Mobile Overtakes Fixed: What happens next?

Dr Tim Kelly
Co-ordinator, Strategies & Policy Unit (SPU), International Telecommunication Union,
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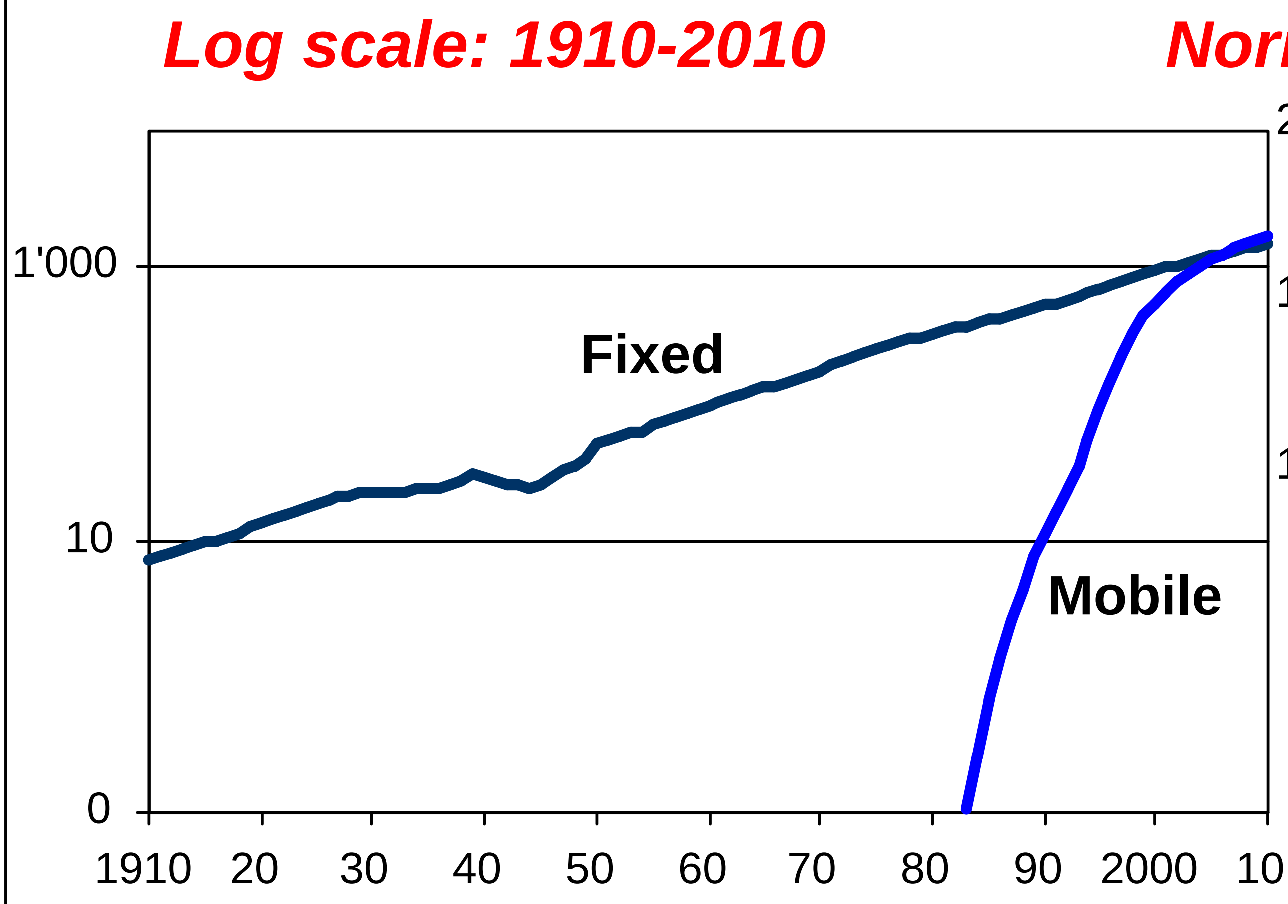
