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Global Telecom Challenges, Opportunities

for PTC Academy
Bangkok, Thailand

By Gary Kim
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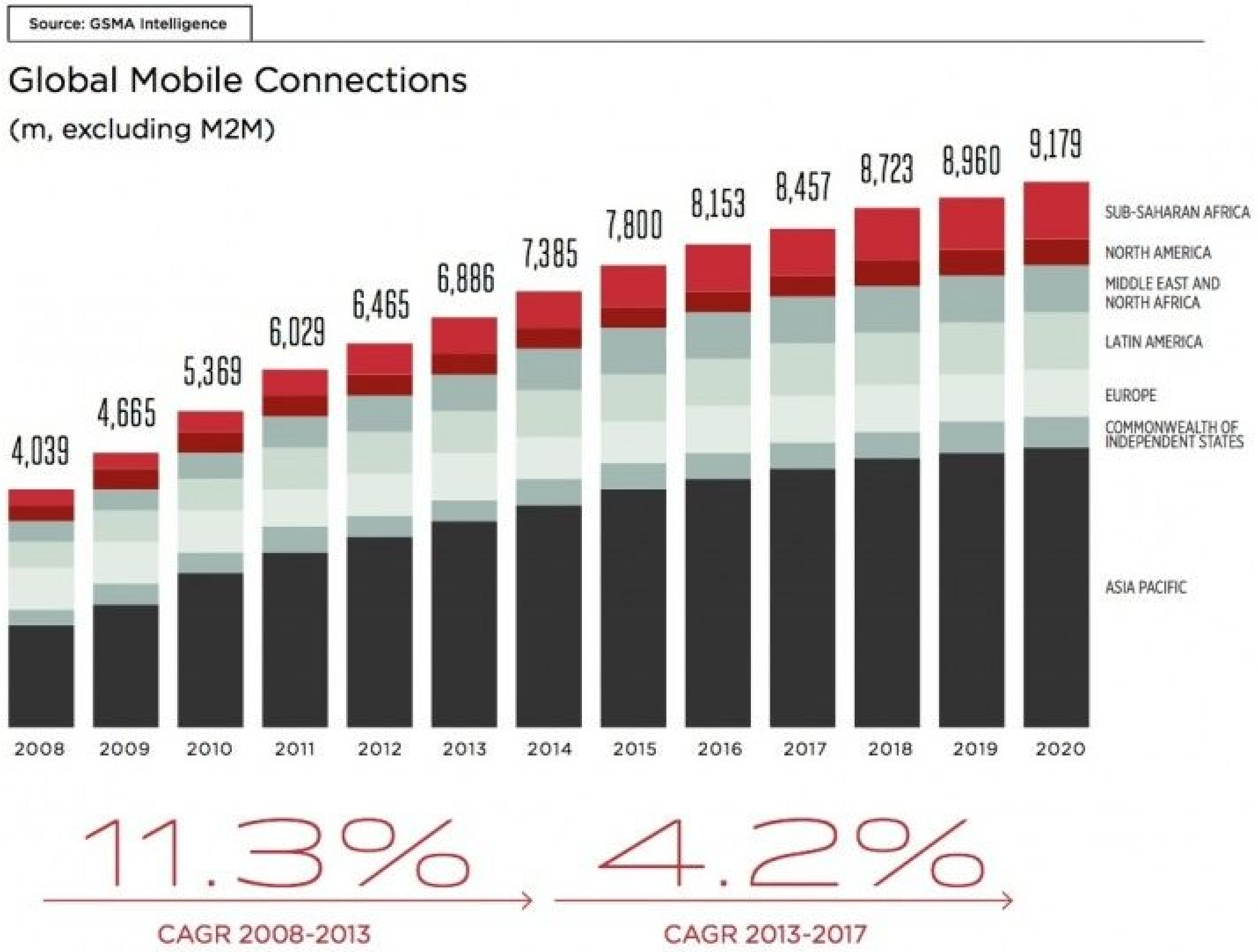
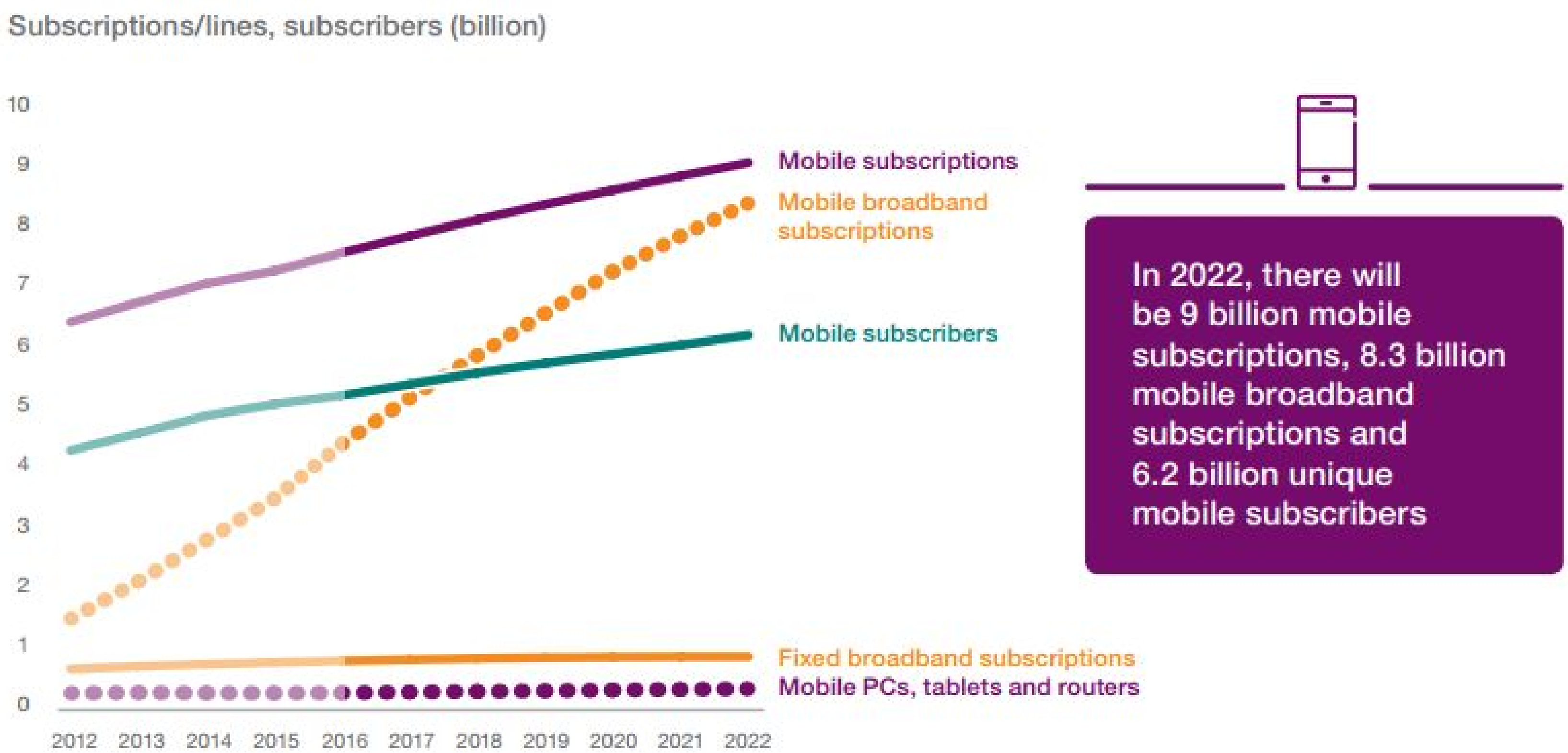
Threats Sometimes are Hard to See

source: Insight Research

Need for Change Not Obvious, in Most of Asia

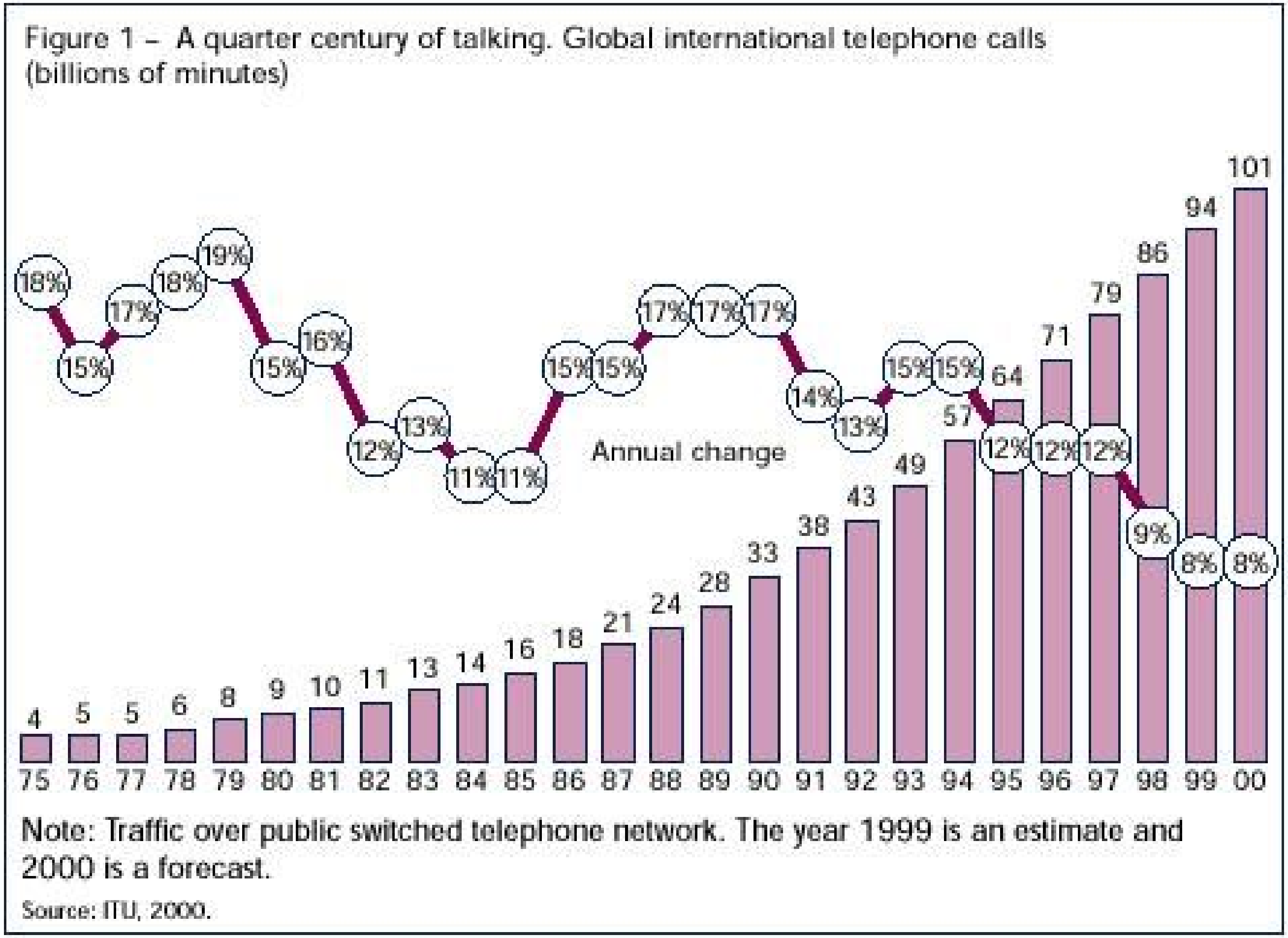


Mobile Data Will Help



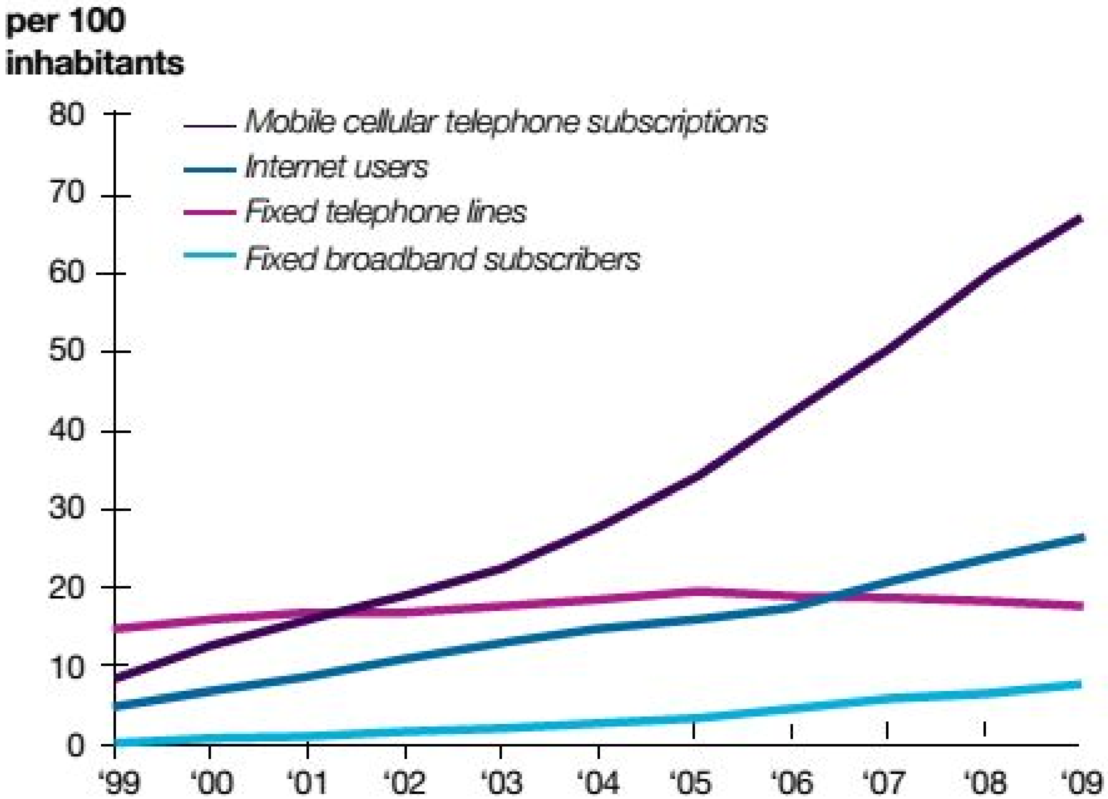
[source: Ericsson]

