INTUG

Competition & convergence

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CUASA, Johannesburg 30 vi 2004

www.INTUG.net

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INTUG contents

- about INTUG
- competition
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INTUG

what is INTUG?

- members
  - national associations
  - corporations
  - individuals
- activities
  - ITU and WTO
  - OECD
  - APEC TEL, CITEL and the European Union

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INTUG our aims

- real and effective competition
- genuine choice for users
- lower prices
- higher quality
- more innovative services
- constructive co-operation with
  - international bodies
  - governments
  - regulators

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INTUG priorities

1. open access to global mobile networks
2. regulatory best practice
3. liberalization
4. universal access
5. broadband
6. leased lines
7. IP telephony
8. numbering

INTUG competition

- modest successes of mobile sector
  - some cross-border market entry
- at the edges of fixed network operators
  - Carrier (Pre-)Selection
  - number portability
- broadband
  - promises of BWA and PLC
  - painfully slow unbundling of local loop

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INTUG measuring competition

- market shares
- market growth
- market entry
- decline in prices
- improvement in quality
- reduction in complaints

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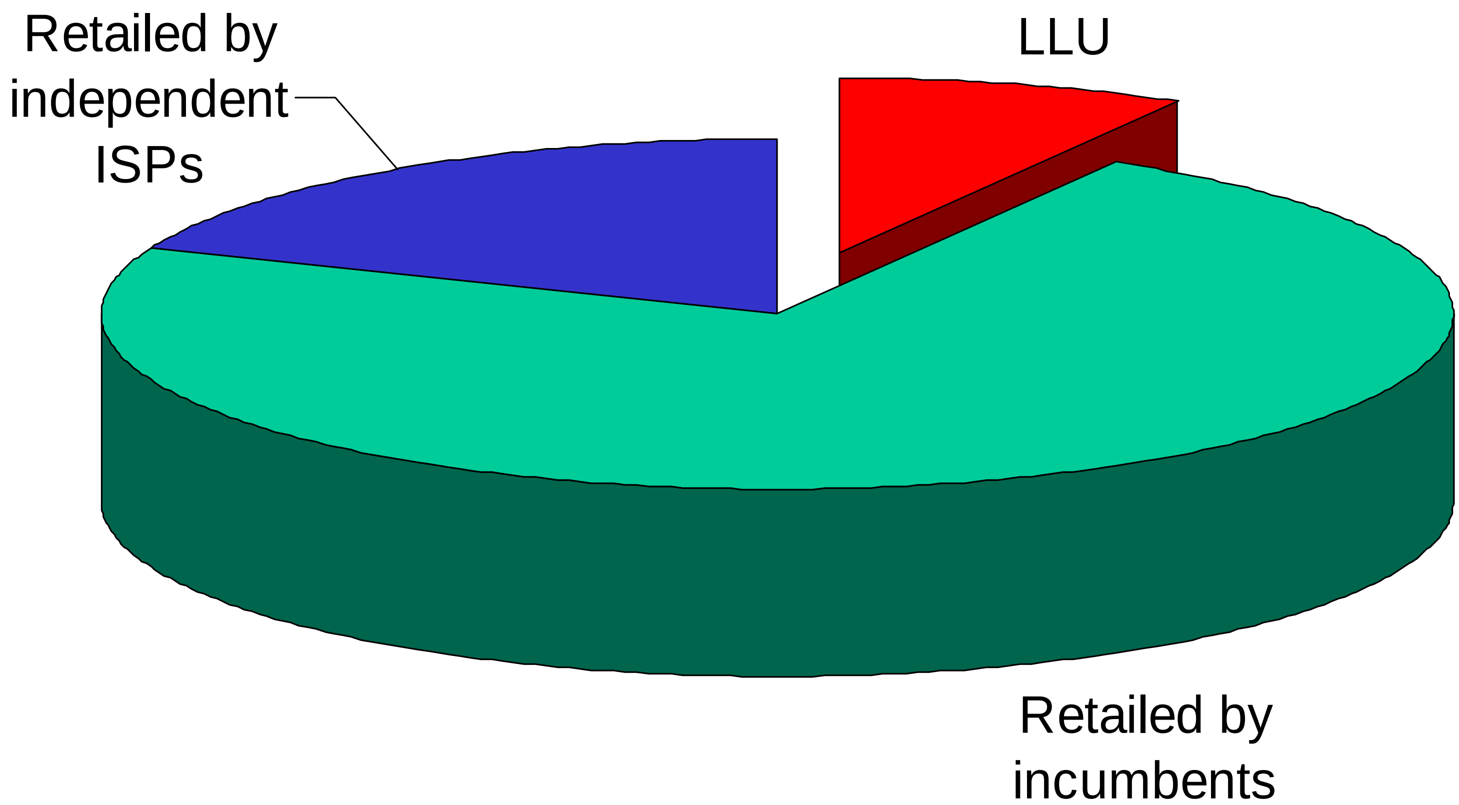
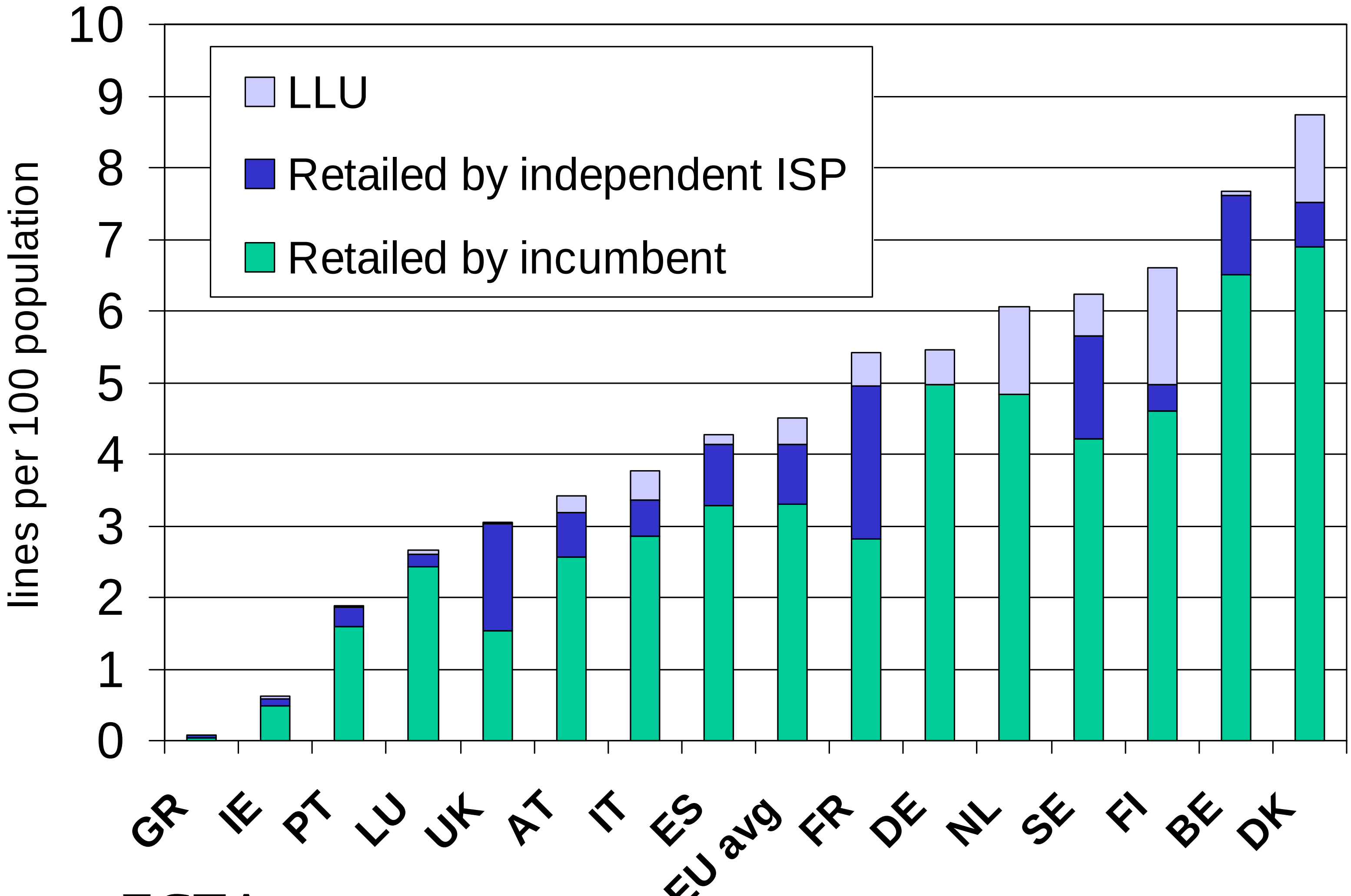
INTUG EU-15 ADSL



Source: ECTA.

