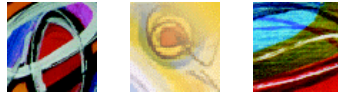


Trends in the Fixed and Mobile Industry



•
Analysis
•

consulting
—&—
research

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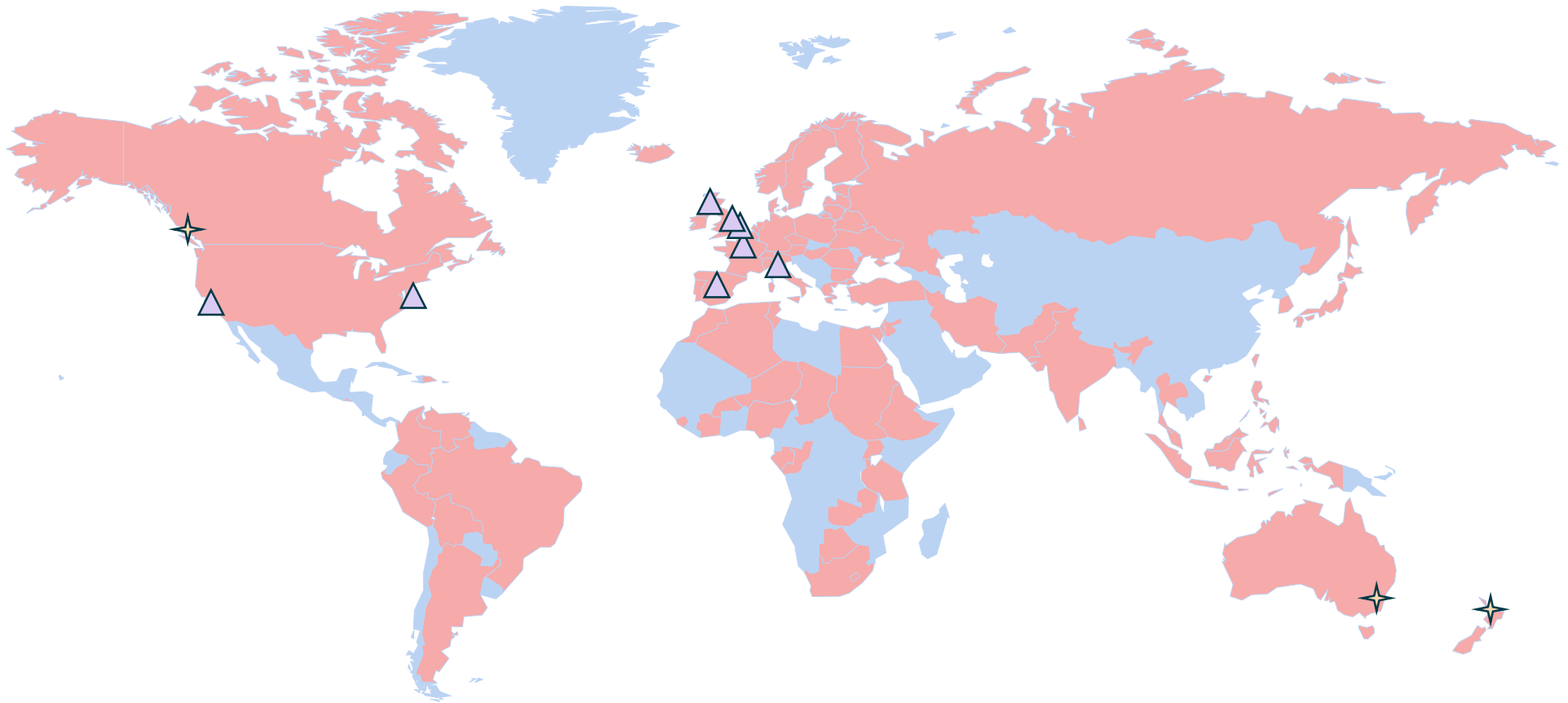
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Global Overview

