, broadband Internet. To support the implementation of the State Program and the National Strategy for Broadband Development for 2020-2025, the “Log-in Georgia” project was developed, being implemented with the financial support of the World Bank and the European Investment Bank. As part of the pilot project, 140 km of broadband infrastructure has been developed in the Ozurgeti Municipality by N(N)LE OpenNet, with the support of the Communications Commission, enabling each family to have access to a 100 Mbps Internet connection, and public and private organizations to 1 Gb/s Internet.



In 2021, as part of the second component of the project, namely the Digital Adoption Program implemented by the Communications Commission, a community needs assessment was conducted to identify the digital needs in the targeted rural settlements in the Ozurgeti region. Based on the results of the needs assessment and taking into account the objectives of the project, training and awareness meetings for the population of targeted rural settlements in the Ozurgeti region will be launched in spring 2022. The Communications Commission will support the local population through special training programs to develop digital skills and make best use of various public electronic services. Furthermore, special activities will be implemented in the targeted settlements to promote the use of the Internet and digital services by women, ethnic and social minorities and people with disabilities.

The Communications Commission has been involved in the implementation of the State Program on Broadband Infrastructure Development since 2020. Up to 1,000 villages and 500,000 citizens of Georgia, including the population of mountainous regions, will have access to high-quality broadband Internet and to digital services such as: e-health, e-learning, e-government, etc. In addition, the project aims to promote the development of digital skills and the use of digital services.

It is important to note that despite the challenges posed by the pandemic, the implementation of the State Program on Broadband Infrastructure Development is actively advancing and the pilot phase is being accomplished in the targeted geographical areas of Kobuleti and Adjara regions.



New regulations on consumer protection

In 2021, the Communications Commission adopted new rules to improve end-user protection. As a result of the new regulations, the end-users are given the freedom to choose from whom to buy a telecommunication device to connect to the network at a favorable price and terms. The service provider company will not have the right to refuse the end-user the connection of equipment purchased from another person to its network – unless for objective reasons this is not possible – and this must be agreed upon with the Communications Commission.

The new regulation also defines in detail the type of information the company is obliged provide to the subscriber regarding the service tariffs, so that the customers are informed how the fee is charged for each individual service. The companies are also obliged to notify the end-users in advance about the change of the service conditions which is now one month earlier per new rules instead of the previous 10 working days. As a result, the subscriber shall have sufficient time to replace the provider if the updated conditions are not acceptable for them.

The new rules aim to provide users with access to important information, which has become especially relevant during the pandemic period. The Internet service provider is imposed with the obligation, based on the list provided by the Communications Commission, to provide users with access to websites containing critical information posted in Georgia during an emergency, even when their Internet service is off. It is also important that as a result of the changes, the end-users will be able to sign a subscription agreement with the company in a more convenient way, namely remotely without visiting the office.

Under the new regulations, every end-user, both a subscriber using services under standard terms and corporate subscribers (business subscriber, legal entity) using services under individual terms, has the right to request the termination of their contract at any time, without justification, regardless of the validity period of the contract. The new regulation sets out the terms of termination of the contract at the initiative of the end-user and the service provider, as well as the rights and obligations of the end-user and the service provider in terminating the contract, both for fixed term and permanent, as well as for standard and non-standard terms, including the rules for costs related to termination.



As for the initial connection, according to the changes, the service provider is obliged to connect the subscriber to the network upon the request of the end-user within 20 working days or within the period agreed with the end-user, in the presence of technical conditions. In case the provider cannot take a new subscriber and does not have the technical resources, the applicant should be notified within 10 business days.

Another problem addressed by the new regulations is the activation of additional services without the consent of end-users. Recently, the activation of services without their consent has led to serious dissatisfaction among subscribers.

As a result of the changes, no company will be able to activate a new paid package for a subscriber without their request.

The new regulation establishes transparent procedures for reviewing complaints by a service provider company and rules for reviewing the complaints, that significantly increases the accountability and responsibility towards end-users.

According to the changes, the company should also provide access to information about services for people with disabilities on the terms of service on the website, the hotline, or any other means specified by the service provider.

Under the new regulations, the service provider is obliged to inform the person wishing to receive roaming services about the financial limits before their arrival in a foreign country. Upon agreement with the end-user, a mandatory financial limit will be set, after which the service will be stopped and the end-user will not have any additional debt. Accordingly, the end-user will have the mechanism to control and avoid additional service costs. The amendments also establish a rule for charging a fee for services rendered during roaming, according to which the end-user should be charged a fee directly for the service rendered.

End-users will also have a cost control mechanism when receiving mobile and Internet services. In the case of the subscriber's service limit, balance or term expiring, the company is obliged to provide them with information.

To improve the existing rules on the provision of services in the field of electronic communications and the protection of end-users' rights, the Communications Commission worked with European experts and operators, taking into account the best European practices and recommendations.



The Internet quality control tool Sheamotsme.ge, created by the Communications Commission, became even more necessary for consumers during the pandemic. Since the learning and work process was going on remotely for over two years, the provision of high-quality Internet to consumers became even more critical. Sheamotsme.ge is an Internet quality control system that allows both the consumers and the Communications Commission to measure the quality and speed of fixed Internet on a 24-hour basis, to observe whether companies are fulfilling their obligations towards consumers. In case the rights of the users are violated, a complaint can be filed online addressed to the Communications Commission to solve the problem. In case of violation, the Communications Commission, in accordance with the law, solves the consumers' problems effectively and promptly.

Sheamotsme.ge has been having more than **630,000** users since its launch, and in 2021 the website had more than **73,000** visitors.

In 2021, the users conducted more than **3,000** tests on sheamotsme.ge and more than 50 flaws and complaints were registered.




Maintaining Magtifix services

In 2021, in order to protect the interests of the consumers, the Communications Commission reduced the fee for the MagtiFix service license from 16 million to 161 thousand GEL for MagtiCom and extended the validity of the MagtiFix license to 2029. Retaining the MagtiFix service is especially important for the population living in the occupied territories, border villages, and mountainous regions of Georgia, as access to alternative communication channels in these geographical areas is problematic. Therefore, according to the decision of the Communications Commission, additional conditions have been set for MagtiCom. In particular, the company is obliged to continue the MagtiFix service until the expiration of the license, the complete migration of consumers, or the complete disconnection of the network – if it cannot be eliminated through network components available to the company.

MagtiCom applied to the Communications Commission back in 2019 with a request to change the terms of the MagtiFix license. MagtiCom was ready to maintain the license for a fee of 100 thousand GEL a year. In order to protect the interests of the consumers, the Communications Commission complied with MagtiCom's request, and later recalculated the renewed cost of the license and set a total of 15,000 GEL until 2029, based on the deduction of the cost already paid, instead of 100,000 GEL per year. Also, according to the decision of 2019, the Communications Commission obliged MagtiCom to replace the service with an alternative service in case of the cancellation of the service for the more than 100,000 MagtiFix subscribers.

In 2021, to supply the request from MagtiCom, the Communications Commission ordered the company Ernst & Young to calculate the cost of using a radio frequency resource with their business methodology and as a result of the recalculation, reduced the license fee for MagtiFix services from 16 million to 161 thousand GEL. A large part of the recalculated fee for the use of the license from this amount had already been paid to the budget by the company and until 2029 it had remaining payable only 15 thousand GEL for the use of the license. Despite the fact that the license fee of the company has been reduced more than 100 times, MagtiCom repeatedly applied to the Communications Commission in 2021 to revoke the MagtiFix license. Due to the fact that up to 10,000 subscribers were still using the service at that time, the Communications Commission did not accept the company's request.



Retail rate flexibility has been reinstated for mobile operators

In 2021, the Communications Commission reinstated the flexibility in setting the retail rates for the mobile operators and removed the tariff control regulation in the retail service segment. The abolishment of the tariff control by the Communications Commission will enable mobile service providers to respond quickly to economic challenges, invest in the sector, and introduce new technologies.

The decision to withdraw the retail regulation was made by the Communications Commission after the amendments to the Law of Georgia on Competition. The new amendments to the law allows the Communications Commission to respond effectively in case of possible competition constraints. The Communications Commission has effective enforcement mechanisms defined by the Law of Georgia on Competition in case of abuse of a dominant position by the service providers in the relevant market segments, including breaching the interests of the consumers. Consequently, despite the withdrawal of the retail tariff regulation, the Communications Commission as the sector regulator, within its functions and tasks, will respond in accordance with the law in such cases.

The decision of the Communications Commission was based on the formal statements of MagtiCom, Silknet and Veon Georgia. The companies required the abolishment of the obligations imposed under the tariff control in the retail market of mobile services. The reason provided by the operators was the economic situation caused by the COVID-19 pandemic, including inflation and challenges related to the investment environment. They also pointed out that the created economic factors had a negative impact on the process of attracting investments and introducing new technologies, including the opportunity to develop 5G.



In Georgia, in line with current trends and developments worldwide, the implementation of a new technology (5G) network is becoming critical. The decision made by the Communications Commission will facilitate the process of introducing new technology by companies. It is also important to note that one of the main preconditions for retaining the retail rate flexibility, was the development of a mobile virtual network market, as it happened in European countries. It was the access of mobile virtual network operators that started the process of the European telecommunications market liberalization and the improvement of the competitive environment, which in turn has been reflected in the liberal tariff rates for mobile retail services.

At the same time, it should be noted that as a result of a long working process, MagtiCom, Silknet and Veon Georgia have publicly stated their readiness to give mobile virtual network operators (MVNO) access to their network. The development of mobile virtual network operators will help increase competition on the market, which in turn will provide end users with a variety of communication services at affordable rates.

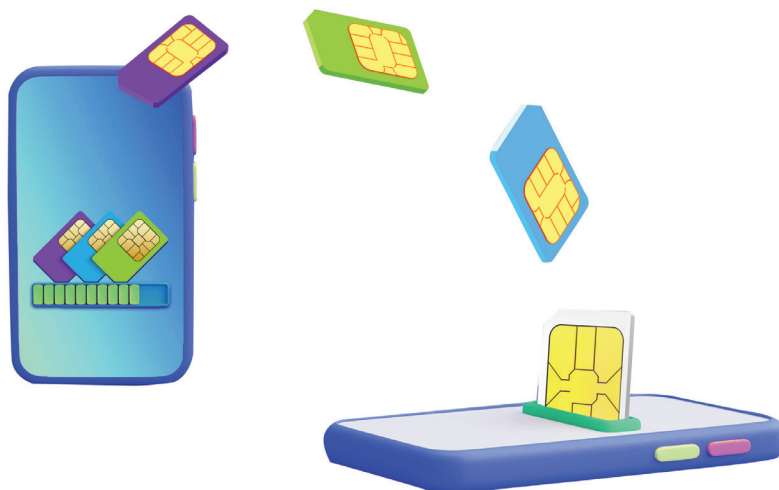


MVNO

As a result of the two-year work of the Communications Commission, in 2021 the mobile network operators MagtiCom, Silknet and Veon Georgia have publicly stated their readiness to provide unrestrained access of their own networks to the mobile virtual network operators (MVNO). In particular, the companies stated that they are ready to negotiate and provide access for mutually beneficial, commercially acceptable terms.

Interested entities that exist on the Georgian telecommunications market who are willing to gain access have openly stated that they intend to enter the mobile virtual market. Several of them have applied to operators with significant market power for access to their own network. Also, in 2021, the Georgian MVNO Association was established, for the purpose of developing MVNO operators in Georgia. At this stage three companies are members of the association. An MVNO is a mobile service provider that does not have its own network or infrastructure and provides mobile services through an existing network of another operator.

Based on the above, the Communications Commission considered it appropriate to extend the deadline for the enactment of the mandatory ex-ante regulation regime. The companies have been given additional time so that the operators willing to have access could address the network operators, negotiate commercial terms, and give interested authorized entities the opportunity to implement practical activities. The Communications Commission itself continues to work on the tasks required to achieve MVNOs access to the mobile services market, this includes conducting surveys of offers in the mobile service market and analyzing the areas of the Georgian telecommunications market where the involvement of MVNOs may be the most effective.



It should be noted that at the end of 2021, an MVNO access agreement was signed between Silknet and Eclectic, thus in order to enter the MVNO market segment, it is important to create a precedent for the practical operation of a mobile virtual network operator.

In recent years, the Communications Commission has been actively working to provide the necessary preconditions for the access of the MVNOs in the telecommunications market. The emergence of new players in the market will expand the choice of mobile services for consumers and will gradually affect the quality of service, as well as service availability and prices. In addition, the use of MVNOs create an opportunity to create innovative products, niche services and new offerings adjusted to the needs of consumers.

International experience demonstrates that in countries where the digital economy is developing dynamically and there is an irreversible process of digital transformation, MVNOs play an important role. They make a significant contribution to accelerating the process of the “digitalization” of small- and medium-sized enterprises, and with the development of 5G technology, MVNO models are becoming even more effective in managing the business processes of large enterprises.

At the same time, in 2021 the amendments to the Law of Georgia on Competition came into force, allowing sectoral regulators to be guided by the new law and the legal acts adopted on its basis when reviewing possible competition violations in the regulated sector of the economy. The Law on Competition is a sufficiently effective mechanism to prevent anti-competitive actions, including it being unacceptable for network operators to unreasonably deny a request for network access.

The Communications Commission will monitor and evaluate the process of free access of MVNOs, after which the need for a decision for the mandatory access of MVNOs will be reviewed.

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MVNO – development throughout the world

It is worth noting that in many countries MVNOs entered the mobile markets without prior ex-ante regulation, it mainly happened under license terms and / or ex post access mode. Some countries, including the Czech Republic, Croatia, France, and Greece, defined MVNO access as mandatory under license terms. Ex-ante regulation of wholesale access on mobile networks is currently in force in Norway, and also, should be mentioned that several countries are still considering the need of ex-ante regulation of this market. One is the Czech Republic, whose regulatory body analyzed the national mobile access wholesale market²⁵ and deemed it necessary to regulate the wholesale mobile access and call initiation market. The regulator found that the country's three major mobile network operators jointly hold significant market power, leading to high prices on mobile retail services in the country and creating barriers to the development of MVNOs. It is interesting that the number of MVNOs in the Czech Republic decreased from 162 to 133 in 2015-2020, while by the end of 2021 there were only 70 active MVNOs. Accordingly, the Czech National Regulatory Authority considers it necessary to impose an obligation on the mentioned three operators to give virtual mobile operators access to their networks at a regulated price.

Regulation of this market is also considered as relevant in Ireland, where it is considered that access of MVNOs is still problematic. Based on a study of the mobile services market conducted by the country regulatory body, the need for pre-regulation in the market of wholesale access in mobile networks is being actively discussed. In a few countries, such as North Macedonia, Cyprus and Spain, mandatory regulation has been annulled only in the last few years.

A review of a case related to MVNO access was successfully completed in Germany, where the country's regulator supported the mobile virtual access seeker company Transatel. When reviewing the issue related to accessing the network of the mobile operator Telefónica Germany, the regulator indicated in its position that mobile operators must fulfil their obligation of granting-access to MVNOs.

According to recent data, MVNOs generated 67 billion USD worldwide in revenue. According to the forecasted data, the annual growth of MVNO revenues is 7% in 2021-2025 and will reach 93 billion USD by 2025, which is only 8% of the total revenue of the mobile services market.

²⁵On 21 February 2022, the European Commission vetoed ex-ante regulation of access to the mobile wholesale market in the Czech Republic due to insufficient reasoning. However, the Czech Regulatory Authority (CTU) for its part did not agree with the decision of the European Commission. Accordingly, as a prerequisite for urgency – under the powers set out in Article 32 of the European Telecommunications Code (EECC), the CTU resumed consultations in March 2022, bypassing the veto
https://www.cullen-international.com/client/site/documents/B5TEEU20220003_30b0c636-ce7d-4081-bcd5-cc83c1b77617



Bitstream regulation and comprehensive study of the telecommunications market



In recent years, in parallel with the removal of barriers of entry to the mobile services market, the Communications Commission has been introducing important decisions to open the fixed broadband Internet market.

Two major consolidations took place in the Georgian telecommunications market in recent years, establishing two large convergent players in the market: the acquisition of Caucasus Online by Magticom, and the acquisition of Geocell by Silknet. As a result of these consolidations, these companies hold significant market shares and respective market power in both mobile and fixed Internet segments simultaneously. Therefore, both the wholesale and retail segments of fixed Internet are characterized by a high concentration, which indicates the existence of structural and operational barriers to entry in the broadband Internet services market.

This market structure and a lack of competitive environment revealed the necessity to study both the mobile and fixed communication service segments in order to assess the availability of communications services for consumers, on the one hand, and the opportunities of development and expansion of the sector, on the other, which can be achieved by removing barriers of entry to the market and the introduction and development of small- and medium-sized operators.

In accordance with the obligations of the EU-Georgia Association Agreement, Georgian legislation should be fully aligned with European legislation, namely it is necessary for the country to conduct market analyses and assess the relevant markets for regulatory purposes in order to improve the competitive environment on the retail market as well as on market of wholesale access to network elements. Hence, it is important that within the framework of the European Electronic Communications Code there is a recommendation of the European Commission on the regulated markets for relevant products and services and methodological rules for defining regulated markets, to be followed by European regulators in the process of market analysis and definition of the related regulatory framework. Implementation of these recommendations is essential for Georgia to achieve the goal of dynamic approximation to the EU regulatory framework.

Aiming at establishing the relevant market structure in line with the European framework, in 2021, the Communications Commission launched a very important project to conduct a comprehensive study of regulated markets in accordance with the methodological rules of market analysis established by the European Commission. The study includes a complex analysis of retail and wholesale segments of fixed and mobile telecommunications markets, assessment of the level of competition, identification of relevant markets and definition of specific remedies.

According to the Recommendation of the European Commission on regulated markets for relevant products and services, wholesale local access at a fixed location, so-called Bitstream, the wholesale broadband Internet access market is a market which must be studied for regulatory purposes. Therefore, as part of the above complex and important study, an analysis of the regulated market should also be conducted, operators with significant market power should be identified and remedies designed to remove barriers of entry to this market segment and to increase competition.

The regulation of the Bitstream segment of the broadband Internet market implies the access of small- and medium-sized operators to the network of operators with significant market power, that offer retail services to customers. On the one hand, this allows relatively small operators to develop alternative offers in the fixed segment of broadband Internet and thus increase the volume of services in the economy, and on the other, allows customers to choose and receive alternative services, which ultimately leads to diversity and availability of services. The customer will be able to receive the services of an alternative operator through the existing network infrastructure, while the network-owning operators will receive additional wholesale revenue.

In 2019, the Communications Commission, together with the consulting firm Grant Thornton, conducted a study that examined both the fixed Internet wholesale market segment as well as the network topology and cost model. The study revealed that the fixed broadband Internet service segment is characterized by high structural barriers, which is due to the high investment costs of entry into this market and the lengthy process of network development. This issue was also relevant in the analysis on Next Generation Network Access (NGA) in Georgia prepared by the consulting companies Grant Thornton and Analysys Mason ordered by the European Bank for Reconstruction and Development (EBRD) in 2017-2018.

It is also important to note that the framework of this study and the final results will be agreed with experts of the European Commission, for which the Communications Commission has already received EU assistance within the framework of the Technical Assistance and Information Exchange instrument (TAIEX).

The need for and importance of the study was also confirmed by European experts in the framework of the Twinning Review Mission conducted in 2021. The purpose of this mission was to evaluate the sustainability of the Twinning project, “Supporting the Georgian National Communications Commission in developing its electronic communications regulatory framework and operational capacities in line with EU Regulatory framework”, funded by the European Commission and implemented in 2017-2019. Further, the objective of the review mission was the assessment of the long-term impact of the results and outputs of the project, with an emphasis on developments in the Communications Commission as the beneficiary administration as well as identification of current needs.

Development of 5G

The introduction and development of the innovative technologies of the 21st century has a strategic importance and place in the economics of the world. The introduction of a new generation of Internet services (5G) is a strategic initiative. For the rapid and efficient development of technology, the European Commission in 2020 recommended countries to make effective decisions for the development of broadband infrastructure and 5G technology after the COVID-19 pandemic, which will provide increased access to the 5G radio frequency bandwidth, timely licensing and financial incentives.

The Communications Commission allocated the recommendation of the European Commission and drafted an amendment to its resolution according to which the applicable discount on the license fee for the use of the radio frequency spectrum has increased from 5%-20% up to 80%. According to the amendments to the resolution of the Communications Commission, the costs required for the introduction of new technologies by operators will be significantly reduced, which will accelerate the process of introducing 5G technology and digital services.



5G is a new generation of wireless Internet technology that, unlike existing technologies, offers consumers much faster and more efficient capabilities in almost every field.

For the introduction of 5G technology the Communications Commission started active work already in 2020. In order to provide the frequency resource needed for the introduction of 5G, the Communications Commission has published a consultation document and presented its vision to the public regarding the license auctioning. The document includes detailed information about the terms and conditions of the auction, including frequencies available for 5G services, initial fees, bid lots, initial service set ups, coverage and other obligations.

The parameters and conditions for the introduction of 5G were developed by the Communications Commission, taking into account the decisions of the European Commission and the experience of European regulators. The frequency resource fee was developed together with support of the experts of Ernst & Young.



Perspectives of modern technologies



In 2021, with the support of the Communications Commission, books – by the members of the Advisory Board of the Office – on modern technology standards and the development of the communication network were published.

In particular those by Sergo Shavgulidze and Nodar Ugrelidze, including Wi-Fi: Modern Standards and Development Trends, Development of Digital Communication Systems for Radio Channels, Sixth Generation (6G) Wireless Communication Networks and Systems, Theoretical Foundations of Error-control Coding; and by Revaz Svanidze, Digital fibre-optic transmission systems and technologies. Scientific books and textbooks review and combine both practical examples and distinctive works in scientific literature. The authors have studied and presented in detail the standards, indicators, and functions of different technologies, as well as prospects for the introduction of new technologies and the needs for their use in various innovative services.

Caucasus Online Case and special manager

The Communications Commission requested that the company Caucasus Online restore the initial shareholding structure as of 2019, which had been altered by a breach of the law. In 2021, it emerged that Caucasus Online had violated the law once again and besides the 49% already sold, the remaining 51% of the shares were sold to the natural person Nasib Hasanov without a prior consent from the Communications Commission.

Despite the fact that the Communications Commission had fined Caucasus Online several times for illegally alienating 100% of its shares and instructed it to return the shares to their original condition, the company did not comply with the decisions of the Communications Commission and the law. Due to the fact that the violation was not remedied, since October 17, 2019 the measure of administrative liability against Caucasus Online was applied several times, including warnings and solid fines. In particular, there was the decision of the Communications Commission on December 12, 2019, when the company was fined 30,000 GEL; on February 6, 2020 when it was fined by the amount of 90,000 GEL; and on March 12, June 25, and August 20, 2020, when the company was fined by 270,000 GEL on each date.

After repeatedly imposing the administrative liability fine against Caucasus Online, the Communications Commission had the right to suspend the authorization of Caucasus Online for the violation. Due to the suspension of the authorization, almost 2.5 million subscribers in Georgia would have been left without Internet services and at the same time, there would be a threat to the supply of Internet providers in neighboring countries and their subscribers. Therefore, the Communications Commission decided to instead appoint a special manager to Caucasus Online in accordance with the law.

According to the decision of the Communications Commission, Mariam Sulaberidze, the head of N(N)LE Open Net, was appointed as a special manager in October 2020, but she was later replaced by Tamar Bokuchava. Today the position of the special manager is held by Tamta Tepnadze. The post will remain until the company restores the unlawfully alienated shares to their original state.

Updating accounting policy and methodology, setting up the updated WACC rate

The Communications Commission, in line with the recommendations set by the European Commission, regarding “the methodological rules of separate allocation of costs and expenses by authorized persons”, is working on updating the reporting methodology. Updated methodological rules of separate accounting will create an effective tool for monitoring pricing in the wholesale and retail markets, including study and prevention of possible cases of subsidizing and / or imposing unreasonable prices on a market segment.

The project envisages the adoption of the accounting policy guidelines and updating the methodological rules of account separation reporting to be submitted by the operators with significant market power, in accordance with the framework of the relevant remedies imposed on them. The same project defines a new rate of weighted average cost of capital (WACC) for mobile and fixed networks.

For the project implementation, the Communications Commission has purchased consultancy services from the company Pricewaterhouse Coopers Advisory, s. r. o (PWC).



The Communications Commission held a competitive tender in 2021 to identify a porting database administrator, which was due to the expiration of a contract with an existing administrator.

The bidding was held in an open form, and the winning company was revealed by the commission composed of representatives of the Communications Commission and independent experts, working in the field of telecommunications.

The competitive tender was won by Mediafon Datapro, which has been administering the porting base in recent years. The renewed contract with the company was signed for a period of 5 years. As a result of the competition, the terms of the contract have been improved, on the basis of which the porting base will be more protected. Under the new terms, the amount of the service fee has also been reduced by 10%, which is a significant benefit for the operators using the porting base.

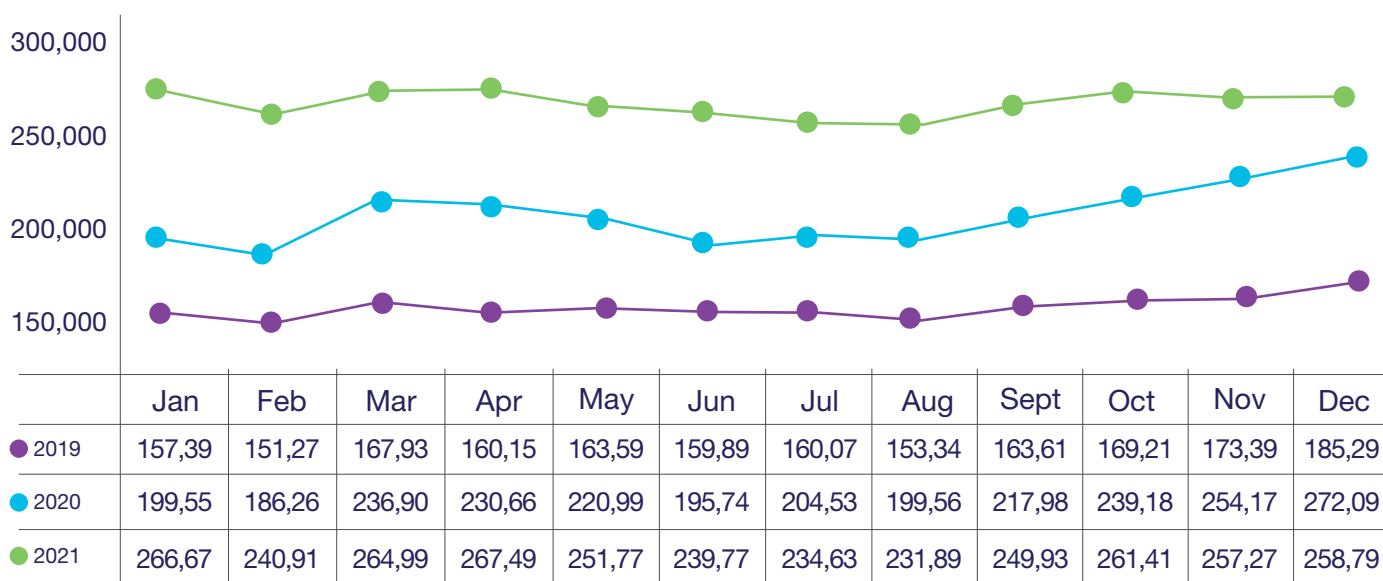
The porting base is a system used by telecommunications operators to port customers. Porting is changing the customer service operator without replacing the phone number. This database is used by all Georgian mobile and fixed service providers.

The Impact of COVID-19 on the Telecom sector

Over the past two years, the restrictions caused by the pandemic around the world have had a significant impact on both trends in the telecommunications market and customer behaviour. It should be recalled that in the circumstances of the pandemic, telecommunications companies operating in the Georgian market played a critical role in ensuring the uninterrupted connection and sustainability of services and took important initiatives to support consumers, with various measures, including the availability of specific service offers.

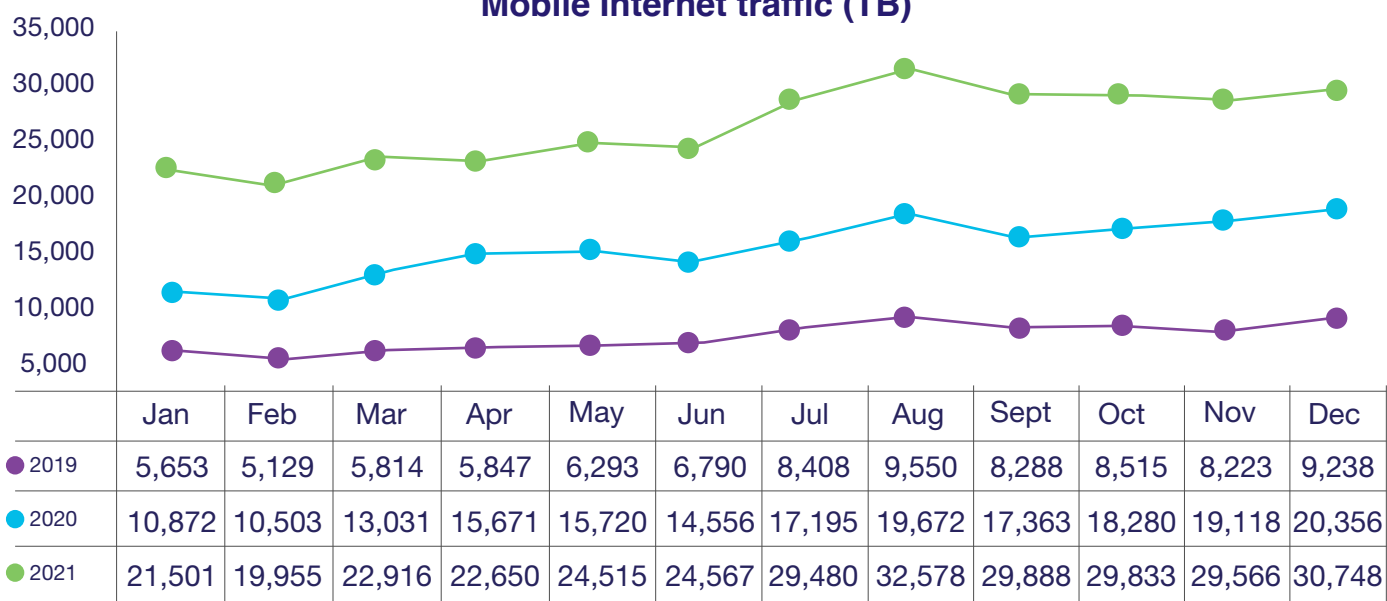
In 2021, the educational (academic) process continued online in most of the educational institutions, and part of it returned to the in-person offline mode. The mobile service providers have offered school students and teachers an affordable, favourable tariff plan for online learning. As a result of online learning and remote working processes, mobile and fixed Internet²⁶ traffic increased significantly in 2021.

