



Fixed services worldwide: trends and forecasts 2019– 2024



Ibraheem Kasujee

About this report

This report provides commentary and trend analysis to support our 5-year global telecoms market forecast. It includes worldwide context and commentary for the fixed market in eight regions.

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.analysismason.com/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](http://www.analysismason.com/DataHub) to view the latest data associated with this report.

WHO SHOULD READ THIS REPORT

- Market intelligence, strategy and project managers at fixed operators.
- Regulatory bodies.
- 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 fixed telecoms markets worldwide.

GEOGRAPHICAL COVERAGE

Regions modelled:

- Western Europe (WE)
- Central Eastern Europe (CEE)
- Emerging Asia–Pacific (EMAP)
- Developed Asia–Pacific (DVAP)
- Middle East and North Africa (MENA)
- Sub-Saharan Africa (SSA)
- Latin America (LATAM)
- North America (NA)

KEY METRICS

Connections:

- Voice, broadband, IPTV, dial-up
- Narrowband voice, VoBB
- DSL, FTTP/B, cable, BFWA, 5G, other

Revenue:

- Service,¹ retail
- Voice, broadband, IPTV, dial-up, business services
- DSL, FTTP/B, cable, BFWA, other

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

Contents

5. Executive summary

6. Executive summary

7. Worldwide trends

8. Market overview: growth in the total fixed retail revenue will be driven by rising fixed broadband penetration in developing markets

9. The FTTP/B share of fixed broadband connections will increase from 56% in 2019 to 64% in 2024

10. North America will be the only region with significant fixed broadband ASPU growth due to its limited market competition

11. Fixed broadband penetration will continue to grow in developing regions; operators in developed markets will focus on the consumer experience

12. Key mergers, acquisitions and market entries

13. Regional trends

14. Western Europe: only the fixed broadband market offers potential for significant revenue growth

15. Central and Eastern Europe: total revenue growth will be driven by increasing fixed broadband coverage

16. Emerging Asia–Pacific rising levels of competition and regulatory pressure will limit the growth in fixed broadband ASPU

17. Developed Asia–Pacific: fixed broadband and business services revenue will grow, but not by enough to offset declines in legacy services

18. Middle East and North Africa: the fast adoption of fixed broadband will help to maintain service revenue growth

19. Sub-Saharan Africa: the number of fixed broadband connections will more than double from 2018 to 2024, but penetration will remain low

20. Latin America: fixed broadband revenue will account for the majority of the total telecoms retail revenue, driven by expansions in network coverage

21. North America: fixed broadband will be the main driver of the total telecoms revenue growth, thanks to growth in both ARPU and household penetration

22. Forecast methodology and assumptions

23. Our forecast model is supported by sound market knowledge

24. Examples of forecast input drivers

25. About the author and Analysys Mason

26. About the author

27. Analysys Mason's consulting and research are uniquely positioned

28. Research from Analysys Mason

29. Consulting from Analysys Mason

List of figures

Figure 1: Telecoms and pay-TV retail revenue by type and total service revenue, worldwide, 2014–2024

Figure 2: Telecoms retail revenue by mobile service type and mobile ARPU, worldwide (USD billion), 2014–2024

Figure 3: Telecoms retail revenue and growth rate by service type, worldwide, 2014–2024

Figure 4: Fixed connections by type, worldwide (million), 2014–2024

Figure 5: Broadband connections by technology, worldwide (million), 2014–2024

Figure 6: Fixed retail revenue by service, worldwide (USD billion), 2014–2024

Figure 7: NGA broadband household penetration and NGA share of broadband connections, worldwide, 2014–2024

Figure 8: Fixed internet traffic per broadband connection, worldwide (GB per month), 2014–2024

Figure 9: Fixed broadband household penetration by country, worldwide, 2014–2024

Figure 10: Fixed broadband access ASPU by country, worldwide, 2014–2024

Figure 11: Recent and upcoming market structure changes worldwide

Figure 12: Broadband connections by technology, Western Europe (million), 2014–2024