Key issues in the mobile industry

Key issues in the fixed industry

Analysys provides expert advice on telecoms markets across the world



- △ Analysys office
- ✦ Analysys associate
- Countries where Analysys has worked

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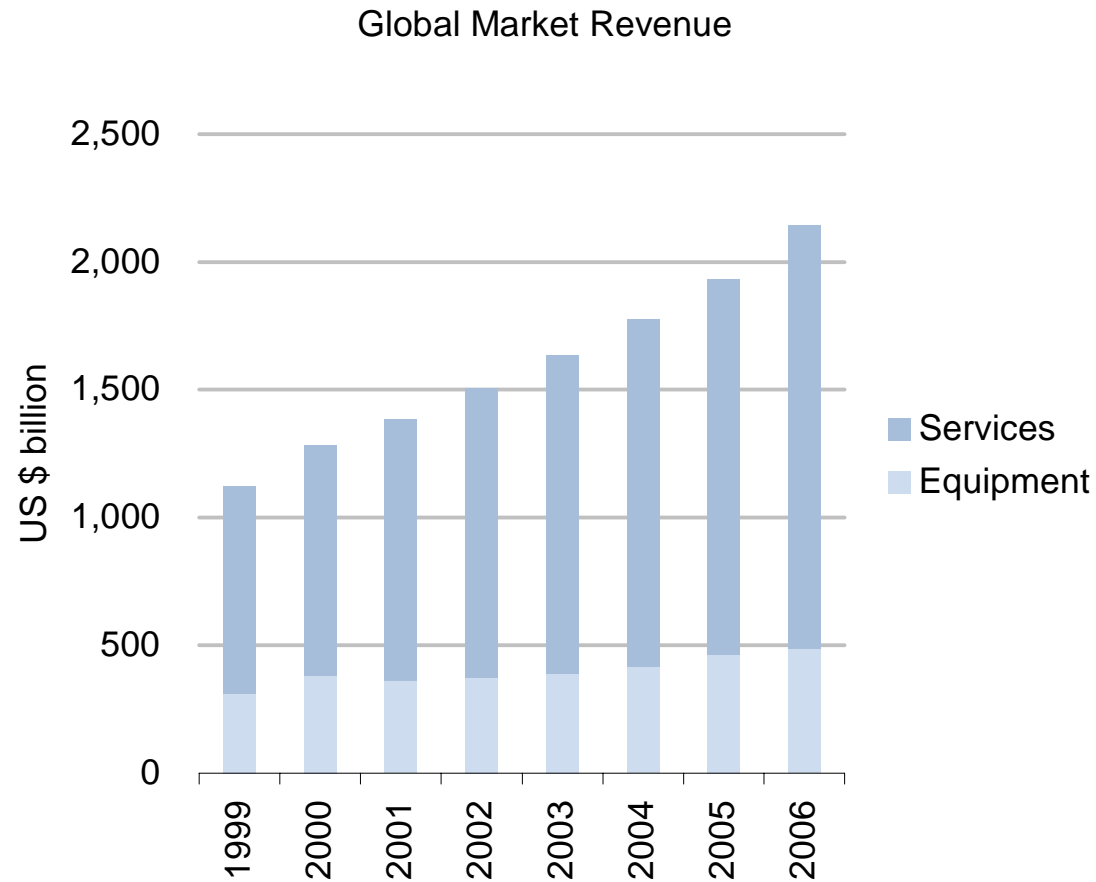
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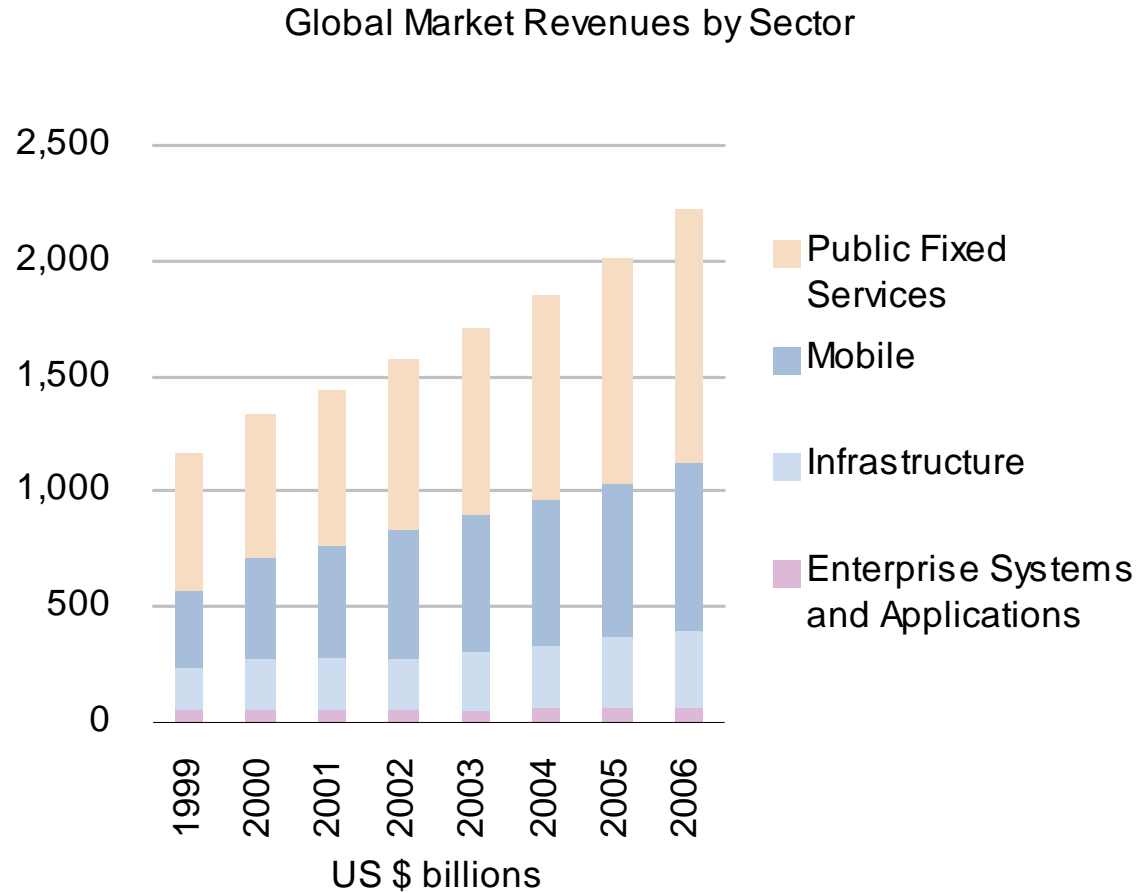
Key issues in the mobile industry

Key issues in the fixed industry

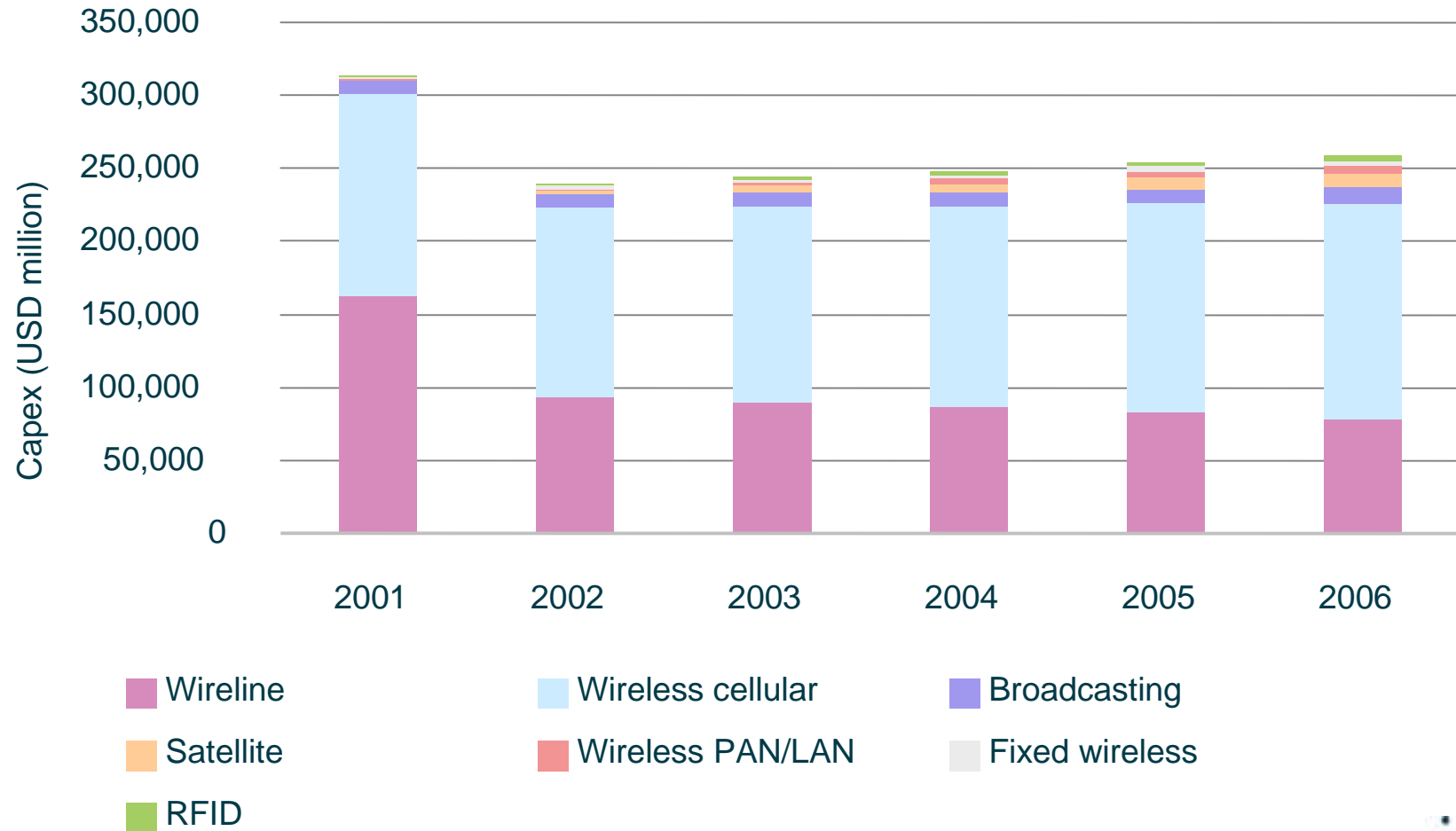
Service revenues are increasing ...



