Trends in traffic and tariffs in Europe

Regional Seminar on New Trends in Tariff Policies for CEE Countries & CIS

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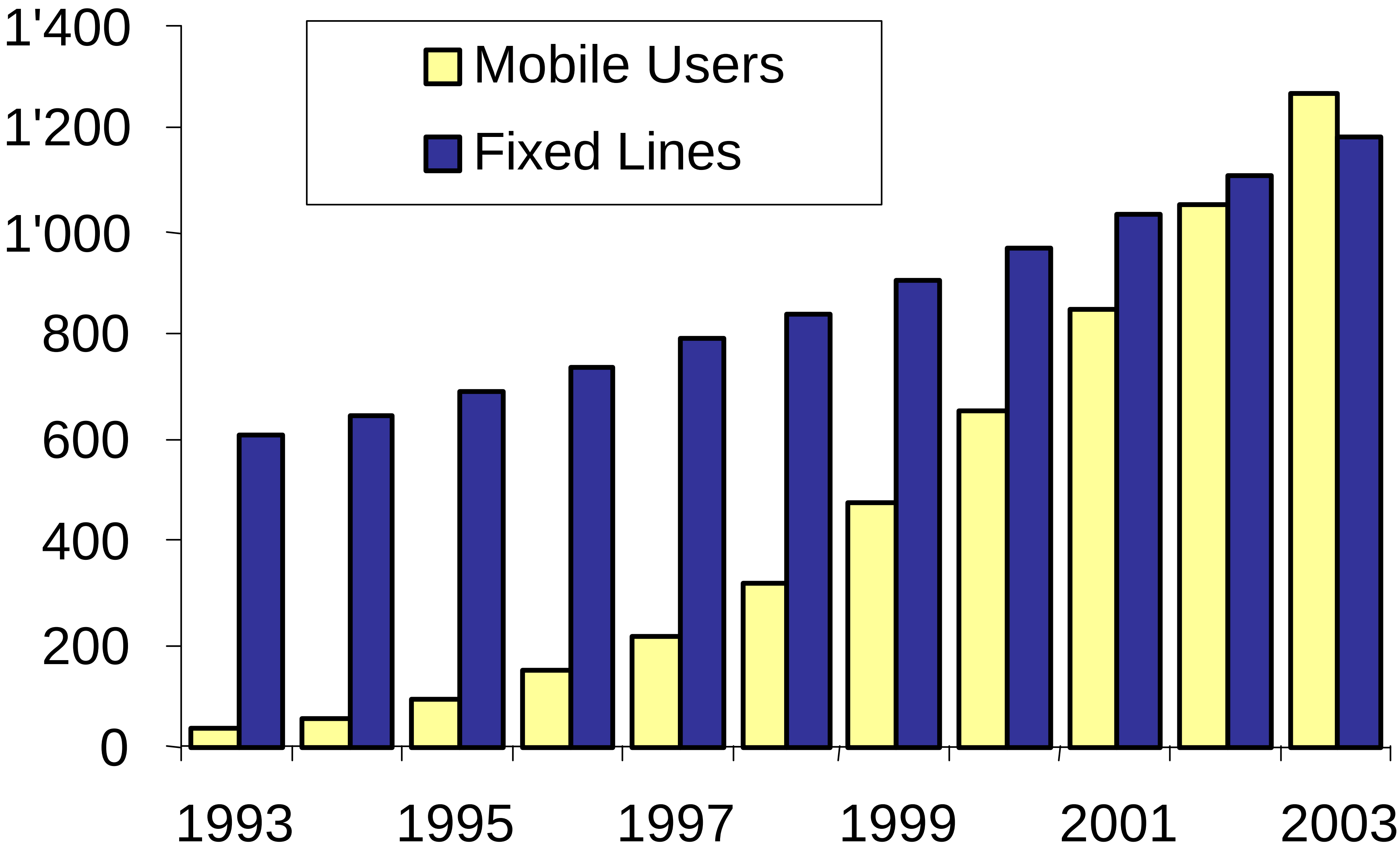
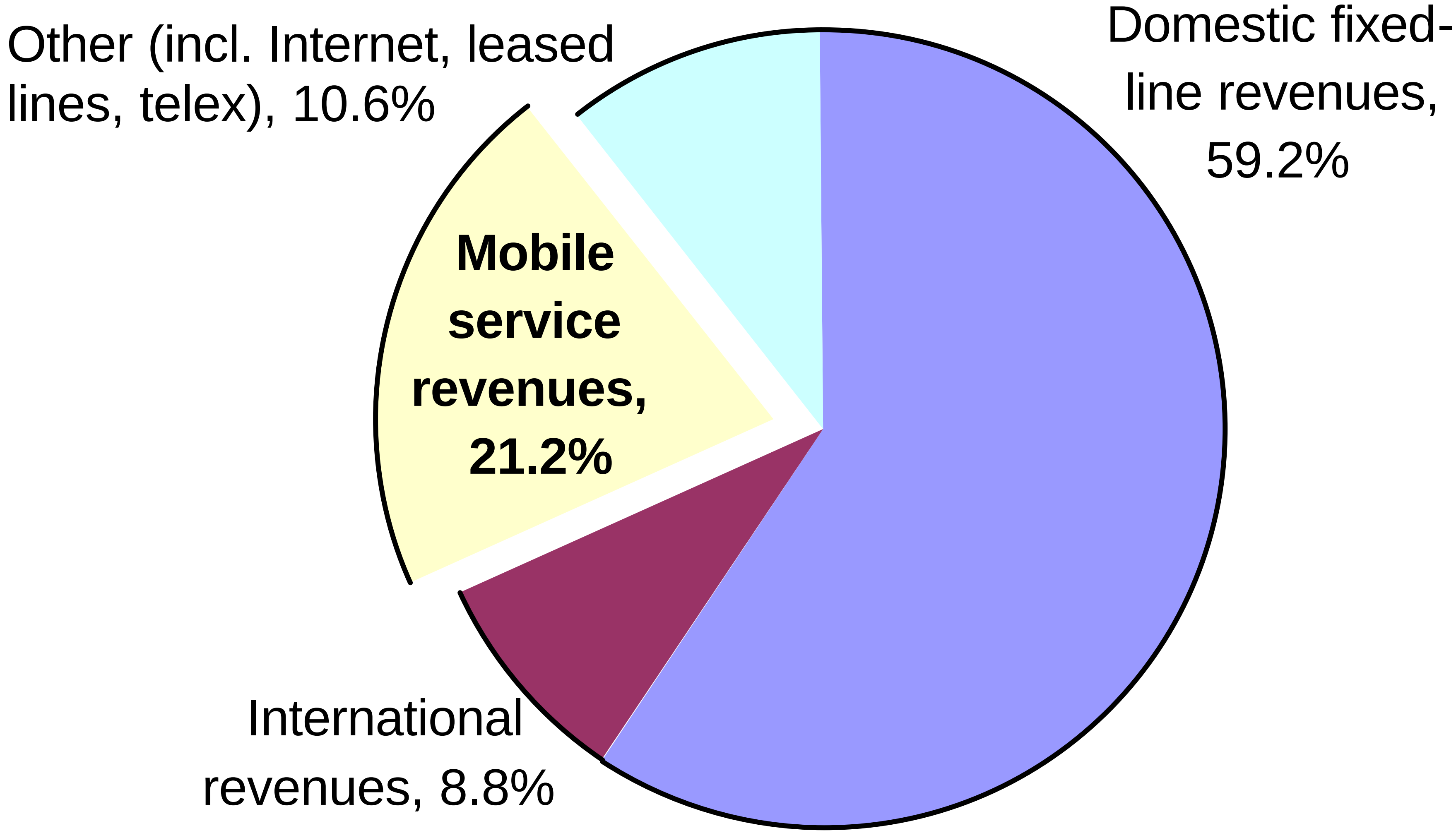
A Mobile Revolution

Fixed Lines vs. Mobile Users, worldwide, Million



Source: ITU World Telecommunication Indicators Database.

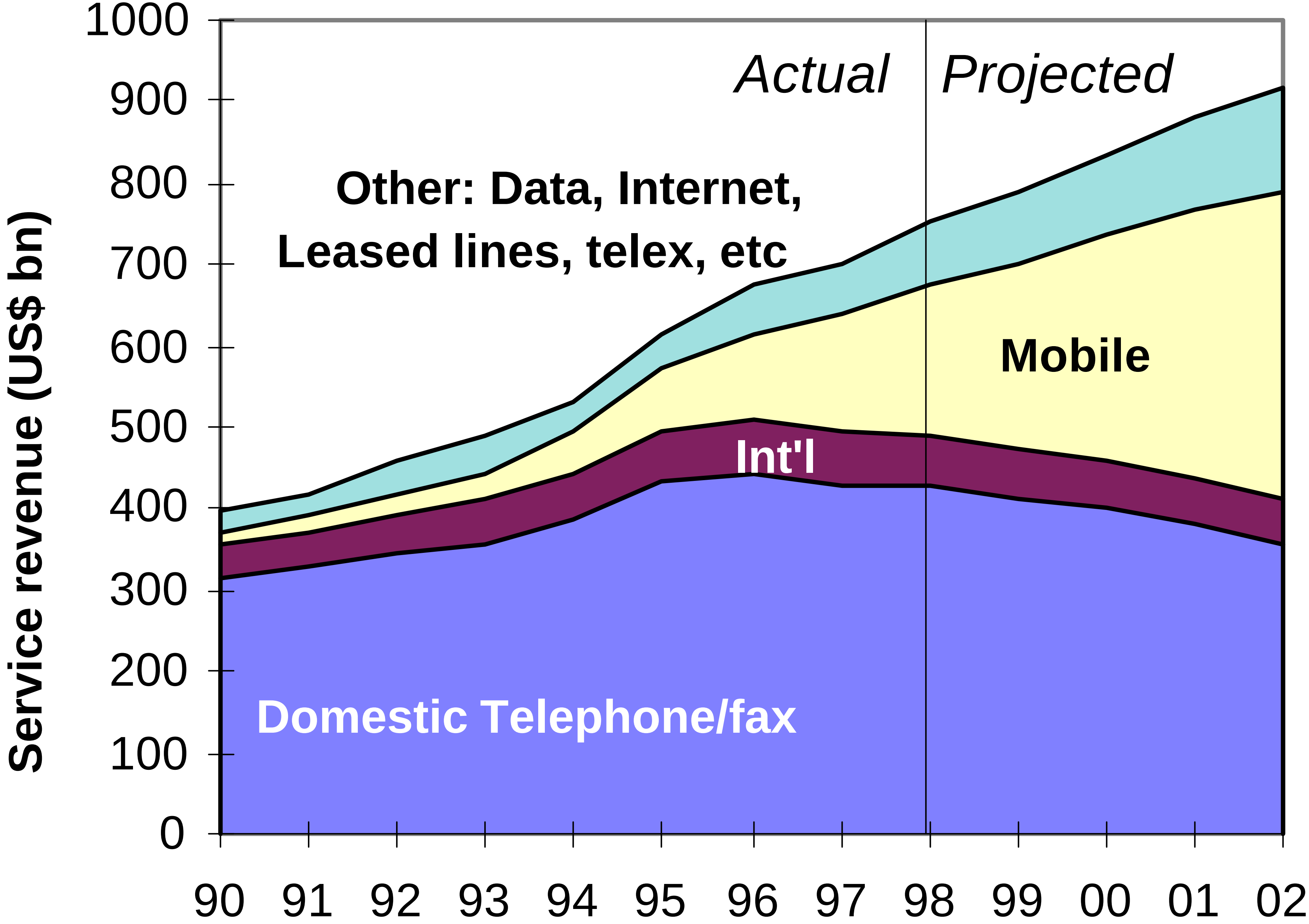
The changing pie: Global telecom service revenue, 1998



