

# **View on the Central and Eastern European markets and new opportunities**

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# Overview

- 1. Geographical Orientation**
2. Macro-Economic Data of CEE
3. TLD status within the CEE
4. Key-Systems – Facts and Figures
5. Trends and opportunities





## Central and Eastern Europe



Eastern Europe:  
...“a region lying between Central Europe and the Ural mountains“



## Central and Eastern Europe (CEE)

CEE is still used by telecom companies and government agencies as a convenient label for the countries east of Germany including Hungary, Poland, Czech Republic, Slovakia, Romania and Bulgaria, the Baltic states (Lithuania, Latvia, Estonia) and south to the Balkans (Slovenia, Croatia, Serbia, Albania, Bosnia Herzegovina). Russia, Ukraine, Moldova and Belarus can also be included for convenience.



## Central Europe

The region is usually considered to include:

- Austria AT
- Czech Republic CZ
- Germany DE
- Hungary HU
- Liechtenstein LI
- Poland PL
- Slovakia SK
- Switzerland CH



## The Baltic States

The Baltic states were Soviet republics and are currently EU members.

- Lithuania LT
- Estonia EE
- Latvia LV



## Former Soviet States

Four former Soviet republics are considered to be part of Eastern Europe in both political and cultural sense.

- Belarus (BY)
- Moldova (MD)
- Ukraine (UA)
- Russia (RU)



## Southeastern European States

- Albania (AL)
- Bosnia and Herzegovina (BA)
- Bulgaria (BG)
- Croatia (HR)
- Republic of Macedonia (MK)
- Kosovo (-)
- Montenegro (ME)
- Romania (RO)
- Serbia (RS)
- Slovenia (SI)



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## Makro-Economic Data of Eastern Europe Countries

Rankings in Eastern Europe I (by rating agencies)

Country	Standard & Poor	Moody	Fitch	Institutional Investor
Slovenia	AA	A2	A	64,9
Hungary	A+	-	A-	62
Czech Republic	AA-	Baa1	BBB+	60,5
Polen	A+	Baa1	BBB+	59,2
Estonia	A-	Baa1	A-	55
Latvia	A-	Baa2	BBB	48
Slovakia	A-	Baa3	BB+	47,7

## Makro-Economic Data of Eastern European Countries

Rankings in Eastern Europe II (by rating agencies)

Country	Standard & Poor	Moody	Fitch	Institutional Investor
Croatia	BBB+	Ba1	BBB-	45,9
Lithuania	BBB+	Baa3	BBB-	43,4
Bulgaria	BB	B1	BB-	36,6
Romania	B+	B2	B	29,1
Russia	B+	Ba3	B+	26,8
Ukraine	B	Caa1	B-	17,5
Moldau	-	Caa1	CC	16,2

Not rated or poor result:

Belarus

Albania

Republic of Macedonia

Bosnia and Herzegovina



## GDP in billion USD

#	Country	2007	2008	2009*	#	Country	2007	2008	2009*
1	Germany	3312	3818	3771	14	Serbia	40	48	54
2	Russia	1290	1779	2067	15	Bulgaria	40	47	49
3	Poland	422	567	567	16	Lithuania	39	42	48
4	Switzerland	427	493	480	17	Latvia	27	28	32
5	Austria	371	432	438	18	Estonia	21	20	23
6	Czech Republic	175	217	226	19	Bosnia a H.	15	19	22
7	Romania	166	214	268	20	Albania	11	13	15
8	Ukraine	142	198	218	21	Macedonia	8	10	11
9	Hungary	138	144	151	22	Moldova	4	6	8
10	Slovakia	75	83	91	23	Liechtenstein	5	5	5
11	Croatia	51	57	62	24	Montenegro	3	5	7
12	Belarus	45	53	57	25	Kosovo	4,5	5	5
13	Slovenia	46	49	55					

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## TLDs registered in CEE „plus“

