Fixed services in developed Asia–Pacific: trends and forecasts 2019–2024

Andrew Yi-Ju Chern, Alex Boisot and Stephen Wilson

RESEARCH

About this report

This report provides commentary and trend analysis to support our 5-year forecast for developed Asia–Pacific (DVAP). It includes worldwide context and commentary on seven key countries: Australia, Hong Kong, Japan, New Zealand, Singapore, South Korea and Taiwan.

Our forecasts are based on our robust set of historical data and draw on a unique and in-house modelling tool that applies a rigorous methodology (reconciliation of different sources, standard definitions, top-down and bottom-up modelling).

For the complete data set for the region, please see Analysys Mason's DataHub at www.analysysmason.com/DataHub.

WHO SHOULD READ THIS REPORT

- Market intelligence, strategy and project managers at fixed operators in developed Asia–Pacific.
- Regulatory bodies in developed Asia–Pacific.
- Financial institutions that directly invest in the telecoms sector in the region, or advise others that do so.
- Press and media bodies that need a foundation of knowledge of the fixed telecoms market in developed Asia–Pacific.

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.

GEOGRAPHICAL COVERAGE

Regions modelled

- Developed Asia–Pacific (DVAP)

Countries modelled individually

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

KEY METRICS

Fixed connections

- Voice, broadband, IPTV, dial-up
- Narrowband voice, VoBB
- DSL, FTTP/B, cable, BFWA, other

Fixed revenue

- Service,[1] retail
- Voice, broadband, IPTV, dial-up, BNS
- DSL, FTTP/B, cable, BFWA, other

Fixed voice traffic

- Outgoing minutes, MoU

[1] Service revenue is the sum of retail and wholesale revenue.

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Executive summary

The total telecoms service revenue in developed Asia–Pacific (DVAP) will decline very slightly during the forecast period.

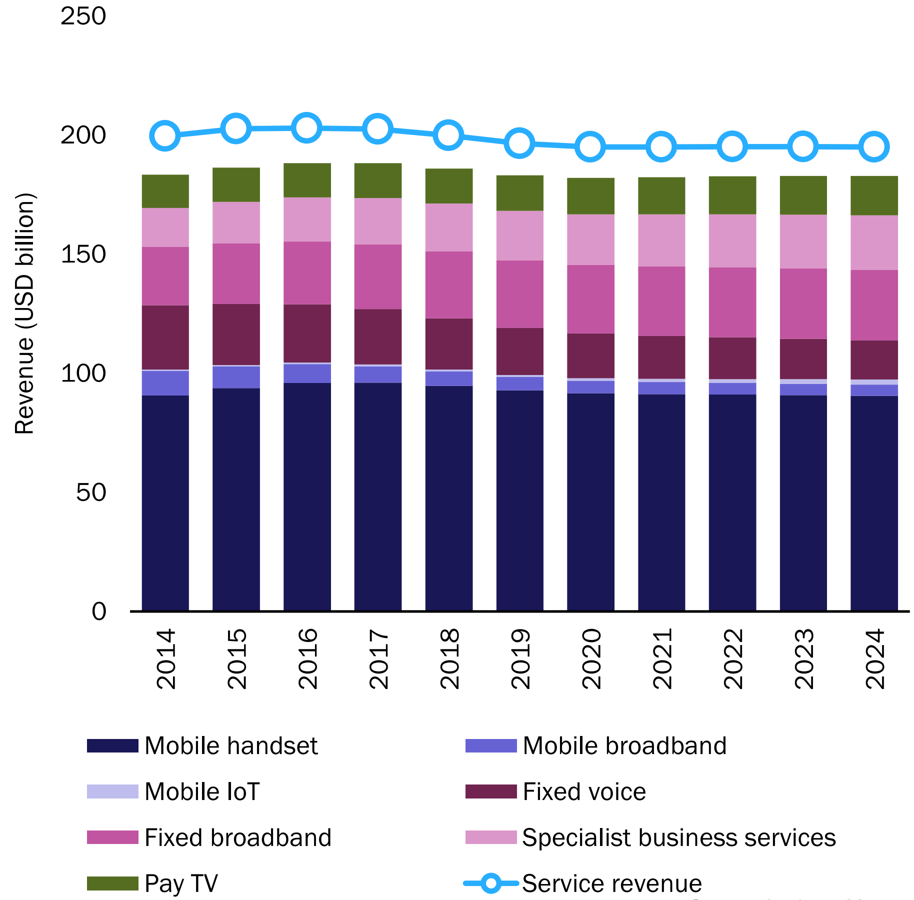
Countries in DVAP typically have some of the most technologically advanced and mature telecoms markets in the world. High levels of competition among operators and market saturation will continue to limit the scope for telecoms revenue growth in DVAP.