1998 Telecom service revenue. Total = US$724b

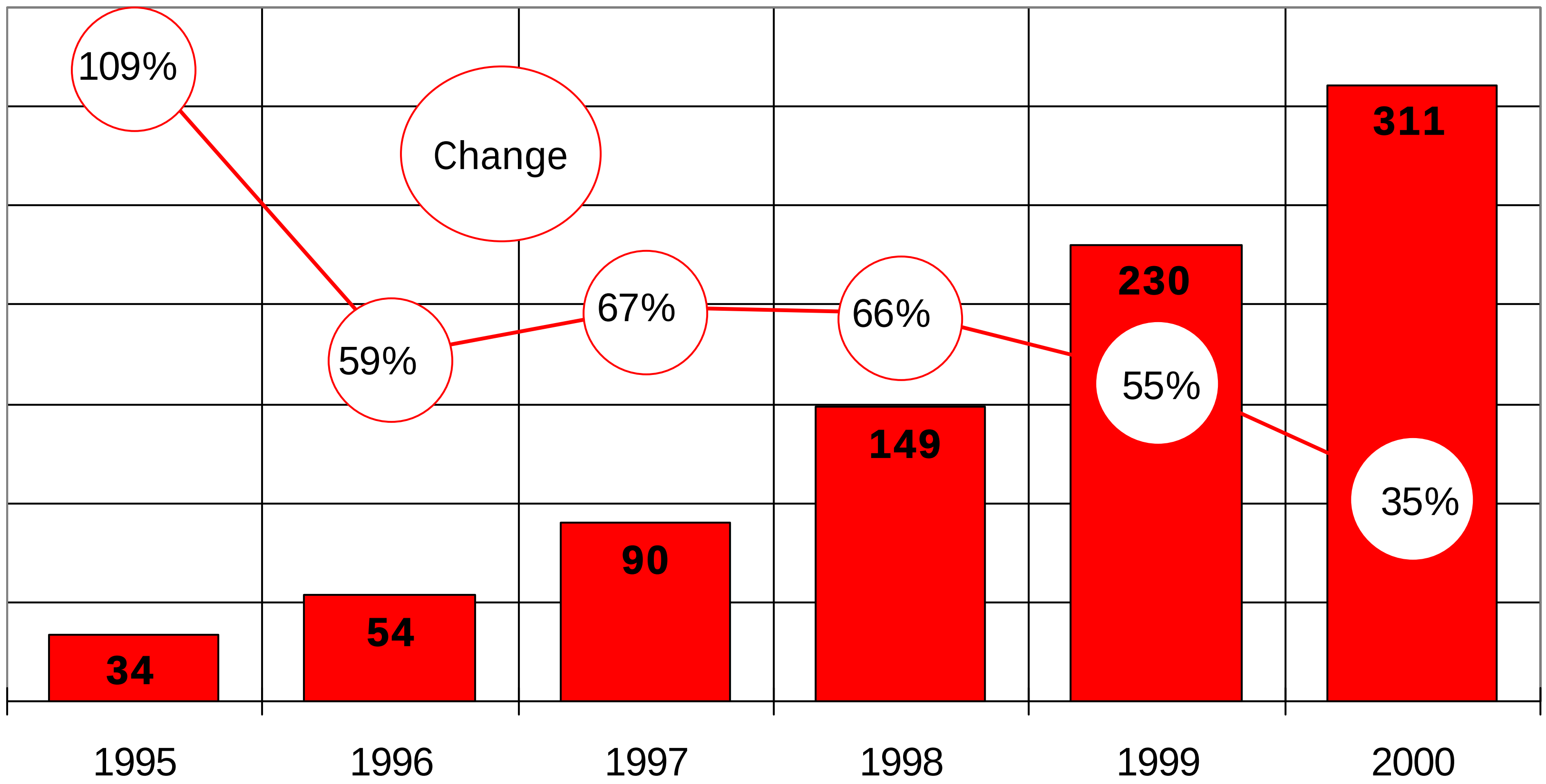
Source: ITU "World Telecommunication Development Report 1999: Mobile cellular" (forthcoming)

Projection of revenue growth (US$bn)



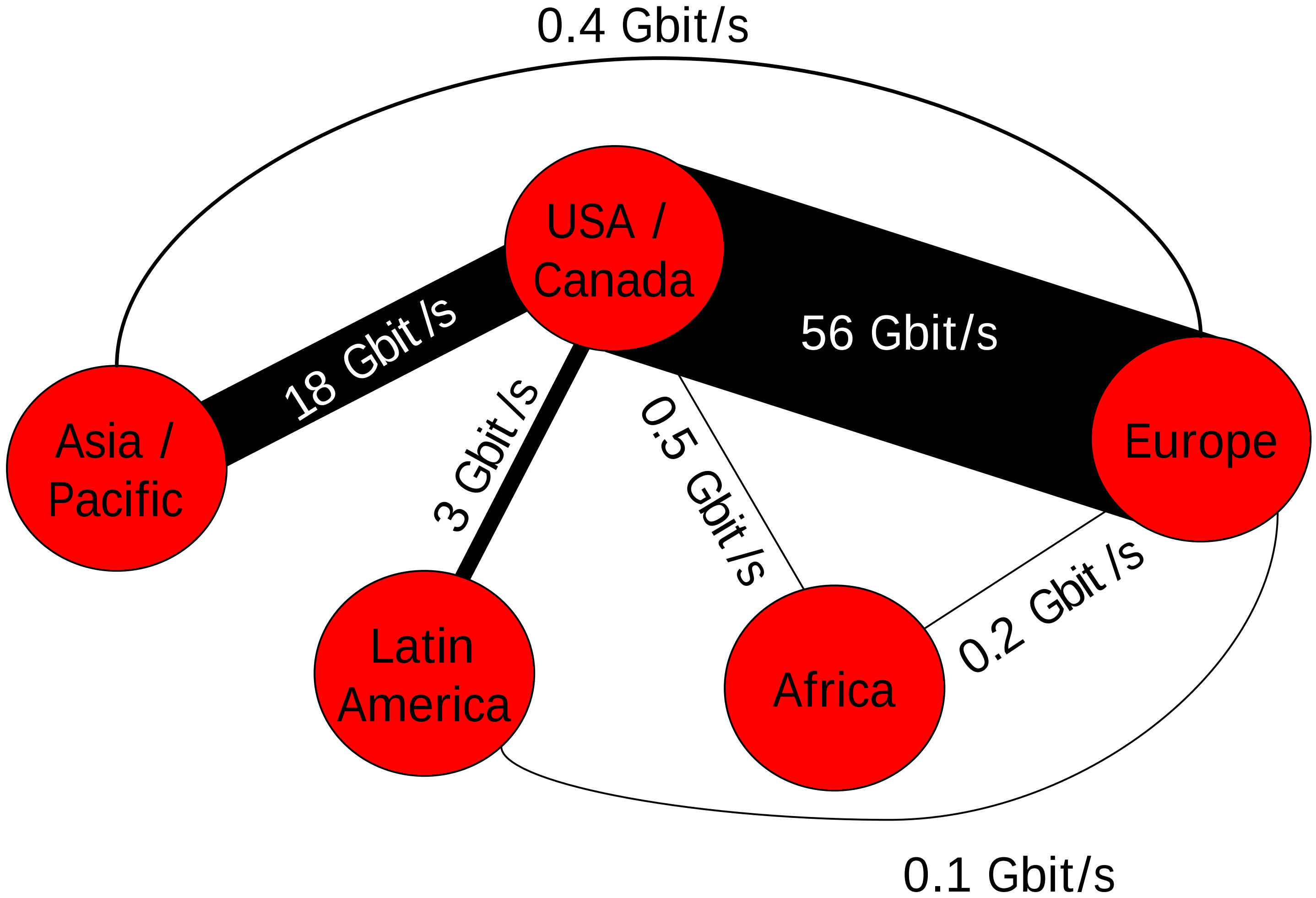
Source: ITU.

Internet users, millions
Annual rate of change



Source: ITU.

Inter-regional Internet connectivity



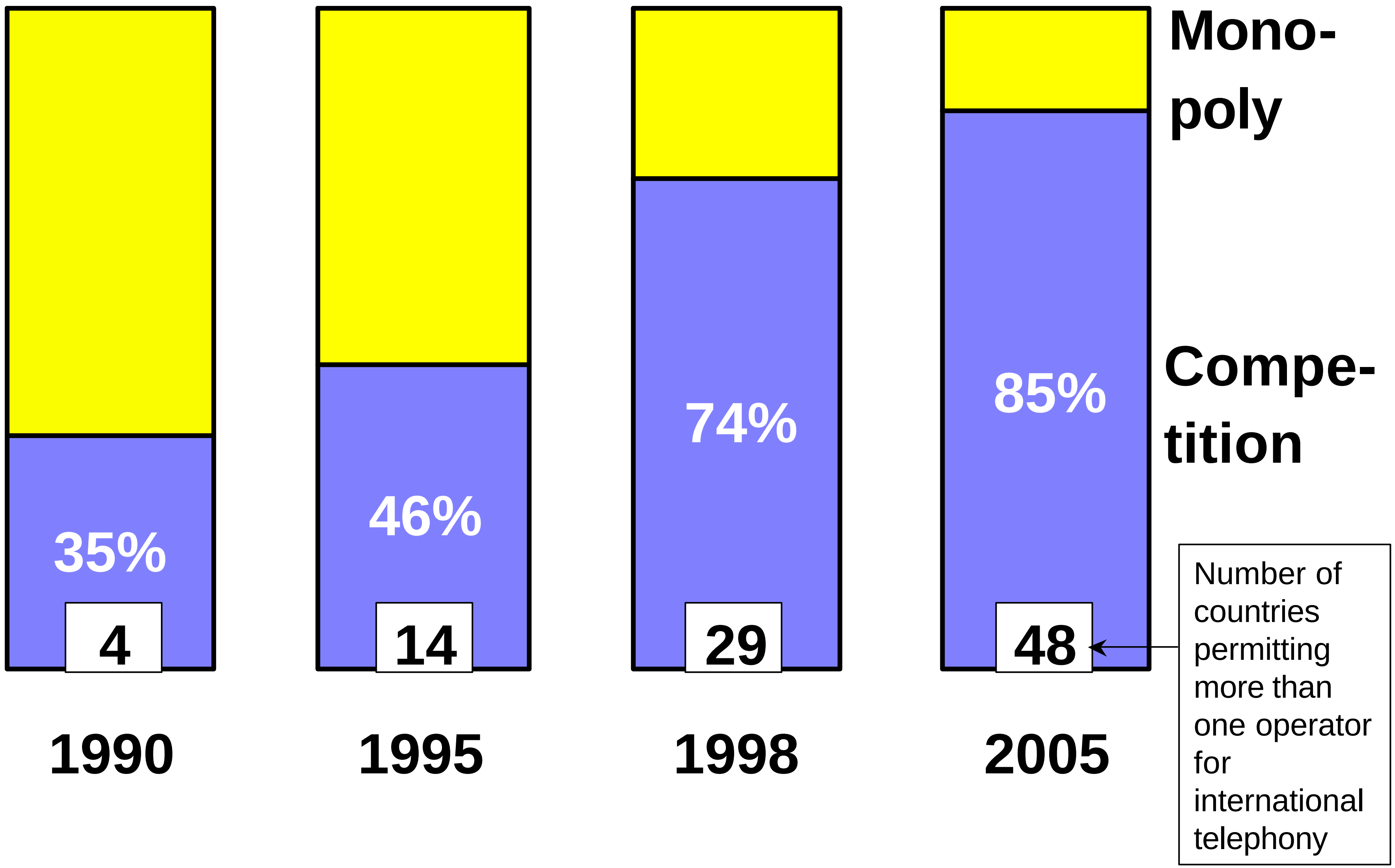
Note: Gbit/s = Gigabits (1'000 Mb) per second.

