World Broadband Statistics: Short report

Q4 2010

Fiona Vanier

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Point Topic Ltd
61 Gray's Inn Road
London WC1X 8TL, UK
Tel. +44 (0) 20 3301 3303
Email info@point-topic.com

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Introduction

This report continues the series of Point Topic's quarterly *World Broadband Statistics* publications. The series originated as several DSL reports, first published in Q2 2002, which were eventually expanded to include cable modem and other technologies in Q2 2003.

Other technologies covered include optical fibre and different forms of broadband Internet such as, for example, Fixed Wireless Access (FWA), Satellite and Powerline. Fibre in this context means anything from Fibre-to-the-kerb to Fibre-to-the-home and is often generalised as "FTTx."

This report begins with an examination of the growth in broadband subscribers for Q4 2010 at both a global and a regional level. The next section of the report addresses technology trends and choices, looking firstly at general trends in uptake followed by an analysis of regional market shares in a variety of broadband technologies.

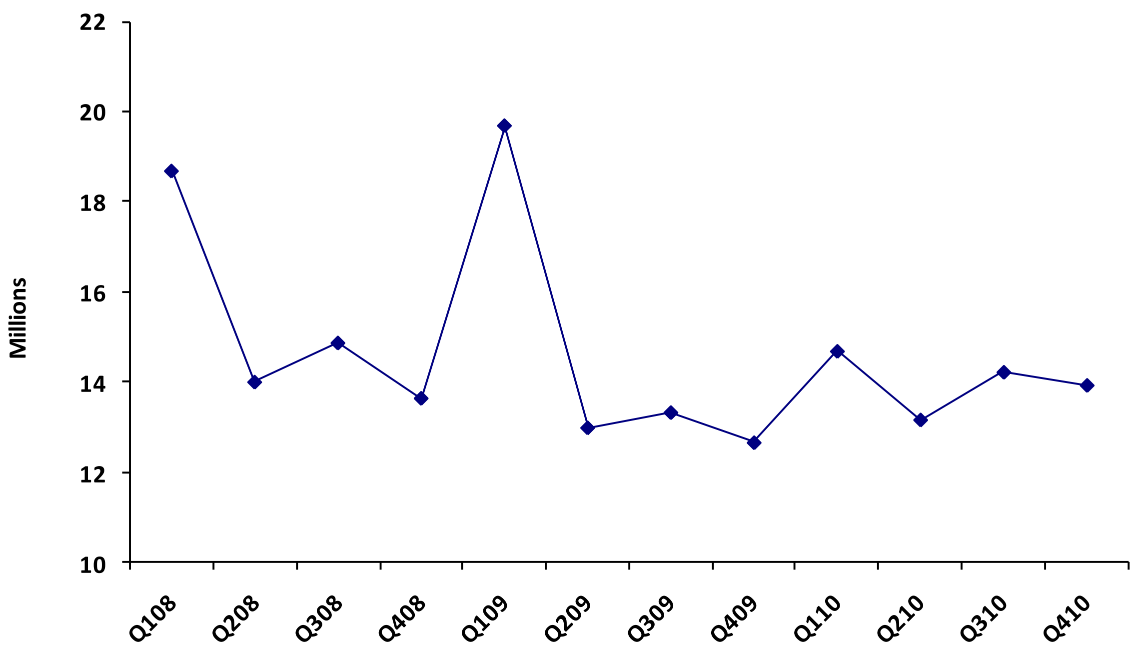
The focus of the report then shifts to the "top ten" broadband countries for Q4 2010. Here we examine the total number of broadband subscribers, the net additions for the quarter, quarterly and annual percentage growth, technologies adopted as well as population and household penetration. The last section of the report offers a selection of tables highlighting both, quarterly and annual changes in total broadband, DSL and Non-DSL subscriber figures.

Global Growth

There were 523.07 million broadband subscribers by the end of 2010 worldwide. This was up 11.98 per cent year-on-year from 467.1 million and up 2.73 per cent on the previous quarter from 509.15 million. Figure 1 shows the quarterly net additions over the last three years. Apart from peaks at Q1 2008 (18.66 million) and Q1 2009 (19.67 million), net additions remained relatively steady within the range 12 – 16 million.