Fixed Internet traffic (TB)

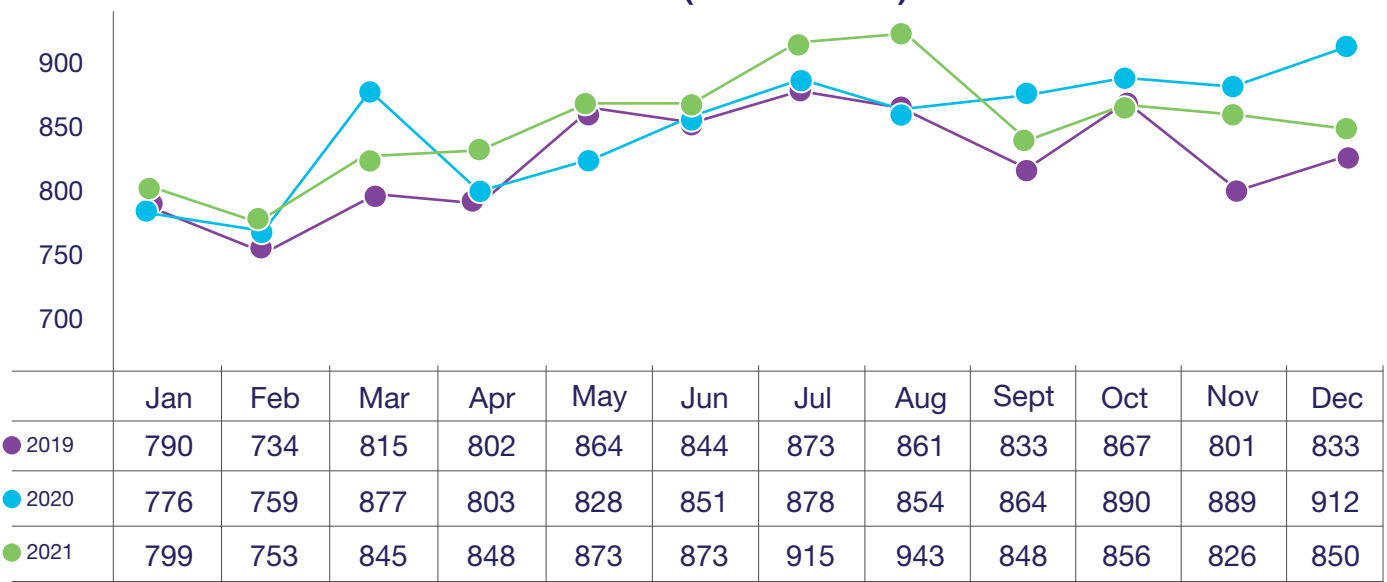


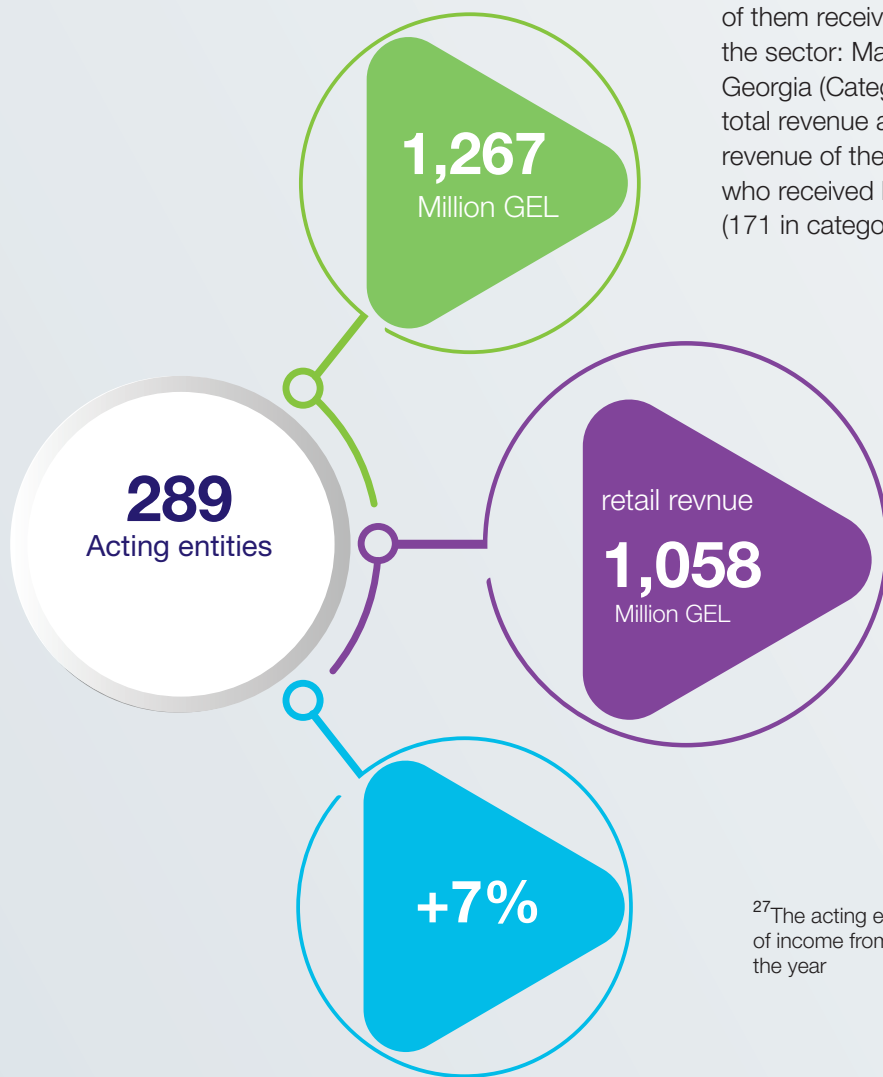
²⁶Data on fixed Internet traffic are taken from the group of large companies – Magticom, Silknet and New Networks

Mobile Internet traffic (TB)



Voice traffic (mln minutes)

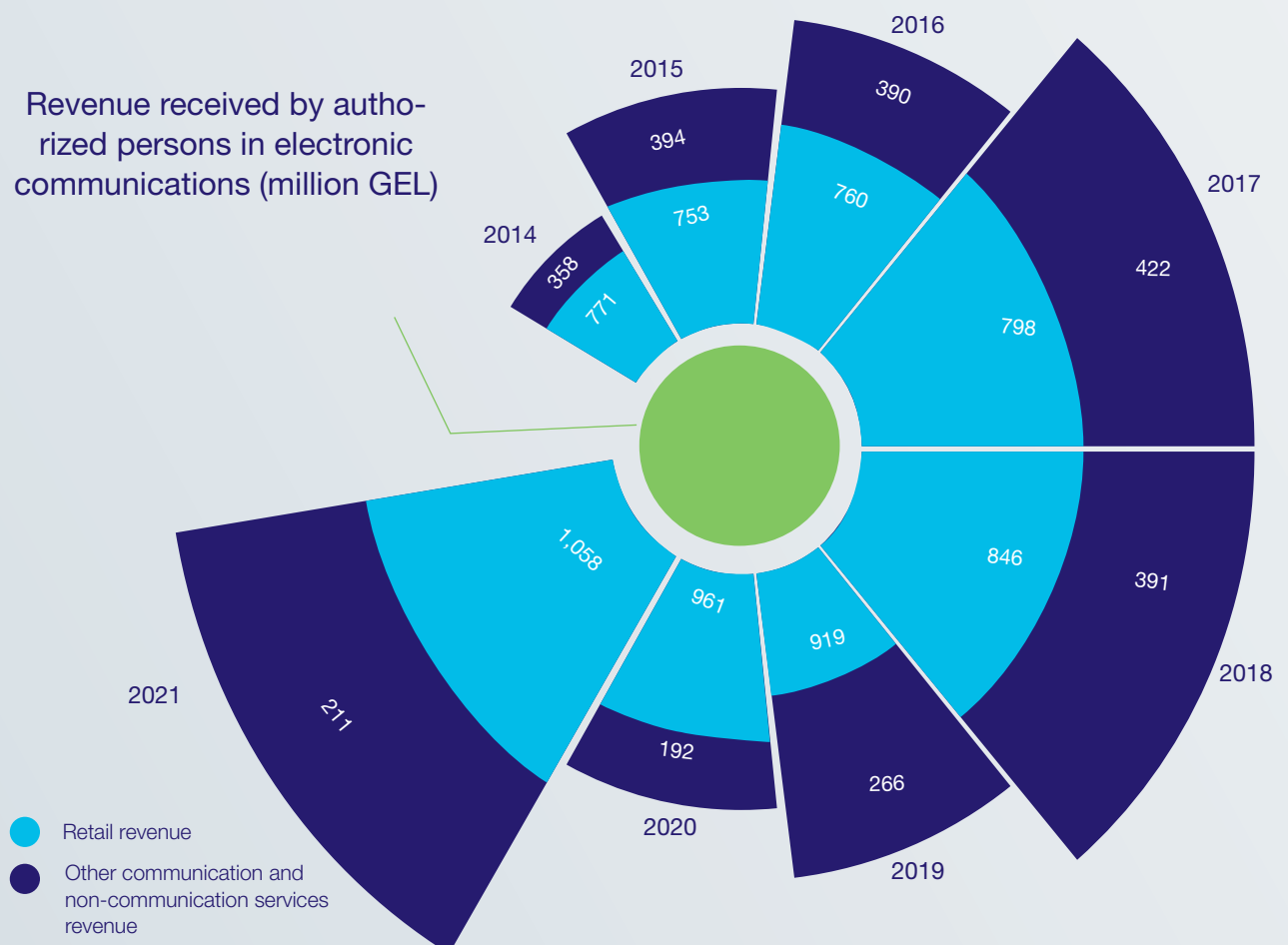




In 2021, 289 acting entities²⁷ were registered in the field of electronic communications. Only 3 of them received more than 100 million GEL in the sector: Magticom, Silknet and Veon Georgia (Category A²⁸ companies) and their total revenue amounted to 84% of the total revenue of the sector. The total income of those who received less than 100,000 GEL in 2021 (171 in category E) is 0.5%.

²⁷The acting entity is a person which had any kind of income from electronic communications during the year

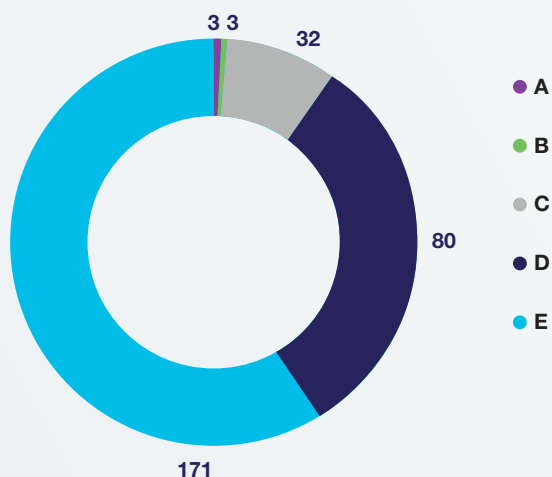
Revenue received by authorized persons in electronic communications (million GEL)



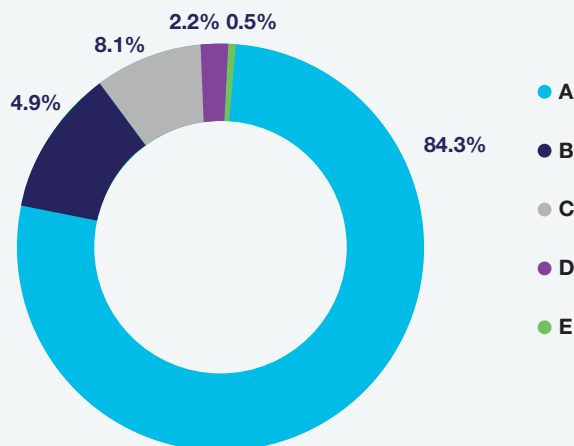
In 2021, compared to the previous year, the revenue received by entities authorized for electronic communications services increased by 114 million GEL and amounted to 1.267 billion GEL, out of which retail revenue was 1.058 billion GEL.

For the past 5 years there has been an annual growth²⁹ in retail revenue which reached 7% in 2021.

Number of entities operating in field of electronic communications by segment



Distribution of income of entities operating in field of electronic communications by segment

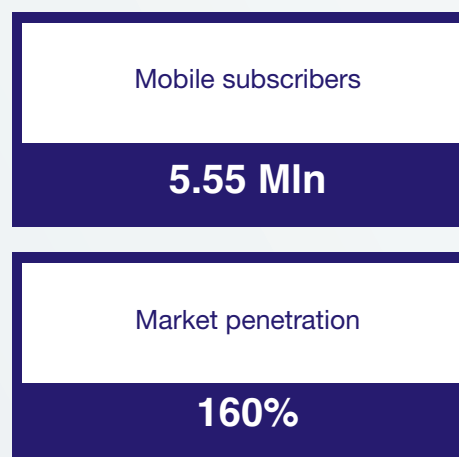


²⁹CAGR – Compound Annual Growth Rate



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 2021, penetration in the mobile services market in Georgia increased by 12% and reached its highest rate in the last 5 years which amounts 160%³¹. This data indicates that many customers have more than one mobile number, which means that the average customer is aware of the tariffs available in the market and when necessary, uses a convenient network to receive various services. By the end of 2021, the number of mobile subscribers³² had reached 5.55 million, which is the highest figure in the last 5 years.



³⁰Data taken according to February 18, 2022.

³¹The population of Georgia includes persons from the age of 5 years.

³²A subscriber is considered to be a SIM card, which has been used or provided any kind of mobile service at least once in a quarter, or a subscription fee has been charged (including company employees and excluding test cards)

Market penetration rate

2017
159%

2018
158%

2019
156%

2020
148%

2021
160%

Number of mobile subscribers (million)

2017
5.50

2018
5.46

2019
5.38

2020
5.10³³

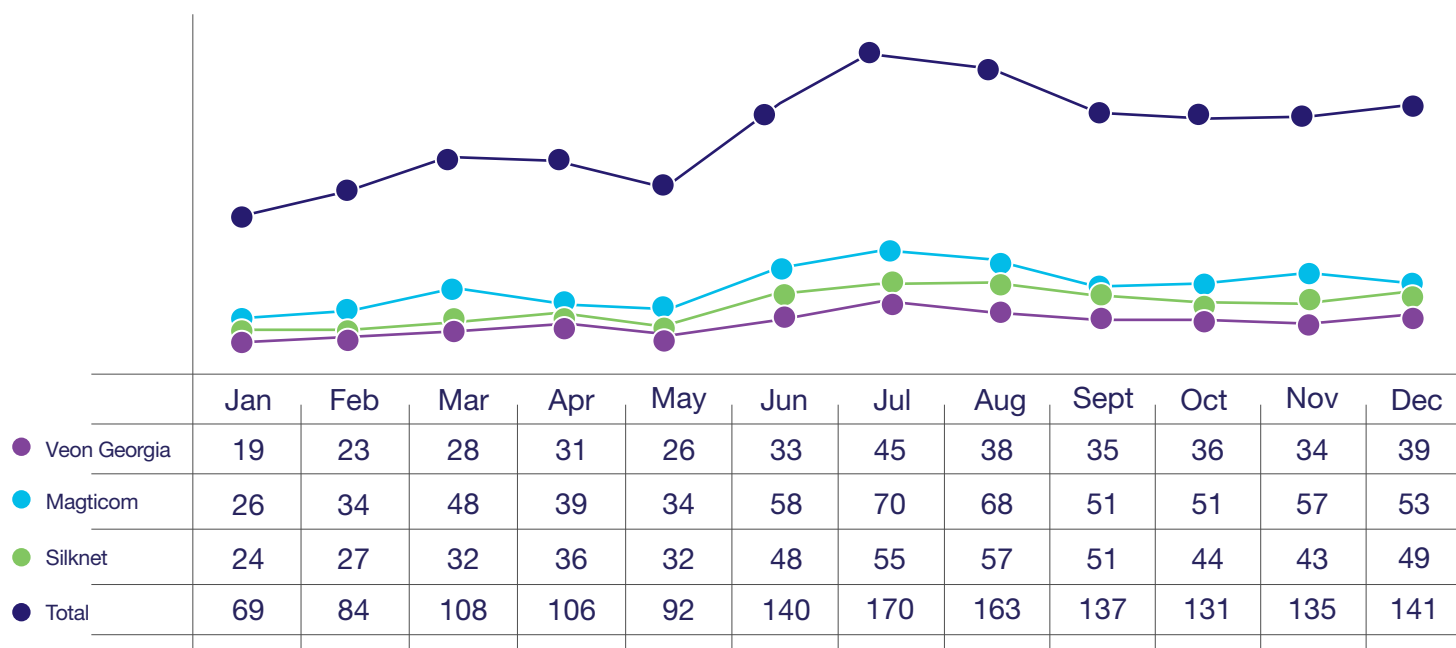
2021
5.55

Dynamics of the number of subscribers by quarter in 2021



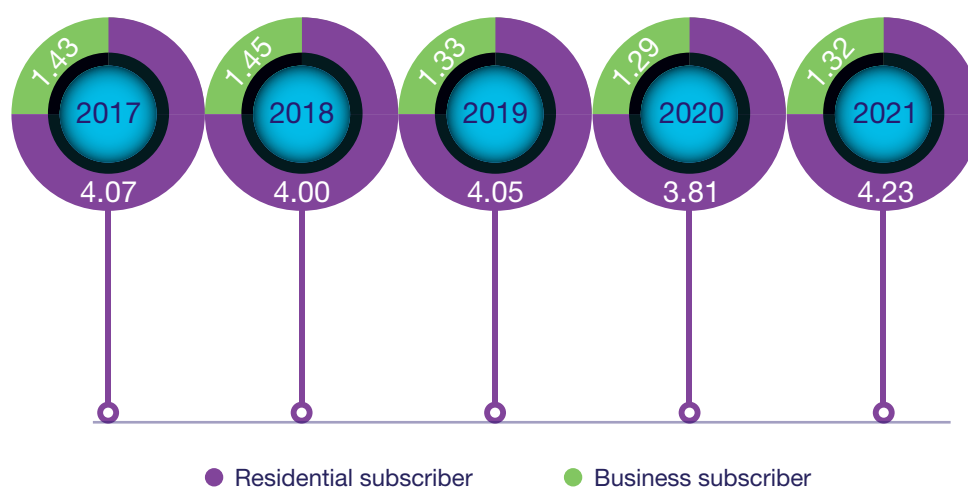
³³The reason for the decrease in 2020 was mainly the decrease of natural person subscribers, as well as the number of roaming and subscribers consuming more than one SIM card. In addition, Silknet has updated its billing system and, consequently, its billing data

Dynamics of new subscribers by months (thousands)

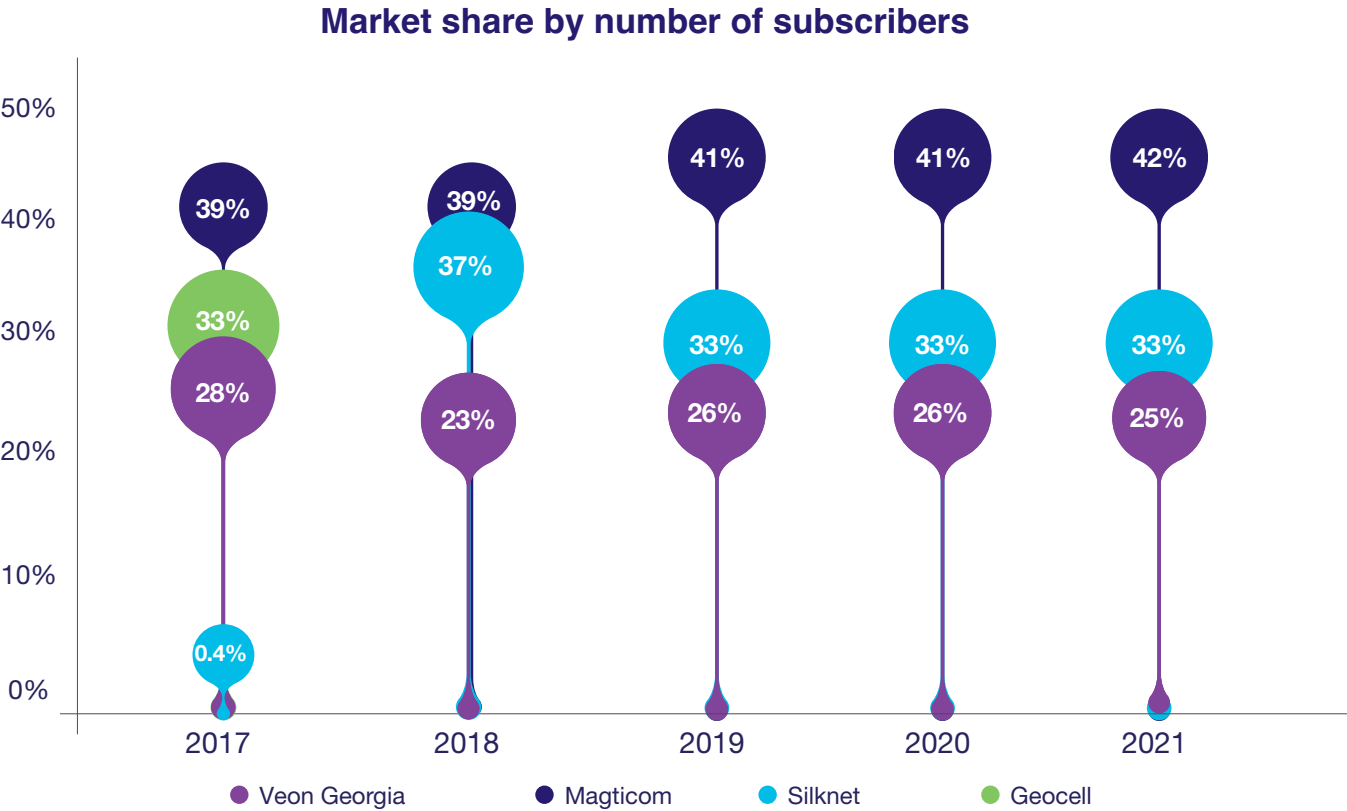


In the last quarter of 2021, 24% of the total number of subscribers, or 1.3 million, were mobile network business subscribers. Compared to the previous year, the number of individual subscribers had increased by about 400 thousand.

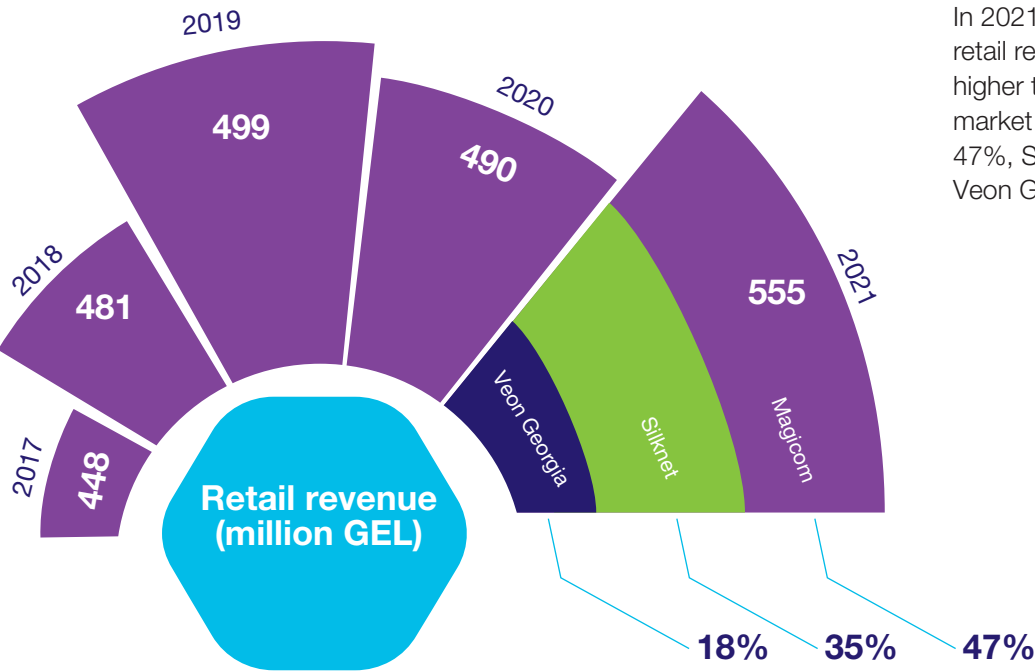
Number of subscribers by type (million)



By the end of 2021 the market share of mobile operators by the number of subscribers was distributed as follows: MagtiCom – 42%, Silknet³⁴ – 33%, and Veon Georgia – 25%.

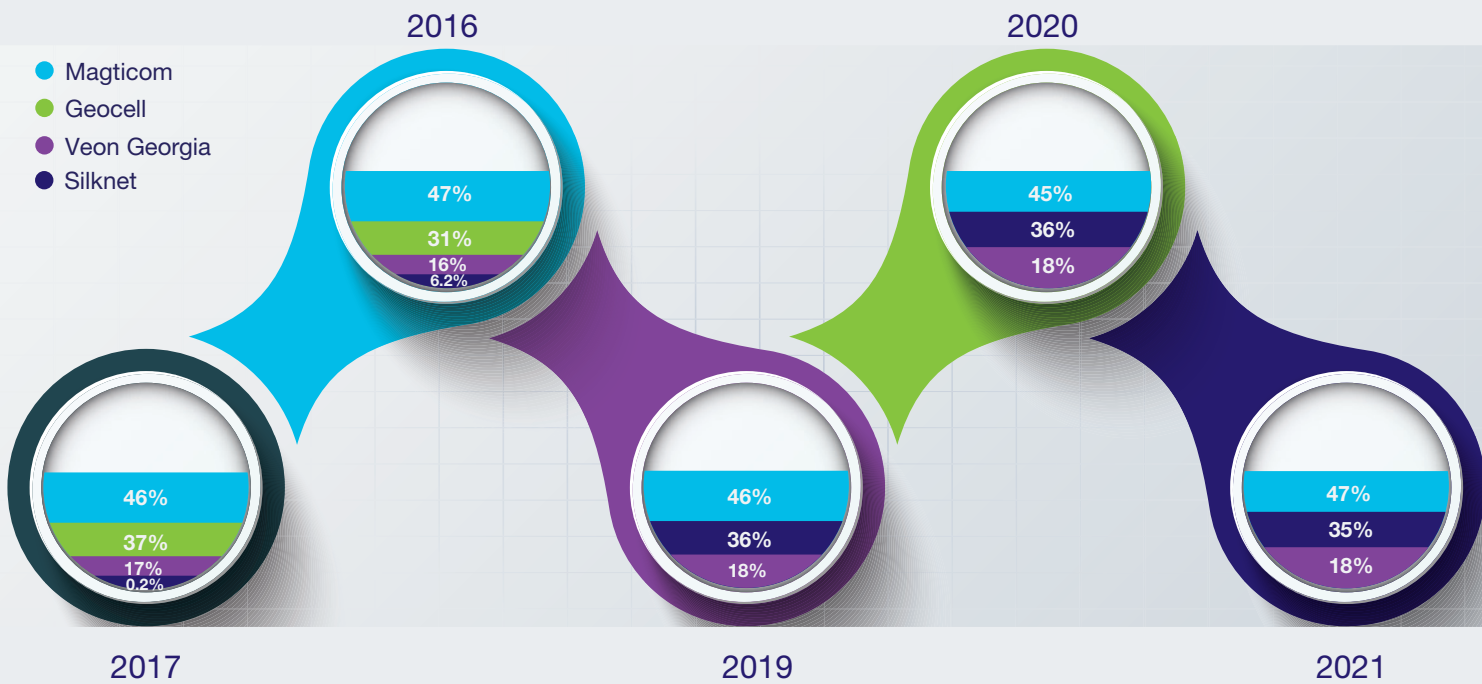


³⁴At the end of 2018, Silknet and Geocell were merged



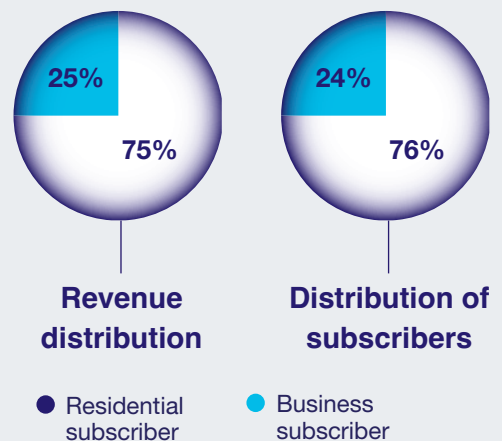
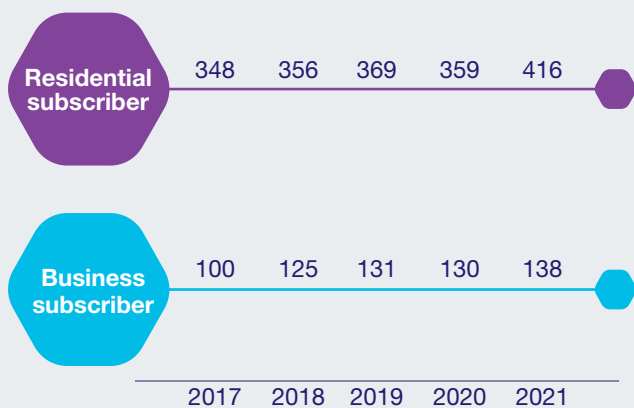
In 2021, mobile operators received the retail revenue of 555 million GEL, 12% higher than in 2020. MagtiCom’s market share in retail revenues was 47%, Silknet – 35%, and Veon Georgia – 18%.

Market share by retail revenue³⁵



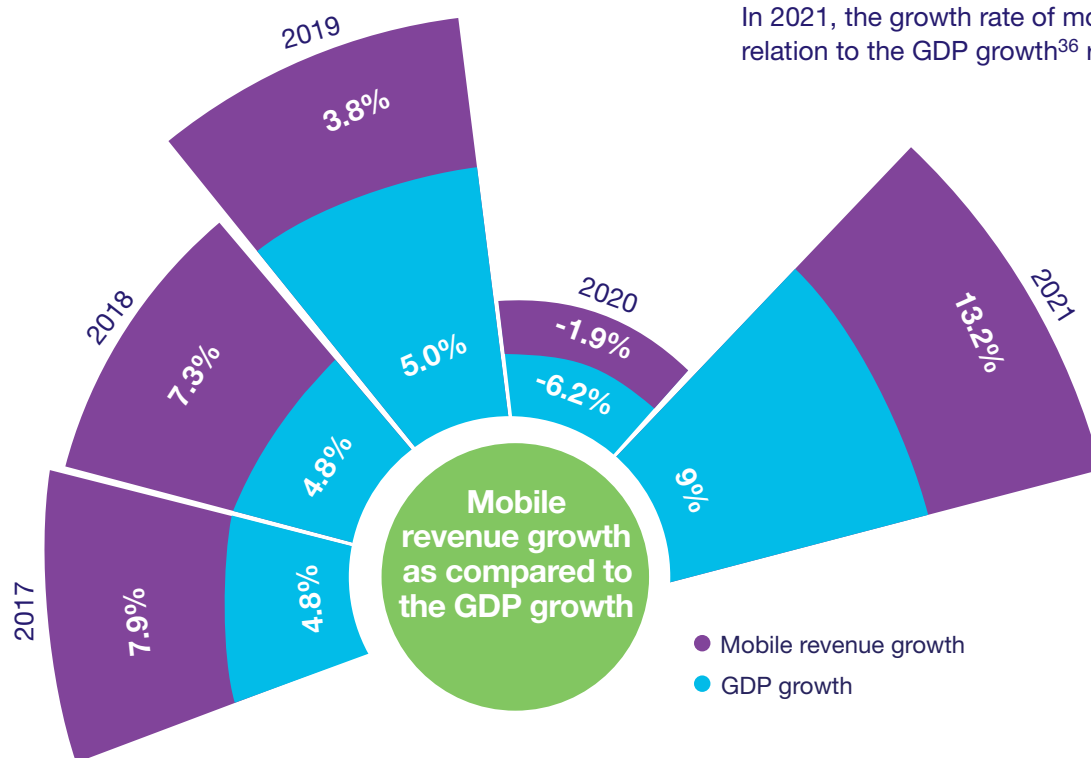
In 2021, 75% of mobile revenues were generated by residential subscribers and 25% by business subscribers. Revenues from legal entities over the last 5 years are still growing.

