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TELECOMMUNICATIONS
COUNCIL

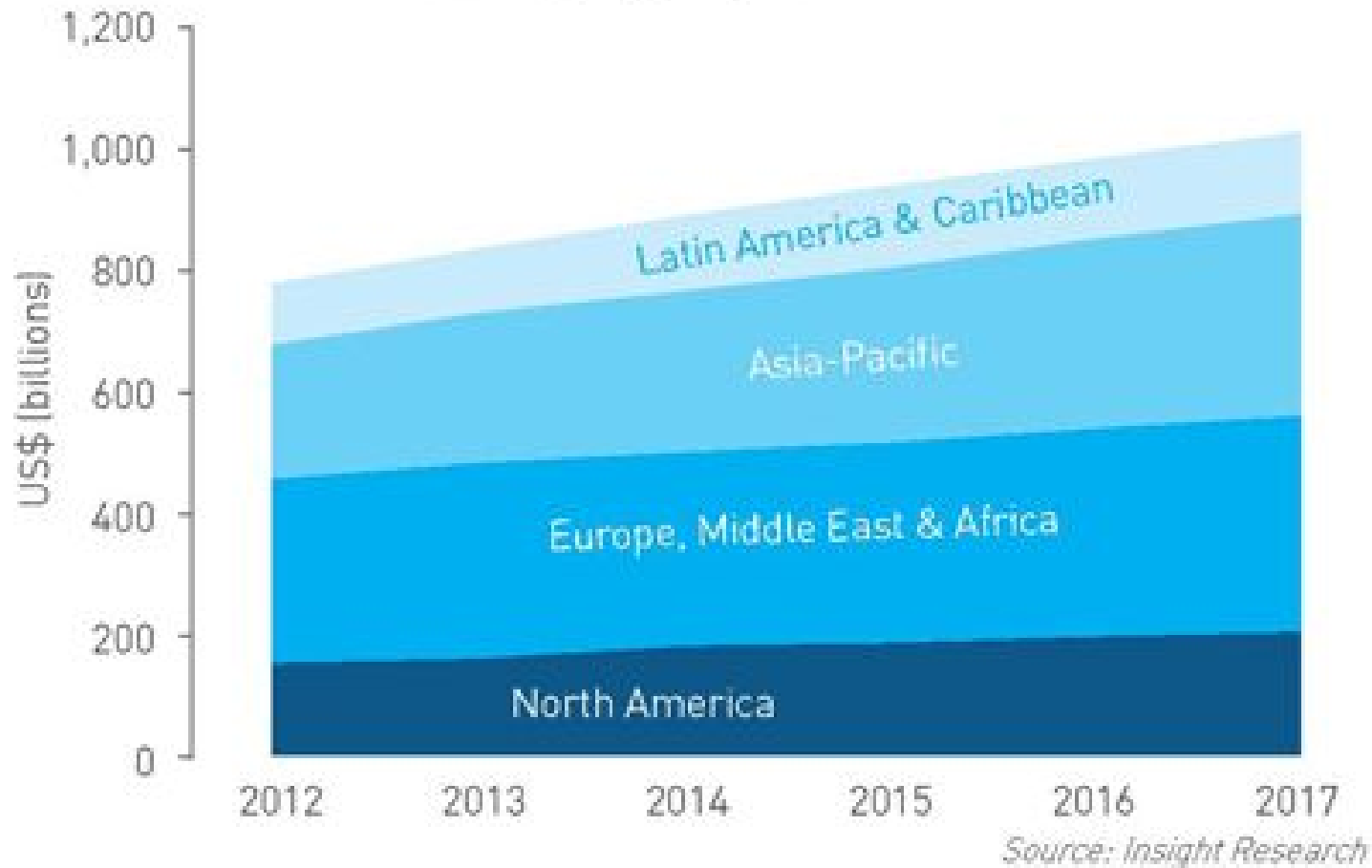
Global Telecom Challenges, Opportunities

for PTC Academy
Bangkok, Thailand

By Gary Kim
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Threats Sometimes are Hard to See