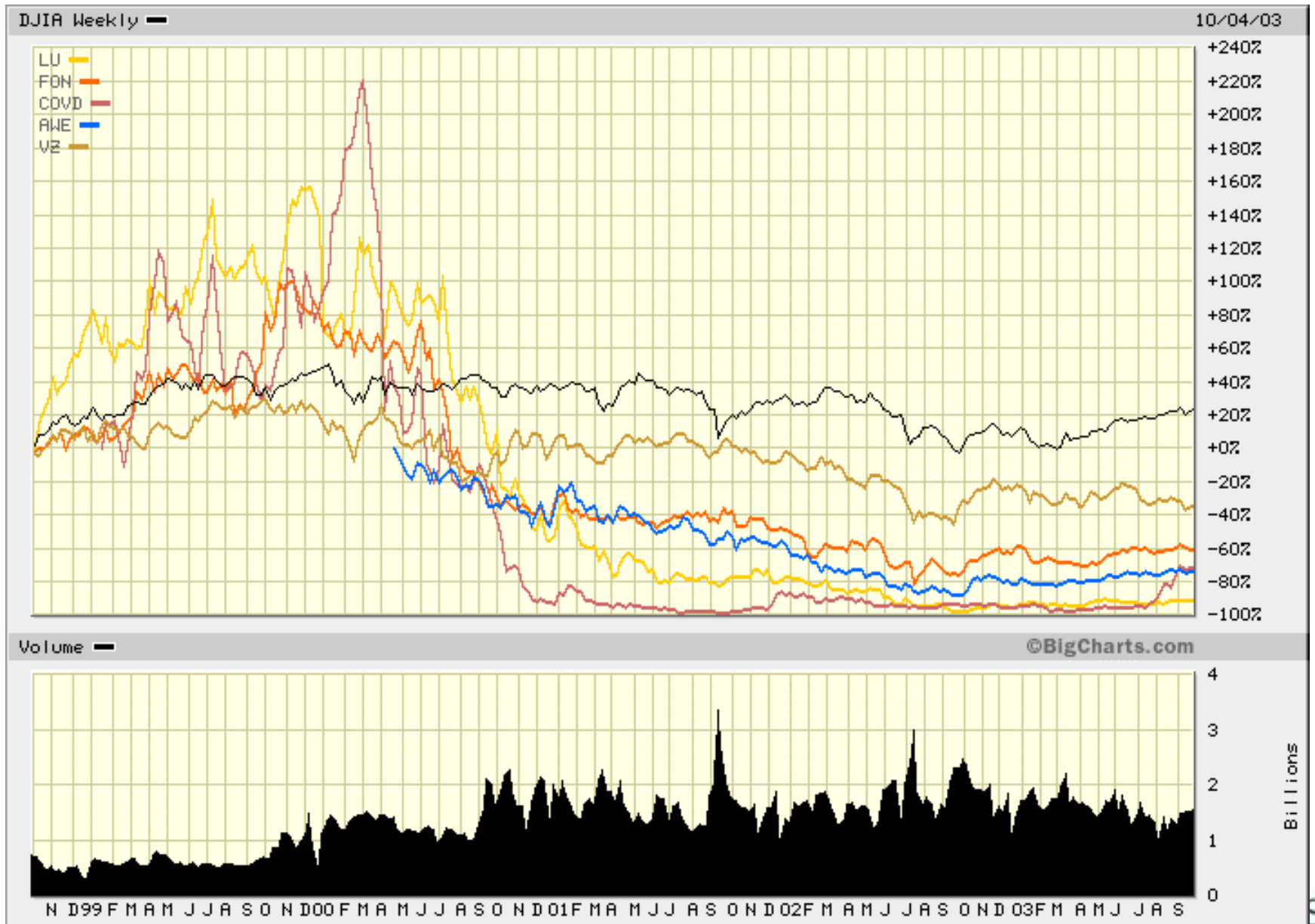
... particularly in fixed and mobile ...



... while capital expenditures recover slowly ...



... but overall the sector still underperforms.



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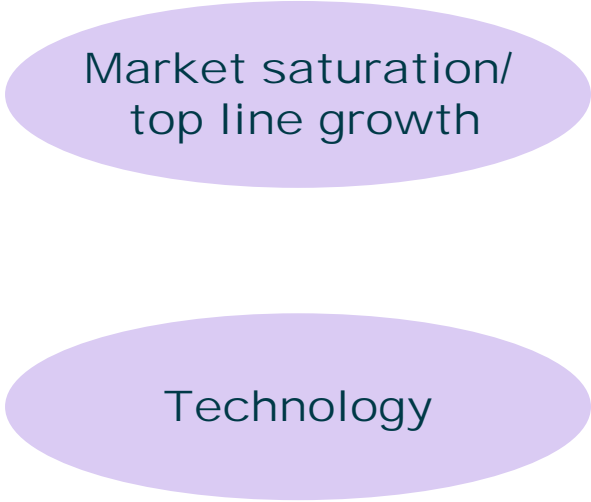
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Key issues in the mobile industry

