Symposium on Telecommunications
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Fourth Protocol to the GATS
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ICT Market Trends

Vanessa Gray
Market Information and Statistics Division
Telecommunication Development Bureau
International Telecommunication Union

Market characteristics post BTA

Open trade in telecommunication services has contributed to:

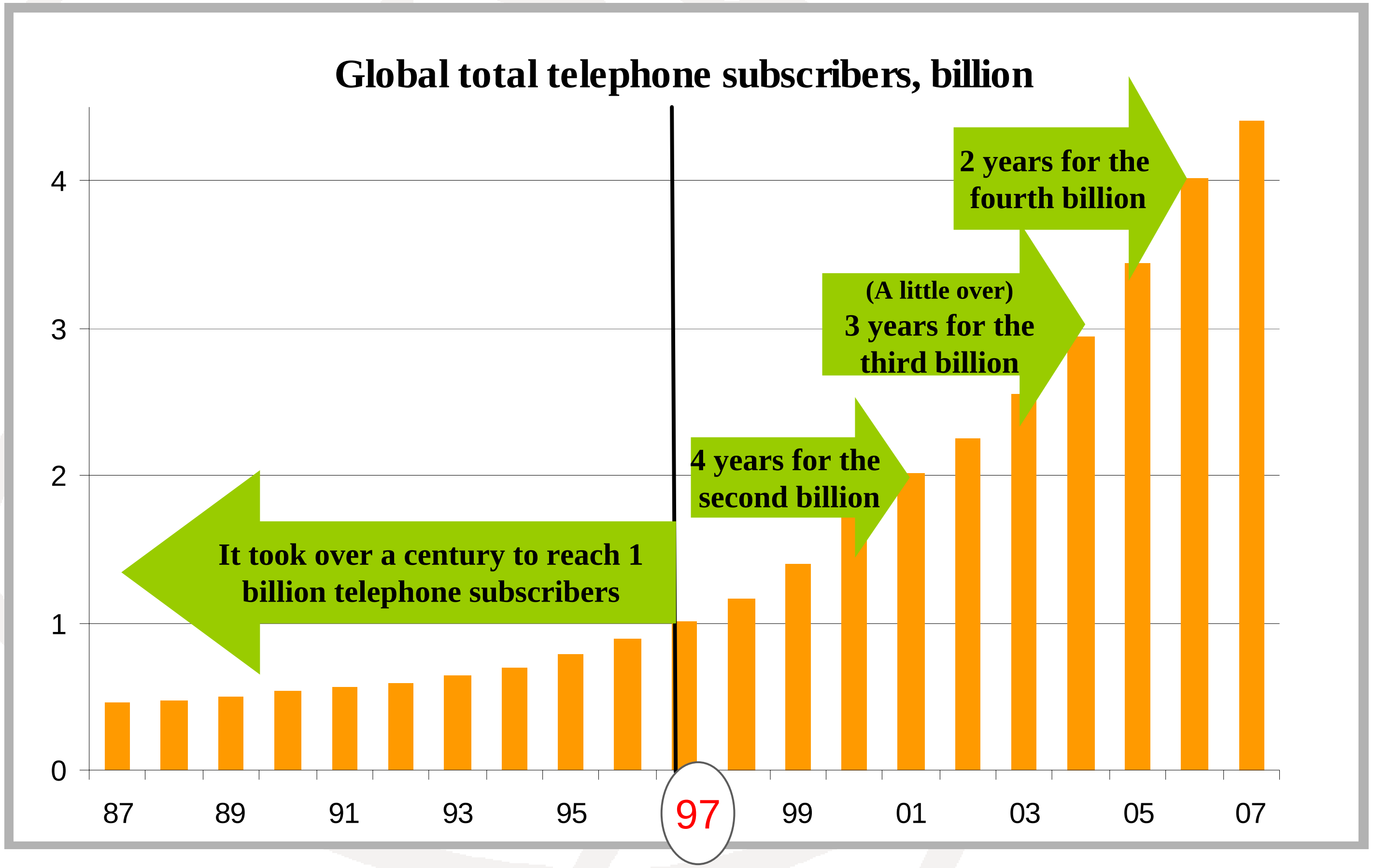
On the business/public sector side

- Competition and privatization
- New market opportunities
- Higher levels of investments and revenues
- New business models and technological innovations