Global carrier revenue by region, 2012-17

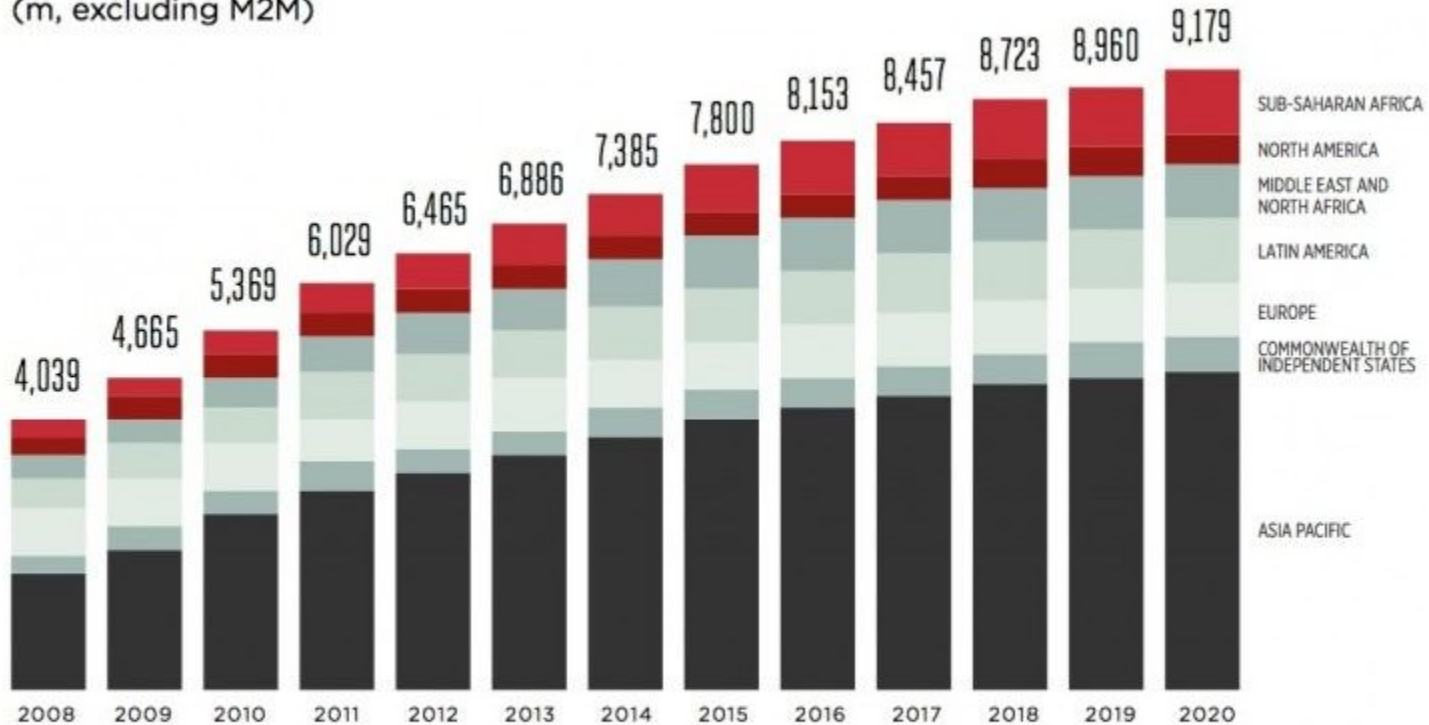


[source: Insight Research](#)