A robust macroeconomic outlook in the majority of countries in the region, along with several notable technological developments, will mitigate the extent of revenue declines, despite the poor prognosis. Revenue from legacy services will continue to gradually stabilise after a period of prolonged decline following the advent of OTT alternatives. Fixed broadband revenue will continue to grow, and revenue from business services and IoT will grow strongly, albeit from a small base.

New Zealand and South Korea will be the only countries in DVAP with a positive CAGR for telecoms retail revenue over the forecast period.

The telecoms market in New Zealand is less mature than those in the rest of the region and thus contains more untapped revenue potential. The state-backed Ultra-Fast Broadband (UFB) initiative has led to a rapid take-up in FTTP. In South Korea, the number of broadband connections will continue to grow, despite the high service penetration. Upselling broadband packages with gigabit access speeds will result in ASPU growth.

Figure 1: Telecoms and pay-TV[1] retail revenue by type and total service revenue, developed Asia–Pacific, 2014–2024

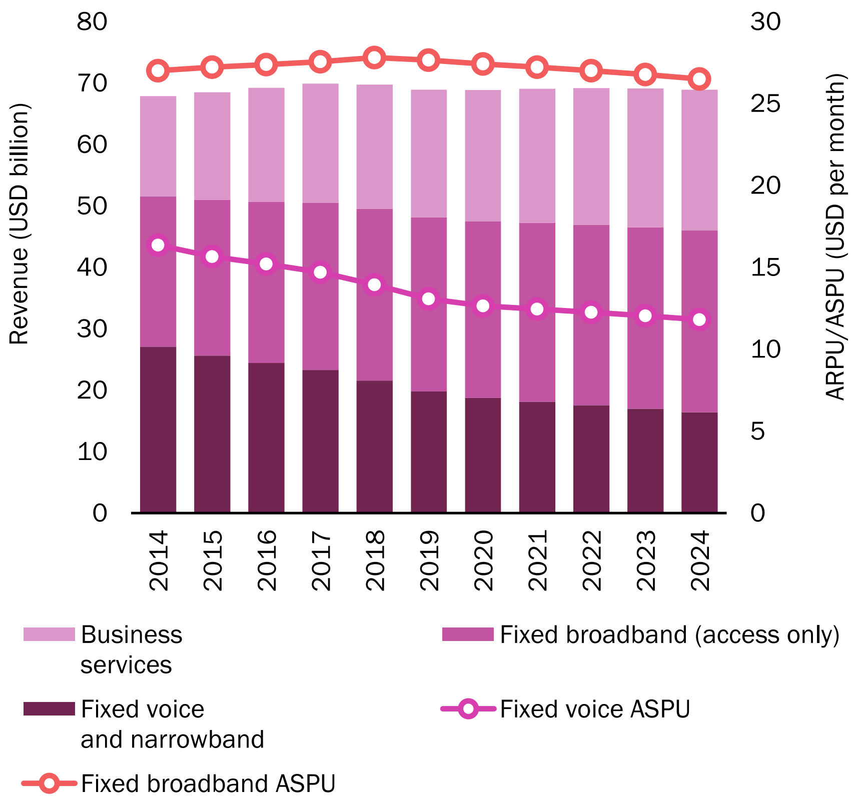


Source: Analysys Mason

[1] This includes revenue from traditional pay-TV services only, and excludes that from OTT services.

Fixed broadband, IoT and business services revenue will grow, but not by enough to offset revenue declines in legacy services

Figure 3: Telecoms retail revenue by service type, fixed voice and fixed broadband ASPU, developed Asia–Pacific, 2014–2024

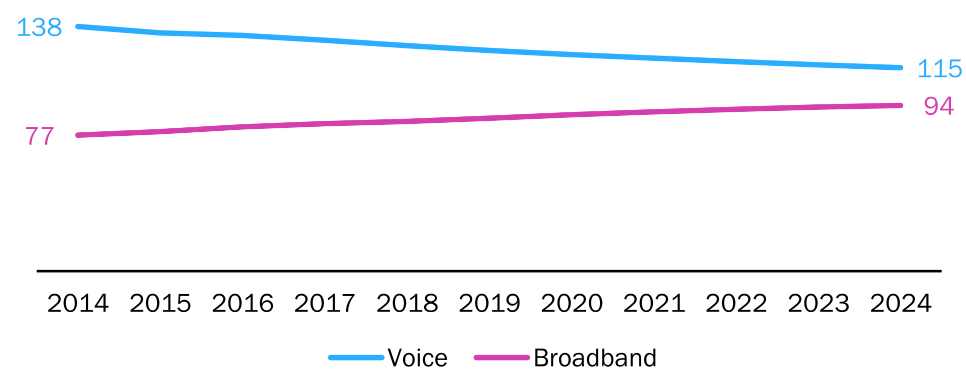


Source: Analysys Mason

Figure 4: Telecoms retail revenue and growth rate by service type, developed Asia–Pacific, 2014–2024