“Billions Who Never Made a Phone Call”



source: ITU

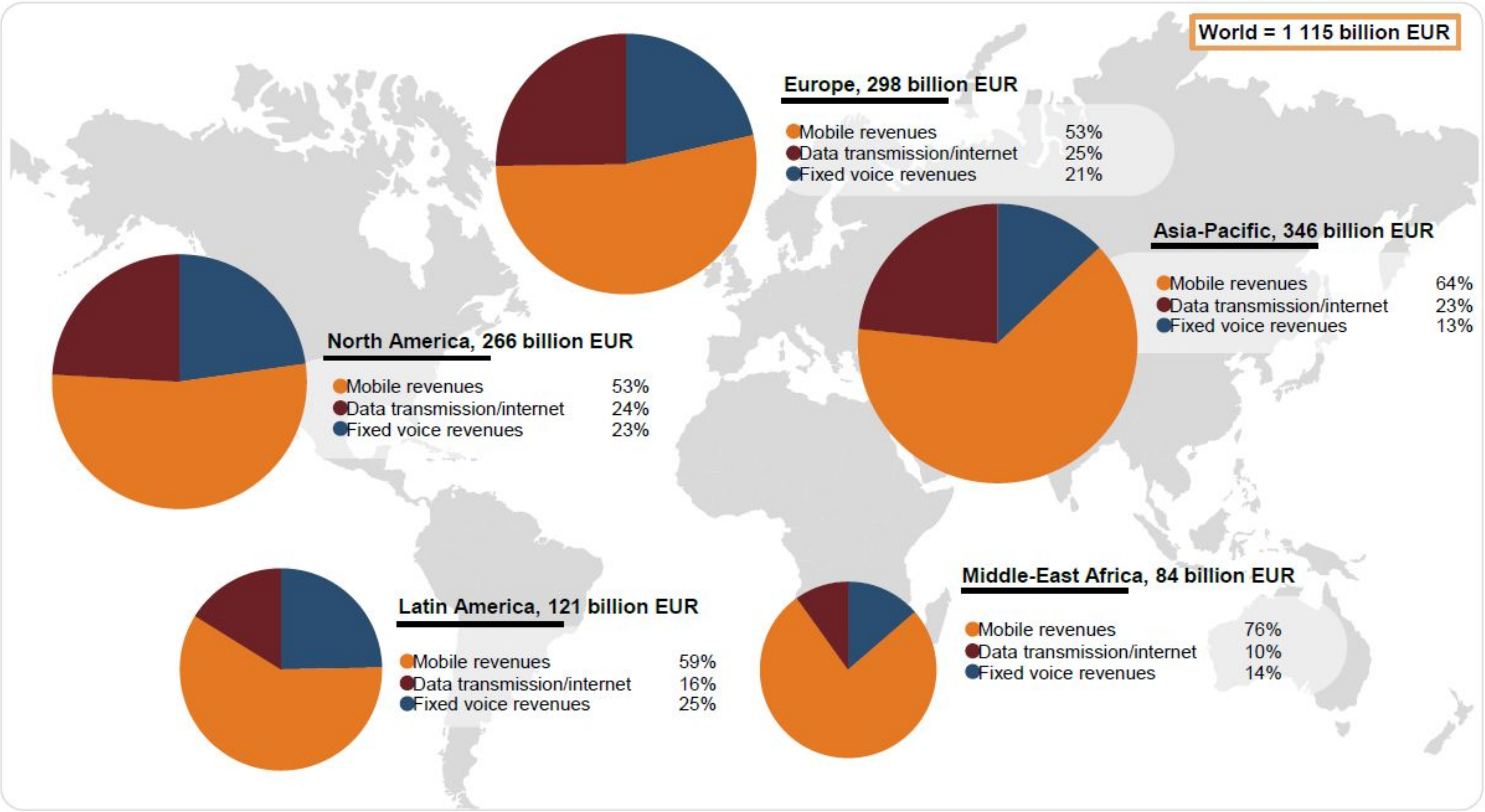
Soon, Basic Communications Will be Ubiquitous



Source: International Telecommunications Union (ITU) ICT Statistics Database, http://www.itu.int/ITU-D/icteye/Indicators/Indicators.aspx. (2009 figures are estimated); "The world in 2009: ICT Facts and Figures," ITU Geneva 2009, http://www.itu.int/ITU-D/ict/material/Telecom09_flyer.pdf