Need for Change Not Obvious, in Most of Asia

Source: GSMA Intelligence

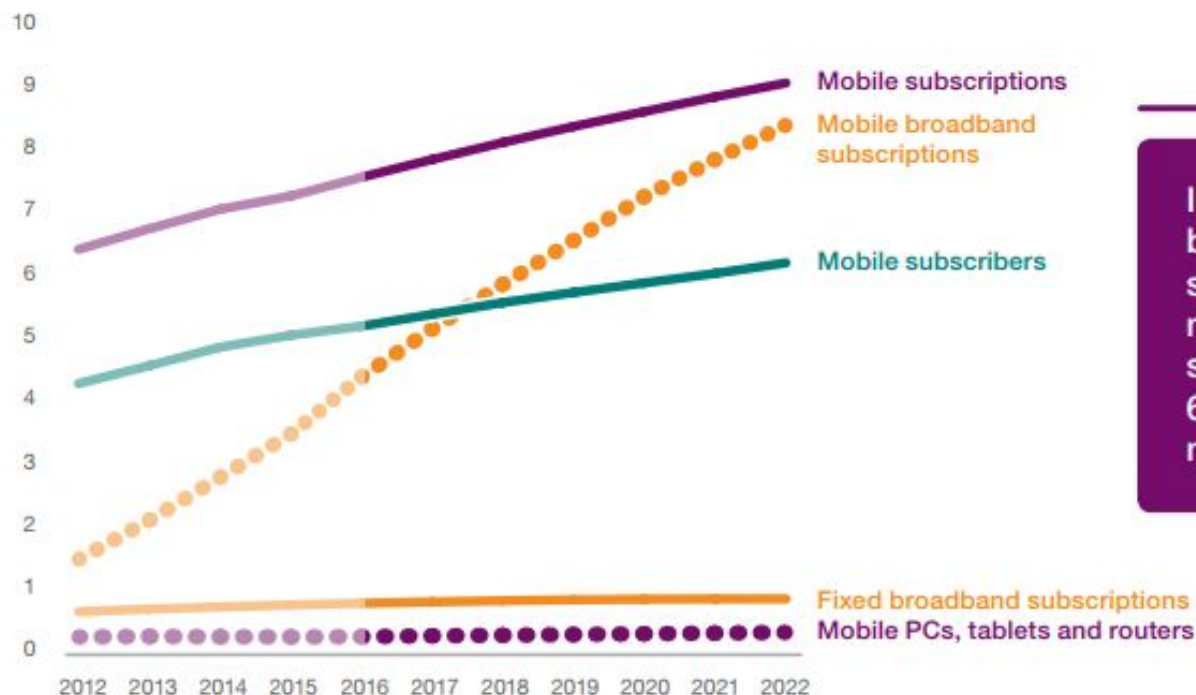
Global Mobile Connections
(m, excluding M2M)



11.3% → 4.2%
CAGR 2008-2013 → CAGR 2013-2017

Mobile Data Will Help

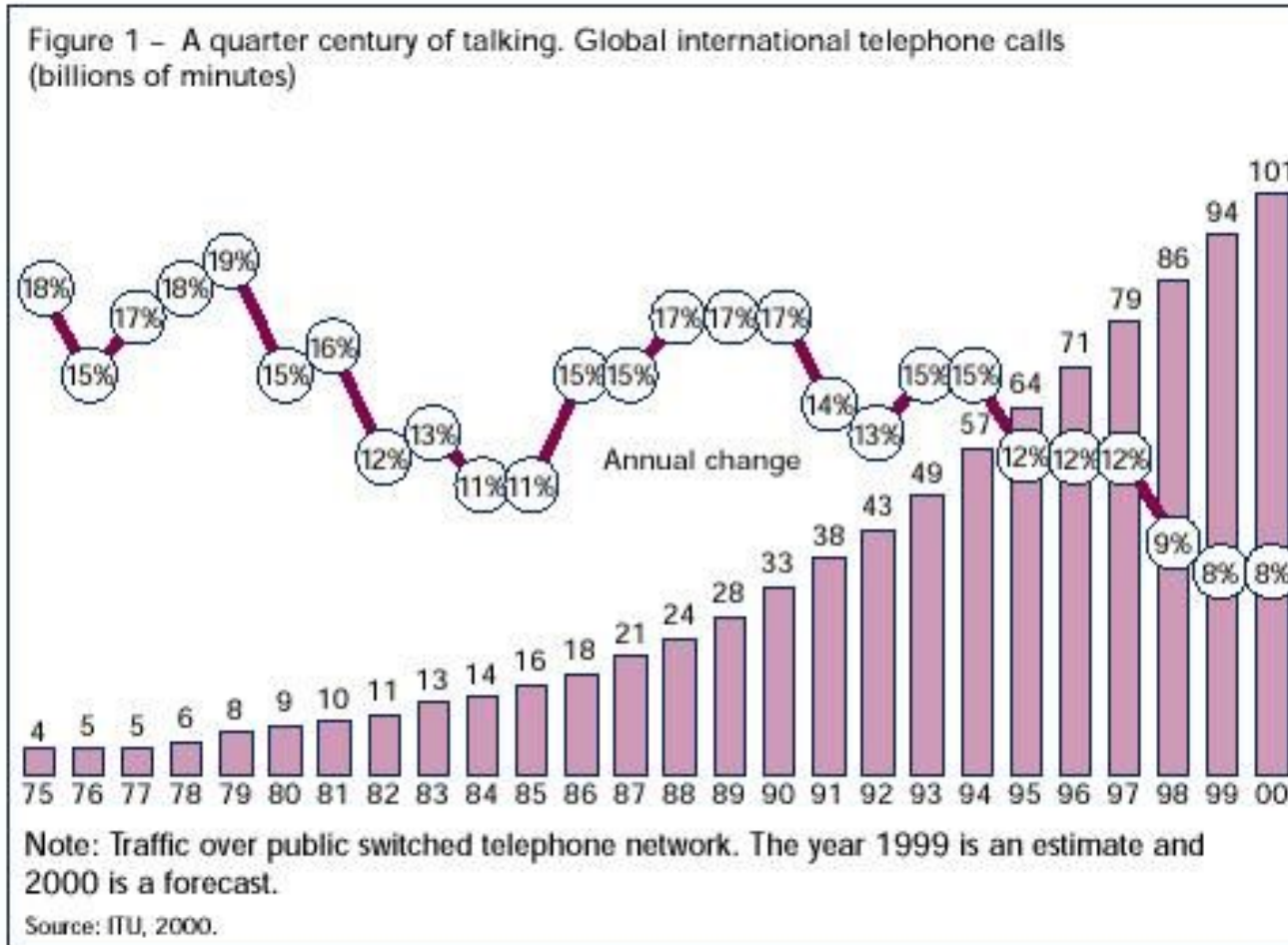
Subscriptions/lines, subscribers (billion)



