Cable TV in Portugal

Market trends and key enablers

Cristina Lourenço
External Affairs Department - ANACOM

ITU Workshop 'The Future of Cable TV'

Geneva, 25.01.2018

1. Cable TV in Portugal

Cable TV in Portugal

First licenses were granted in 1994

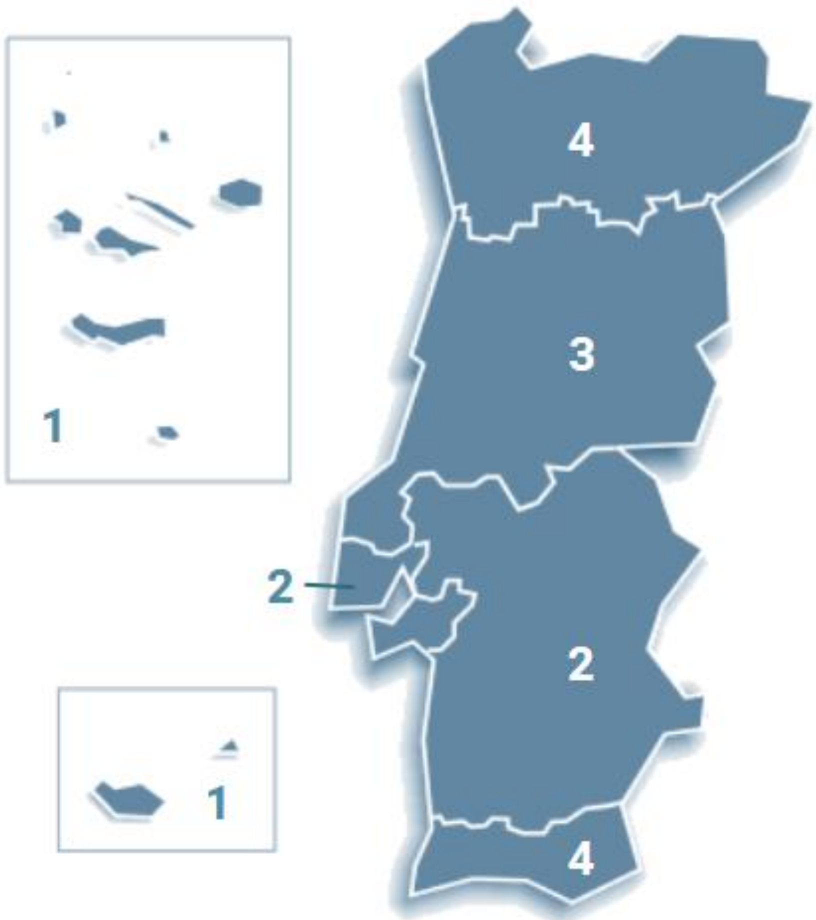
Several operators entered the market

Subsidiary of the incumbent (spinned-off in 2007)

