

# Broadband recent trends

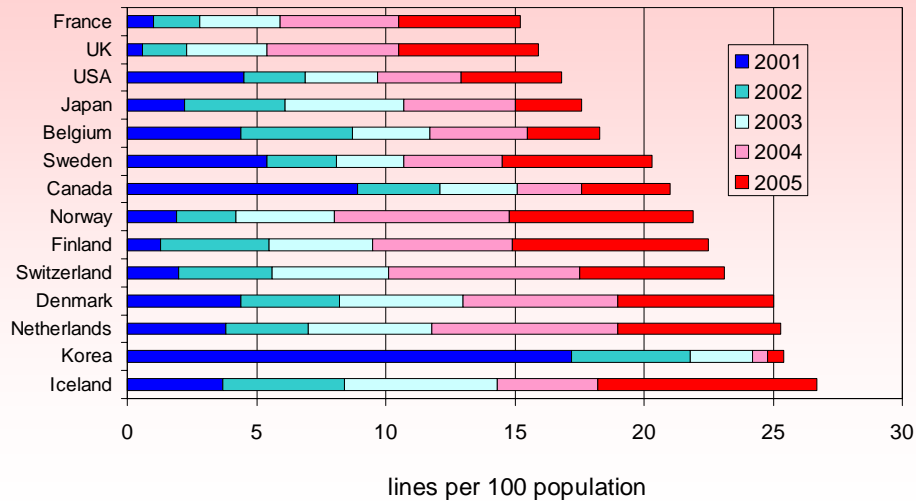
Ewan Sutherland

<http://www.3wan.net/>

## Introduction

- Introduction
- Iceland
- Hong Kong
- Japan
- France
- Morocco
- Conclusions

## OECD Broadband leaders



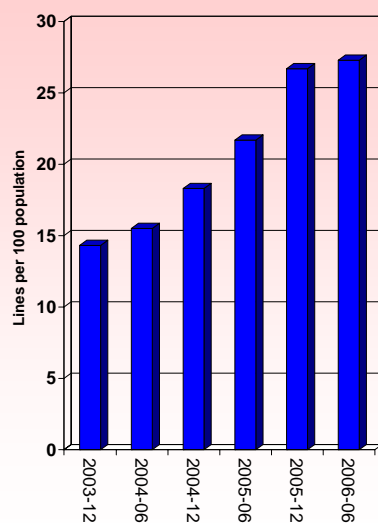
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3

## Iceland

- 300,000 people on an island in mid-Atlantic (65 N, 18 W )
- 103,000 sq. km.
- Wealthy country, but few economies of scale
- Late developer, but now the OECD leader
- Example of Seltjarnarnes



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4

## Seltjarnarnes

- One of seven municipalities that form “Reykjavik Capital”
- 1,600 homes, 200 businesses, 4,600 inhabitants
- 2.9 km<sup>2</sup> of which 40% is a nature reserve
- Highest property prices in Iceland
- Aims:
  - to ensure the competitiveness of the community
  - to preserve and improve the quality of life of inhabitants
  - to improve the services of the municipality
- A nationwide tender or “beauty contest” to find a partner
- First municipality in Iceland to have 100% FTTH
- Open access network with future-proof infrastructure

## Municipal broadband

- Community or municipal initiatives
- Franchises or Public-Private Partnerships
- Aims:
  - To boost competitiveness
  - To be a more interesting place to live
  - To close the digital divide
- Many have been Wi-Fi, some now fibre

## Examples

- City of Philadelphia
- Google Inc. in Mountain View, California
- Knysna, South Africa
- Taipei
- Catalunya
- South-West France
- Amsterdam CityNet (Fibre)

## Hong Kong, China

- Almost saturated
- Highly competitive
- Densely populated
- Access to wiring cabinet in multi-storey building
- HKBN launched fastest offer in June 2005
  - 1000 Mbits/sec for HK\$ 1,680 (2,090,000 Kip)

[http://www.hkbn.net/bb1000/offer\\_basic.html](http://www.hkbn.net/bb1000/offer_basic.html)