Revenue by subscriber type (million GEL)



³⁵The error with the data published in the 2020 report is caused by the correction of the data by the companies

Mobile revenues in relation to the GDP growth



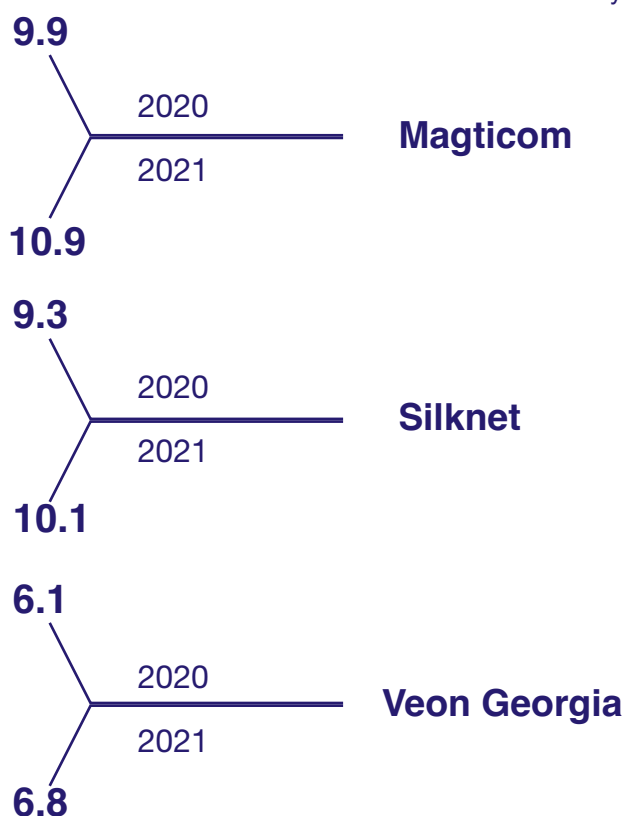
In 2021, the growth rate of mobile revenues in Georgia in relation to the GDP growth³⁶ rate increased.

³⁶Data source: National Statistics Office of Georgia. GDP for 2021 is taken from the data of the third quarter

ARPU³⁷

According to 2021 data, the average mobile service revenue received from one subscriber during the month (excluding VAT) was 9.7 GEL³⁸.

As per operators, according to the data of the IV quarter of 2021, Magticom has the highest ARPU, followed by Silknet, and the smallest amount of money on mobile connection is spent by Veon Georgia subscribers.

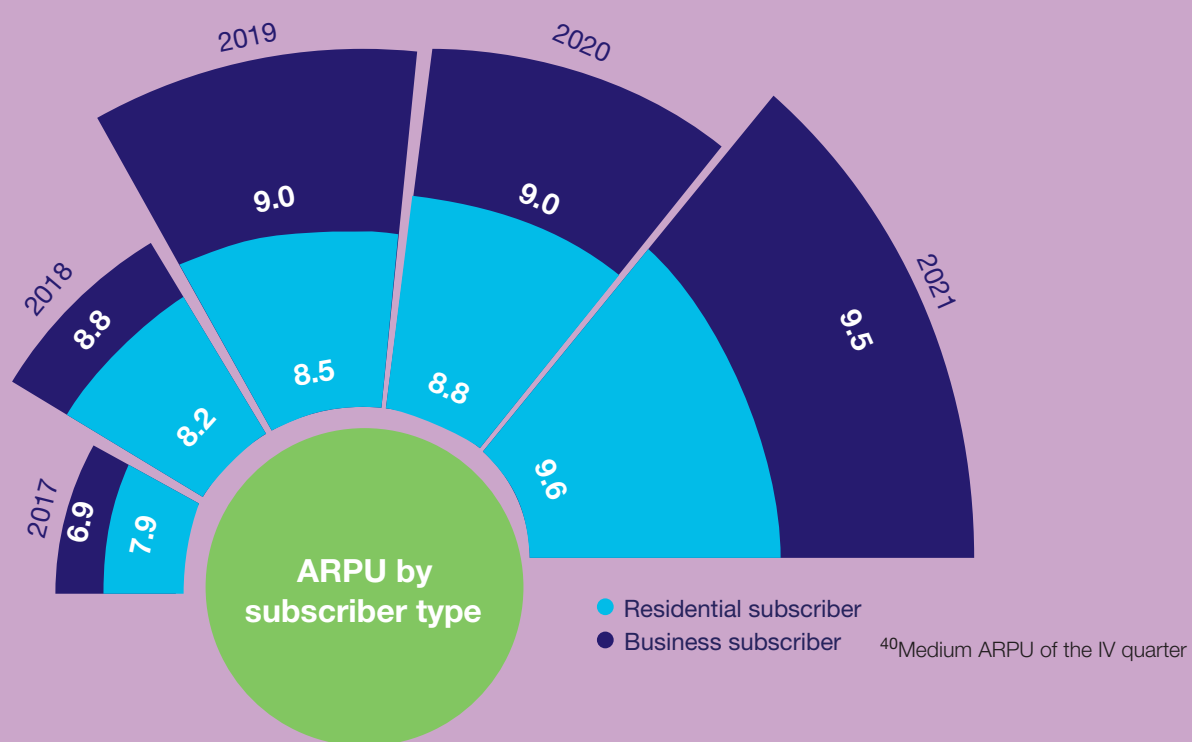


³⁷ARPU – Average Revenue per User

³⁸As of December

³⁹According to the IV quarter

In 2021, the business subscriber ARPU⁴⁰ rate is equal to the residential subscriber ARPU rate. It should be noted that for both types of subscribers we have a rapidly increasing trend in terms of average revenue received from one subscriber.



Voice Traffic and MOU

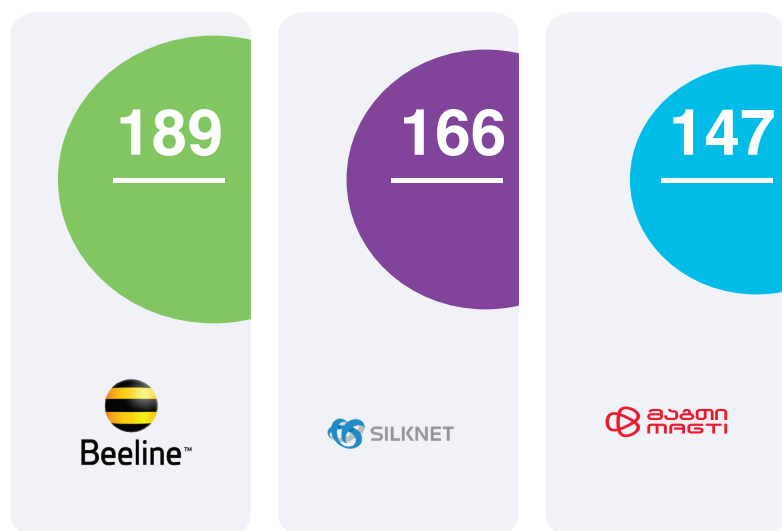
Compared to 2020, in 2021 total outgoing voice traffic increased slightly, by 0.5%, and amounted to 10.23 billion minutes, while the MOU⁴¹ decreased from 184 minutes to 164 minutes⁴².



⁴¹MOU - Minutes of Use - the average amount of voice minutes used by the subscriber per month (outgoing calls only).

⁴²Average of IV quarter

Voice traffic (billion minutes)



In terms of mobile operators, the 2021 MOU data are different. On average, Veon Georgia subscribers talk the most per month due to the relatively low tariffs offered by the company, followed by Silknet customers, and Magticom subscribers, who talk the least.

Mobile Internet

The number of mobile Internet users is characterized by a rapid growth rate. By the end of 2021, 3.75 million mobile network subscribers are already using Internet services, which is almost half a million – 494 thousand – higher compared to the previous year.

The increase in subscribers is caused by several important factors:

The skills of the Georgian population of the use of modern technologies have improved and the younger generation actively uses mobile Internet;

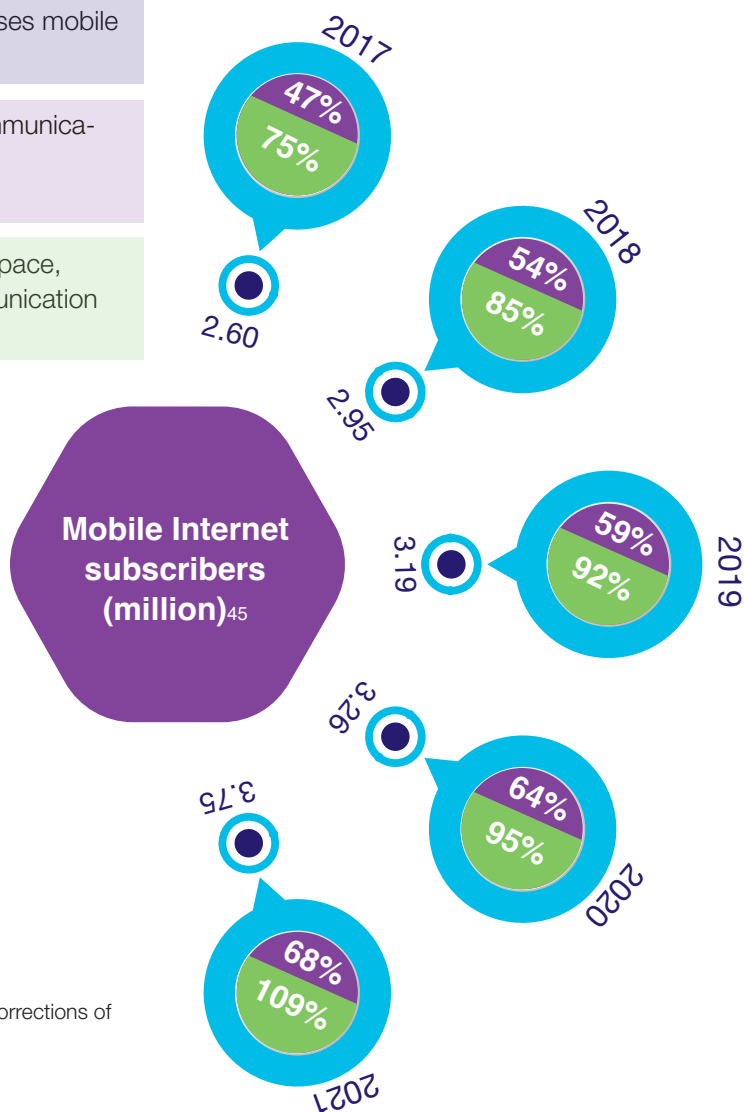
Mobile user behaviour in terms of consumption of telecommunications services is permanently changing;

More and more services are moving to the online, digital space, which contributes to increased consumption of telecommunication services.

From 2017 to the end of 2021, on average, the annual growth rate of the number of mobile Internet users was 9.5%⁴³. Compared to the previous year, the increase was 15%.

The penetration of mobile Internet users in relation to the population of Georgia⁴⁴ is even higher and in recent years the highest rate of 109% was reached in 2021.

- Mobile Internet users
- Penetration in the population
- Penetration in mobile Subscribers

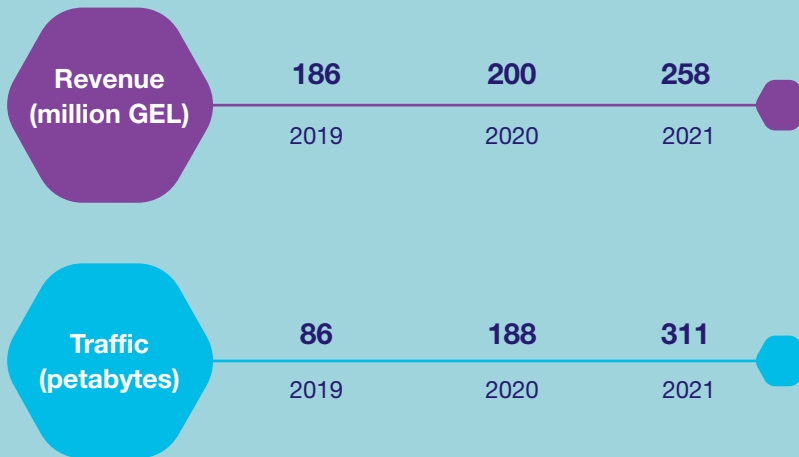


⁴³CAGR – Compound Annual Growth Rate

⁴⁴The population of Georgia includes persons from the age of 5 years.

⁴⁵The difference with the data published in the 2020 report is due to the corrections of the data by companies

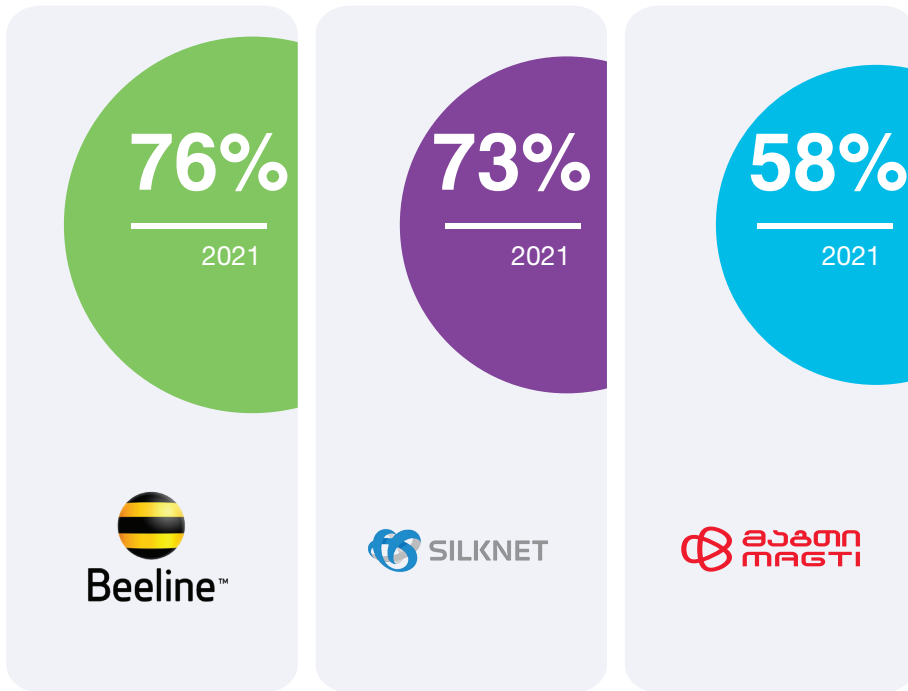
Mobile Internet service



Similar to 2020, by the end of 2021, Silknet had the highest number of mobile Internet users.



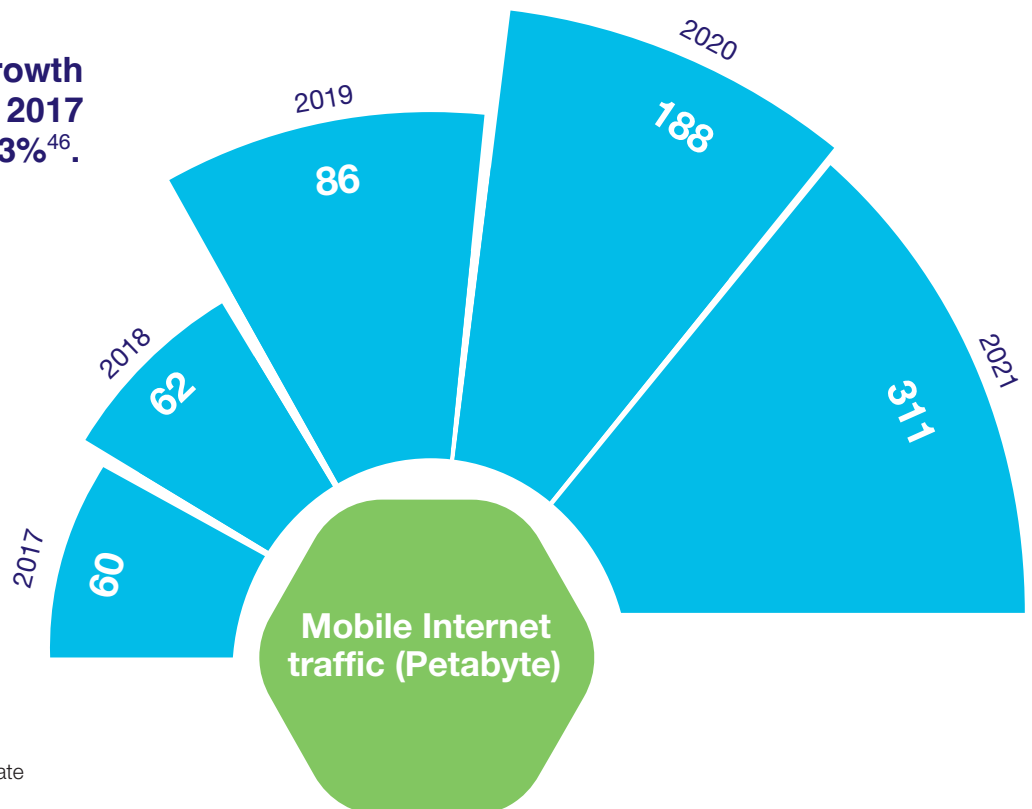
Penetration rate of mobile Internet users by company



However, in terms of companies, the share of mobile Internet users as a part of the total number of subscribers is different. Veon Georgia takes the first place, with 76% of its subscribers using mobile Internet. This high rate is due to the tariffs offered for the mobile Internet and the consumer segment served by the company. Silknet takes second place with 73%, and Magticom third with 58%.

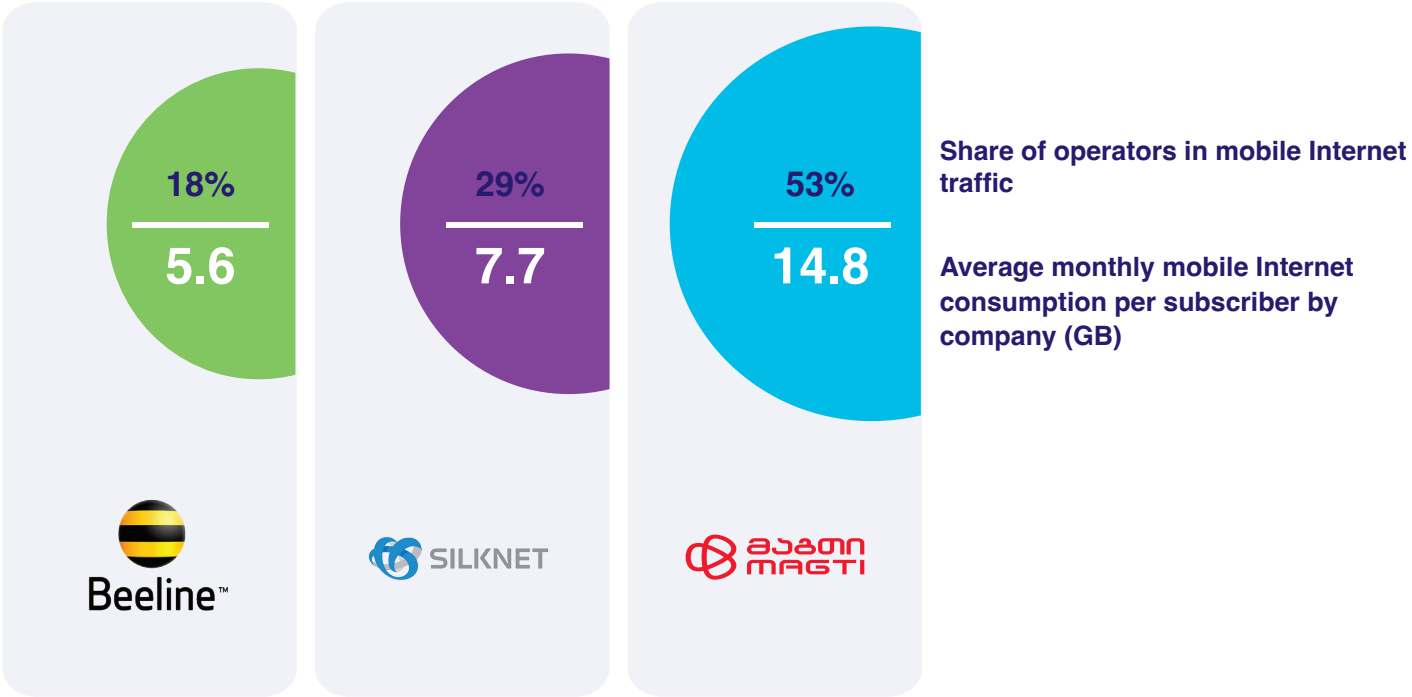
In 2021, mobile Internet traffic grew at a record speed. Mobile service subscribers consumed about 65% more, around 311 petabytes more of mobile Internet, compared to the previous year. This growth was due to an increase in the number of mobile Internet users, as well as the increase in the number of next-generation Internet-enabled phones on the market. Also, this trend is facilitated by the development of 4G network and services, which is accompanied by increased demand for Internet services caused by the pandemic. These factors significantly changed the behaviour of consumers compared to previous years.

The average annual growth of Internet traffic from 2017 to the end of 2021 is 43%⁴⁶.

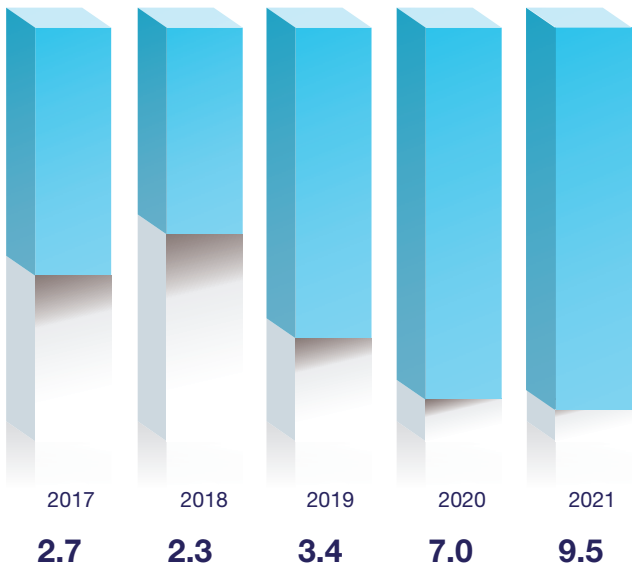


⁴⁶CAGR – Compound Annual Growth Rate

In 2021, the average monthly consumption of mobile Internet was 9.5 GB, which is 107% higher than that of the previous year. According to the data of the IV quarter, the largest amount of Internet traffic – 14.8 GB – was consumed by MagtiCom subscribers. Total traffic generated by MagtiCom subscribers was 53% of the total mobile Internet traffic. Silknet subscribers use 7.7 GB of Internet every month, while Veon Georgia subscribers use 5.6 GB.

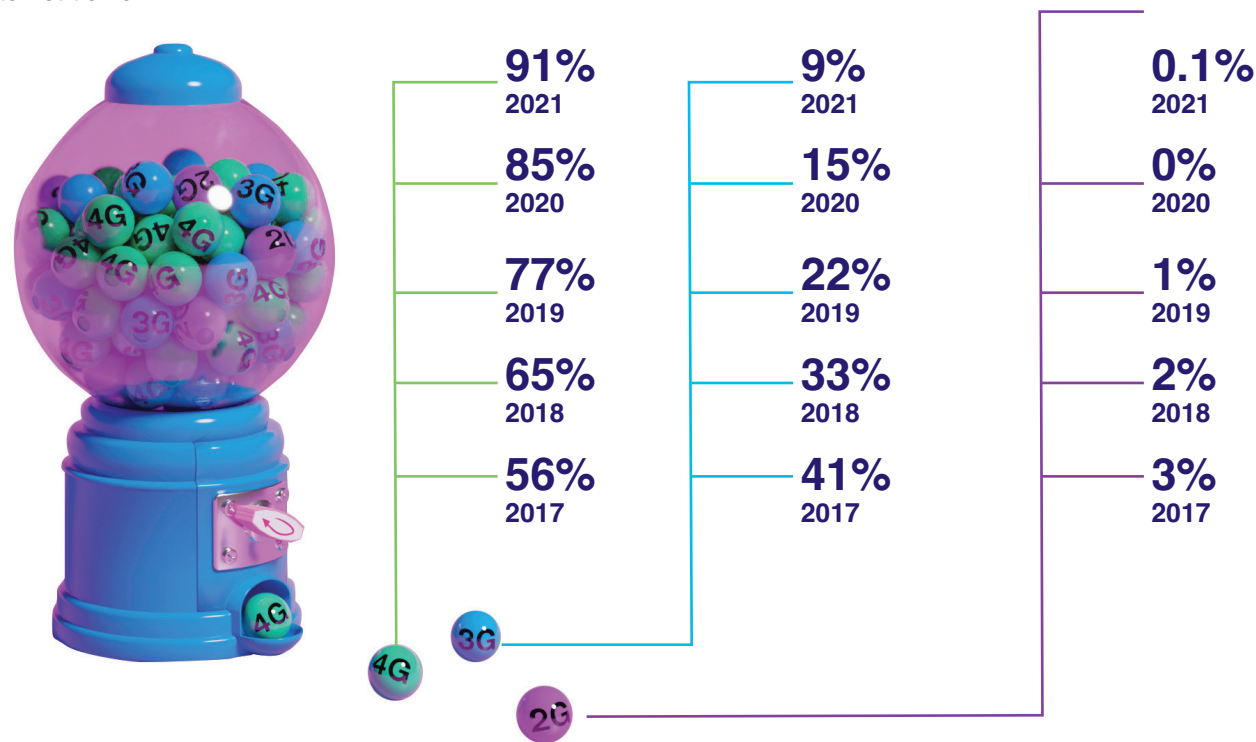


Average monthly mobile Internet usage (GB) per subscriber

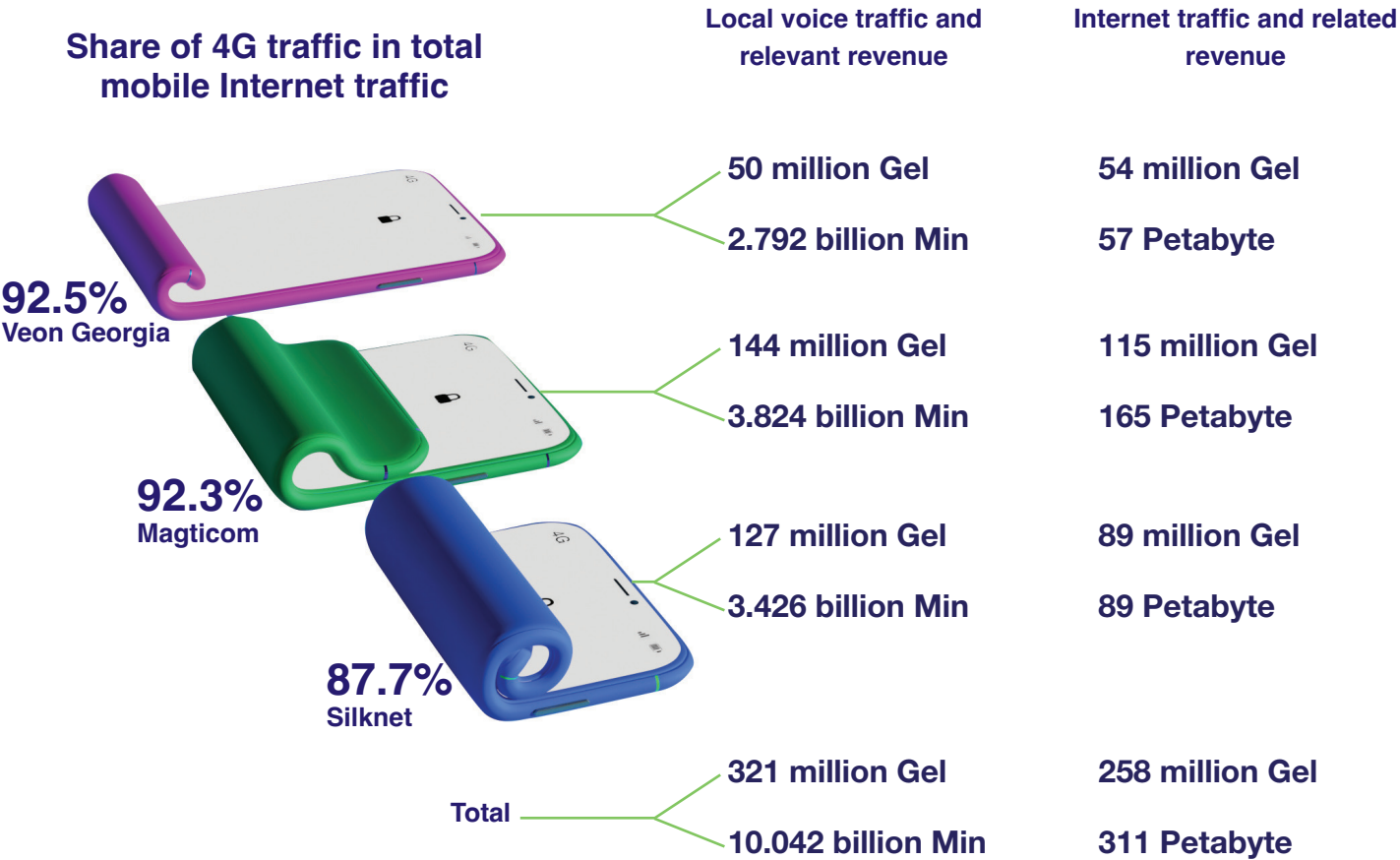


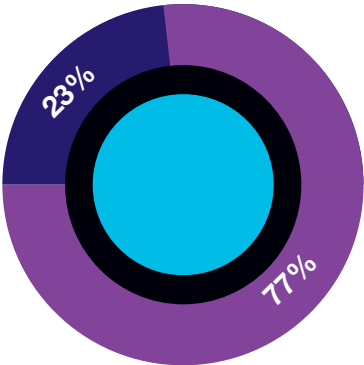
The amount of Internet traffic consumed by 2G and 3G technologies has significantly reduced in recent years. 4G consumption has increased by 6% compared to the previous year and by 2021, 4G technology amounted 91% of the total mobile Internet traffic.

Mobile Internet traffic by technology



According to the share of 4G technology traffic, Veon Georgia has the highest share, followed by Magticom and Silknet with a small difference.

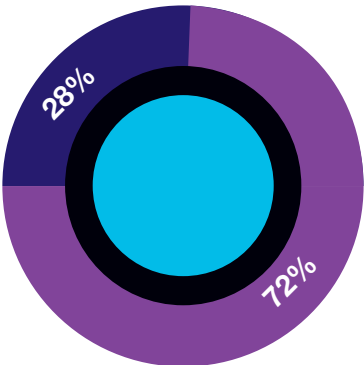




By the end of 2021, the number of active subscribers involved in the state consolidated tender amounted to 285 thousand which is 23% of the total business subscribers.