On the consumer side

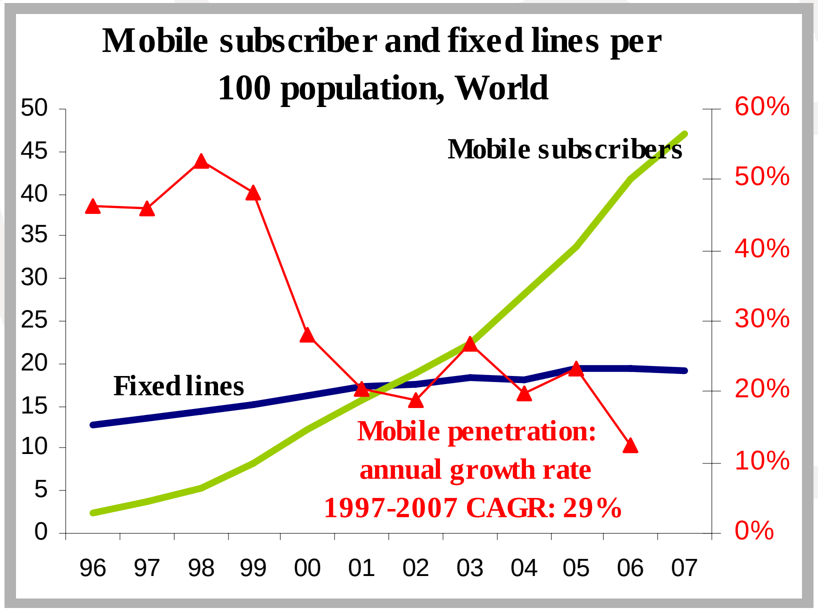
- Lower prices for businesses and consumers
- More consumer choices through new products, services and applications
- Higher ICT levels and new ICTs

10 years before and after the BTA



Source: ITU World Telecommunication/ICT Indicators Database

Competition and growth in the mobile sector



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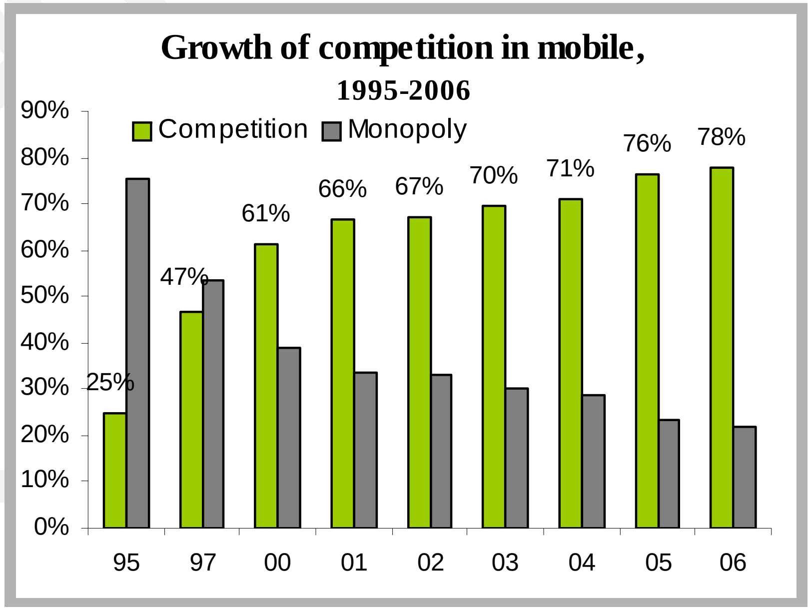
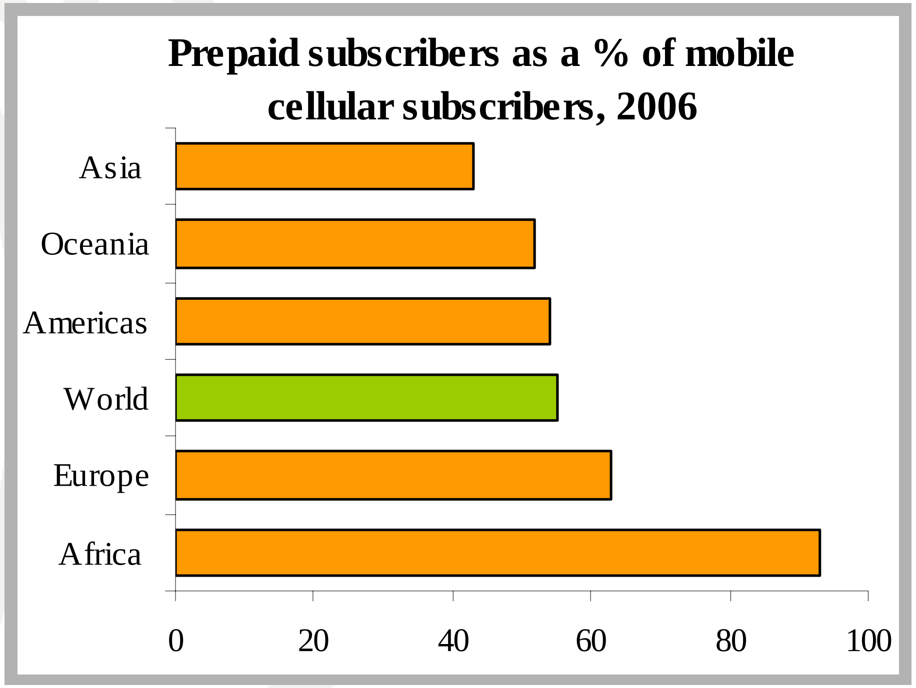