Net additions during the quarter totalled 13.9 million, down 2.05 per cent on the previous quarter from 14.2 million. Net additions over 2010 were 55.96 million, down 4.54 per cent on 2009 when net additions totalled 58.62 million and down 8.49 per on 2008 when net additions totalled 61.15 million.

Figure 1: World Broadband Subscriber Net Additions (Q1 2008 – Q4 2010)

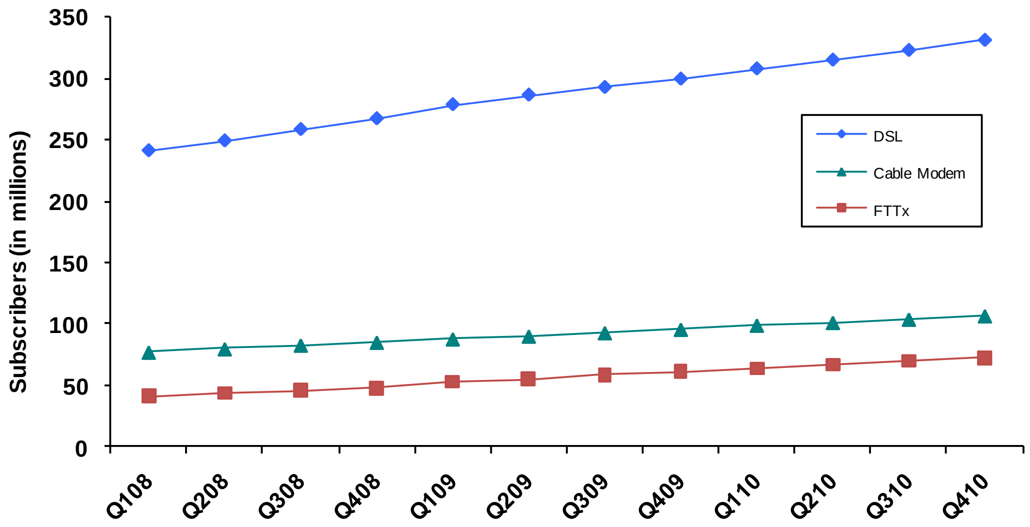


Worldwide population penetration stood at 9 per cent at the end of the decade, while 33.2 per cent of the households tracked had broadband access. In the previous quarter, population and household penetration were 8.8 per cent and 32.3 per cent respectively.

Technology trends

The breakdown of subscribers in terms of broadband technologies used is shown in figures 2 and 3. The use of all three technologies continues to increase. DSL is the most popular technology, used by over 331 million subscribers (63.36 per cent). This was followed by cable modem, used by 106.37 million subscribers (20.34 per cent) and FTTx, used by 72.29 million subscribers (13.8 per cent).

Figure 2: Technology Trends in Q4 2010



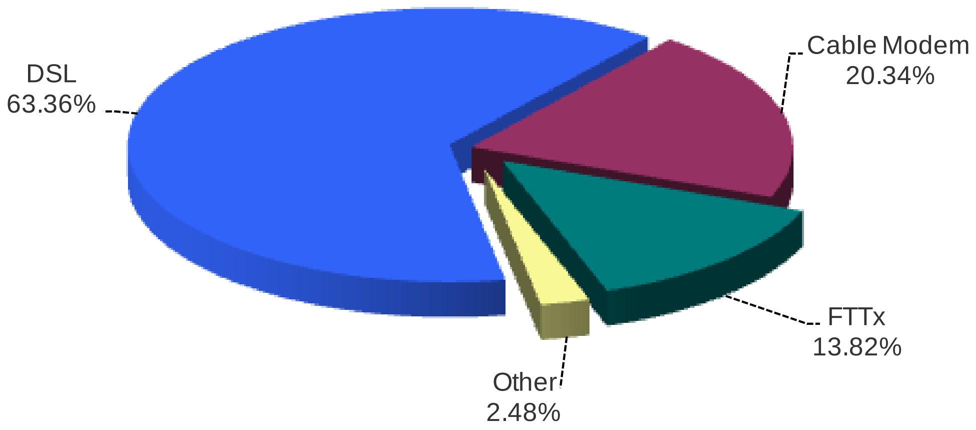
FTTx had the highest quarterly growth at 3.47 per cent, but acquired the lowest number of new subscribers, totalling 2.42 million. Cable modem had the second highest quarterly growth at 2.62 per cent, representing almost 2.72 million. DSL had the lowest quarterly growth at 2.56 per cent, acquiring almost 8.29 million new subscribers.

