



World Broadband Statistics

Q1 2013

June 2013

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1 Introduction

At the end of March 2013, there were 654.6m fixed broadband lines across the world. This represents a growth of 2.0% in the quarter, which was broadly consistent with growth in the previous three quarters.

The decline in subscriber numbers for copper based technologies (DSL, ADSL, ADSL2+) continues in 2013. In the last quarter of 2012, we reported the first drop in subscriber numbers for these services, as 415k subscribers were lost in total. In the first quarter of 2013 the rate of decay has increased, as 2.77m subscribers were lost.

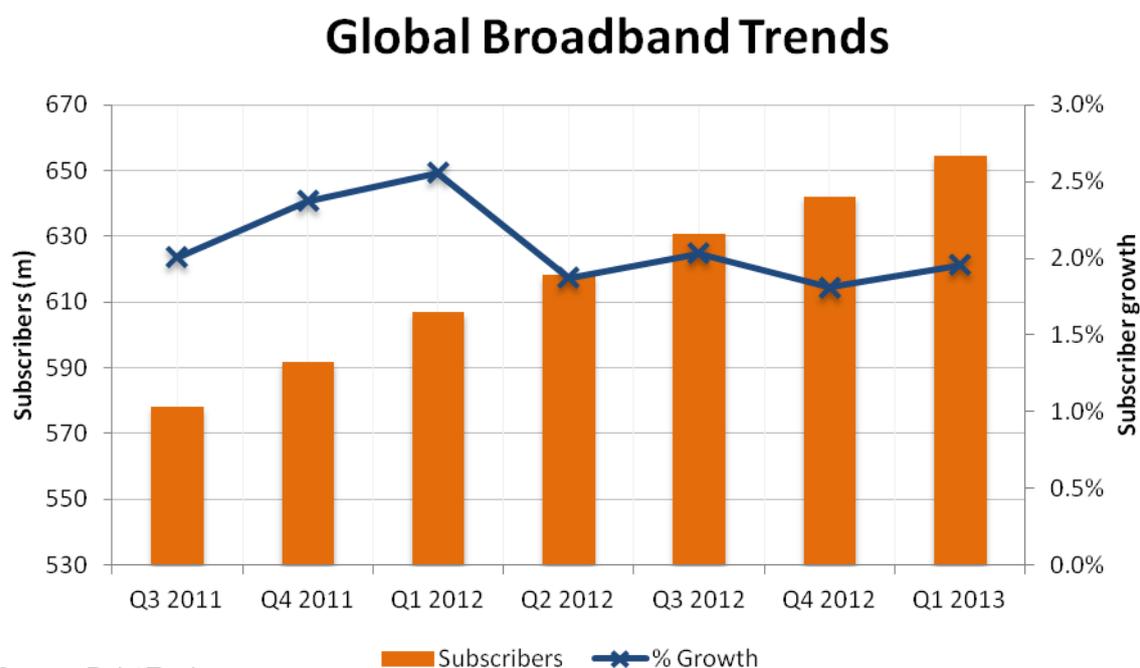
Growth of the fibre technologies has accelerated within this quarter to 9.8% for both FTTH and FTTx. It is however FTTx which is seeing the real growth in subscriber numbers, seeing 12m net additions so far in 2013 (compared to under 1m for FTTH).

2 Global and regional perspective

2.1 Overall growth

At the end of March 2013, global fixed broadband lines stood at 654.6m. So far in 2013, over 12.5m new broadband lines were added globally. Quarterly growth at the end of Q1 2013 was 2.0% and broadly consistent with growth in the previous three quarters.

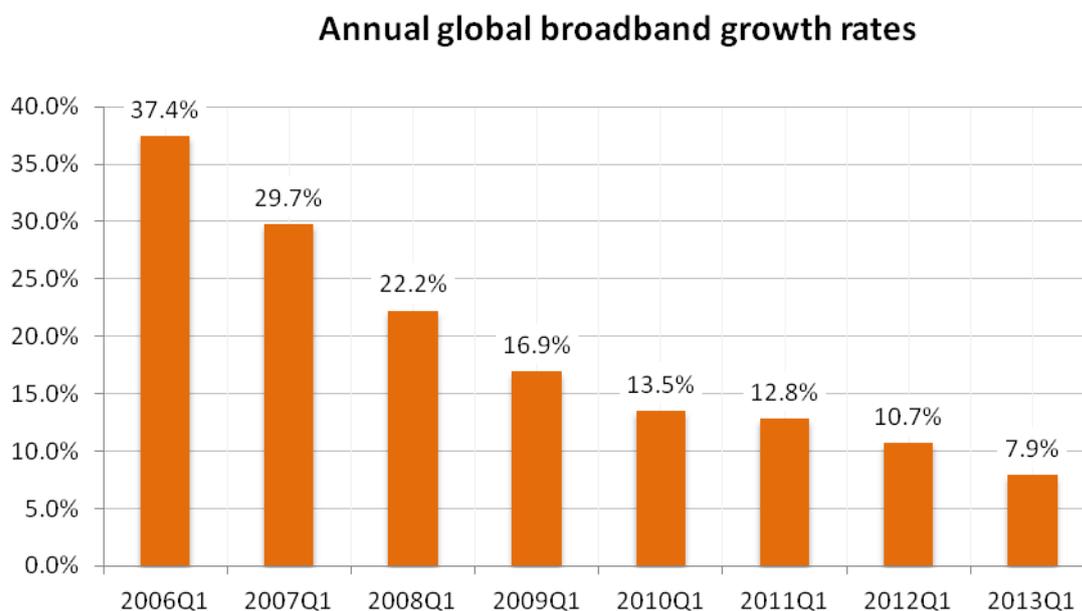
Compared to the same period last year, subscriber numbers have grown by nearly 8%.