Source: ITU World Telecommunication Regulatory Database

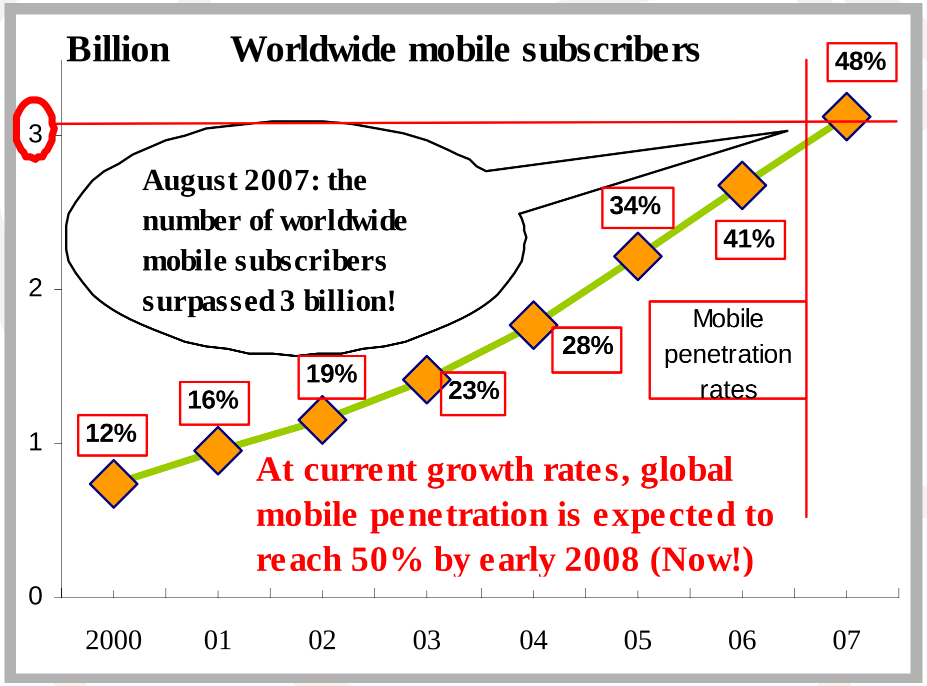
Secrets of success

- Affordability
  - Although rebalancing initially increased local call prices, international calls and mobile and Internet tariffs have decreased substantially over the last decade
- Accessibility
  - In 2006, global mobile population coverage was 79%
- Innovation in applications, services & devices
  - Prepaid (flexibility & control, low-income groups)
  - SMS (affordable, easy to use)
  - Ultra-low-cost handsets



