



Broadband passes 600 million subscriber milestone:
A news release from Point Topic and the Broadband Forum



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Point Topic Ltd
73 Farringdon Road
London EC1M 3JQ, UK
Tel. +44 (0) 20 3301 3305

Email info@point-topic.com

Broadband passes 600 million subscriber milestone

The world passed another broadband milestone in Q1 2012 by breaking through 600 million fixed lines worldwide. As at the end of March 2012 there were 612.6 million fixed lines around the world.

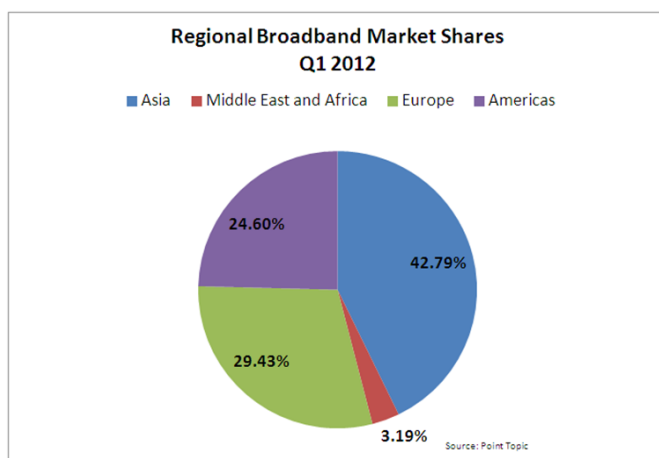
This represents a 2.7% growth in the first quarter of 2012 and 11.5% in the 12 months since Q1 2011. This is primarily due to the invigorating addition of markets and countries where penetration is yet to achieve the level of the ‘mature’ countries and allows for faster initial growth.

Even markets like India and China aren’t bottomless however and there are signs that countries worldwide are entering a new phase where customer acquisition will be driven primarily by churning current subscribers from their existing supplier.

The Broadband Forum has just published its latest figures on global broadband statistics – prepared by leading broadband analysts Point Topic. Point Topic subscribers can access the full database of broadband and IPTV statistics – [get in touch](#) for more information.

Regional rankings

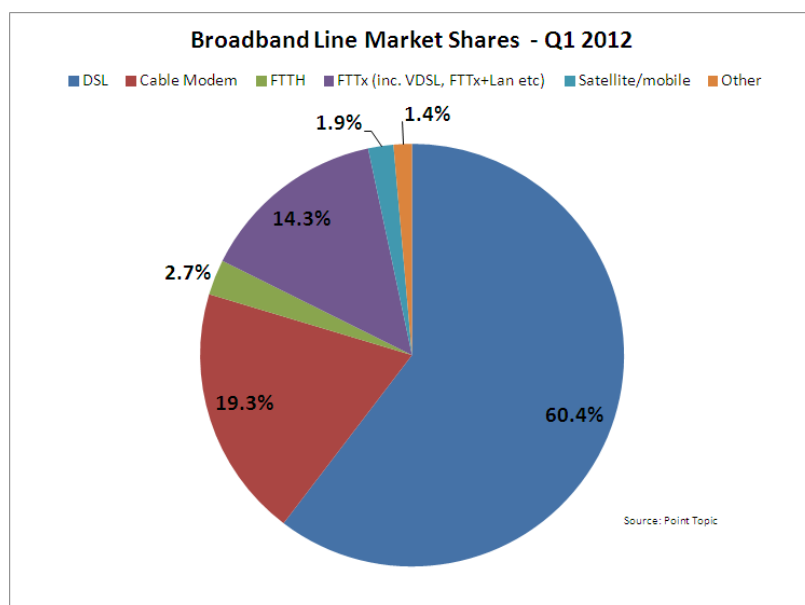
Asia continues to dominate the regional view. Together the countries there have increased the regions market share by 0.14% in the quarter and this will accelerate in the coming quarters. This doesn’t reflect an unhealthy set of markets in other regions, although they do exist, but it’s more about the relative saturation in Europe and North America in particular.



The dominant story in access technologies continues to be FTTx, representing the various hybrid combinations of fibre and local loop solutions. The cost effectiveness, from the operators point of view, and the significant increase in bandwidth over DSL in particular is hitting the sweet spot at the moment. FTTH is growing well from a small base but deployments are limited in most markets.

There are interesting regional variations with cable doing better than expected in most markets and in particular in Europe and the Americas where they are confounding the limited market reach that their networks impose.

DSL is the most popular access technology on a global basis, although its market share has dropped by 0.5% in the quarter there is a long way to go before the copper based access technology is overtaken.



Satellite and mobile, as the primary home broadband connection, are putting on subscribers at an increasing rate. This reflects the consumers' desire for a broadband connection, even when the most cost effective fixed technologies aren't available. The launch of the Ka band satellites in America and Europe are also making an impact. The step change in bandwidths and costs have moved the space based technology closer to the market average for consumers and they are voting with their feet.

