Developed Asia–Pacific telecoms market: trends and forecasts 2020–2025

Julia Martusewicz-Kulinska, Francesco Bellomo and Qingyi Liang

June 2020, based on data up to 4Q 2019

About this report

Analysys Mason provides detailed 5-year forecasts of the fixed and mobile telecoms market. Our forecasts take into consideration the likely range of economic impacts that the COVID-19 pandemic may have on operators' telecoms service revenue worldwide.[1]

This report focuses on operators' core telecoms services. It includes discussion of IoT, pay-TV and operator business services. These services are discussed in detail in our other research programmes.

Our forecasts are informed by on-the-ground, regional market experts from our topic-led research programmes and our consulting division, as well as external interviews. In addition to our robust set of historical data, our forecasts draw on a unique and in-house modelling tool, which applies a rigorous procedure (reconciling different sources, standard definitions, top-down and bottom-up modelling).

DataHub

Our forecasts are refined throughout the year. This report presents the results at the time of publication and will continue to give useful background information about key drivers. However, we recommend that you always use the Analysys Mason DataHub to view the latest data associated with this report.

REPORT COVERAGE

Geographical

Regions modelled

- Developed Asia–Pacific (DVAP)

Countries modelled individually

- Australia
- Hong Kong
- Japan
- New Zealand
- Singapore
- South Korea
- Taiwan

Key performance indicators (around 200)

Connections

Mobile

- Handset, mobile broadband,[2] IoT[3]
- Prepaid, contract
- 2G, 3G, 4G, 5G
- Smartphone, non-smartphone

Fixed

- Voice, broadband
- Narrowband voice, VoBB
- DSL, FTTP/B, cable, FWA, 5G, other

Pay TV

Traffic

Fixed and mobile

- Outgoing voice minutes, MoU

Mobile data traffic

Revenue/ARPU/ASPU

Mobile

- Service,[4] retail, wholesale
- Handset, mobile broadband,[2] IoT[3]
- Handset voice, messaging, data
- Prepaid, contract
- 2G, 3G, 4G, 5G

Fixed

- Service,[4] retail, wholesale
- Voice, broadband, dedicated connections
- DSL, FTTP/B, cable, FWA, 5G, other

ICT services

Pay TV

[1] More details about the COVID-19 forecast can be found in Analysys Mason's *COVID-19 scenarios for telecoms operator service revenue: worldwide forecasts 2019–2024*. [2] Includes USB modem, and mid- and large-screen, but not handset-based data. [3] IoT connections and revenue figures include mobile services only. [4] Service revenue is the sum of retail and wholesale revenue.

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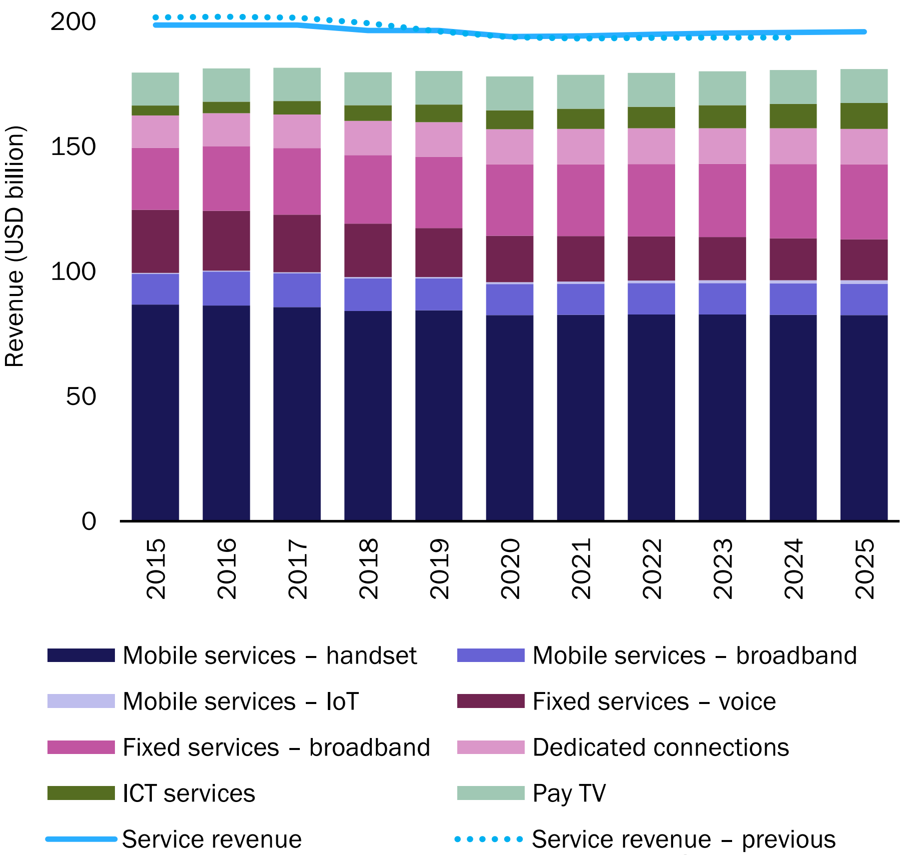
The total telecoms service revenue in developed Asia–Pacific will decline at a CAGR of 0.4%, largely due to competitive pressure rather than the COVID-19 pandemic