Source: ITU adapted from TeleGeography.

The state of the market

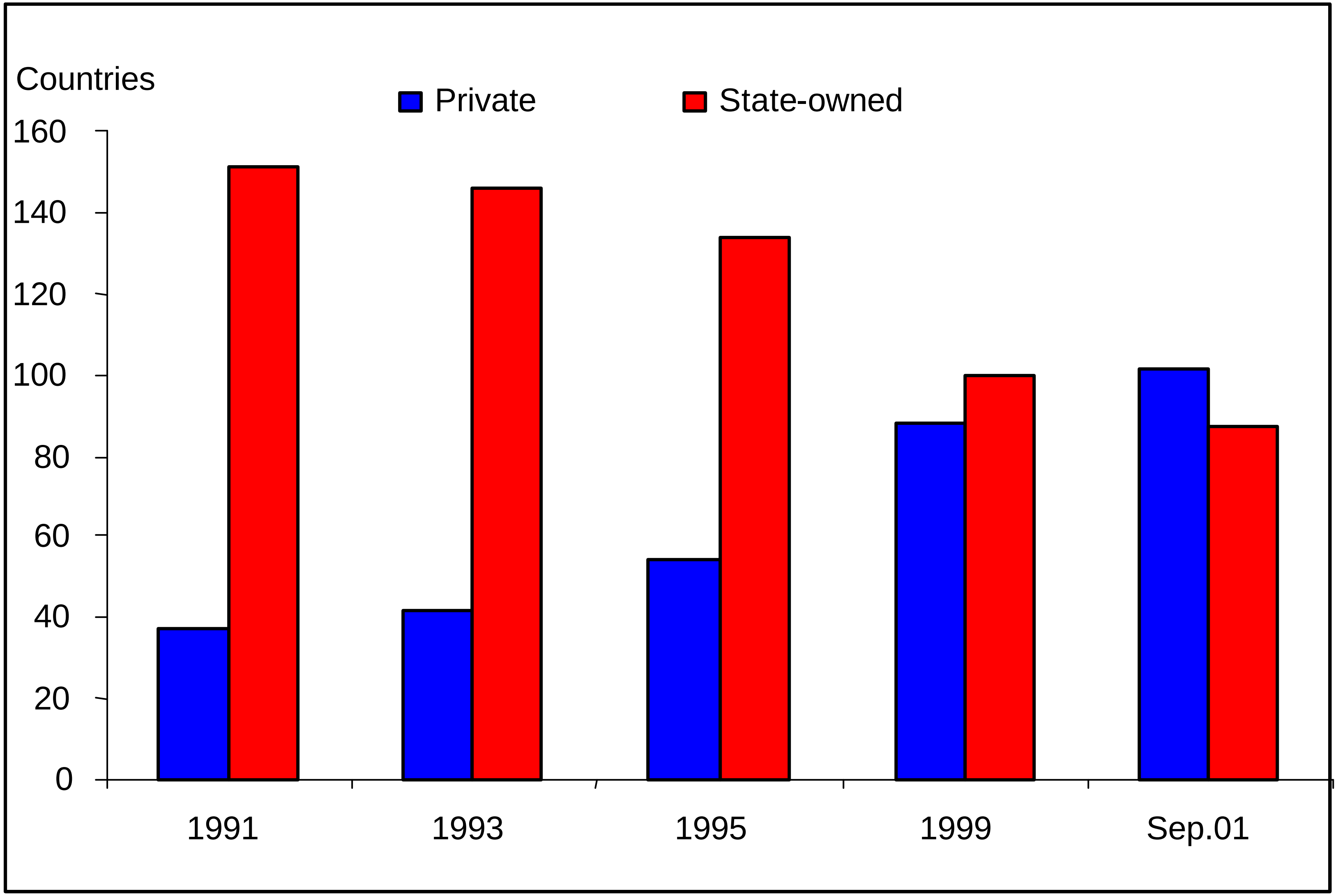
- **Increasing competition**
  - ⇨ **Around two-thirds of telecom subscribers now have a choice of operator**
  - ⇨ **More than 99 per cent of mobile and Internet subscribers now have a choice of operator**
- **Dominantly private-ownership**
  - ⇨ **19 out of top 20 top public telecom operators are partially or fully private-owned**
  - ⇨ **Of the top 20 mobile operators, 16 are fully-private, 3 are partially private, 1 is state-owned**
- **Independent regulators**
  - ⇨ **There are currently 89 independent regulators (only 12 in 1990)**

Percentage of outgoing international traffic open to competition



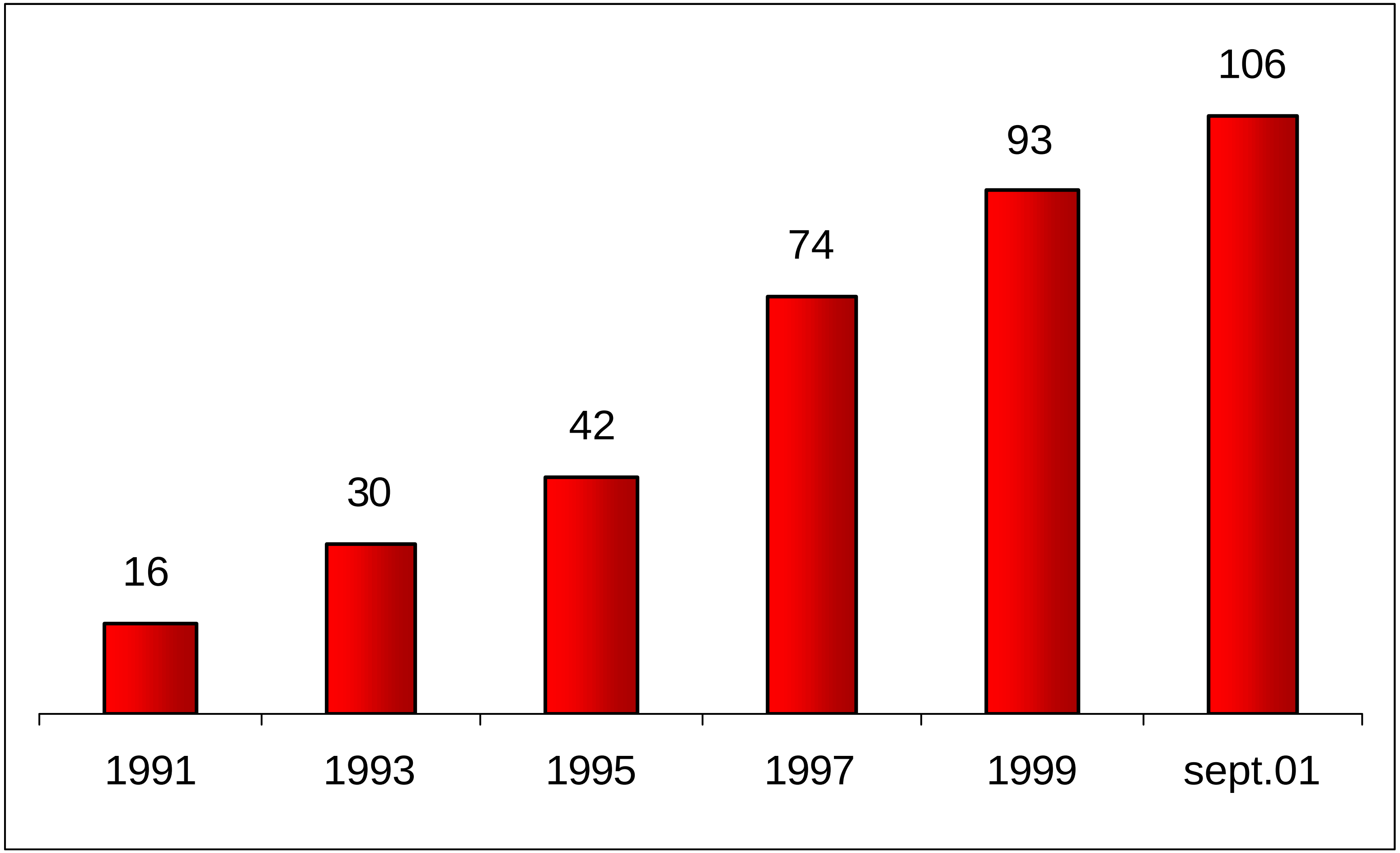
Note: Analysis is based on WTO Basic Telecommunications Commitments and thus presents a minimum level of traffic likely to be open to competitive service provision. *Source:* ITU, WTO.

Ownership status of the incumbent, 2001



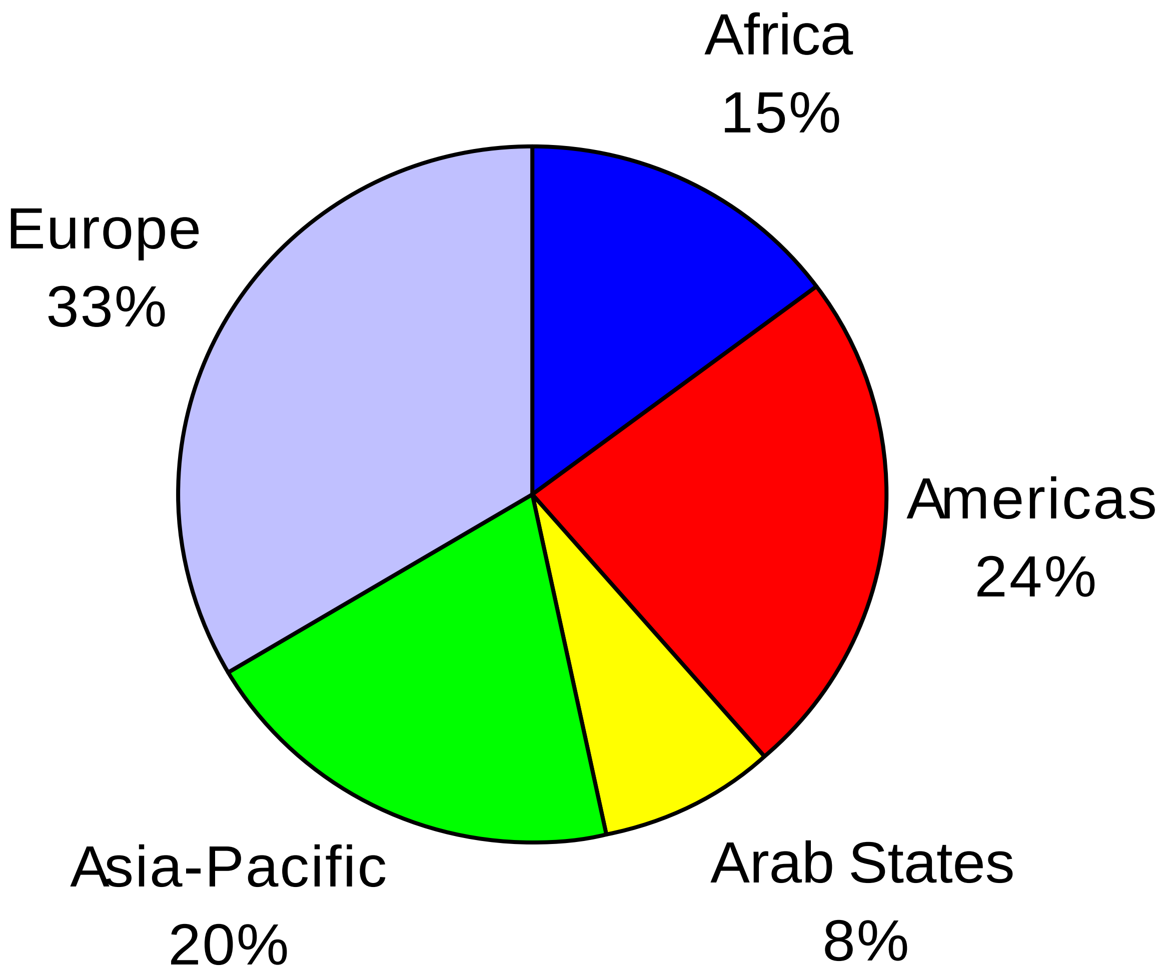
Source: ITU Telecommunication Regulatory Database.