Figure 13: Fixed connections by type, Western Europe (million), 2014–2024

Figure 14: Broadband connections by technology, Central and Eastern Europe (million), 2014–2024

Figure 15: Fixed connections by type, Central and Eastern Europe (million), 2014–2024

Figure 16: Broadband connections by technology, emerging Asia–Pacific (million), 2014–2024

Figure 17: Fixed connections by type, emerging Asia–Pacific (billion), 2014–2024

Figure 18: Broadband connections by technology, developed Asia–Pacific (million), 2014–2024

Figure 19: Fixed connections by type, developed Asia–Pacific (million), 2014–2024

Figure 20: Broadband connections by technology, Middle East and North Africa (million), 2014–2024

Figure 21: Fixed connections by type, Middle East and North Africa (million), 2014–2024

Figure 22: Broadband connections by technology, Sub-Saharan Africa (million), 2014–2024

Figure 23: Fixed connections by type, Sub-Saharan Africa (billion), 2014–2024

Figure 24: Broadband connections by technology, Latin America (million), 2014–2024

Figure 25: Fixed connections by type, Latin America (million), 2014–2024

Figure 26: Broadband connections by technology, North America (million), 2014–2024

Figure 27: Fixed connections by type, North America (million), 2014–2024

Executive summary

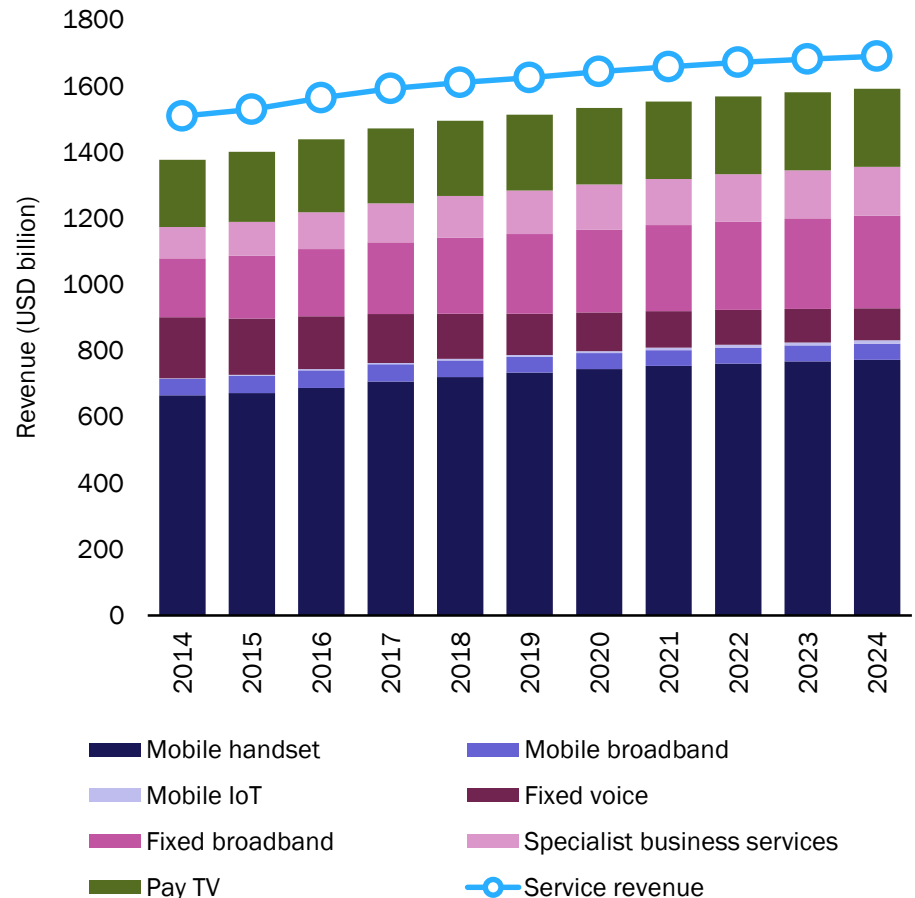
Fixed revenue will increase due to a growing demand for high-speed connections.

