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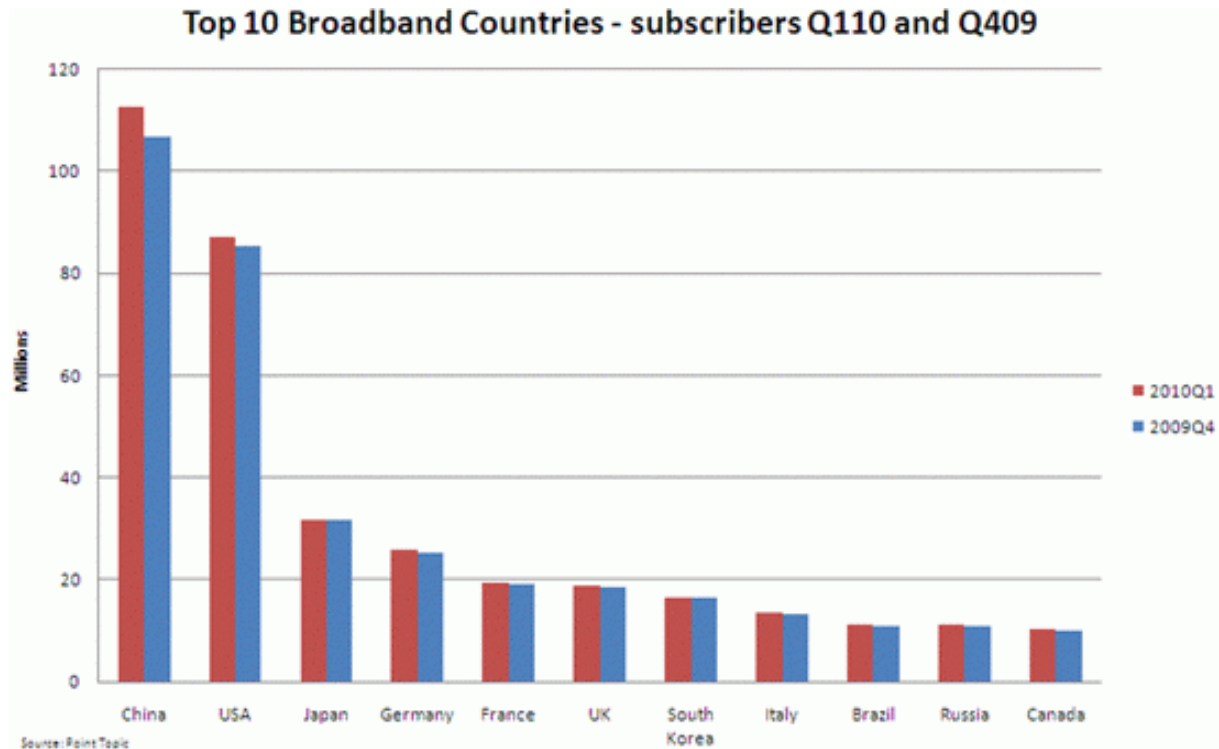
Broadband world growth accelerates after the doldrums of 2009

As of 31 March 2010 there were 484 million broadband subscribers in the world. This is an increase of 14.7 million lines in the first three months of the year which represents growth of 3.12% making Q1 2010 the best quarter for broadband for 12 months.

“Globally broadband growth is accelerating for the first time since the end of 2008. After a relatively difficult time in 2009 this performance is a bright spark of recovery,” says Fiona Vanier, Senior Analyst at Point Topic.

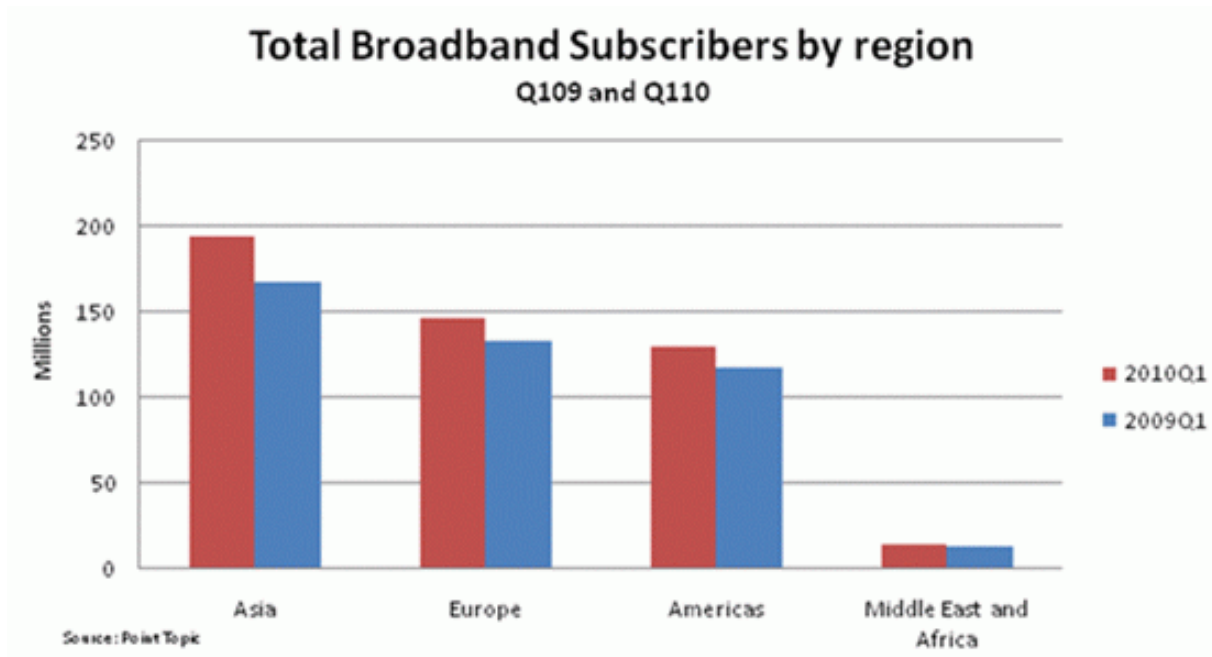
In the major broadband countries, those with over 100,000 broadband lines, just under half have reported accelerating growth in Q1 2010 compared to Q4 2009. However these countries are responsible for over 80% of the total lines added worldwide in the quarter and consequently their effect on the overall statistics is significant.