Multinational companies

Local/regional operators

Cable TV in Portugal: 2018



9 operators

2 nationwide netwoks

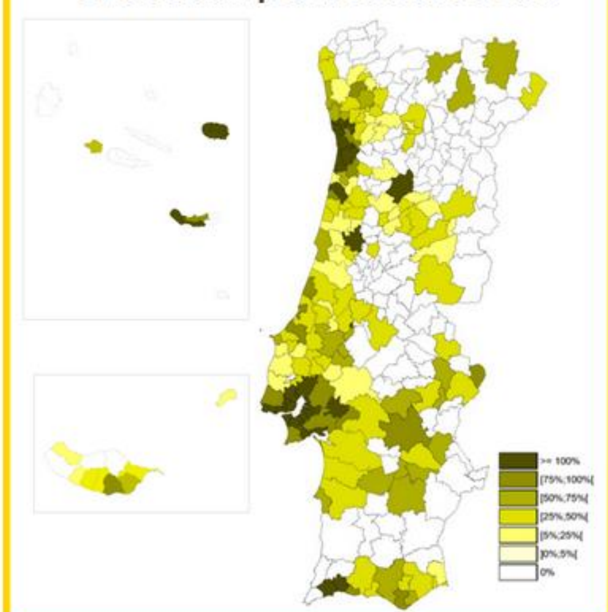
7 regional / local operators

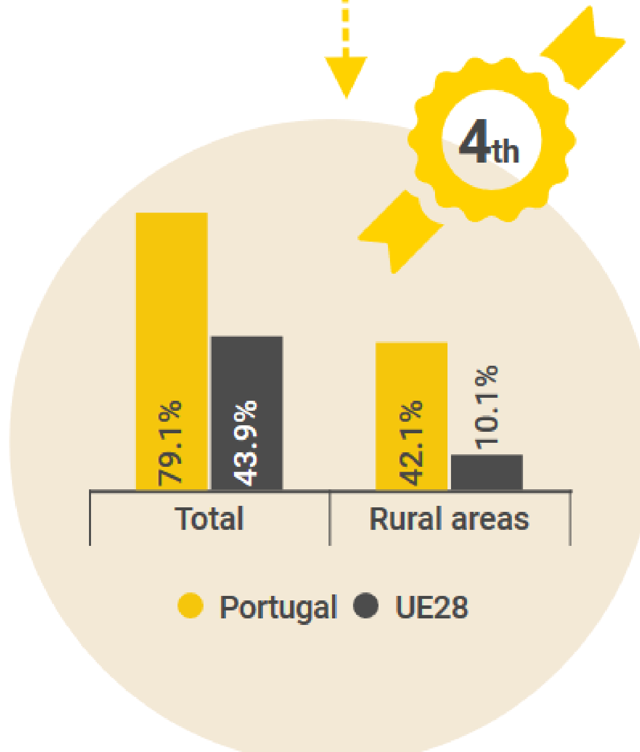
Cable TV in Portugal: Coverage

ANACOM AUTORIDADE NACIONAL DE COMUNICAÇÕES

Portugal	Cabled households	4th in the EU ranking	EURODOCSIS 3.0
79,1% of dwellings 42,1% in rural areas	+ 0,7% last year + 6,7% last 5 years		99,6% of cable Satellite in low density areas 14,8% of subscribers

