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Eastern Europe continues to move up the broadband and IPTV league tables

Key statistics:

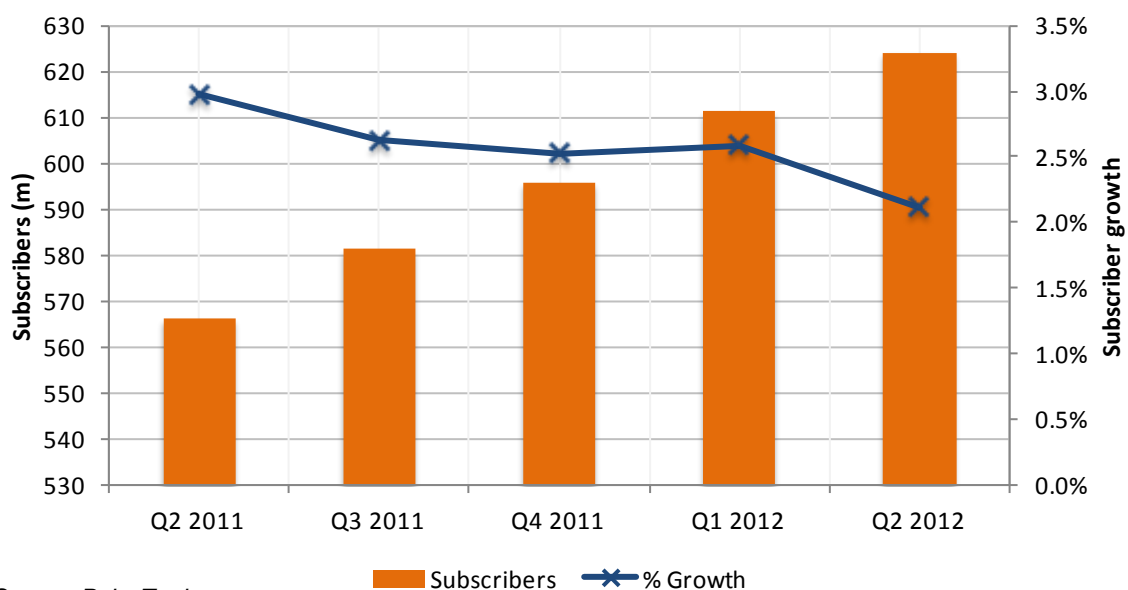
- Broadband subscriber base reaches 624.1m at the end of June 2012, but growth has slowed considerably primarily due to the decline in growth in China and the US.
- Overall the growth in fibre technologies continues to slow down – but their combined global market share is nearly equal to cable.
- Eastern Europe continues to post strong growth led by a surge in Russia and the Ukraine.
- IPTV growth is slowing down, but Russia posts significant growth in the quarter.

Global trends in fixed broadband subscribers

At the end of June 2012, the total number of broadband lines globally reached 624.1m. This represented a growth of 2.1% - which was a significant decline compared with growth in the previous quarter.

“Point Topic has been tracking global shifts in broadband subscriber numbers in every quarter since 1999,” commented Oliver Johnson, CEO at Point Topic. “Over the past five years, we have consistently posted highest subscriber growth in the first quarter of the year. However the peaks in growth are getting lower and lower. We had thought that the global rate of growth was settling at around 2.5% per quarter, so the decline in this quarter is interesting.”

Global Broadband Trends



Source: Point Topic

Figure 1 – global trends in broadband subscriber numbers and growth. Source – Point Topic.

Regional rankings for broadband

Asia continues to be the biggest overall region with 273.4m broadband subscribers in total, having added 7.2m new lines since the end of March 2012. Asia’s dominance continues to reflect the huge subscriber markets across China and in Japan.

“The most interesting shifts within the quarter have occurred in Eastern Europe,” points out Johnson. “Russia and the Ukraine continue to post exceptional growth figures – these are relatively young markets with the right infrastructure – they are set to continue to grow.”

The global slowdown is primarily due to tailing off of growth in China and halving of growth in the US.

“Together the US and China are responsible for 50% of total broadband additions and when they slow down global growth slows,” says Johnson.

That said countries like Germany, France, Brazil and Mexico show an improvement of last quarter and while saturation in the richer markets inevitably means it’s harder to add completely new lines there is still considerable appetite for broadband.

