

Freedom Media Problems on Belarusian Internet

Kiryl Valoshyn, TUT.BY CEO

Internet Penetration in Belarus

As reported by the primary state internet service provider Beltelecom, population of internet users in Belarus now exceeds 2 mln people. That is 20% of the 10-million nation. This number of users can be spoken of while taking into consideration the data announced by International Telecommunications Union stating that in 2003, their number already exceeded 1 mln, and 1.4 mln in 2004. There is still few offline sociological research data of estimating the number of internet users in Belarus though.

Daily audience is estimated as 5% of population of Belarus, or 500 thousand people. More than half of the users gain access from the Minsk, the capital city, 20% from the regional centers while as share of regions and small towns is constantly growing.

40% of users have university degrees, one quarter finished high school, 30% are university students, and less than 10% are school pupils.

The prevalent age of visitors is 17 to 22 years of age (about 40%), 30% are between 23 and 29, 15% are 30–39 years old. The seventies' generation and children have approximately equal portions; pensioners gain several percents.

The number of internet users in the country is constantly growing, including users of public internet cafes. There have been public communication services and internet access points opened all over the territory of the country including the smallest districts. The popularity of such services among population is permanently growing.

At present, the total capacity of the primary provider external internet gateway makes up 465 Mbits. From 2004 it has grown twofold, and from 2002 it has grown 13 times from 34 Mbits.

The total quantity of licenses issued for secondary providers is around 50. About 30 providers are engaged in real operation. Most of them are located in Minsk, the capital of Belarus. The average secondary provider possesses a modem pool of about 200 ports and is connected to the primary provider at speed of 3 – 10 megabits.

At present, there are three mobile operators in Belarus, two of them support GSM standard and one supports CDMA. All of them are 51% state-owned. Total number of mobile communication users exceeds 2 million people. The third 100% state-owned GSM operator is preparing for entering the market. All operators offer internet access for their subscribers though such services do not enjoy particular popularity.

Problems of the Belarusian Internet

In general, the state policy in the field of supporting internet is twofold. On one hand, speed of internet connection and network communications within the country are growing, the Electronic Belarus Programme is being promoted. On the other hand, there are processes that hamper normal progress of internet in Belarus.

There are several hundreds of non-governmental computer clubs operating in the country. The state did not intervene in their activities until the last year, though later on a resolution was passed prohibiting their round-the-clock operation. At present, clubs are allowed to operate during the day and/or evening hours only.

This is how a precedent was created in Belarusian internet last year when penalties were applied to a site owner for just placing hyperlinks to mp3 songs without author's consent for doing so. It is evident that acting this way is applicable to innocent owners of web catalogues or search engines for having similar links in their search results.

Not a long ago, by order of the special State Committee for Fighting Pornography, Violence and Brutality at the Ministry of Information, Beltelecom primary provider blocked Belarusian users' access to several harmless Russian gay community sites which have not had any problems with Russian officials while their operating in Russia for many years. At the same time, access to millions of genuine porno sites abroad obviously is not prohibited. Also, with regard to fighting spam, strange methods of fight are applied to the said primary provider. For instance, all e-mail sending through standard SMTP protocol ports from so-called 'passwordless access' is being blocked by Beltelecom.

The brightest case that triggered emergence abroad of the opinion about "the internet censorship" in Belarus took place during the second president elections of September 9, 2001 when access of Belarusian users to independent and opposition news resources and "mirrors" of these sites was blocked. Later it was explained by technical problems of the national provider, though blocking of sites' "mirrors" does not match the explanation.

More, for many years our country has witnessed state monopoly for gateway to worldwide internet and fixed communication telephone services. Also by the legislation, secondary (mostly private) internet service providers are not allowed to use satellite channels for providing telecommunication services. Both outgoing and incoming traffic must pass only through the nodes of Beltelecom, the primary provider.

Also, providers are prohibited to provide IP telephony services while the right for performing of these activities belongs to the primary state provider. Private businesses have to resort to illegal resources to avoid these restrictions. Therefore in 2002 and 2003 the Belarusian court sentenced several businessmen to prison with expropriation of all their private property for 'illegal' providing of IP telephony services to population.

Belarusian sites which amount is about 15,000 in accordance with information of our web-catalogue. However, Most of them are located at various Russian and American hosting servers because mass internet traffic prices are very high (approx.5 times higher as in USA or Russia) as stated by internet monopolist Beltelecom.

At the same time, in recent years, cost of internet access for users and providers has been gradually decreased. Though, as before, the internet access is mainly carried out through dial-up and the broadband access is being actively used. It is possible to purchase an ADSL line for \$30 per month plus separate fee per each megabyte of traffic. As per estimates of providers, the market of dial-up access notably grew during the last year. When in 2003 the dial-up market made up \$17 million, in 2004 it grew to \$24 million.

National Content and Payment through the Internet

Unfortunately the most part of internet traffic in the country is directed towards Russian web sites. The main reason for that is lack of sufficient high-grade Belarusian web sites. The total number of Belarusian web sites, as I mentioned above, is 15 thousands. Only three dozens of them can boast of several thousand visitors per day.