175 municipalities out of 308





Cable TV in Portugal: Penetration and subscribers

ANACOM AUTORIDADE NACIONAL DE COMUNICAÇÕES

Cable TV

33,2% of households

1,35 millions of subscribers

36,1% of pay TV subscribers

Cable modem fixed Broadband

19,2% of households

1,16 millions of subscribers

32,8% of broadband subscribers

Cable telephony

32% of households

1,3 millions of subscribers

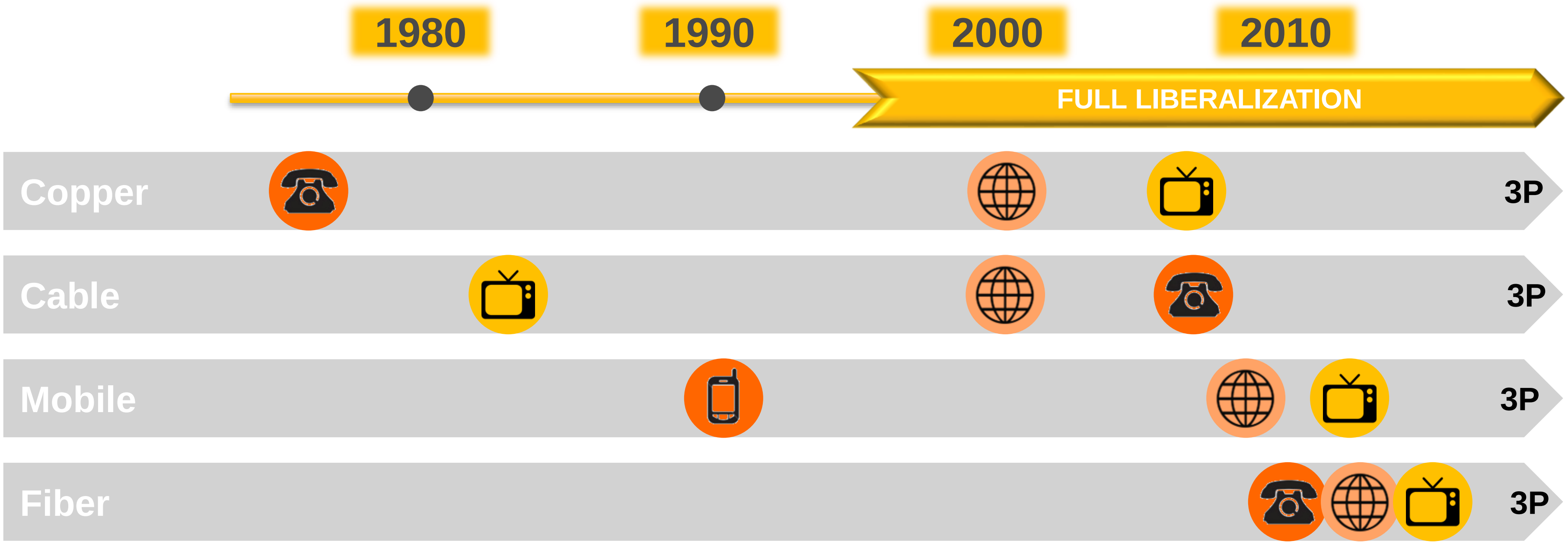
28,7% of fixed voice subscribers

2. Market Trends

Services convergence

Portuguese market

ANACOM AUTORIDADE NACIONAL DE COMUNICAÇÕES



From one access type adapted to a specific service (e.g. voice over copper loops and TV over cable networks)

To multi services (3P) over multiple access types

There is no longer a Cable TV sector in Portugal

ANACOM AUTORIDADE NACIONAL DE COMUNICAÇÕES

The emergence of alternative pay TV networks and operators

xDSL (2005), FTTH (2007)

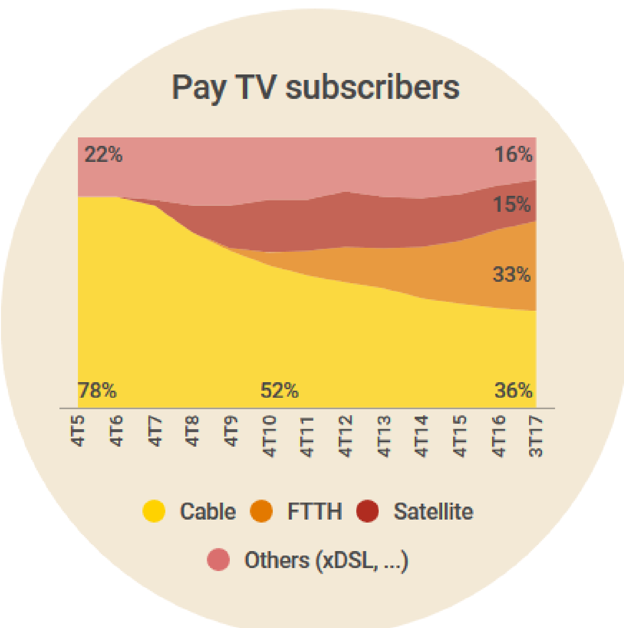
Cable TV is no longer a single play service

2P / 3 play offers (1999)

Cable TV operators became mobile operators ...