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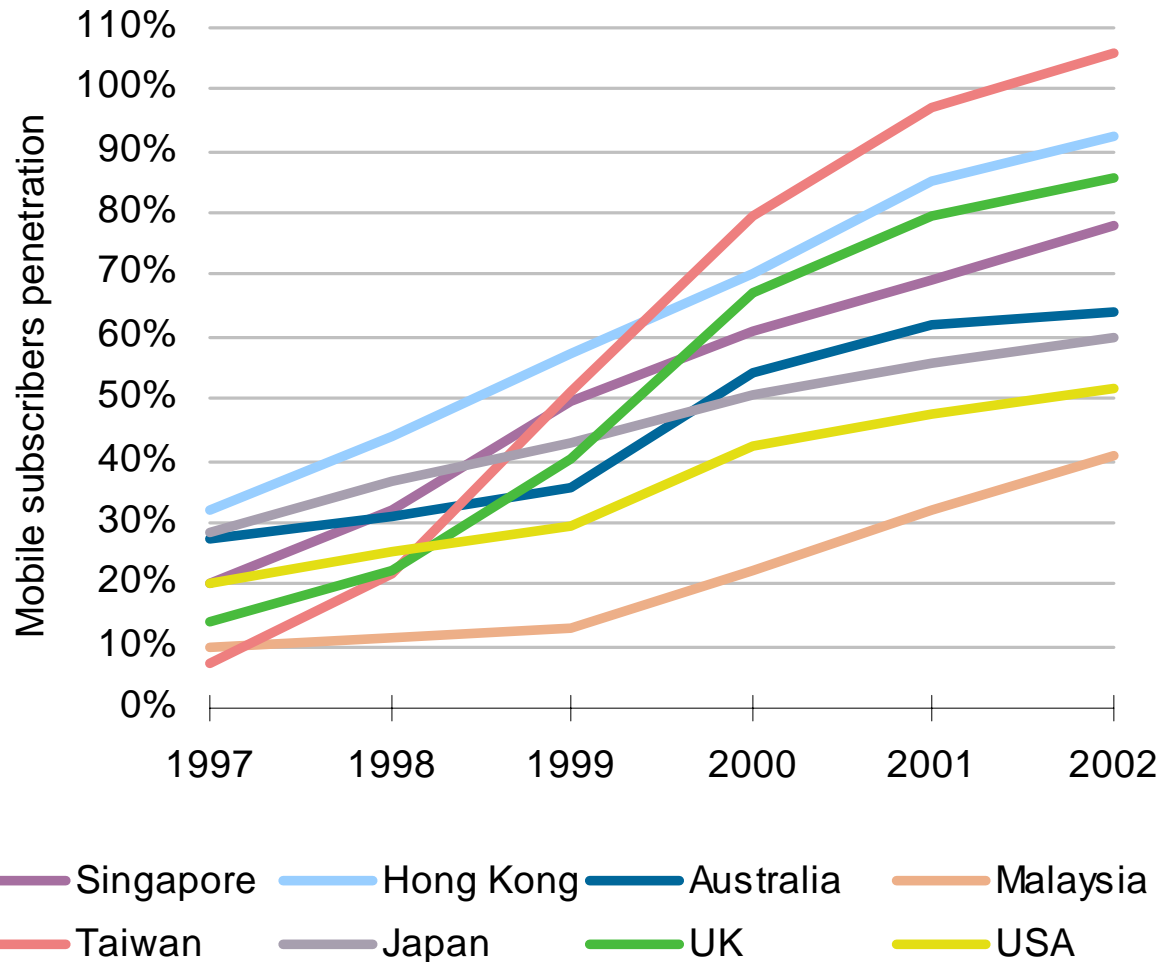
Two key trends dominate the mobile market today