Fixed voice retail revenue worldwide will fall from USD125 billion in 2019 to USD97 billion in 2024, but the total fixed retail revenue will increase due to growth in fixed broadband revenue. The fixed broadband market will benefit from an increase in the number of next-generation access (NGA) networks in all regions. Sub-Saharan Africa (SSA) will have the lowest NGA share of all regions (58% in 2024) because low incomes and a high rural population makes investment in infrastructure difficult. The NGA share in North America (NA), developed Asia-Pacific (DVAP) and Western Europe (WE) will be more than 96% by 2024, aided by government incentives and operator investments motivated by cost savings.

Fixed broadband penetration will grow in all modelled regions over the forecast period.

Operators worldwide will invest further in expanding their NGA network coverage in order to upsell to existing customers and increase the coverage of underserved areas. This will help to increase the fixed broadband household penetration from 53% to 60% worldwide. The highest broadband penetration in 2018 was in DVAP, but there is still potential for further growth in some countries, notably Japan. A number of markets in WE are currently underpenetrated in terms of fixed broadband adoption, but we expect that WE will surpass DVAP in terms of fixed broadband penetration by 2024.

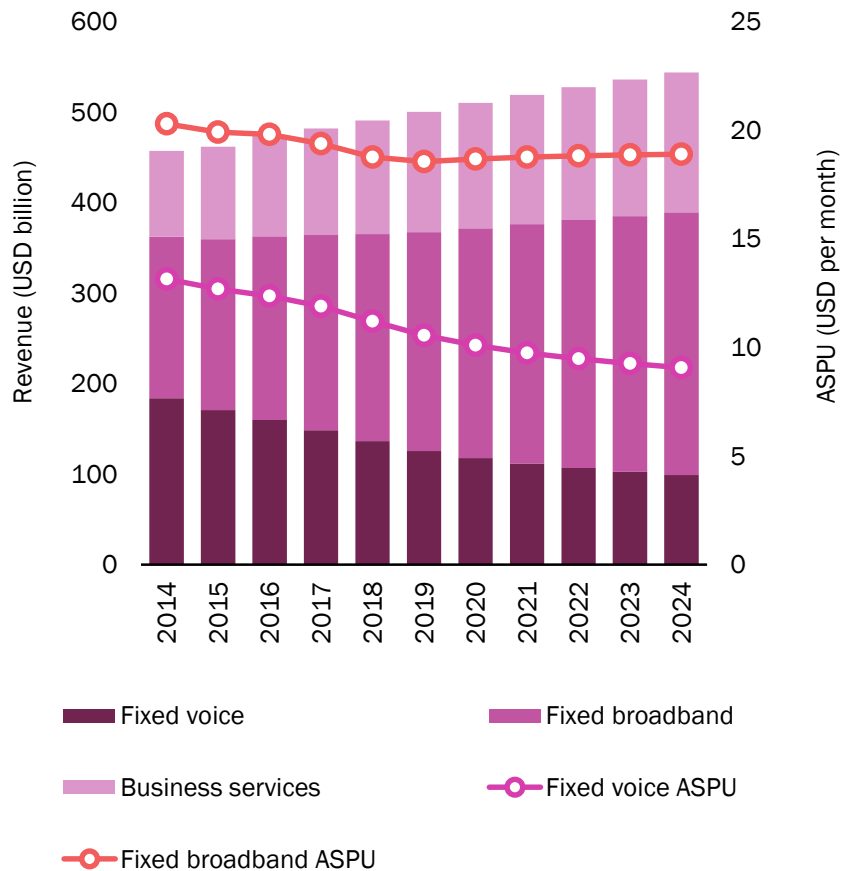
Figure 1: Telecoms and pay-TV retail revenue by type and total service revenue, worldwide, 2014–2024



Source: Analysys Mason

Market overview: growth in the total fixed retail revenue will be driven by rising fixed broadband penetration in developing markets