Source: ITU World Telecommunication/ICT Indicators Database

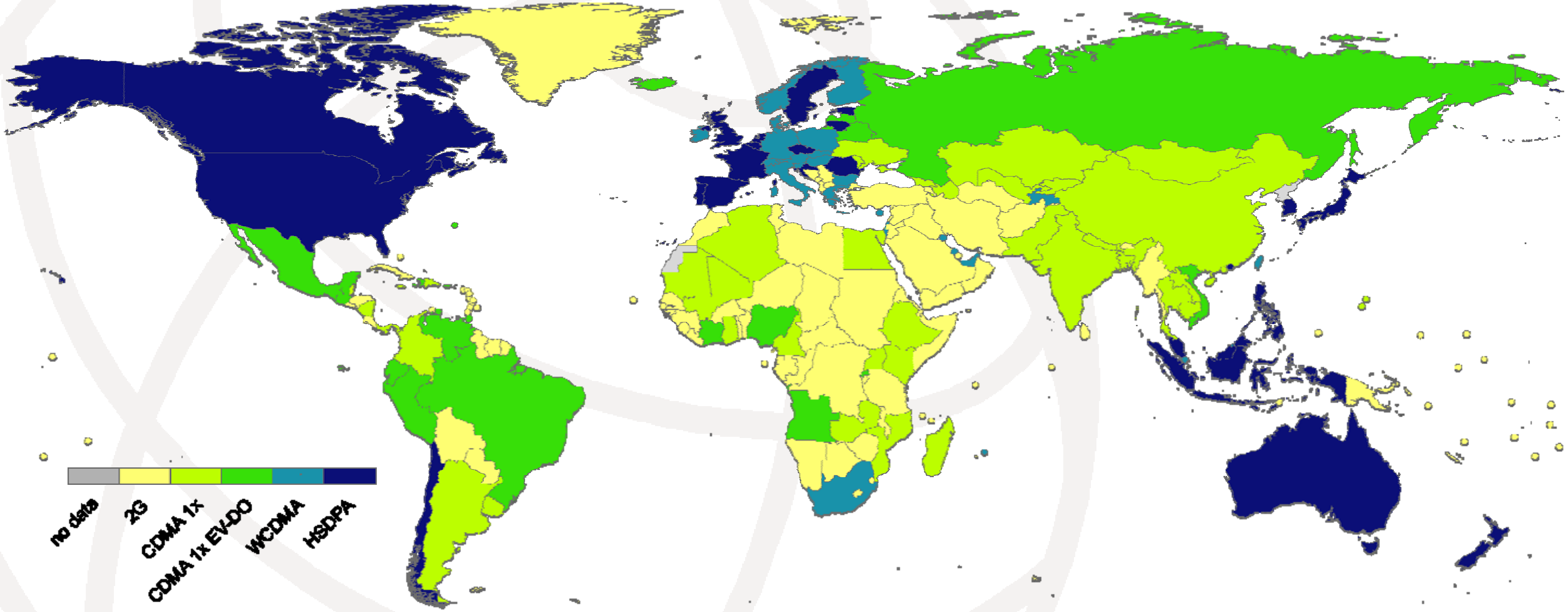
Mobile sector…still room for growth?



Source: ITU World Telecommunication/ICT Indicators Database

- Majority of new subscribers during 2007 come from BRIC economies
  - Brazil: 15 million
  - Russia: 20 million
  - India: 45 million (18%)
  - China: 80 million (40%)
- From 2G to 3G and +
  - Despite 3G auction rollercoaster and delays in rollout, more and more countries today are licensing commercial 3G networks
  - 3G subscriber numbers on the rise