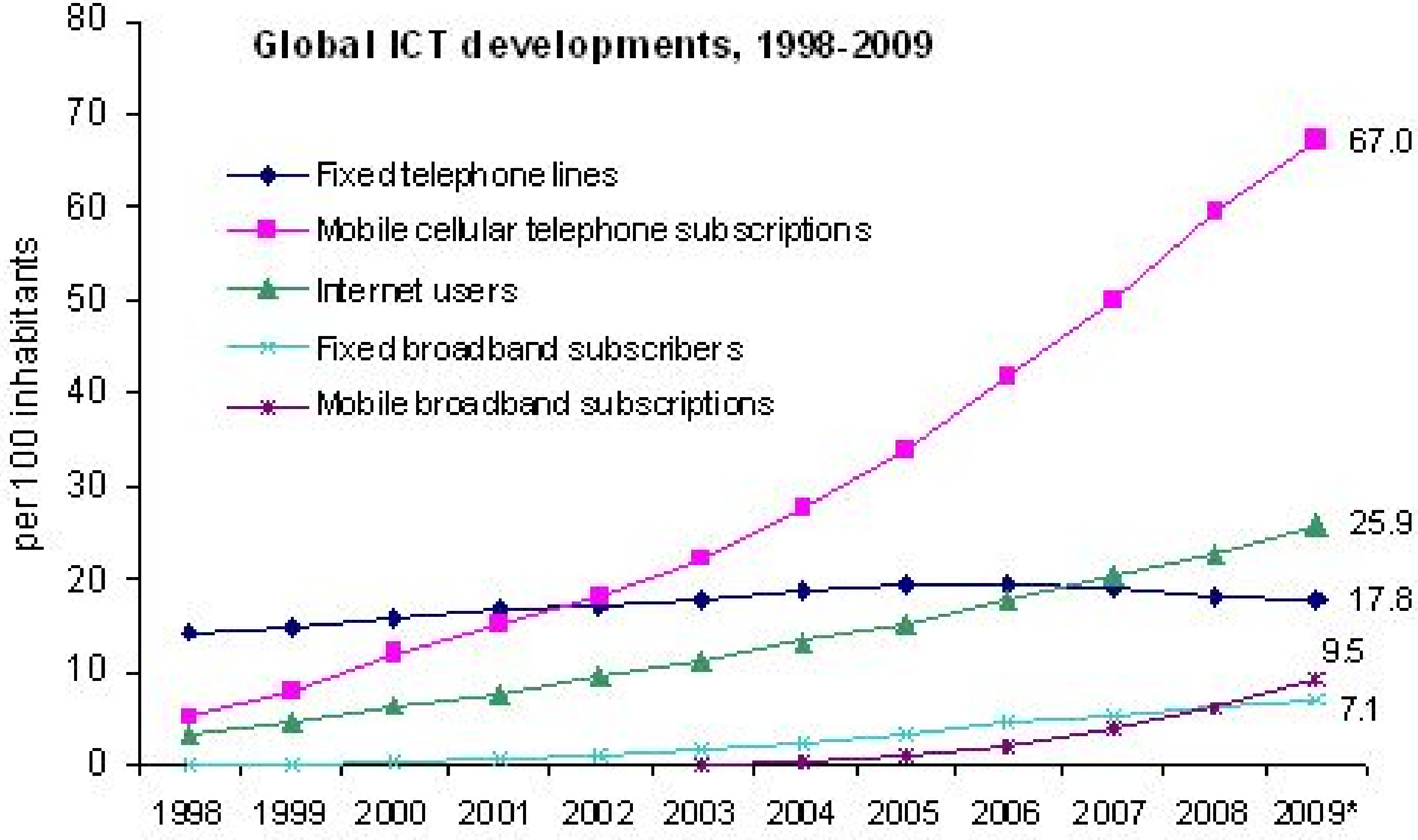
source: ITU

We Now Connect the World



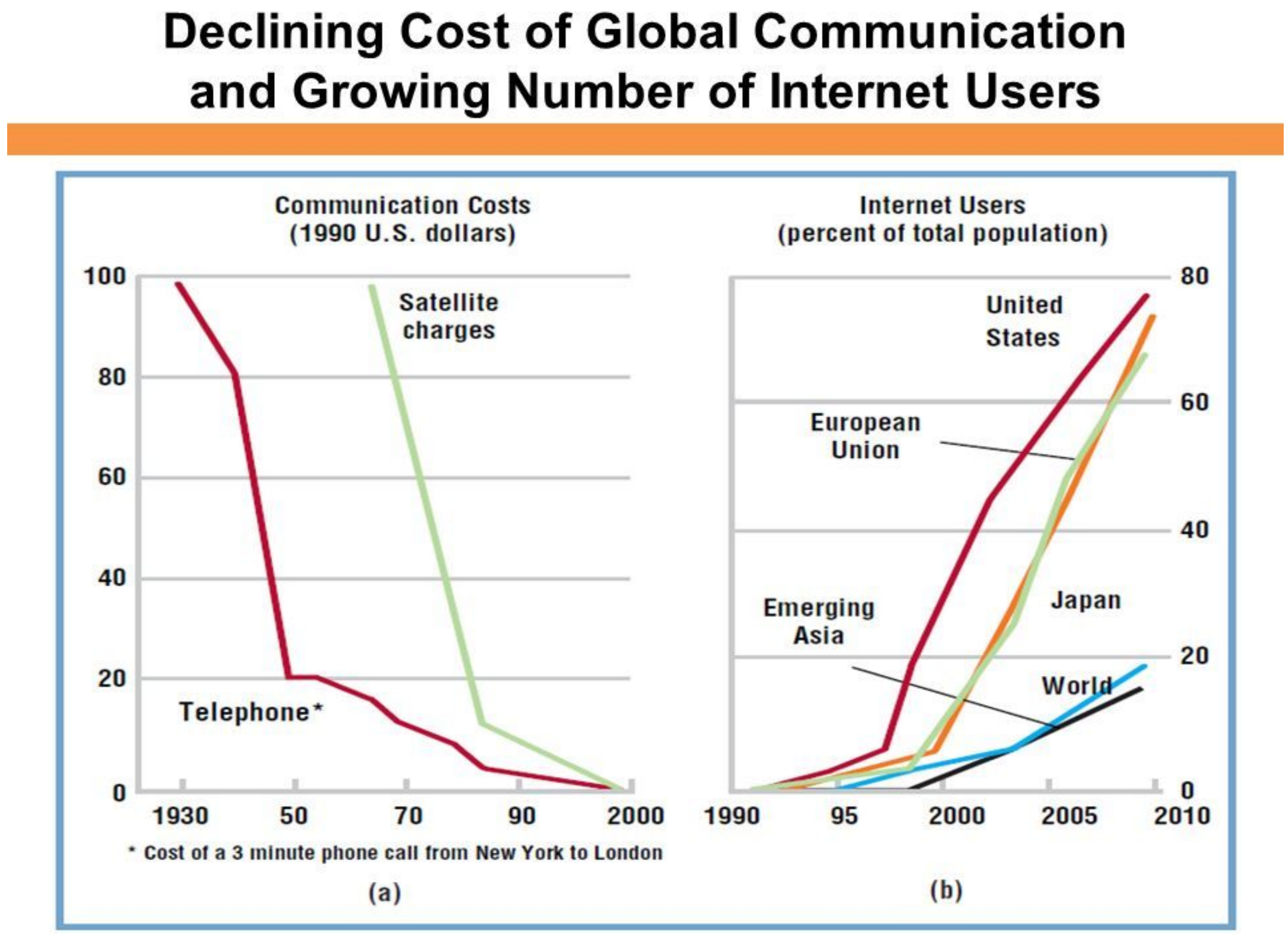
source: IDATE

Mobile Solved Voice Problem



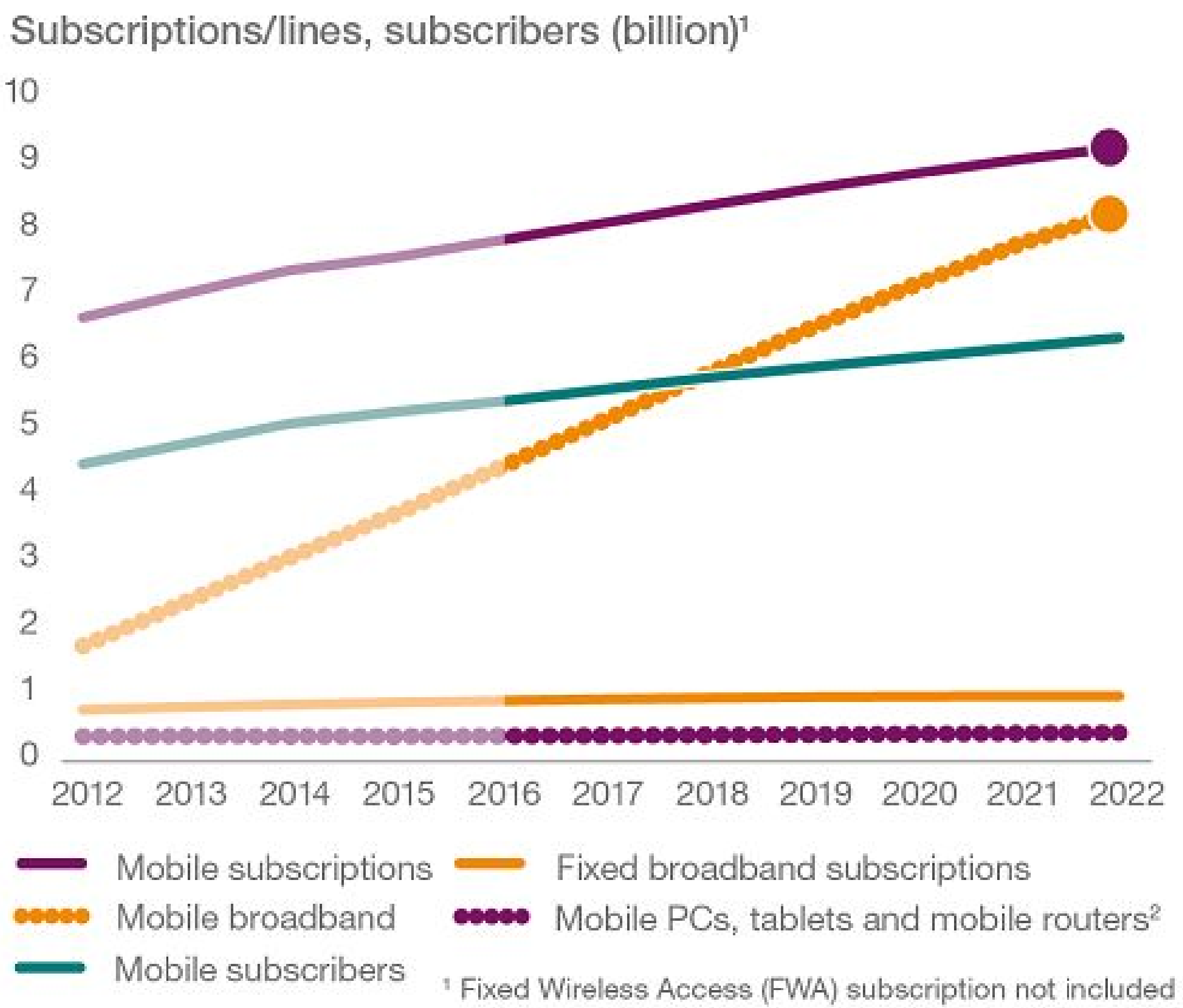
source: ITU

Next Challenge: Internet



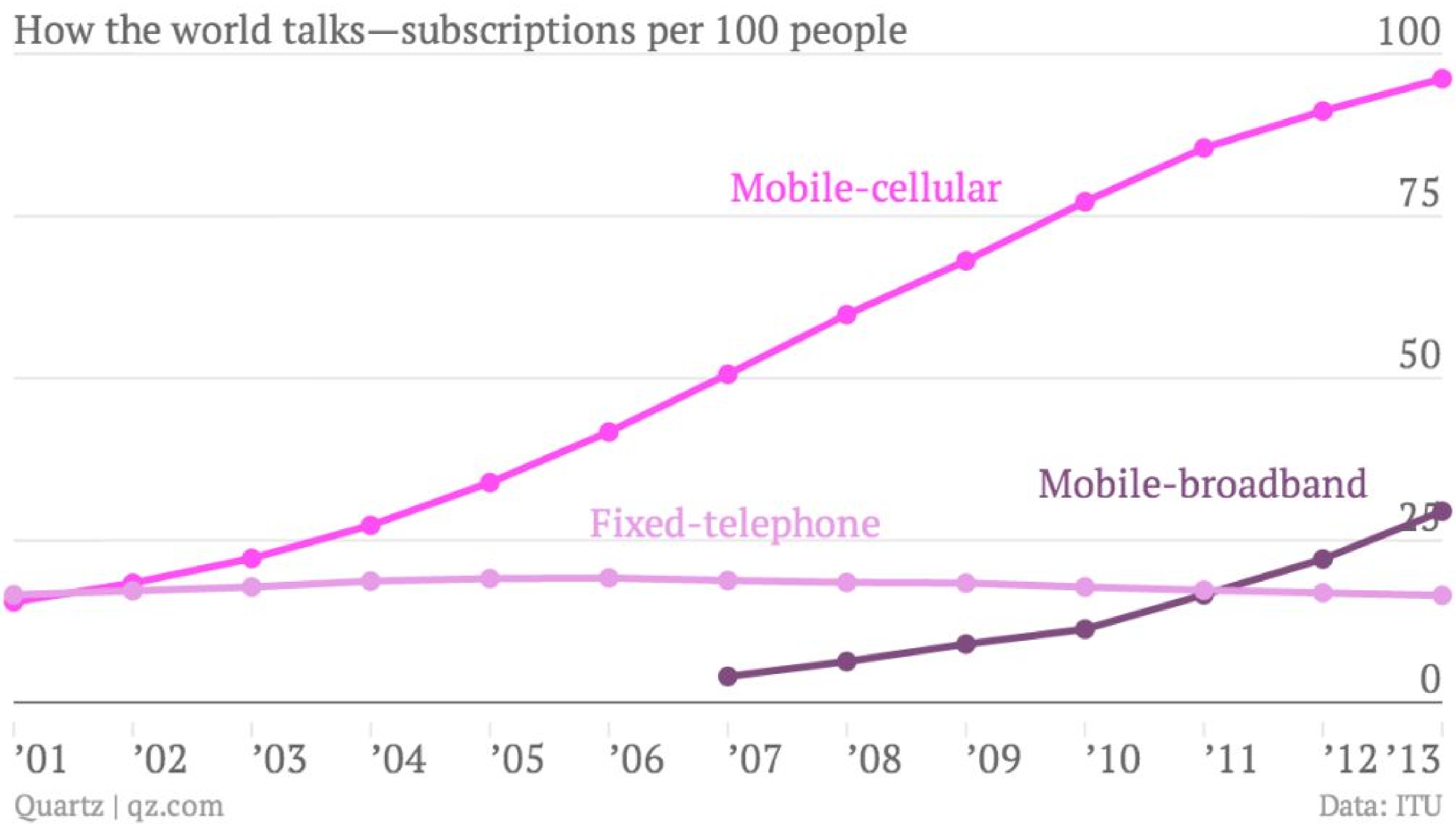
source: Marilyn Hicks

Mobile Mostly is the Answer for Internet



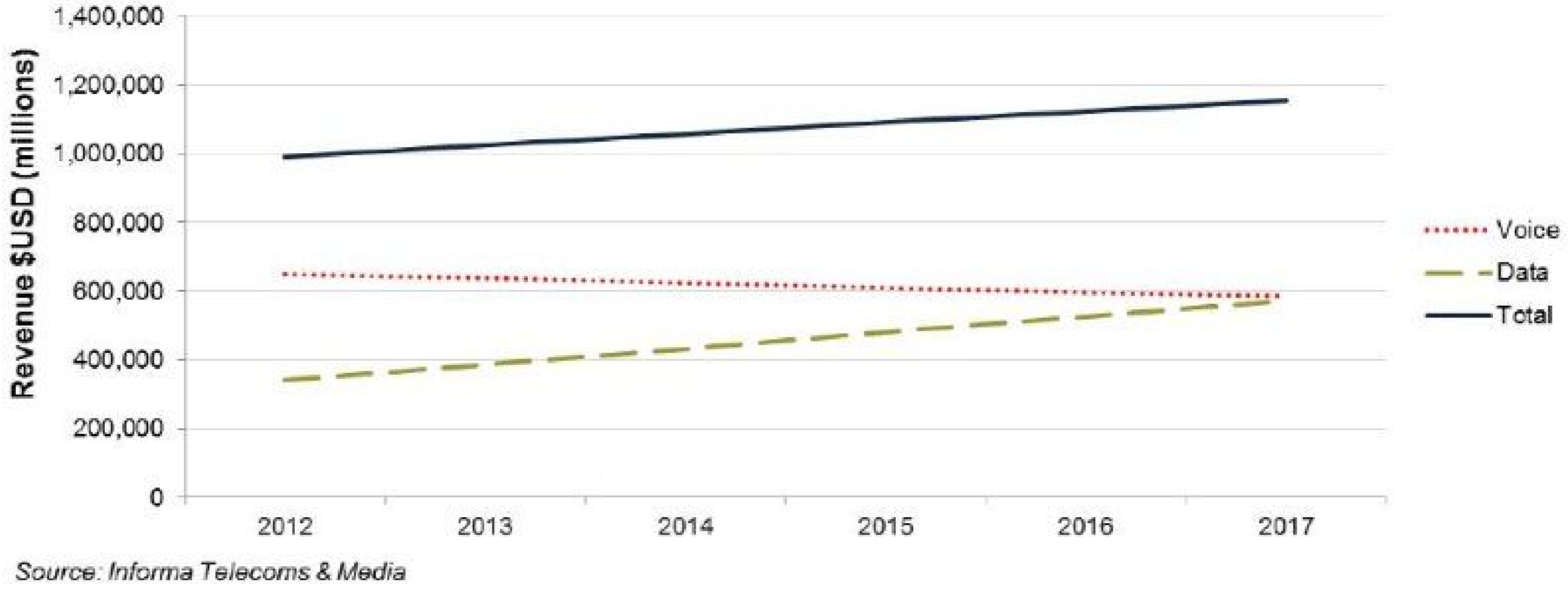
source: Ericsson

...Because Mobile Will be the Way Most People Connect to Internet



source: ITU

Revenue Increasingly Internet Access Driven



source: Informa

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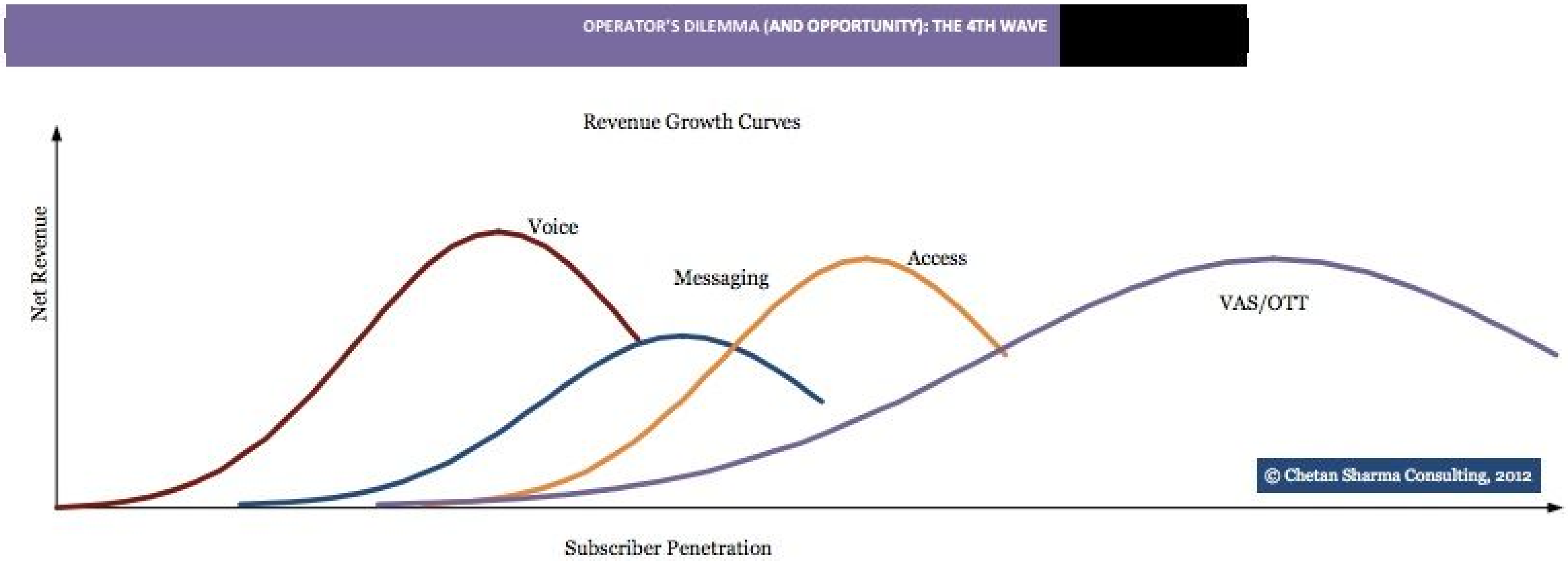
“We used to be Facebook”

Now telecom is becoming something else, and that is the problem to be solved.