Service type	Retail revenue (USD billion)		CAGR	
	2018	2024	2014–2018	2018–2024
Fixed voice	21.6	16.4	–5.5%	–4.5%
Fixed broadband	28.0	29.6	3.3%	1.0%
Specialist business services	20.2	22.9	5.5%	2.1%

Figure 5: Fixed connections by type, developed Asia–Pacific (million), 2014–2024



Source: Analysys Mason

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About the authors

Andrew Yi-Ju Chern (Research Analyst) is a member of the regional markets research team in London, contributing mainly to the *Telecoms Market Matrix*, *Asia–Pacific* and *Global Telecoms Data* research programmes. Prior to joining Analysys Mason, Andrew was a business analyst at Vodafone. Andrew holds a BSc in Economics and Finance from Tsinghua University and a MSc in Strategic Management from HEC Paris.

Alex Boisot (Research Analyst) is a member of the regional markets research team in London, contributing primarily to the *Telecoms Market Matrix* and *European Country Reports* research programmes. Alex holds a BA in Philosophy, Politics and Economics from the University of East Anglia. He conducted research on the impact of telecommunications technologies on modern societies during his studies, writing his dissertation on e-government and e-democracy. He has also worked on the development of a mobile game aiming to teach users the basic principles of physics.

Stephen Wilson (Principal Analyst) is the lead analyst for Analysys Mason's *Fixed Broadband Services* research programme. He leads Analysys Mason's annual FTTx coverage, capex and conversion forecasts, and other recent areas of focus include examining fixed broadband operators' home Wi-Fi strategies. Stephen has more than 10 years of experience in the telecoms sector and is a graduate in Philosophy, Politics and Economics from St Catherine's College, Oxford University.

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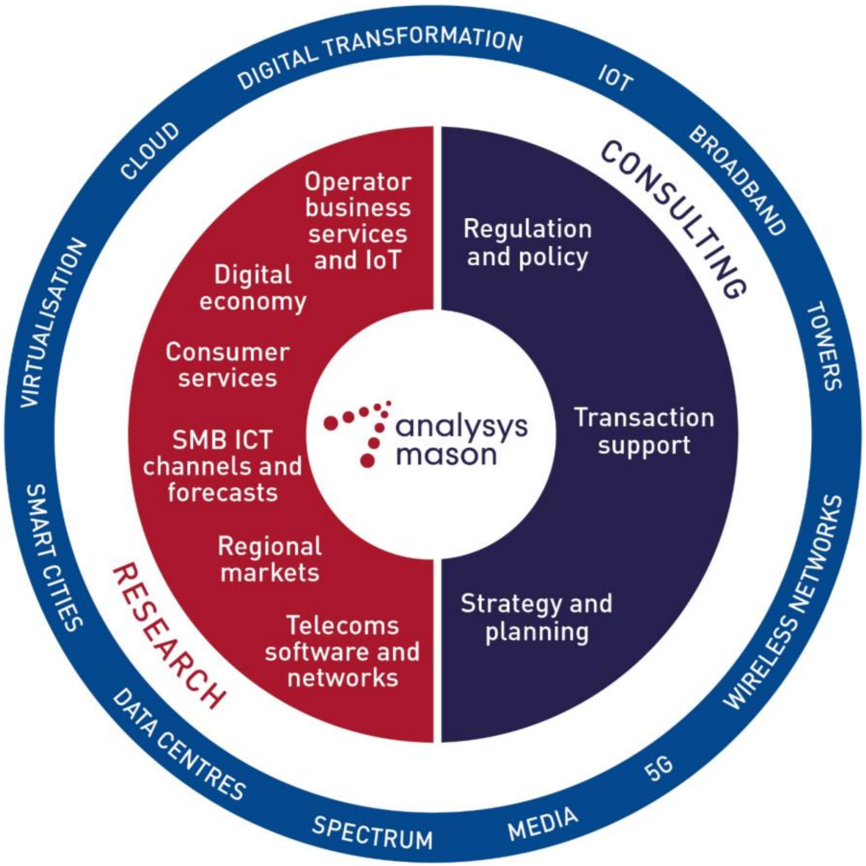

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