Distribution of business subscribers

● Other business subscribers
 ● Consolidated

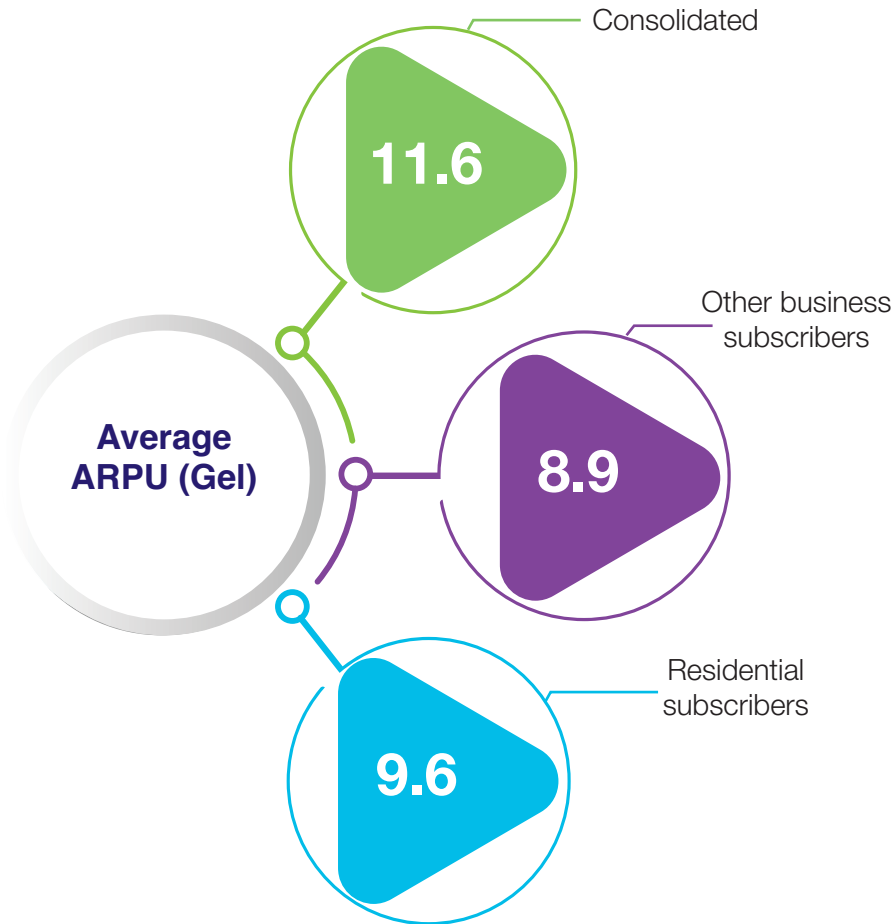


In 2021, the total revenue received from business subscribers amounted to 130.4 million GEL, of which 36.6 million GEL was received from consolidated tender subscribers.

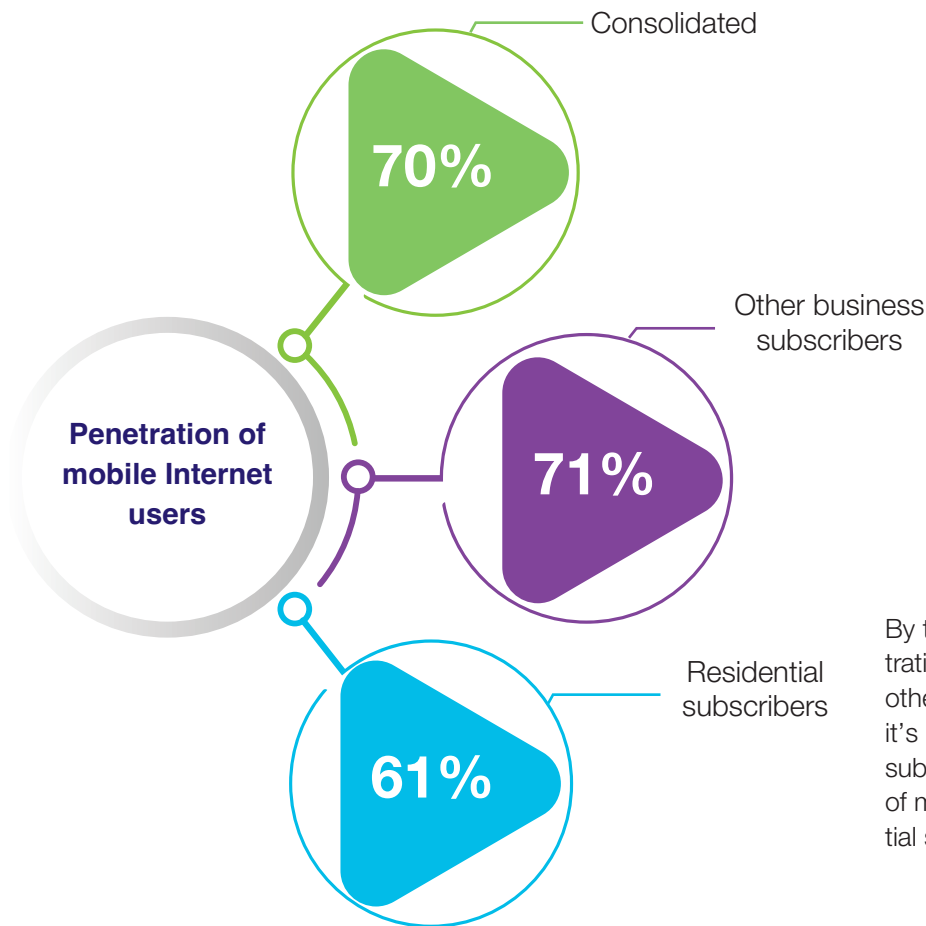
Distribution of revenue among business subscribers

● Other business subscribers
 ● Consolidated

The monthly ARPU of the subscribers involved in the consolidated tender is on average 2.7 GEL higher than the ARPU⁴⁷ of other legal entities.



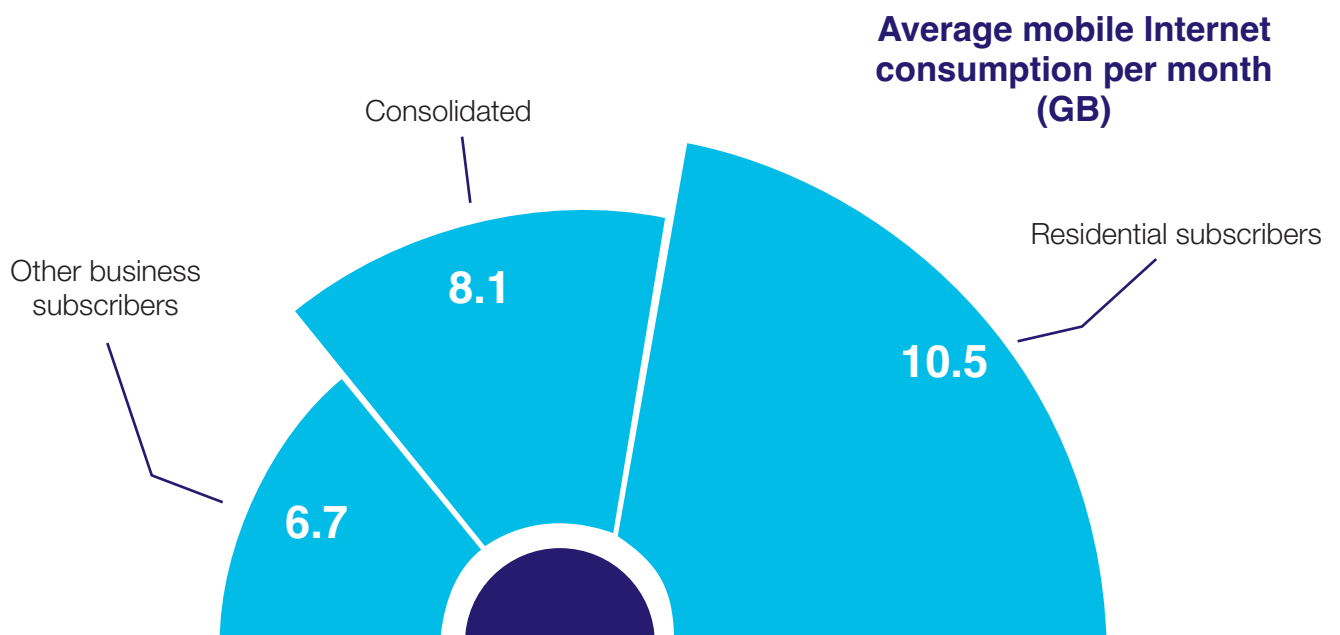
⁴⁷ Average ARPU of the IV quarter



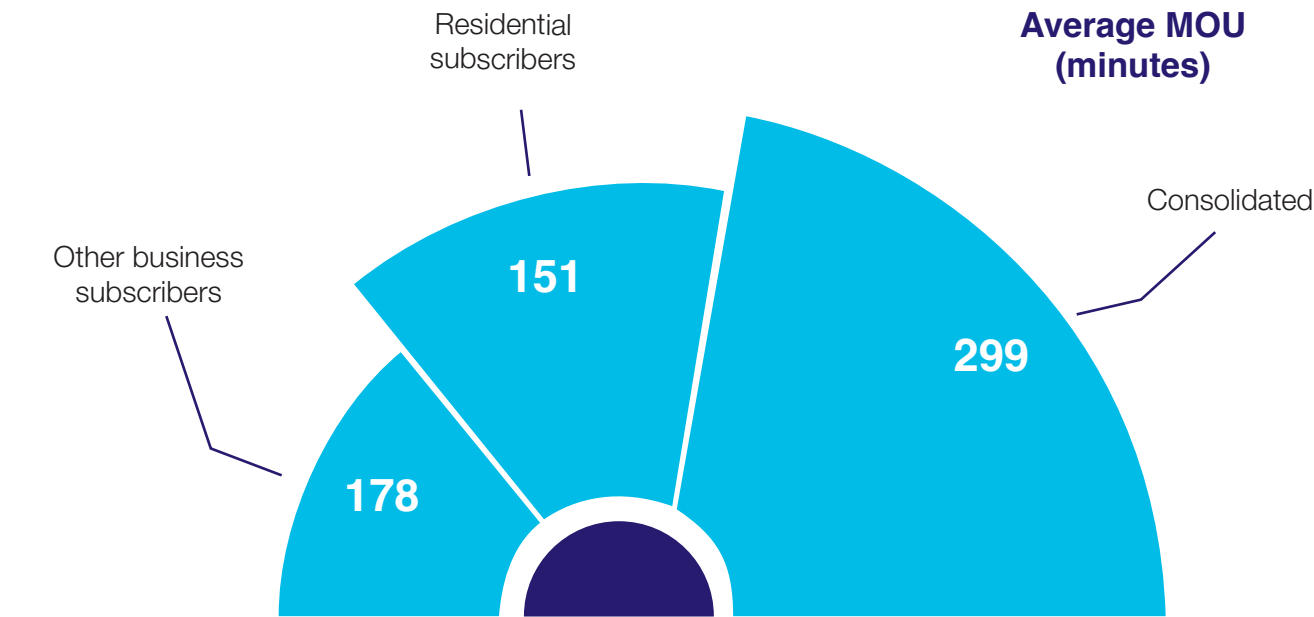
By the end of 2021, the market penetration of mobile Internet users among other business subscribers is 71%, while it's 70% among the consolidated tender subscribers, and the market penetration of mobile Internet users among residential subscribers is 61%.

The behaviour of the subscribers involved in the consolidated tender significantly differ from the behaviour of the of other type of subscribers.

Consolidated tender subscribers use more mobile Internet compared to other business subscribers. As in the previous year, the average Internet consumption by a residential subscriber per month exceeded the average consumption by one – among either legal or consolidated tender subscribers – and reached its maximum level.



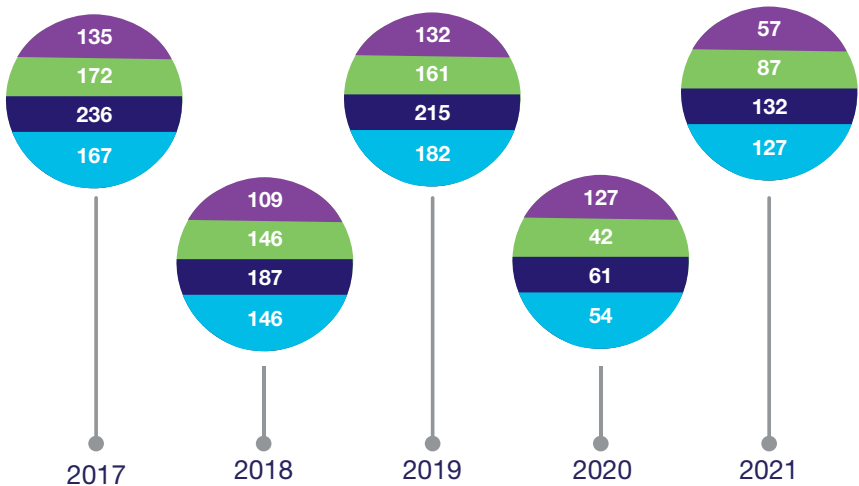
In 2021, consolidated subscribers talked the most. They spent an average of 299 minutes⁴⁸ a month talking on a cell phone, while other business subscribers – 178 minutes, and residential subscribers – 151 minutes.



Roaming

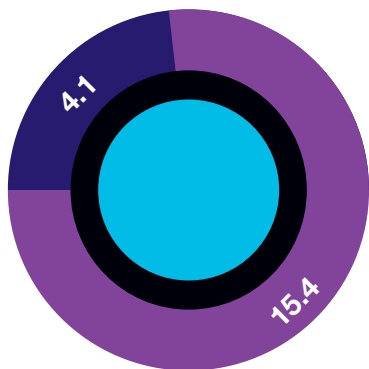
Number of outgoing roamers (thousands)

● I Quarter ● II Quarter ● III Quarter ● IV Quarter



Roaming service is characterized by seasonality in general, most users are recorded in the III quarter. In 2020-2021, due to the restrictions introduced as a result of the pandemic around the world, the number of both outbound and inbound roamers in Georgia was significantly reduced. However, from the second half of 2021 there is still significant growth.

⁴⁸Average of the IV quarter



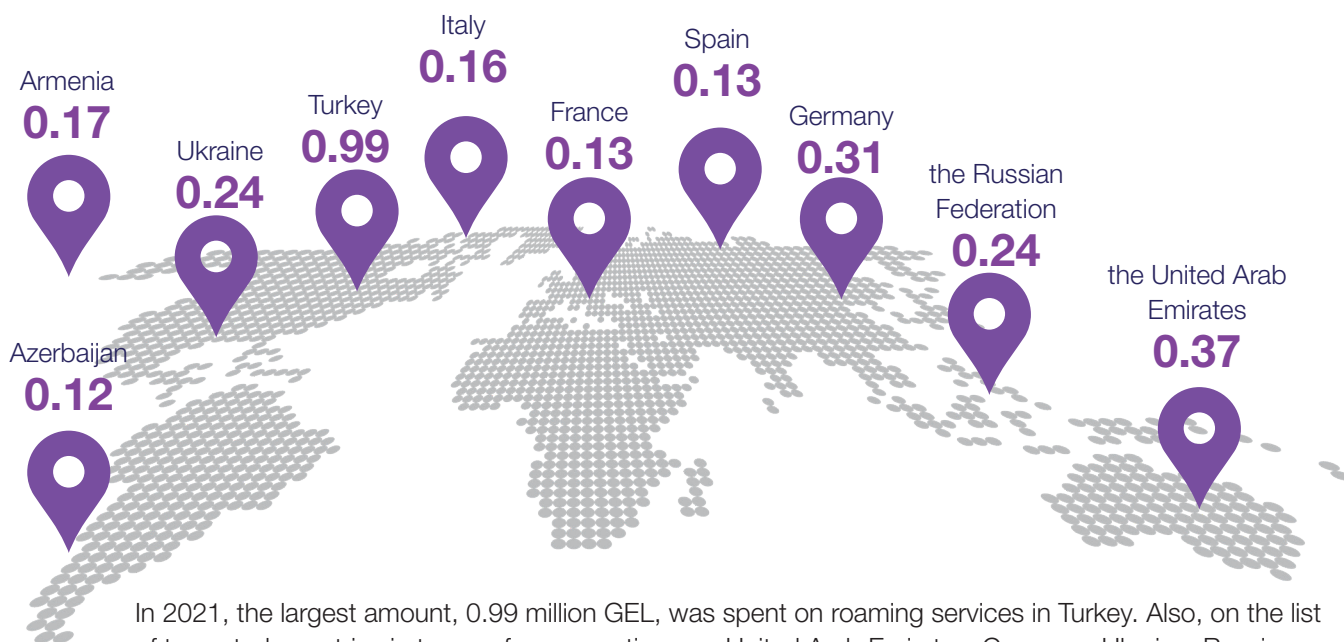
Roaming revenue (millions GEL)

Total revenue received from roaming services amounted to 19.5 million GEL in 2021, which is 24% more compared to that of 2020.

● Incoming roamers

● Outgoing roamers

Top countries for outgoing roamers (million GEL)



In 2021, the largest amount, 0.99 million GEL, was spent on roaming services in Turkey. Also, on the list of top-rated countries in terms of consumption are: United Arab Emirates, Germany, Ukraine, Russian Federation, Armenia, Italy, France, Spain and Azerbaijan.

Top countries for inbound roamers (million GEL)



In 2021, during their stay in Georgia, the largest amount of money for mobile services was spent by roamers from Saudi Arabia and the Russian Federation. The list of the top countries are: Turkey, Ukraine, France, Sweden, Switzerland, Australia and Ireland.

Mobile number portability

In 2021, 37 thousand numbers were ported within the network of mobile operators, which is 9 thousand less compared to 2020. In general, the dynamics of porting within mobile networks is characterized by a declining trend, which may be due to several reasons, including the similarity of offers and quality of services service available on the market.

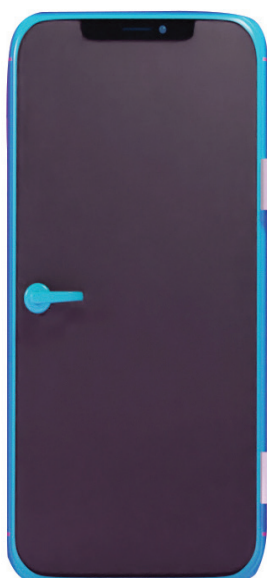
Number of ported numbers (thousands)

2017	2018	2019	2020	2021
57	49	52	46	37

Number of ported subscribers (thousands)



Porting by operator (thousands)



 SILKNET

 MAGTI

 Beeline™

9

21

6

13

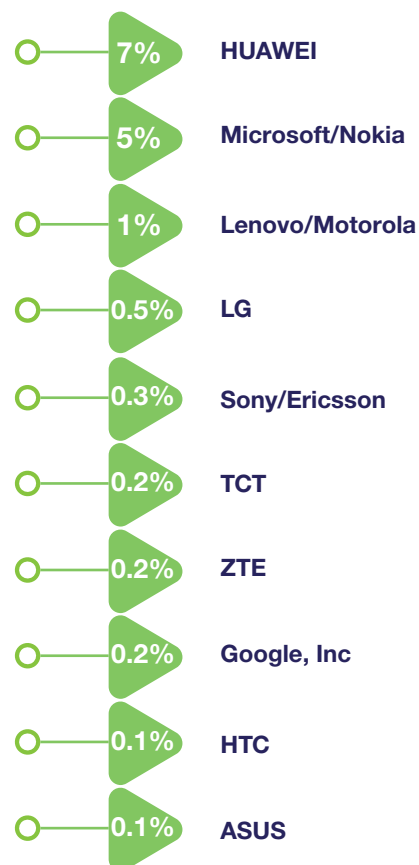
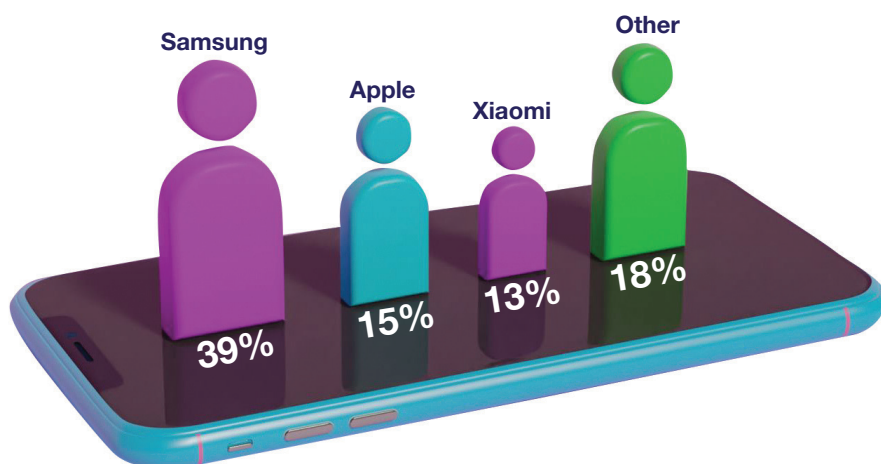
9

15

● Ported out

● Ported in

Distribution of mobile devices by manufacturers



Fixed broadband⁴⁹ Internet service

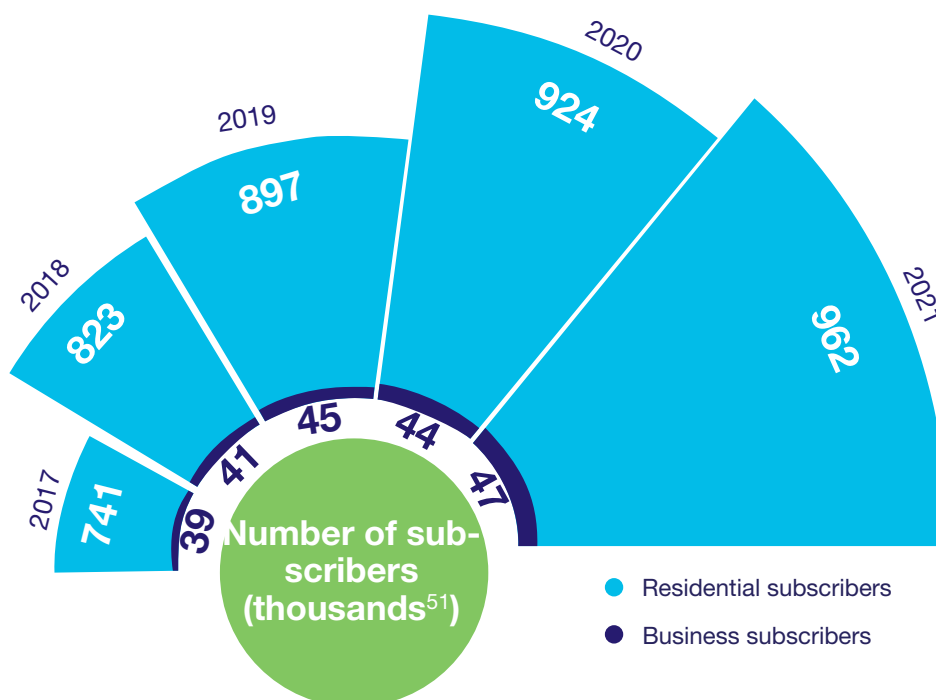
The number of subscribers as well as revenues of fixed broadband Internet services in Georgia is characterized by the growing trend. As better fibre-optic technology is developed, its availability increases, and consequently, the market penetration of the total number of subscribers increases as well. In 2021, as in the previous year, the number of subscribers continued to increase more in the regions than in the capital. Compared to the previous year, the number of subscribers in the regions increase by 7%. The market of broadband Internet services in Tbilisi is almost saturated and only 1% growth was observed in the capital compared to the previous year.

As of the IV quarter of 2021, the number of fixed broadband Internet subscribers exceeded one million and amounted to **1.009** million.



Compared to the end of 2020, the number of subscribers increased by 4.3% or by 41 thousand subscribers, whilst the number of residential subscribers by 4.2%, and the number of business subscribers by 6.7%. The compound annual growth rate⁵⁰ for the last five years is 7% for residential subscribers and 5% for business subscribers.

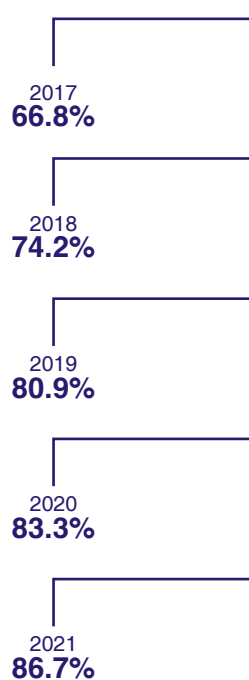
⁴⁹ITU is a technology that allows data transfer at speeds of 256 kb/s or more
⁵⁰CAGR – Compound Annual Growth Rate



Residential subscribers make up 95.3% of the total number, and business subscribers, 4.7%.

The number of residential subscribers increased by 39 thousand in 2021 and reached 962 thousand in the IV quarter of the year. Consequently, the penetration of fixed broadband Internet service subscribers among households⁵² increased and reached 86.7%.

Subscriber penetration among households



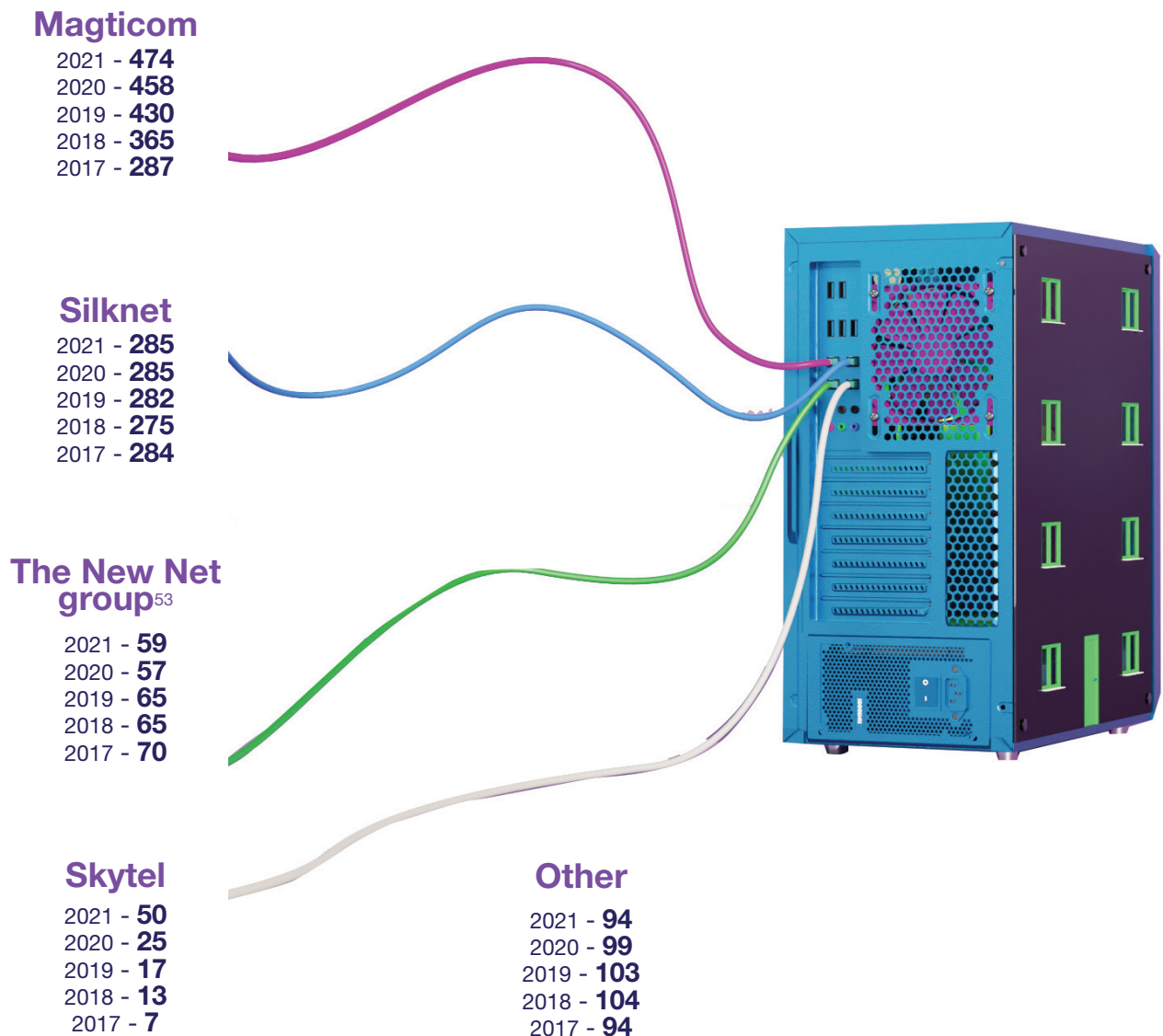
⁵¹The discrepancy with the data published in the 2020 report is due to the correction of data by companies

⁵²The ratio of the number of residential subscribers of fixed broadband Internet service to the number of households in the country, in percentages

In 2021, compared to the previous year, the largest increase in the number of residential subscribers of 96% was recorded in Skytel, which had 24 thousand subscribers more.

One of the reasons for this rapid growth is due to the fact that at the end of 2020, Skytel acquired fixed broadband Internet service providers MAXNET and Trialeti-Net. In respect to the increase in the number of subscribers, Magticom is in the second place, having 16,5 thousand more residential subscribers. ILink takes the third place with the growth of 2,3 thousand subscribers. Silknet, which is the second largest company in terms of the number of subscribers, acquired only additional 745 subscribers. During this period, Silknet mainly migrated customers from xDSL and fixed LTE technology to fibre technology. The company has 5.3% increase (13 thousand) subscribers in FTTx technology, and 34.1% decrease (12 thousand) of subscribers in xDSL and fixed LTE technologies.

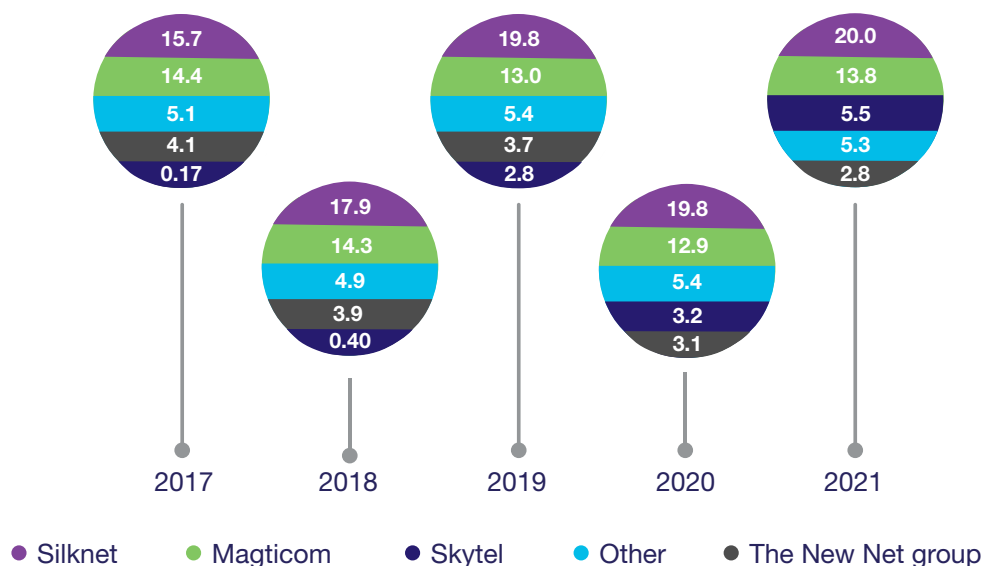
The number of residential subscribers by companies (thousands)



⁵³The New Net Group includes the number of subscribers of New Net and New Net Group; they are interdependent, affiliated entities

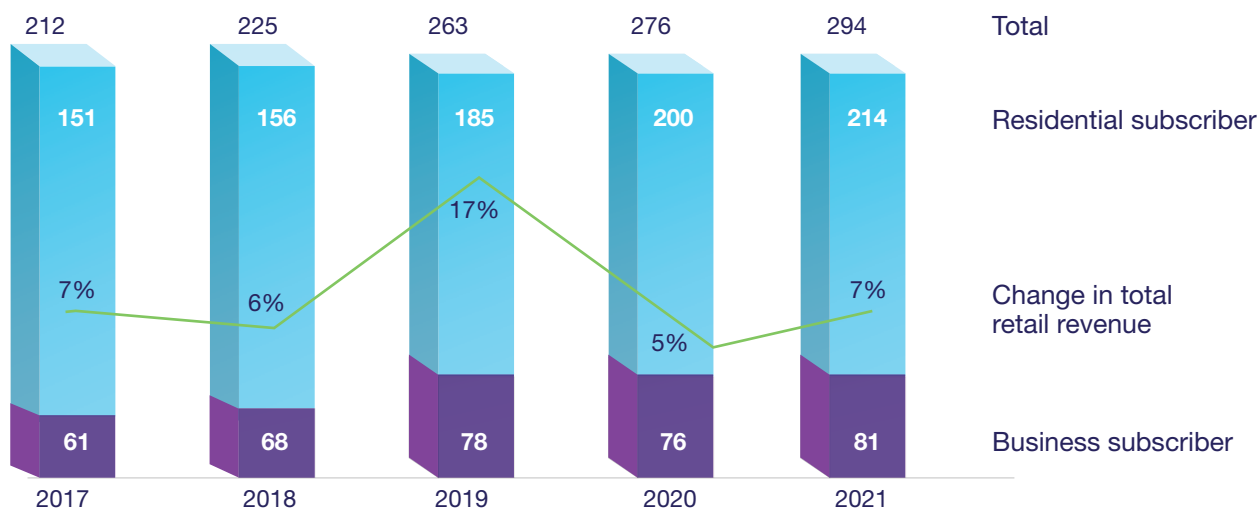
As of the IV quarter of 2021, there were 20 thousand business subscribers of Silknet and 13,8 thousand business subscribers of Magticom. In 2021, the number of Skytel business subscribers significantly increased, amounting to 5,5 thousand subscribers as of the last quarter of the year.