Mission Statement

dis rup tion

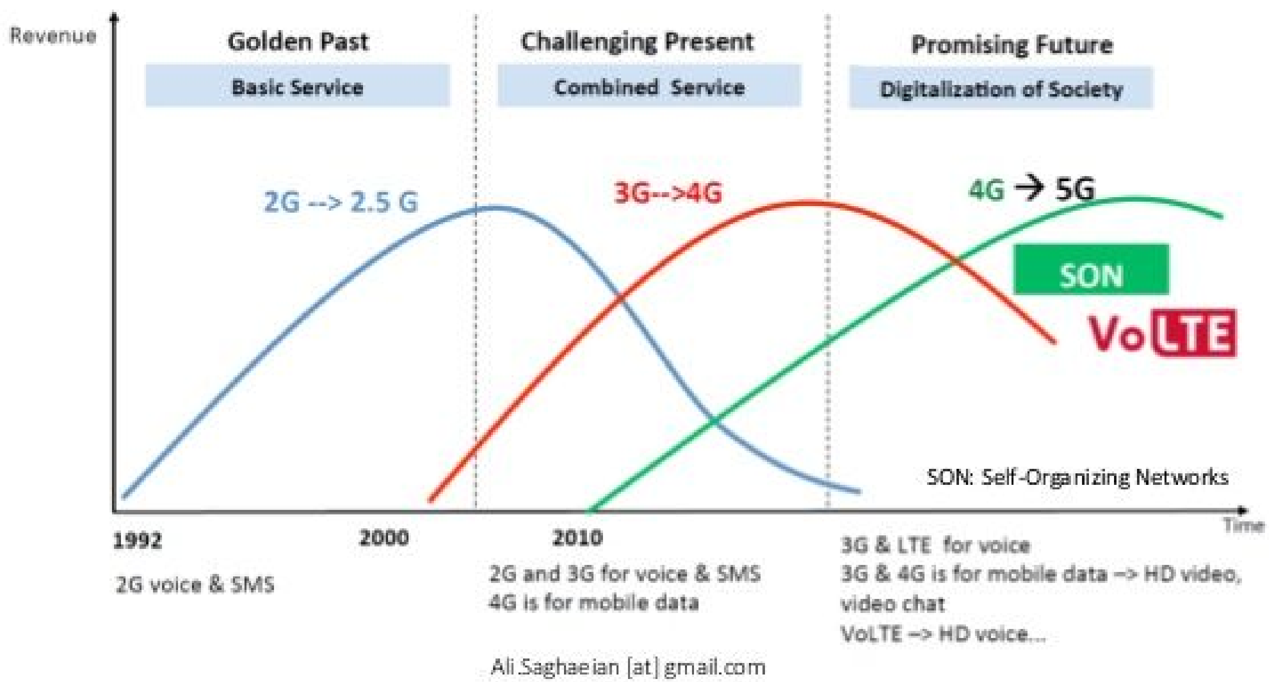
All Legacy Products Mature



So Do Networks

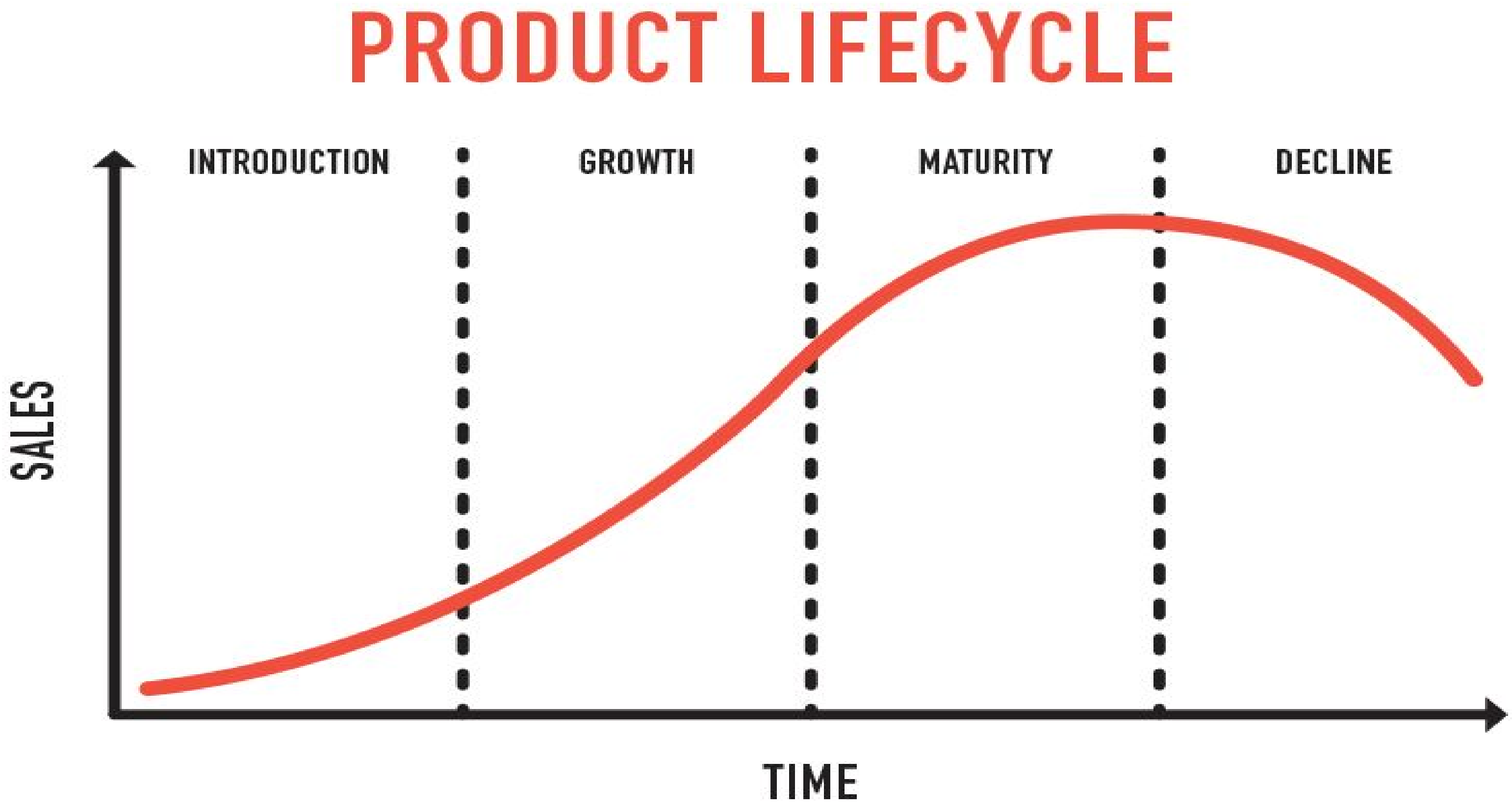
4G and 4.5G are bringing the next uplift of growth

Today, Telecommunication industry is in data–centric world ...
MNOs to reinvent business model and build new engine for growth ...



source: Ali Saghaeian

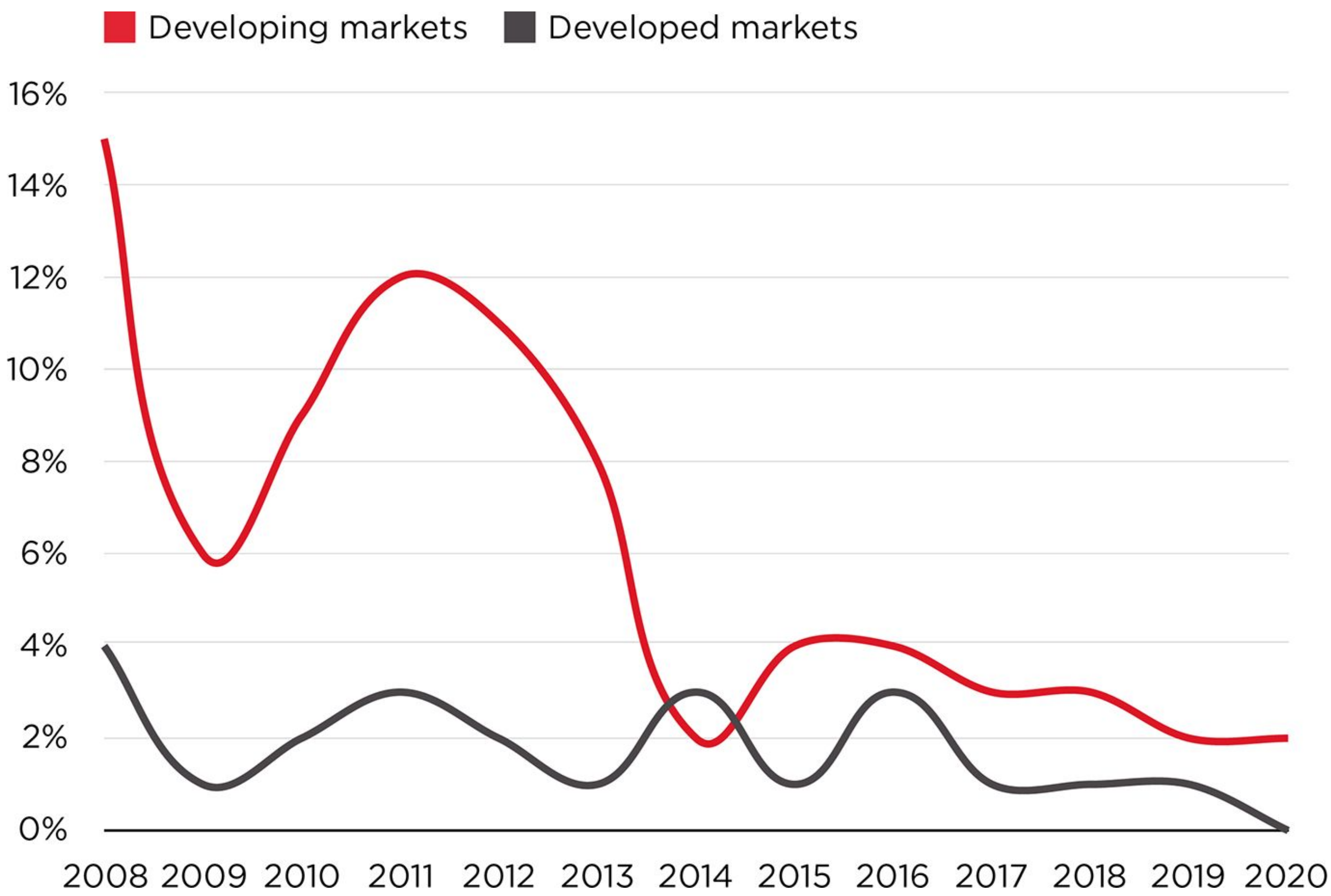
So Business Model is Biggest Challenge



The More People We Connect

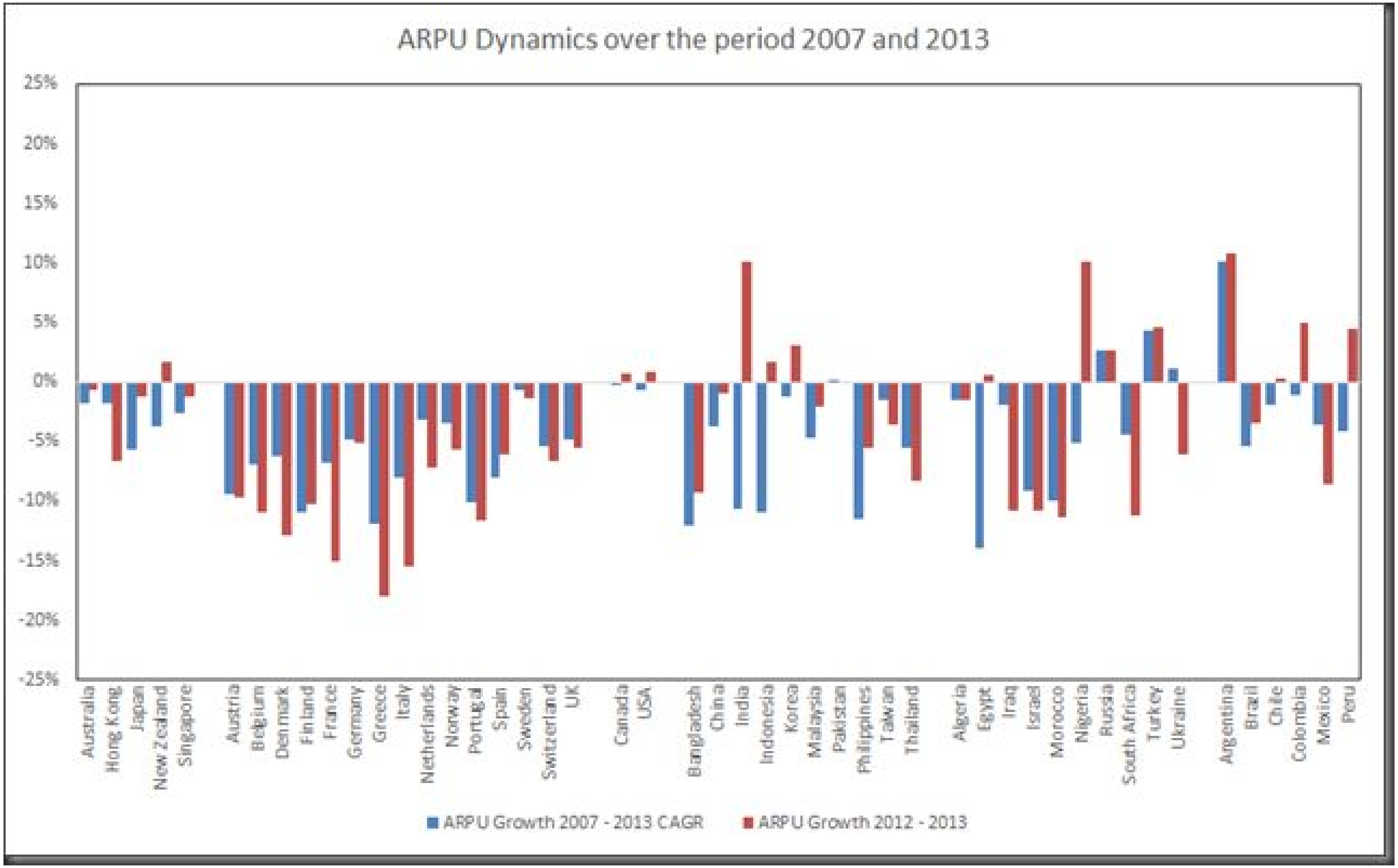
the more industry disruption there will be