... through M&A or by becoming MVNO's
Convergent bundles: 4/5 play offers (2013)

Cable TV subscribers: 36% of Pay TV



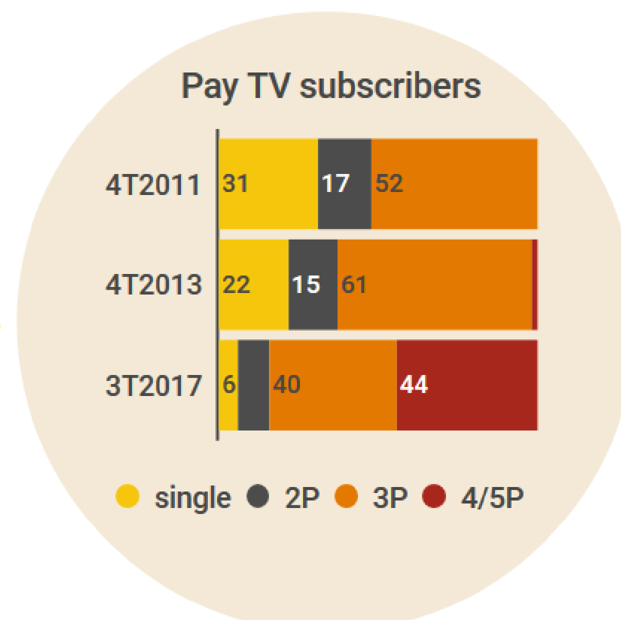
Single play service

6% of pay TV subscribers
-20 p.p. in last 5 years

Bundles

94% of Pay Tv subscribers

Convergent bundles: 44% of Pay TV subscribers



New TV viewing habits

ANACOM AUTORIDADE NACIONAL DE COMUNICAÇÕES

OTT services

FOXplay
NETFLIX
amazon
NOS Play

2015

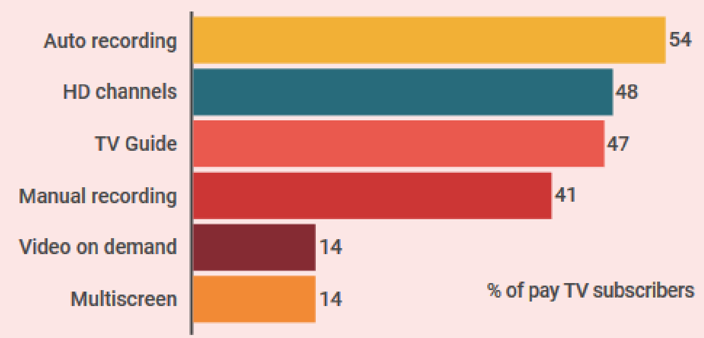
First offer in Portugal

6,1%

Subscribers of video streaming on demand per 100 inhabitants

New funcionalities / non-linear viewing

Video on demand
Advanced search
Box Ultra HD 4K
HD channels
Restart TV
Auto recording
TV Guide
Multiscreen TV
Manual recording
Mobile TV
Time shifting