#	Country	TLD	Domains
1	Germany	DE	12.402.383
2	UK	UK	7.000.000
3	Netherlands	NL	3.334.600
4	Russia	RU	2.036.000
5	France	Fr	1.400.200
6	Poland	PL	1.379.419
7	Switzerland	CH	1.278.125
8	Belgium	BE	897.000
9	Austria	AT	852.861
10	Czech Republic	CZ	542.000
11	Hungary	HU	430.000
12	Ukraine	UA	400.000
13	Romania	RO	300.000

14	Montenegro	ME	200.000
15	Slovakia	SK	184.000
16	Lithuania	LT	100.000
17	Estonia	EE	66.000
18	Croatia	HR	63.190
19	Liechtenstein	LI	59.224
20	Serbia	RS	45.000
21	Luxemburg	LU	43.900
22	Bosnia a H.	BA	9.000
23	Latvia	LV	7.000
24	Macedonia	MK	1.000
25	Albania	AL	–
26	Slovenia	SI	–
27	Bulgaria	BG	–
28	Belarus	BY	–
29	Kosovo	–	–

## TLD ranking of CEE

Without report:

Belarus
Bulgaria
Albania
Slovenia
Moldova
Kosovo

1	Germany	DE	12.402.383
2	Russia	RU	2.036.000
3	Poland	PL	1.379.419
4	Switzerland	CH	1.278.125
5	Austria	AT	852.861
6	Czech Republic	CZ	542.000
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10	Montenegro	ME	200.000
11	Slovakia	SK	184.000
12	Lithuania	LT	100.000
13	Estonia	EE	66.000
14	Croatia	HR	63.190
15	Liechtenstein	LI	59.224
16	Serbia	RS	45.000
17	Bosnia a H.	BA	9.000
18	Latvia	LV	7.000
19	Macedonia	MK	1.000

## TLDs per capita within the CEE I

#	Country	TLD	Domains	Pop (Mio)	TLD pc
1	Liechtenstein	LI	59.224	0,04	1,48
2	Montenegro	ME	200.000	0,6	0,33
3	Switzerland	CH	1.278.125	7,7	0,17
4	Germany	DE	12.402.383	82	0,15
5	Austria	AT	852.861	8,3	0,10
6	Czech Republic	CZ	542.000	10,5	0,05
7	Estonia	EE	66.000	1,3	0,05
8	Hungary	HU	430.000	10	0,04
9	Poland	PL	1.379.419	38	0,04
10	Slovakia	SK	184.000	5,5	0,03
11	Lithuania	LT	100.000	3,3	0,03
12	Russia	RU	2.036.000	104	0,02
13	Romania	RO	300.000	21	0,01
14	Croatia	HR	63.190	4,5	0,01
15	Ukraine	UA	400000	46	0,01
16	Serbia	RS	45.000	7,5	0,01



## TLDs per capita within the CEE II (incl. no data available)

#	Country	TLD	Domains	Pop (Mio)	TLD pc
17	Latvia	LV	7.000	2,2	0
18	Bosnia a H.	BA	9.000	4,5	0
19	Macedonia	MK	1.000	2	0
20	Belarus	BY	–	10	0
21	Bulgaria	BG	–	7,6	0
22	Albania	AL	–	3	0
23	Slovenia	SI	–	2	0
24	Kosovo	–	–	2	0



## CEE: countries by credit ranking I

#	Country	TLD	Domains	Pop (Mio)	TLD pc	Inst. Inv.*
1	Switzerland	CH	1.278.125	7,7	0,17	95
2	Liechtenstein	LI	59.224	0,04	1,48	94
3	Germany	DE	12.402.383	82	0,15	92
4	Austria	AT	852.861	8,3	0,10	92
5	Slovenia	SI	–	2	0	64,9
6	Hungary	HU	430.000	10	0,04	62
7	Czech Republic	CZ	542.000	10,5	0,05	60,5
8	Poland	PL	1.379.419	38	0,04	59,2
9	Estonia	EE	66.000	1,3	0,05	55
10	Latvia	LV	7.000	2,2	0	48
11	Slovakia	SK	184.000	5,5	0,03	47,7
12	Croatia	HR	63.190	4,5	0,01	45,9
13	Lithuania	LT	100.000	3,3	0,03	43,4