Revenue Growth is Slowing, or Gone



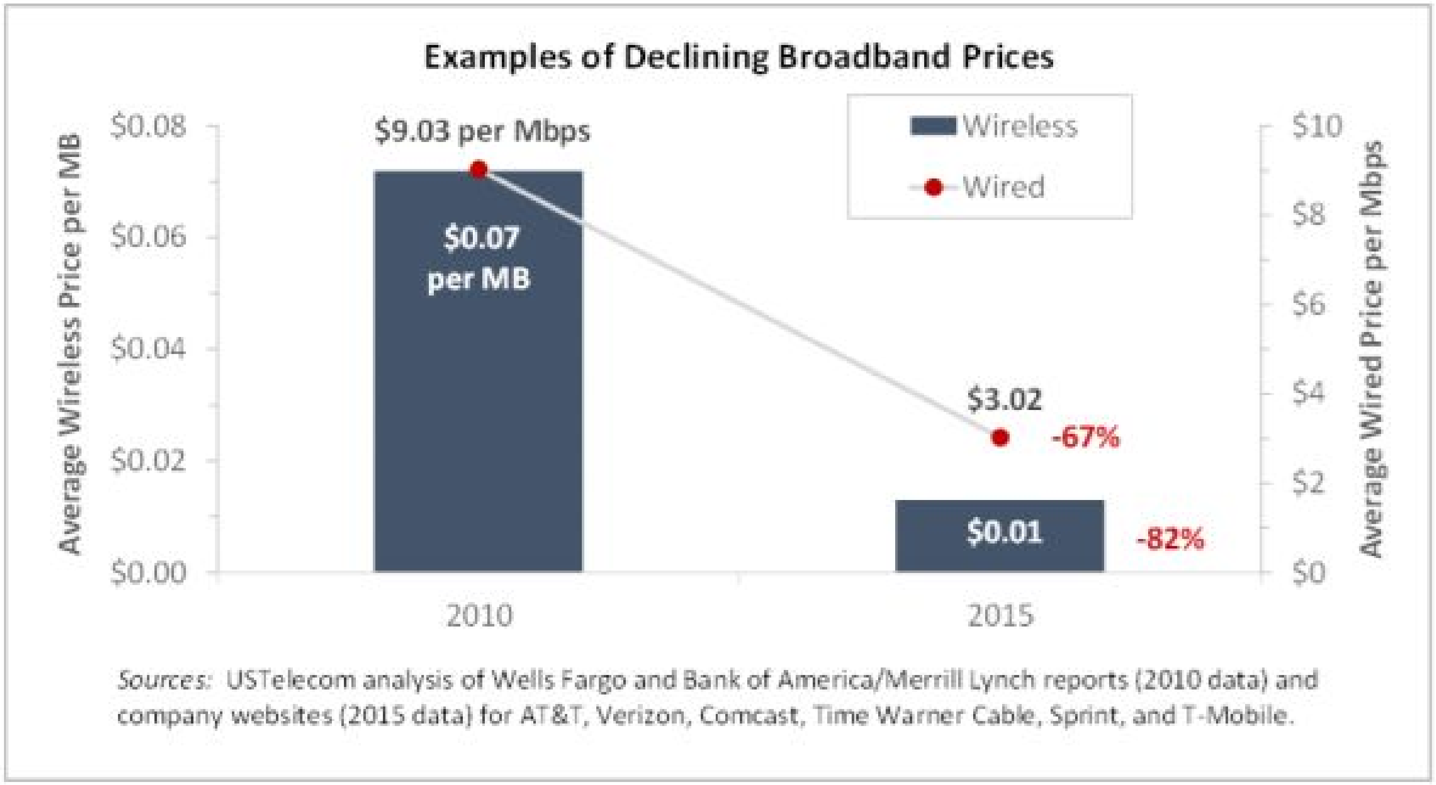
source: GSMA Intelligence

ARPU is Falling



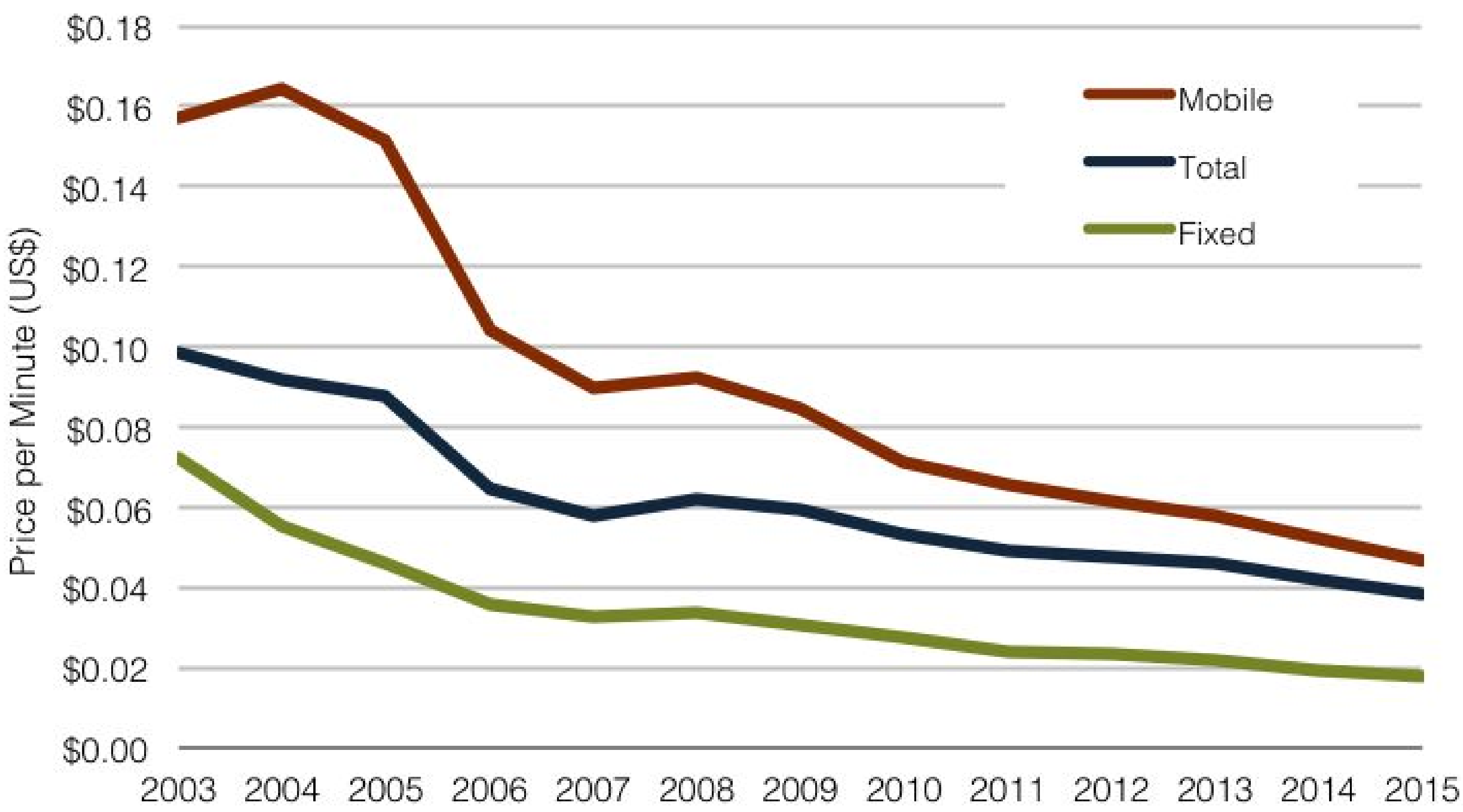
source: techneconomyblog

Broadband Price Compression



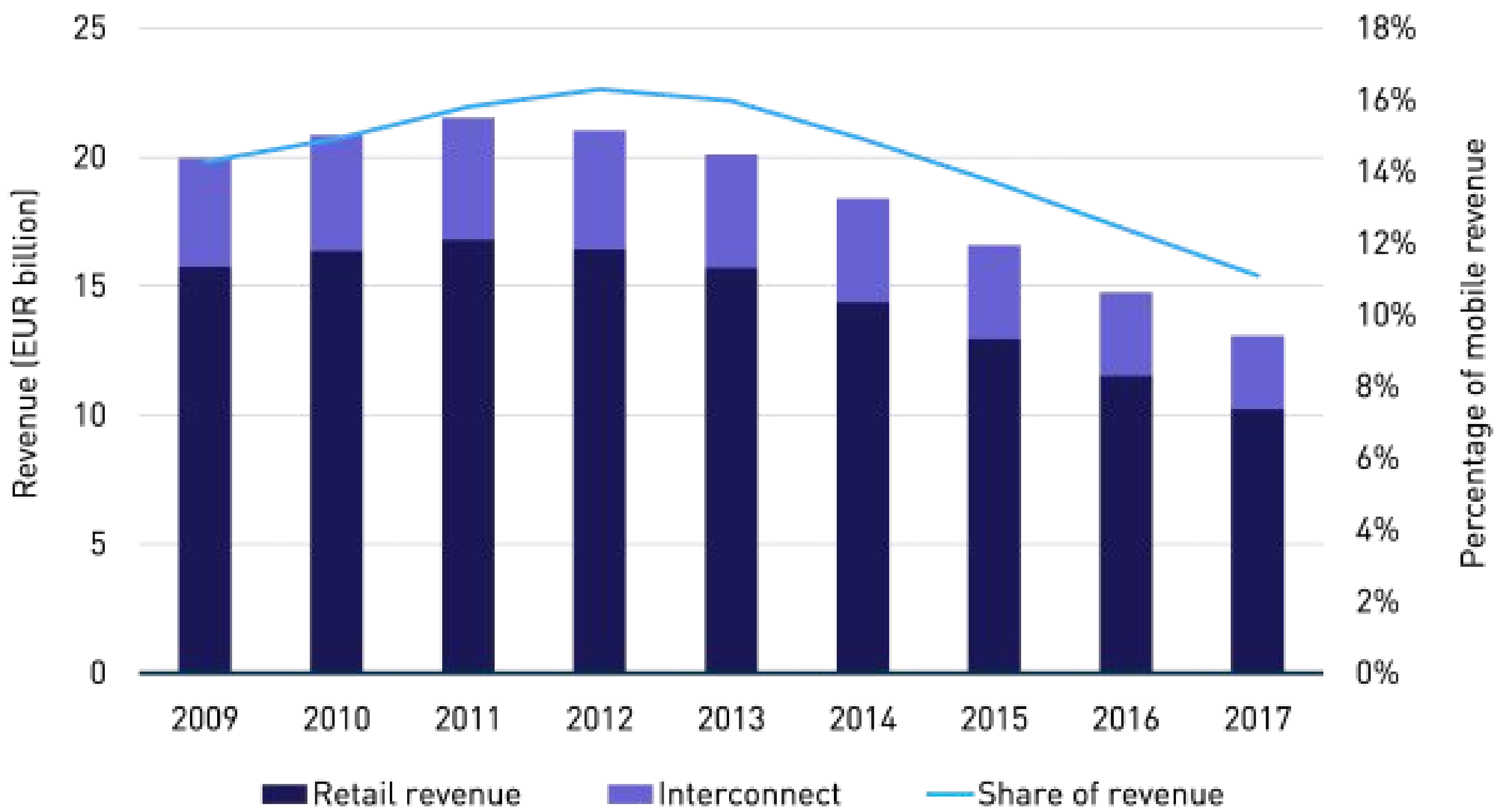
source: US Telecom

Voice Price Compression



source: Telegeography

Messaging Price Compression

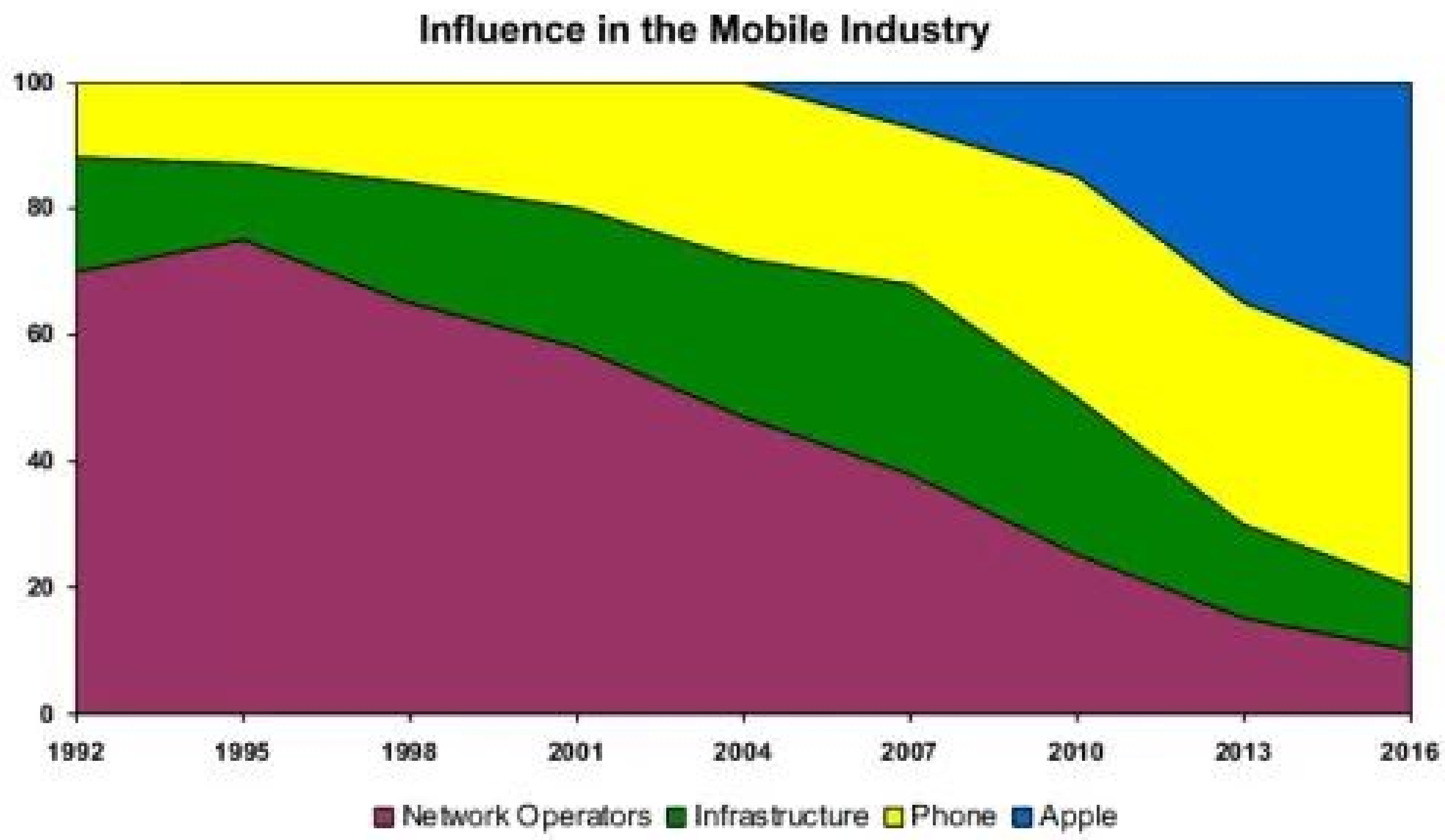


source: Analysys Mason

Telecom is Part of the Internet Ecosystem

[source: Detecon]