The number of business subscribers by company (thousands)



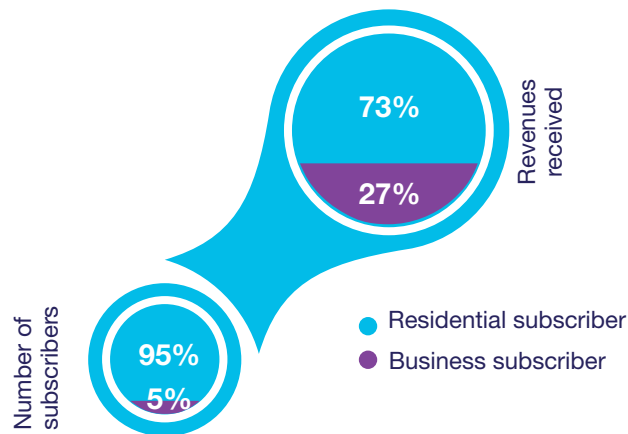
With growth of the number of subscribers, the retail revenues from fixed broadband Internet services in 2021 also increased. In particular, compared to the previous year, it increased by 6.8% and amounted to 294 million GEL.

Retail revenue (million GEL)



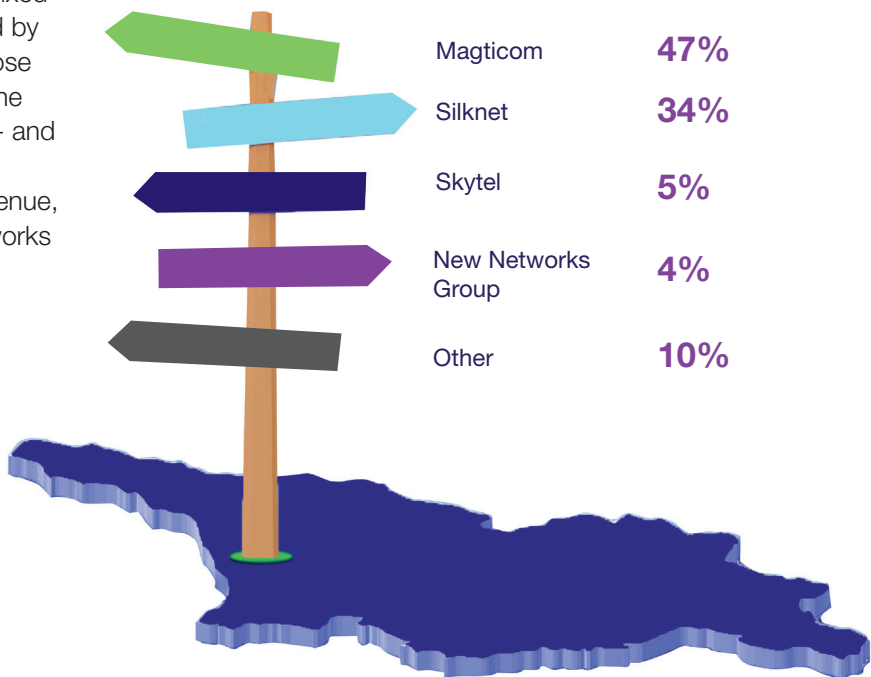
Revenue received from business subscribers is 27% of the total amount generated, while the number of business subscribers accounts for only 5% of the total market. This presumably may indicate the fact that business subscriber service fees are significantly higher than the tariffs offered for residential subscribers.

Distribution of revenues and subscribers by type of subscriber



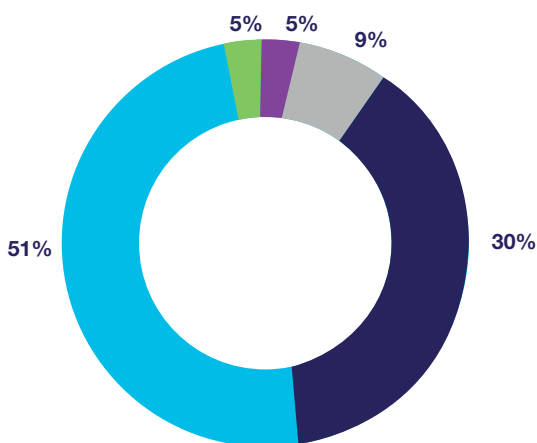
It should be noted that in 2021, 91% of the fixed Internet retail services market was generated by four service providers, more than 81% of those accounted to MagtiCom and Silknet, while the remaining 9% were distributed by 152 small- and medium-sized companies. MagtiCom has 47% of the market share in terms of revenue, Silknet – 34.2%, Skytel – 5% and New Networks Group – 4.4%.

Distribution of revenue by company

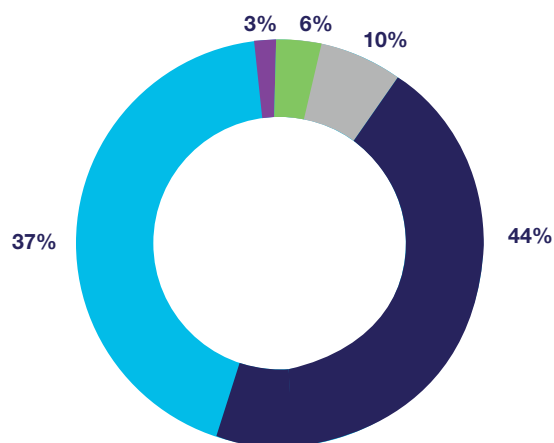


Separately, the distribution of revenue received from residential subscribers by companies is as follows: MagtiCom – 50.6% and Silknet – 30.3%. The distribution of the revenues received from the business subscribers is: MagtiCom – 37.4% and Silknet – 44.4%.

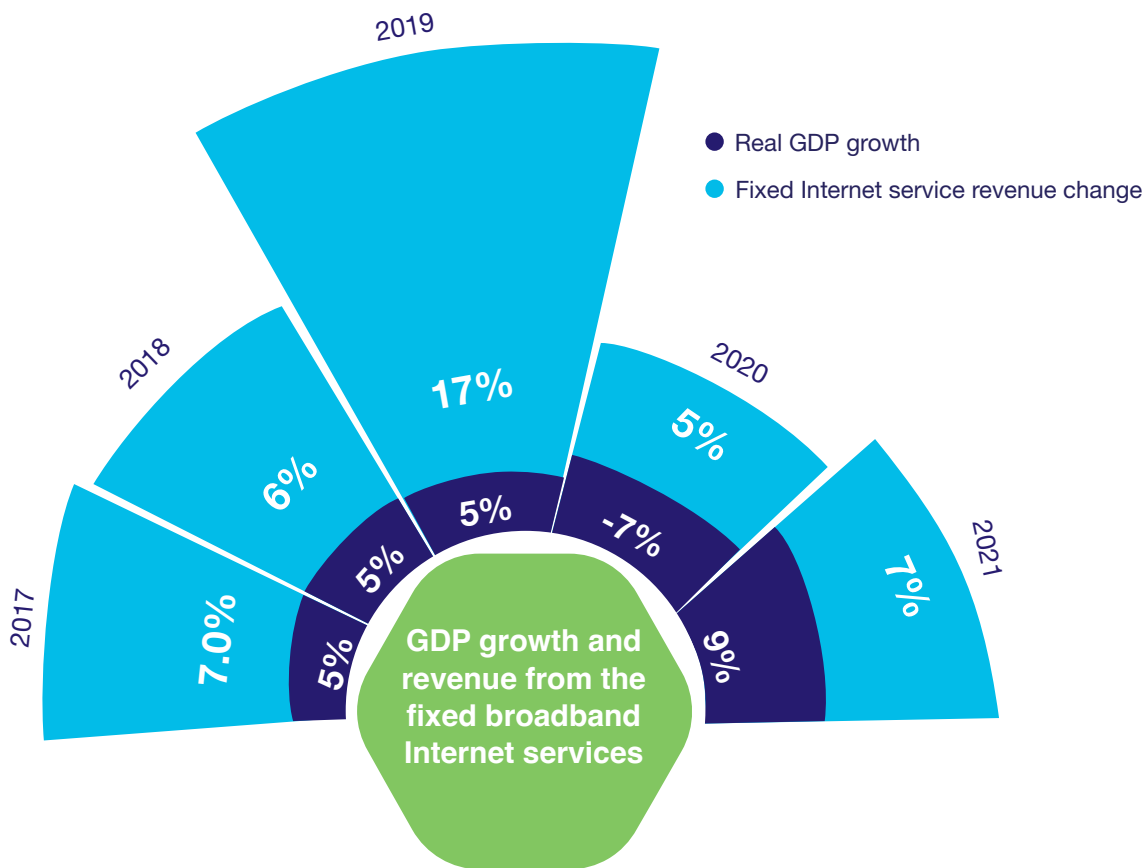
Distribution of revenues received from residential subscribers



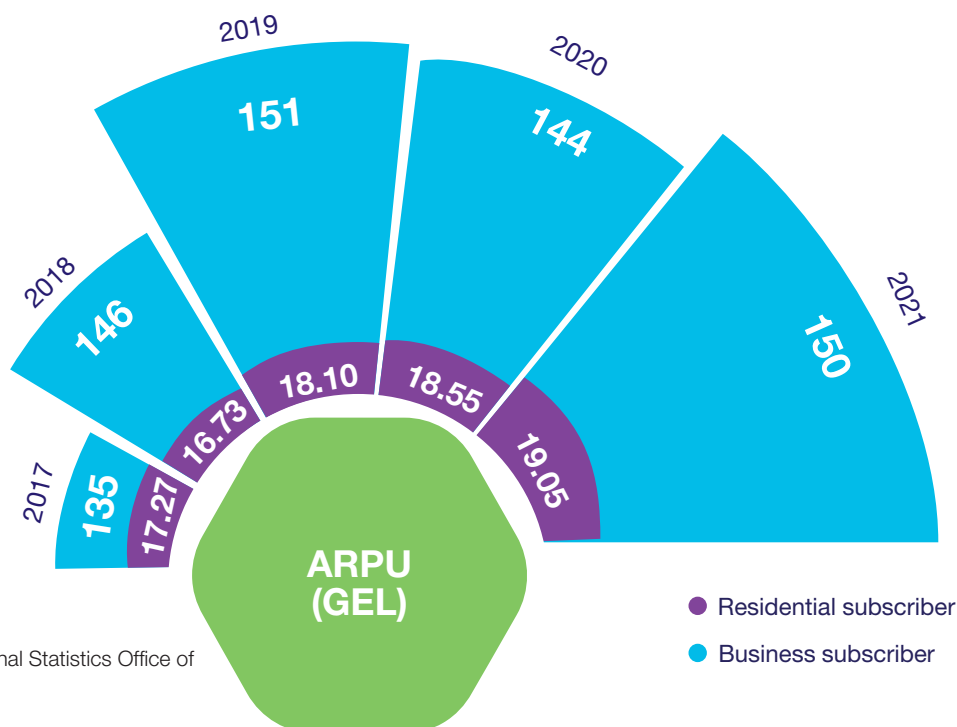
Distribution of revenues received from business subscribers



The percentage change dynamics of fixed broadband Internet revenue and GDP changed dramatically in 2021 in comparison to the previous years: real GDP growth is 9%⁵⁴, while fixed broadband Internet revenue growth is 7%.



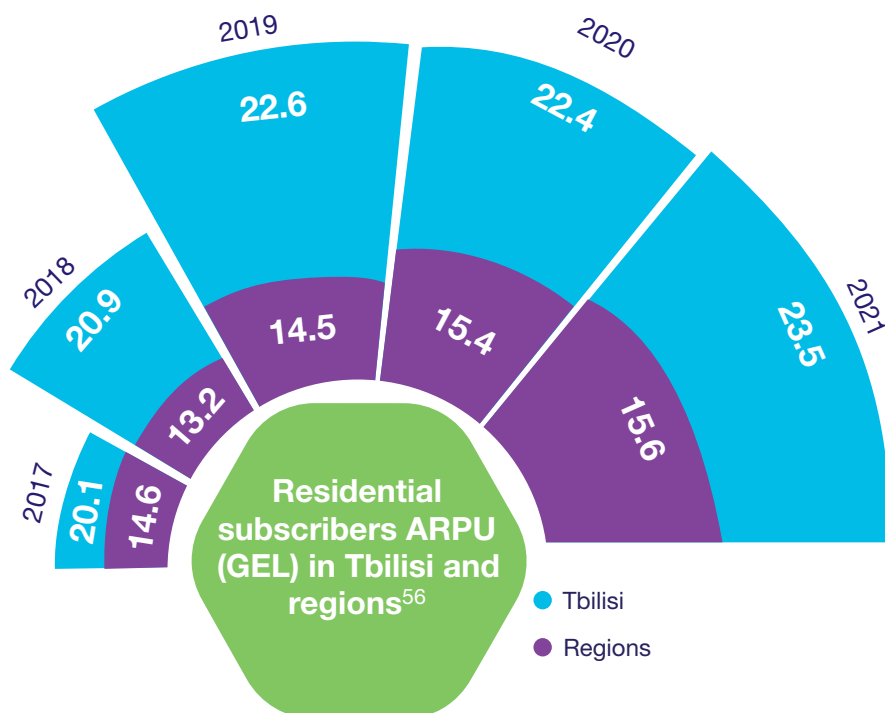
In the quarter IV of 2021, as in previous years, the ARPU⁵⁵ of the residential subscribers maintained a growing trend and amounted to 19.1 GEL, while the ARPU of the business subscribers increased to 149.5 GEL.



⁵⁴As of the third quarter of 2021, source: National Statistics Office of Georgia, www.geostat.ge

⁵⁵ARPU - Average Revenue per User

According to the data of the quarter IV of 2021, the ARPU of the residential subscribers in Tbilisi is 50% higher than the ARPU in the regions. In the capital, the ARPU increased by 4.5% compared to the previous year, and it increased by 1.4% in the regions.



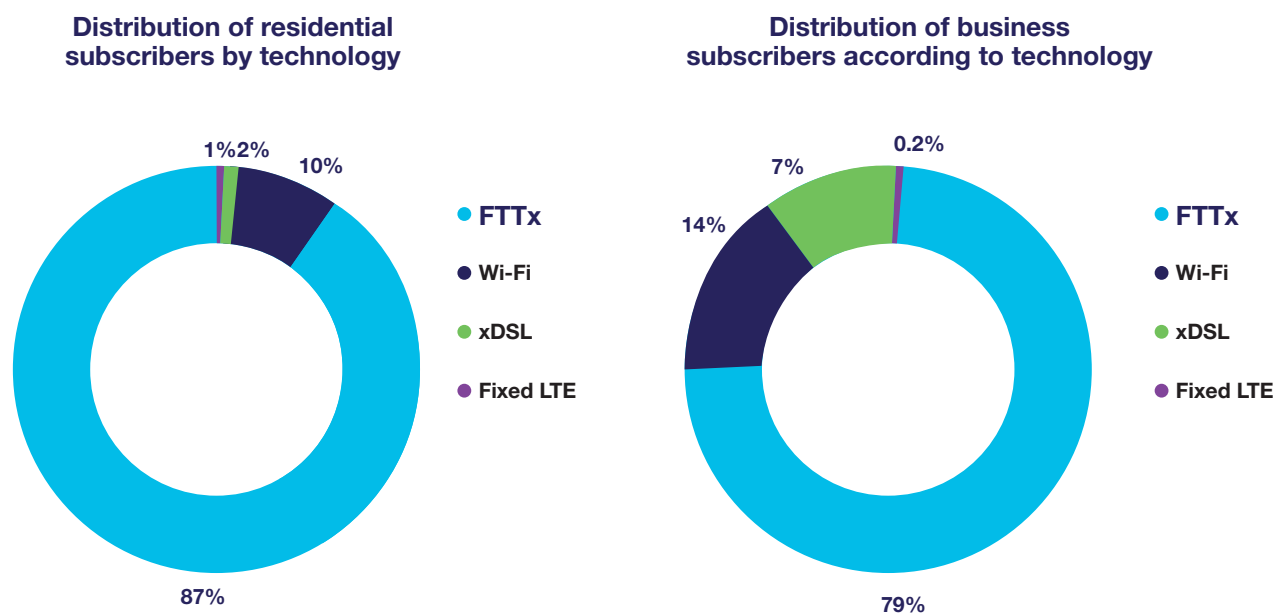
The ARPU of residential subscribers is the highest for fibre-optic technology, amounting to 19.1 GEL. The average charge for one subscriber for Wi-Fi technology is 18.8 GEL per month, 17.8 GEL for xDSL, and 16.1 GEL for fixed LTE technology.

ARPU of residential subscribers (GEL) according to technology

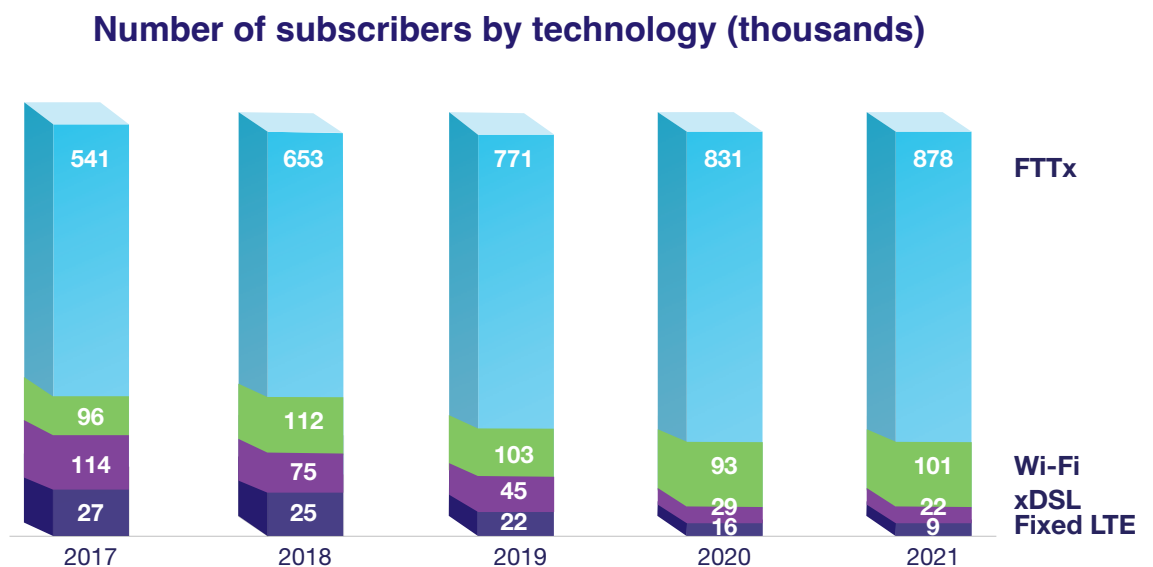
	2017	2018	2019	2020	2021
FTTx	17.5	16.9	18.5	18.6	19.1
Wi-Fi	16.6	15.3	15.8	19.0	18.8
xDSL	17.6	17.4	17.5	18.0	17.8
Fixed LTE	14.9	15.7	14.7	13.9	16.1

⁵⁶The difference with the data published in the 2020 report is due to the correction of data by the companies

In Georgia in 2021, the market penetration of fibre-optic technology subscribers in households was 76%⁵⁷. In total 144 entities provided fixed broadband Internet services⁵⁸. 73 companies provided services with fibre-optic technology, 109 with WiFi technology, 6 with xDSL, 1 authorized entity with fixed LTE technology. The majority (87%) of residential subscribers used fibre-optic Internet service, followed by 10% using Wi-Fi technology, 2% using xDSL and 1% using fixed LTE. The distribution of business subscribers by technology is slightly different. Here Wi-Fi and xDSL technology have a relatively larger share than in the residential subscriber segment.



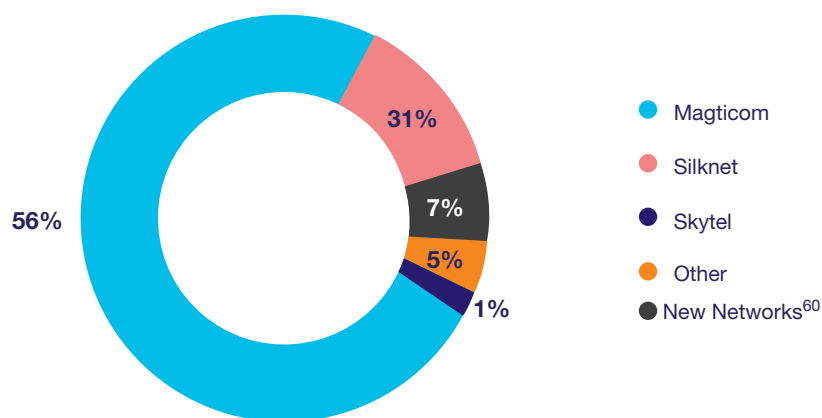
Over the past 5 years, the annual growth⁵⁹ of the number of fibre-optic technology subscribers (residential subscriber and business subscriber) is 12.8%. According to the number of subscribers, the second place is occupied by Wi-Fi technology, the number of subscribers of which increased by 8.7% (8,080) compared to the previous year. The growth of fibre-optic technology subscribers was 5.7% (46,680). The growth of fibre-optic technology subscribers is 38,600 more than Wi-Fi technology subscribers, which is due to the development and availability of the fibre-optic Internet service network. Since 2017 the number of xDSL technology subscribers declined by an average of 33.7% per year, whilst authorized persons actively replace outdated and technically disabled technology with fibre-optic technology.



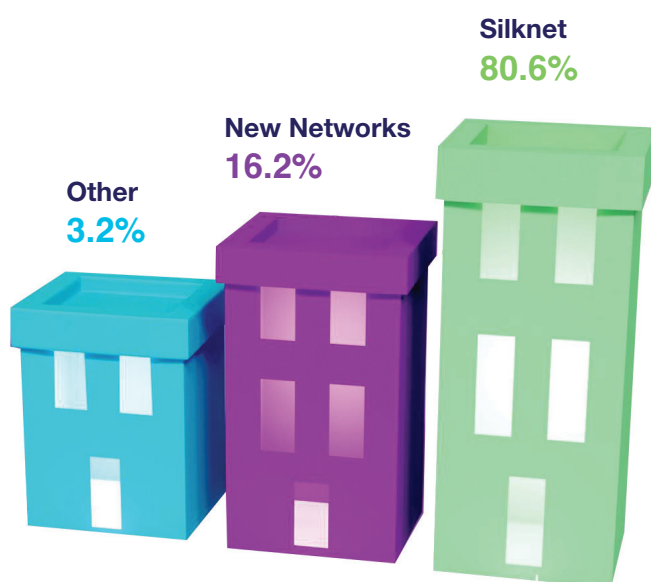
⁵⁷The number of residential subscribers divided by the number of households.
⁵⁸Includes companies that had at least 1 subscriber in the IV quarter of 2021.
⁵⁹CAGR – Compound Annual Growth Rate

According to the data of the IV quarter of 2021, 56.4% of the subscribers (residential subscriber) of fibre-optic services used Magticom, 31.1% used Silknet, and the remaining 12.5% used other operators.

Distribution of fibre-optic technology residential subscribers by company



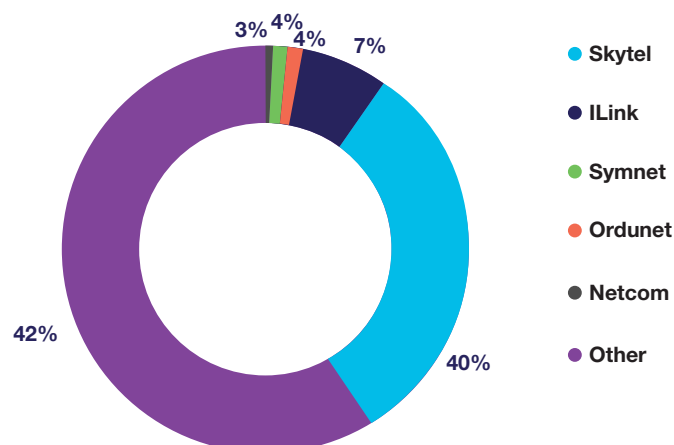
As for xDSL technology, 80.6% of the residential subscribers were Silknet users, 16.2% subscribed to New Net, while 3.2% to other operators.



Distribution of xDSL technology residential subscribers by company

⁶⁰ New Net and New Net Group are interdependent, affiliated entities

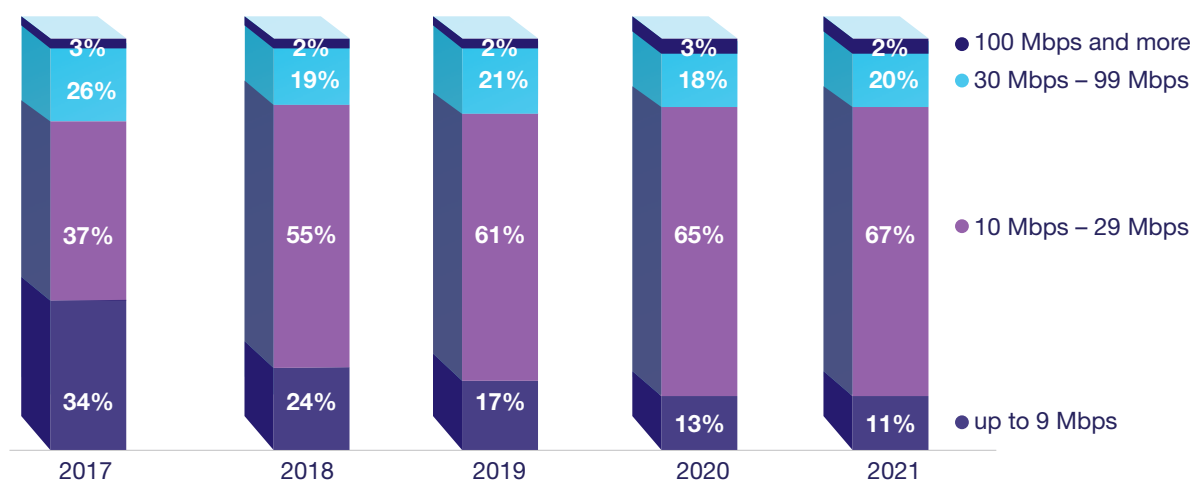
Distribution of WiFi technology residential subscribers by company



Unlike fibre-optic and xDSL technologies, there is a much large number of market players providing Internet services via Wi-Fi technology. As of the IV quarter of 2021, from 106 companies Skytel has the largest share (40%) of subscribers.

Essentially, the development of fibre-optic technology makes it possible for subscribers to access higher speed Internet. At the end of 2021, most subscribers in Georgia (67%) were using the service, the declared speed of which was in the range of 10 Mbps to 29 Mbps⁶¹. Consequently, the share of subscribers with the speed range of up to 9 Mbps in the regions has been decreasing.

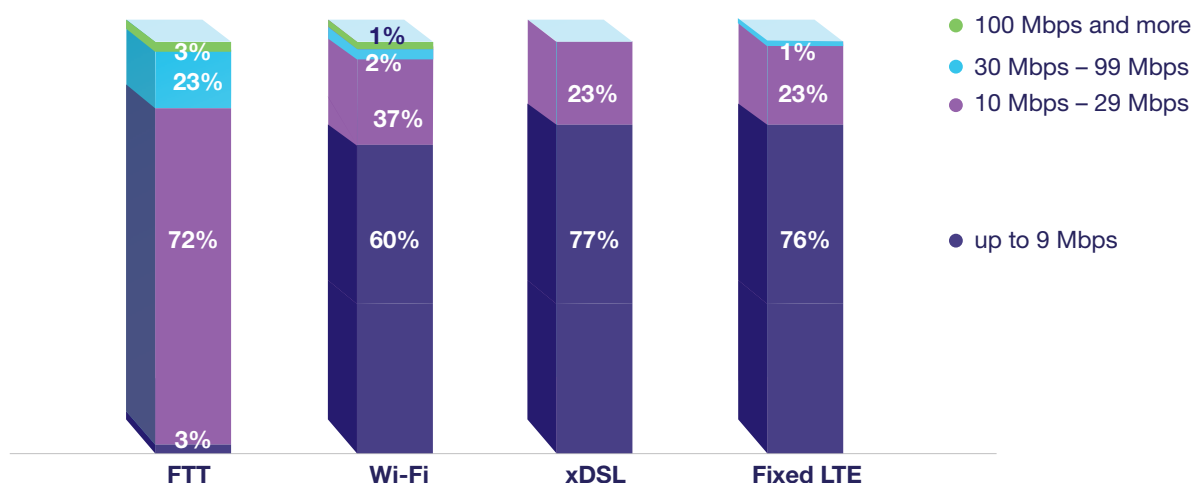
Distribution of the number of subscribers by declared speed range



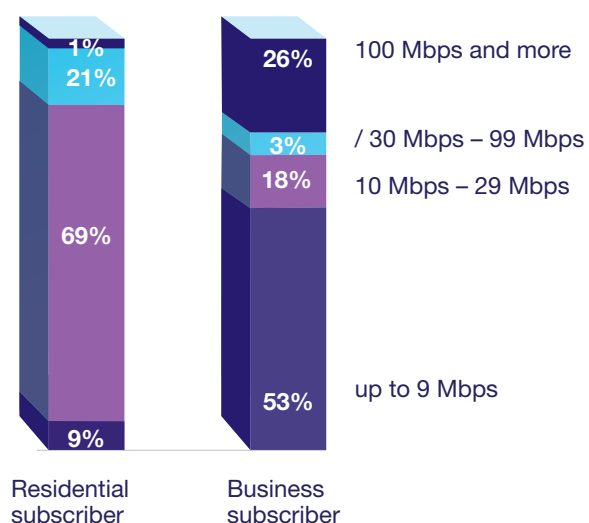
⁶¹The analysis of speeds in the fixed broadband Internet service shows the declared data offered by the companies to the subscribers

The share of subscribers with speeds from 10 Mbps to 29 Mbps is higher in fibre-optic technology at 72%. Fixed LTE, Wi-Fi and xDSL technology dominate the speed range up to 9 Mbps, due to the technical limitations and characteristics of these technologies.