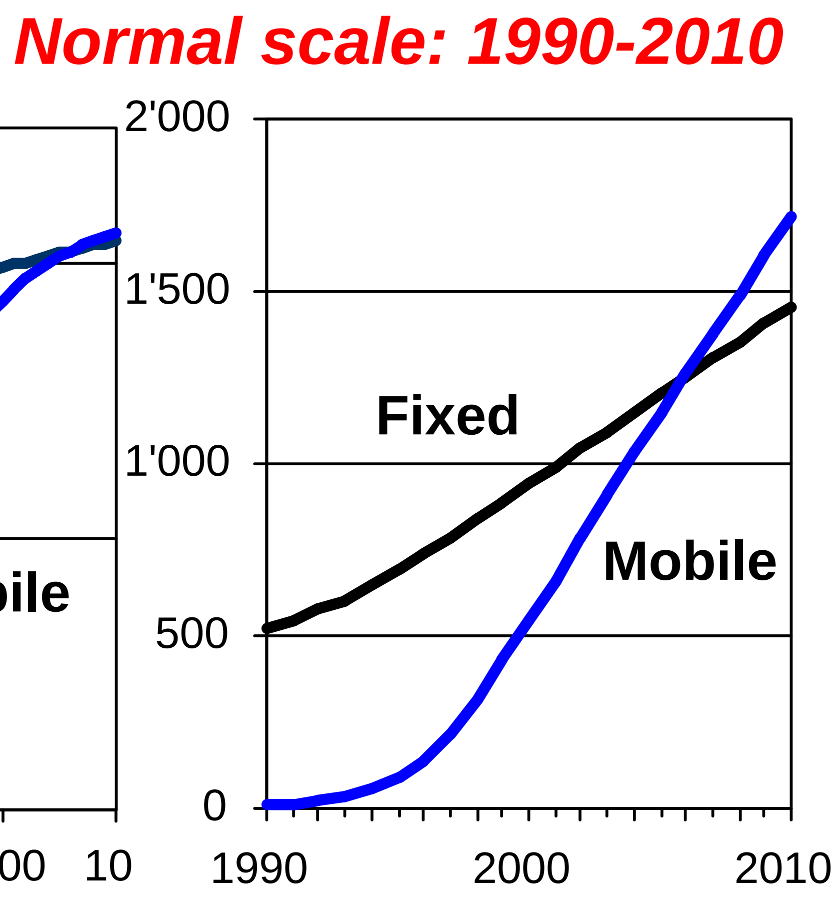
Note: The views expressed in this presentation are those of the author and do not necessarily reflect the opinions of the ITU or its membership. Dr Tim Kelly can be contacted by e-mail at Tim.Kelly@itu.int.