Source: Point Topic

Quarter	Subscribers	Net adds (qtr)	% Growth
Q3 2011	577,872,759	11,373,415	2.0%
Q4 2011	591,594,138	13,721,379	2.4%
Q1 2012	606,728,295	15,134,157	2.6%
Q2 2012	618,084,020	11,355,725	1.9%
Q3 2012	630,640,691	12,556,671	2.0%
Q4 2012	642,044,468	11,403,777	1.8%
Q1 2013	654,600,584	12,556,116	2.0%

Figure 1: World broadband subscriber numbers with growth. Source – Point Topic



Source: Point Topic

Figure 2: World broadband subscriber annual growth figures. Source – Point Topic

2.2 Regional trends

We have looked at the share of total subscriber numbers across the different global regions:

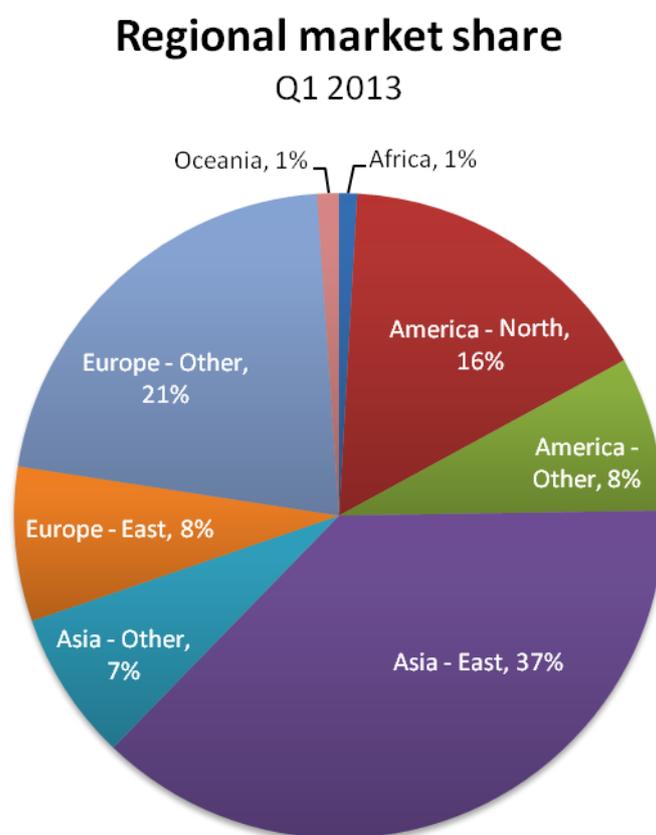


Figure 2: share of world broadband subscribers by region – Q1 2013. Source – Point Topic

Region	Population (millions)	Net adds (Q42012 to Q12013)	Population penetration	Growth (Q42012 to Q12013)
Africa	307.9	192,540	1.9%	3.4%
America-North	352.0	1,330,416	30.0%	1.3%
America-Other	522.8	1,092,653	9.7%	2.2%
Asia-East	1,563.8	6,044,633	15.7%	2.5%
Asia-Other	2,202.4	1,370,255	2.2%	2.9%
Europe-East	293.6	1,205,456	17.3%	2.4%
Europe-Other	449.6	1,242,388	31.2%	0.9%
Oceania	28.9	70,775	24.6%	1.0%

Figure 3: penetration and quarterly growth by region. Source – Point Topic.

There has been little change overall in the regional broadband market shares since our last report for Q4 2012. Statistics for each global region tend to be dominated by the performance of one or two dominant countries – as indeed do the overall global trends.

East Asia continues to have the largest market share, with 37% of the overall market in Q1 2013. This is primarily driven by the dominance of China within the overall broadband league tables.

Europe and Latin and Central America posted slower growth than in the previous quarter. All other regions have grown more rapidly than in the previous quarter. Market saturation and economic factors are playing a significant part in slowing broadband adoption in mature and western hemisphere countries.