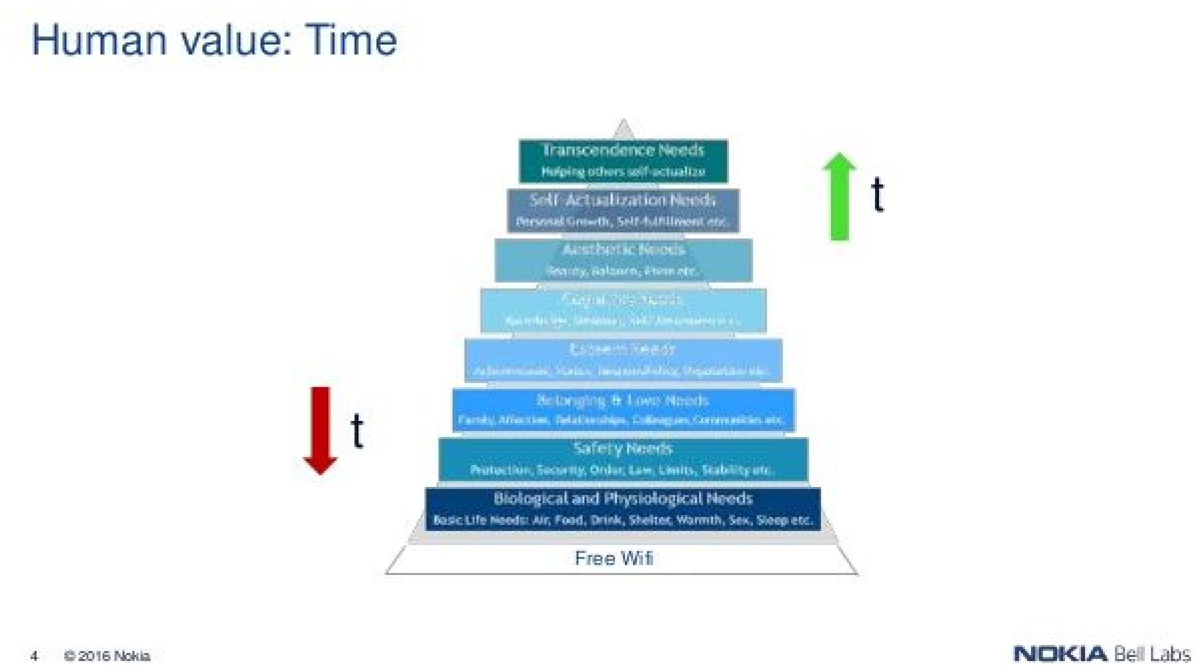
So Value/Power/Influence has Shifted



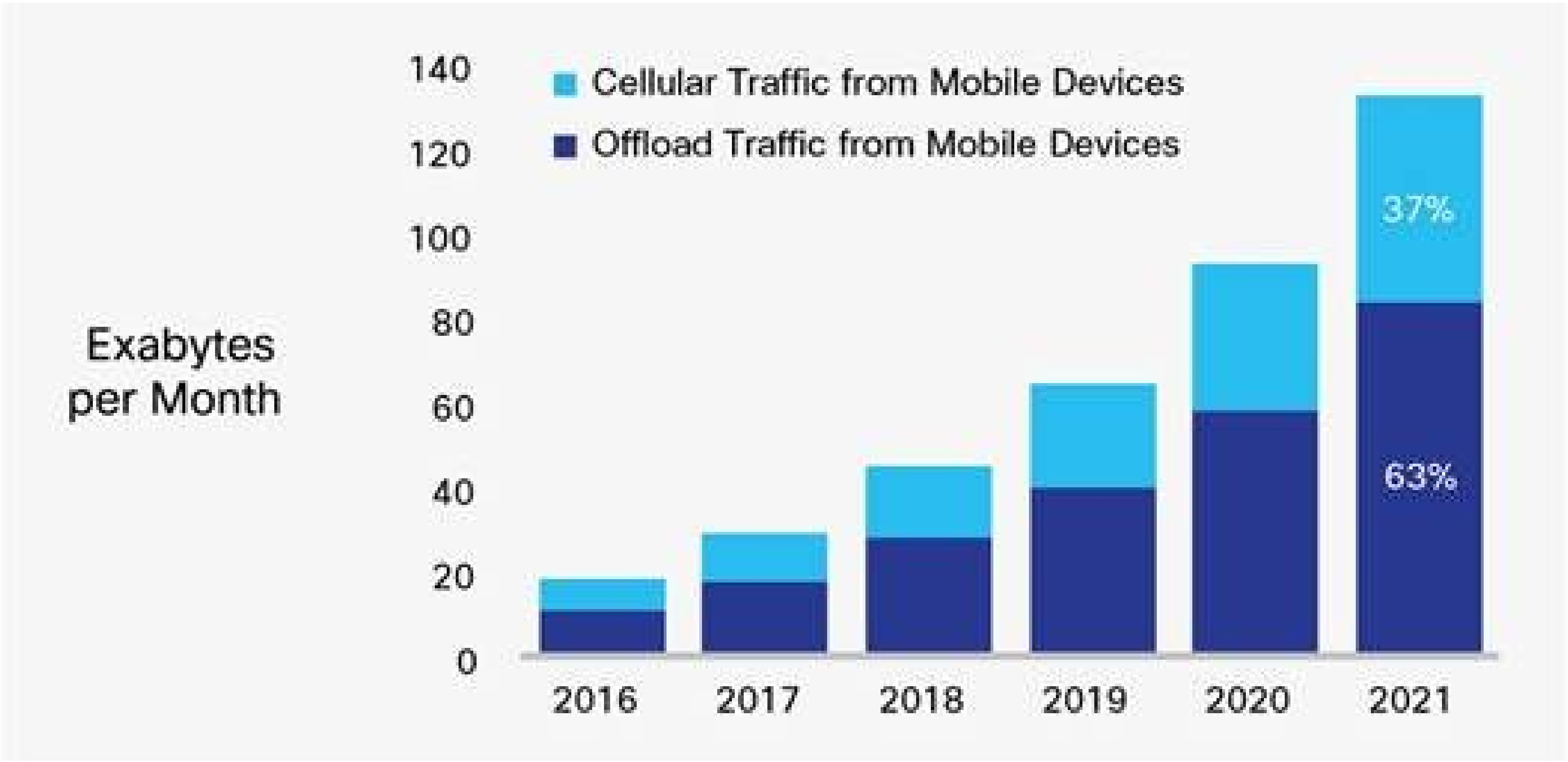
source: Creative Connectivity

Wi-Fi as the Access Layer?

- Products/services become features
- Telcos become “dumb pipes”
- Value migrates elsewhere

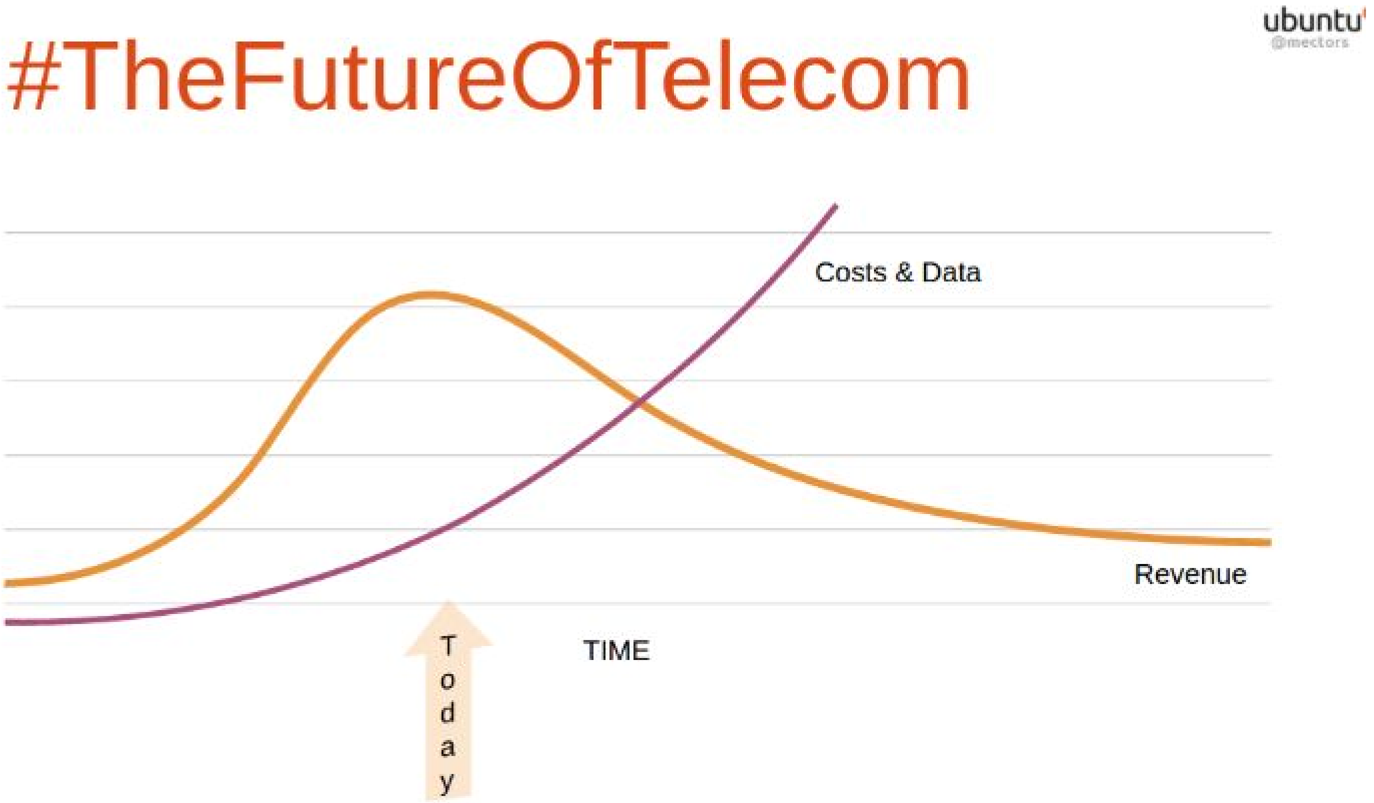


Consumers Often Expect “Near Zero” Pricing



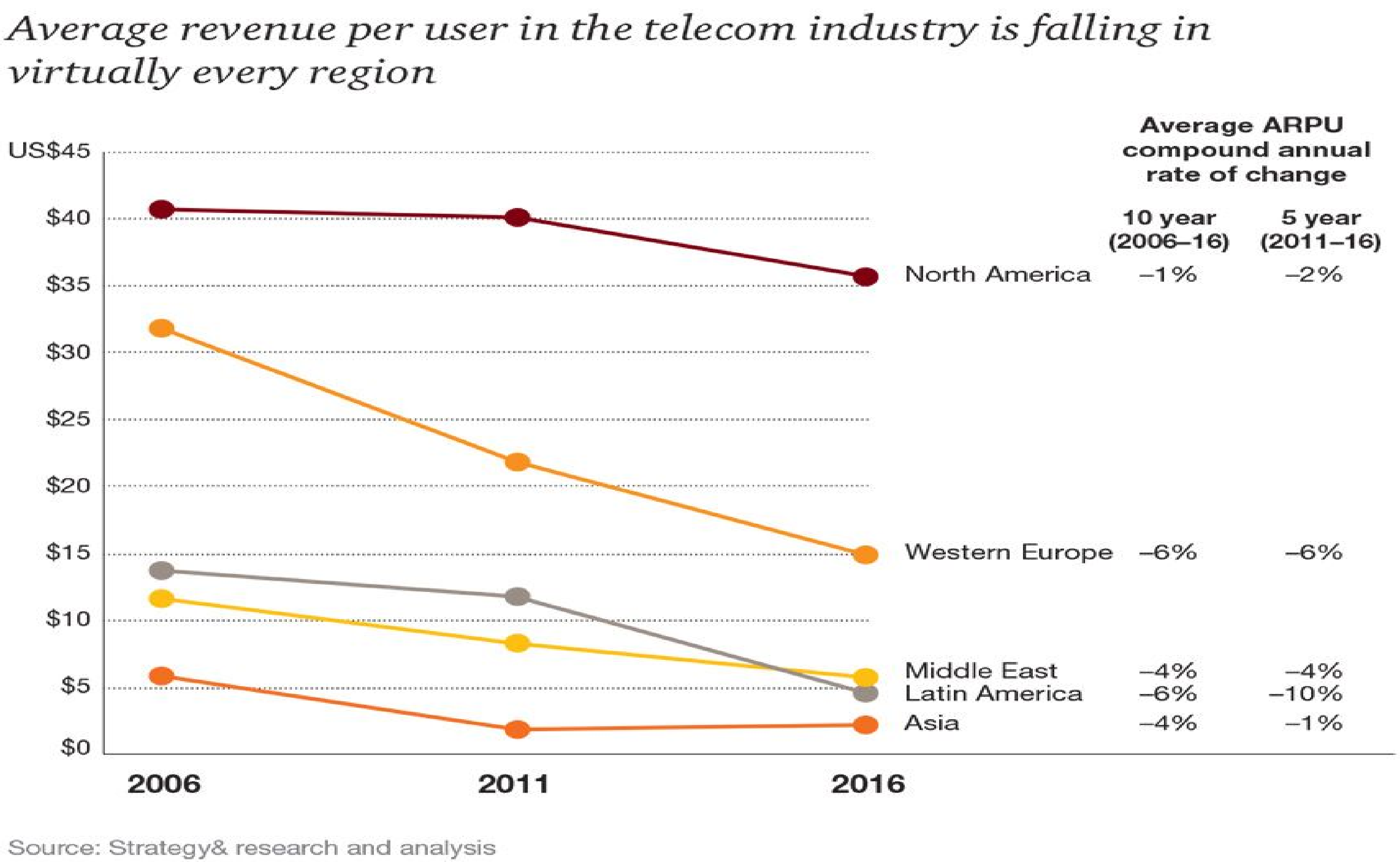
source: Cisco

Without New Revenue Sources...



