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Mobile Operator Tele2 to Launch in Moscow

By The Moscow Times

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Tele2, which entered the Russian market in 2003, is run here by T2 RTK Holding.

Tele2, a mobile telecom provider already present in more than 60 Russian regions, is finally set to join Russia's "Big Three" operators in Moscow and the Moscow region next month, the company said in a statement Friday.

Tele2 will compete from Oct. 22 with MegaFon, MTS and VimpelCom (which operates under the brand name Beeline) on a market that is already over-saturated: There are 2.17 active SIM cards per resident of Russia's capital, the Interfax news agency reported Friday.

The mobile operator didn't disclose prices for its service but said it would offer low tariffs with no hidden charges, according to the statement.

Tele2, a Swedish company that entered the Russian market in 2003, is run here by T2 RTK Holding after the Swedish owners sold Tele2's Russian subdivision to VTB Group in 2013.

To enter the Moscow market, Tele2 received a preferential loan of 16 billion rubles ($235 million) in February this year from one of its shareholders, Russia's second biggest bank VTB, Tele2 spokesman Konstantin Prokshin told the RBC newspaper Friday.

The company has also invested in the development of 3G and 4G mobile networks in Moscow, he said.

Tele2 will launch only 3G and 4G networks in Moscow, meaning its services can only be used by the owners of smartphones, who currently account for 63 percent of cell phone users in Moscow, according to RBC, citing data from Synovate Comcon market research company.

According to experts polled by RBC, Tele2 can expect to attract up to 10 percent of Moscow's cellphone users within a year.

The management of T2 RTK Holding expects the telecom provider to become the third most popular network in Russia by 2018, the Vedomosti business daily reported Friday.

Correction: An earlier version of this story incorrectly described Tele2 in Russia as a Swedish company. In fact, Swedish Tele2 sold its Russian subdivision to Russia's VTB Group in 2013.

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