Technology and market share

As noted DSL continues to be the dominant technology for internet access but it has lost 0.5% of global market share in the last quarter. Currently it is the fibre based products that are gaining on the rest and that is likely to accelerate in the coming quarters.

If we look at the market share change over the last 12 months we can see more clearly how Fibre is taking share from cable and DSL in particular. Consumers are churning away from DSL to the higher bandwidth products where available, but in some ways they are eating their own lunch.

Satellite and mobile, as a primary home connection, are making inroads into the unserved market and as such theoretically have a better theatre to operate in with plenty of headroom and less competition than the fixed line areas.

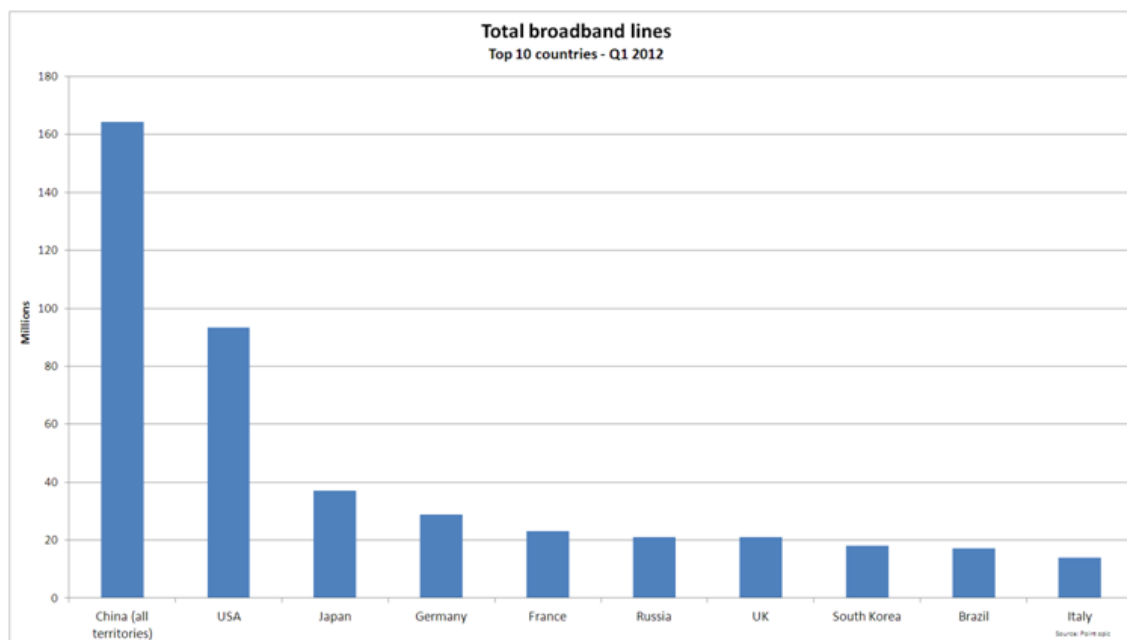
Top 10 countries

China continues to pull away from all other markets worldwide. During the first quarter of the year it was responsible for 42.5% of global net additions.

The USA increased its growth rate in Q1 2012, putting on almost half a million more new subscribers than the previous quarter. The health of the cable market there is a major contributor to this success.

For the rest of the current Top 10 the picture is mixed. Germany, the UK, Brazil and South Korea are the other markets doing better in Q1 2012 than in Q4 2011. Growth has slowed in the other markets.

One surprise is to see Italy still in the Top 10. This is due less to the health of the broadband market here than the stuttering growth in India, poised to take their place in the top ranks in 2012. The difficulties there include the relatively small deployment of fixed broadband, the cost relative to the average income and significant regulatory difficulties.



IPTV continues to show strong growth

Globally there are now 65.6 million IPTV subscribers, up 3.8 million in the quarter. While this is down on the record growth reported in Q4 2011 it still ranks in the top 3 quarters ever for IPTV.

Once again it is China at the top of the list. Not only in terms of total subscribers but their growth is significantly greater than other markets, at least in terms of actual numbers.

Both France and the US are reporting strong numbers and are accelerating at the moment. As higher bandwidth solutions penetrate the market the IPTV take-up will increase. With affordable, and sometimes loss-leading, bundled subscriptions on offer the market is very much in the customer acquisition phase and in the face of fierce competition from legacy video solutions we are seeing a change in consumer perception.

In the US more and more consumers are 'cutting the cable' and shifting their video delivery to their broadband package. This allows access to a number of sources, far wider than available on a cable TV system at the moment and that seems to be the driving force particularly when coupled with the relatively low subscription costs.

Asia is rapidly eating into the regional dominance that Europe has established in IPTV. The pace of growth in China against other markets makes that an inevitable picture in the coming quarters.

China added over 3 times as many IPTV subscribers in the quarter as its nearest competitor and that gap is likely to increase even further as France starts to suffer from saturation and the US, where competition for video delivery is at its fiercest, continues its relatively slow growth.

Overall however we are seeing IPTV becoming a mass market service with broadband deployments of sufficient bandwidth and quality reaching more and more subscribers and the pricing, particularly in bundles, making it more attractive than other options.