source: Canonical

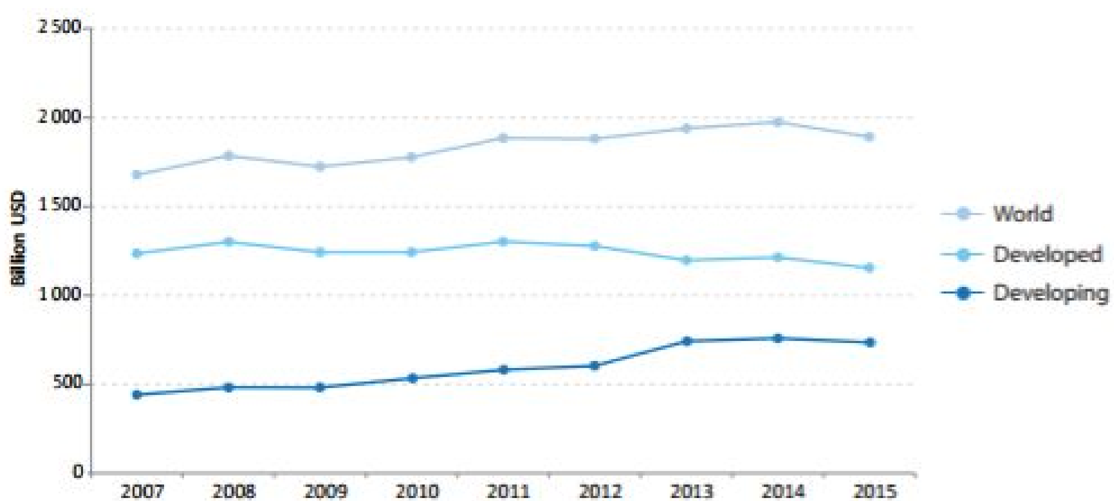
ARPU Falling



source: strategy &

No Growth

Telecommunication revenues, world and by level of development



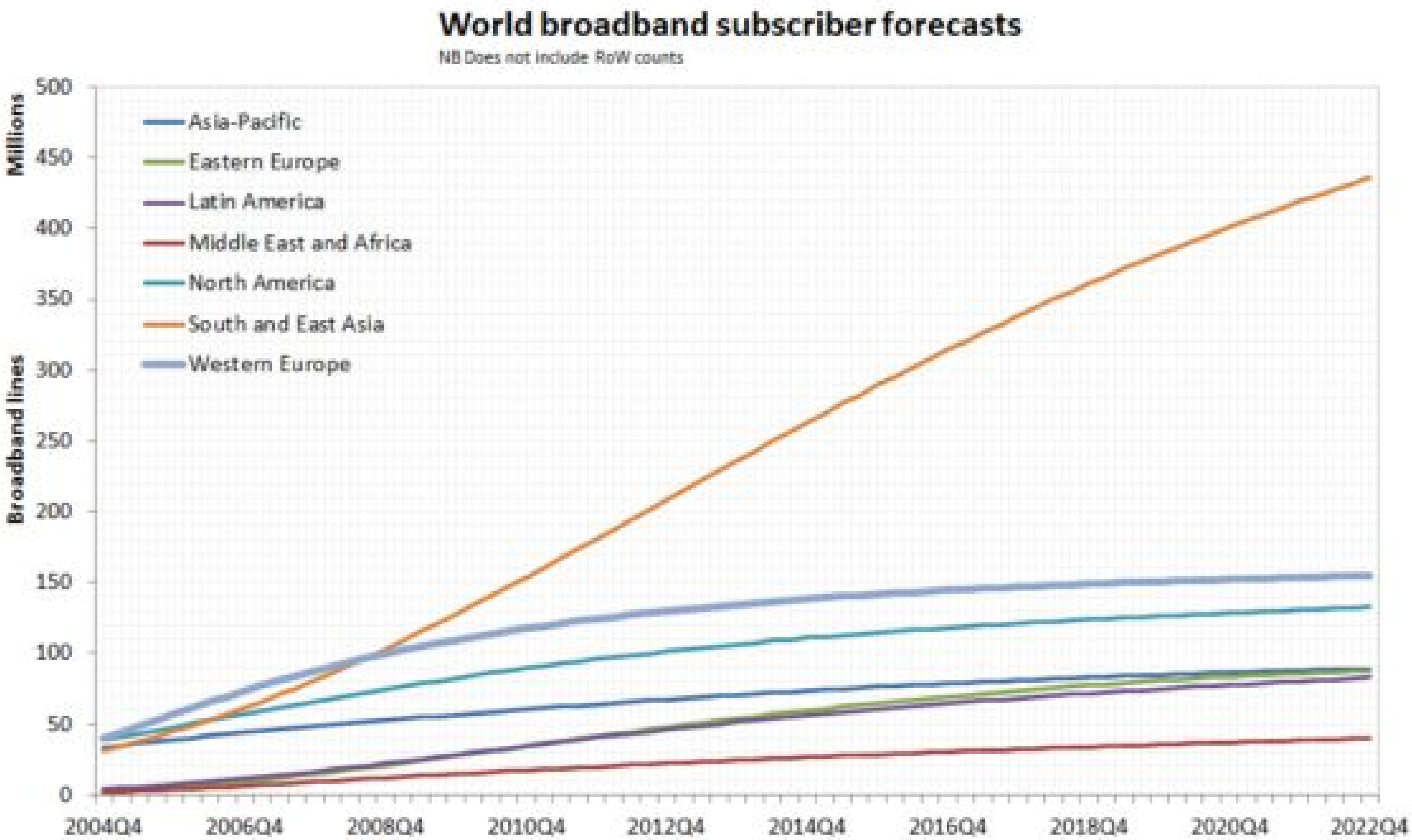
Source: ITU.

Global telecommunication revenues declined by 4% between 2014 and 2015, falling back to USD 1.9 trillion.

Developing countries saw a compound annual growth rate in telecommunication revenue of 6.6% in the period 2007-2015, whereas developed countries experienced a contraction of -0.8% during the same period.

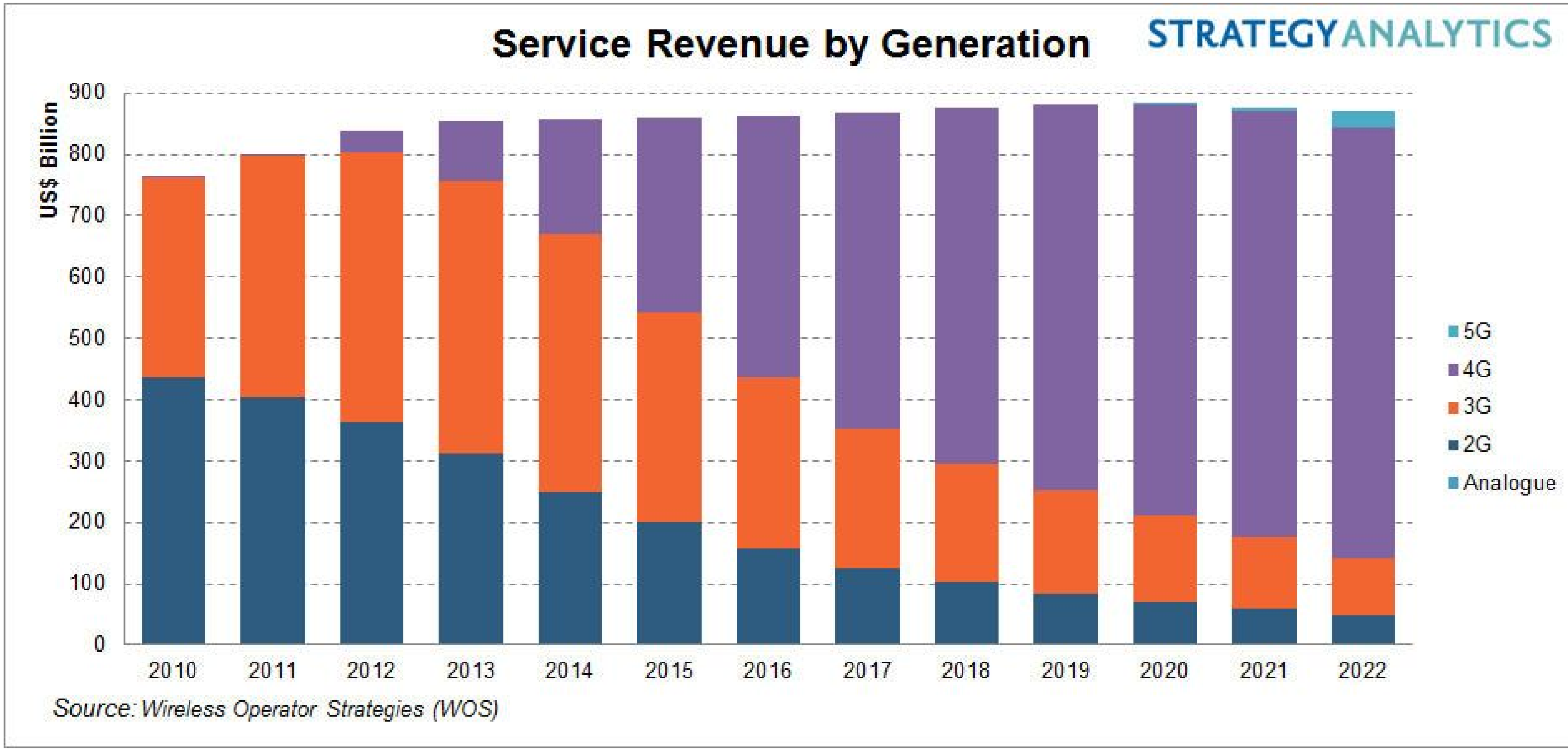
Developing countries are home to 83% of the global population but generate only 39% of the world's telecommunication revenues.

But How Much? (Except India, China)?



