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Western Europe telecoms market: trends and forecasts 2019–2024

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Contents

Contents

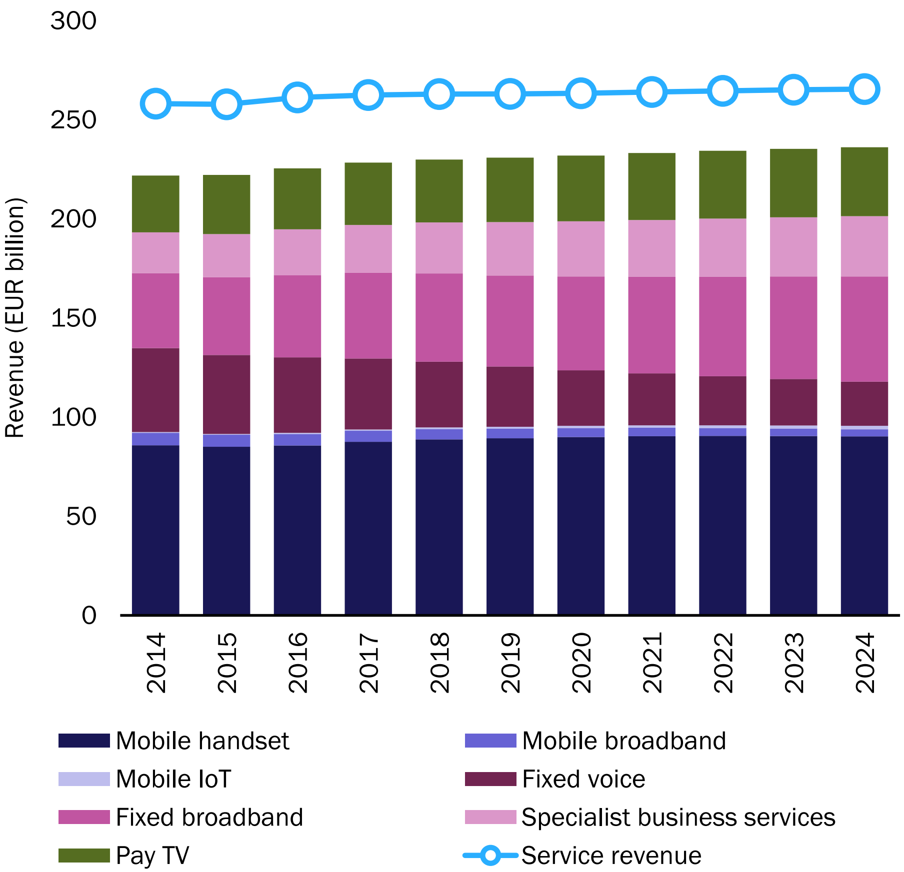
List of figures [1]

List of figures [2]

List of figures [3]

The total telecoms service revenue in Western Europe will grow marginally; revenue will only grow significantly in the fixed broadband market

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



Source: Analysys Mason

The total service revenue for telecoms and pay-TV services will grow at a very modest rate during the forecast period.

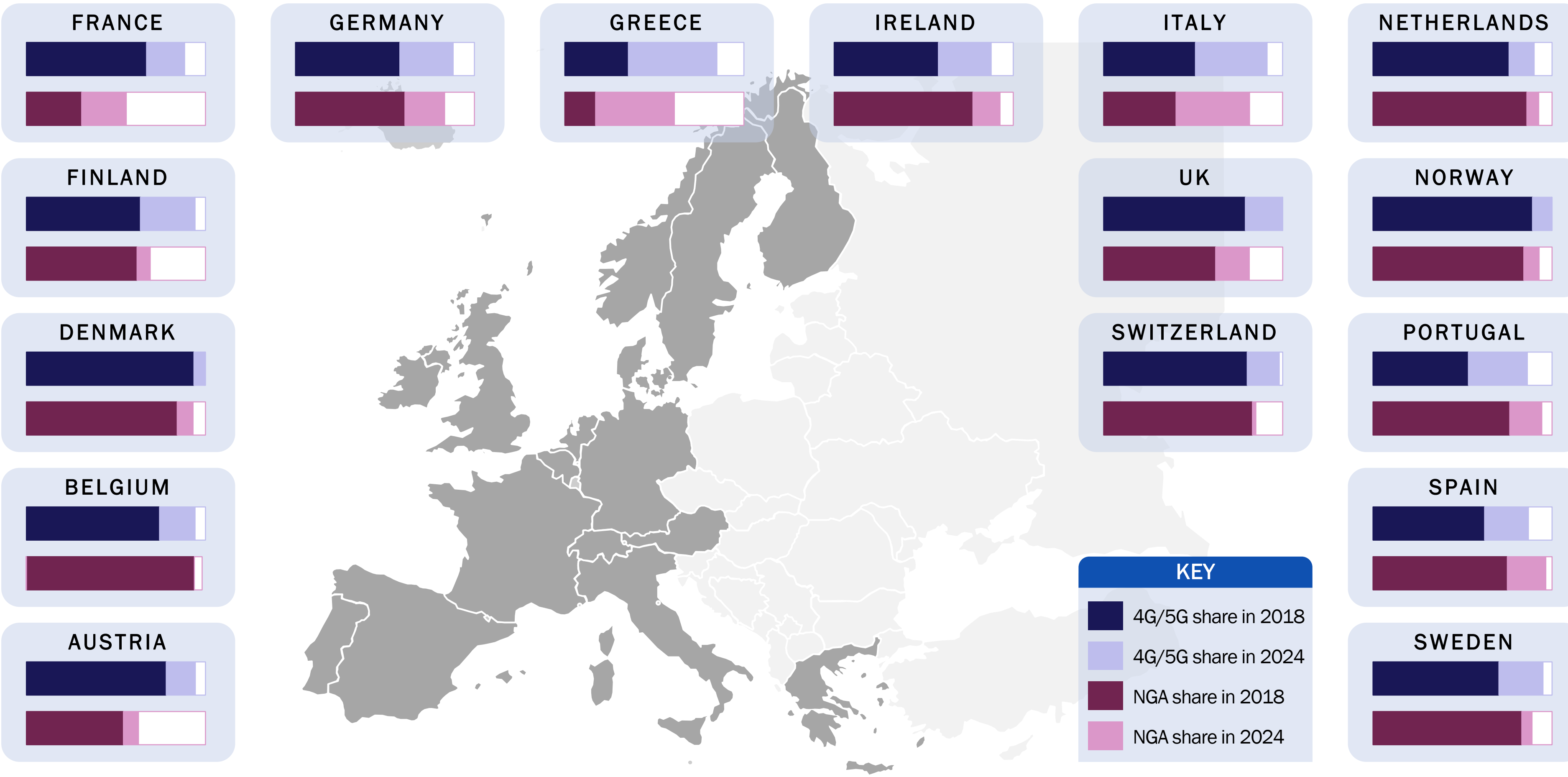
We expect that the total service revenue in Western Europe (WE) will grow at a CAGR of 0.2% to reach EUR265 billion in 2024. The economic outlook for the region is modest due to international trade tensions and the economic uncertainties regarding Brexit. This may affect household spending, but inflation in the euro area is expected to remain low.