Regional growth and population penetration

Bubble size represents subscriber volumes

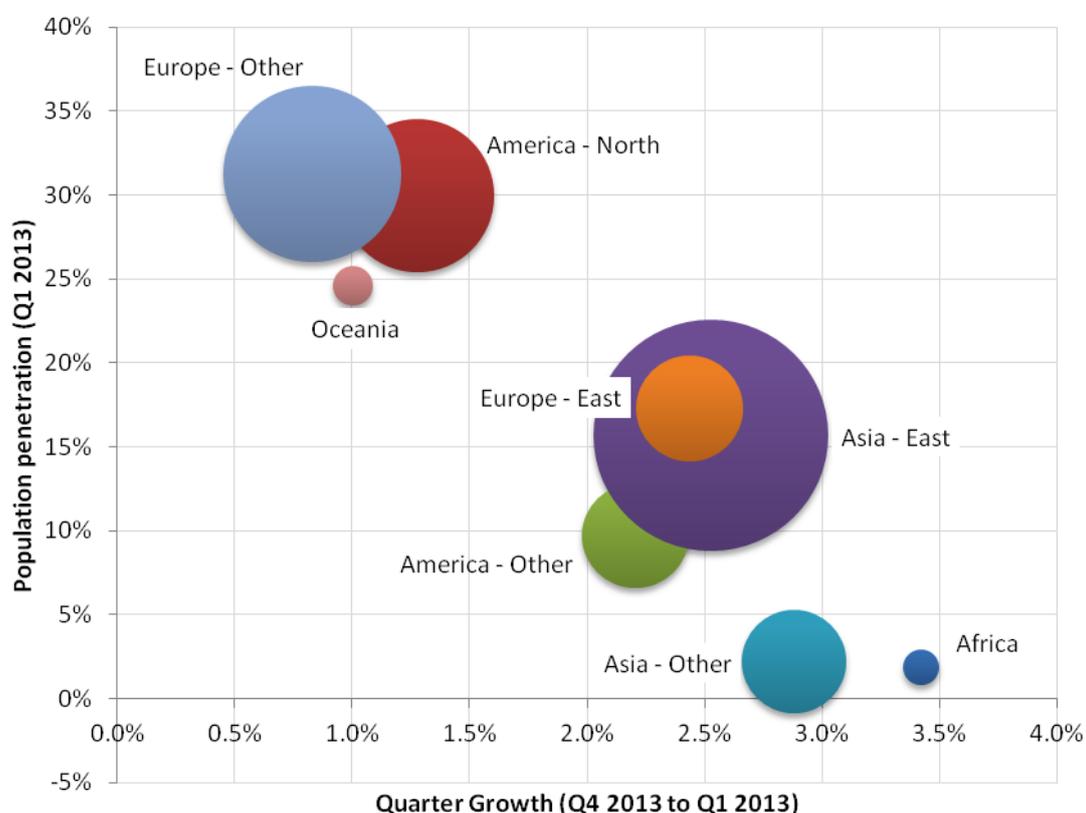


Figure 4: penetration and quarterly growth by region – size of bubble represents subscriber volume in Q1 2013. Source – Point Topic

It's not surprising that those regions with the lowest penetration have the highest growth as they continue to gain customers from households without any fixed broadband subscription. In high penetration areas, the addressable markets (ie those that are in the footprint of fixed deployments) are often close to saturation.

East Asia accounts for 49% of all net additions across the world. This percentage has increased since the last quarter, due to slowed growth across Europe and North America.

Regional net additions share Q1 2013

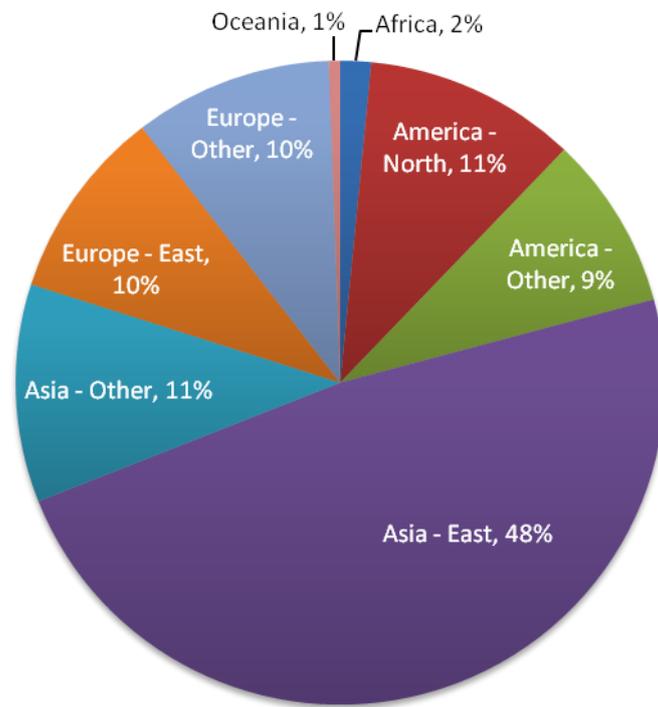


Figure 5: % of net additions delivered by each region. Source – Point Topic

3. Technology trends

Copper based technologies (DSL, ADSL and ADSL2+) continue to be the dominant technologies for broadband access. However we continue to see their total subscriber numbers drop in 2013.

At the end of 2012 we reported the first drop in subscriber numbers for copper as 415k subscribers were lost in Q4. In 2013 subscriber numbers continue to fall but at a much greater rate, with 2.77m subscribers lost in Q1.

The other main technology groups are cable and fibre. Within this analysis, we distinguish between fibre to the home (FTTH) and other forms of fibre (FTTx). We also track subscriber numbers for wireless, satellite and other fixed broadband access technologies. In most reporting here we focus on the three main technologies of fibre, copper and cable.