source: Point Topic

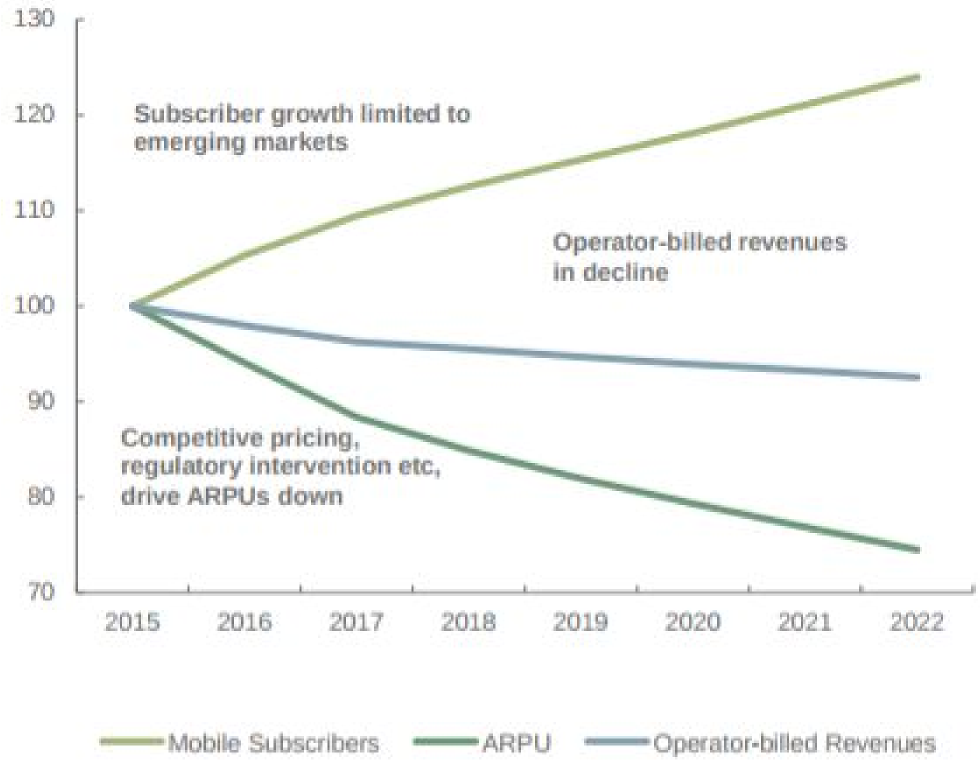
Look at the Top Line



source: Strategy Analytics

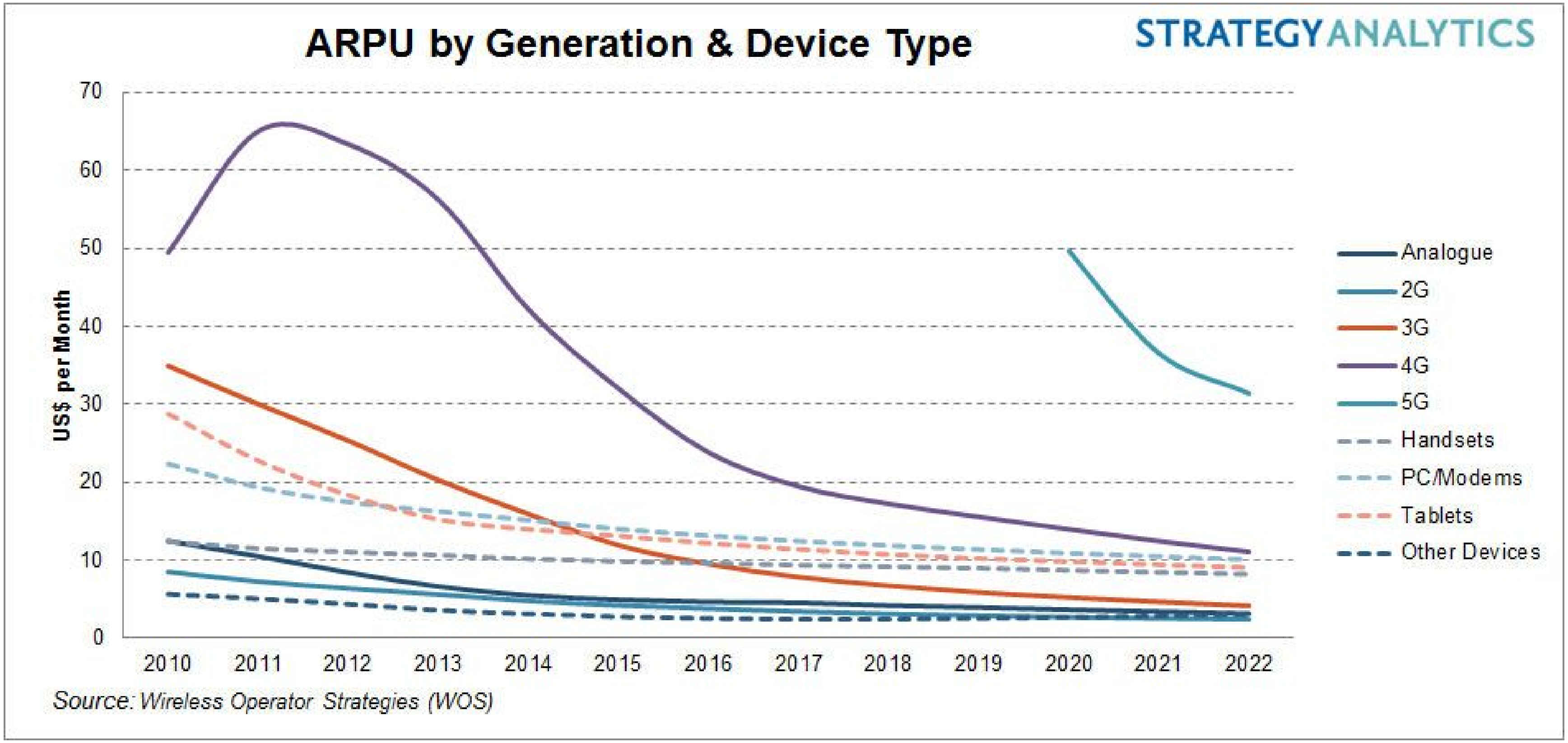
Subs Up, ARPU Down

Figure 1: Base Line Analysis of Global Mobile Subscriber Growth, ARPU & Operator-Billed Service Revenues 2015-2022



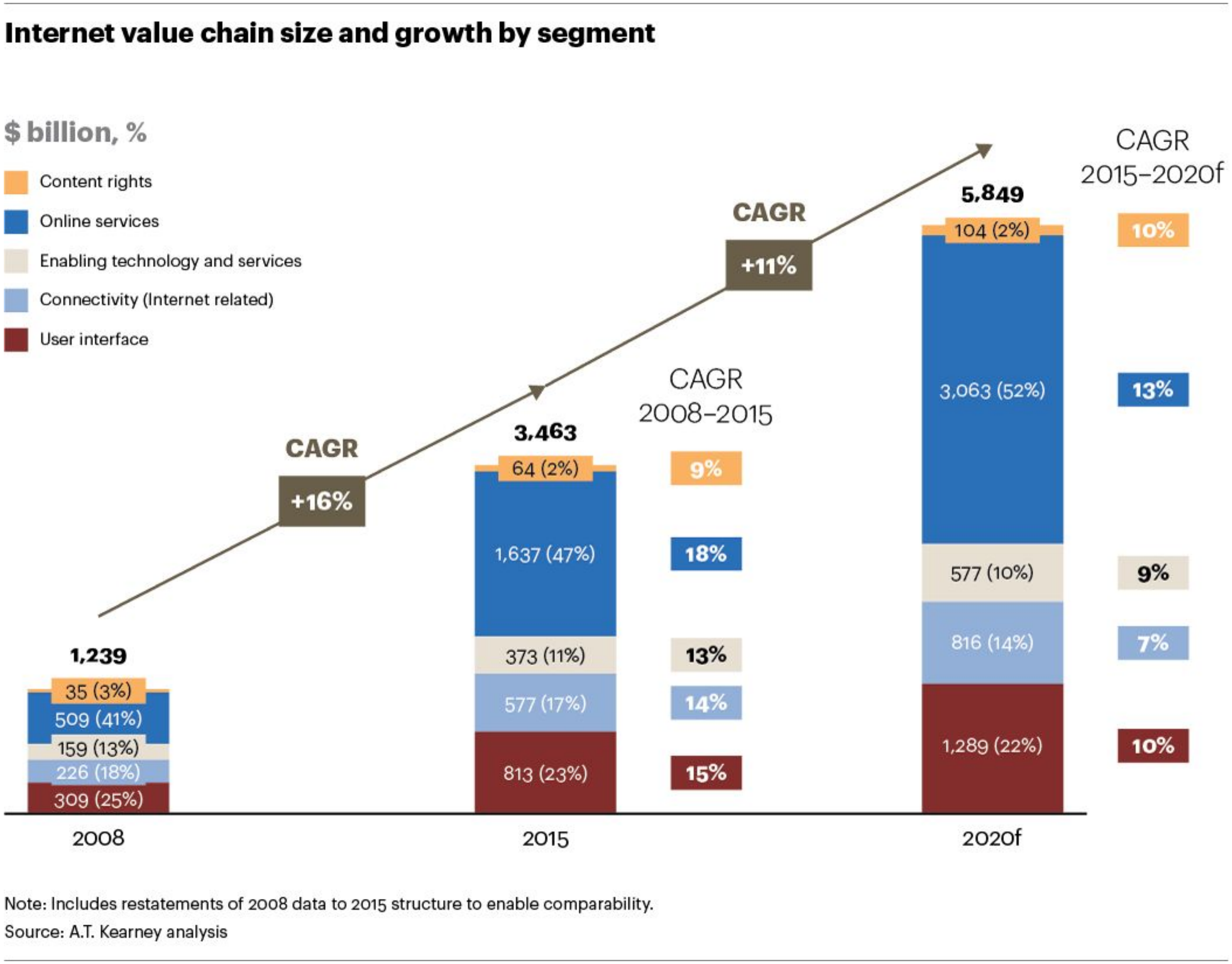
[source: Juniper Research]

Profit is an Issue



[source: Strategy Analytics]

Value of “Access” Drops 50% in 5 Years



source: AT Kearney

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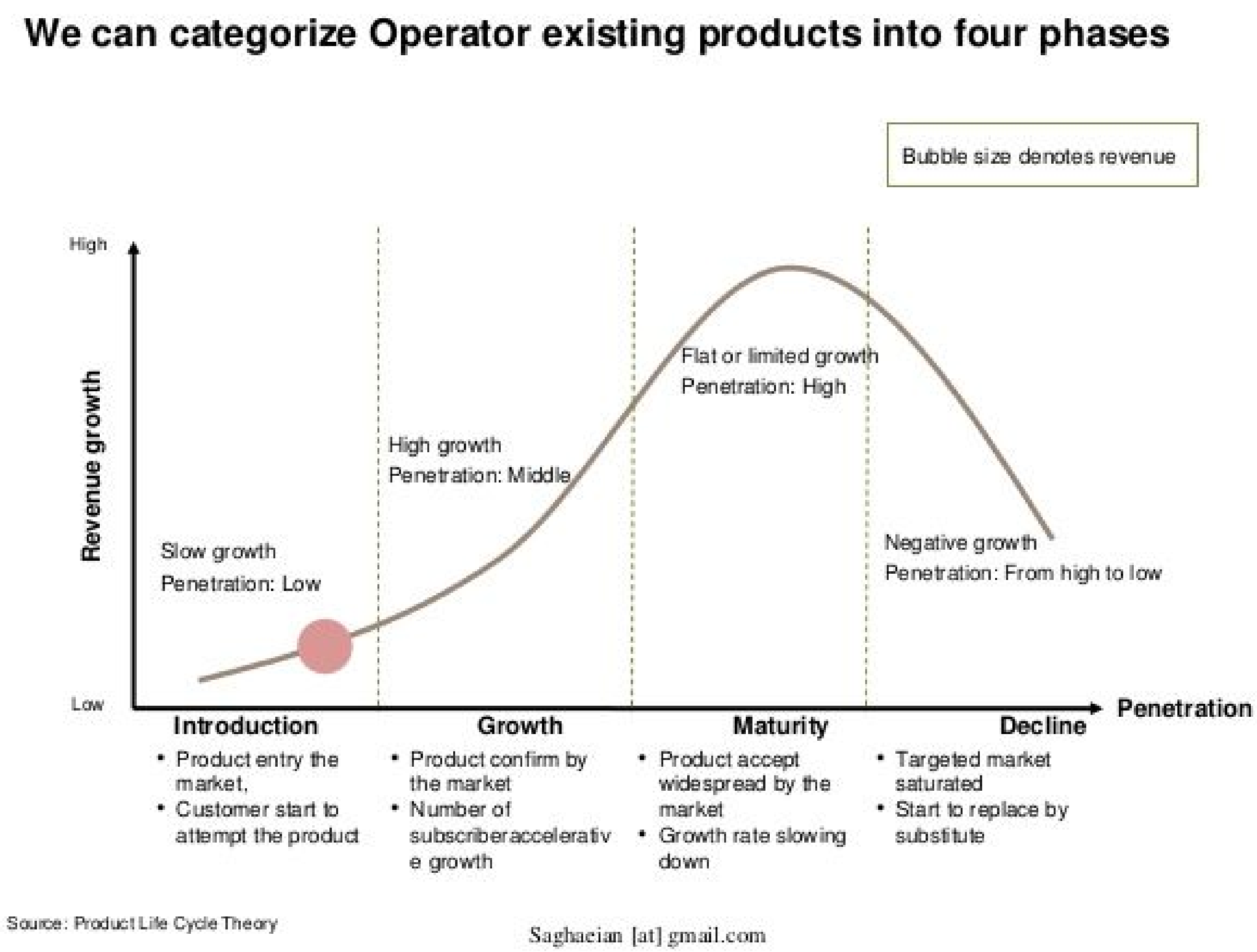
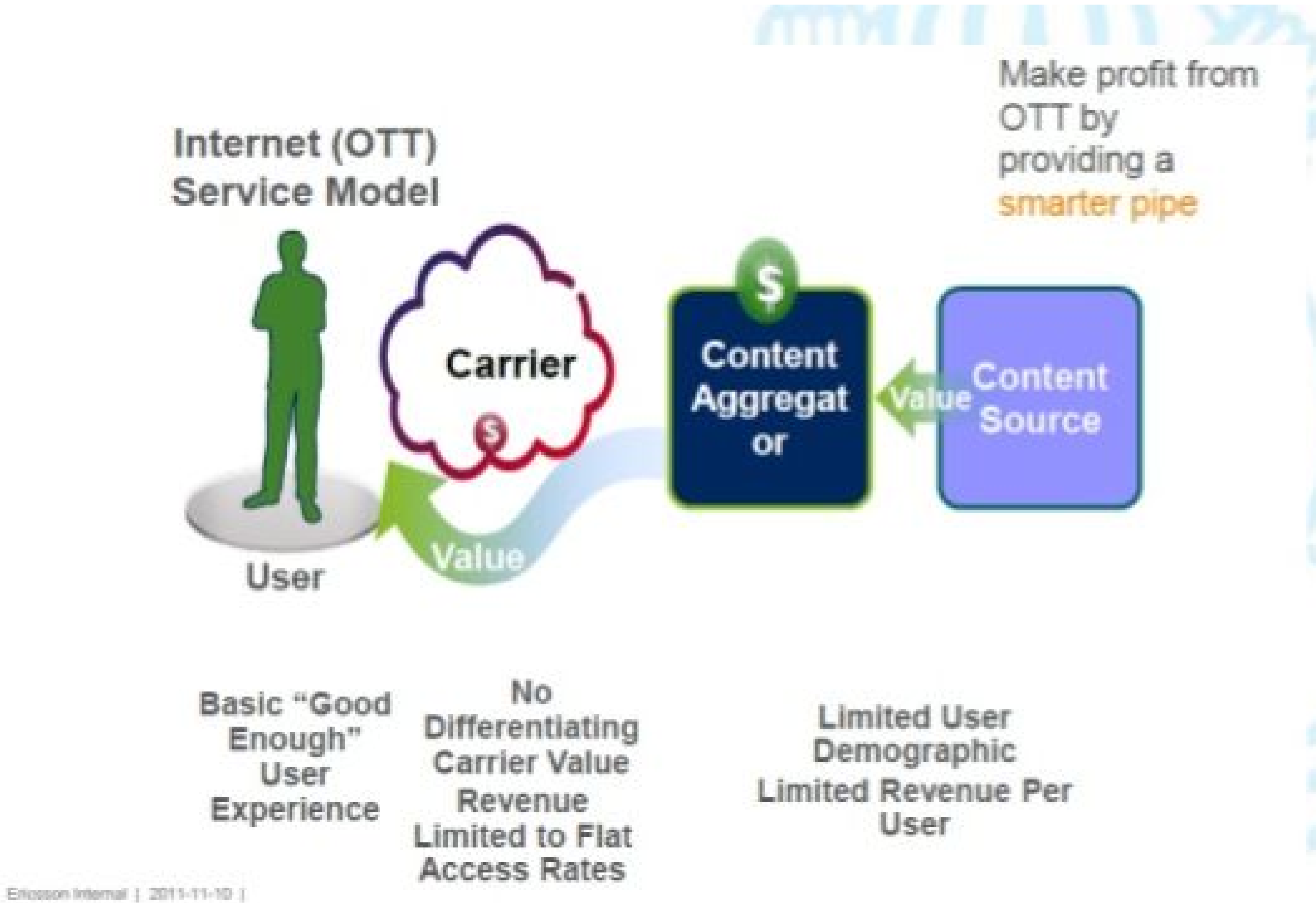
All Products Have Life Cycles



[source: Ali Sagheian]

Avoid This!



source: Dr.Joko Suryana

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THANK YOU