## CEE: countries by credit ranking II

#	Country	TLD	Domains	Pop (Mio)	TLD pc	Inst. Inv.*
14	Bulgaria	BG	–	7,6	0	36,6
15	Romania	RO	300.000	21	0,01	29,1
16	Russia	RU	2.036.000	104	0,02	26,8
17	Macedonia	MK	1.000	2	0	26,6
18	Bosnia a H.	BA	9.000	4,5	0	22,3
19	Montenegro	ME	200.000	0,6	0,33	20
20	Serbia	RS	45.000	7,5	0,01	18
21	Ukraine	UA	400000	46	0,01	17,5
22	Moldova	MD		4,1		16,2
23	Belarus	BY	–	10	0	12,5
24	Albania	AL	–	3	0	12,1
25	Kosovo	–	–	2	0	

## CEE: countries, domains, GDP I

#	Country	TLD	Domains	Pop (Mio)	TLD pc	GDP 2008
1	Germany	DE	12.402.000	82	0,15	3818
2	Russia	RU	2.036.000	104	0,02	1779
3	Poland	PL	1.379.500	38	0,04	498
4	Switzerland	CH	1.278.000	7,7	0,17	493
5	Austria	AT	852.900	8,3	0,10	432
6	Czech Republic	CZ	542.000	10,5	0,05	217
7	Romania	RO	300.000	21	0,01	214
8	Ukraine	UA	400.000	46	0,01	198
9	Hungary	HU	430.000	10	0,04	144
10	Slovakia	SK	184.000	5,5	0,03	83
11	Croatia	HR	63.190	4,5	0,01	57
12	Slovenia	SI	—	2	0	49

## CEE: countries, domains, GDP II

#	Country	TLD	Domains	Pop (Mio)	TLD pc	GDP 2008
13	Serbia	RS	45.000	7,5	0,01	48
14	Belarus	BY	–	10	0	47
15	Bulgaria	BG	–	7,6	0	47
16	Lithuania	LT	100.000	3,3	0,03	42
17	Latvia	LV	7.000	2,2	0	28
18	Estonia	EE	66.000	1,3	0,05	20
19	Bosnia a H.	BA	9.000	4,5	0	19
20	Albania	AL	–	3	0	13
21	Moldova	MD	–	4,3	–	6
22	Macedonia	MK	1.000	2	0	6
23	Montenegro	ME	200.000	0,6	0,33	5
24	Liechtenstein	LI	59.224	0,04	1,48	5
25	Kosovo	–	–	2	0	5

