Global telecoms market: trends and forecasts 2021–2026

Stefano Porto Bonacci

August 2022, based on data up to 3Q 2021
About this report

Analysys Mason provides detailed 5-year forecasts of the worldwide telecoms market.

This report focuses on operators’ core telecoms services worldwide. It includes discussion of value-added services (VAS), IoT, pay TV and operator business services. These services are discussed in detail in our other research programmes. This report also includes metrics related to equipment revenue.

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).

Our forecasts consider 5G developments, new business models and VAS.

This report presents commentary on the data available at the time of writing. However, we constantly refine and refresh our data, so please visit the Analysys Mason DataHub to view the latest data associated with this report.

This document is for Analysys Mason’s subscription service customers only. Usage is subject to the terms and conditions in our copyright notice. 1 Includes USB modem, and mid- and large-screen, but not handset-based data. 2 IoT connections and revenue figures include mobile services only. 3 Service revenue is the sum of retail and wholesale revenue.
It remains unclear if operators will manage to achieve significant mobile ARPU growth by migrating customers to 5G

MNOs must differentiate their 5G tariffs on more than just speeds to achieve ARPU uplift.

12% of all mobile connections worldwide used 5G technology in 2021, though there were significant differences in 5G take-up between regions (Figure 3).

MNOs (especially those in developed regions) believe that 5G has significant revenue potential. Data from a few MNOs in Asia–Pacific indicates that 5G early-adopters spend 10–30% more than customers on 4G plans.¹ Mobile ARPU in South Korea grew by 5.9% in the 2 years after the introduction of 5G, driven by an improving market environment (MNOs stopped competing heavily on prices) and high levels of 5G take-up. However, it is not clear if this uplift will extend to the mass market.

MNOs will need to do more than simply offer fast speeds in their 5G tariffs if they are to induce a large share of their customer base to pay a premium for 5G. They will therefore focus on developing 5G-specific services to monetise their investments in 5G. In the consumer segment, MNOs are exploring new services for gaming, VR and/or AI applications and video content. For example, SK Telecom in South Korea launched a 5G-based metaverse platform called ‘ifland’ in 3Q 2021 that reached 1.35 million active users by 1Q 2022.²

The development of compelling use cases will be critical to achieving 5G-related ARPU growth, especially considering the challenging economic conditions. Indeed, the availability of affordable 5G devices will be reduced in 2022 and 2023 due to disruption in the supply chain. Consumers’ increased financial constraints (because of rising inflation) is also likely to limit the migration to 5G in the short term.

¹ This is based on data reported by MNOs in the Philippines, South Korea and Thailand. For more information, please see Analysys Mason’s Emerging Asia–Pacific telecoms market: trends and forecasts and Developed Asia–Pacific telecoms market: trends and forecasts. ² Deutsche Telekom started to negotiate a partnership with SK Telecom in 1H 2022 to launch the metaverse platform in Germany.
Central and Eastern Europe: mobile

Figure 40: 4G, 5G and contract share of mobile connections, Central and Eastern Europe, 2016–2026

Figure 41: Mobile ARPU by plan, Central and Eastern Europe (USD per month), 2016–2026

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About the author and Analysys Mason
Stefano Porto Bonacci (Senior Analyst) is a member of the Regional Markets research practice and contributes mainly to the Asia-Pacific and Global Telecoms Data and Financial KPIs research programmes. He focuses on market sizing, market forecasting and analysing operators’ strategies. Prior to joining Analysys Mason, he gained experience as an economic analyst in the telecoms and financial sectors of the European Commission and at an economic policy think-tank. He holds an MSc in economics from Bocconi University.
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