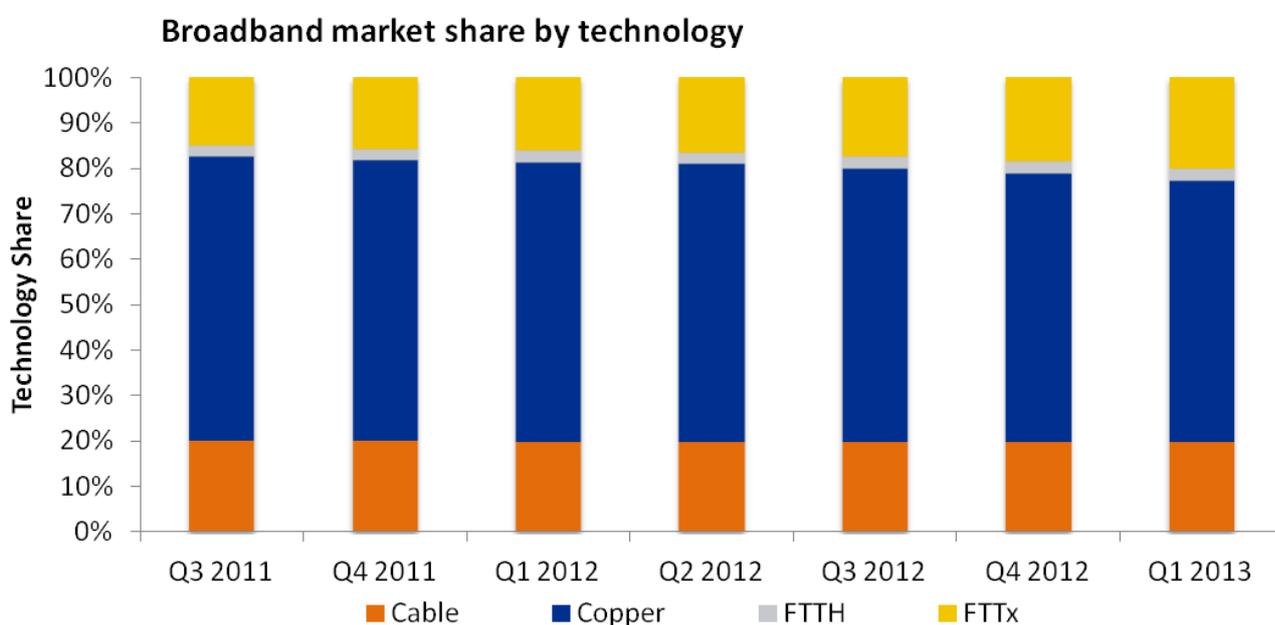


Figure 6: technology market share. Source – Point Topic

Fibre technologies continue to dominate the overall trends in growth, with fibre (FTTH and FTTx combined) experiencing a growth of 9.8% within the quarter. The overall market share of fibre technologies is now 22%, making fibre the second most popular access technology after copper. The market share for cable remains static at around 19%, as both cable and fibre take subscribers from copper services.

FTTx has grown much more rapidly than FTTH in the quarter. Countries posting the highest growth are Belarus, Singapore, the United Kingdom, Spain and Turkey. In particular, the United Kingdom has contributed significantly to FTTx net additions, as the incumbent BT continues the national roll-out of its VDSL network.

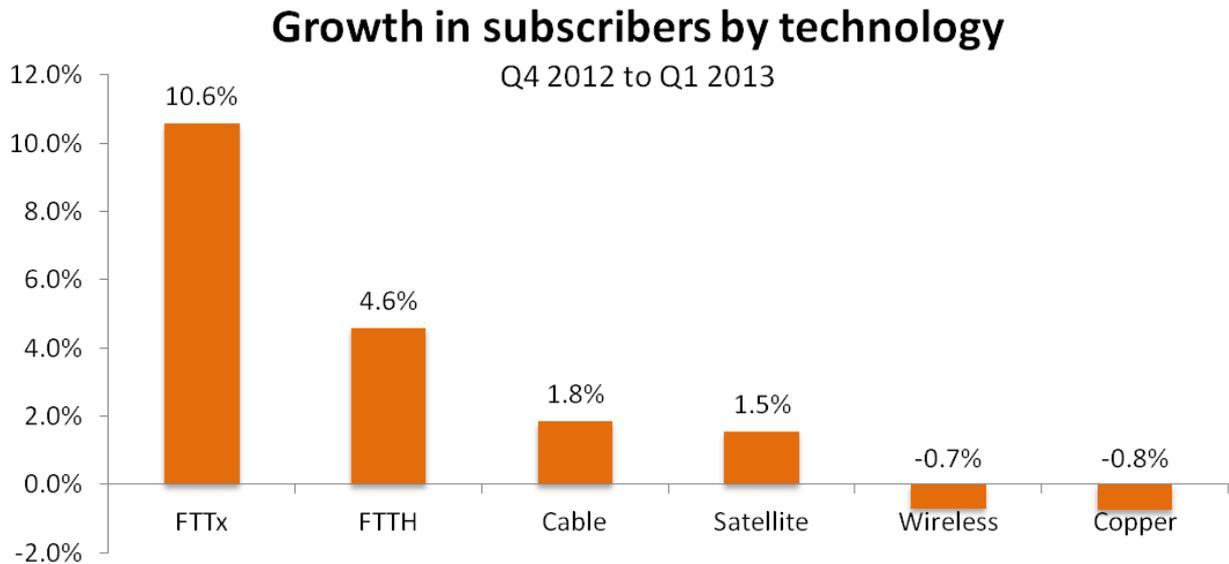


Figure 7: quarterly growth in technology subscriber numbers

Regional growth trends by access technology remain static. Nearly 50% of the fixed broadband market in the Americas is served by cable. This is also the key market for FTTH technology – although other fibre technologies are yet to make an impact. Asia has the largest market for FTTx technologies, with highest population penetration in Taiwan, Hong Kong and Japan.