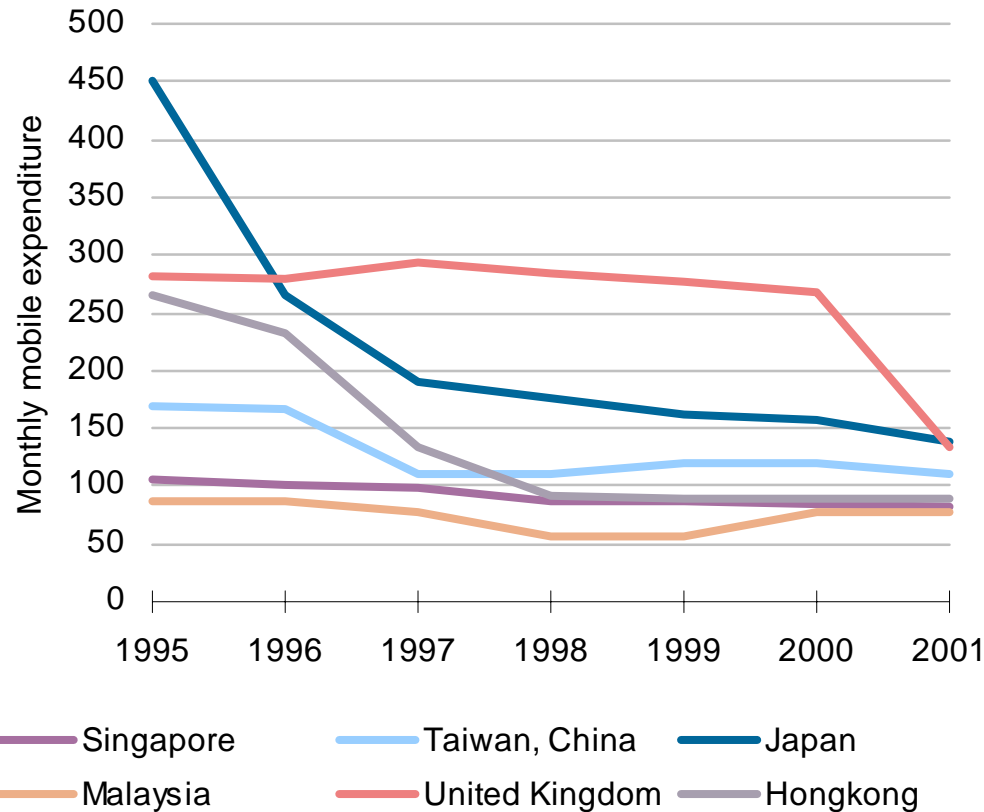
Market saturation/
top line growth

Technology

The mobile market is near saturation in most developed countries

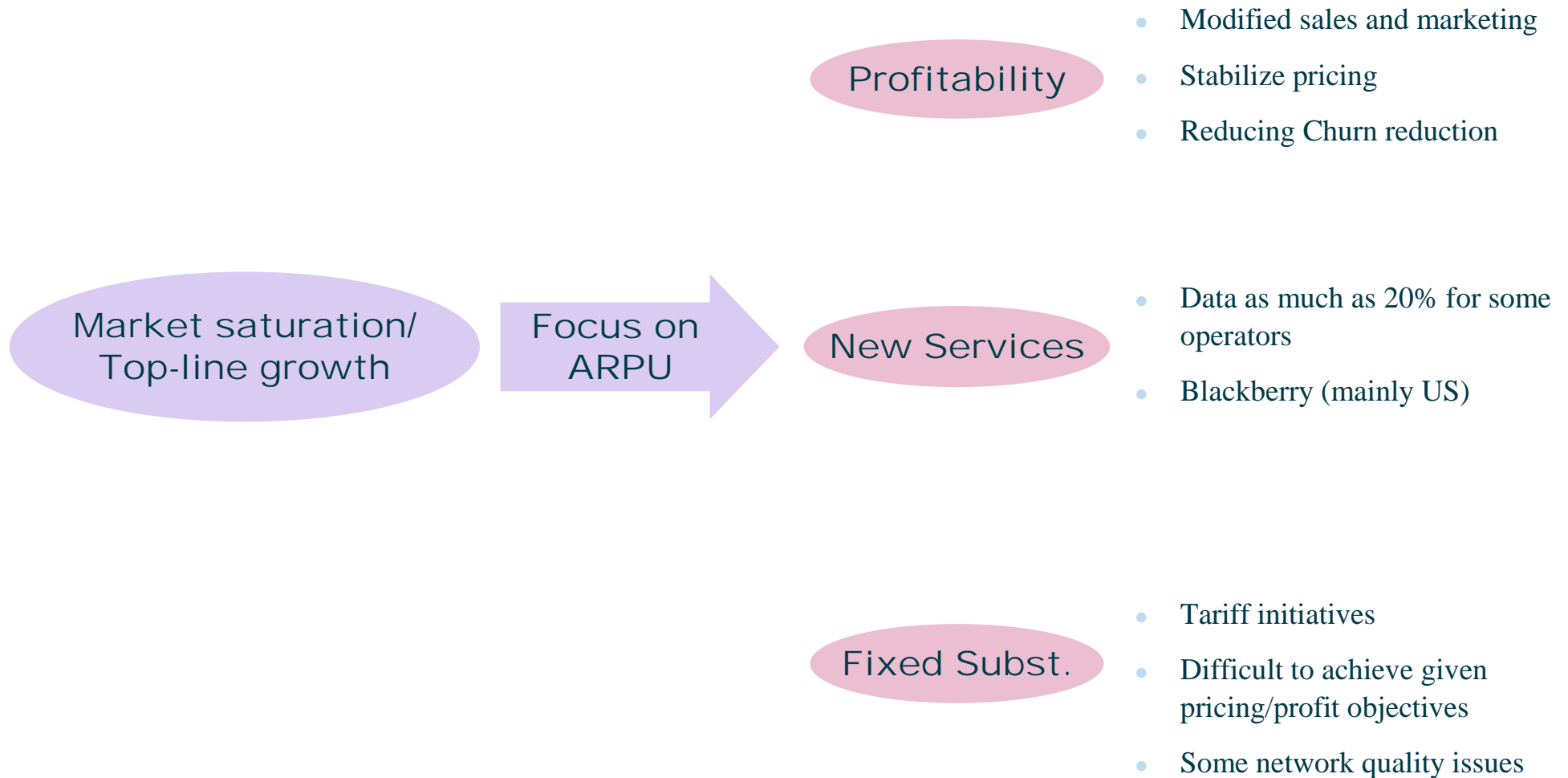


Rapid penetration growth in the 1990s was accompanied by steep tariff decline

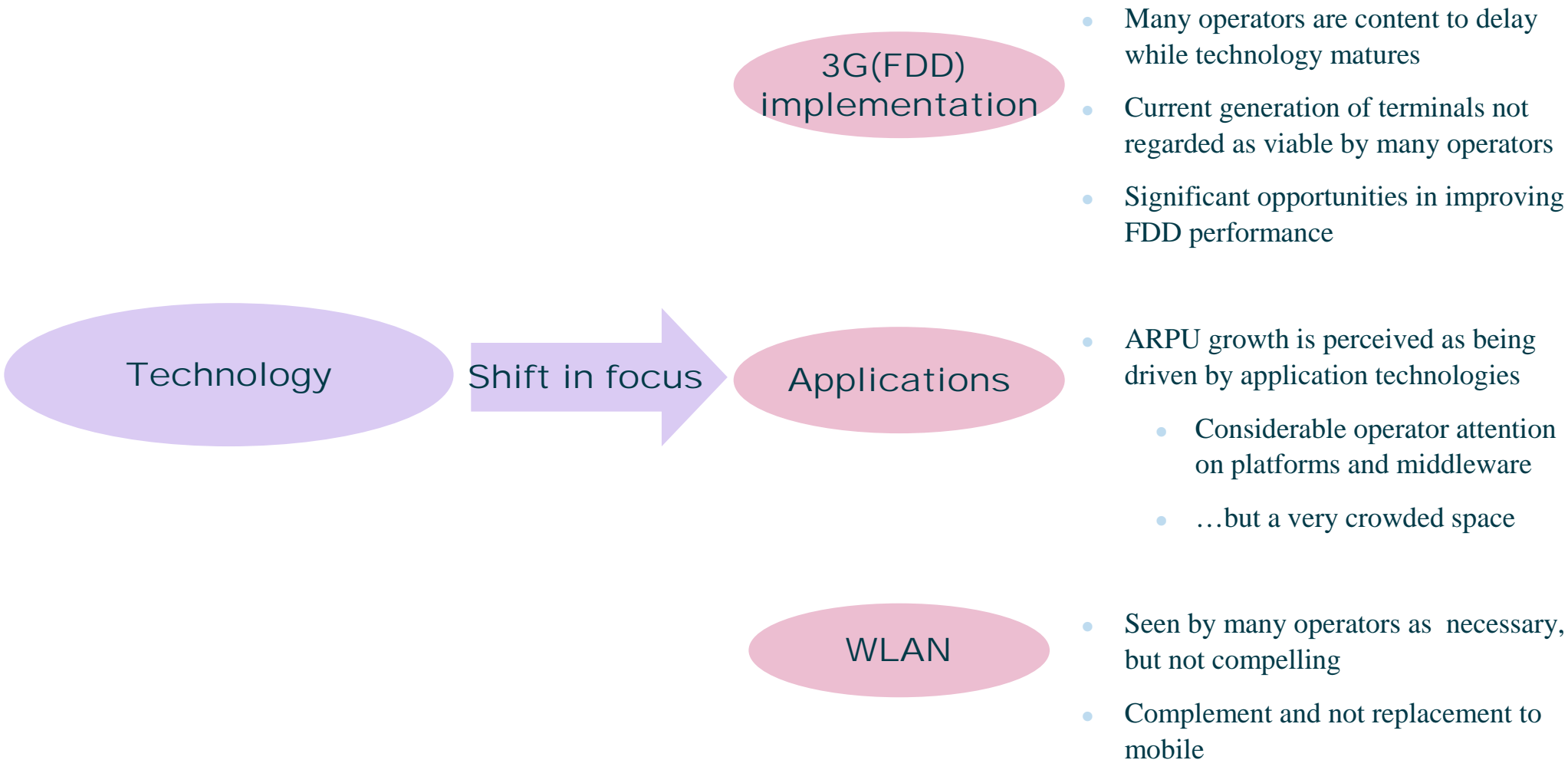


- Significant decreases in many countries for subscription and calling rates
- Penetration achieved at the expense of dilution
