

# Market developments in the enabling communications infrastructure

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WORKSHOP ON ELECTRONIC COMMERCE

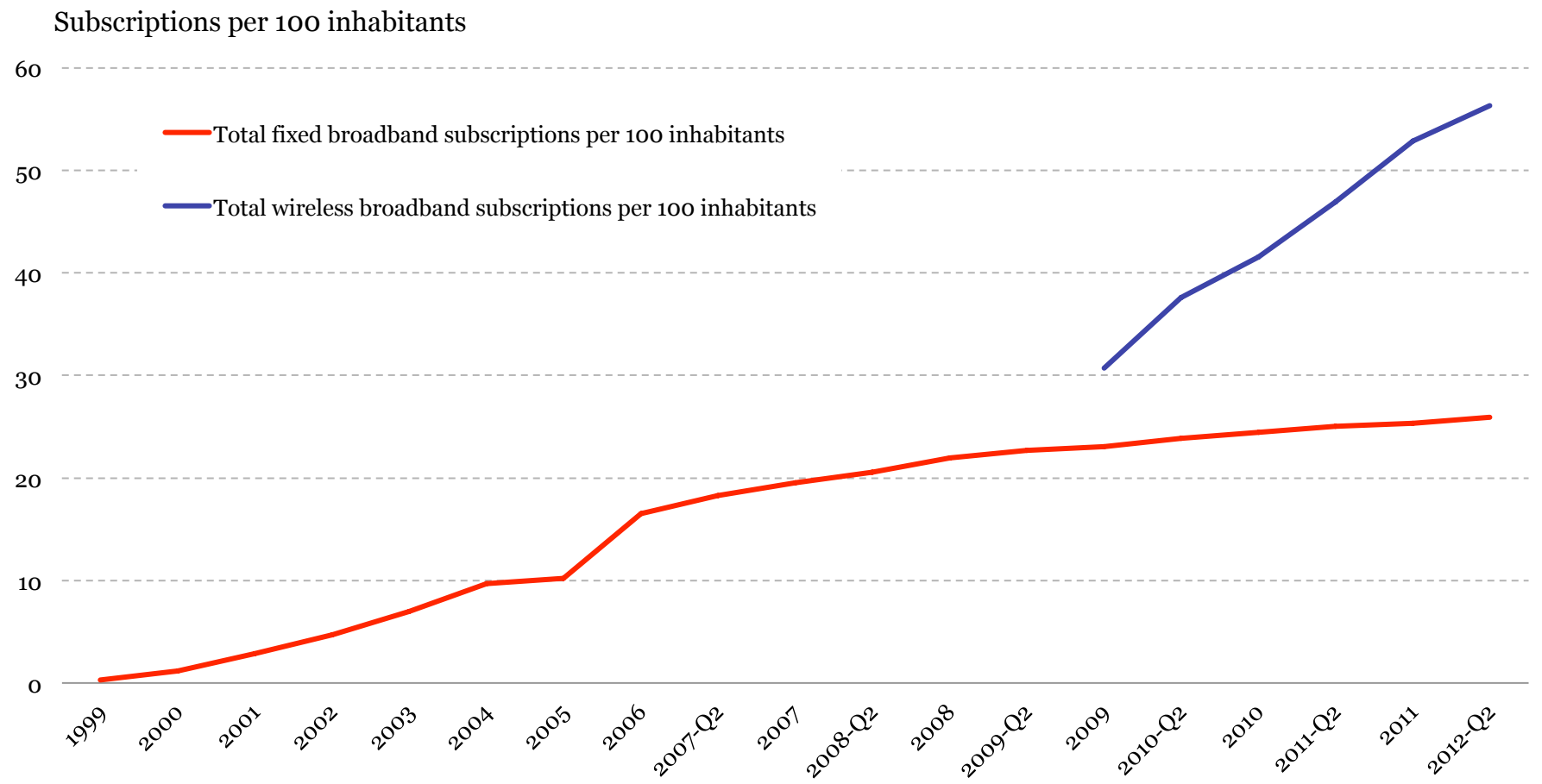
GENEVA, 17-18 JUNE 2013

\*The views are mine and may or may not be those of the OECD and member countries.