Most of the decrease in copper subscribers originates in Asia. Africa is the only region which continues to post growth for copper subscriber numbers.

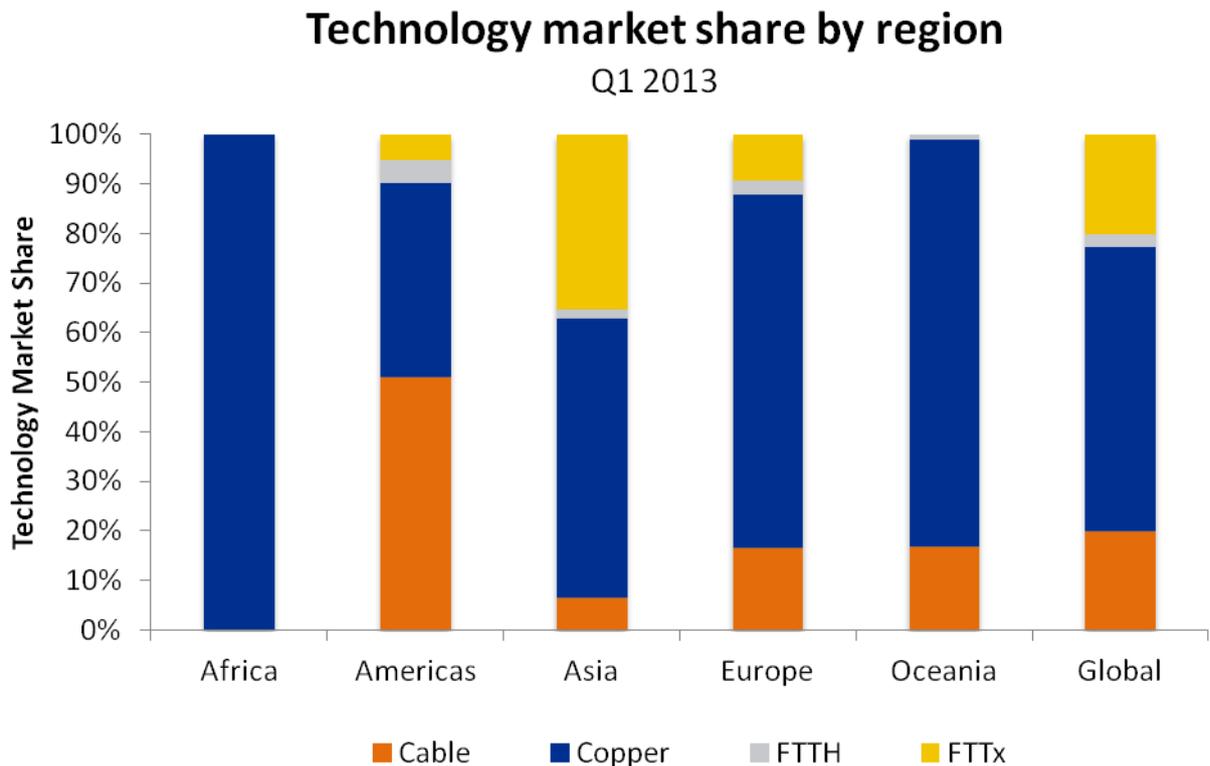


Figure 8: technology market share by region

4. Top broadband countries

4.1 Number of subscribers

Once again Russia and France change position in the broadband subscriber league table, with Russia now taking the fifth position. Whilst we would expect there to be much more room for growth in Russia than in France, these two countries have remained fairly evenly matched in the rankings for many quarters.

Elsewhere, there has been no change in the relative rankings of the top ten broadband countries.