South and East Asia had the largest share of the DSL market because of China (excluding its territories) which has the largest DSL market in the world. At 102.48 million subscribers, this represents almost 31 per cent of the total DSL market. The second largest DSL market worldwide is based in the US, home to over 30 million DSL subscribers representing over 9 per cent of the worldwide DSL market. Germany closely followed, with 23.7 million DSL subscribers, followed by France with 18.5 million. The UK had the fifth largest DSL subscriber base, totalling 15.5 million.

North America had the largest share of the cable modem market at almost 51 per cent, representing almost 54 million subscribers. With a cable modem subscriber base amounting to almost 48 million, the USA had the largest cable modem market in the world, followed by Canada with almost 6 million subscribers. Japan was third with 5.94 million cable modem subscribers, closely followed by South Korea 5.2 million and the UK with just over 4 million subscribers.

Over 81 per cent of FTTx subscribers are based in Asia, amounting to 58.63 million. The success of FTTx services is due to operators in this region that have invested heavily in next generation services and also the regulatory authorities which encourage the development next generation technology. China has the largest FTTx market worldwide by far, with 26.25 million subscribers, followed by Japan with 19.7 million, South Korea with 9.8 million and the US with almost 6.6 million subscribers.

Figure 3: Total Broadband by Technology in Q4 2010

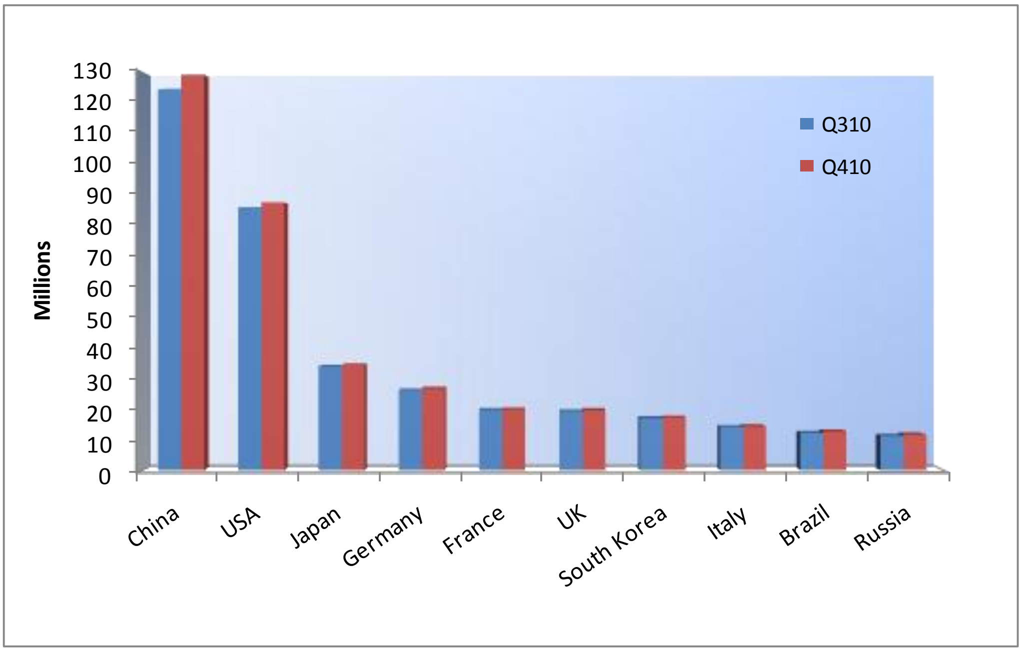


Top 10 Countries

The 'top ten' countries in terms of total broadband subscribers as of Q3 2010 and Q4 2010 are shown in figure 4. Since displacing the USA in Q2 2008, China has maintained its number one position while the USA is in second place.