One more reason for Belarusian citizens resorting to Russian web resources is use of Russian, and not Belarusian, language by the most part of the population of our country.

However, most of more-or-less known Belarusian companies and representative offices of foreign enterprises having realized potential of the Web and have created their own web sites.

Our internet has only two full-value web portals. The most visited Belarusian portal is TUT.BY, I am its Chief Executive Officer. In our country, TUT.BY stands for Yahoo!. Every day more than 50,000 people read news, use free e-mail service, search the internet, communicate at the message boards, etc. Our online community reached 700,000 people. 500,000 people, i.e. the quarter of the total number of internet users of the country, have email accounts on TUT.BY.

Starting in the year 2000, we took into account the lessons of internet over 90s. TUT.BY is probably the only dotcom project in the world started returning the invested money just after 2 years. Since autumn 2002, each quarter was closed with positive balance.

The Belarusian web has several free e-mail services, hit-counters, search engines and electronic shops. The total quantity of operating e-shops does not exceed three hundred.

Internet Payments

None of the shops accepts local or international bank cards given that none of the Belarusian banks has obtained license for acquiring bank card payments through the internet.

Until recent times, WebMoney Russian web payment system was the only system of electronic payments used in Belarus. As a rule, with its use, payments for hosting, foreign domains, advertisement space, remote work of web programmers and web designers were made. Now its position has become quite shaky and vague. In 2004, www.webmoney.by Belarusian site was closed and criminal suit for 'illegal business activities' and absence of 'license for foreign currency operations' was filed against its owners. At the same time, in Russia and other countries, WebMoney payments continue being legal.

Only in the end of 2004, EasyPay, the first system of micro payments through the web officially approved by the state but not consequently having become popular has appeared in the country. It also has the ability to accept some of municipal payments.

There is a strange paradox: while Belarusians cannot use their banking cards in Belarus, they are allowed to pay internationally for buying in external e-shops! However, each parcel coming from abroad requires reporting to the tax inspection and the person must prove that the parcel was paid by the same person as the parcel receiver otherwise even a small parcel is treated as 'a personal income' and is subject to personal taxation. Sending valuable gifts (more than \$50) through the internet is thus not applicable.

Corporations are allowed to have their corporate cards since 1994 but they still cannot report to tax inspections for any of corporate card payments thus making these cards unusable. The reason of corporate cards disability is having no agreements and acceptance reports in written for each small payment, with manual signs and ink stamps that are needed to report to the State Tax Inspection otherwise enterprises and their CFOs pay heavy fines.

National Domain Registration

The regional domain for Belarus is dot-BY which was registered by Open Contact enterprise in 1994. At present, the said company performs sole technical support of BY domain zone. All control over distribution of domain space belongs to State Information Security Center under President of the Republic of Belarus that is located the next door to Open Contact. As recently as 4 years ago, purchase of second level domain names by legal entities became possible (until then only providers possessed this right). The cost of domain registration is ~40 now USD. The annual support also costs ~40 USD. It means that down payment for the one willing to register a Belarusian domain makes up as much as 80 USD while the average salary in the country is 200 USD. The current domain registrar does not have whois service which allows obtaining information about the domain owner, but at the same time there is an internal stop-list which does not allow registering short and sonorous domain names.

At present, about 6,000 domains are registered in dot-BY zone that is less than half of all Belarusian sites. The rest use the Russian domain dot-RU and international domain zones – .com, .net, .org, etc.

Web Marketing and the Future

So far the situation in the field of web marketing is not optimistic as well. In 2004, total expenses of Belarusian companies in accordance with estimates of experts made up about \$1,000,000 of which \$350,000 is spent on web advertisement while and the rest for web site development for Belarusian enterprises and organizations. True, it is twice more in comparison with 2003. The web development market is estimated by experts at \$600,000 per year. It is obvious that such ratio between expenses for advertisement and expenses for development witnesses sad fact that the companies create websites and do not care for their advertising. By the way, Belarusian software companies perform offshore development for Russian and western customers for a much more impressive sums about \$70 mln per year.

In 2004, all Belarusian advertisement market reached the mark of \$40-45 mln of which television approximately \$20 mln, outside advertisement about \$7 mln. Expenses for web advertisement (\$350,000) thus made up about .8% of total advertisement expenses in Belarus. Just to compare: in 2004, expenses for web advertisement in Russia made up \$25 mln per year which also comprises less than 1% of total expenses for advertisement.

Belarusian experts consider that the further development of internet is, first of all, expansion to regions. However, it is possible only with increasing number of regional providers which need less financial resources. To get investments, it is necessary to limit monopoly of the primary state provider and liberalize the telecommunication market including canceling of monopoly for IP telephony and domain registering.

In the near future, the country is expecting adoption of a new law on mass media by which web sites will be equated with printed and electronic media. This can mean further restriction in freedom.

To conclude, we have a lot of problems concerning freedom in the internet in Belarus. I wanted to attract your attention to some of them. Hope for its resolution some day.