Regulatory Agencies World (cumulative), 2001



Source: ITU Telecommunication Regulatory Database.

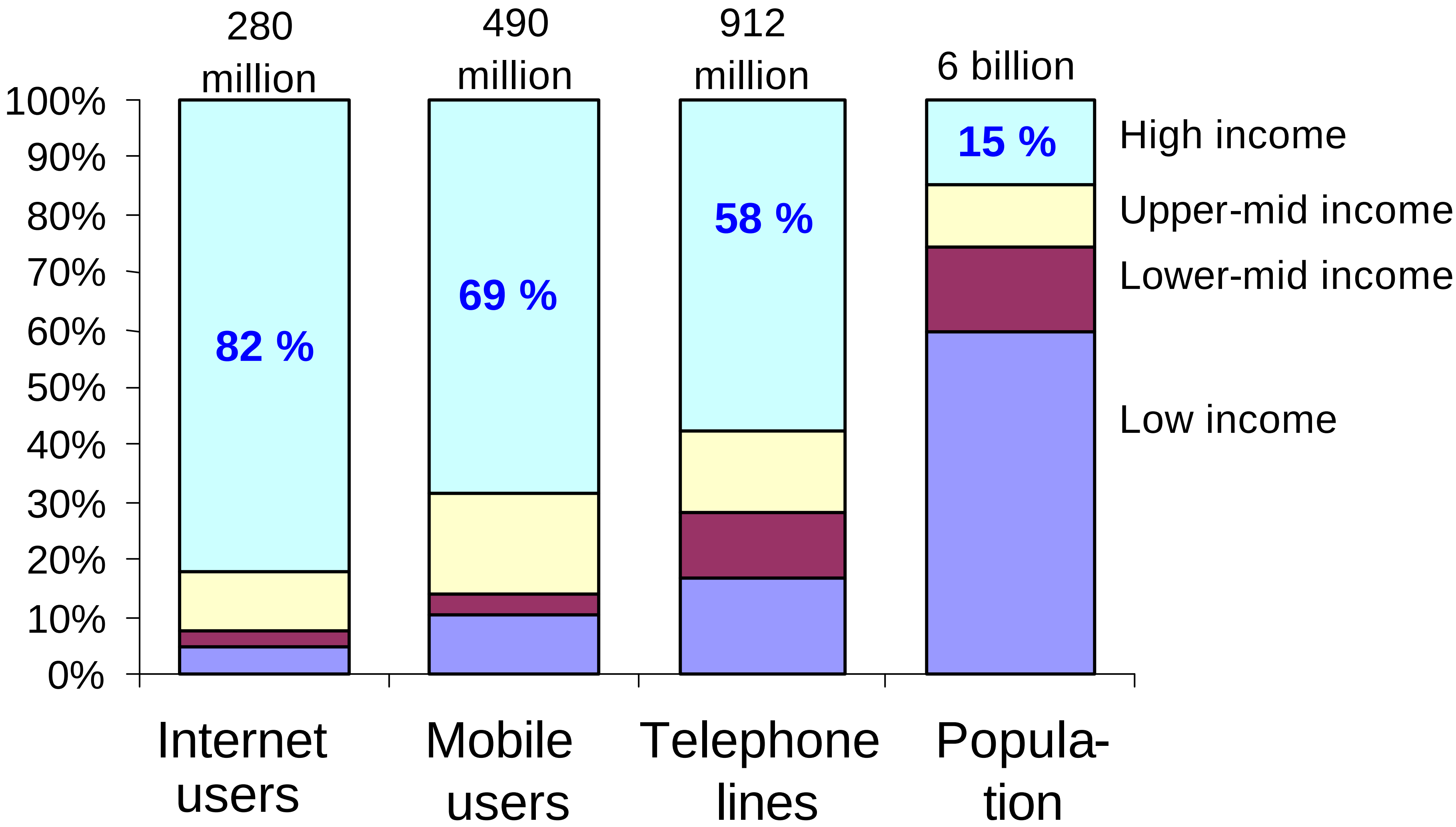
Privatizations by Region 2001
Total countries: 101



Source: ITU Telecommunication Regulatory Database.

Digital divide = Telecoms divide

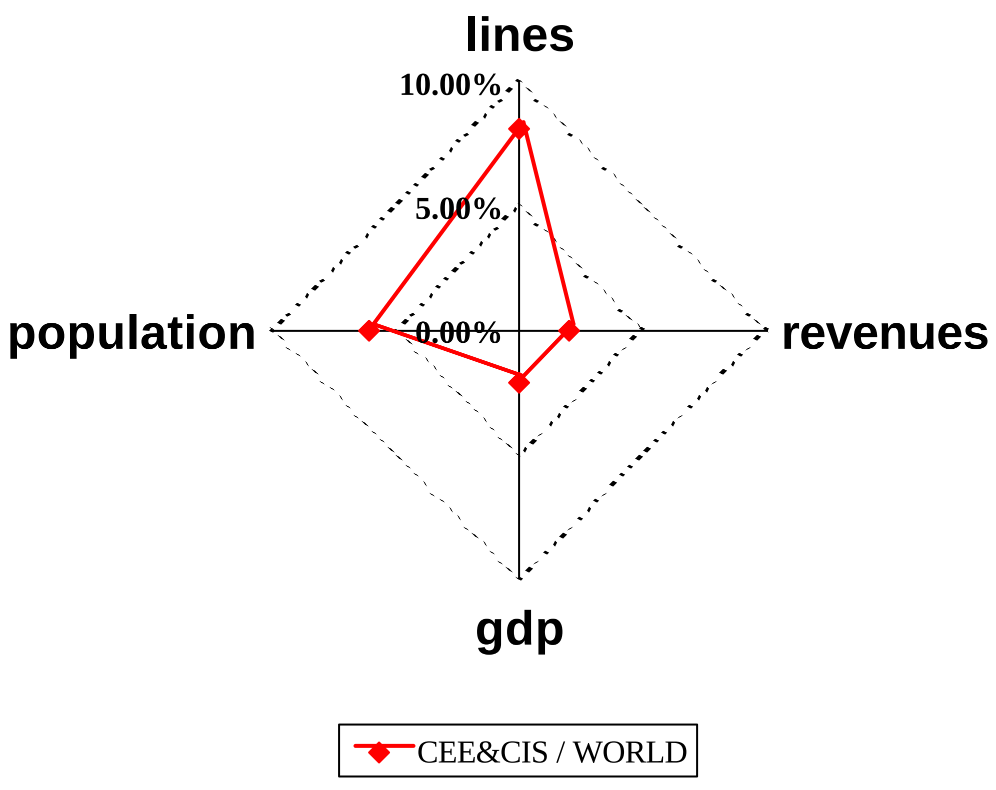
User distribution, by income group, Jan 2000