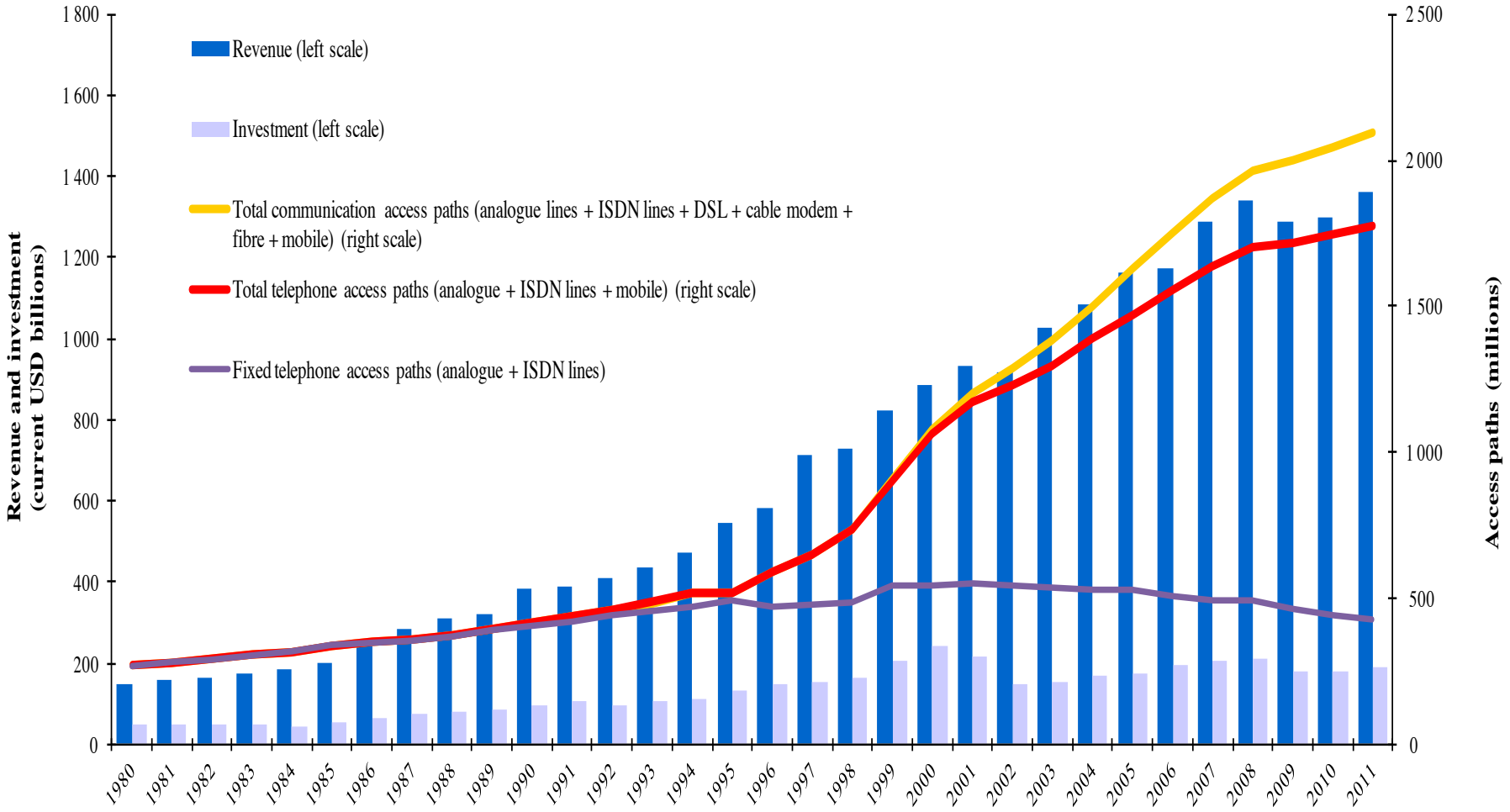
# Some topics covered

- **Some market trends**
  - Fixed, mobile and broadband
  - Business models
- **Infrastructure and services**
  - Is broadband being rolled out apace to meet policy objectives?
  - Level of competition, investment, prices, jobs, innovation?
- **Some barriers to trade**
  - International mobile roaming
  - International traffic termination