 - move from business to mass market
 - recent growth almost entirely in low-value subscribers

Operators are responding to market saturation with three measures to improve average revenue per user (ARPU)



Technology focus is shifting from infrastructure to applications



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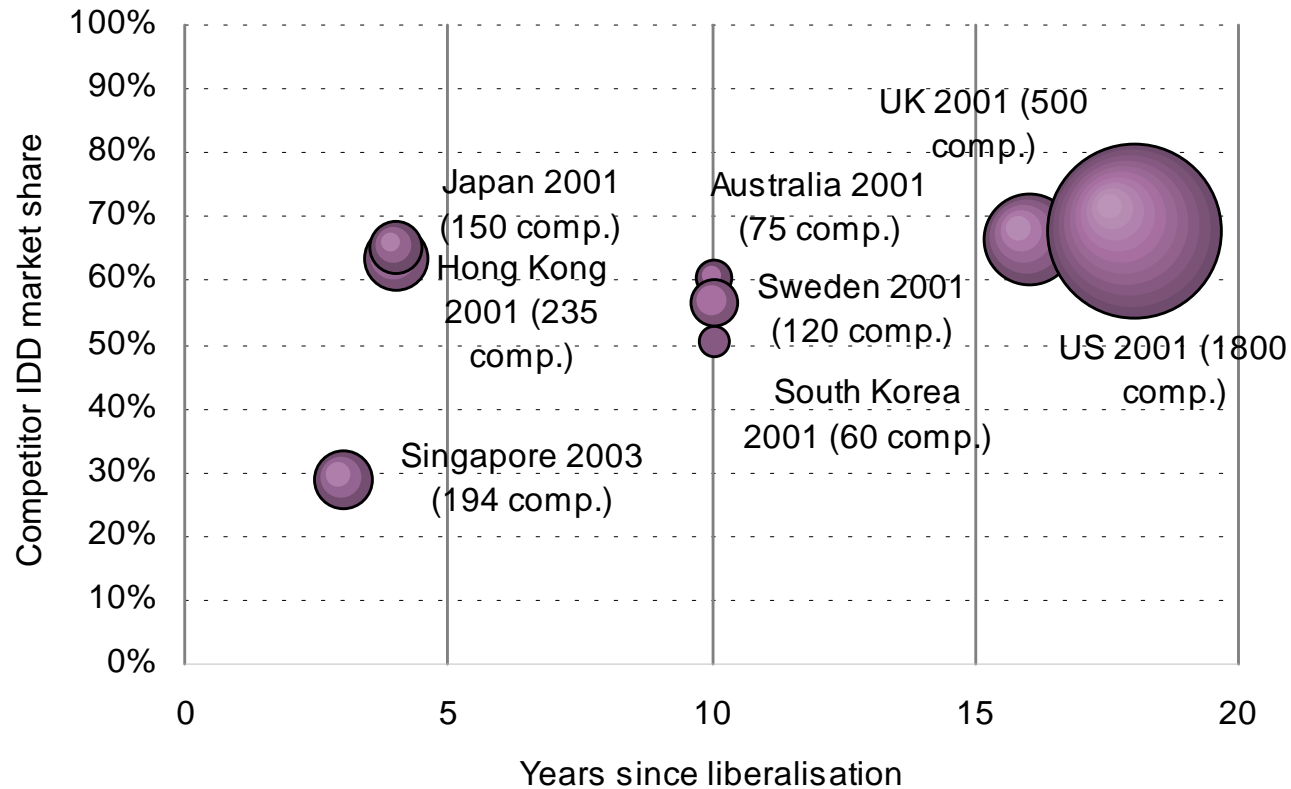
Key issues in the mobile industry