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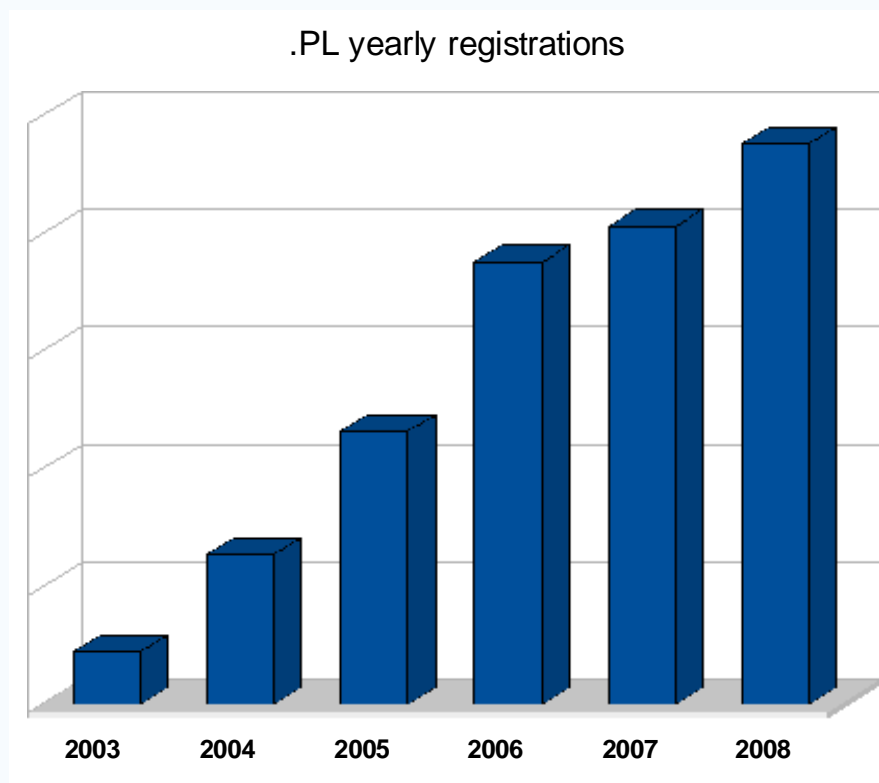


## Key-Systems GmbH – facts and figures

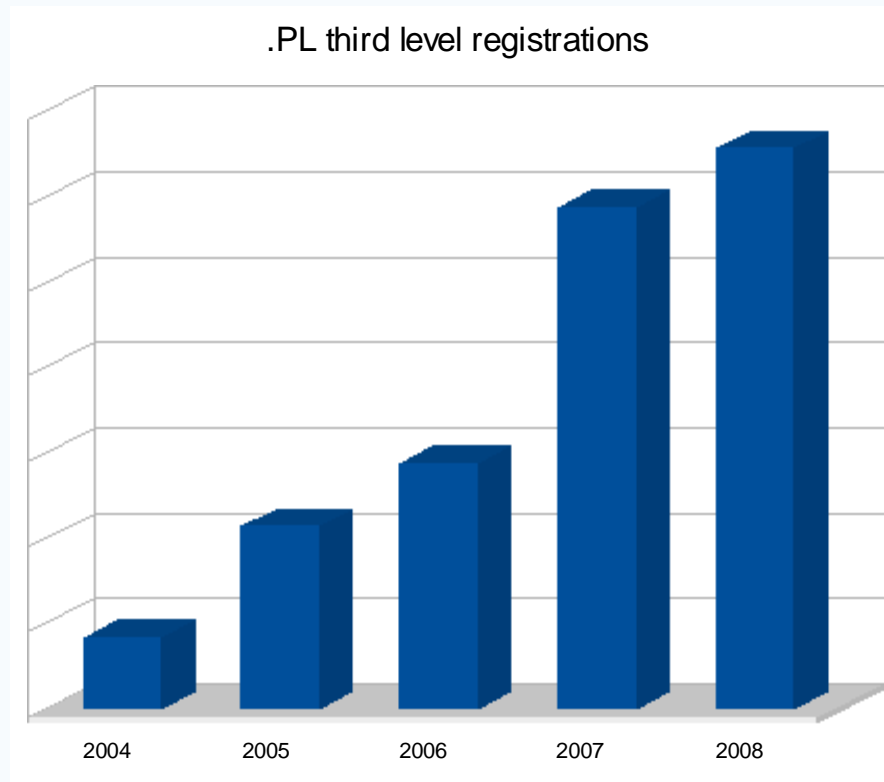
- Founded in 1998
- 32 employees
- More than 2.4 million domains under management
- gTLDs approx. 70 %
- ccTLDs approx. 30% growing
- Great personal customer support
- Cutting edge technology
- Competitive pricing
- Reseller Portal: RRPproxy, retail portal: [domaindiscount24.com](http://domaindiscount24.com)
- New Business Unites: Brandshelter, Domainer Tool