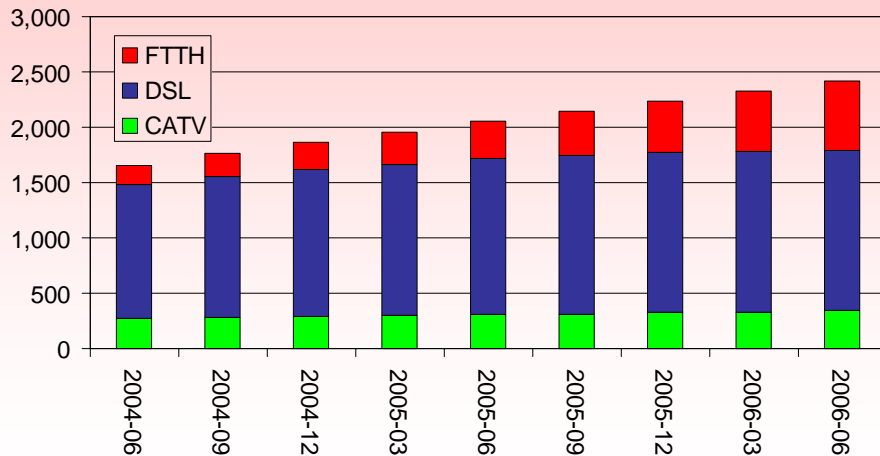
## China

- 50 million lines
- Range of technologies
  - Cable television
  - ADSL
  - Broadband Wireless Access
- Adding ~1 million lines each month
- Mostly in densely populated cities

## Japan

- Slow starter in broadband, overtaken by South Korea
- NTT shared access on local loops with rivals
- In 2004 ADSL speeds rose from 8 to 40 Mbps
- In 2005 the return path rose to 3, now up to 12.5 Mbps
- Growth is now in Fibre To The Home (FTTH)
- Many homes have Wi-Fi for access from any device
- Prices are very low:
  - ¥ 4,500 for DSL (366,000 Kip)
  - ¥ 6,500 for FTTH (530,000 Kip)
  - Yahoo! BB Winter sale 8 Mbps for ¥ 2,180 per month (178,000 Kip)

## Japanese growth is in FTTH



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11

## Bundling

- Initially broadband was a separate offer
- Speeds have been made faster
- Now bundling:
  1. Voice telephony (often VoIP)
  2. Internet access (ADSL 2+ or VDSL)
  3. Television (100s of channels or IPTV)
  4. Mobile (GSM, UMTS, etc.)
- Flat-rate payments, plus extra charges for Video on Demand, special events, etc.

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12

## France – €30 per month

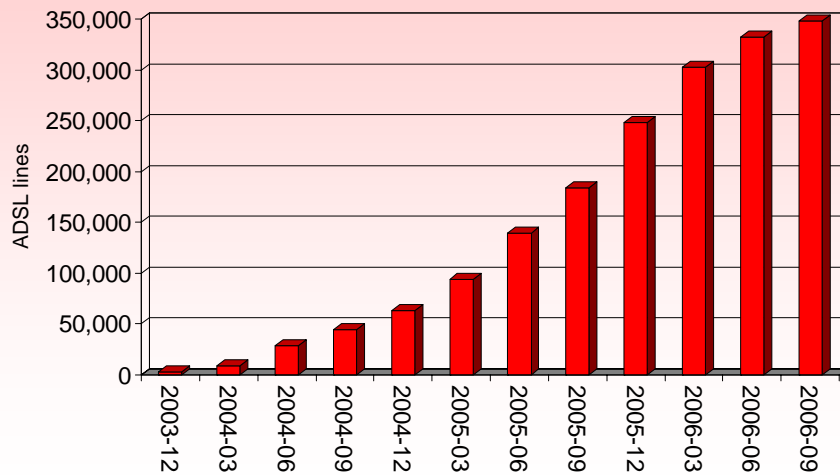
All are ADSL 2+ with Wi-Fi router/modem

- free.fr (Iliad Group):
  - free calls to fixed network in 28 countries
  - television, radio and video on demand
- Alice (Telecom Italia):
  - free calls to fixed network in France and 23 countries
  - television services
  - special additional bundles of calls
- Club Internet (Deutsche Telekom):
  - TV on Demand (several baskets with additional charges)
  - free calls to fixed network in 41 countries
- Orange (France Telecom):
  - unlimited calls to fixed network in France

## Kingdom of Morocco

- Opened mobile to competition in 1999
- Achieved high levels of mobile teledensity
- Telecom Maroc has entered the French market as an MVNO *Mobisud*
- Now moving to broadband
- Menara:
  - 128 kbits/s for MAD 149 (170,000 Kip)
  - 2 Mbits/s for MAD 499 (570,000 Kip)
  - 8 Mbits/s for MAD 899 (1,026,000 Kip)

## Kingdom of Morocco - ADSL



## Social networking

- Beyond electronic mail, instant messaging, static web pages, web logs and IM
- A shared and community cyberspace:
  - MySpace
  - YouTube
  - LinkedIn
  - Flickr
  - Second Life



## Conclusions

- Where there is competition between cable and PSTN it has driven adoption of broadband
- Local loop bundling has very been important in many developed countries, but hard to implement
- Competition is seen in:
  - price
  - speed
  - multi-play bundles
- Fibre to the home or office is becoming increasingly important
- IPTV is seen as important for revenues, but proving a difficult business model to develop

## Thank you

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