Source: Barómetro de Telecomunicações, Marktest

New and improved offers

Market evolution

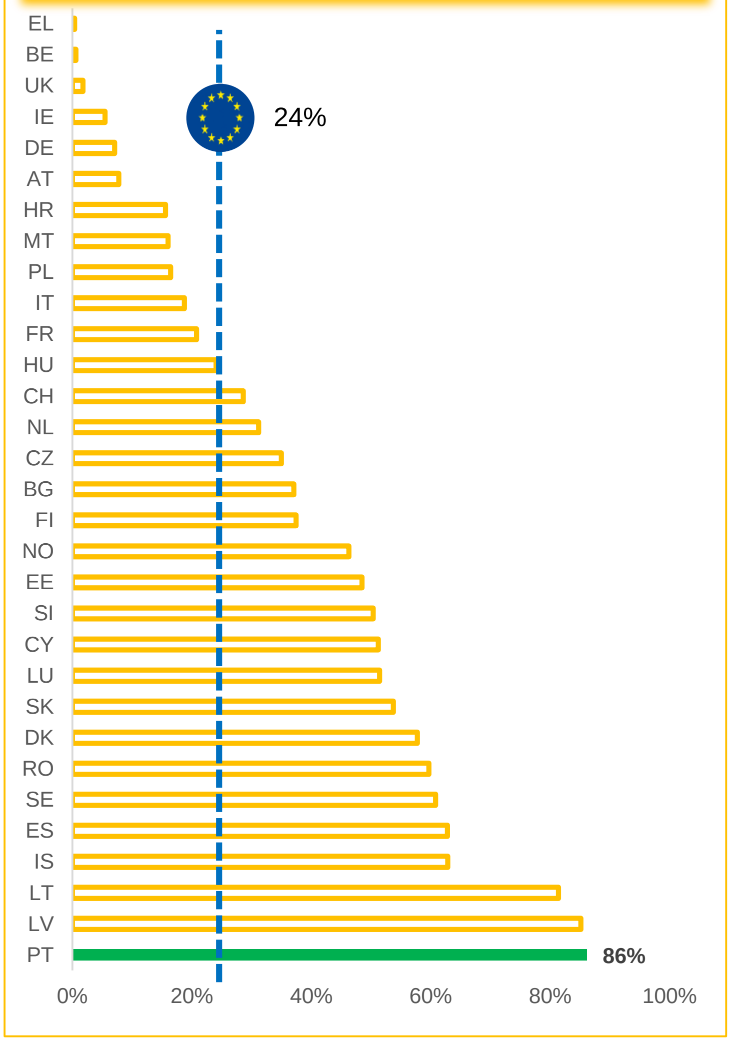
Cable TV offers

	2012	2017
TV channels (average number)	57	98
Download speed (Mbps)	45	151
Services (average number)	2.8	4.4
Offers including OTT services (%)	0	41.5

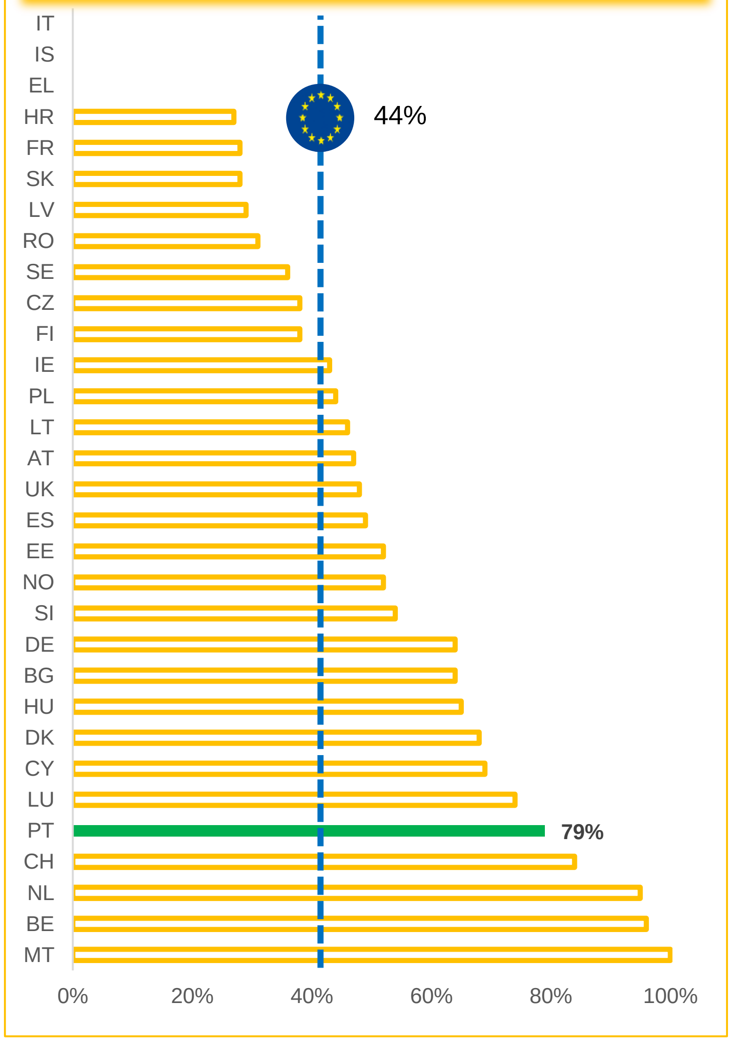
There are no “skinny” bundles in Portugal or channel unbundling