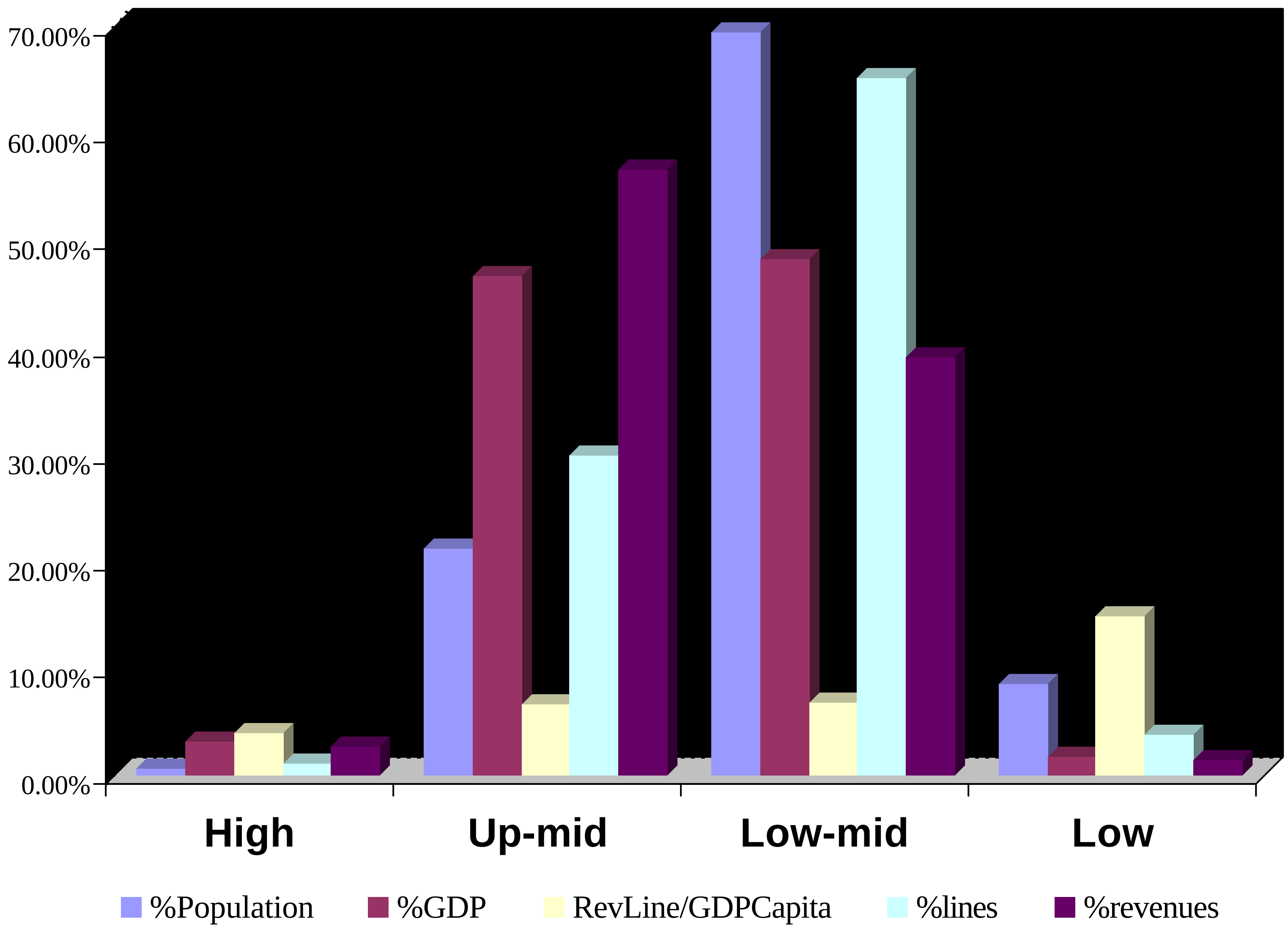


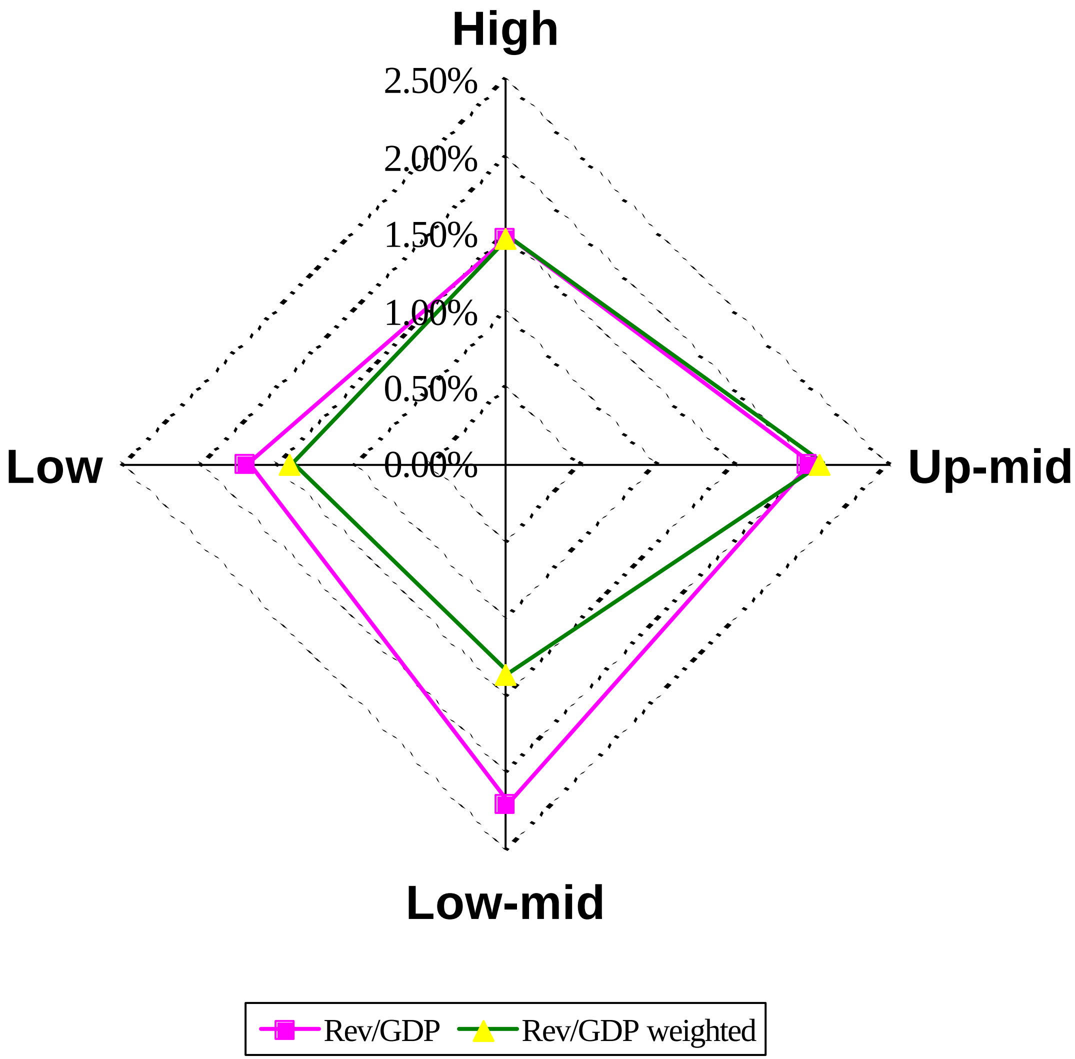
Source: ITU World Telecommunication Indicators Database.


Slovenia
Slovak Republic
Poland
Hungary
Estonia
Czech Republic
Croatia
Yugoslavia
TFYR Macedonia
Russia
Romania
Lithuania
Latvia
Kazakhstan
Bulgaria
Bosnia
Belarus
Albania
zUzbekistan
zUkraine
zAzerbaijan
Turkmenistan
Tajikistan
Moldova
Kyrgyzstan
Georgia
Armenia
0
1
2
3
4
GDP category

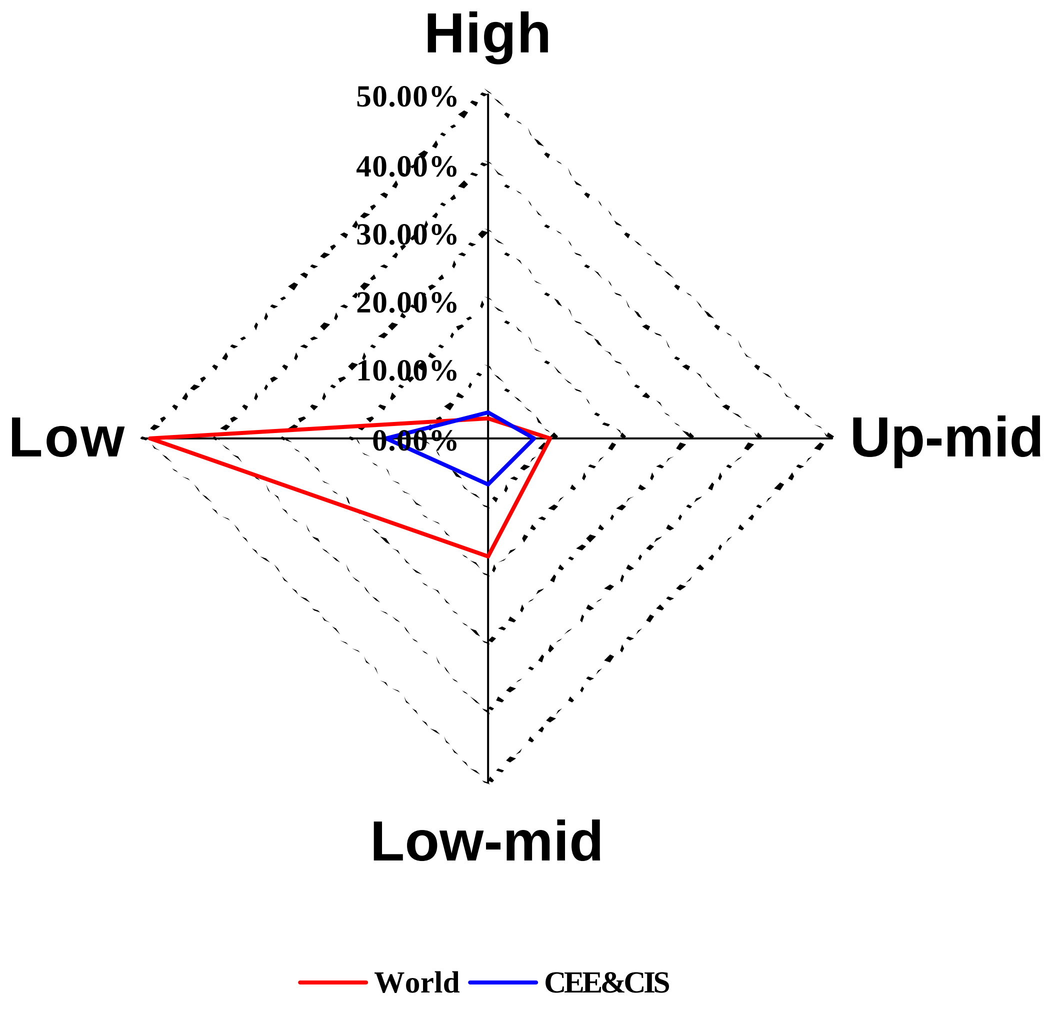
CEE & CIS versus WORLD



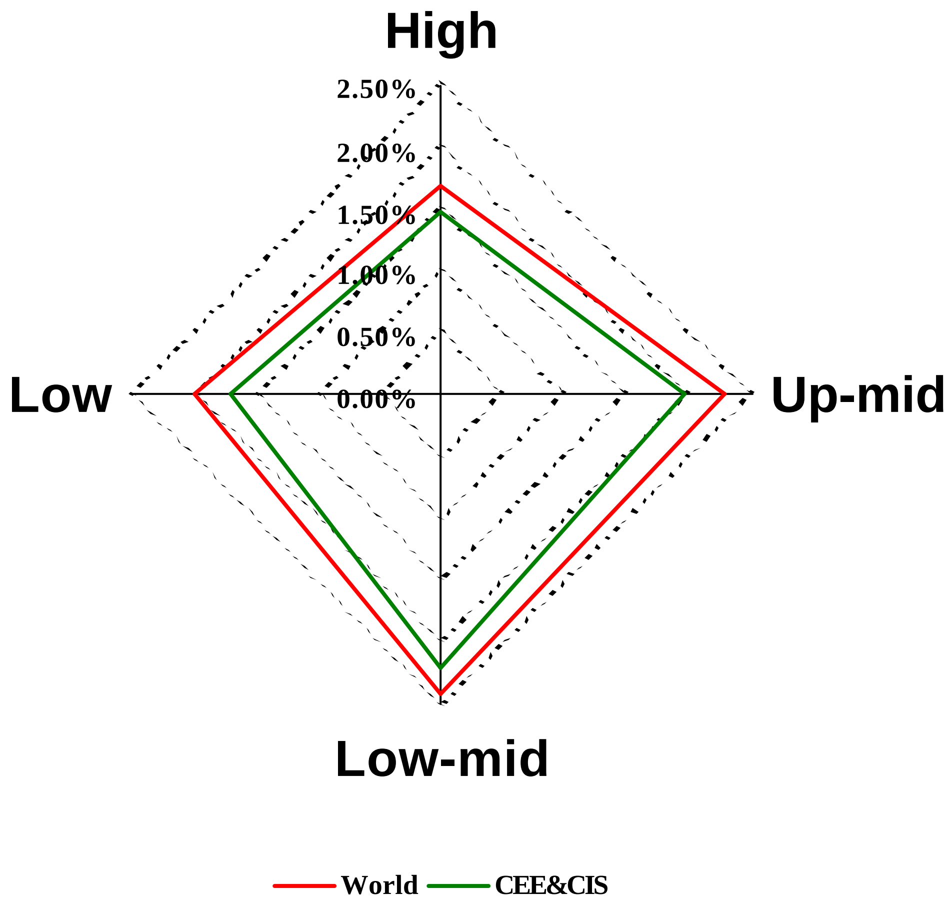

70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
High
Up-mid
Low-mid
Low
%Population
%GDP
RevLine/GDPCapita
%lines
%revenues


High
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
Low
Up-mid
Low-mid
Rev/GDP
Rev/GDP weighted