# Total fixed and wireless broadband subscriptions per 100 inhabitants



# Trends in revenue, investment and access



# Broadband deployment and business models: Nordic developments



- Skype

- Founded in 2003 by Janus Friis from Denmark and Niklas Zennström from Sweden.
- TeliaSonea bundles include VoIP in Sweden & separate charge in Spain (**6 euros**)

- Spotify



- A commercial music streaming service providing DRM-protected content from a range of major and independent record labels launched in 2008.
- TeliaSonea offers Spotify (**12 euros**) and founder joins Board

- HBO



- Standalone channel on TeliaSonera since 2012 (**9 euros**)
- Netflix CEO Reed Hastings says the region is the **"global battleground" for television delivered over the Internet**

- Magine

- Launched in Sweden in March 2013 and Germany this week
- Business model for content owners to share revenue



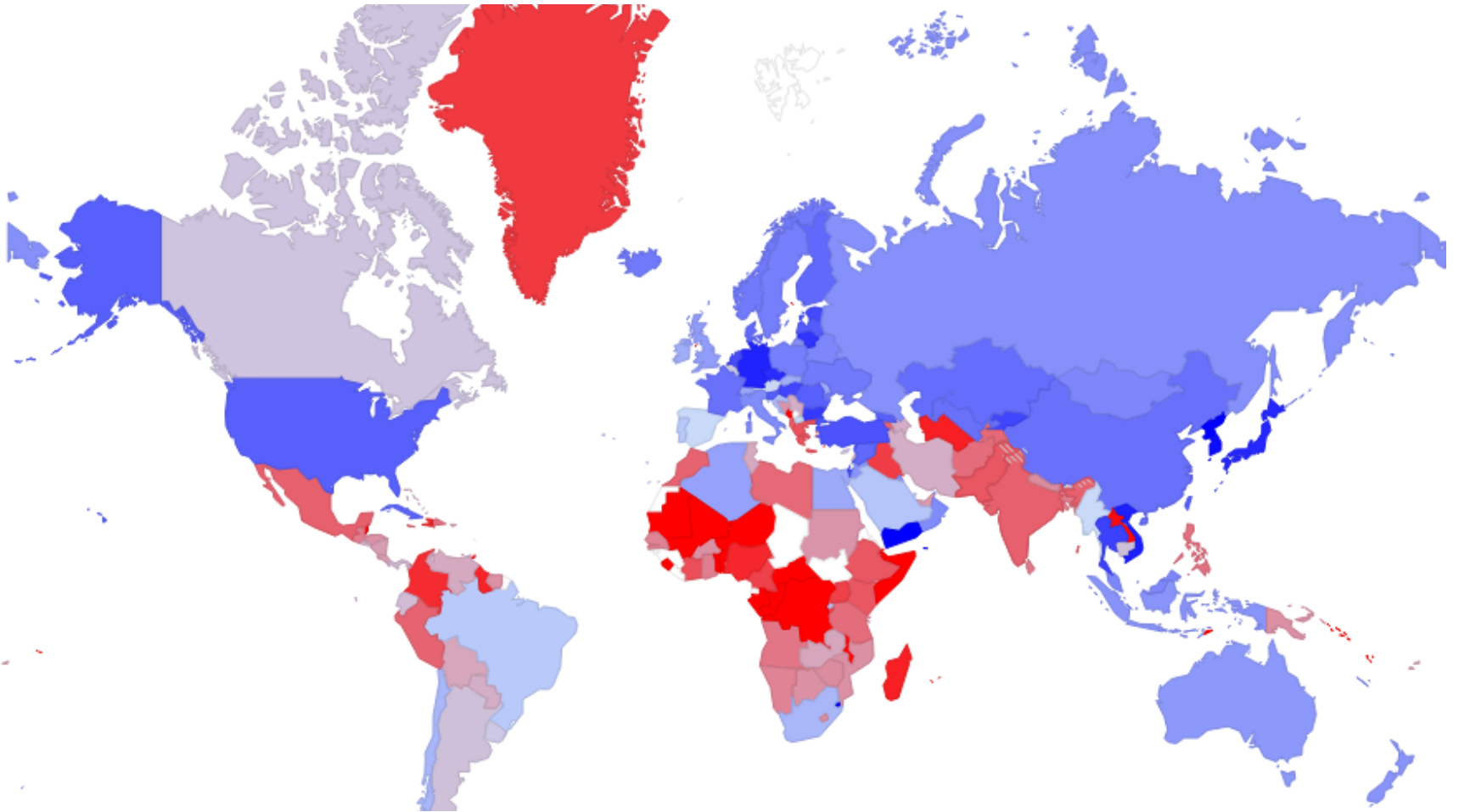
- TeliaSonera

