

COUNTRY REPORTS

PAUL BUDDE's selection of updates, from Ecuador, Turkey and Denmark

ECUADOR - UNIVERSAL ACCESS TO ICT

Supported by continuing growth in GDP, Ecuador is considered one of the better performing economies in Latin America. Nevertheless, GDP per capita remains far below the regional average. Ecuador's fixed-line teledensity lags behind that of neighbouring countries, with significant unsatisfied demand. A large portion of the country has little or no fixed telephone coverage, partly because remote mountainous areas make the cost of laying copper wire prohibitive.

In line with the global trend, Ecuadorians have turned to mobile handsets in preference to the traditional fixed-line phone. The country's telecoms market is heavily skewed towards mobility, with seven mobile phones for every fixed line in service. Nevertheless, the ratio between fixed and mobile accounts has remained stable since 2009. Although Ecuador has seven fixed-line operators and a large number of internet service providers (ISPs), state-owned incumbent CNT dominates the fixed-line and therefore the ADSL market.

The mobile sector is virtually a duopoly between América Móvil's Conecel (trading as Claro) and Telefónica's Otecel (trading as Movistar), with CNT (previously Telecsa/Alegro) having a small share of the market.

The government is keen to advance universality and improve teledensity, and we can expect CNT to continue its efforts to expand the country's fixed-line infrastructure. CNT will also continue to capitalise on its ADSL service, which only took off in 2009 and still faces significant unsatisfied demand. A national broadband plan aims to expand and improve internet access for all Ecuadorians. The fixed broadband market – including both ADSL and cable modem services – should continue to grow by at least 25% annually. The mobile broadband market is also expected to grow strongly in the coming years.

TELECOMS PENETRATION BY SERVICE: 2014 (e)

MARKET	PENETRATION RATE
Mobile	113%
Fixed	16%
Broadband	7.7%

Source: BuddeComm, based on industry data



A new telecoms law has been the subject of national and international controversy, particularly for its treatment of broadcasting. The most controversial points include the redistribution of spectrum and the creation of a regulatory authority in charge of censorship.

MARKET HIGHLIGHTS

- The regulator awarded additional spectrum to CNT for the provision of LTE services, with a commercial launch at the end of 2013.
- Fixed-line operator Etapa has entered the pay TV market, launching DTH satellite TV services in Cuenca.
- The Ministry of Electricity and Renewable Resources has approved a smart grid policy for Ecuador that could make the country a regional pioneer in this field.
- In late 2013 the regulator shut down Univisa in Cuenca and Azogues for delivering services in areas where it was not licensed.
- Supertel, the regulator, recommended legislation which would allow prospective MVNOs to require operators to share their spectrum and other network resources.
- The government has promoted its National Plan for Good Living 2013-17 for socio-economic development.
- IT initiative, Digital Training through Mobile Classrooms, has been praised by the ITU as a vehicle for pushing ICT deeper into rural areas.
- The Pacific Caribbean Cable System (PCCS) is expected to be lit in late 2014, dramatically increasing international bandwidth for Ecuador.
- The first phase of analogue switch-off is scheduled for December 2016, with complete transition to digital TV expected in late 2018.
- The government in late 2013 secured a \$30m loan to develop smart metering and extend electricity to 15,000 unserved dwellings. ➔

TURKEY - ON THE CUSP OF LTE

Turkey possesses a significant telecoms market due to its large population, which is characterised as young, increasingly urbanised and technically literate. Its developing economy has been shaped by the European Union accession process.

Despite liberalisation, Turk Telekom maintains a near monopoly of the fixed market. Competition is increasing due to an improved regulatory regime for network access that includes wholesale line rental (WLR) and naked DSL.

Broadband services are widely available in Turkey, with competition predominantly infrastructure based. Mobile broadband has emerged as the most popular broadband



platform. ADSL continues to represent the majority of fixed broadband subscriptions due to the reach of Turk Telekom's copper network.

Recognising the potential of applying ICT to improve both social and economic development, Turkey has taken steps to develop a digital economy, encompassing e-commerce, e-government, e-health and e-education. The large potential online market has attracted significant international investment from multinational retailers and private equity firms.

Mobile penetration has reached levels indicative of a mature market. Healthy infrastructure-based competition exists between Turkcell, Vodafone and Avea, which have built GSM/HSPA networks. LTE technology has been trialled by the operators and during 2013 the Turkish government awarded a contract to build a LTE network for civilian and military use.

KEY TELECOMS PARAMETERS: 2013; 2014 (e)

SECTOR	2013	2014
Subscribers (million)		
Broadband	21	22
Fixed	14	14.1
Mobile	68.3	69

Source: BuddeComm

DENMARK - COMPETITIVE AND EXCELLENT BROADBAND

Denmark's competitive telecoms market enjoys Europe's highest broadband penetration rate. Its mobile sector has progressed with all four operators encouraging consumer uptake of data services on upgraded HSPA networks, while recent auctions for 2.6 GHz spectrum have paved the way for network operators to deploy mobile broadband services based on LTE. The fixed-line sector continues to contract, as more people forego fixed phones for VoIP and mobiles.

The country's high broadband penetration rate is the result of excellent cable and DSL infrastructure and a progressive regulatory regime that has encouraged operator access to both copper and fibre networks. Although fibre networks as yet have only a small footprint, a number of community and metropolitan schemes have supplemented TDC's commitments (TDC was the national operator).

Unusually within Europe, Denmark has focused on FTTP architecture rather than FTTN. Denmark also has mature digital media services, with cable TV companies accessing more than half of homes. Analogue switch-off came in late 2009, allowing for 800 MHz spectrum to be allocated for mobile broadband and other services.

The mobile market continues to show steady growth despite the country having one of the highest mobile penetration rates in Europe. Growth has been stimulated by

consumer demand for data services, and this is set to continue strongly during the next few years in the wake of 2.6 GHz spectrum licence awards and the late-2012 auction of spectrum in the 800 MHz band. All four main operators – TDC Mobile, Telenor Denmark, Telia and Hi3G – have launched LTE services, supplementing their existing HSPA networks.

A major regulatory development was the abolishment of Denmark's National IT and Telecom Agency in 2011 and the establishment in 2012 of the Danish Business Authority, which took over some of the previous regulator's functions, and which also promotes innovation and business. The DBA now handles telecoms and internet regulation, including competition and universal service obligations; spectrum planning and auctions; annual broadband mapping; and radio interface regulations. Also set up in 2012 is the Agency for Digitisation, part of the Ministry of Finance, which is ensuring that "Danes embrace the digital mindset and that the vision of a digital Danish public sector is achieved".

KEY DEVELOPMENTS

- Government plans for 30Mb/s uploads by 2020.
- Continuing growth in fibre network roll-outs.
- Consumer shift to mobile broadband.
- Regulator auctions 800 MHz spectrum.
- TeliaSonera and Telenor create TT Network joint venture.
- TDC develops MVNO interests; signs six-year contract with Huawei.
- MNOs develop NFC-based mobile wallet.
- Telecoms regulator abolished in 2011 with tasks reassigned to a new regulator, the Danish Business Authority.



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