In 2022, there will be 9 billion mobile subscriptions, 8.3 billion mobile broadband subscriptions and 6.2 billion unique mobile subscribers

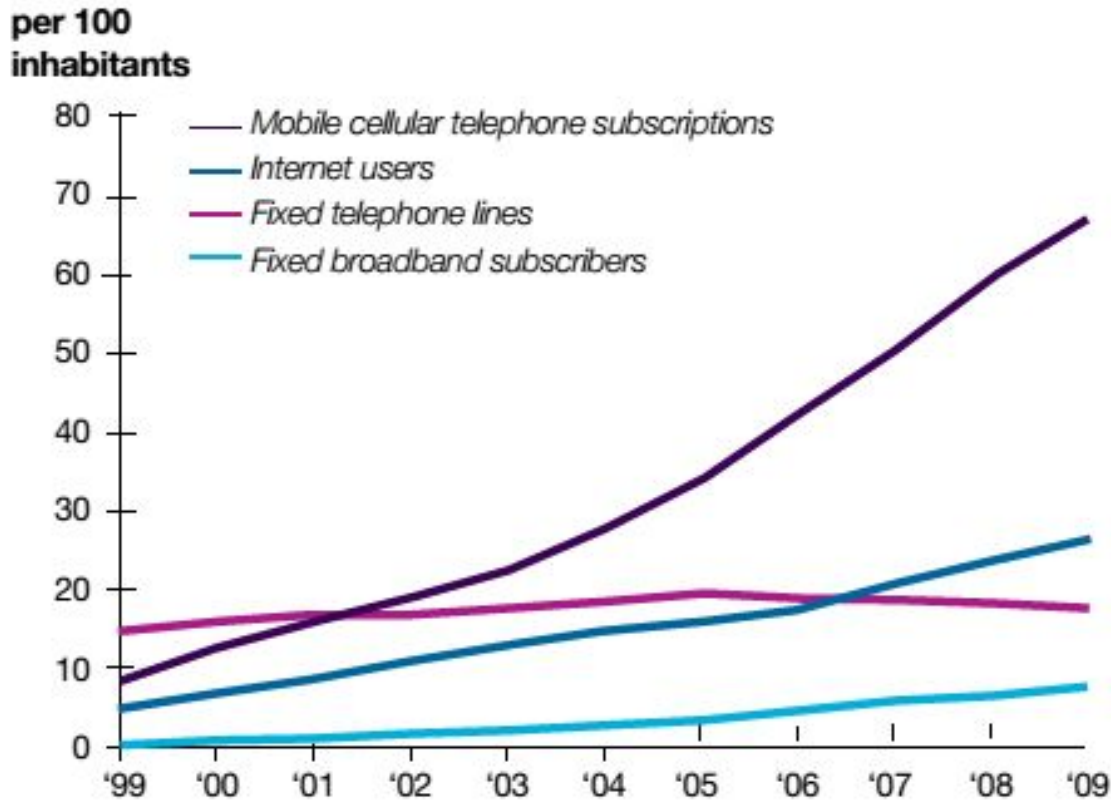
[source: Ericsson](#)

“Billions Who Never Made a Phone Call”