- *“Our financial position is solid and **at year-end free cash flow was record high and we delivered the second highest earnings per share, at SEK 4.59, since the merger between Telia and Sonera in 2002.**”*

TeliaSonera

- **Increased Subscriptions**
  - Fixed -1.8%
  - Internet +4.9%
  - Mobile +6.6%
- **Higher Speed Subscriptions**
  - FTTH +60%
  - 100 Mbit/s +33%
- **Increased Usage**
  - Total Fixed/Mobile Voice: +6.1%
  - SMS: +25%
  - Mobile Data: +67.1%
- **Lower Prices**
  - Residential (INSEE) - 9.5%
  - Mobile - 11.4%
  - Without handsets - 28.4%
- **Lower Total Revenue**
  - Operator total -4.1%
- **Record Investment**
  - +22% (including spectrum fees)
- **Stable employment**
  - +0.1%
- **Innovation**
  - Low user prices (e.g. 2 euros)
  - Extensible Authentication Protocol (EAP-SIM)
  - International calls/roaming
  - LTE proceeding apace
  - VDSL 2/Fibre

# ccTLDs website location



Source: Pingdom

# International mobile roaming

- Recommendation of the OECD Council on International Mobile Roaming Services
- MNOs: e.g. Iliad Free Mobile
- MVNOs: e.g. Voyager Mobile
- International agreements: e.g. Australia/NZ