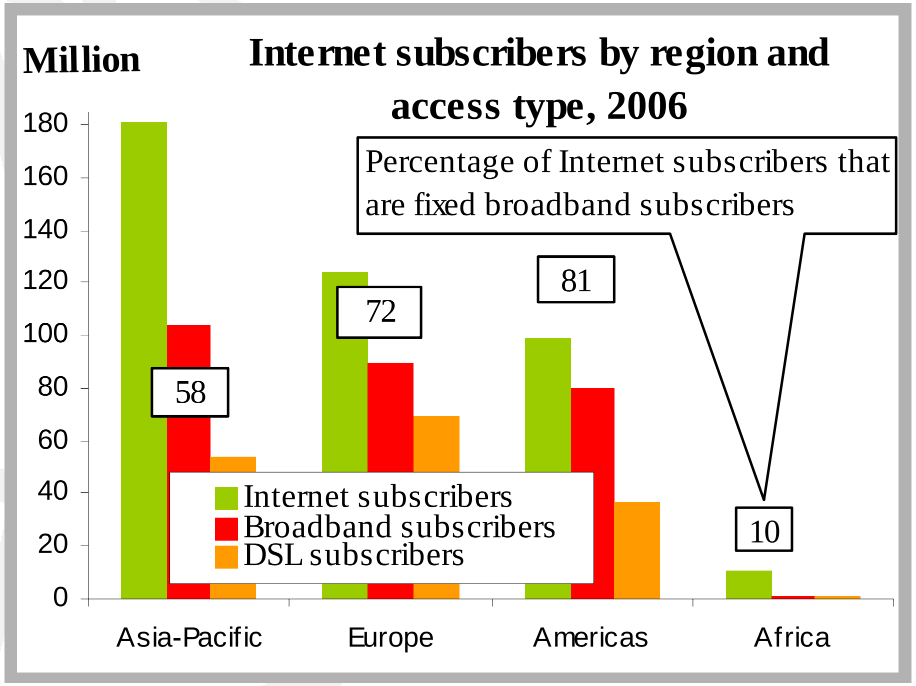
IMT worldwide, 2007



Source: ITU World Telecommunication Regulatory Database

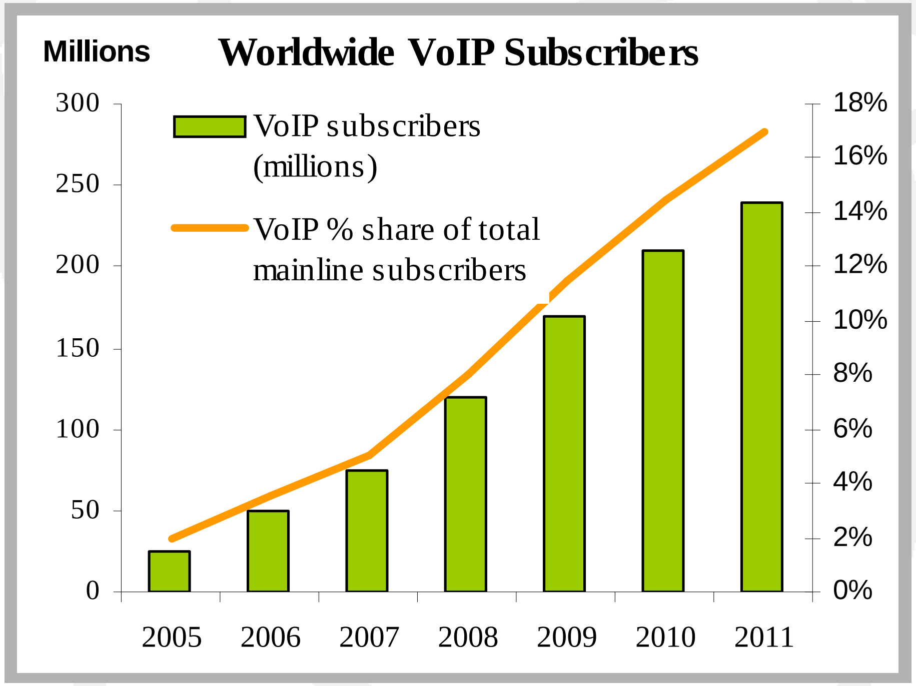
Globalization of the Internet…

- From 117 million Internet users in 1997 to over 1.2 billion today
- Move from low to high speed
  - Rep. of Korea is already 100% broadband
  - Major differences in fixed broadband penetration levels between countries and regions



