

World Mobile Market

In 2009, mobile services represented a global market of 785 billion USD, and IDATE predicts a 5% increase for 2010

Montpellier, France, 11 February 2010 - **IDATE provides regular analyses of the central trends shaping mobile markets around the globe – networks, devices and services. To mark the Mobile World Congress in Barcelona (15-18 February 2010), IDATE is publishing the fourth edition of its special white paper: “Mobile 2010 – Markets & Trends”, which draws on several IDATE market reports.**

- **Download the complete report - Mobile 2010: Markets & Trends**
→ www.idate-research.com
- **Attend the public presentation on the “LTE perspectives “**
→ by Frédéric PUJOL, Head of the Mobile Broadband Practice
15 February – 15:40, Hall 2, Booth (French Pavilion)
- **Schedule a meeting with our Consultants in Barcelona**
→ b.sikanic@idate.org



After a marked decline in 2008 – to +3.8%, or two points less than in 2007 – growth in the telecom services market dropped significantly once again in 2009. After generating revenue of 1,417 billion USD in 2008, sales are expected to reach 1,441 billion USD in 2009, in other words an increase of only 1.7%: the lowest growth rate since 2002.

“This decline is due to structural phenomena, i.e. the maturity of the markets that have driven growth in the past, namely mobile telephony in industrialised countries, combined with competitive and regulatory pressures whose impact has been further aggravated by the economic downturn”, says Carole Manero, Project leader of the “World Telecom Services market” report.

Although based solidly on business models tied to subscriptions and technologies that users in industrialised nations consider essential, the telecom services market is not likely to emerge unscathed from the recession. It does nevertheless have some very strong assets that will help put it back on track, including the fact that consumption volumes continue to rise apace with the growing user base. In fixed markets, the growing Internet services market is no longer fully offsetting the decline in fixed line calling, added to which the growth rate for mobile services revenue continues to shrink – decreasing by two-thirds between 2007 and 2009.

Global telecommunications services market, 2006-2010 (Billion USD)

	2006	2007	2008	2009F	2010F
Fixed telephony	427.3	415.8	400.2	380.9	364.0
Mobile services	635.2	707.4	755.3	784.7	823.7
Data and Internet	222.2	241.3	261.1	275.1	294.0
Total	1 284.7	1 364.5	1 416.6	1 440.7	1 481.7
Annual growth rate	5.8%	6.2%	3.8%	1.7%	2.8%

F: Forecast - Source: IDATE

Mobile services nevertheless remain the chief driving force

With total sales estimated at 755 billion USD in 2008 and at 785 billion USD in 2009, mobile services nevertheless remain the chief driving force behind growth as a whole. They have accounted for more than half of all telecom services revenue worldwide for four years running (representing an estimated 55% in 2009), and generate more than twice as much income as landline calling. The mobile market’s growth is being sustained by a massive rise in customer numbers which grew by 14% worldwide in 2009: up to

4.5 billion (or by more than 46 million customers a month!), whereas the market's value has been declining year after year.

Fixed telephony continues its decline which began in 2002, and at an ever increasing pace. In 2009, the number of fixed lines shrank again, and average revenue per line has decreased by around 2% annually for the past two years. Fixed telephony has decreased in value by 11% in three years and, at the end of 2009, it accounted for only 26% of the telecom services market worldwide, compared to around 33% in 2006.

Generating an estimated 275 billion USD in 2009, data and especially Internet services continue to increase their weight in the equation, which has risen slowly but steadily: by 0.5 to 0.7 points annually since 2006. Their share of the total market reached 19% in 2009, up from 17% in 2006 and less than 15% in 2001, although their contribution to growth is no longer offsetting the decline in fixed telephony revenue: 19.3 billion USD in losses for fixed voice, compared to 14.1 billion USD in gains for fixed data services. Excluding Internet, the data services market remained unchanged in Europe and North America in 2008 compared to 2007, and is thought to have suffered a decline in 2009.