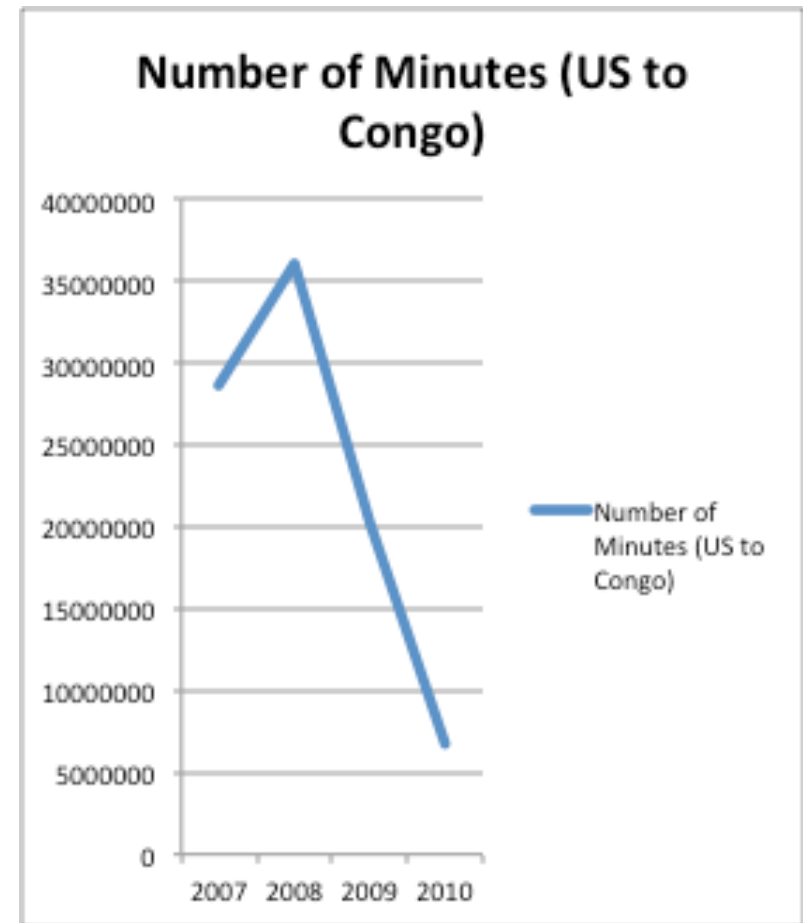
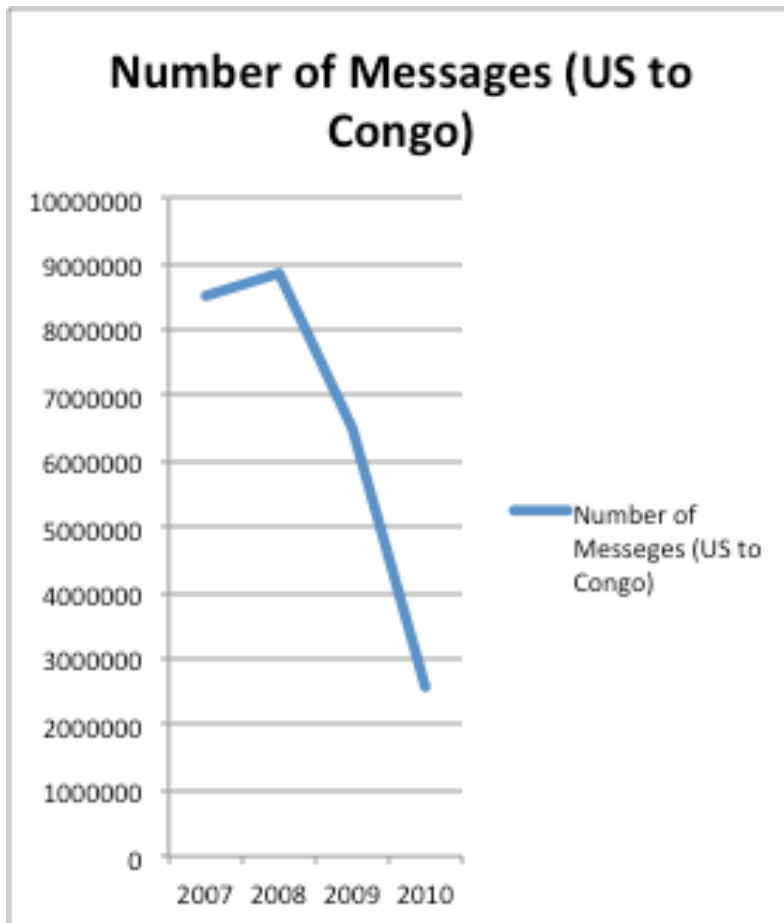


# Adam Smith, Pakistan 2nd International Clearing House (ICH) Board Meeting and Competition Commission of Pakistan chairperson Rahat Konain