Conectivity - Coverage (2016)

Households covered with FTTH



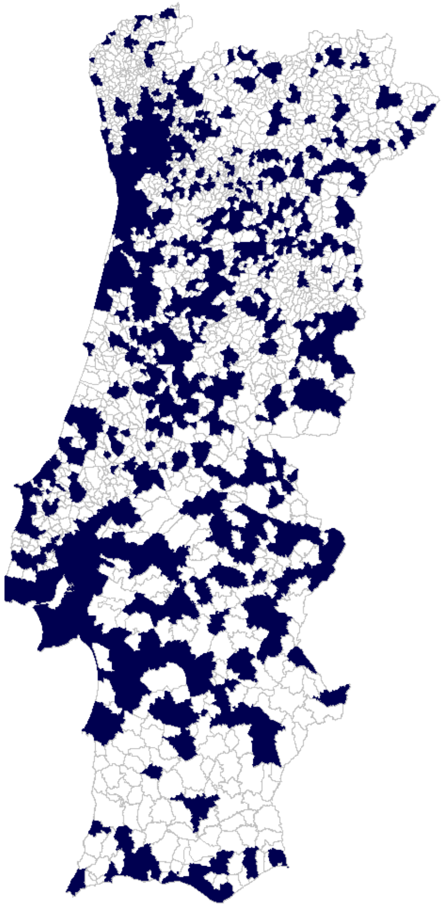
Households covered with DOCSIS 3.0



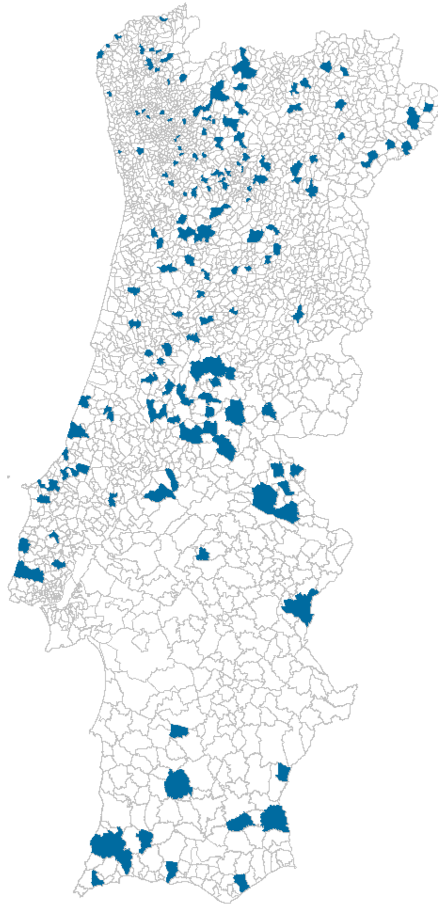
Source: Digital agenda - Study for EC: Broadband coverage in Europe 2016 - SMART 2016/0043

Conectivity - NGA coverage (June 2017)

