

Sweden's Rebtel follows Skype with low-cost calls

Written by Johan Nylander

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Reuters said that Europe's traditional phone companies, already under pressure from cheap internet-based services like Skype, are about to face more competition from a group of Nordic start-ups that will offer low-cost mobile calls and other services.

One of them is Stockholm based Rebtel. With its service you can use any regular mobile or landline phone to make your calls and save up to 98% on your phone bill.

It has already signed up 17 million users for its calling app.

Rebtel's Chief Executive Andreas Bernström told Reuters that companies like his could be a friend as well as a foe for telecom operators.

"Operators are in a state of transition where their old cash cows of messaging and voice are drying up," Bernström said.

Skype, bought by Microsoft for \$8.5 billion, now controls 25 percent of volume in international telephony, showing the level of demand for cheaper long-distance calls. Stockholm-based Skype was founded in 2003 by Janus Friis from Denmark and Niklas Zennström from Sweden.

Other Nordic startups are Finnish Alekstra and Danish Interfone.