Figure 2: Telecoms retail revenue by mobile service type and mobile ARPU, worldwide (USD billion), 2014–2024

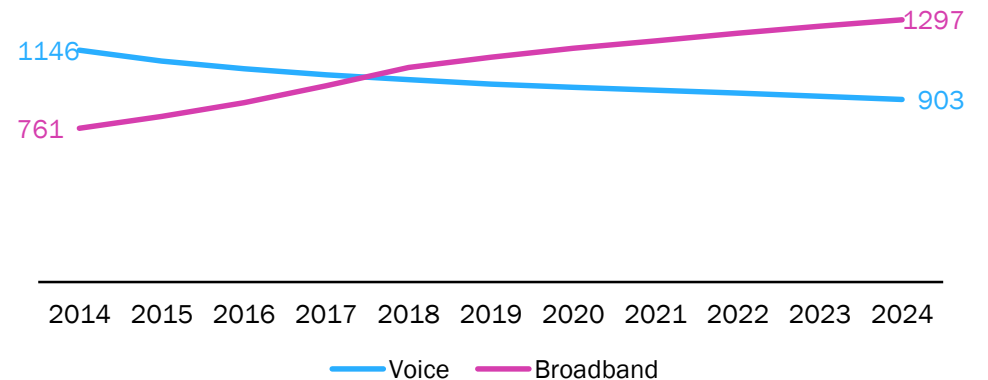


Source: Analysys Mason

Figure 3: Telecoms retail revenue and growth rate by service type, worldwide, 2014–2024

Service type	Retail revenue (USD billion)		CAGR	
	2018	2024	2014–2018	2018–2024
Fixed voice	136.6	96.8	-7.2%	-5.6%
Fixed broadband	229.7	280.0	6.5%	3.4%
Specialist business services	125.7	147.8	7.3%	2.7%