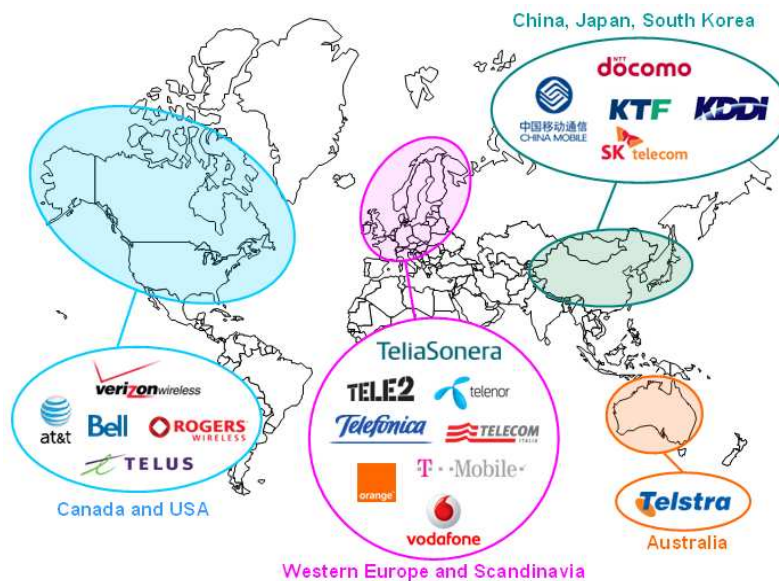
The growth of Internet and data services revenue has been spurred by the remarkable rise of the Internet, and especially of broadband access. In terms of volume, the number of broadband subscribers grew by close to 63.3 million, which translates into 5.3 million new subscribers a month worldwide. At this pace, we predict that the 500 million mark will be reached some time in 2010. At the end of 2009, broadband access accounted for three quarters of all Internet connections around the globe.

LTE: the right answer?

IDATE predicts that, by 2015, a total of 380 million subscribers in the US, the EU-5, Scandinavia, China, Japan and South Korea will have access to mobile data services over LTE networks.

- The cost of an LTE rollout for an MNO operating both GSM and UMTS/HSDPA networks amounts to 2.1 billion EUR to cover the urban and suburban population. This figure applies to a nation of 50 million inhabitants with the population density/distribution properties of a Western European country.
- Innovative services and business models, such as VoLTE which can bring benefits to both operators and subscribers, need to be deployed if operators are to maximise the potential of LTE deployments, maintain ARPU levels and continue to be a smart pipe.

Geographical mapping of early LTE commercial rollouts



Source: IDATE, based on operator announcements

Recent reports on the mobile market published by IDATE consultants

- **World LTE market** (Watch Service, 2010)
- **World Telecom Equipment Market** (Market & Data Report, 2010)
- **World Telecom Services Market** (Market & Data Report, 2010)
- **Telecom Service Pricing** - Fixed Broadband and Mobile Service Benchmark (Market & Data Report, 2010)
- **Mobile Internet** (Market & Data Report, 2010)
- **Mobile VoIP** (Innovation Report, 2009)
- **Mobile TV – Hybrid networks** (Innovation Report, 2009)
- **Connected Devices** (Innovation Report, 2009)
- **Fixed-Mobile Convergence in the Business World** (Innovation Report, 2009)
- **M2M** (Market & Data Report, 2009)
- **Radio Spectrum** (Innovation Report, 2009)
- **Femtocells** (Market & Data Report, 2009)
- **Mobile Network Outsourcing & Sharing** (Innovation Report, 2009)

About IDATE

Founded in 1977, IDATE is one of Europe's foremost market analysis and consulting firms, whose mission is to provide assistance in strategic decision-making for its clients in the Telecom, Internet and Media industries, through the following two areas of activity:

Consulting & Research

- **An independent consultancy** - IDATE has established its credibility and independence in conducting consultancy and study assignments on behalf of its clients: market reports (techno-economic monitoring, modelling and forecasts, sector-specific analysis, surveys); international benchmarking (positioning studies, convergence strategies, competition analysis); assistance in the launch of new products (technical analysis, competitive environment, business planning); public policies (public policy definition and assessment, socio-economic impact, project implementation and management, regulatory benchmarking).
- **Analysis reports** - IDATE's clients benefit from the knowledge and expertise of its teams of specialists, and from its ongoing investment in its information and strategic monitoring system: publication of reports, databases, online services, analyst hotline...

DigiWorld Programme - IDATE is also instrumental in providing a forum for international debate between the industry's key players through its annual DigiWorld programme, supported by its members representing the sector's most prominent companies: **DigiWorld Network** (a series of monthly meetings in European capitals and international business trips), **DigiWorld Events** (the DigiWorld Summit annual conference and a series of associated seminars devoted to the year's central issues), **DigiWorld Publishing** (the DigiWorld Yearbook and the DigiWorld Economic Journal (Communications & Strategies))

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