INTUG EU-15 ADSL by country



Source: ECTA

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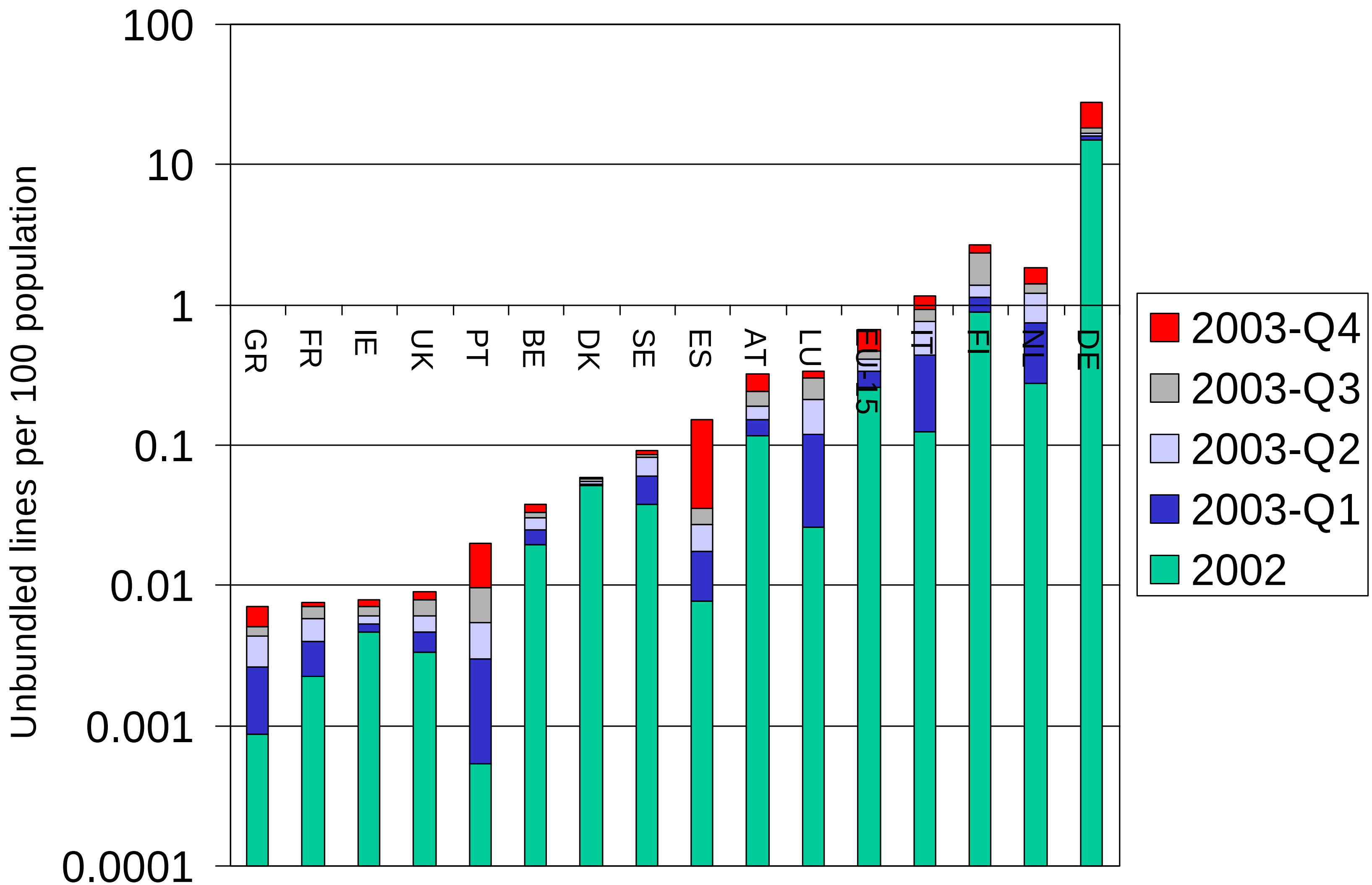
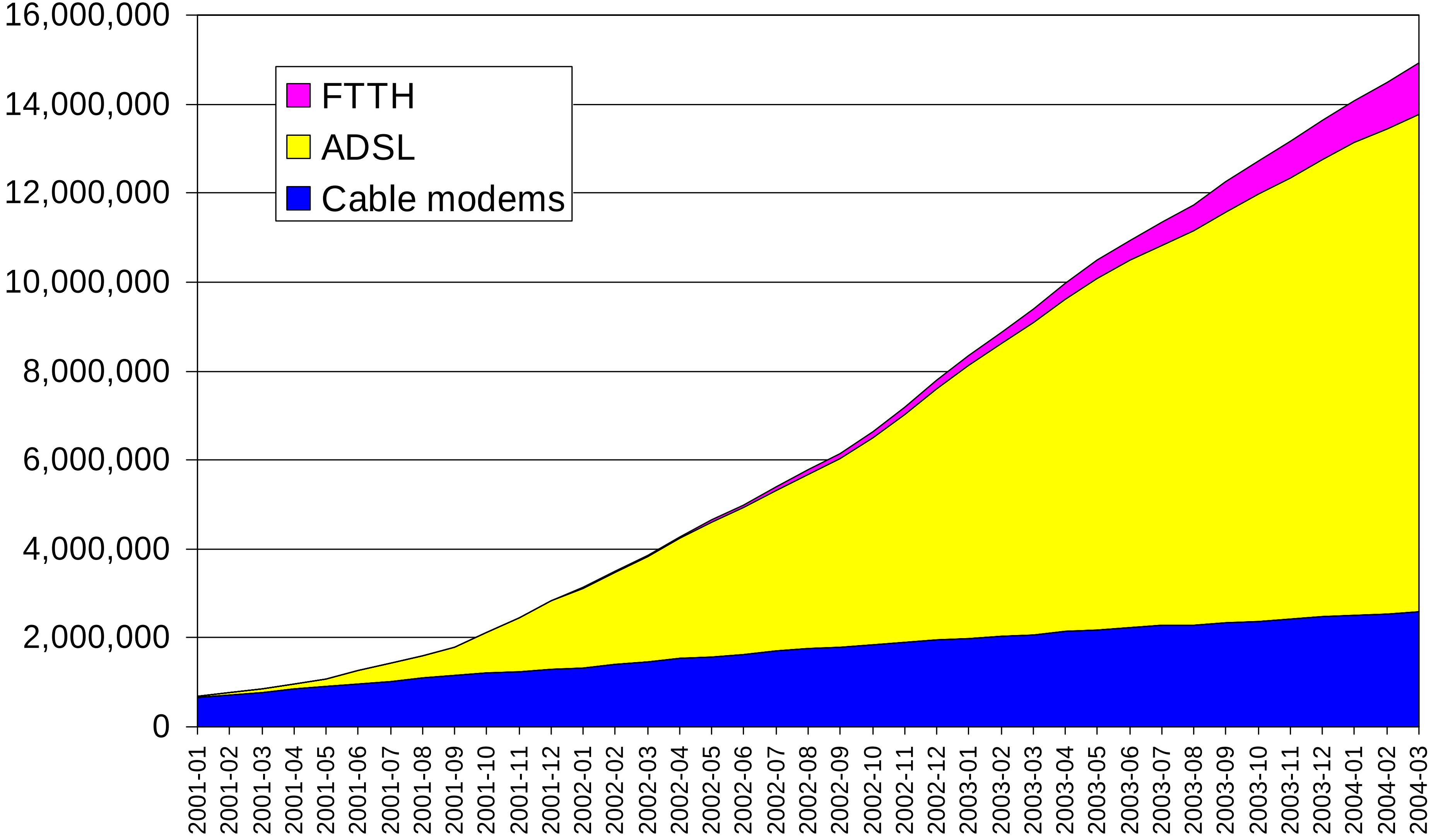
INTUG growth of LLU in EU-15