Source: ITU World Telecommunication/ICT Indicators Database

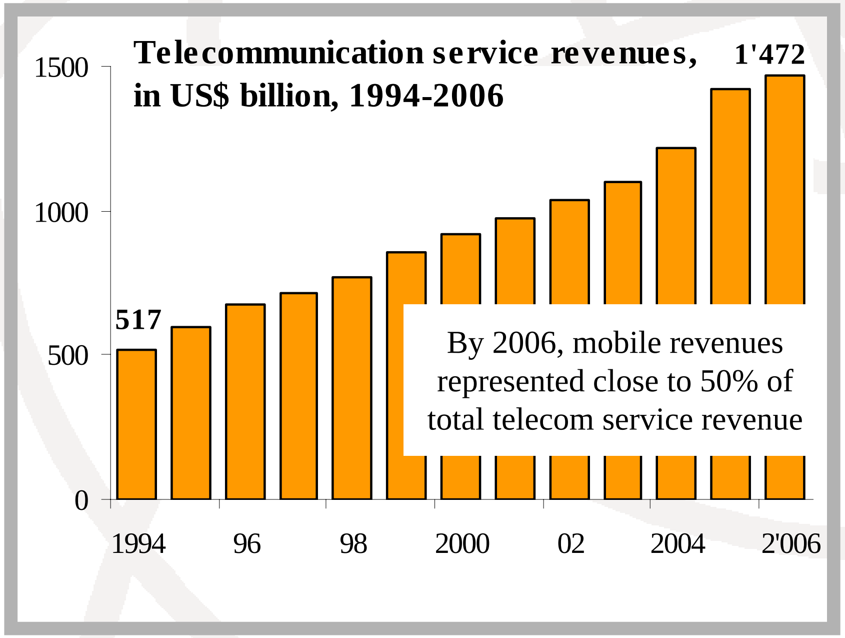
The changing face of the sector

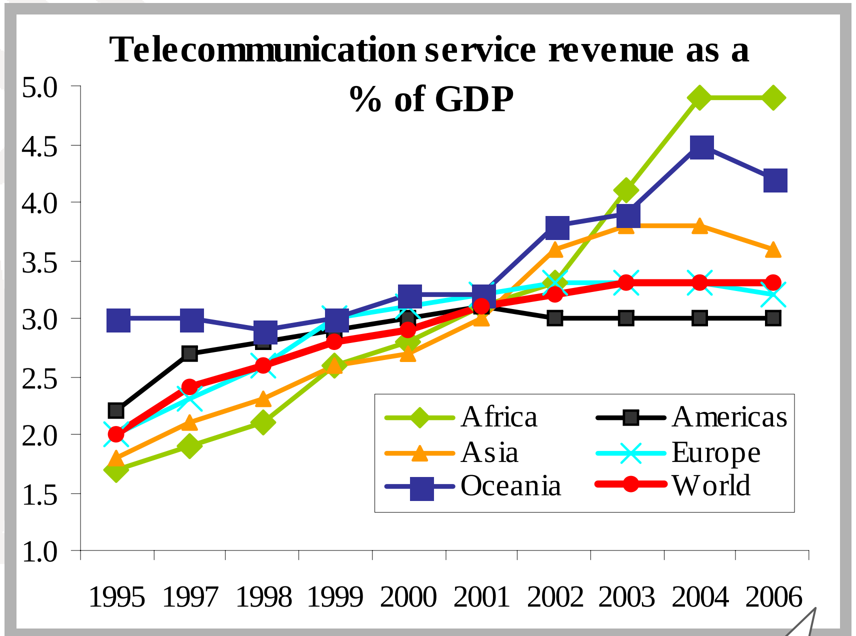


Source: iDate.

- Wireless technologies
- NGN and services
  - VoIP
  - Bundled and triple play packages
  - IPTV, VoD

Revenues





Source: ITU World Telecommunication/ICT Indicators Database

Telecom services sector is estimated to represent over 3.2% of global GDP

Business is 'mobile'

- Global Telecommunication/ICT sector is characterized by cross-border competition and strategic investors
- Vodafone: active in some 30 countries across Europe, Middle East, Africa, Asia Pacific and the US (total of 252 million customers)
- Take Africa: Top ten MNO (in terms of subscribers) include strategic investors and companies from Africa and abroad
  - MTN, Orascom Algeria, Glo Mobile, Vodacom
  - Vodafone, STC, Maroc Telecom/Vivendi, Mobilnil/Orange
- Although focus has been on mobile sector, fixed line market is increasingly open to competition and FDI
- Fierce competition has led operators to adopt new business models and target previously unconnected/rural areas and low-income groups to increase their subscriber base

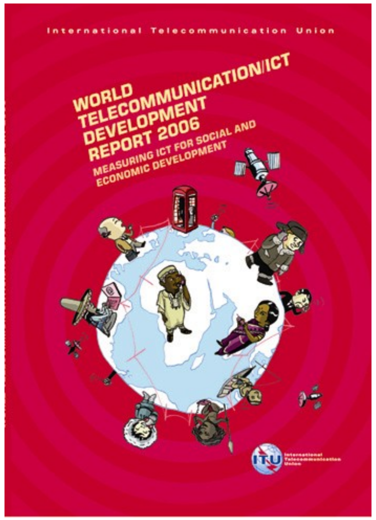
February 2008: Vodafone announces plans to add another 100 million (mainly rural) customers in India over the next three years

The broader impact of ICTs

- Growth and developments in telecommunications and ICT have led not only to higher ICT access levels and growing revenues in the sector itself
- Although more difficult to measure, there is clear evidence for the indirect positive impact of ICTs on
  - Productivity - Transparency
  - Development (MDGs/WSIS)

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT
OECD

**January 2008 study on:
Measuring the Impacts of ICT Using Official Statistics**



Thank You

For further information, contact:

vanessa.gray@itu.int

and visit

www.itu.int/ict