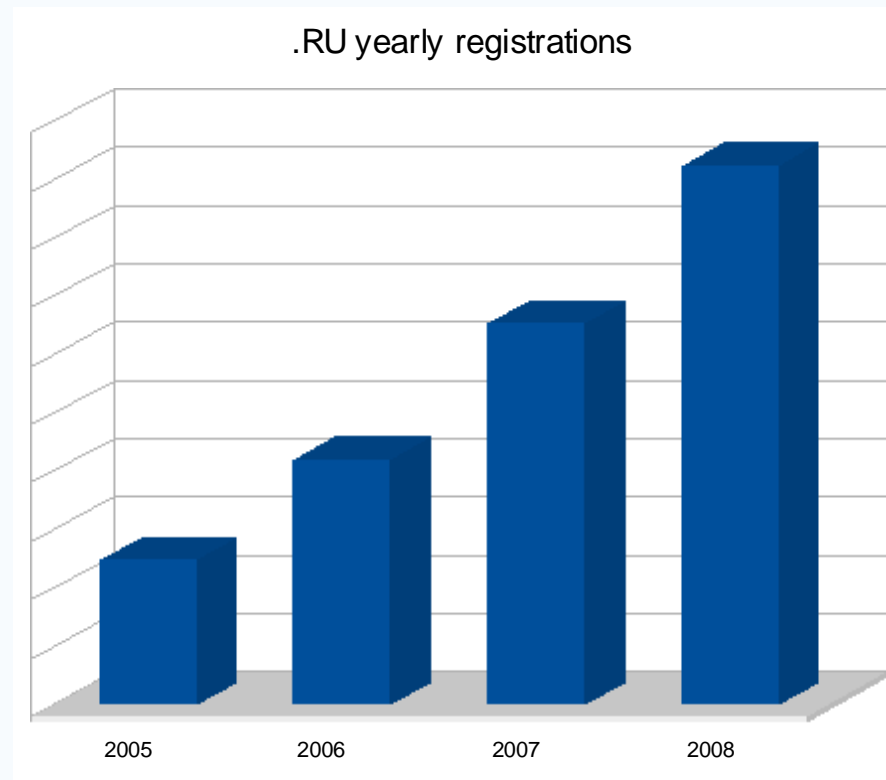
## .PL development within Key-Systems



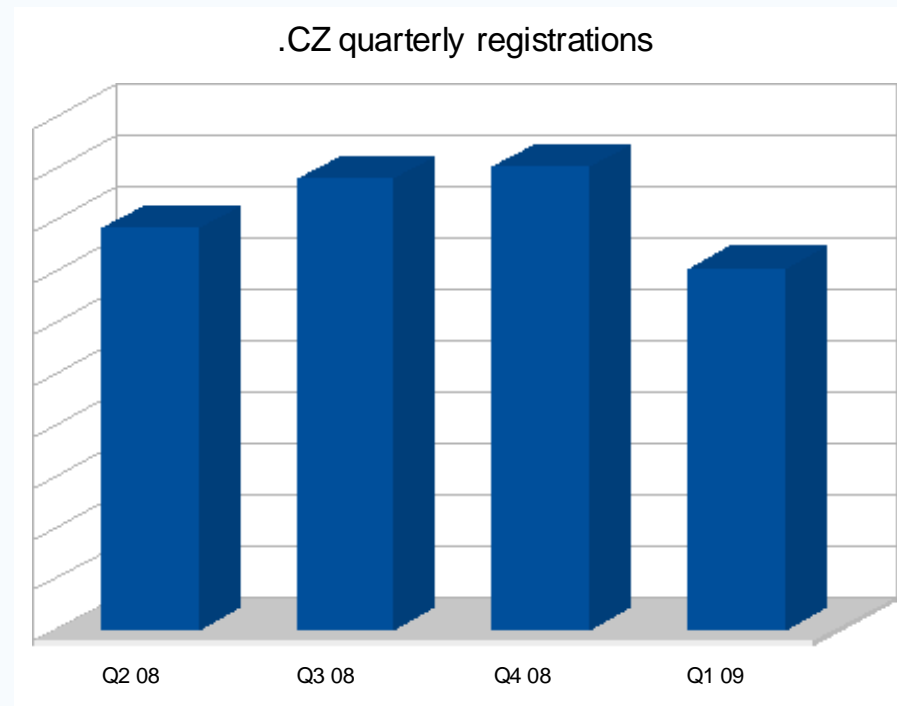
## .PL third levels within Key-Systems



## .RU development within Key-Systems



## .CZ development within Key-Systems



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## Trends - Opportunities

Outlook of a presentation from end of 2006:

- PPC will have a greater impact globally
- ccTLDs further growing
- Customers prefer registering domains from one source
- More ccTLDs will liberalize their policies
- Consolidation at Registrar Level  
(compare: enom + bulkregister, register-it + nominalia)
- Value-added services at registrar level will increase



## Opportunities - Trends

### Outlook today (spring 2009)

- PPC almost “died“ - new AGP policies, Google, etc.
- ccTLDs further growing – THE trend
- Customers esp. resellers prefer registering domains from one source
- More ccTLDs will liberalize their policies
- Professionalization of ccTLD registries (EPP trend)
- Consolidation at Registrar Level
- Partnerships especially secondary market „NameJet“ (Enom+NSI)
- Partnerships registry plus registrar (Centralnic + NSI, ME + GD)
- Value-added services at registrar level will increase (corporate area)



## Opportunities - Trends

### Four fields of Opportunities/Trends

1. Eastern European ccTLD will catch up and further grow
2. Corporate Domain services will become more important
3. New features and management tools for domainers
4. New gTLDs: IDN TLDs for Eastern Europe



## 1. ccTLD markets with special internal growth potential

- Russia (large population, TLD pc only 0,02)
- Ukraine (large population, high ranked in GDP)
- Poland (the next .DE?)
- Czech Republic (already high TLD per capita - makes market additionally attractive, compare NL)
- Croatia (only a few ten thousand domains registered)
- In general: correlation of GDP and numbers of domains



## International perspective on CEE-TLD's

(US-resellers asked for most wanted/next launched extension)

- Russia
- Croatia
- Serbia