Agenda

- **Mobile Overtakes Fixed**
  - ⇨ **Long-term trends**
  - ⇨ **Recent trends**
  - ⇨ **Individual examples**
- **What happens next?**
  - ⇨ **Implications for Universal Service/Universal Access**
  - ⇨ **Implications for IP world**

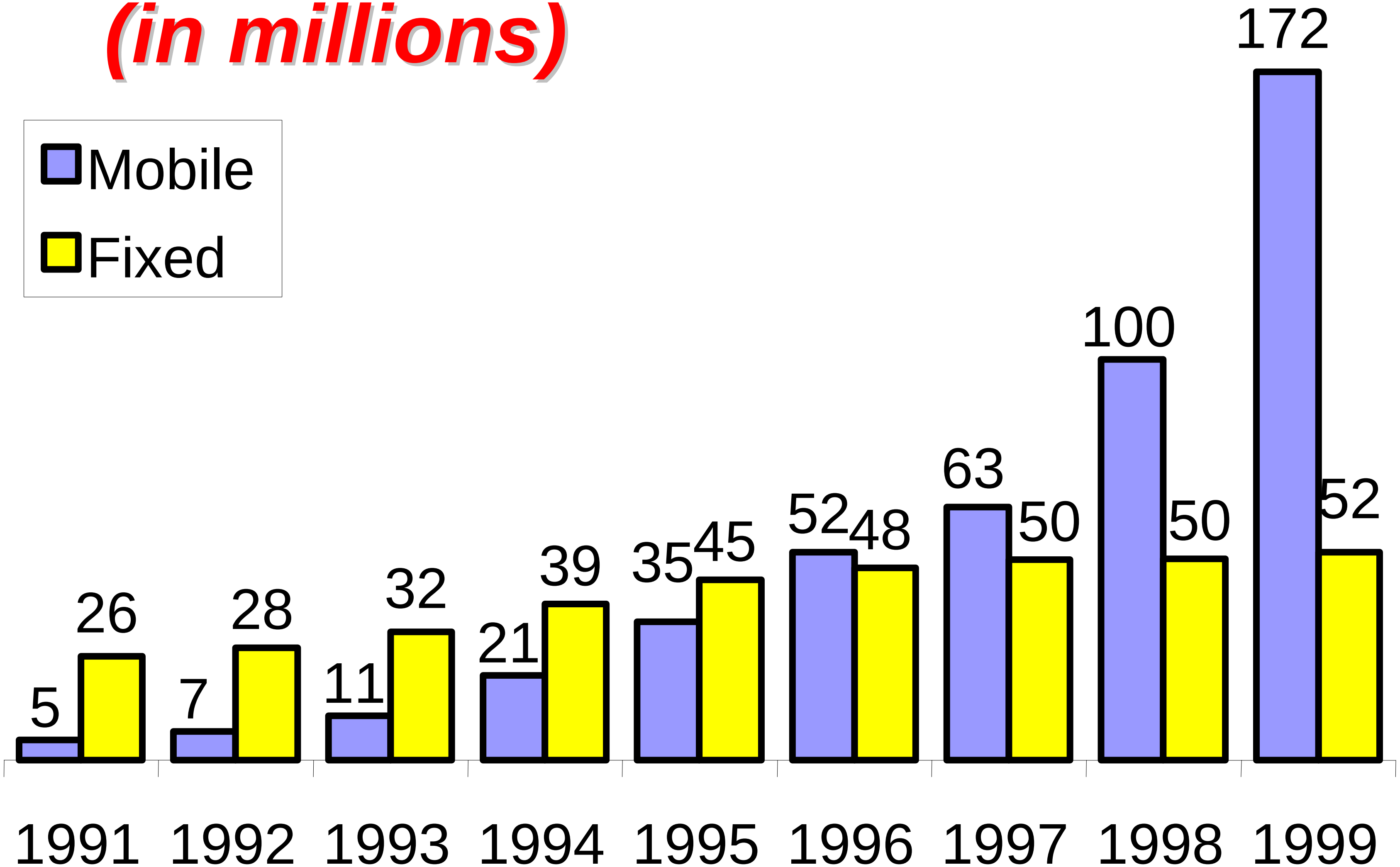