Distribution of the number of subscribers by technology and speed ranges

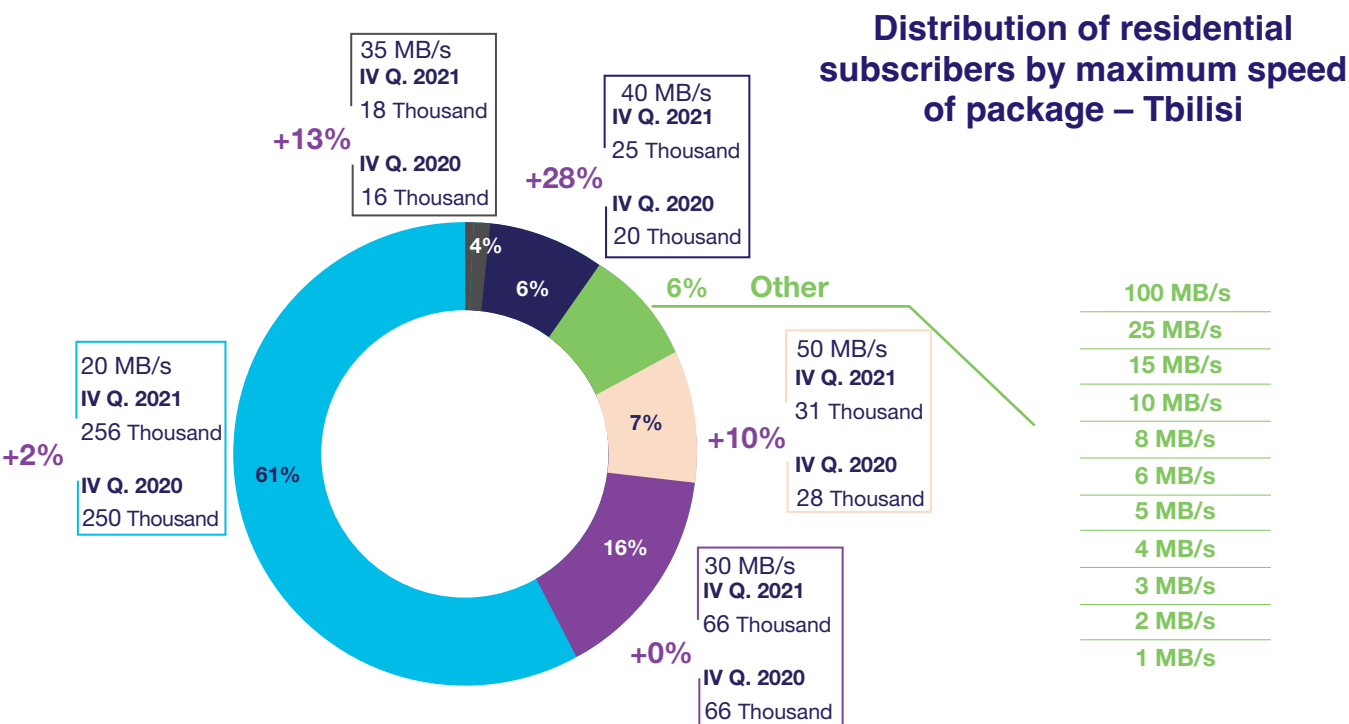


Distribution of the number of residential subscriber and business subscribers by declared speed range of Internet services

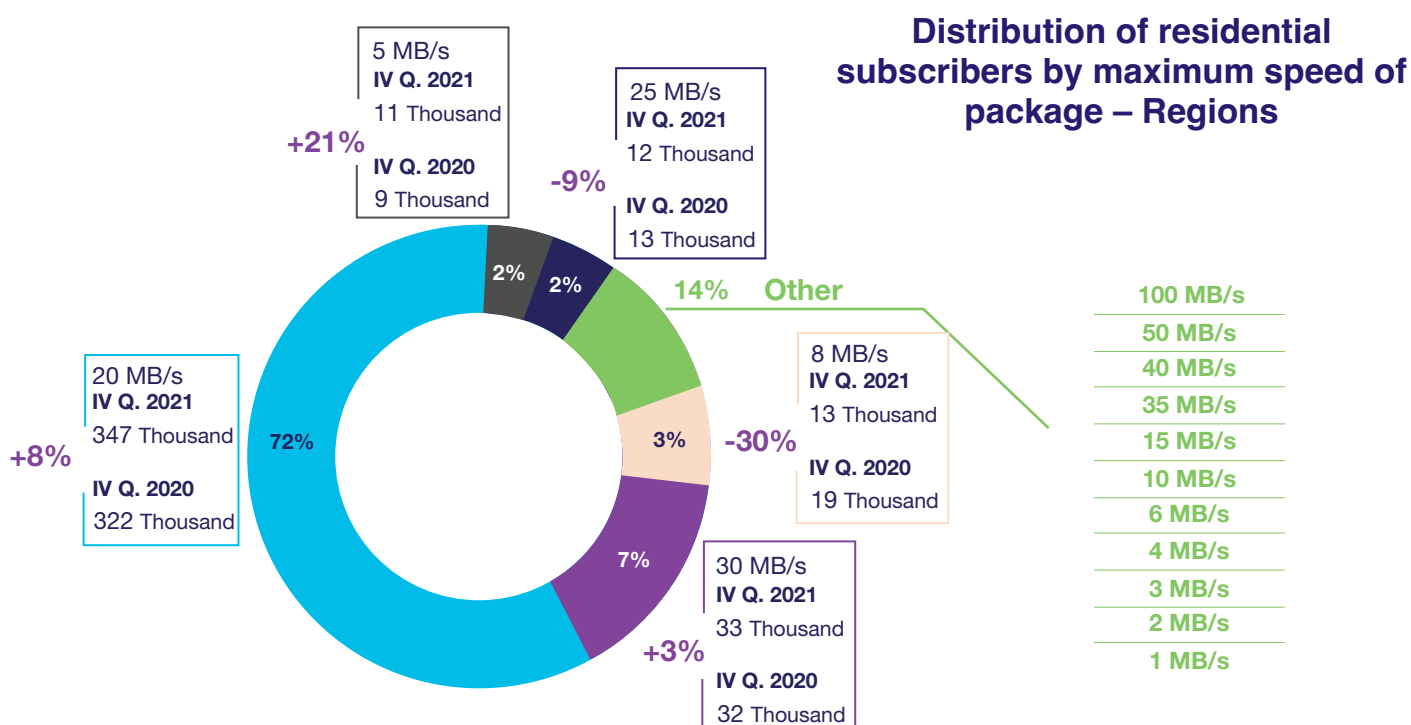


The distribution of business subscribers and residential subscribers varies according to the speed ranges of Internet services. In the case of business subscribers, the range up to 9 Mbps (53%) dominates, while in the case of residential subscribers, most use between 10 Mbps to 29 Mbps (69%). It should be noted that in case of business subscribers, companies declare the speed of access to global Internet resources.

The analysis of the distribution of declared speeds among residential subscribers, separately, not by ranges, shows that in 2021 the most popular Internet package in Tbilisi was 20 Mbps (61%).



Demand for high-speed Internet is growing in the regions. 347 thousand subscribers use 20 Mbps Internet service.



As of the IV quarter of 2021, 446 thousand (44%) subscribers of fixed broadband Internet services are located in Tbilisi, and 563 thousand (56%) in the regions.

In 2021, compared to the previous year, the number of subscribers increased by 7% in the regions, while the number of subscribers located in Tbilisi increased by 1%. This increase in recent years generally stems from MagtiCom and Skytel.

Growth trend of subscribers in Tbilisi and regions (number of subscribers, thousands)



Regions

2021
563

2020
526

2019
510

2018
458

2017
396

Tbilisi

2021
446

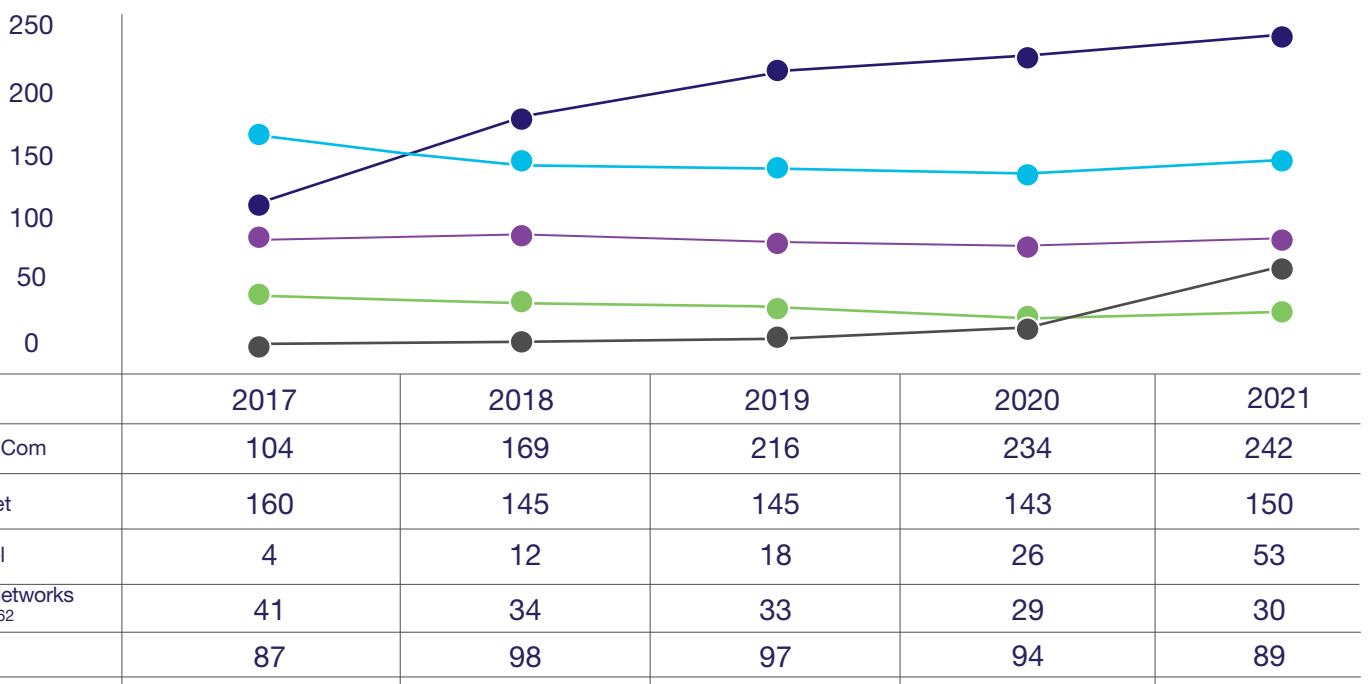
2020
442

2019
432

2018
407

2017
385

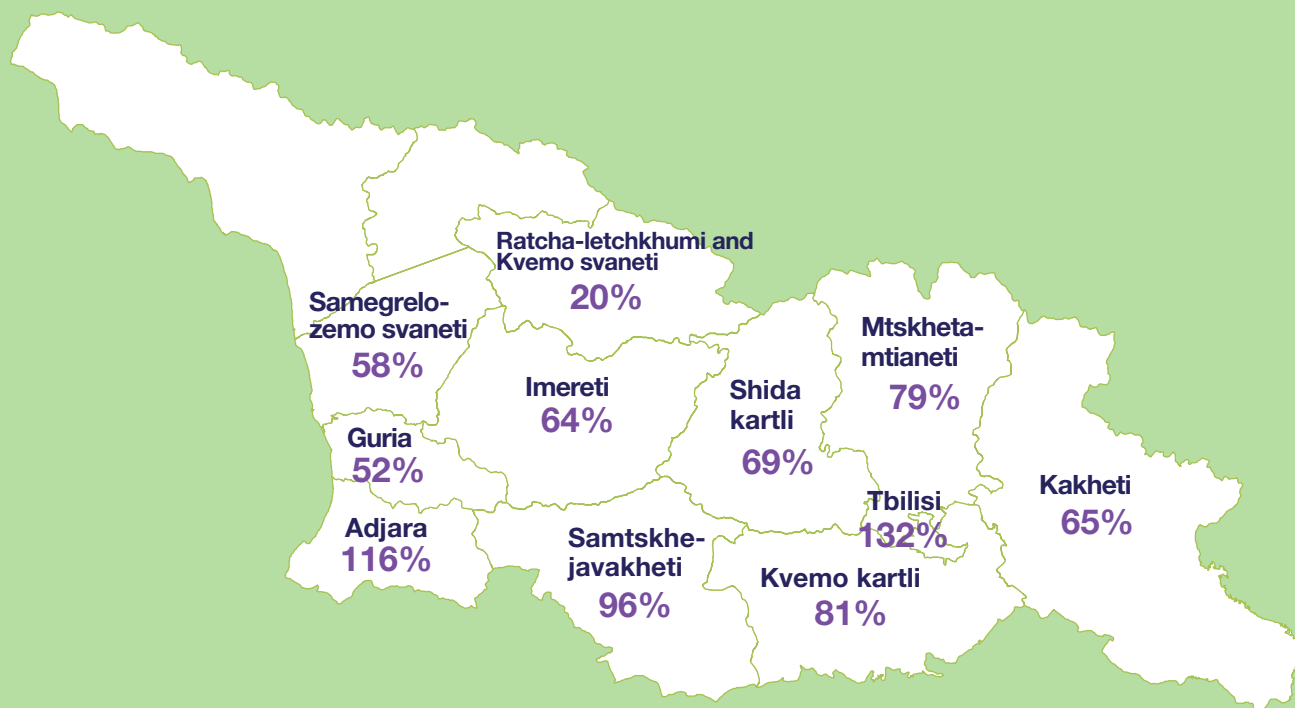
Number of subscribers in the regions (thousand)



⁶²The New Networks Group includes the number of subscribers of New Net and Georgian Central Communications Corporation

As of the IV quarter of 2021, the Internet market penetration in Tbilisi is 132%, which is due to the fact that one family receives Internet services from several different providers⁶³. Due to the mentioned reasons, the Internet market penetration rate, under the influence of Batumi, is high in Adjara as well at 116%. The lowest rate of 20% in the regions is in Racha-Lechkhumi and Kvemo Svaneti.

The penetration of Fixed broadband internet services in Tbilisi and regions



By the end of 2021, the number of fixed broadband Internet subscribers in the five largest cities of Georgia – Tbilisi, Kutaisi, Batumi, Rustavi and Poti – was 61% of the total number of subscribers in the country. The development of fibre-optic networks in these cities have significantly reduced the number of xDSL technology subscribers. 96% of Internet subscribers used fibre-optic.

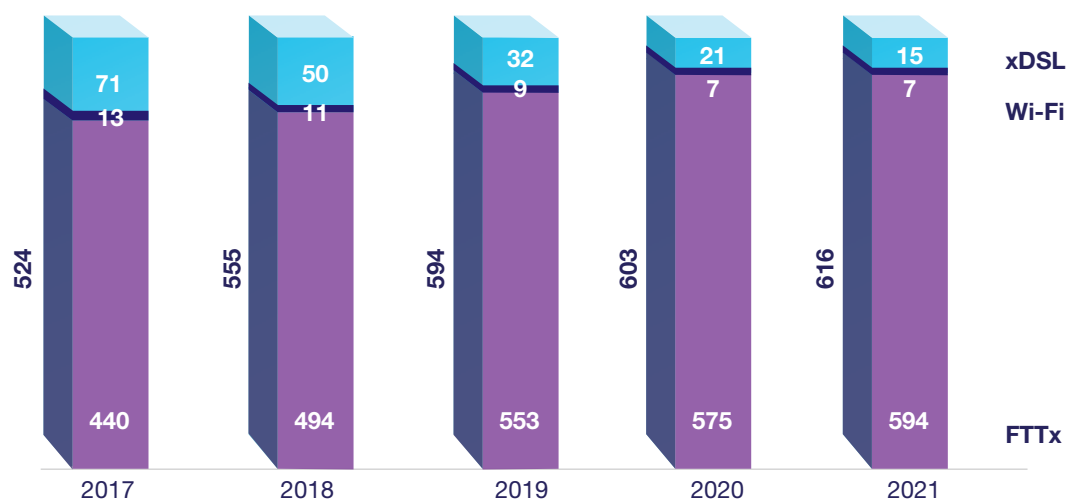
The penetration of fixed broadband Internet services in cities remains stable and, compared to 2020, there is accordingly a small increase of 2%. The penetration in borrows and villages is characterized by a sharp growth trend over the last 5 years, which means an increase of 11% to 40% in villages and 39% to 106% in borrows.

The penetration of Fixed broadband internet services by settlement types in Georgia

	2017	2018	2019	2020	2021
Cities and Towns	108%	116%	126%	117%	119%
Borrows	39%	70%	79%	93%	106%
Village	11%	17%	17%	36%	40%

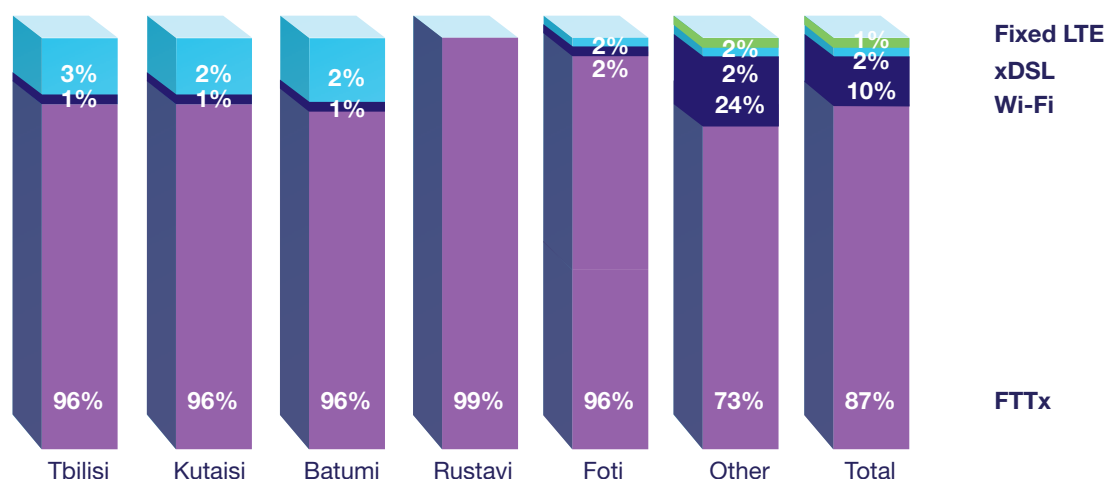
⁶³Also, one of the reasons is: the Internet service for rented / intended for renting real estate and the registration of the registered and actually living population

Number of subscribers (thousands) in Georgia's 5 biggest cities by technology



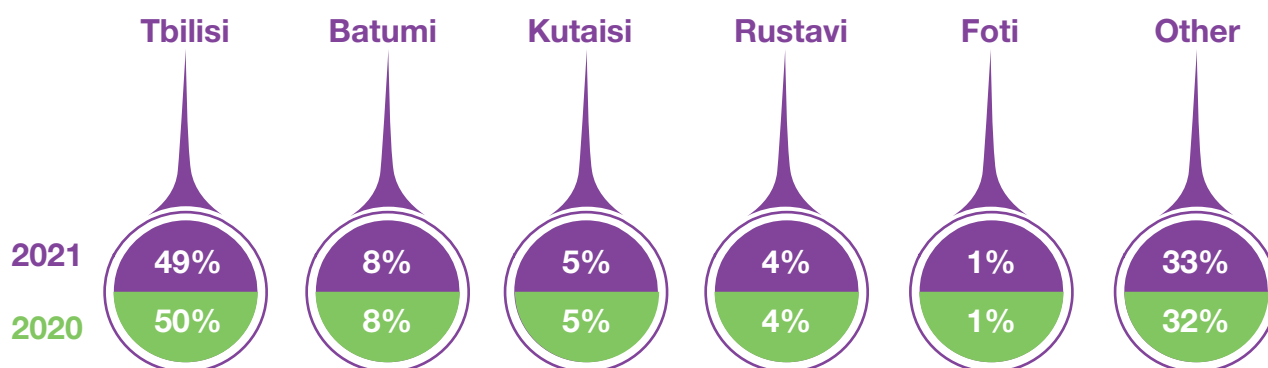
It should be noted that in all five major cities, the share of fibre-optic technology subscribers in the total number of broadband Internet subscribers in the city is more than 96%, with the largest share in Rustavi at 99.5%, and in Poti at 96.4%.

Distribution of subscribers in Georgia's 5 biggest cities and other settlements by technology



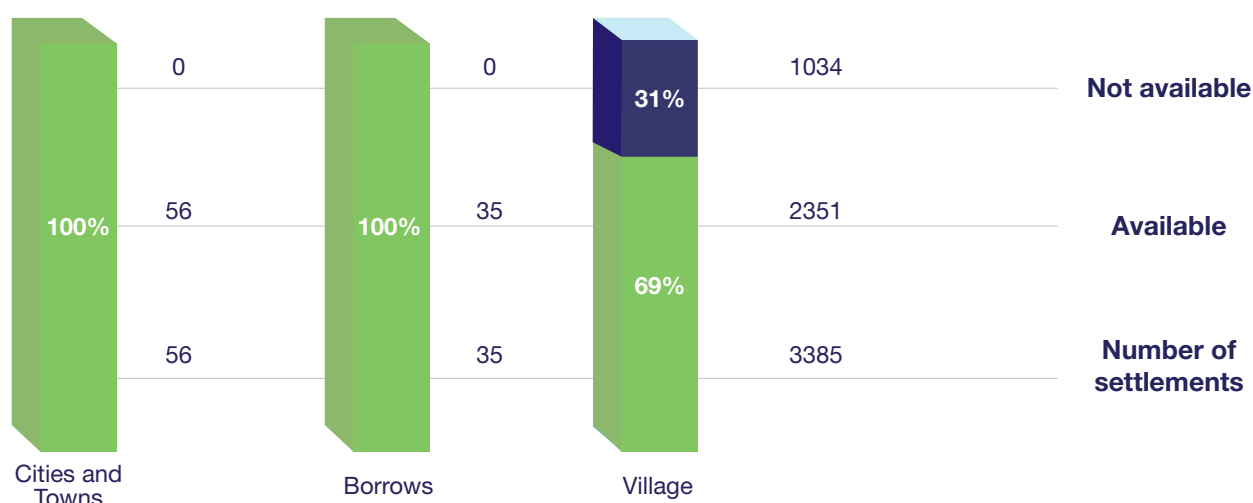
Most subscribers (49%) are using fibre-optic technology, with 427 thousand subscribers in Tbilisi alone. In the five biggest cities of Georgia (Tbilisi, Kutaisi, Batumi, Rustavi and Poti) there are 594 thousand (64.7%) total users of this technology, there are 283 thousand subscribers (32.3%) in other cities, towns and villages. The main reason for this distribution is the limited availability of relevant infrastructure in the regions. However, in recent years, progress has been noticeable. There are 283 thousand fibre-optic technology subscribers outside the 5 biggest cities of Georgia. In 2020, there were 255 thousand subscribers.

Distribution of fibre optic technology subscribers



Fixed broadband Internet service is available⁶⁴ in all cities and towns of Georgia and in 69% of Georgia's 3385 villages. It should be noted that in 2021, 158 more villages have fixed Internet services.

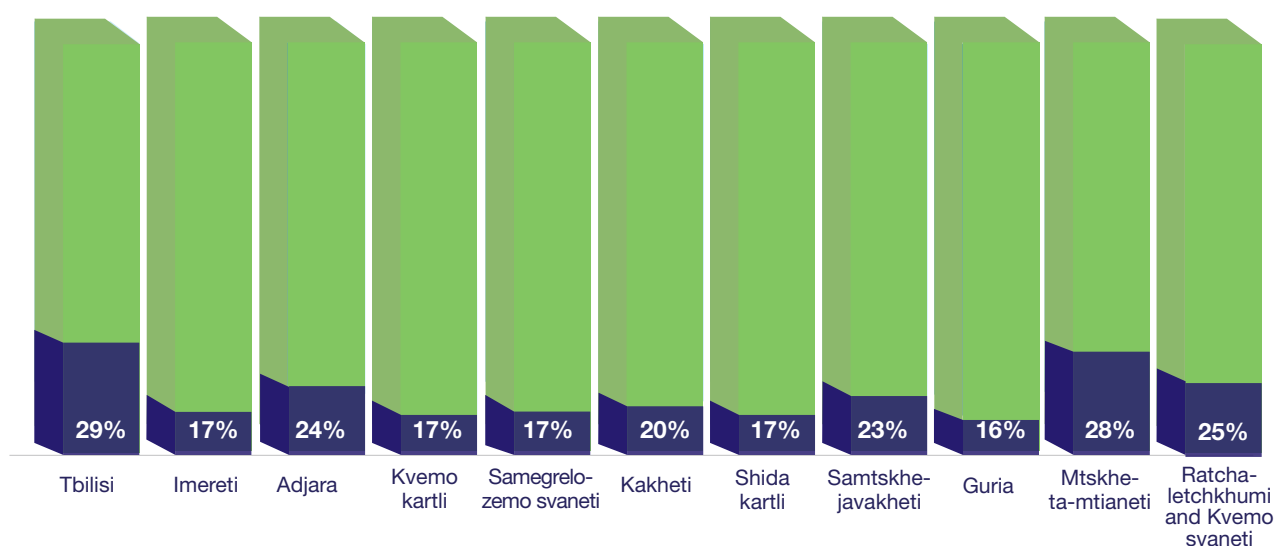
The availability of Fixed Broadband Internet Services in settlements



There are 202 thousand organizations⁶⁵ operating in Georgia, whilst there are 47,3 thousand business subscribers of fixed broadband Internet services. This means that only 23% of the organizations have signed contracts as legal entities, while the majority likely use packages offered to residential subscribers. The reason for this may be that the service fees for business subscribers, unlike those for residential subscribers, are expensive.

According to the mentioned data, 29% of the organizations operating in Tbilisi have Internet services.

Number of operating organizations and fixed broadband Internet availability among them



● Has no internet	60,674	22,379	15,480	12,804	12,640	9,910	8,082	4,763	4,365	2,816	1,194
● Has internet	24,977	4,684	4,766	2,589	2,502	2,412	1,662	1,386	818	1,110	400
Number of operating organizations in Georgia	85,651	27,063	20,246	15,393	15,142	12,322	9,744	6,149	5,183	3,926	1,594

⁶⁴Availability means the presence of at least 1 subscriber of a fixed broadband Internet service (residential or business subscriber) in a settlement.

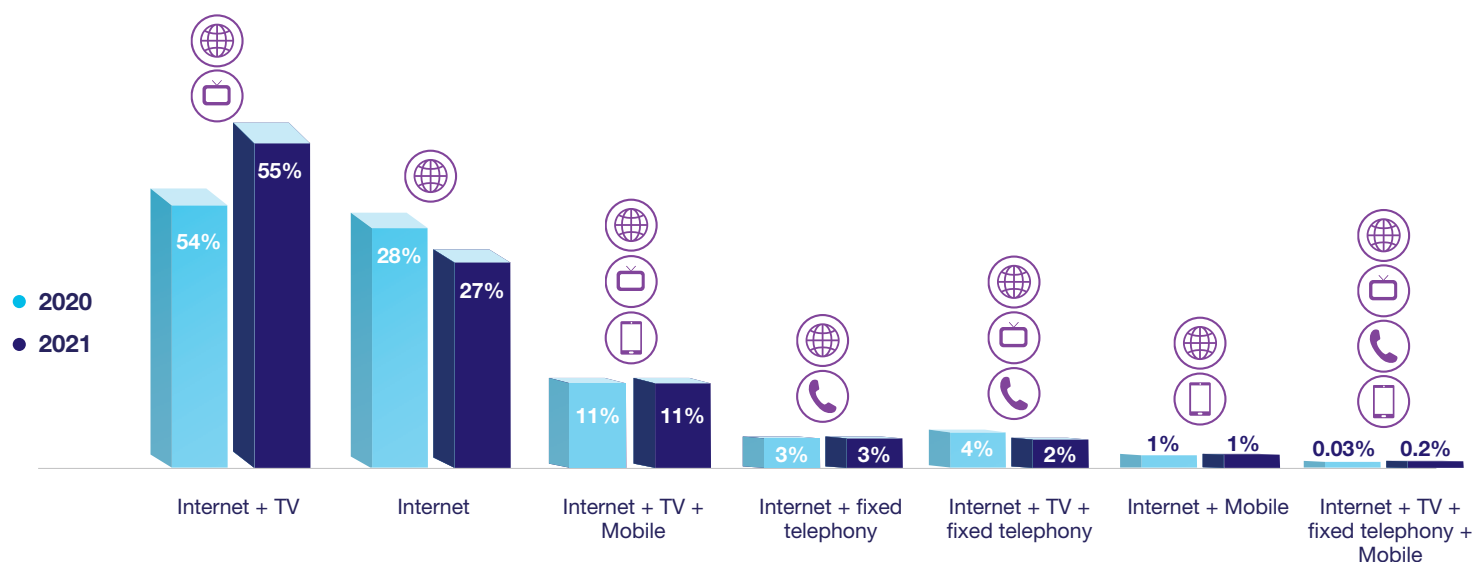
⁶⁵Source: National Statistics Office of Georgia

Other communication services in combination with fixed Internet

In addition to the fixed broadband Internet service in Georgia, subscribers also use other services of the same Internet provider company. Several services are offered mainly by Silknet, MagtiCom and New Net Group.

Consumption of broadcasting transit (IPTV technology), fixed telephony services (PSTN or VoIP technology) and mobile service in combination with Internet services as of December 2021, compared to the previous year, still gives a similar picture⁶⁶: the largest share of residential subscribers using the Internet (55%) used broadcasting transit services as well. Internet, television and mobile services dominated with 11% in a three-service combination. 0.2% of subscribers use all four services from a single provider.

Consumption of fixed broadband Internet service separately and in combination with other services



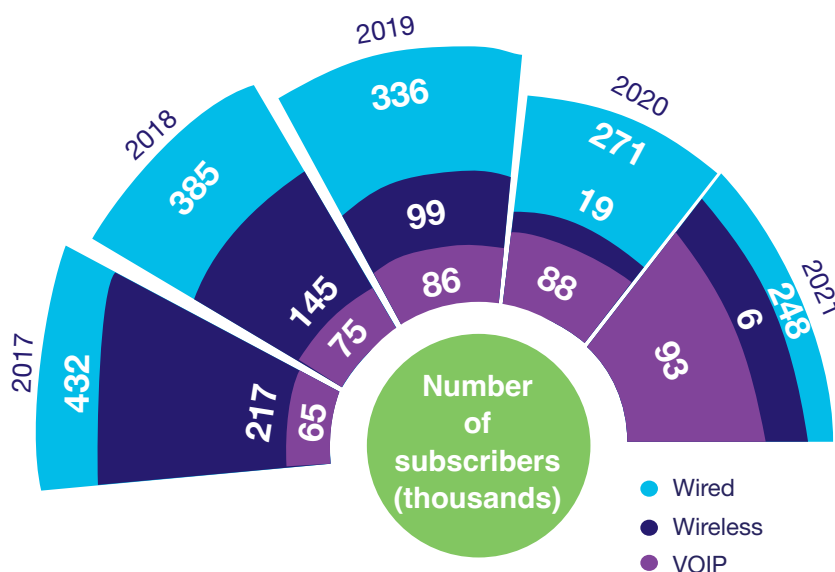
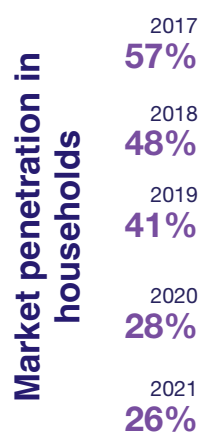
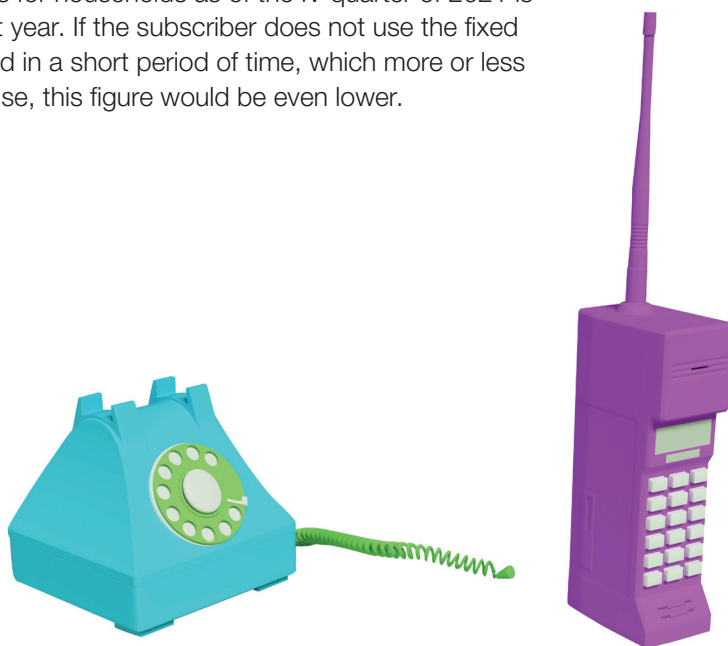
⁶⁶The analysis includes residential subscribers of MagtiCom, Silknet and New Networks group

Fixed telephone service⁶⁷

As of the IV quarter of 2021, in total there were 25 companies operating in the fixed telephone service market. Fixed wired technology was provided by 8 authorized entities, wireless (CDMA) by 2 entities, and VoIP (voice connection via IP protocol) by 21⁶⁸.