Key issues in the fixed industry

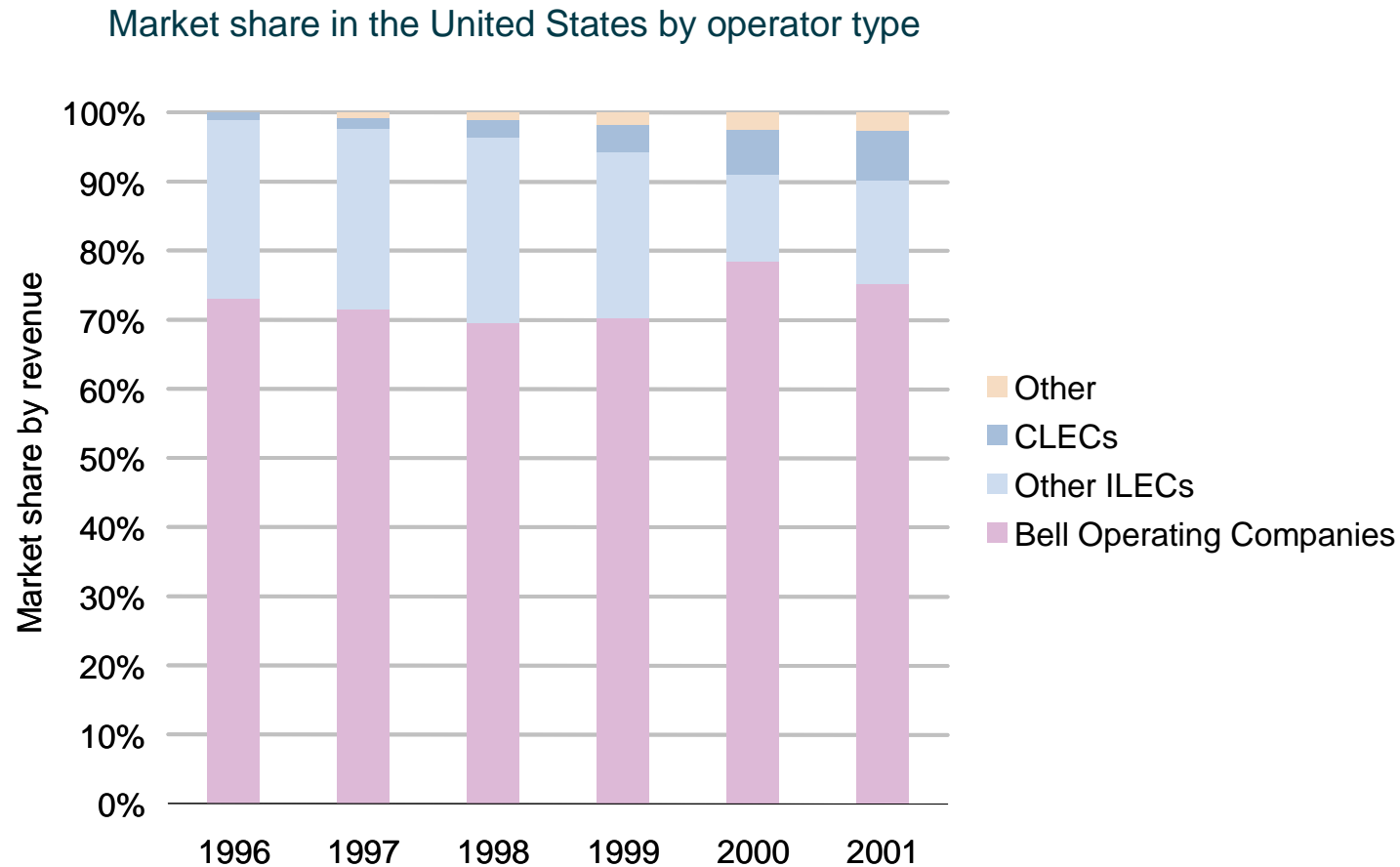
Key trends dominating the fixed market today

- Competition in long distance/international services
- Natural barriers to local competition
- Possible competitive impact of convergence

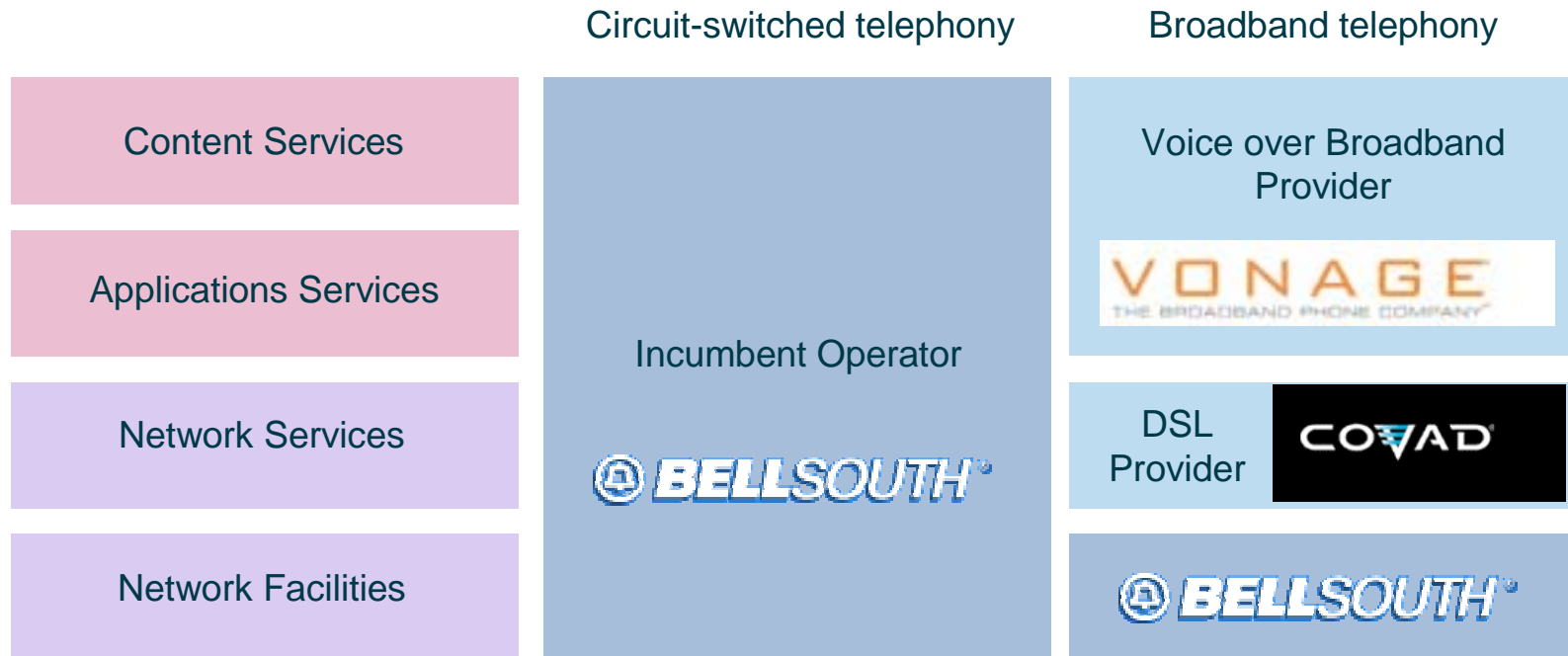
Competitive pressures increase in long distance/international service markets over time