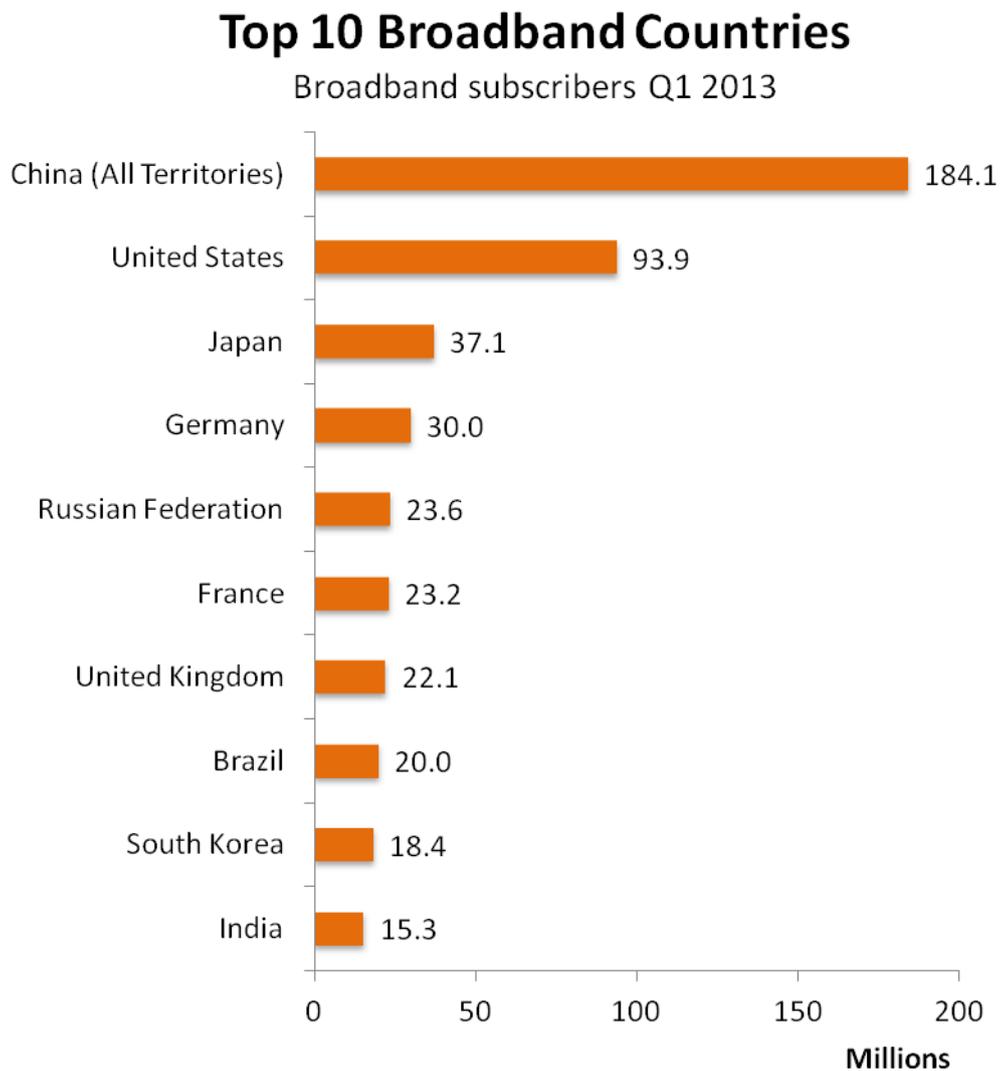


Figure 9: Broadband subscribers in Q1 2013. Source – Point Topic

4.2 Broadband subscribers added

China dominates overall net additions.

Viet Nam and Indonesia have both posted very high growth with a high number of net additions in the quarter. The increase in Viet Nam is reported by their regulator, and is supported by announcements of large increases in revenue from the telecoms companies in Viet Nam. Indonesia growth is due to a larger than normal increase in Telkom Indonesia's subscribers.

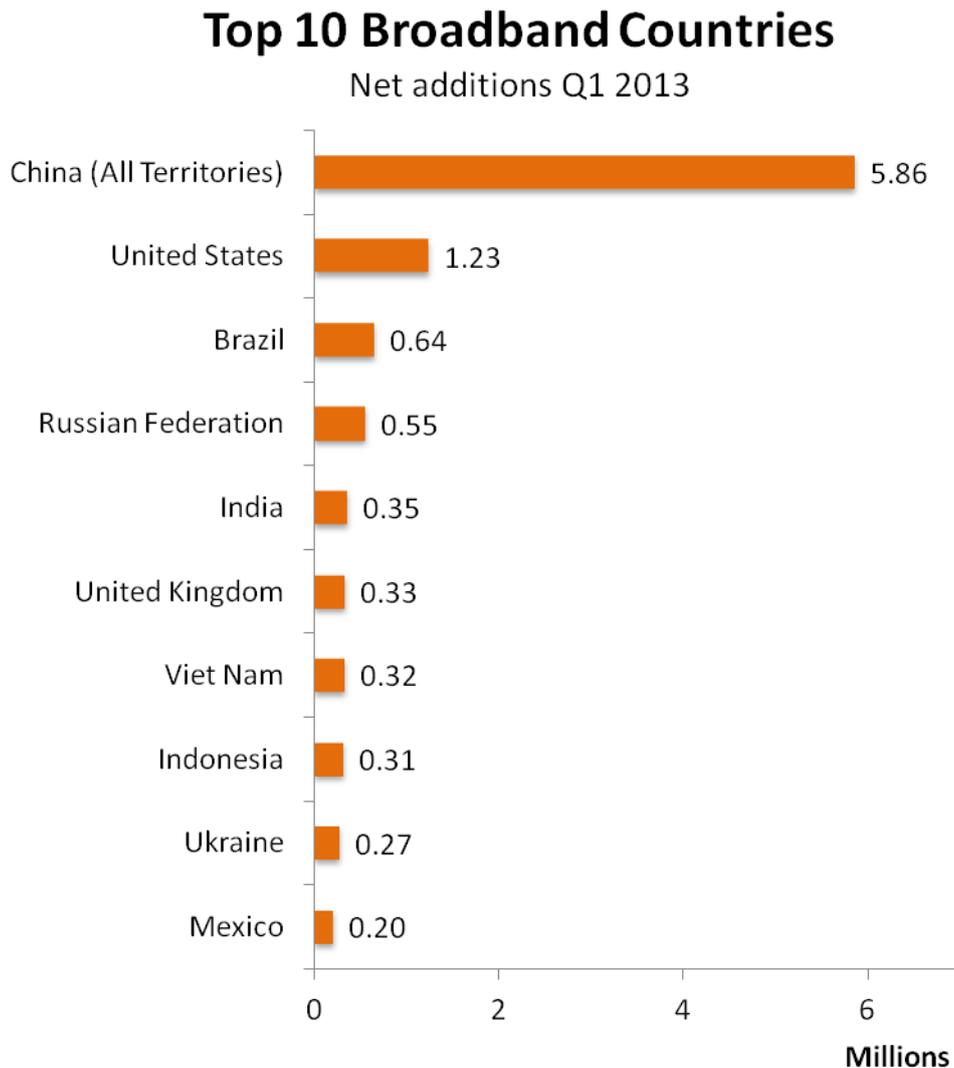


Figure 10: Broadband subscribers added in Q1 2013. Source – Point Topic

4.3 Percentage growth

Four of the top growth markets are within the Middle East and Africa.