Figure 4: Fixed connections by type, worldwide (million), 2014–2024



Source: Analysys Mason



Executive summary

Worldwide trends

Regional trends

Forecast methodology and assumptions

About the author and Analysys Mason

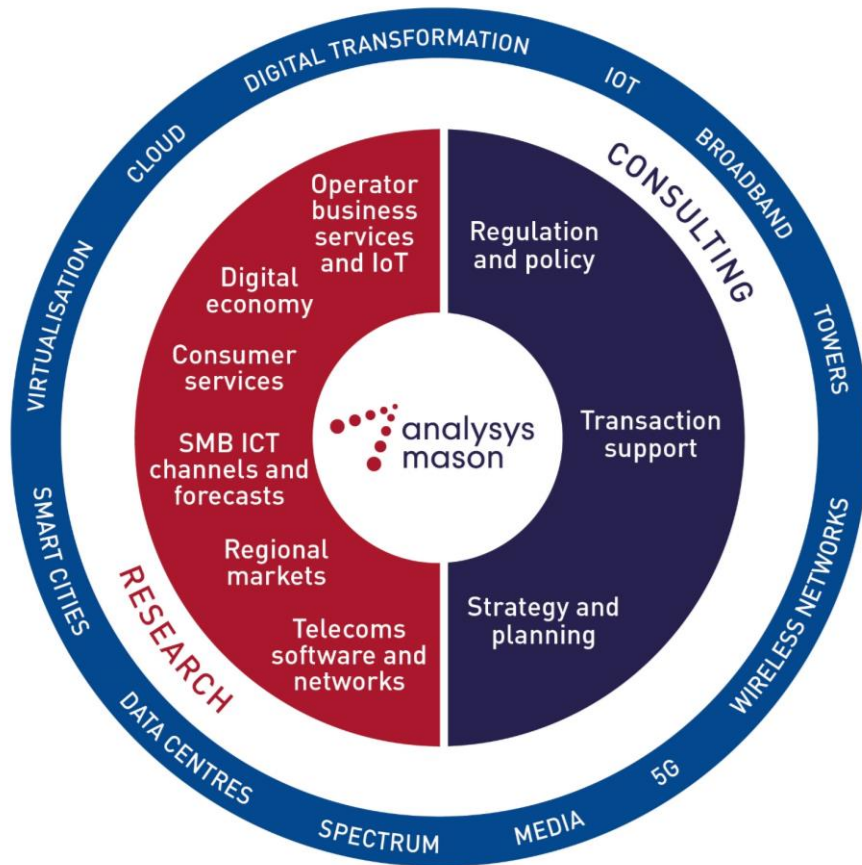
About the author



Ibraheem Kasujee (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. Ibraheem holds a BSc in Economics from the University of Warwick, and wrote his dissertation on the impact of technology on sleep.

Analysys Mason's consulting and research are uniquely positioned

Analysys Mason's consulting services and research portfolio



Consulting

We deliver tangible benefits to clients across the telecoms industry:

- communications and digital service providers, vendors, financial and strategic investors, private equity and infrastructure funds, governments, regulators, broadcasters and service and content providers

Our sector specialists understand the distinct local challenges facing clients, in addition to the wider effects of global forces.

We are future-focused and help clients understand the challenges and opportunities new technology brings.

Research

Our dedicated team of analysts track and forecast the different services accessed by consumers and enterprises.

We offer detailed insight into the software, infrastructure and technology delivering those services.

Clients benefit from regular and timely intelligence, and direct access to analysts.

Research from Analysys Mason

Consumer services programmes

- Mobile Services
- Mobile Devices
- Fixed Broadband Services
- Convergence Strategies
- Video Strategies

Operator investment programmes

- Operator Investment Strategies
- Network Traffic
- Spectrum

Telecoms software and networks programmes

- Software Forecast and Strategy
- Telecoms Software Market Shares

Network-focused

- Next-Generation Wireless Networks
- Video and Identity Platforms
- Service Design and Orchestration
- Automated Assurance
- Network Automation and Orchestration
- Digital Infrastructure Strategies

Customer-focused

- Digital Experience
- Customer Engagement
- Monetisation Platforms
- AI and Analytics



Digital economy programmes

- Digital Economy Strategies
- Future Comms

Operator business services and IoT programmes

- Large Enterprise Voice and Data Connectivity
- Large Enterprise Emerging Service Opportunities
- SME Strategies
- IoT and M2M Services
- IoT Platforms and Technology

SMB ICT channels and forecasts programmes

- Managed Service Provider Strategies
- Cyber Security

Regional markets programmes

- Global Telecoms Data
- Americas
- Asia-Pacific
- Middle East and Africa
- European Core Forecasts
- European Telecoms Market Matrix
- European Country Reports

DataHub

- ~2500 forecast and 250+ historical metrics
- Regional results and worldwide totals
- Operator historical data

Consulting from Analysys Mason

REGULATION AND POLICY

- Policy development and response
- 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



analysismason.com/consulting

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

PUBLISHED BY ANALYSYS MASON LIMITED IN **FEBRUARY 2020**

Bush House • North West Wing • Aldwych • London • WC2B 4PJ • UK

Tel: +44 (0)20 7395 9000 • Email: research@analysismason.com • www.analysismason.com/research • Registered in England and Wales No. 5177472

© Analysys Mason Limited 2020. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means – electronic, mechanical, photocopying, recording or otherwise – without the prior written permission of the publisher.

Figures and projections contained in this report are based on publicly available information only and are produced by the Research Division of Analysys Mason Limited independently of any client-specific work within Analysys Mason Limited. The opinions expressed are those of the stated authors only.

Analysys Mason Limited recognises that many terms appearing in this report are proprietary; all such trademarks are acknowledged and every effort has been made to indicate them by the normal UK publishing practice of capitalisation. However, the presence of a term, in whatever form, does not affect its legal status as a trademark.

Analysys Mason Limited maintains that all reasonable care and skill have been used in the compilation of this publication. However, Analysys Mason Limited shall not be under any liability for loss or damage (including consequential loss) whatsoever or howsoever arising as a result of the use of this publication by the customer, his servants, agents or any third party.