Revenues Per Line / GDP per Capita



Revenues / GDP



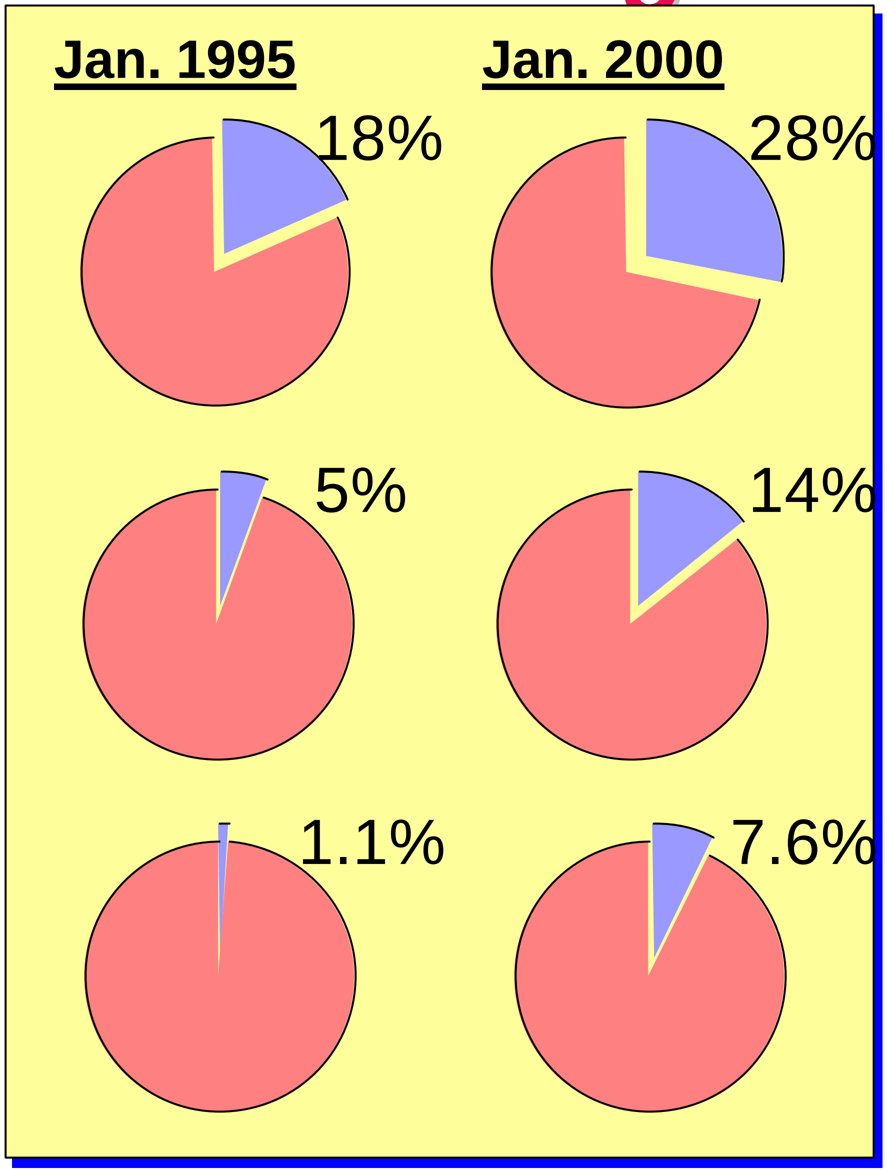
The digital divide is shrinking, but also shifting

Share of low and lower-middle income countries in:

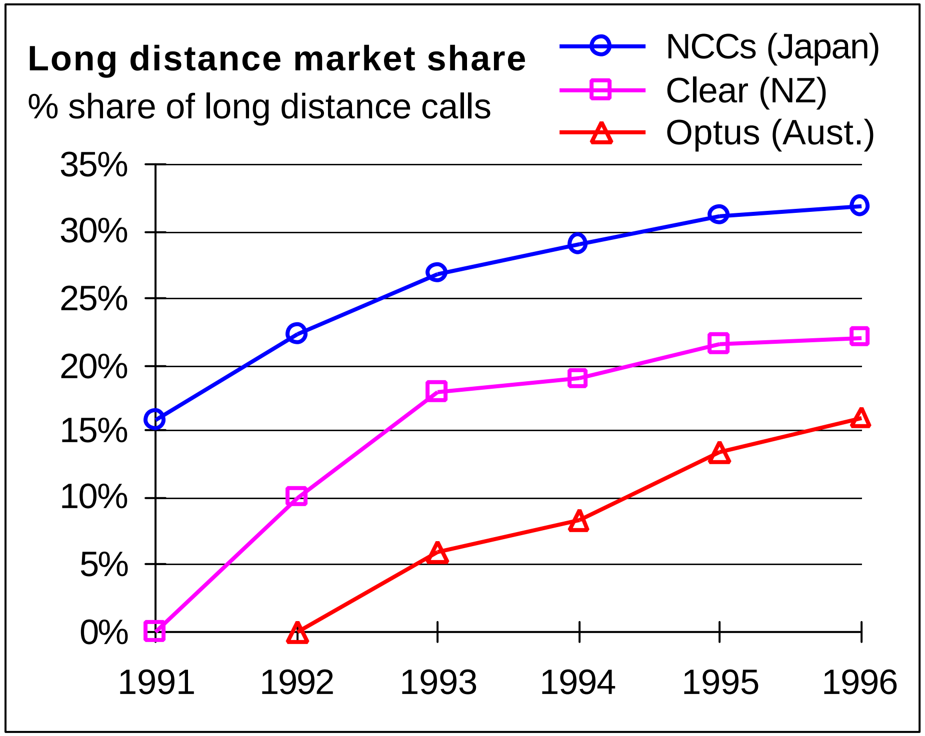
Telephone main lines

Mobile subscribers

Estimated Internet Users

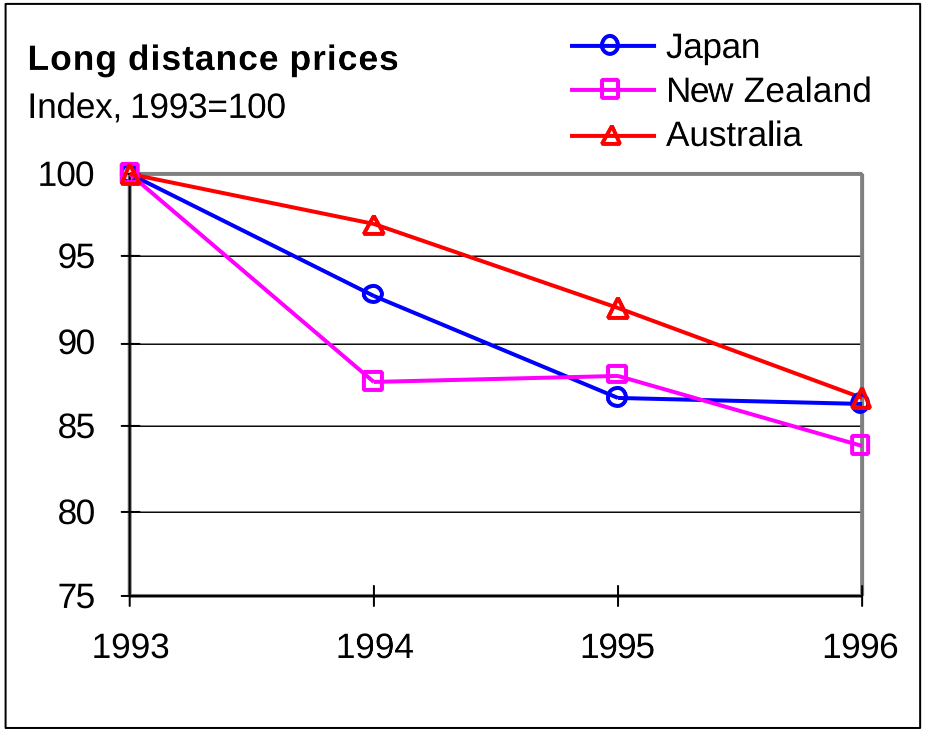


Source: ITU World Telecommunication Indicators Database.



As competitors gain market share ...

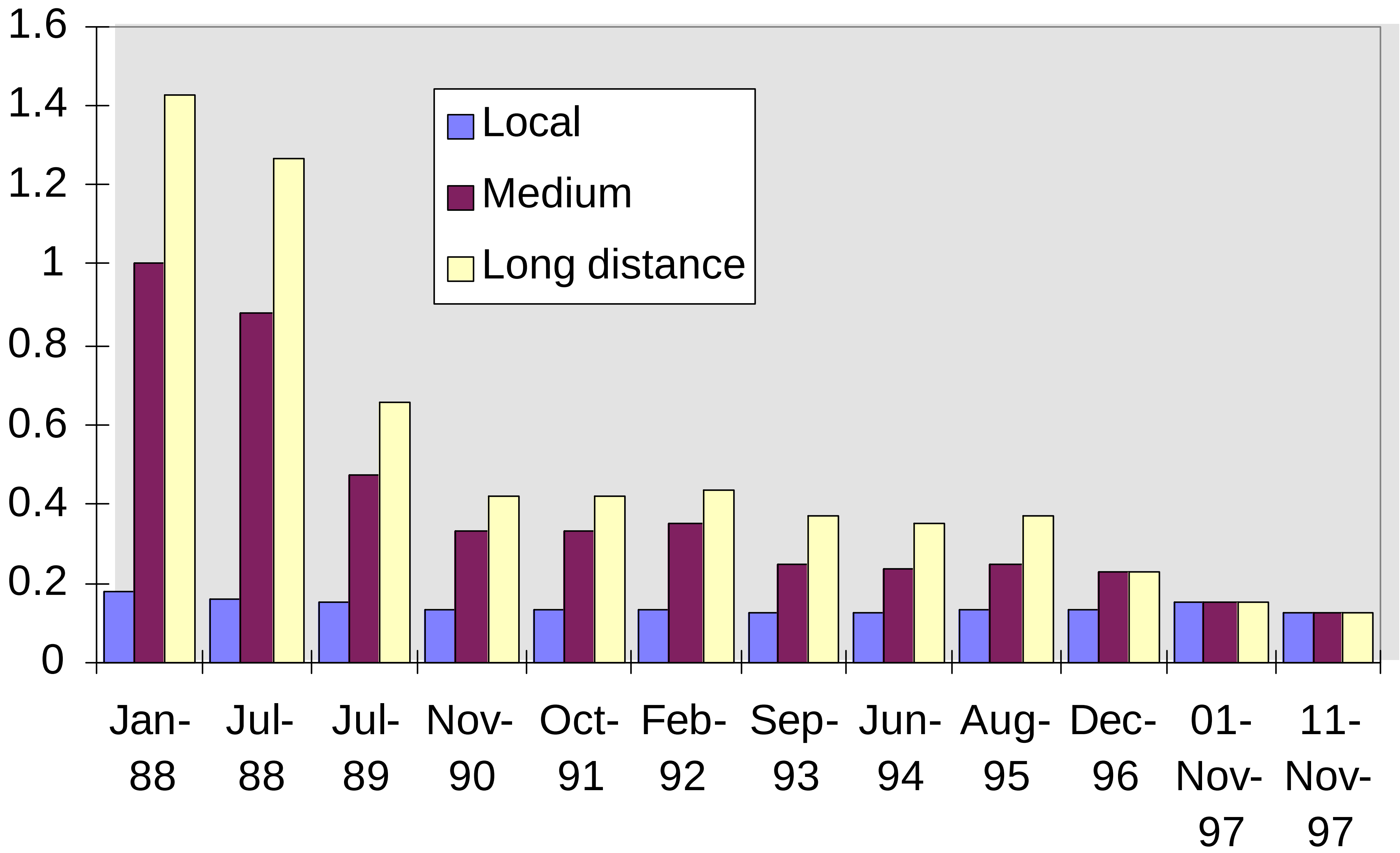
Long distance prices come down ...



