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Tele2 Says Moscow Needs More Mobile Competition

By Guennadi Moukine

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The poor quality of mobile telephony in Moscow is caused by a lack of competition, said Jere Calmes, head of Tele2 Russia, during the Telecom 2013 conference organized by Vedomosti on Wednesday.

"Competition is the key factor and the most effective method to increase [network] accessibility and improve line quality. In my view, five years ago, the quality of the [mobile voice] network in the capital was better than it is now. And we need to address that," he said. Tele2 operates in Russia's regions but not in the capital.

Pavel Borodin, VimpelCom's vice president, was quick to dismiss the claim. "We just heard a thesis that if Tele2 came to Moscow, competition would be stronger and the connection quality would improve," he said. "We had many discussions regarding competition, including [talks] with the government. The fact is, it's hard to find a better example of competition than we have here."

Denied accesses to a 4G spectrum, Tele2 decided to sell its Russian assets, accepting an offer of $3.55 billion from VTB earlier this year.

"This is Russia; I don't think that Tele2 had much choice," said one Nordic portfolio manager whose fund owns Tele2 shares, Reuters reported last month.

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