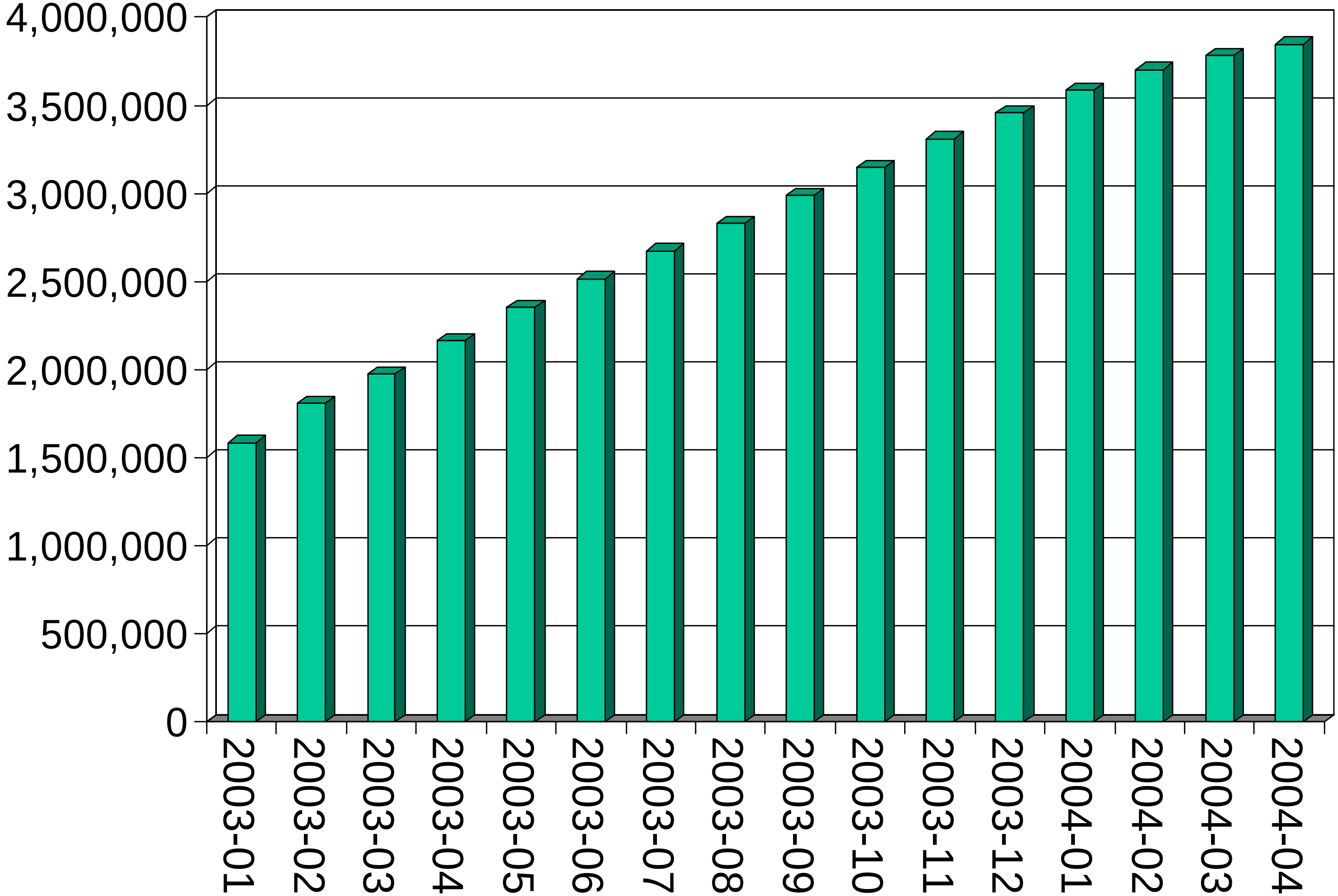
INTUG Japan

- outstanding success in line sharing
- low price
- rapid adoption by several players
- competitive market structure
- voice as one killer application
- further competition from
  - cable television networks
  - Fibre To The Home

INTUG Japanese broadband



INTUG Softbank BBphone (users)



INTUG convergence

- has many different forms
- fixed/mobile
- voice/data
- trans-national
- there are winners and losers
- you need for savings to pay for equipment, training, etc

INTUG financial markets

- need short term winners
- have little interest in the medium or long term
- like new entrants who take:
  - revenue from other operators
  - create new types of spending
    i.e. take revenues from other activities
- do not see convergence as profitable

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INTUG voice-data convergence

- good convergence on fixed
- weak convergence on mobile:
  - devices possibly
  - not services
- operators do not understand:
  - data or value-added services
  - customers' needs
- many technological alternatives to 3G such as Wi-Max and UWB

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INTUG fixed-mobile convergence

- years of complaints about the costs of calls to mobile networks, now finally being placed under control as regulators push down the prices
- problems with access to freephone
- external factors from financial markets
- fixed operators are discovering:
  - WLAN hot spots (wholesale and retail)
  - opportunities as MVNOs

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INTUG trans-national convergence

- multi-national companies have existed for centuries
- their demand is for global or continental telecommunications:
  - contracts
  - customer care
  - billing
  - Services
- operators provide core fixed VPN but weak:
  - at edges
  - on mobile

INTUG wireless local loops

- challenges both
  - mobile
  - fixed
- China
  - PAS (version of PHS)
  - CDMA/WLL
- India
  - CDMA/WLL limited mobility
  - universal licences

Wireless LANs

- some known security problems
- 3GSM operators still working on high revenue hot spot business model
  - Korea Telecom has 15,000 hot spots
- emergence of Voice over WLAN
- transforms meetings/conferences
- an excellent service to offer to visitors

INTUG conclusions

- competition is more talked about than experienced
- convergence has been forecast for years without a convincing business model
- need to be harshly realistic, there are winners and losers
- mobility is much more than GSM
- mobile data are outrageously expensive
- customer care is much better on fixed
- MVNOs may be better at corporate mobility solutions

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INTUG reminder

- there are still many potentially disruptive technologies coming to the market

INTUG thank you

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