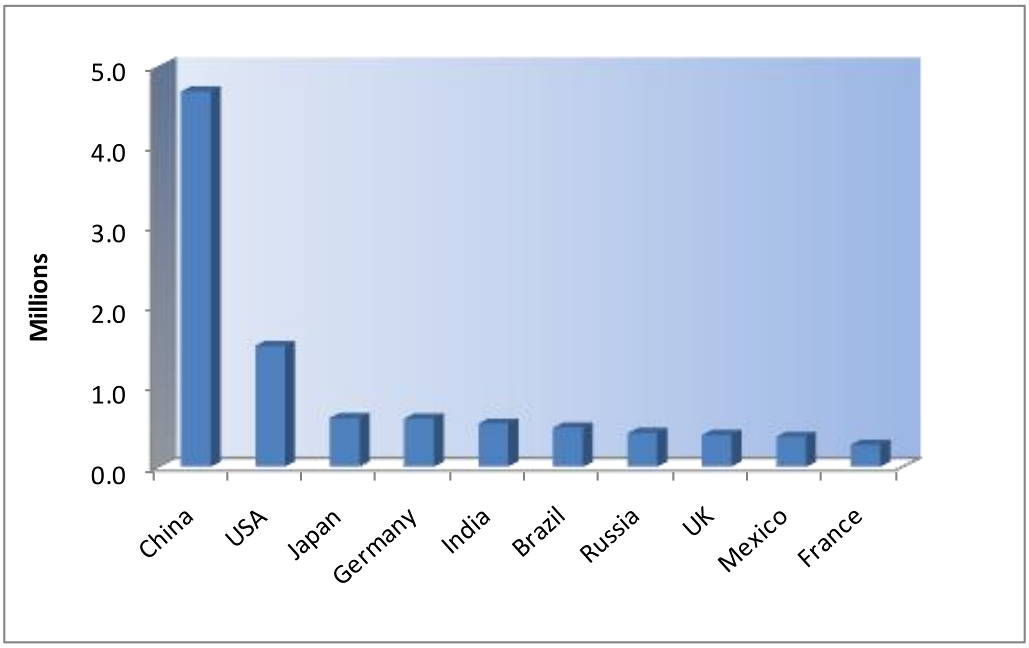
China had almost 128.8 million subscribers, up by 3.77 per cent on the previous quarter from over 124.1 million. The USA had 87.17 million subscribers, up by 1.76 per cent from almost 85.67 million. Therefore, China's subscriber base is growing at a higher rate than that in the US. If this trend continues, China will remain the country with the largest broadband subscriber base globally for the foreseeable future. The subscriber bases in China and the US are so significant that combined, they represent over 41 per cent of worldwide broadband subscribers.

Figure 4: Total Number of Subscribers in Q3 2010 and Q4 2010



The 'top ten' countries ranked in terms of net additions in Q4 2010 are shown in figure 9. Only two countries added more than 1 million subscribers. They were China with 4.68 million and the US with 1.5 million new subscribers. Including China and the US, five countries added more than 500,000 subscribers. The additional countries were Japan (608,000), Germany (601,000) and India (538,700).

Figure 5: Broadband Subscribers Added in Q4 2010



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 lines, 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 up-take. 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 the figures in Q3 2010 were necessary and deviation from earlier reports is possible. 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.

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.

The data used in this short report is taken from Point Topic's **Global Broadband Statistics** service. Users of the service have access to the full 25-page version of the report as well as access to an interactive database containing current and historical subscriber numbers for 400 operators from 100+ countries. Please contact Toby French on +44 (0)20 3301 3308 or e-mail toby.french@point-topic.com for more information.