100 years of telephones





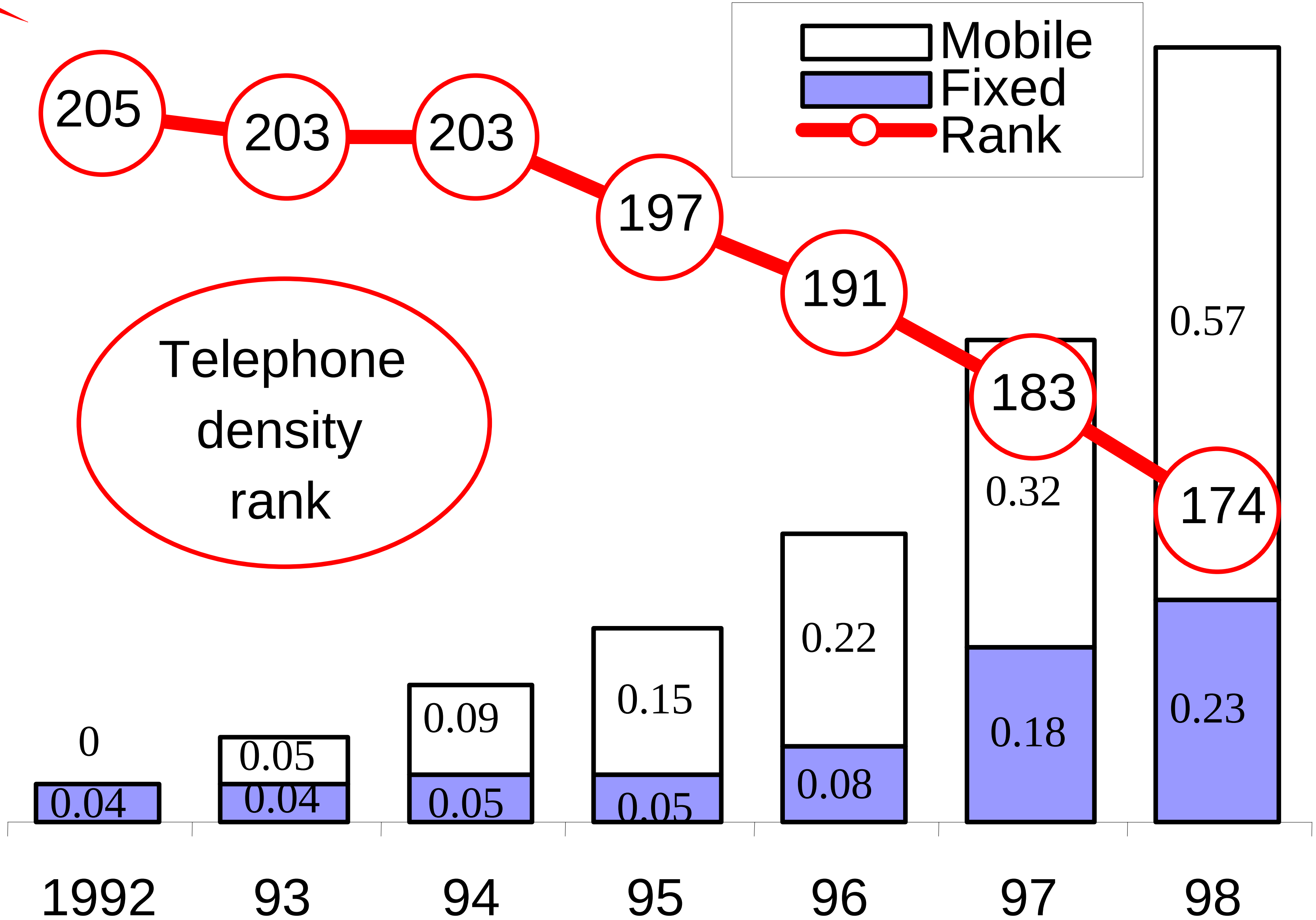
Source: ITU, "World Telecommunication Development Report: Mobile Cellular" 1999.

Recent trends:
Number of new connections added per year to the global network (in millions)