We tend to see a lot of shifts in the percentage growth charts between quarters. In particular, the category can tend to be dominated by smaller broadband countries, which see a relatively modest increase in net adds but post significant growth in the quarter.

Indonesia and Viet Nam are also posting a significant increase in net additions, discussed in the previous section.

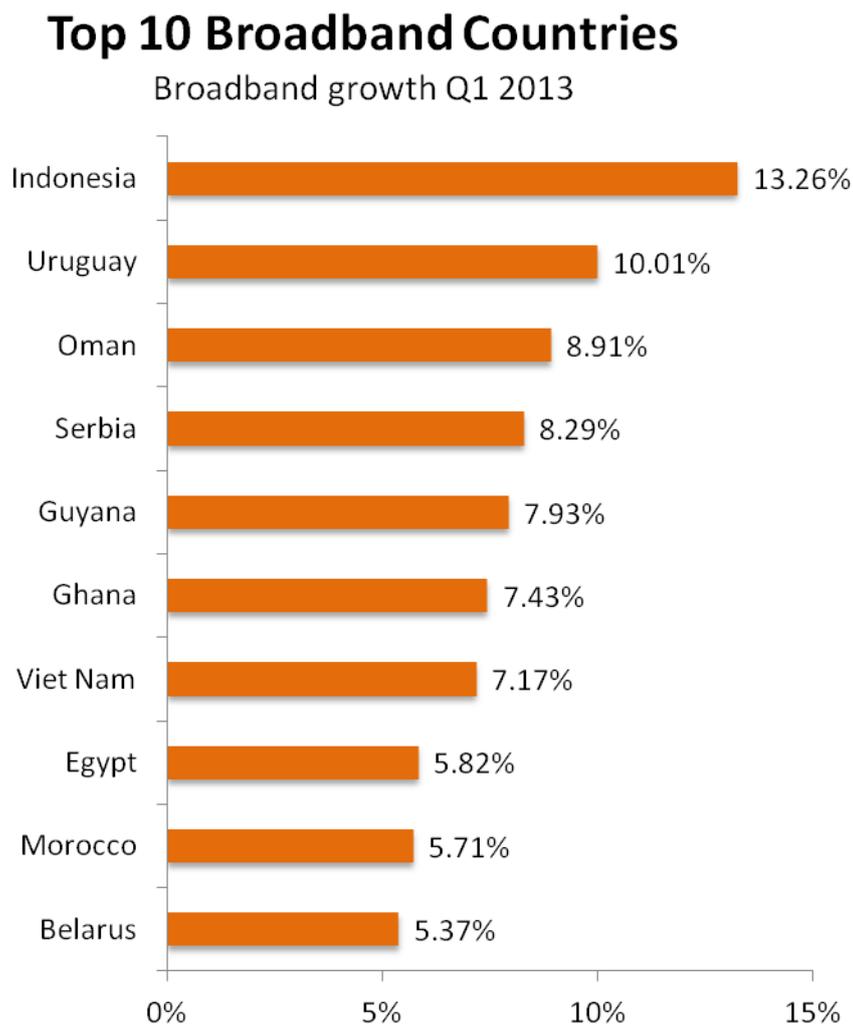


Figure 11: Broadband growth between Q4 2012 and Q1 2013. Source – Point Topic

4.4 Population penetration

There have been some surprising changes in the top countries for broadband population penetration.

Estonia now ranks top globally, as Denmark moves down to fourth position. Switzerland has also overtaken Norway to reach the second spot.

Apart from these changes in the top four countries, there have been no other changes to the relative rankings of the countries with highest broadband penetration.

We have omitted all countries with populations less than 1 million from these rankings.