- Poland
- Czech Republic
- Hungary



## 2. Corporate Domain Services

Target group: companies, brand owners

- Need and demand for consulting and support
- Need for new services
- Reasonable margins
- Consolidation started:  
CSC + Ebrandsecure, DBMS + MIT,...
- New offers: e.g. Brandshelter by Key-Systems



## **BRAND SHELTER** protecting your name is our business

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### Brand Monitoring YOUR BRAND ON THE NET

We monitor the use of your trademarks on the Internet.

[Support](#)[Contact](#)[Login](#)[Newsletter](#)

### Welcome to BrandShelter

BrandShelter is a division of Key-Systems Internet Solutions, one of the world's largest domain registrars with more than 10 years experience in the global internet.

Due to the large number of registered domains, it is increasingly difficult for companies to save the current portfolio and to find and register new names. Among this effort the overview of new TLDs and registration procedures to remember:

These important tasks we take for you and lead all aspects of management and monitoring of your domain portfolio under the protective roof of BrandShelter together.

### dotBrand

ICANN plans to introduce new generic TLDs. We show you the way to your own TLD.

### News & Press

Protect your company image and avoid financial loss! We can help you!



### 3. New features and management tools for domainers

- „Classic“ PPC revenue goes down
- „Classic“ portals like Sedo make less money
- Demand for new solutions and services
- New revenue streams



## 4. New gTLDs

The present system only supports 37 Roman characters.

"One of the most exciting prospect before us is that the expanding system is also being planned to support extensions in the languages of the world," "This is going to be very important for the future of the Internet in Asia, the Middle East, Eastern Europe and Russia."

Peter Dengate Thrush

(ICANN's Chairman).



Thank you very much for your attention

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