Source: ITU Asia-Pacific Telecommunication Indicators, 1997.

Rebalancing in action (1):

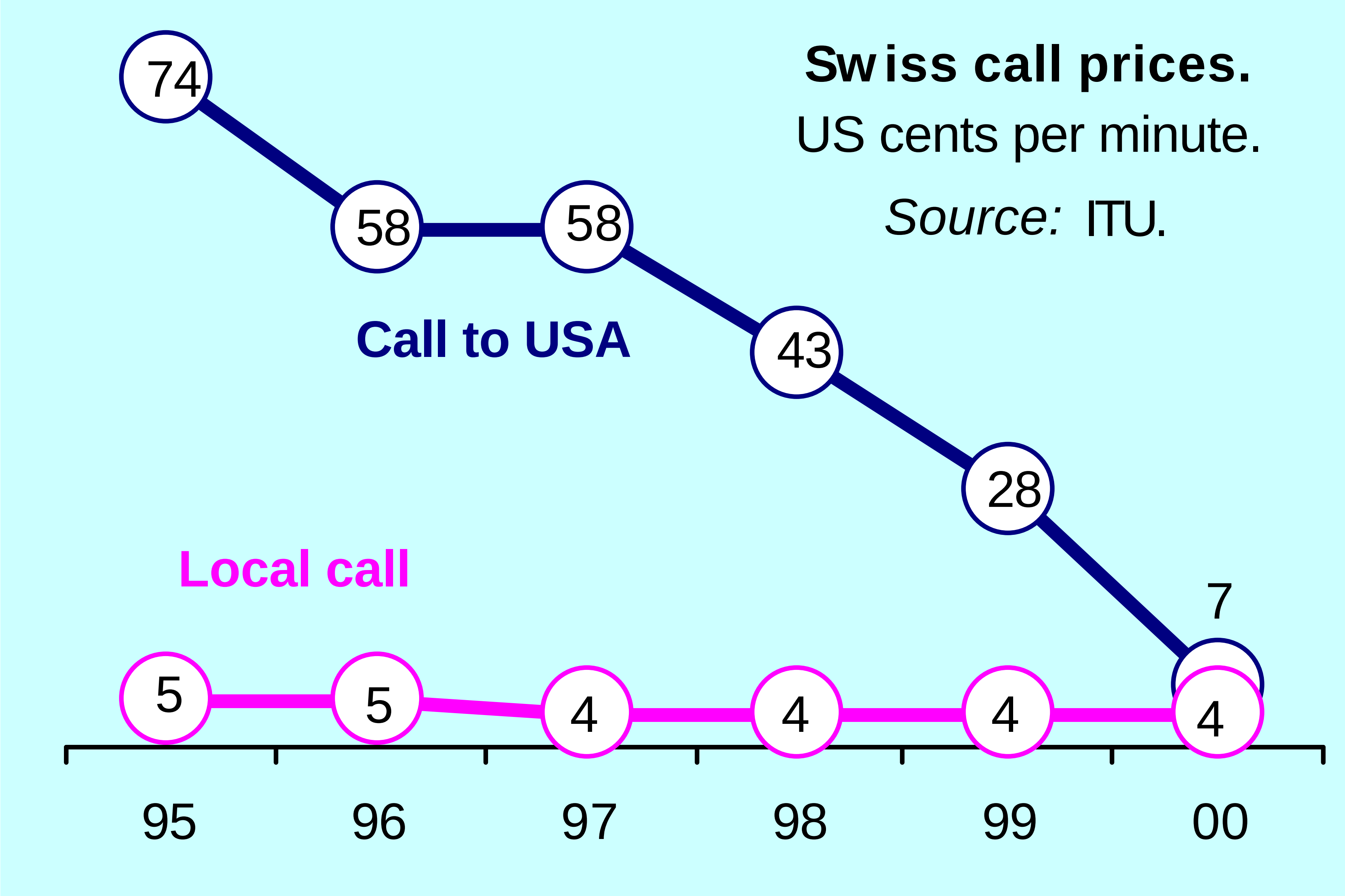
Iceland Telecom, price of 3 minute, peak-rate call, includ. tax



Source: Iceland Telecom, OECD.

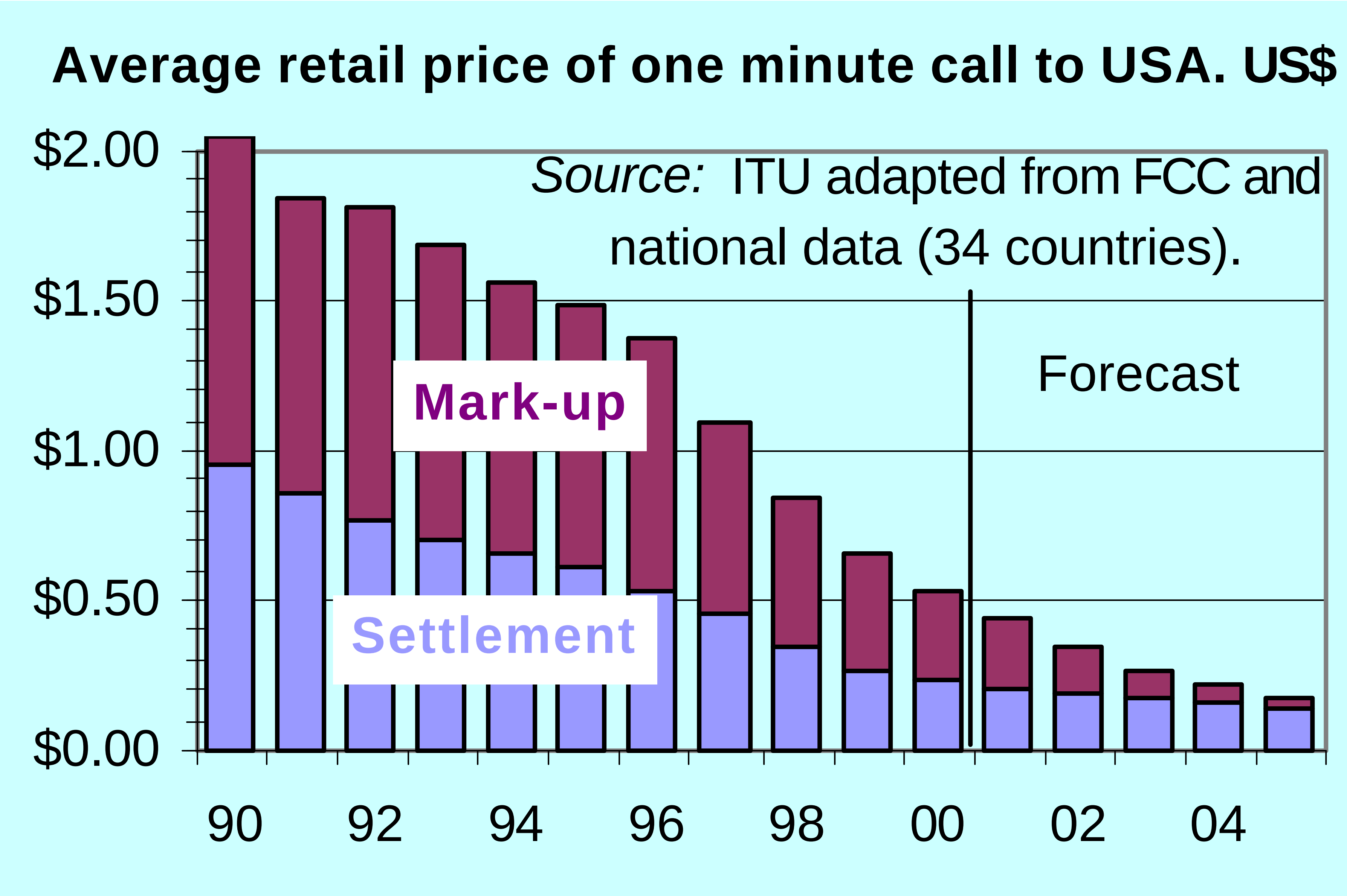
Rebalancing in action (2):

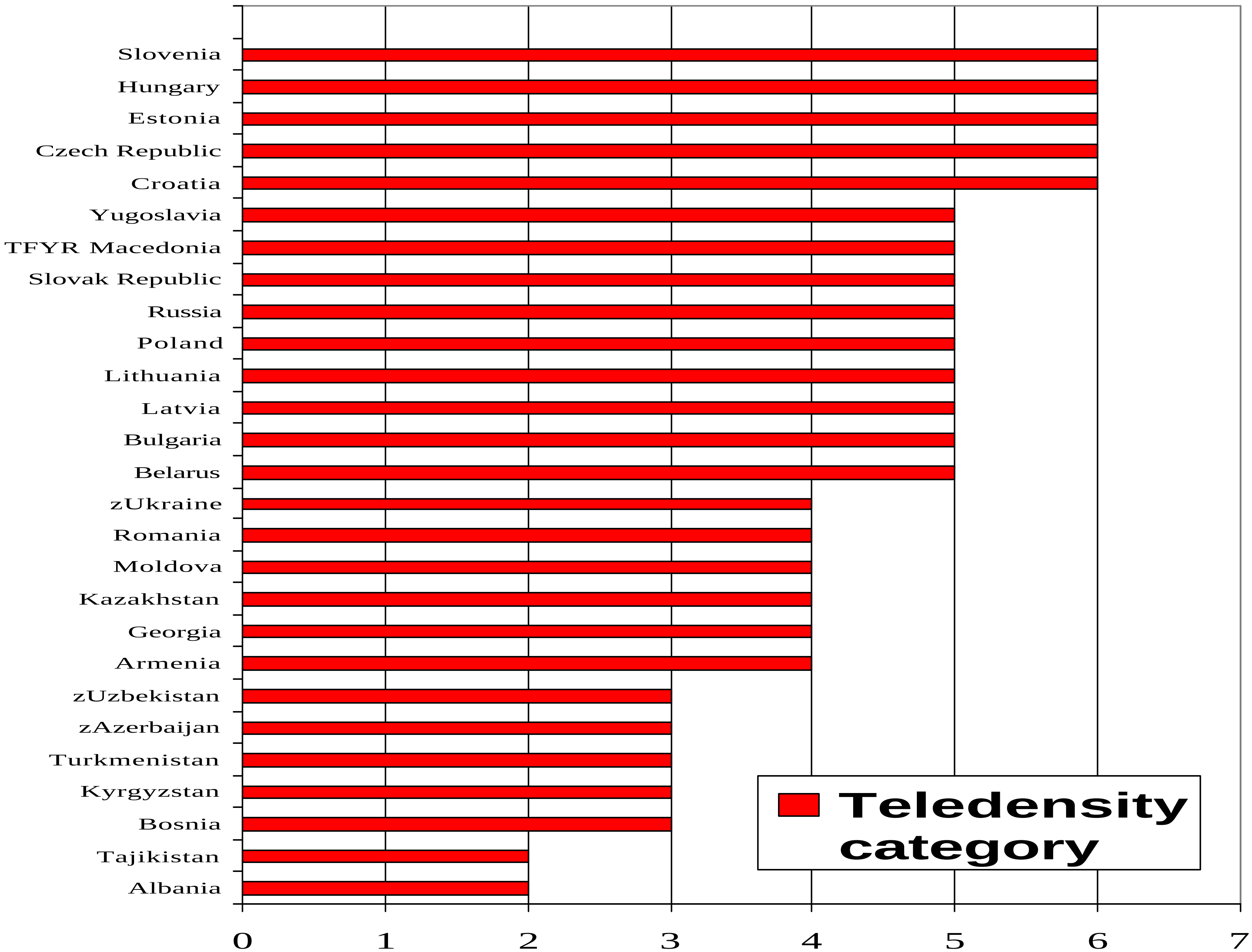
SwissCom, price per minute of local call and call to US