In the IV quarter of 2021, compared to the same period of the previous year, the number of fixed telephone subscribers decreased by 8.5% to 346 thousand. The reduction of fixed telephone subscribers and, consequently, revenues and traffic, is a global trend, which is mainly due to the development of mobile services, Internet access and consumption of OTT (Over-The-Top) services.

The penetration of fixed telephone subscribers for households as of the IV quarter of 2021 is 26%⁶⁹, which is 2% less compared to the last year. If the subscriber does not use the fixed service, the telephone line will not be cancelled in a short period of time, which more or less maintains the number of subscribers. Otherwise, this figure would be even lower.

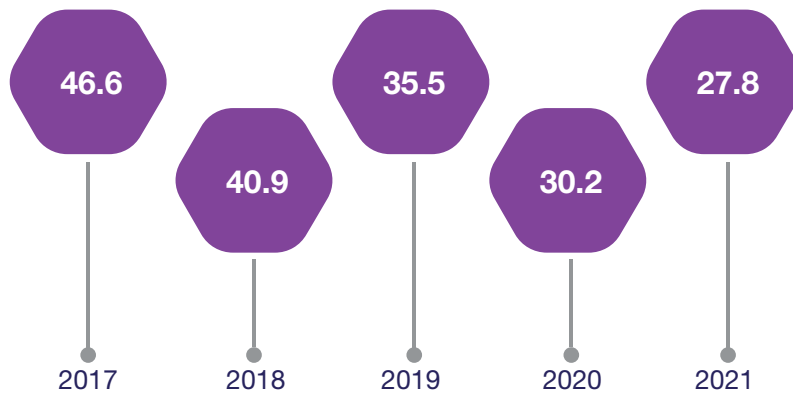


⁶⁷Data taken as of February 9, 2022

⁶⁸Some 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 total number of active operators

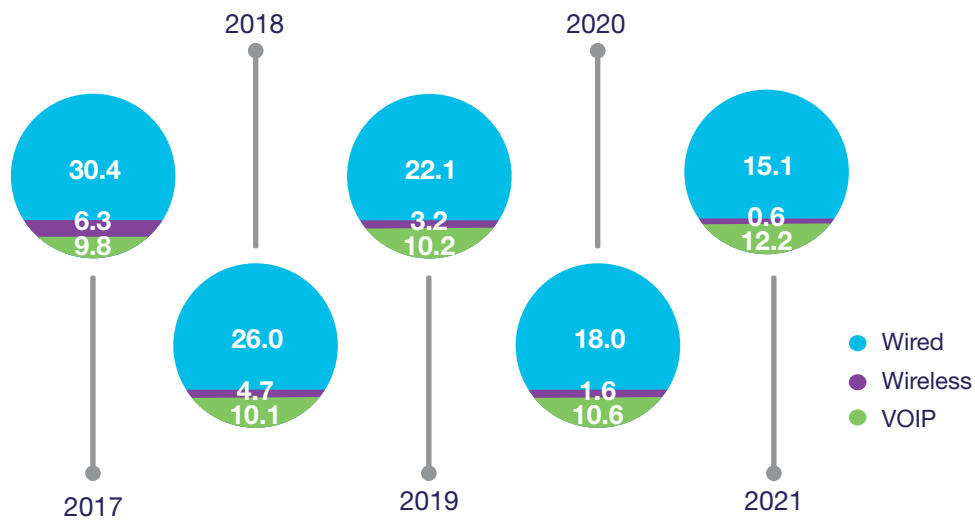
⁶⁹The number of subscribers using fixed telephone service is correlated to the number of households in the country

Retail revenue (millions GEL)

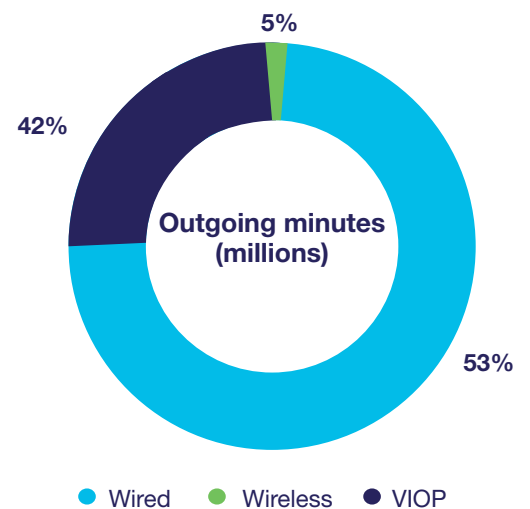
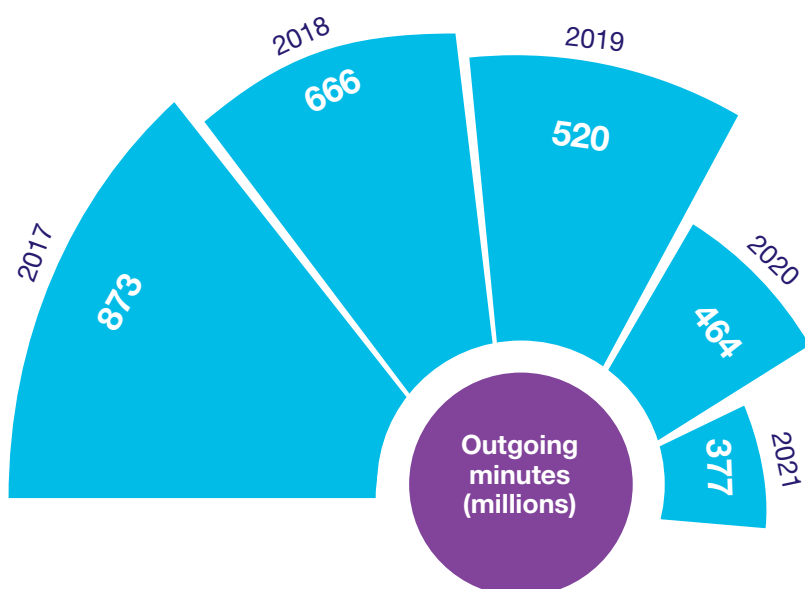


Total retail revenue received from fixed telephone services is characterized by a declining trend, with slightly increasing revenue from VoIP technology alone.

Retail revenue by technology (millions GEL)



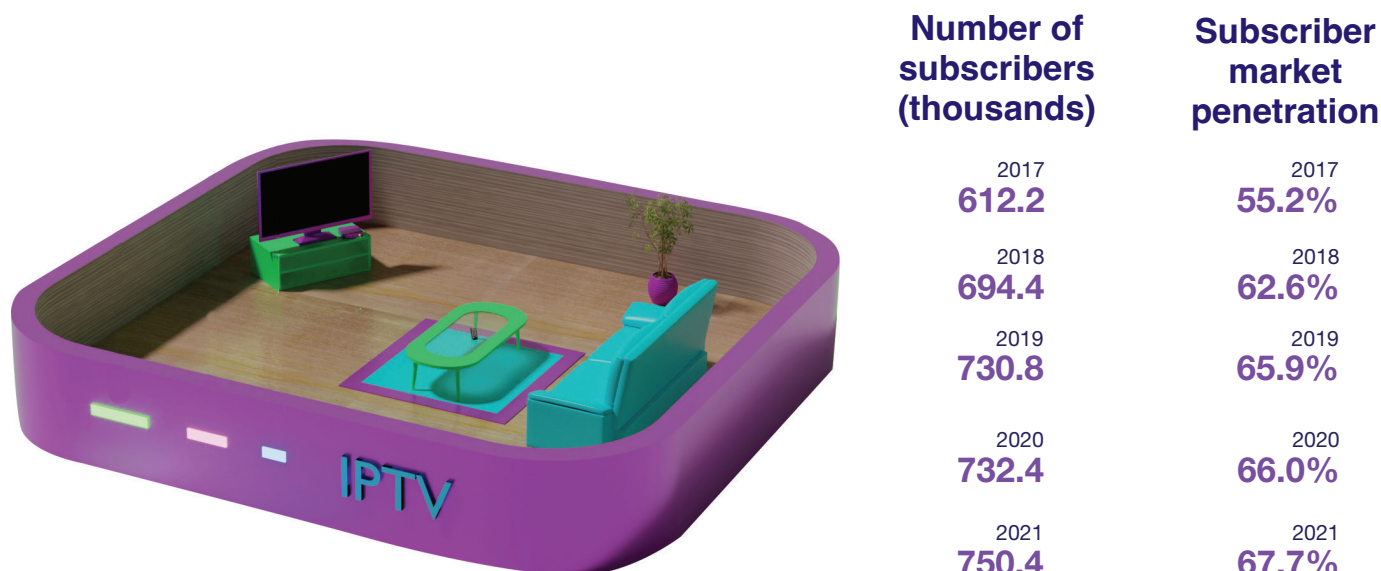
The decreasing trend of outgoing traffic of fixed telephone services continues. While in 2020 the amount of outgoing traffic was 465 million minutes, in 2021 it is 19% less at 377 million minutes.



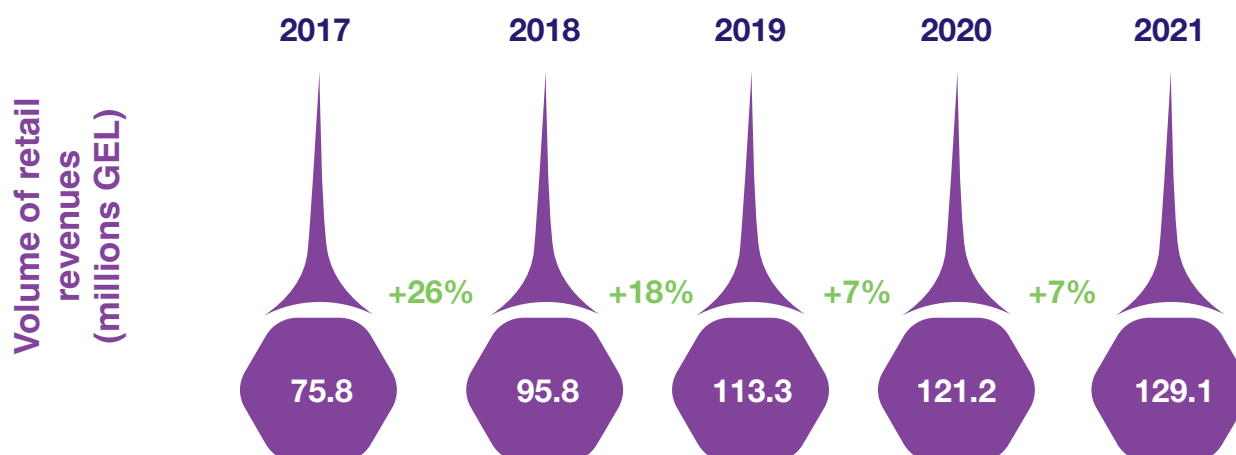
Broadcasting transit⁷⁰

In the IV quarter of 2021, 750,400 thousand subscribers receiving broadcasting transit services were registered, which is 2.5% at 18,400 subscribers, more than in the corresponding period of the previous year. The average annual growth⁷¹ in the number of subscribers since 2017 is 5.3%.

Accordingly, the subscriber density also increased; the density of broadcasting transit subscribers for households⁷² was 67.7%.



The annual amount of retail revenue received from the transit of broadcasting amounted to 129.1 million GEL, which is 7%, or 8 million GEL, more than the previous year. The average annual growth⁷³ of retail revenues, since 2017, is 4.2%.



⁷⁰Data are presented as of February 22, 2022

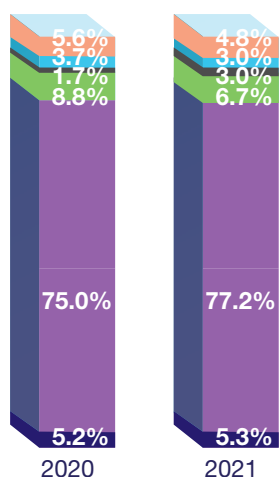
⁷¹CAGR – Compound Annual Growth Rate

⁷²The correlation of the number of broadcasting transitor subscribers to the number of households in the country

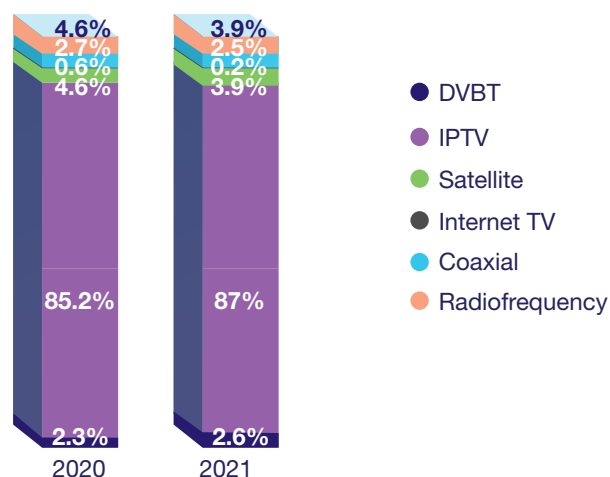
⁷³CAGR – Compound Annual Growth Rate

According to the data of the last quarter of 2021, IPTV technology is still the most prevalent technology of broadcasting transit. Its share of subscribers increased by 2.2% compared to the previous year and became 77%. The share of IPTV retail revenues in total revenue also increased by 1.6% to 87%.

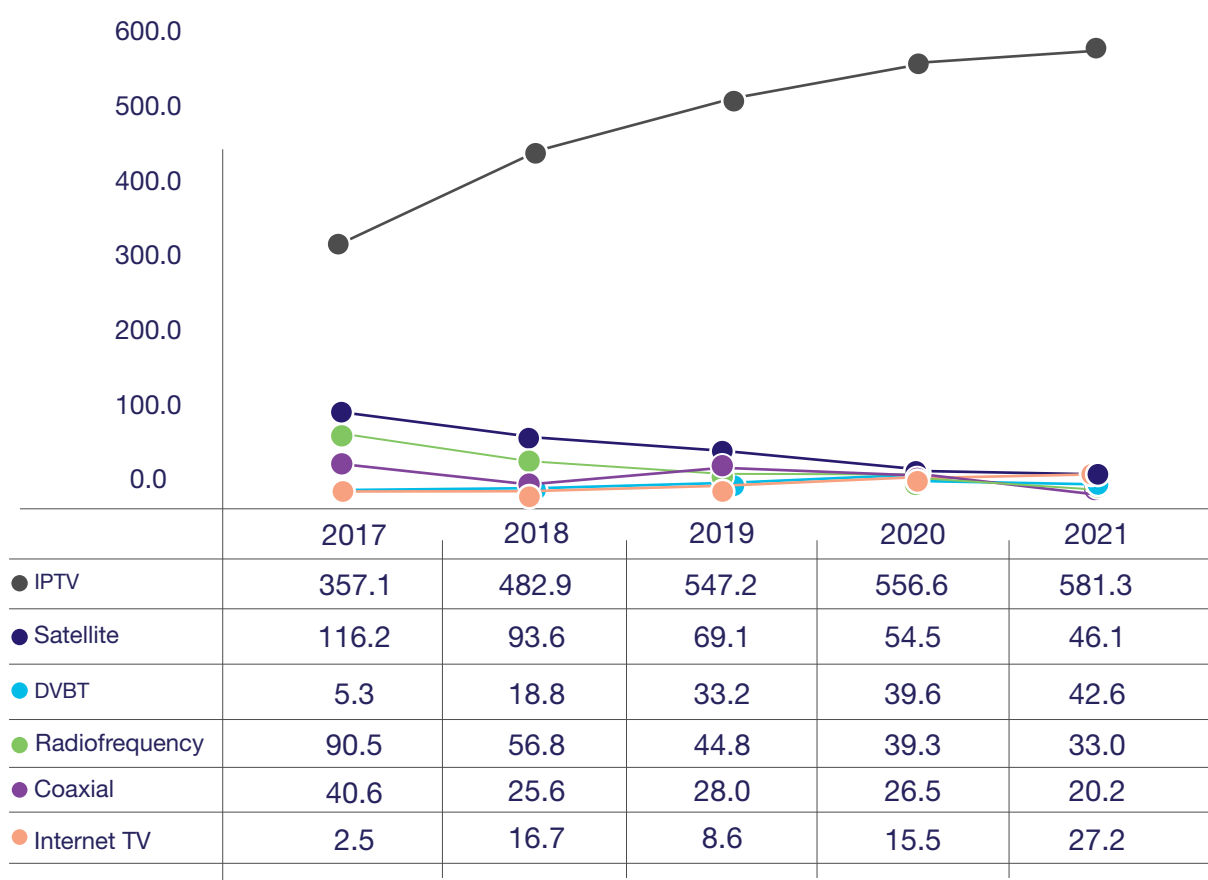
Distribution of subscribers by technology (IV quarter data)



Distribution of retail revenues by technology

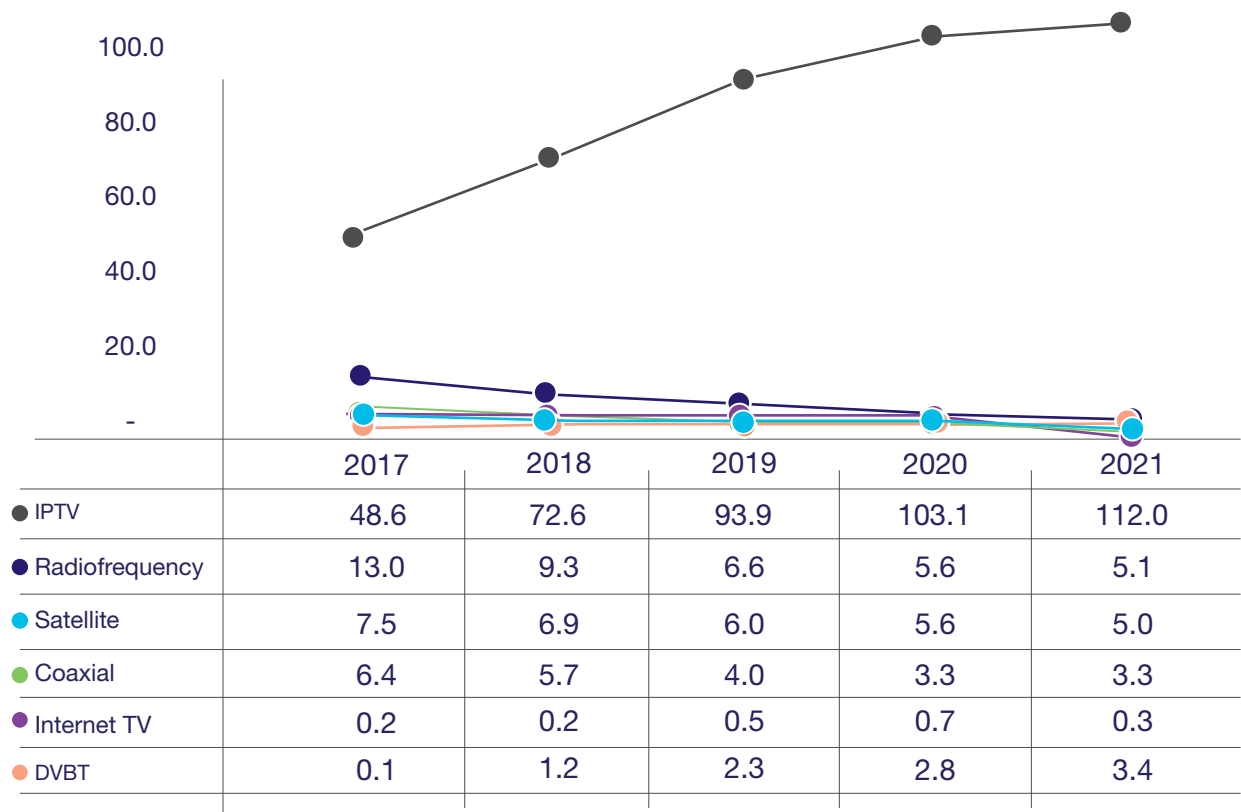


Number of subscribers by technology (thousands)⁷⁴



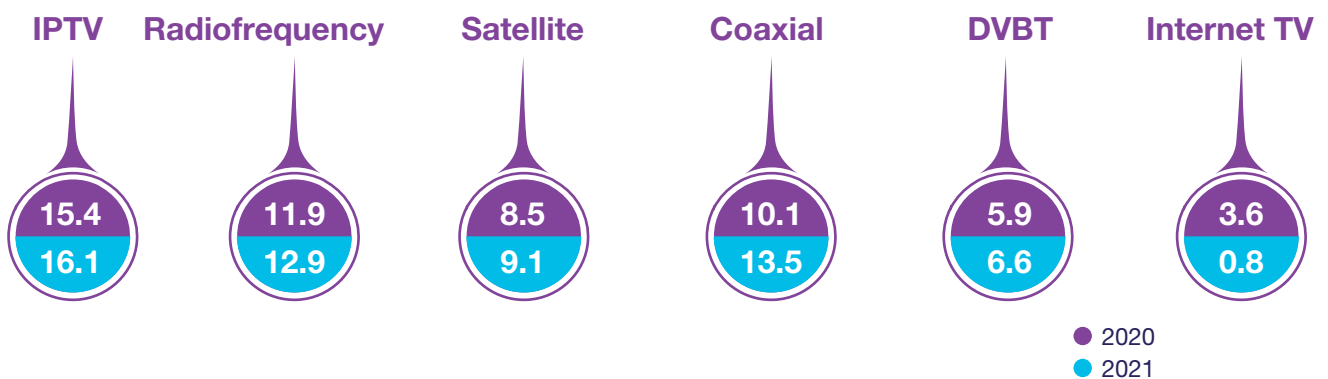
⁷⁴In 2015, Georgia switched to digital broadcasting

Retail revenue by technology (millions GEL)



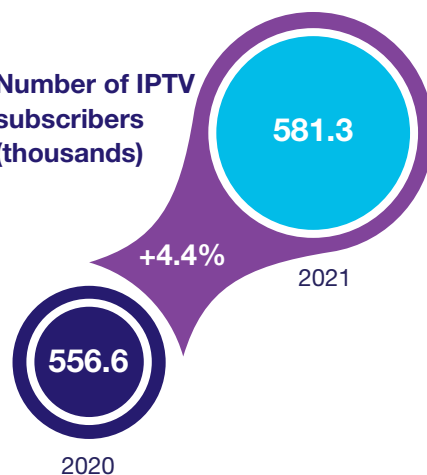
During the year, the average monthly ARPU increased in IPTV, satellite, DVBT, radio frequency and coaxial technologies.

Average annual ARPU by technology

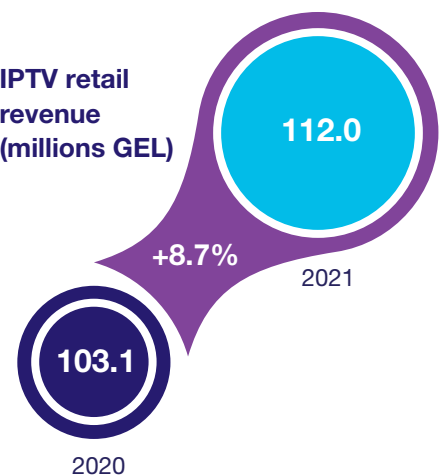


In the last quarter of 2021, compared to the same period in 2020, the number of IPTV subscribers increased by 4.4%, while the annual amount of retail revenue increased by 8.7%.

Number of IPTV subscribers (thousands)



IPTV retail revenue (millions GEL)

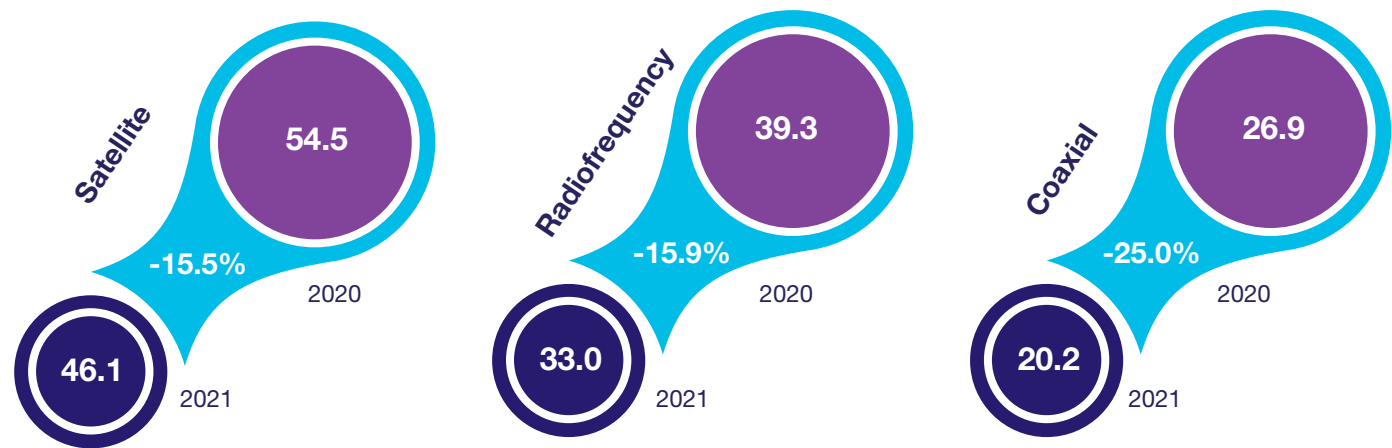


In the last quarter of 2021, IPTV services were provided to subscribers mainly by two operators – MagtiCom (57%) and Silknet (36.7%).

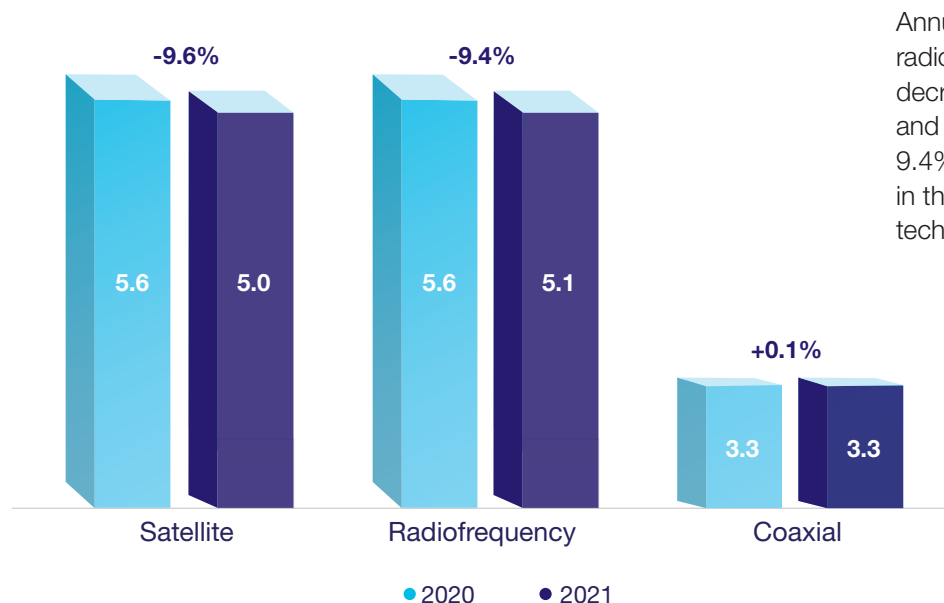


According to the data of the last quarter of 2021, compared to the same period of 2020, the number of satellite technology transit service subscribers decreased by 15.5%, coaxial by 25.0%, and the number of radio frequency transit service subscribers by 15.9%. Due to the development of broadband infrastructure, IPTV availability is increasing, leading to the decreasing number of subscribers in other technologies.

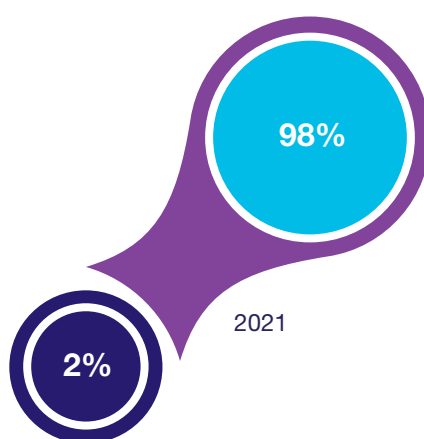
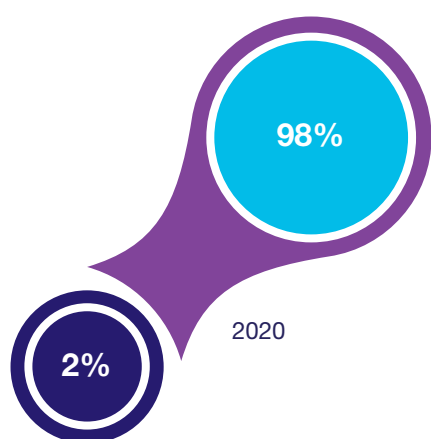
Number of satellite, coaxial and radio frequency broadcasting transit subscribers (thousands)



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



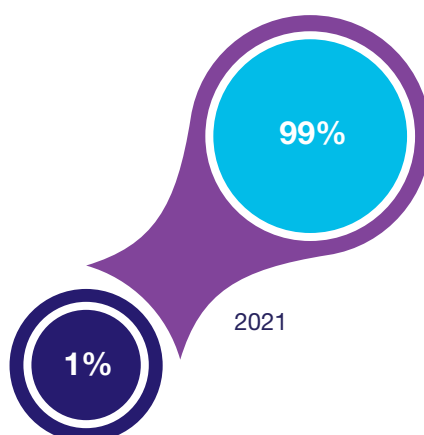
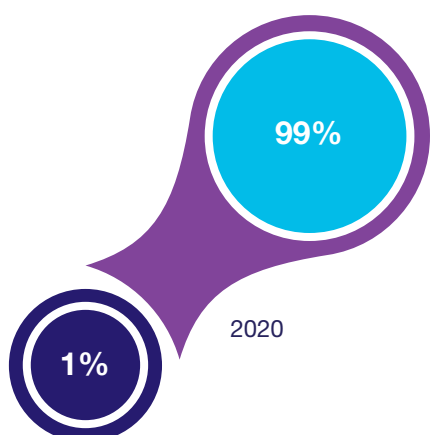
Annual retail revenues from satellite and radio frequency transit services decreased: satellite technology by 9.6%, and radio frequency technology by 9.4%. A small, 0.1% growth is recorded in the annual retail revenue of coaxial technology transit services.