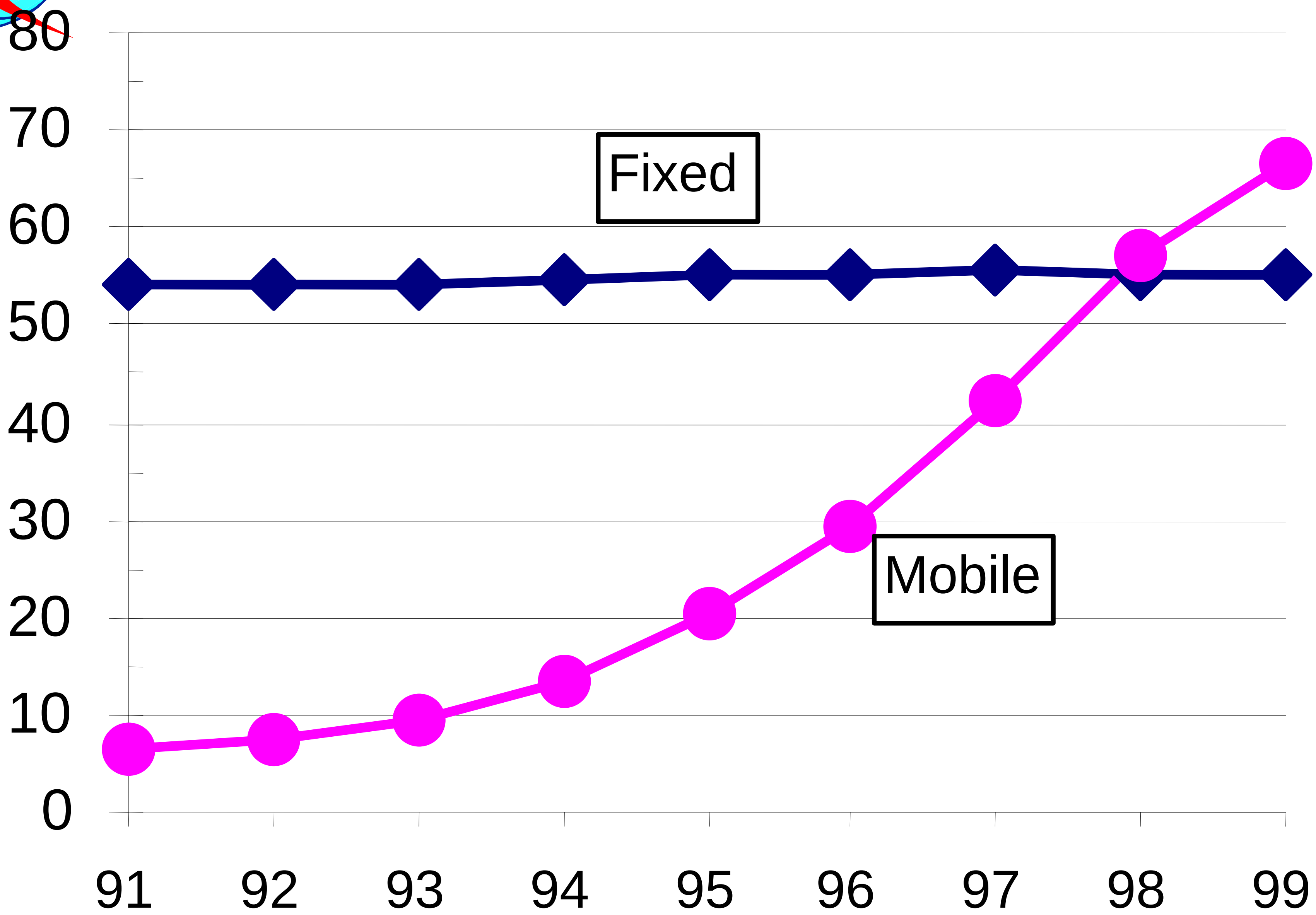
Source: ITU, “World Telecommunication Development Report: Mobile Cellular” 1999.

Example 1: Cambodia



Source: ITU, "World Telecommunication Development Report: Mobile Cellular" 1999.