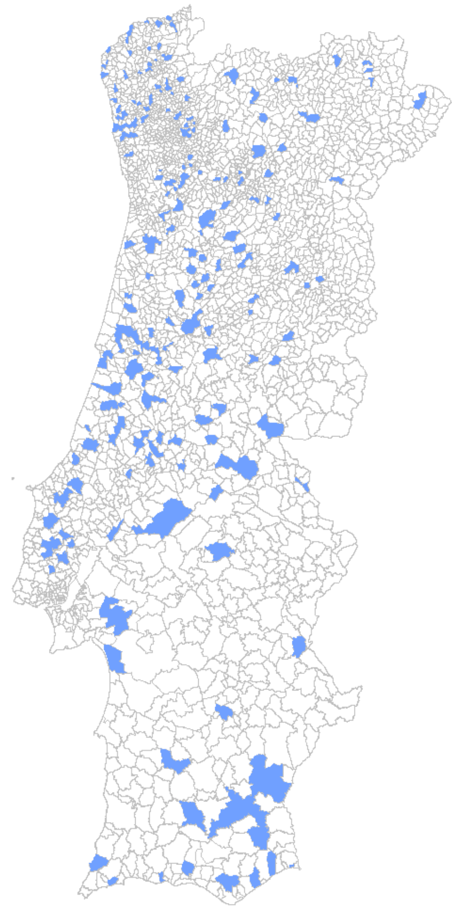
Areas with coverage > 50%



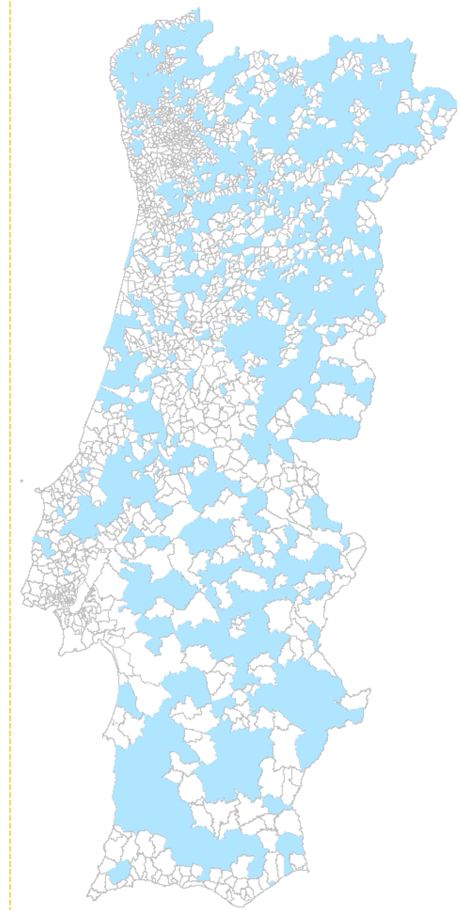
Areas with coverage >25% and ≤ 50%



Areas with coverage >1% and ≤ 25%



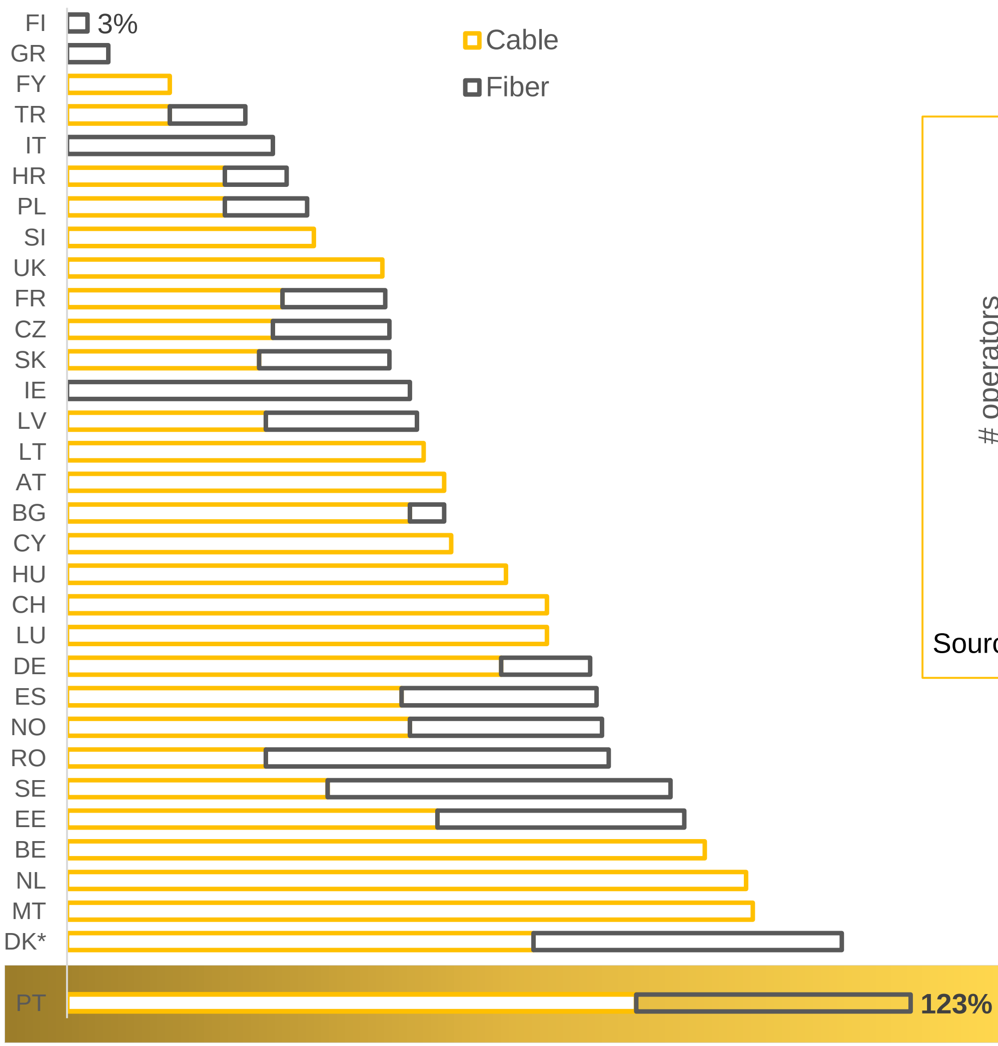
Areas with coverage ≤ 1%



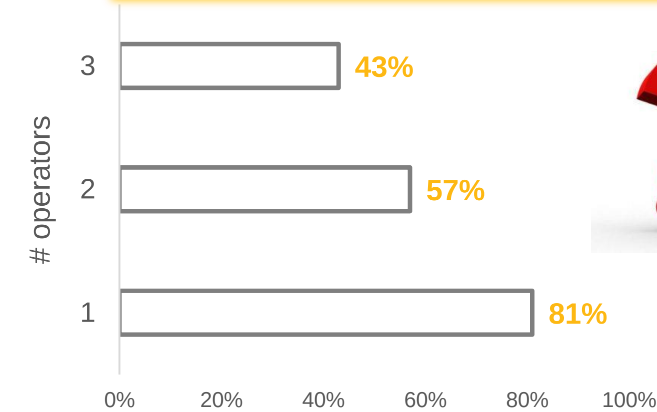
Competition

ANACOM AUTORIDADE NACIONAL DE COMUNICAÇÕES

Households covered by Altnets



% of the population that may choose among *n* operators with high speed networks in Portugal



Source: ANACOM, based on June 2017 operators data.

Source: Cullen International (2016 data; includes double counting).

DK*: includes cable accesses of historic operator.

3. Key enablers

3. Key enablers

1. Regulatory and policy approach

Free market entry

Portuguese state, as main shareholder of incumbent, promoted investment on Cable TV network

Regulatory measures to promote access to infrastructure and network development

2. Infrastructure development

Widespread coverage

Technological upgrade:

Networks are 99% EuroDOCSIS 3.0 compatible

Plans to upgrade to EuroDOCSIS 3.1.

3. Key enablers

ANACOM AUTORIDADE NACIONAL DE COMUNICAÇÕES

3. Competition

Limited terrestrial TV offer (originally, 4 channels; 7 after introduction of DTT)

Spin-off of the incumbents' cable subsidiary led to a more competitive market

Competition from telecom operators forced cable TV operators to become full service telecom operators and upgrade their networks/offers to be able to compete with FTTH/B offers

4. Operators strategies

Innovation: first to launch bundles, broadband in Portugal

Turning threats into opportunities :

Using ADSL and FTTH to complement coverage
Preempting OTT threat by launching video on demand, OTT-like functionalities/offers and integrating third party OTT services in their offers

ANACOM AUTORIDADE NACIONAL DE COMUNICAÇÕES

Thank you!

Cable TV in Portugal
Market trends and key enablers

Cristina Lourenço
External Affairs Department - ANACOM