Figure 1: Telecoms and pay-TV retail revenue by type and total service revenue, developed Asia–Pacific, 2015–2025



Source: Analysys Mason

Operators in developed Asia–Pacific (DVAP) are investing in technological developments to maintain revenue levels.

Operators must continue to invest in improving their networks in order to satisfy the demand for enhanced broadband access speeds in both the consumer and business segments. Operators in DVAP are well-placed to offer technological upgrades and will continue to upsell customers to higher access speeds (for fixed and mobile services) and advanced business solutions (for enterprises). The high share of 5G devices in DVAP will boost data traffic growth, but the COVID-19 crisis will result in a slowdown in the take-up of 5G in 2020.

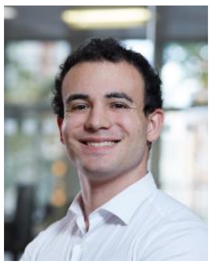
The COVID-19 pandemic will lead to only a slight decline in the total telecoms service revenue.

Fixed broadband, dedicated connections and ICT services will be the main drivers of fixed service revenue growth. Mobile revenue will continue to decline until 2021, mainly due to competitive pressure, but widespread 5G adoption will limit the ASPU decline. Operators in the low-value prepaid segment will focus on price competition, while those in the high-value segment will compete heavily to upsell customers to premium 5G offers, and will encourage 5G take-up by bundling value-added services with data plans. IoT revenue growth will accelerate, and operators will retain most of the IoT connectivity revenue. The number of pay-TV connections will increase (mainly OTT and IPTV), but the revenue will not mirror this growth because the average service price will remain low.

Contents

About the authors

Julia Martusewicz-Kulinska (Senior Analyst) is a member of the regional markets research team, contributing mainly to the *European Core Forecasts*, *Telecoms Market Matrix* and *European Country Reports* programmes. She has more than 16 years of research and telecoms industry regulations experience. Prior to joining Analysys Mason, she worked for the Qatar national regulatory authority as a Competition Analysis section manager and for Polish national regulatory authority as the head of the Research Division, where she was responsible for telecoms market research, and as the leader of the Telecommunications Market Analysis Department, which was accountable for co-operation between the regulatory authority and the Information Society and Media DG of the European Commission.