Distribution of subscriber revenue by the type of contract

- Residential subscriber
- Business subscriber

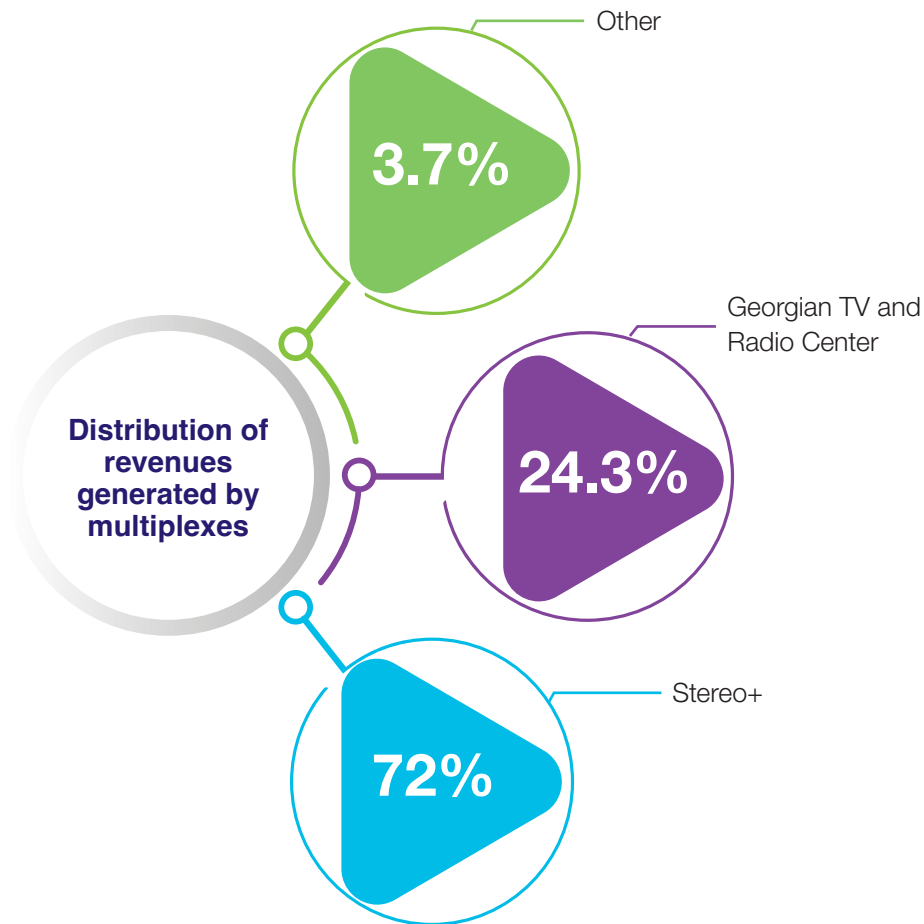
In 2021, like 2020, transit providers received 98% of subscriber revenue from natural persons and only 2% from legal entities. In both cases, the redistribution of subscribers is similar and 99% of the subscribers were natural persons.



Distribution of subscribers by type of contract

- Residential subscriber
- Business subscriber

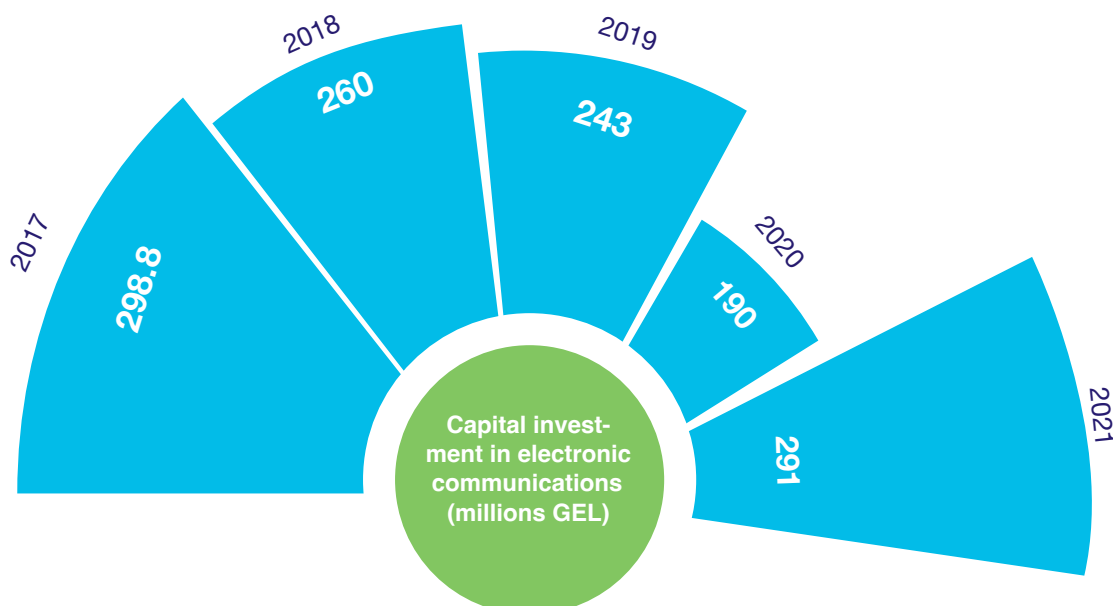
Multiplex services



In 2021, there were a total of 28 multiplex operators in Georgia, however, only 12 received commercial revenue from multiplex services. The other operators broadcast their own channel(s) and did not provide commercial services through a multiplex.

The operators received 6.9 million GEL during the year as revenue from multiplex services, the main part of which was generated by Stereo + and Georgian TV and Radio Center:

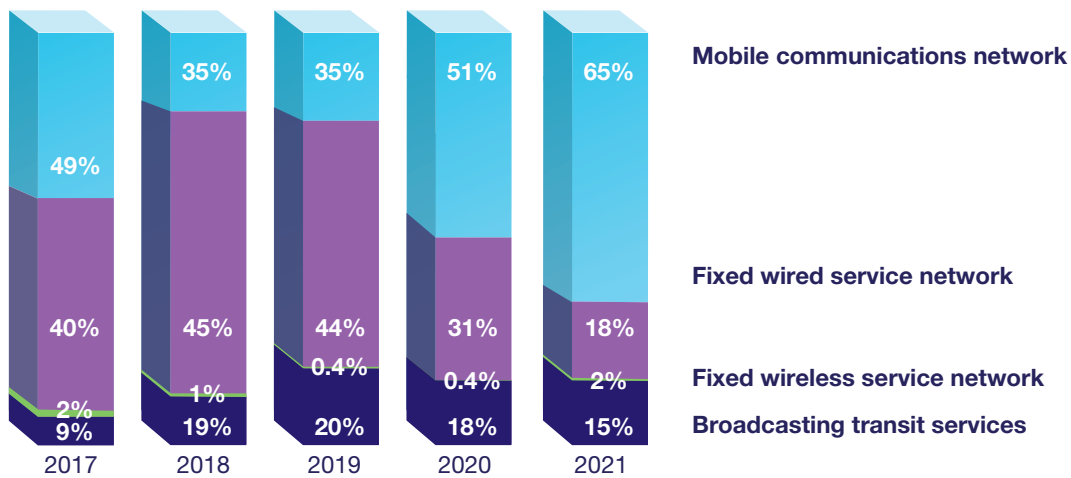
Capital investments in electronic communications



In 2021, the amount of capital investments⁷⁵ in electronic communications is 290.5 million GEL, which is 53% more than the same figure for 2020.

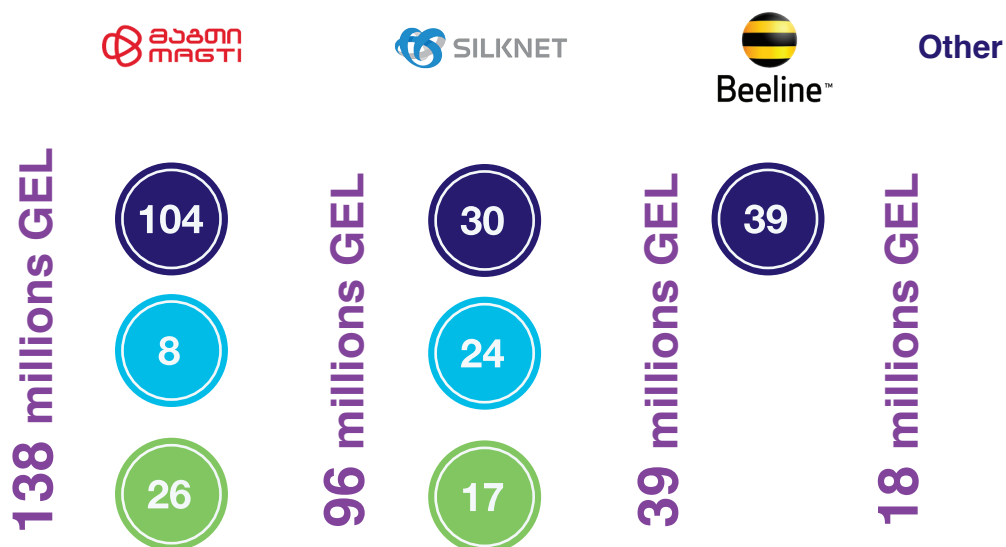
⁷⁵Includes the amount of investments made in mobile and fixed (wired and wireless) service networks and broadcasting transit services. The amount of capital investments includes data of entities authorized in the field of electronic communications, which have earned more than one million GEL per year and includes capital investments in the mobile and fixed (wired and wireless) service networks and broadcasting transit services

Distribution of investment in electronic communications by network types



MagtiCom, Silknet and Veon Georgia are the three largest companies in terms of capital investments in electronic communications. Their investments comprise 94% of the total amount.

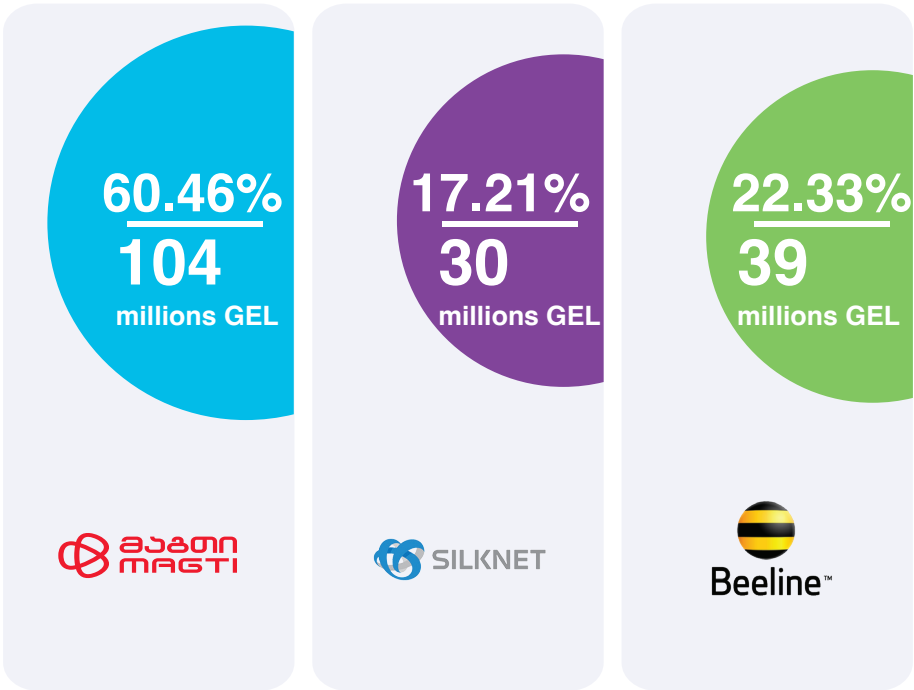
Distribution of capital investments in electronic communications by company (millions GEL)



- Mobile communications network
- Broadcasting transit services
- Fixed wired service network

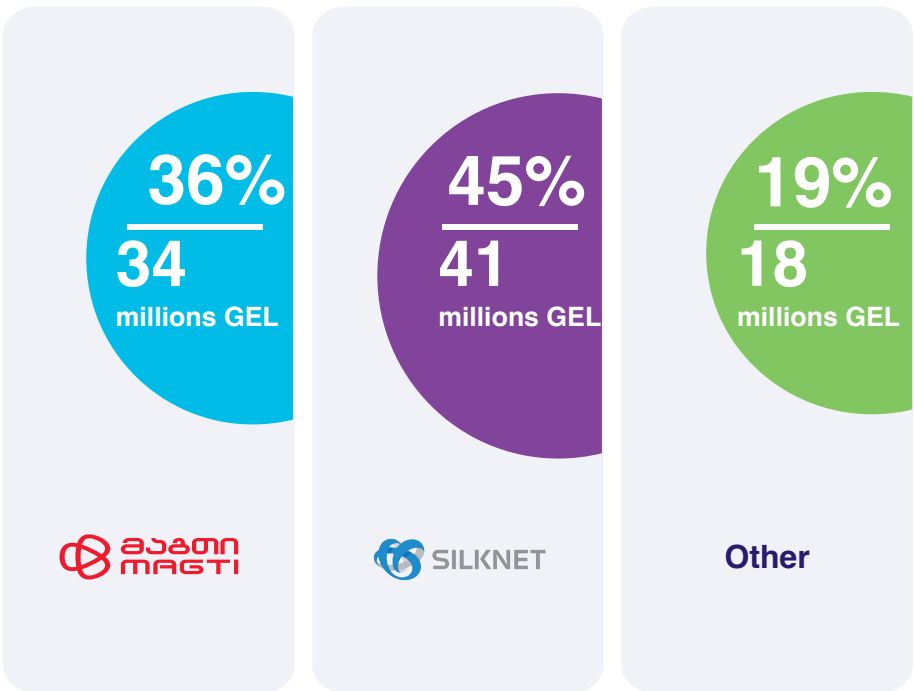
In 2021, the largest share of capital investments in mobile services, 60%, falls on MagtiCom, and in fixed services (fixed broadband Internet services, fixed telephone, broadcasting transit), Silknet takes the first place with 45%, according to this indicator.

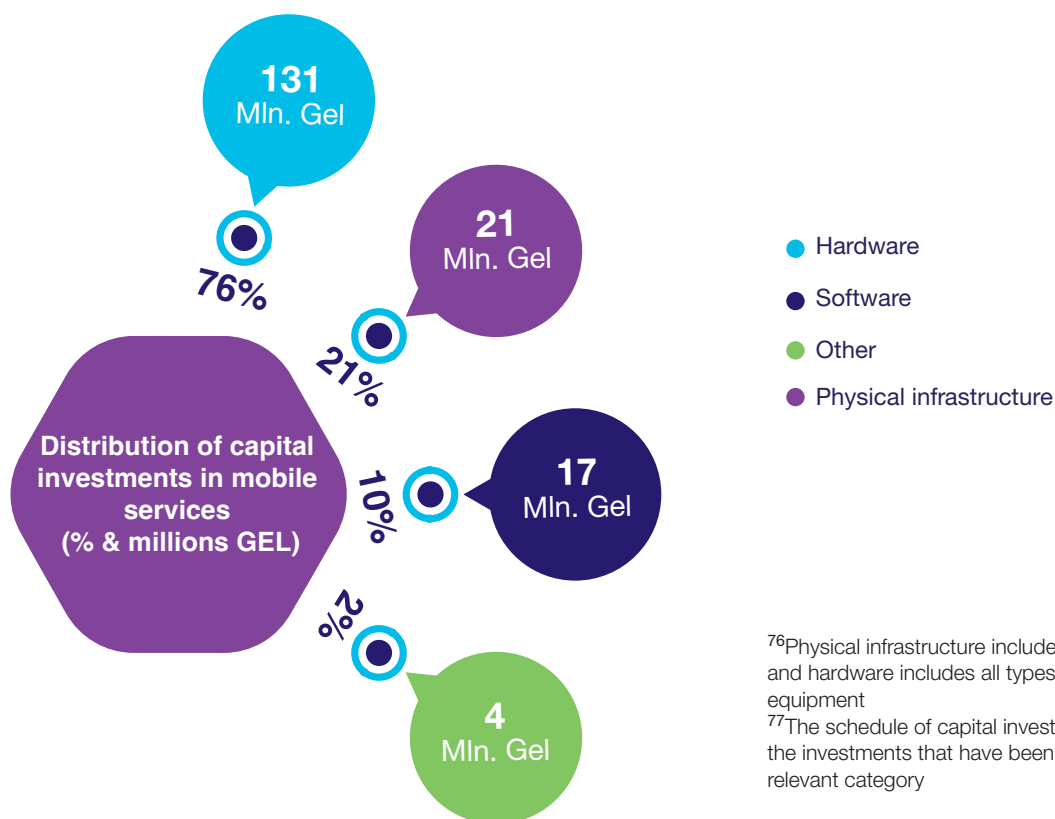
Distribution of capital investments in mobile services by company



The largest share of capital investments in mobile and fixed services falls on hardware. In the case of mobile services, 76%, and in the case of fixed services, 54%.

Distribution of capital investments in fixed services by company

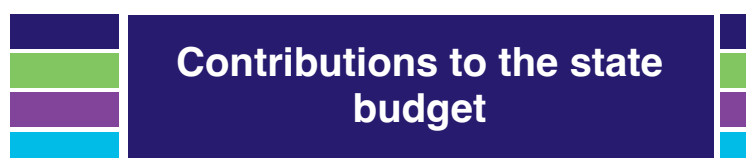
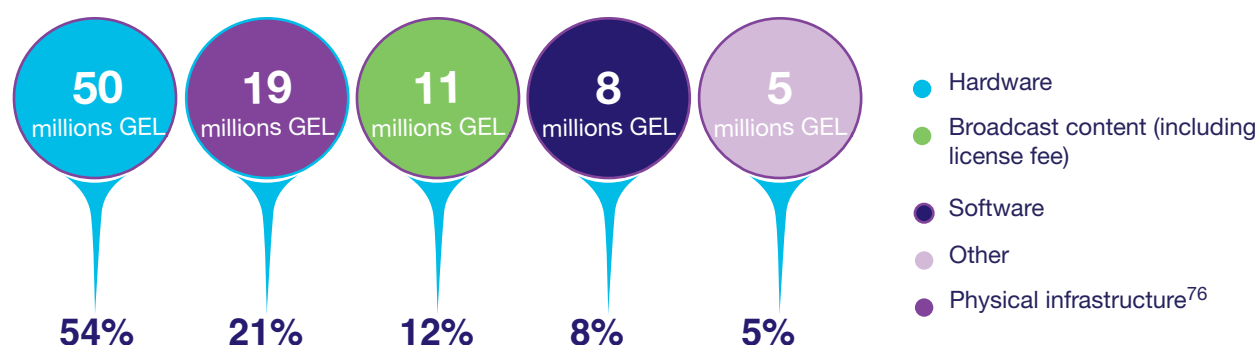




⁷⁶Physical infrastructure includes network cables and channels, and hardware includes all types of equipment, including network equipment

⁷⁷The schedule of capital investments in fixed services includes only the investments that have been filled in by the operator under the relevant category

Distribution of capital investments in fixed services⁷⁷



In 2021, a total of **367,373,890** GEL was transferred to the state budget from the field of communications. Last year, the fees⁷⁸ paid by the broadcasters to the state budget⁷⁹ of Georgia amounted to **33,943,382** GEL, and the amount paid by authorized entities and / or license holders in accordance with the Law of Georgia on Electronic Communications was **333,344,375** GEL. As for the revenues from licensing, a total of **18,954** GEL was transferred to the state budget in 2021 from the field of communications. **67,179** GEL was transferred to the budget as a fine for administrative violations⁸⁰.

⁷⁸Income tax, profit tax, VAT, excise tax, import tax, property tax, land tax (agricultural-non-agricultural)

⁷⁹The data is based on information provided by the Ministry of Finance

⁸⁰See Administrative fines. Appendix 8

- **Communications Commission - Active Member of EaPeReg** - By being actively involved in the Eastern Partnership Electronic Communications Regulators Network (EaPeReg), the Communications Commission promotes the approximation of the Georgian electronic communications sector to the relevant legal and policy framework of the European Union, which in turn is crucial for Georgia's European integration process.

During 2021, representatives of the Communications Commission participated in the activities of the Eastern Partnership countries, as well as of the Eastern Partnership Electronic Communications Regulators Network and its Expert Working Groups (EWGs).

Within the EaPeReg, 3 expert working groups are functioning, namely: the Roaming Expert Working Group (REWG) in the field of roaming, the Spectrum Expert Working Group (SEWG) in the field of spectrum issues, and Independence of Regulators and Broadband Expert Working Group (IRB EWG) aimed at the strengthening of regulatory independence and development of broadband services. These Expert Working Groups fulfil the tasks that support the achievement of the final goal of the network harmonization of digital markets of Partner countries.

The main tasks of the EaPeReg Network and its EWGs are:

- Strengthening independence of electronic communications regulators;
- Harmonization of the frequency spectrum;
- Reduction of roaming tariffs between Partner countries and at a later stage between Partner countries and EU Member States;
- Promotion of the development of broadband services.

The Communications Commission actively participates in the work of the EaPeReg Network and its EWGs. Moreover, the Spectrum Expert Working Group is chaired by a representative of the Communications Commission.

To achieve its final goal, since 2019 EaPeReg and its EWGs are being supported by the Telecom Rules component of the EU4Digital project, funded by the European Commission. In 2021, one of the pillars of the project, Strengthening of the Independence of the Electronic Communications Regulatory System, was finalized. The experts of the EU4Digital-Telecom Rules project assessed the independence of Partner countries' electronic communications regulatory systems in accordance with the criteria of regulators' independence, developed on the basis of the legislation of Partner countries and the EU Member States. According to expert assessment, the regulatory system in Georgia is well-aligned with the EU regulatory framework. Legal guarantees of the independence of NRAs are established in the Constitution of Georgia. Georgia is an example of best practice and experience in this regard.

The evaluation also identified the recommendations for further strengthening of the independence of the electronic communications regulatory system. Based on this, in 2021, experts, in cooperation with the EaPeReg IRB EWG prepared a general draft law on electronic communications for all six Eastern Partnership countries, as well as a country specific draft advisory law for each partner country, including Georgia. Accordingly, if necessary, the sample law will be used as a recommendation document in the preparation of further amendments to the Law of Georgia on Electronic Communications.

In 2021, EaPeReg, in cooperation with experts of the EU4Digital-Telecom Rules project, finalized the work on the draft Regional Roaming Agreement (RRA) and the draft Regional Spectrum Agreement (RSA) between Eastern Partner countries – the Republic of Azerbaijan, the Republic of Belarus, the Republic of Moldova, Georgia, the Republic of Armenia, and Ukraine. The aim of the Regional Roaming Agreement is to reduce roaming tariffs among the Eastern Partnership countries, while the aim of the Regional Spectrum Agreement is to reduce harmful interference from neighbouring areas, specify frequency usage conditions for terrestrial mobile operators, and provide high quality and country-wide service.

- **Joint Summit of 4 Networks of Electronic Communications Regulatory**

Authorities - Ekaterine Imedadze, Member of the Communications Commission, along with other representatives of the Communications Commission, participated in the 4-Lateral Summit of Four Networks of Electronic Communications Regulatory Authorities held in Croatia. The Summit, aimed to enhance cooperation between countries in the field of electronic communications and share experiences and initiate joint projects, is held every two years with the support of the European Commission. Commissioner Ekaterine Imedadze, representing EaPeReg at the Summit, highlighted in her speech the achievements and challenges of Georgia and other Eastern

Partner countries in the field of electronic communications.

The 4-Lateral Summit unifies authoritative organizations in the field of electronic communications – the Body of European Regulators for Electronic Communications (BEREC), the European Mediterranean Regulators Group (EMERG), the Eastern Partnership Electronic Communications Regulators Network (EaPeReg), and the Union of Latin American, Spanish and Portuguese Electronic Communications Regulators (REGULATEL).

Two panel discussions were held at the Summit, where the representatives of the participating countries' regulators and electronic communications experts discussed the importance of ensuring end-users with high-speed broadband Internet access and the results achieved in this regard.

Ekaterine Imedadze outlined the importance of opening the electronic communications market in her speech. In particular, it was noted that the development of the digital economy and the availability of high-quality Internet services are achievable only when there are preconditions for fair competition for all market players.

• **Cooperation between the Communications Commission and the regulatory authorities of the EU Member States** - Enhancing international cooperation is an important priority of the Communications Commission. To this end, in 2021 the Communications Commission continued to work actively with the regulatory authorities of the EU Member States. During the year, formal and working meetings were held with the representatives of the regulatory authorities of Austria, Croatia, Estonia, Ireland, Belgium, the Netherlands, Slovenia, Lithuania, Latvia, Portugal, Greece, Italy, Malta, Poland, and the Czech Republic.

In 2021, a Memorandum of Cooperation was signed between the Communications Commission and the Austrian Regulatory Authority for Broadcasting and Telecommunications (RTR) within the framework of the 4-Lateral Summit held in Croatia. The MoU provides expert assistance and the sharing of experience in the field of electronic communications.

Also, in 2021, a Memorandum of Cooperation was renewed between the Communications Commission and the President of the Office of Electronic Communications of the Republic of Poland (UKE). The Communications Commission and the UKE have a long-standing partnership. Since 2011, several projects have been implemented between the two regulators. During these projects UKE has shared its experience with the relevant experts of the Communications Commission on various key regulatory issues.

At the end of 2021, the Polish Aid project funded by the Government of Poland and the UKE was launched. Within the above aid project, the relevant specialists of the Communications Commission, with the support of UKE experts, are to share the experience of Poland and the EU on IP interconnection and IP transit, as well as on consumer protection rules and regulations for legal entities receiving electronic communications services.

• **Cooperation with the Steering Committee on Media and Information Society (CDMSI) of the Council of Europe** - The Communications Commission is actively involved in the work of the Steering Committee on Media and Information Society (CDMSI) of the Council of Europe and the expert committees, which focus on key areas such as: freedom of expression, media, Internet governance and other issues related to the information society.

It should be noted that since 2021, Commissioner Ivane Makharadze has been representing Georgia in the CDMSI Committee as a voting member.

In 2021, the 20th meeting of the CDMSI Committee was held in a hybrid format, where the draft recommendations developed within the expert committees were approved, among them: "Draft Recommendations of the Committee of Ministers for the Member States on the Principles of Media and Communication Governance", "Draft Recommendations of the Committee of Ministers for the Member States on the Election Communications and Media Coverage of Election Campaigns", "Draft Recommendations of the Committee of Ministers for the Member States on the Impact of Digital Technologies on Freedom of Expression".

• **Cooperation between the Communications Commission and the International Telecommunication Union (ITU)** - During 2021, the Commission actively cooperated with the International Telecommunication Union and its Office for Europe, and participated in the events organized by the ITU.

Commissioner Ekaterine Imedadze participated in the panel session of the Global Symposium for Regulators, presenting the activities carried out by the Communications Commission to develop the Georgian telecommunications sector and promote competition in the market. Furthermore, Ekaterine Imedadze participated in a roundtable discussion of regulators within the

framework of the ITU Digital World, introducing the achievements, challenges in the development of digital technologies in the country during the COVID-19 pandemic, and plans of the Communications Commission.

- **Twinning Review Mission** - In 2021, the Communications Commission hosted the Twinning Review Mission. The purpose of this mission was to evaluate the sustainability of the Twinning project “Supporting the Georgian National Communications Commission in Developing of Its Electronic Communications Regulatory Framework and Operational Capacities in Line with EU Regulatory Framework” funded by the European Commission and implemented in 2017-2019.

Further, the objective of the review mission was the assessment of the long-term impact of the results and outputs of the project, with an emphasis on the developments in the Communications Commission as the beneficiary administration as well as identification of current needs and areas for potential further support. The mission composed of experts from the Italian Regulatory Authority (AGCOM) and the Lithuanian Regulatory Authority (RRT). Partners discussed the results achieved under each component of the project and the future plans of the Communications Commission.

According to the final report, all activities envisaged by the project were successfully implemented and the results achieved are in full compliance with the original goal and objectives. The experts highlighted the efforts of the Communications Commission to put into practice and implement the guidelines and recommendations developed within the Twinning project. At the same time, it was noted that none of the recommendations of the project were ignored by the Communications Commission. According to the experts, the aspiration of the Communications Commission to move closer to the European regulatory framework is obvious, and the specific activities carried out in this direction should be especially noted.

- **Sharing of EU experience within TAIEX** - In 2021, the Communications Commission received EU assistance in several directions through the Technical Assistance and Information Exchange Instrument of the European Commission (TAIEX). Within the framework of the project for the introduction of the Universal Services Directive in Georgia, several working meetings were held in a virtual format. Representatives of the Communications Commission and the Ministry of Economy and Sustainable Development of Georgia got acquainted with the legislation, regulations and practices of Austria, Italy, Finland, and Slovenia. During the workshops, experiences were exchanged on issues such as: defining the scope of universal services based on market research, selecting a universal service provider, defining the types of universal services for disabled people and providing services, as well as determining the sources of funding universal services and others. In addition, the representatives of the Communications Commission introduced to their foreign colleagues the draft of the amendments for the Law of Georgia on Electronic Communications. The draft amendments were positively assessed by the experts.

Further, an expert mission on “Frequency Spectrum Management - Fixed and Mobile Monitoring Stations” was held in virtual format. As part of the mission, the experts from the Latvian Electronic Communications Office shared with the representatives of the Communications Commission Latvia’s experience related to frequency spectrum monitoring, discussed the legal framework for spectrum monitoring and the network structure of mobile and fixed monitoring stations.

Further, an expert mission was held on the topic “Neutral Interconnection Point (IXP) - Providing / Promoting High-Speed Broadband Services and Low-Latency Internet Access”. Within the framework of the mission, the experts from the Croatian Ministry of Public Administration and the Croatian Academic Research Network (CARNET) presented to the staff of the Communications Commission Croatia’s experience in implementing IXP and discussed the current situation in Georgia in this direction and the plans of the Communications Commission.

- **Geo IGF-2021** - The Communications Commission actively participated in the organization of the 7th Internet Governance Forum of Georgia – GeoIGF-2021. Within the framework of the forum, the representatives of the Communications Commission took part in panel discussions on important topics such as: broadband in Georgia, the current situation and challenges; Perspectives of digital hub development in Georgia; open telecom market and access of mobile virtual network operators to the market; 5G readiness and the role of new technologies in the development of the country; Internet quality; Georgian language in the Internet world; digital literacy and readiness; virtual mobile operation development issues, etc.

Cooperation with local partners

- **Cooperation between regulators** - In order to better enforce competition policy, strengthen cooperation, promote competition policy and better inform the public about the activities carried out, an agreement was signed between the five regulators. As part of the cooperation, in order to support and develop competition, a joint annual competition policy conference will be organized, which will discuss the actions implemented by the agencies during the year, plans, results and challenges. The general competitive environment in each subordinate sector of the agency will also be discussed.

The agreement was signed by Commissioner Vakhtang Abashidze; Irakli Lekvinadze, the Chairman of the National Competition Agency; Koba Gvenetadze, the Chairman of the National Bank; Davit Narmania, the Chairman of the Georgian National Energy Regulatory Commission; and Davit Onoprishvili, Chairman of the Insurance State Supervision Service.

- **Cooperation with the Information Center on NATO and the EU** - In order to raise public awareness about Georgia's integration into NATO and the European Union, develop media literacy and increase awareness of these topics, the Communications Commission and Information Center on NATO and the EU will implement joint projects to support media literacy and promote European values.

The aim of the agreement is to raise the awareness and knowledge of the Georgian people on important issues such as disinformation, European values and digital skills.

The Communications Commission and the Information Center on NATO and the EU will hold joint meetings with the public and workshops on mechanisms and tools to counter disinformation. The main topic of the trainings will also be the development and promotion of media literacy in the country. The aim of the trainings is to introduce and develop media literacy awareness, modern digital skills and European values among the relevant target groups, including ethnic minorities.

The agreement on future cooperation was signed by Commissioner Natia Kukuladze, and Tamara Tsuleiskiri, the Director of the Information Center on NATO and the EU.



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