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ICT Market Trends

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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

Global total telephone subscribers, billion

It took over a century to reach 1 billion telephone subscribers

2 years for the fourth billion

(A little over) 3 years for the third billion

4 years for the second billion

Source: ITU World Telecommunication/ICT Indicators Database
Competition and growth in the mobile sector

Source: ITU World Telecommunication/ICT Indicators Database

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?

- 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

Source: ITU World Telecommunication/ICT Indicators Database
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

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

Source: iDate.
Revenues

Telecommunication service revenues, in US$ billion, 1994-2006

By 2006, mobile revenues represented close to 50% of total telecom service revenue

Telecommunication service revenue as a % of GDP

Source: ITU World Telecommunication/ICT Indicators Database
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)

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

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