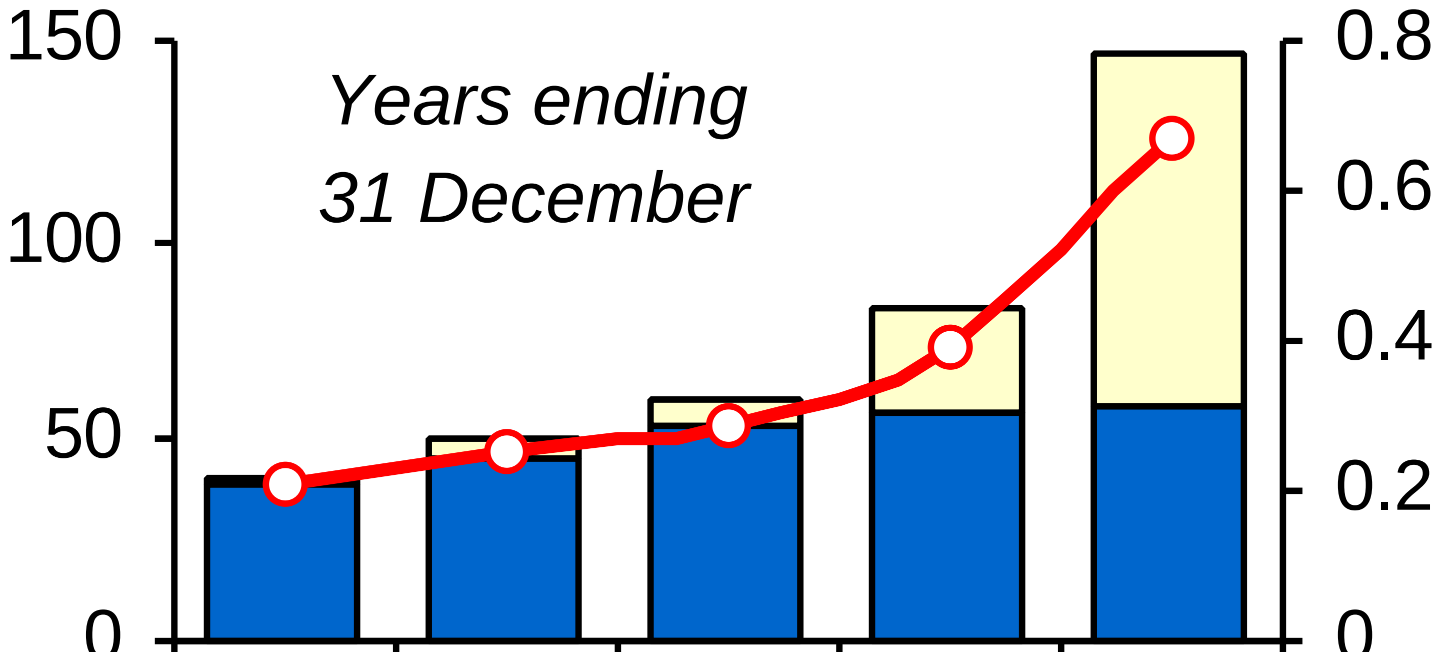
Example 2: Finland



Source: ITU, “Mobile/Fixed Interconnect: Finland case study”

Example 3: Uganda

Telephone subscribers, Uganda, (000s)