Rebalancing in action (3):

Trends in price per minute of an international call to USA




Slovenia
Hungary
Estonia
Czech Republic
Croatia
Yugoslavia
TFYR Macedonia
Slovak Republic
Russia
Poland
Lithuania
Latvia
Bulgaria
Belarus
zUkraine
Romania
Moldova
Kazakhstan
Georgia
Armenia
zUzbekistan
zAzerbaijan
Turkmenistan
Kyrgyzstan
Bosnia
Tajikistan
Albania
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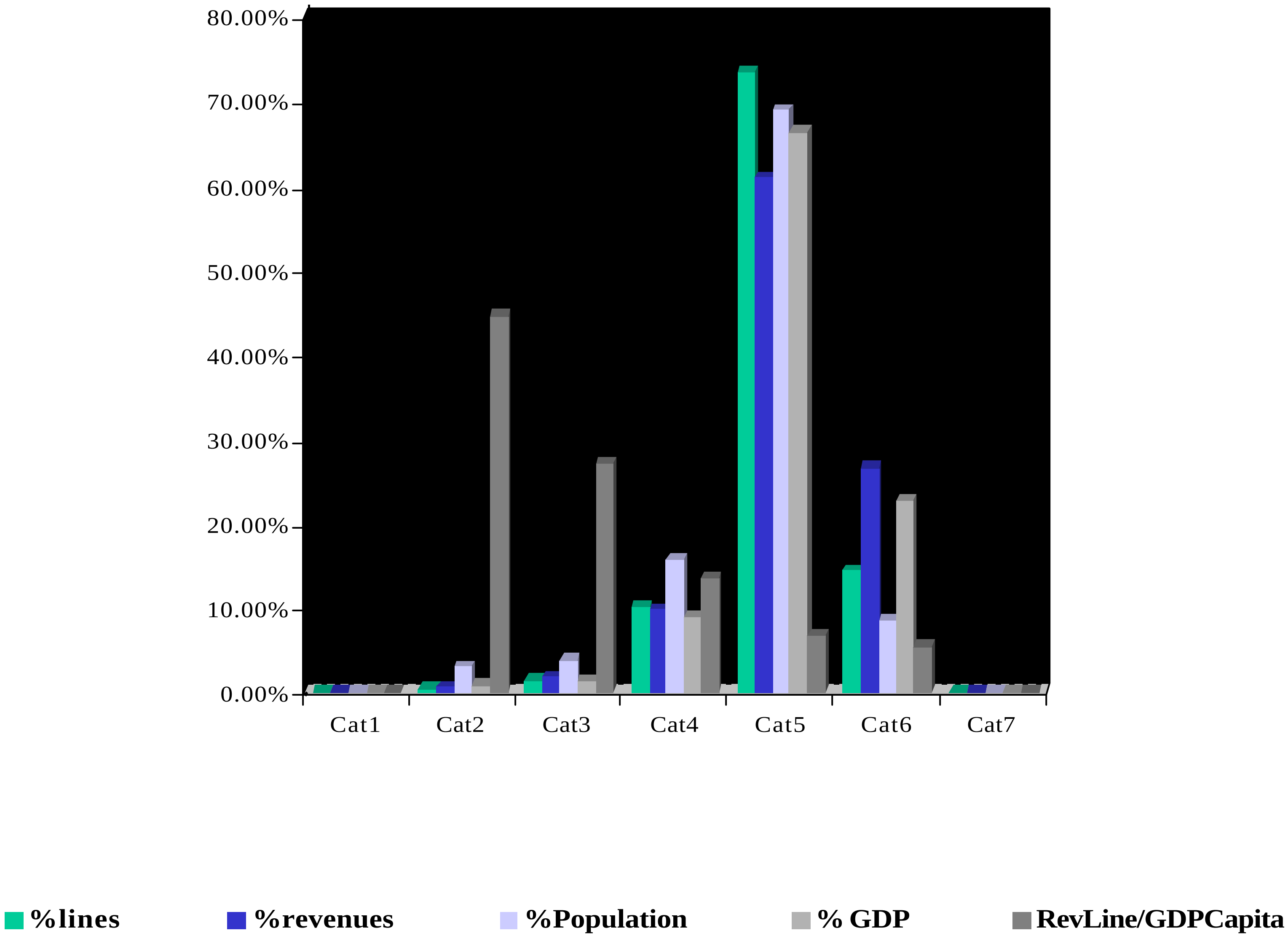
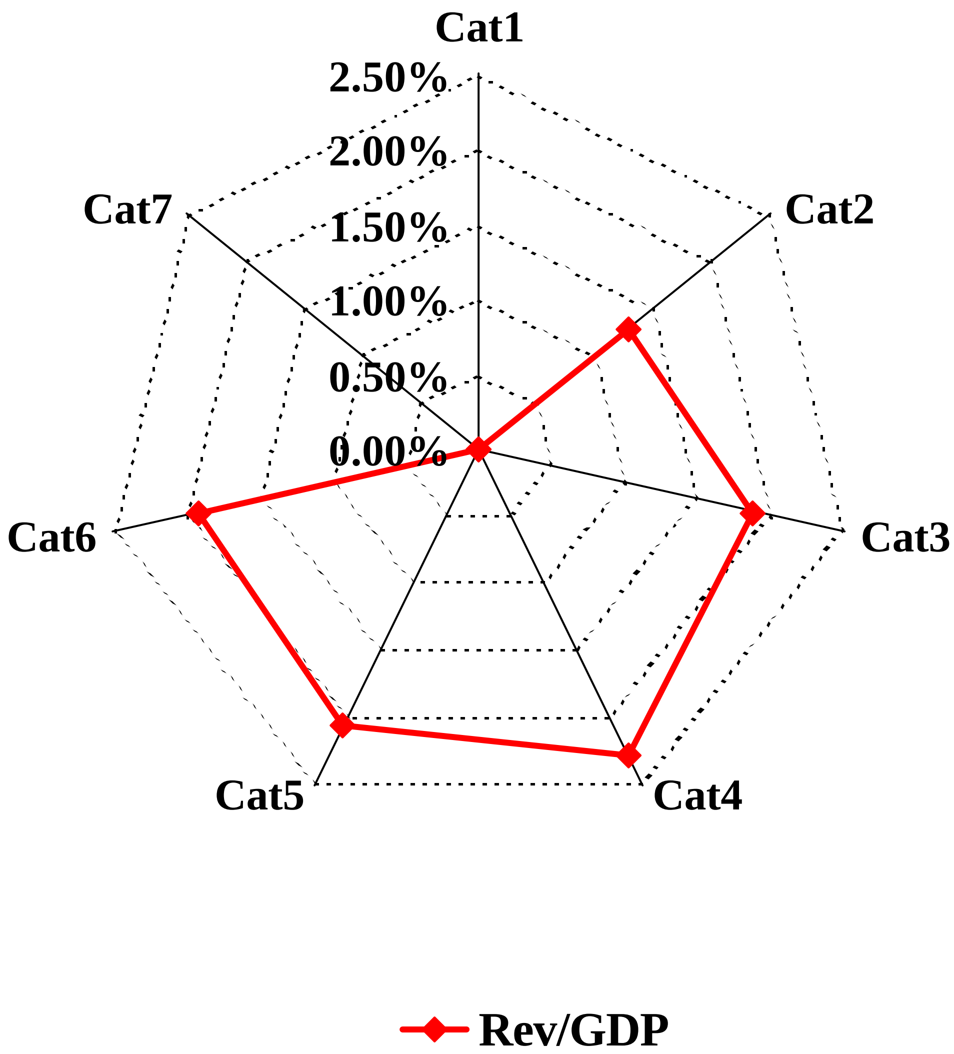
Teledensity category

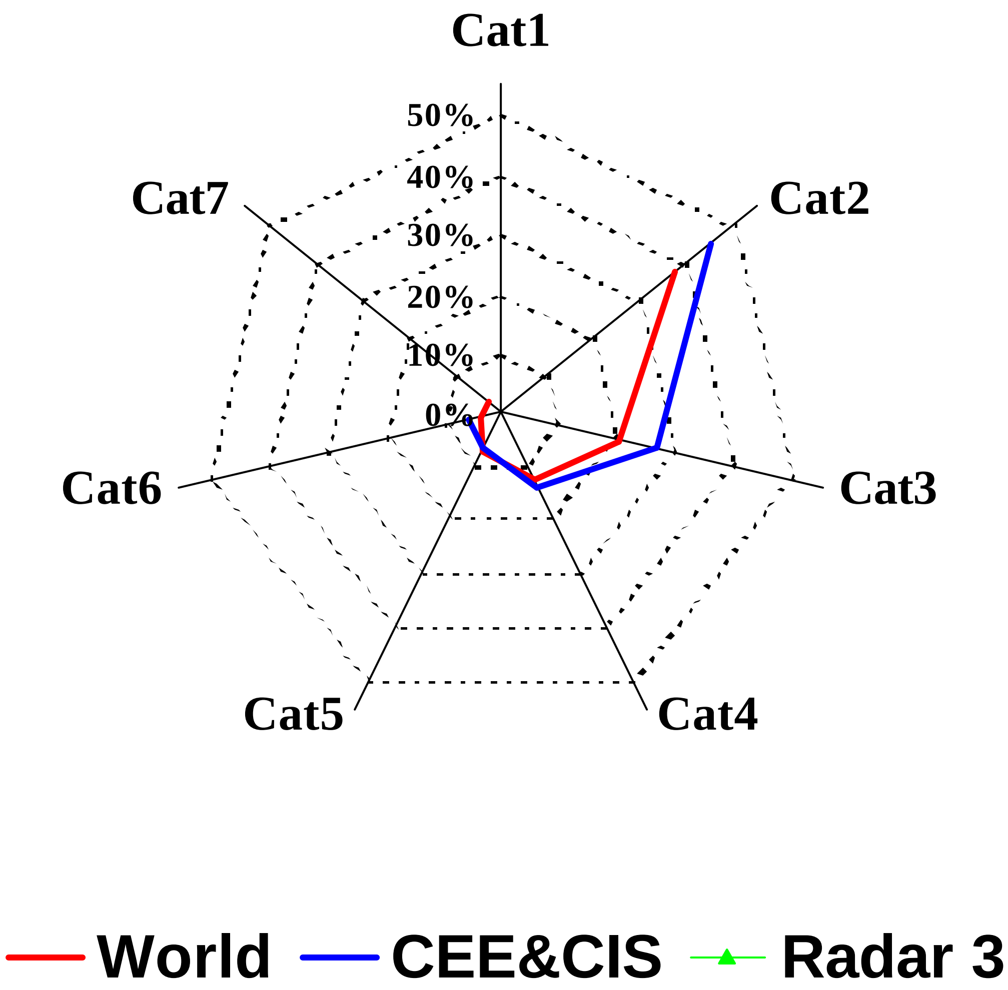


80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
Cat1
Cat2
Cat3
Cat4
Cat5
Cat6
Cat7
%lines
%revenues
%Population
% GDP
RevLine/GDPCapita



Cat1
Cat2
Cat3
Cat4
Cat5
Cat6
Cat7
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
Rev/GDP

Revenues Per Line / GDP per Capita



Revenues / GDP