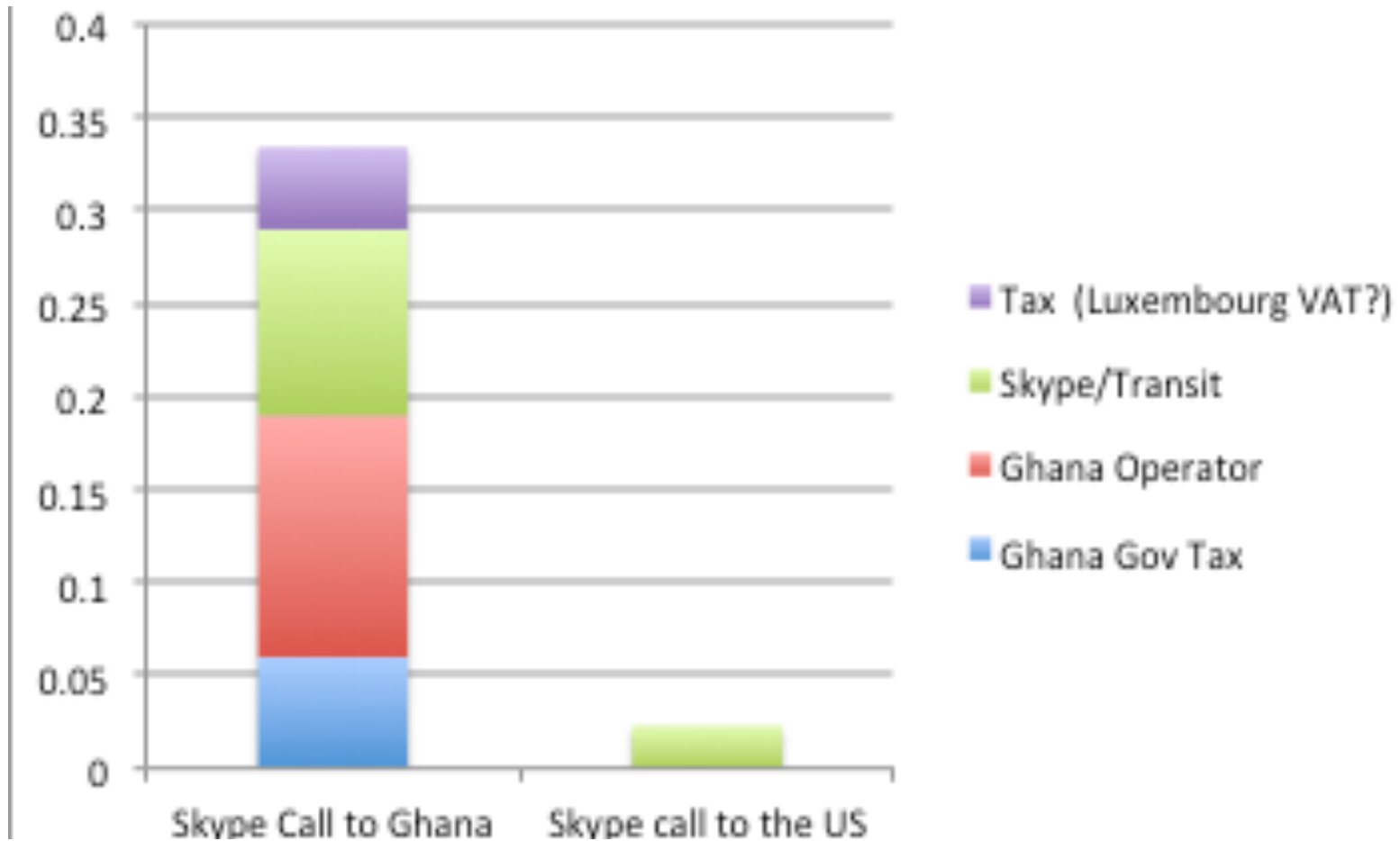
- ***“People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices. It is impossible indeed to prevent such meetings, by any law which either could be executed, or would be consistent with liberty or justice. But though the law cannot hinder people of the same trade from sometimes assembling together, it ought to do nothing to facilitate such assemblies; much less to render them necessary.”***



# International termination monopolies



# Taxing termination



# For more information

- Coming soon: 2013  
Communications Outlook
- For all reports and further  
information:
  - [www.oecd.org/sti/broadband](http://www.oecd.org/sti/broadband)