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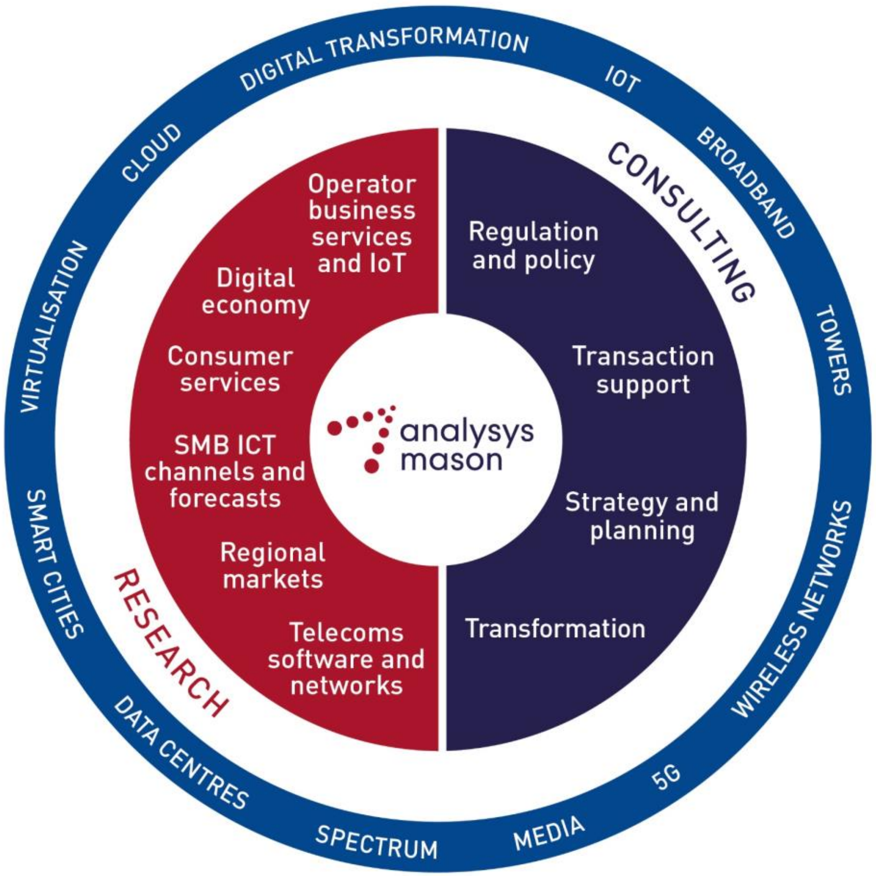
Analysys Mason's consulting services and research portfolio



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Digital Economy Strategies
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Ex-ante market reviews, remedies, costing…

Universal Service Obligation (USO)

Scarce resources: radio spectrum management, auction support, numbering…

Ex-post / abuse of dominance

Postal sector

Transformation

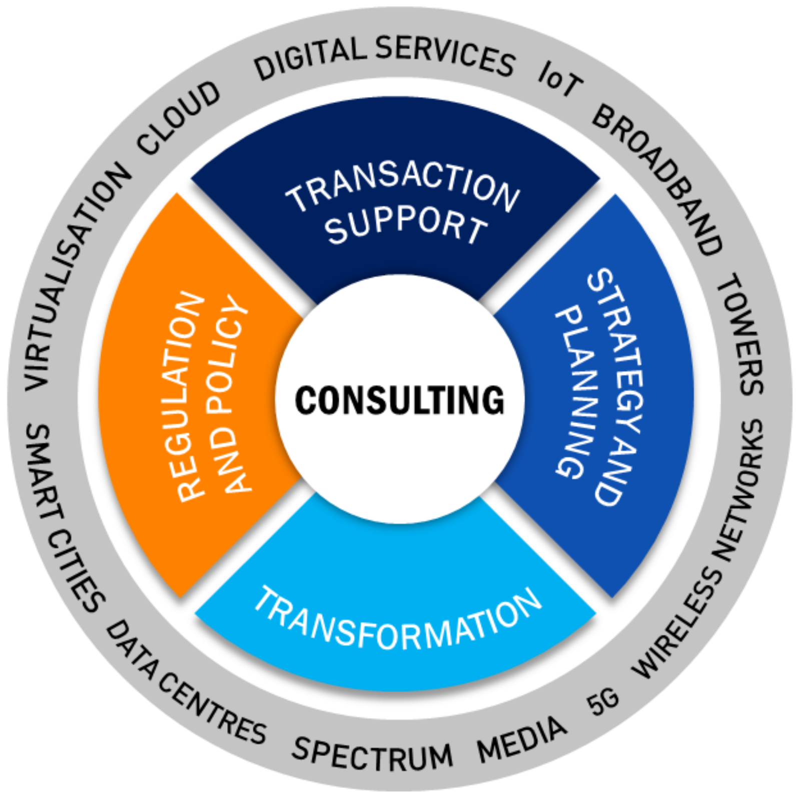
Transformation programmes

Assurance

Set-up

Implementation

Delivery



Transaction support

Commercial due diligence

Technical due diligence

Mergers and acquisitions (M&As)

Debt and initial public offerings (IPOs)

Joint venture structuring

Mid-market financial sponsors

Strategy and planning

Commercial expertise

Technology optimisation

New digital frontiers

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