Top 10 Broadband Countries

Population penetration Q1 2013

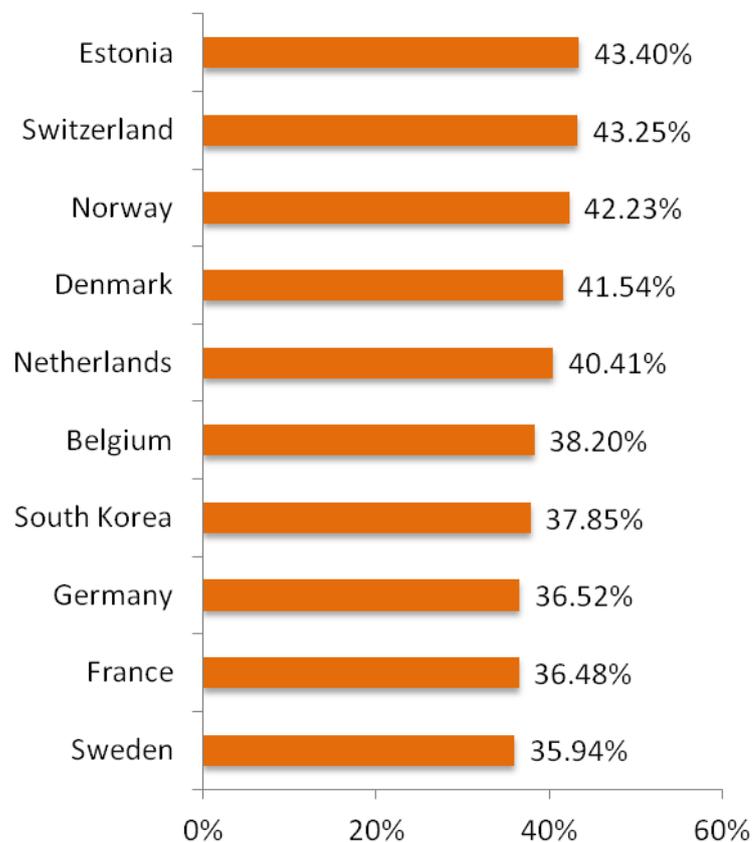


Figure 12: Population penetration in Q1 2013. Source – Point Topic

5. Methodology and supporting material

5.1 Data collection

Point Topic aims to offer the most complete, up-to-date and accurate source for world broadband statistics and estimates. In order to do this, we collect quarterly statistics from major primary suppliers of DSL, cable modems and FTTx services. We also collate data from service providers which resell products provided by these primary suppliers. Many operators now publish quarterly numbers as part of their regular reporting cycle. Numerous others provide us with their numbers via email and personal communication. We are, as always, most grateful to all of them for having taken the time to do so.

Many operators continue to release annual reports as opposed to quarterly ones. Some also choose to aggregate subscriber trends into overall totals, avoiding break-downs by technology. In these cases, Point Topic has continued conservatively estimating broadband take-up. Key sources for such estimated totals typically include prior and partial reports by the operators themselves. National Regulatory Authorities (NRAs) also frequently report DSL and other broadband statistics, although often with a greater time delay. Despite any difficulties that may arise as a consequence of this publication schedule, Point Topic will continue to provide the most up-to-date broadband statistics and estimates in our reports. In cases where these sources are unavailable, DSL and cable vendors often give useful indicators, as do estimates quoted by the trade press. Where we do have secondary estimates, we try as far as is possible to trace these to their original source.

During the research process for the latest quarterly statistics report, we often return to preceding quarters with the aim of synchronising earlier estimates with official sources. Some changes to previously reported numbers were necessary and deviation from earlier reports is also possible, sometimes resulting in backdated changes in quarterly growth and totals. We shall continue to maintain close correspondence with broadband operators, national regulators and industry organisations in order to avoid ambiguities and also so as to minimise the number of restatements. Some of the historical statistics will be different from those published in earlier reports and contained within Excel spreadsheet datasets. Point Topic's Global Broadband Statistics service (GBS) contains the most up-to-date information and we endeavour to continuously update its data entries on an ongoing basis. Generally, precedence should be given to the figures contained within the most recent version of this report and the figures in GBS.

Restatement reports with details on updates made to figures are available on our website. The first in the series of restatement reports relates to our Q3 2011 broadband statistics. Subsequent reports are published on a quarterly basis, to coincide with the release of our broadband numbers.

Data collected for individual operators may be aggregated in GBS in order to derive country and region totals, growth and penetration rates, market shares of operators and net additions. Full details at the operator level are also contained in the GBS service, which is available to Point Topic subscribers.

5.2 Variations in coverage and definitions

In principle, the definition of broadband Internet refers to connections with downstream speeds of no less than 256 Kbps. For DSL statistics, all lines which are described by their suppliers as "DSL" are included. In practice the great majority of these are ADSL, variants such as ADSL2+ or other such versions of ADSL. The main exceptions are:

- VDSL lines, of which Deutsche Telekom is a major reporting supplier
- Symmetrical DSL lines, offered mainly by Competitive Local Exchange Carriers such as Covad in the USA and their counterparts in other countries

Occasionally, there are contradictions between operator and regulator reports. This happens in South Korea, for example, where the operators typically report broadband subscriptions as either DSL or cable modem, whereas the regulator chooses to break this down further into an "apartment LAN" or "A-LAN" category. A-LAN is defined as using a shared fibre or broadband copper connection to the apartment block with Ethernet-based distribution within the apartment block. Operator classifications of these A-LAN subscriptions vary, but they are often included as DSL lines. We have classified all these A-LAN lines as FTTx, although a proportion of them do use copper rather than fibre backhaul.

Other reported statistics may combine broadband lines of different technology types. If a number is an aggregate of major broadband types, such as DSL and cable modem, we generally break up such an aggregate and state take-up for each category separately in GBS. In cases where there is only a marginal proportion using a different technology, the aggregate is kept and assigned to the larger group. These cases are usually noted with a comment in the source 'Notes' of (GBS v2).

In this quarter, we changed our regional definitions to reflect the UN standard regional structures. This has had the most noticeable impact on our reporting in Europe. We previously reported trends in Eastern and Western Europe only. We now report the UN definition of Eastern and Western Europe, and classify Northern and Southern Europe as 'Other Europe'.

If you believe there are any errors and omissions please notify us by sending an email to info@point-topic.com