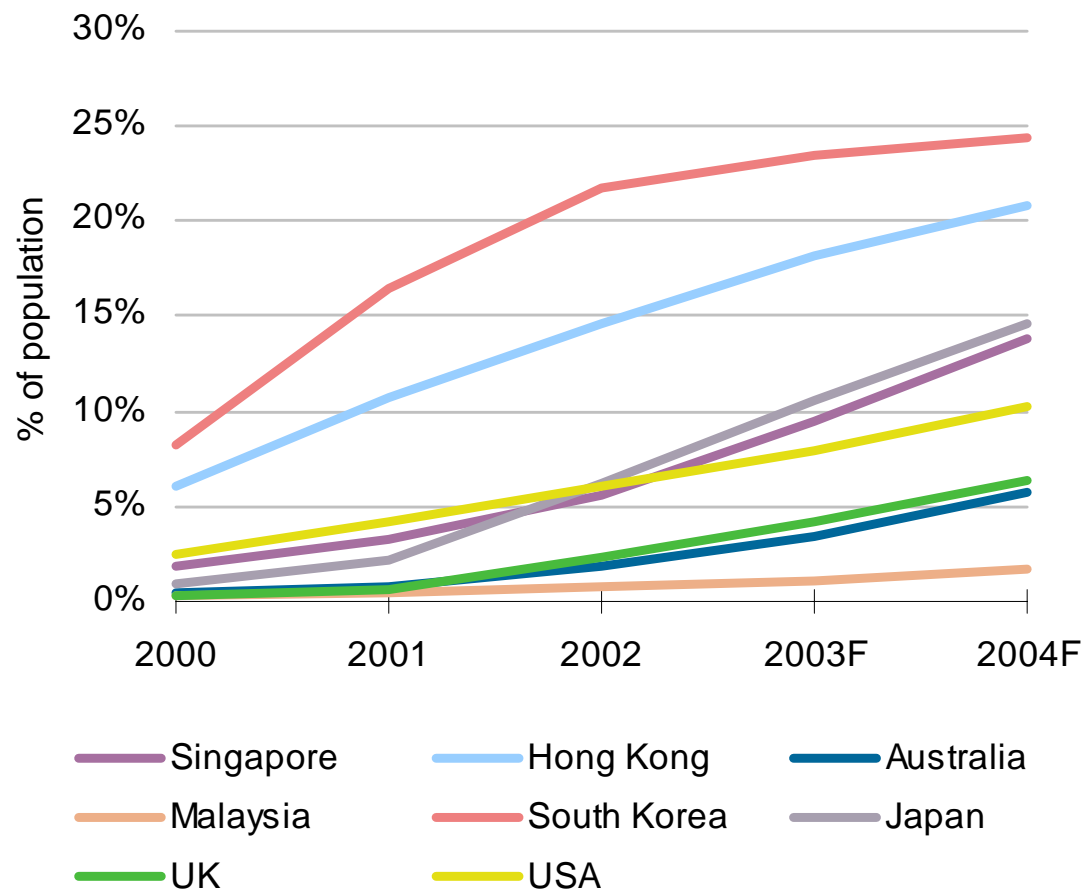
Competition in the last mile has been difficult to achieve in many countries



Convergence is beginning to “dis-integrate” the telephony value chain



As broadband penetration increases...



... voice will begin to shift to VoIP and increase competitive pressures

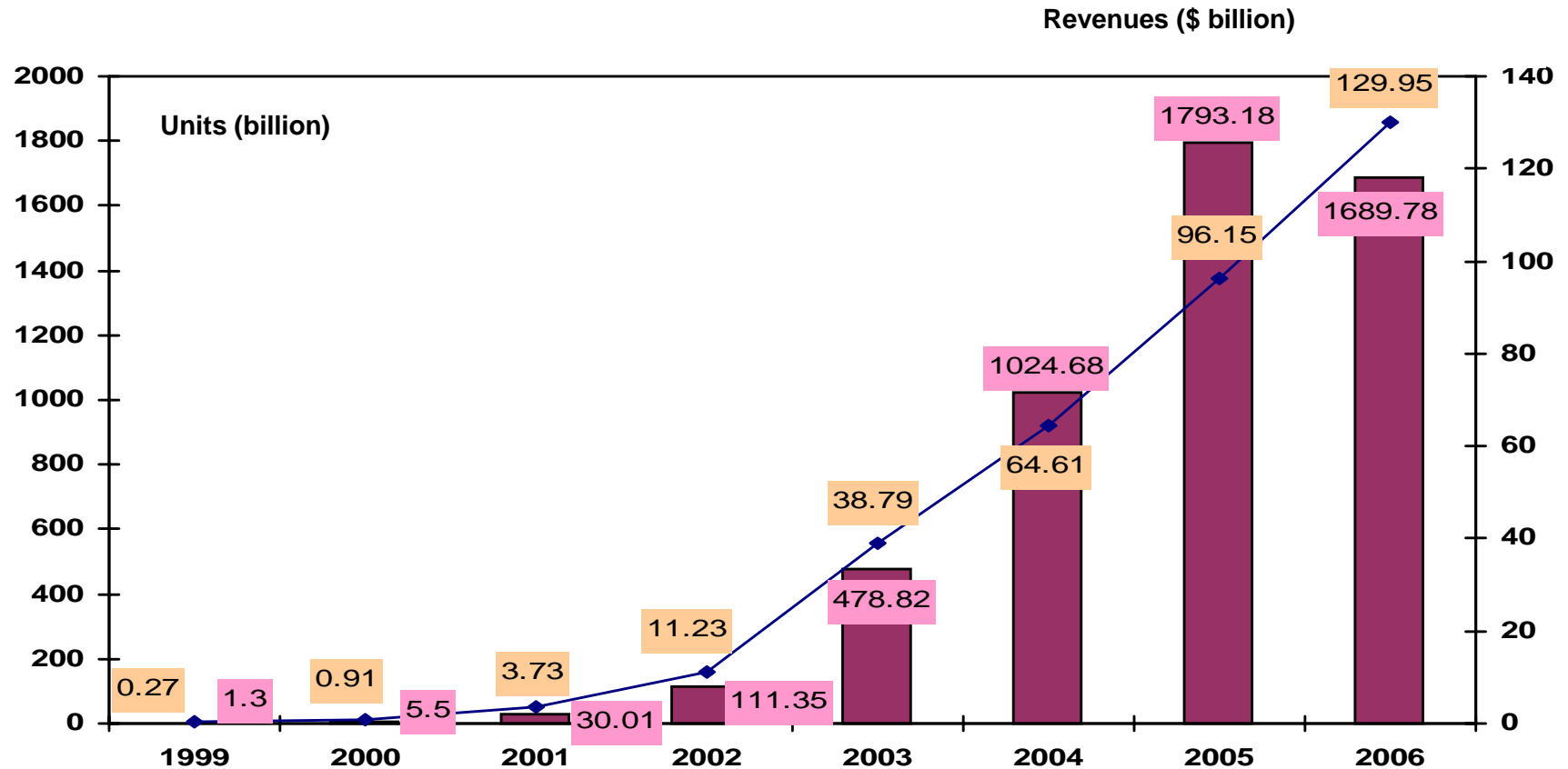


Figure 3. IP Telephony Services Market: Traffic and Revenue Forecasts

Michael Kende
Principal Consultant
Analysys Consulting Limited
1776 I Street, NW
Washington, DC
www.analysys.com