WE is highly saturated in terms of the number of mobile connections, and intense price competition in several countries will limit operators' ability to increase the average spending per user, resulting in a decline in mobile service revenue. In addition, the launch of 5G services is only expected to have a small effect on the total market ARPU, partly due to a slower take-up (compared to that of 4G services at the time of launch), but also due to competitive pressure and limited incentives for end users.

Fixed broadband revenue growth will be supported by the demand for fast FTTP/B broadband connections, government and EU funds for underpenetrated markets and a more-supportive regulatory environment for new infrastructure investments. Operators will also become more active in the area of specialist business services. The increasing popularity of OTT services will be the main driver of operator revenue growth in the pay-TV segment.

Geographical coverage: the NGA share of connections will only remain low in a few countries during the forecast period

Figure 3: 4G/5G share of mobile connections and NGA share of fixed broadband connections by country, Western Europe, 2018 and 2024[1]



[1] For a full list of countries modelled as part of the Western Europe region, please see the accompanying data annex. Mobile connections exclude IoT connections. NGA share of fixed broadband connections is calculated as cable, VDSL and FTTP/B connections (that provide access speeds of 30Mbps or more) divided by the total number of fixed broadband connections.

Contents

About the authors

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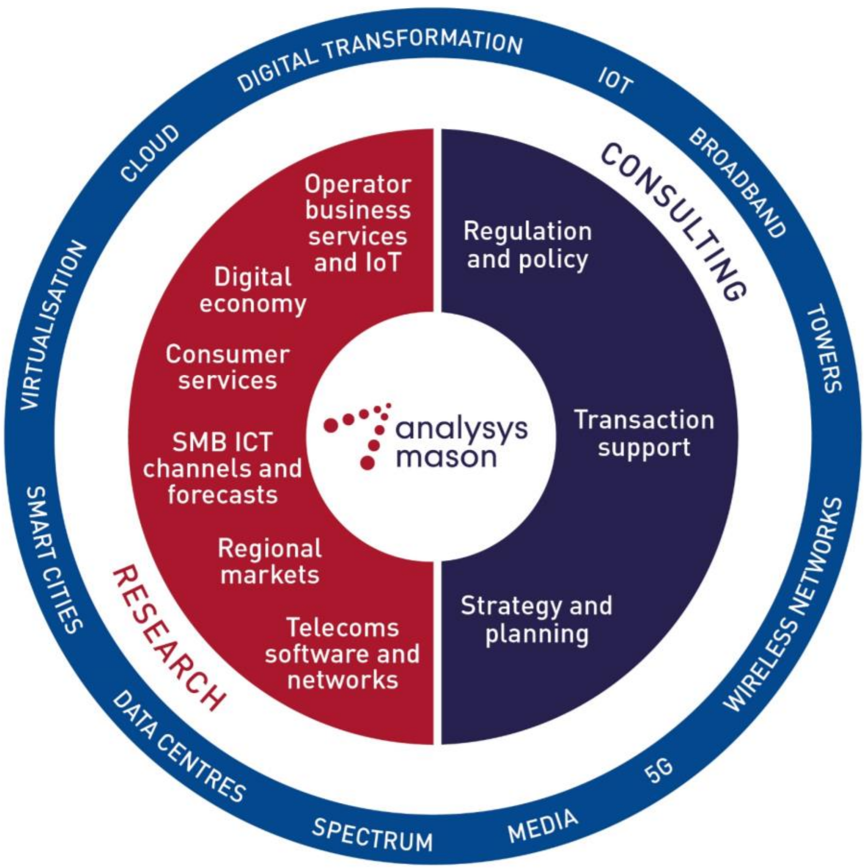

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