Many small markets, often later adopters of broadband, still show strong growth but in terms of global impact they are washed away by the relatively poor performance of the dominant markets.

The rankings of the top 20 broadband countries are shown below. There have been no changes in the top nine spots – but India has finally pushed Italy out of the top ten. The Ukraine continues to climb the broadband league tables, overtaking the Netherlands within this quarter. Disappointing growth in Australia has caused it to move down the table into 19th place.

Country	Q2 2011	Q1 2012	Q2 2012	% Growth (Qtr)	% Growth (Year)	Net Additions (Qtr)	Net Additions (Year)
China (All Territories)	144,257,414	161,204,152	167,014,744	3.6%	15.8%	5,810,592	22,757,330
United States	89,534,219	93,264,503	94,000,180	0.8%	5.0%	735,677	4,465,961
Japan	35,410,400	37,012,100	37,292,400	0.8%	5.3%	280,300	1,882,000
Germany	27,806,300	28,958,600	29,555,500	2.1%	6.3%	596,900	1,749,200
Russia	17,790,900	22,161,900	22,830,900	3.0%	28.3%	669,000	5,040,000
France	21,807,100	22,353,700	22,632,200	1.2%	3.8%	278,500	825,100
United Kingdom	20,151,200	21,093,600	21,269,300	0.8%	5.5%	175,700	1,118,100
South Korea	17,605,121	18,096,027	18,103,946	0.0%	2.8%	7,919	498,825
Brazil	15,232,700	17,082,500	17,867,925	4.6%	17.3%	785,425	2,635,225
India	12,269,031	13,697,791	13,991,600	2.1%	14.0%	293,809	1,722,569
Italy	13,589,650	13,870,650	13,926,782	0.4%	2.5%	56,132	337,132
Mexico	11,917,440	12,740,353	12,883,763	1.1%	8.1%	143,410	966,323
Spain	11,343,487	11,777,921	12,076,137	2.5%	6.5%	298,216	732,650

Canada	10,762,385	11,166,932	11,221,852	0.5%	4.3%	54,920	459,467
Turkey	7,287,202	7,777,829	7,847,829	0.9%	7.7%	70,000	560,627
Ukraine	5,313,000	6,494,500	6,794,000	4.6%	27.9%	299,500	1,481,000
Netherlands	6,400,900	6,719,500	6,791,800	1.1%	6.1%	72,300	390,900
Poland	5,494,744	5,803,689	5,930,769	2.2%	7.9%	127,080	436,025
Australia	5,663,900	5,827,800	5,892,400	1.1%	4.0%	64,600	228,500
Taiwan	5,352,000	5,695,597	5,740,083	0.8%	7.3%	44,486	388,083

Fiber continues to show strong growth

Fiber technologies continue to post strong growth in 2012, although growth – particularly of hybrid technologies – is slowing down.

Technology	Q2 2011	Q1 2012	Q2 2012	% Growth (Qtr)	% Growth (Year)	Net Additions (Qtr)	Net Additions (Year)
Cable	110,957,743	118,331,292	120,380,057	1.7%	8.5%	2,048,765	9,422,314
Copper	346,466,441	359,977,067	365,116,586	1.4%	5.4%	5,139,519	18,650,145
FTTH	14,293,515	16,866,850	17,644,837	4.6%	23.4%	777,987	3,351,322
FTTx	77,071,187	95,195,288	99,444,728	4.5%	29.0%	4,249,440	22,373,541

*FTTx includes (FTTx+ VDSL, LAN etc)

DSL is still by far the most popular access technology on a global basis, with nearly 60% of the overall market share. “Of course there is a long way to go before the copper-based access technology is overtaken,” said Johnson. “What is interesting now is that on a global basis, fibre technologies now have a comparable market share to cable – with 18.8% and 19.3% of the market respectively. Maintaining current growth rates, we’d expect fibre to take over cable by 2013.”

IPTV growth slows as total subscriber numbers reach 69.1m

IPTV now has 69.1m subscribers worldwide, but growth is showing signs of slowing down. Growth within this quarter settled at 5.5%, compared with quarterly growth of 7.3% at the same time last year. Russia continues to post much higher growth than the rest of the market. IPTV is still a relatively young technology, and so we can expect to see such high growth figures across many markets.

IPTV Subscribers - Top 10 IPTV countries