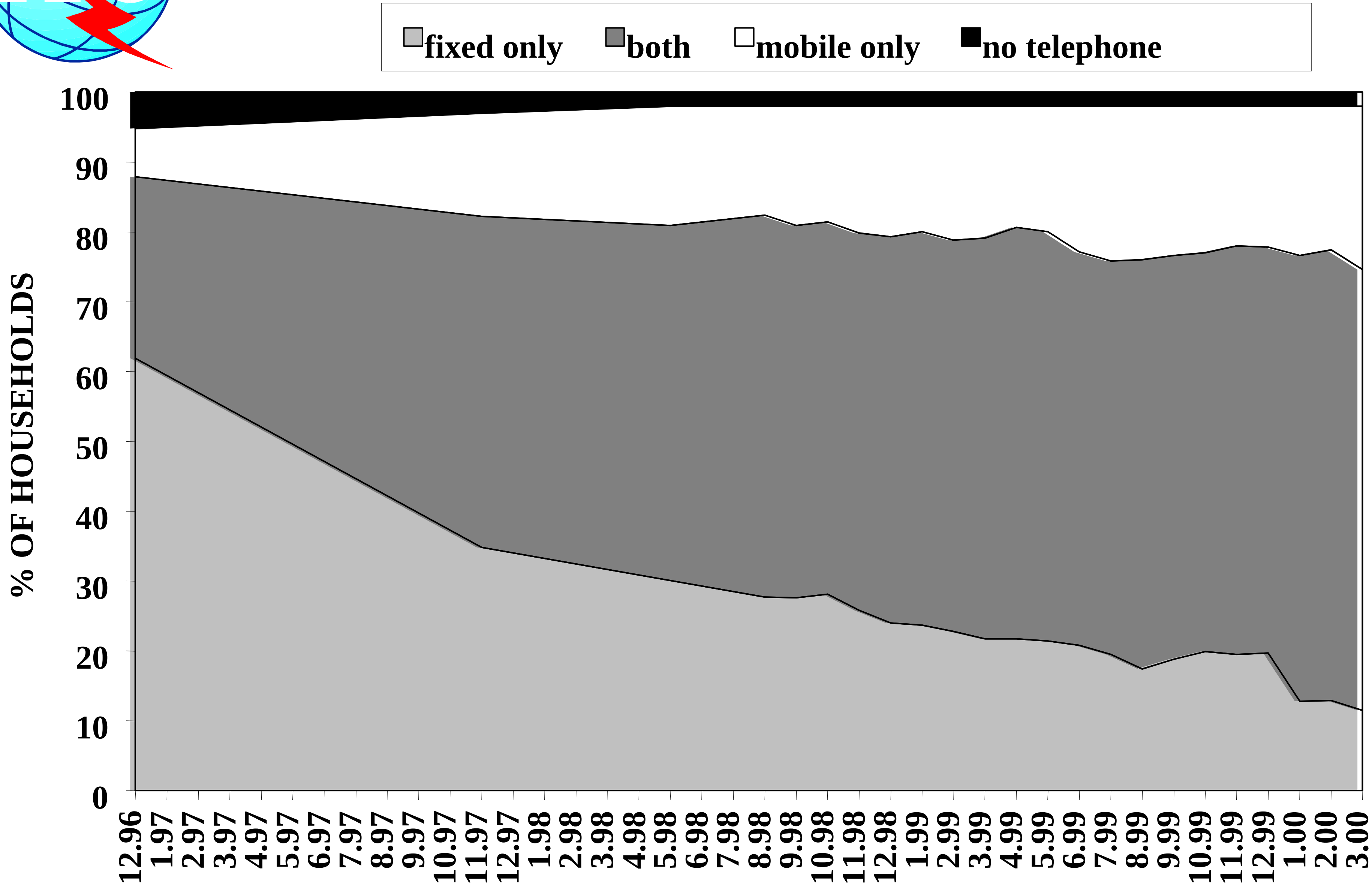


	'95	'96	'97	'98	'99
Mobile	2	4	7	26	87
Fixed	39	46	54	57	59
Penetration	0.21	0.25	0.29	0.39	0.67

What happens next?
Universal service/access

- **Traditional universal service**
  - ⇨ **Availability, Accessibility, Affordability [of fixed-line service]**
  - ⇨ **Funding via [hidden] tariff subsidies or [transparent] universal services fund/agency**
- **"Post-Mobile" universal service**
  - ⇨ **Mobile may well be cheapest & most effective way of reaching the "unphoned"**
  - ⇨ **Pre-paid is becoming dominant paradigm for low-cost access**
  - ⇨ **Geographical coverage is key issue**
  - ⇨ **Persistence of subsidy-based funding mechanisms may hinder market development**

Access in Finland



Source: ITU, "Mobile/Fixed Interconnect: Finland case study"

What happens next?
Implications for IP world

- **Traditional Internet**
  - ⇨ **Access from dial-up and leased line connections**
  - ⇨ **Content providers receive no direct compensation from carriage providers**
- **“Post Mobile” Internet**
  - ⇨ **3G mobile licences are proving very valuable (around US$40 billion bid for UK licences)**
  - ⇨ **Future Internet devices may be:**
  - ⇨ **Access from 3G mobile-ready devices, purchased off-the shelf, which automatically log-on to nearest mobile ISP**
  - ⇨ **[Some] Content providers receive share of per-minute access charges**
  - ⇨ **Location-specific services**