“There are variations at the country level in terms of a return to broadband health. Some markets with high penetration, like South Korea, are still adding subscribers but have less headroom than other younger markets. Even in those with more leeway growth is still volatile. The Philippines for example grew by over 60% in 2009 but only 14% in the first 3 months of the year which represents a drop in run rate but still very healthy,” says Vanier.



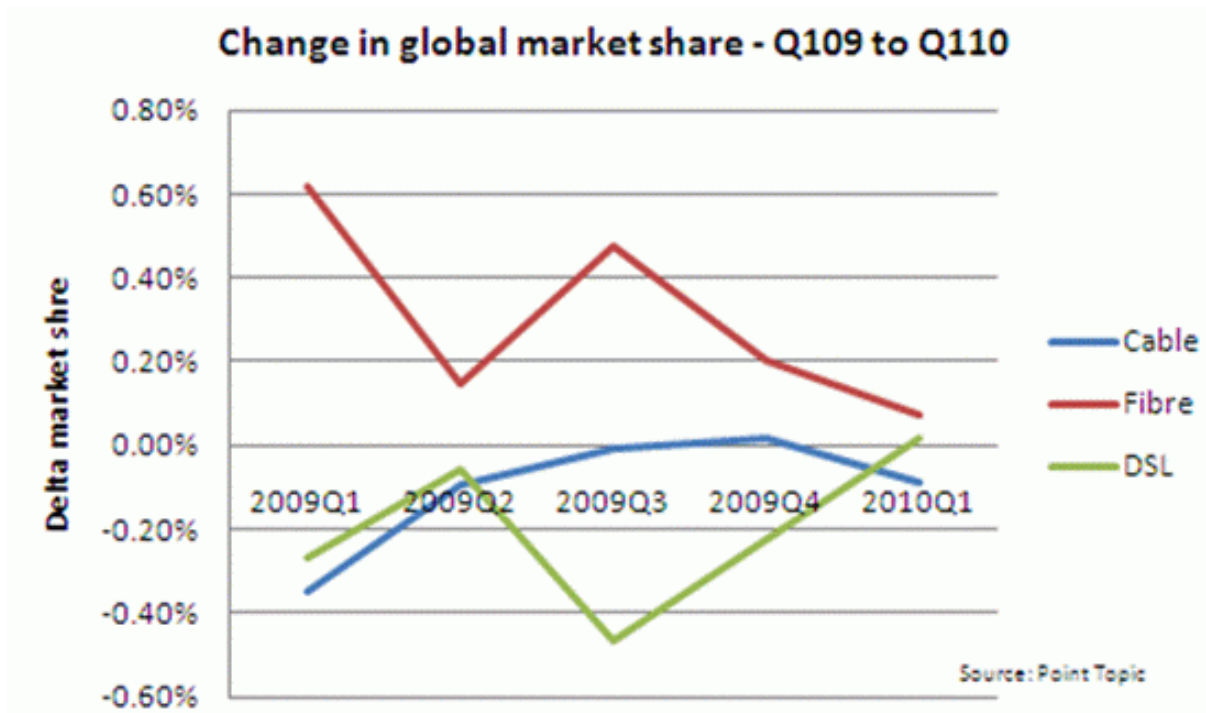
China remains the largest broadband country in the world and continues to strengthen their position as they accelerate away from the USA.

“China contributed 40% of the total broadband lines added in the first 3 months of 2010. Set against the relatively poor performance of the American markets and a flat numbers in Europe this consolidates the position of the Asian markets as the ones to watch for broadband in 2010.



“That said as investor and consumer confidence slowly rebuilds there is a good chance that the next 12 months will be much rosier for many of the ‘old broadband’ markets. There are a number of stimulus programmes underway and the increasing recognition of broadband as a utility and not a luxury should start to show up in broadband numbers through the year,” says Vanier.

Fibre market share grows



Fibre is continuing to grow faster than the competition but doesn't have it all its own way.

"DSL is still immensely popular in many markets and is particularly strong in the broadband second wave countries like India where the relatively low deployment costs and tariffs priced accordingly mean that it is the most affordable subscription. This has resulted in strong growth particularly in the first three months of this year," says Vanier

Although fibre makes a strong showing many deployments are actually hybrids of fibre and DSL or ethernet, using either VDSL or some form of LAN for the last few hundred metres.

"It's very expensive to deploy fibre all the way to the premises. More cost effective is to get fibre as far as the local node and then use copper or ethernet cable, often already present, to deliver broadband. These hybrid deployments often have characteristics closer to a fibre line than DSL with better upstream speeds, higher downstream speeds and better latency than without the optical component. So although these tariffs can't deliver gigabit speeds they are part of closing the fibre gap to the premises and lay the groundwork for future expansion," concludes Vanier.