[source: ITU](#)

Soon, Basic Communications Will be Ubiquitous

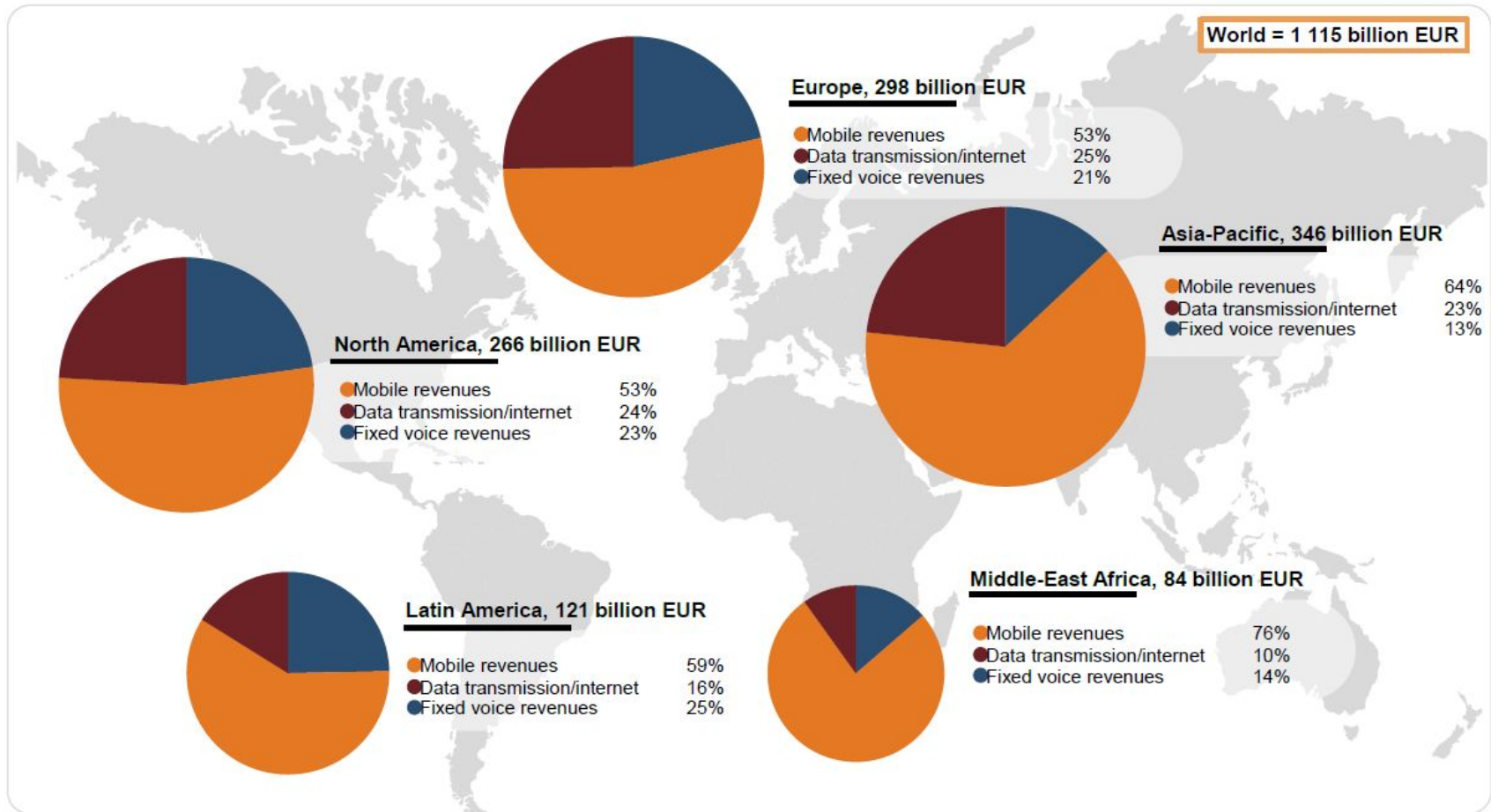


Source: International Telecommunications Union (ITU) ICT Statistics Database, <http://www.itu.int/ITU-D/ict/eye/Indicators/Indicators.aspx>. (2009 figures are estimated); "The world in 2009: ICT Facts and Figures," ITU Geneva 2009, http://www.itu.int/ITU-D/ict/material/Telecom09_flyer.pdf

[source: ITU](#)

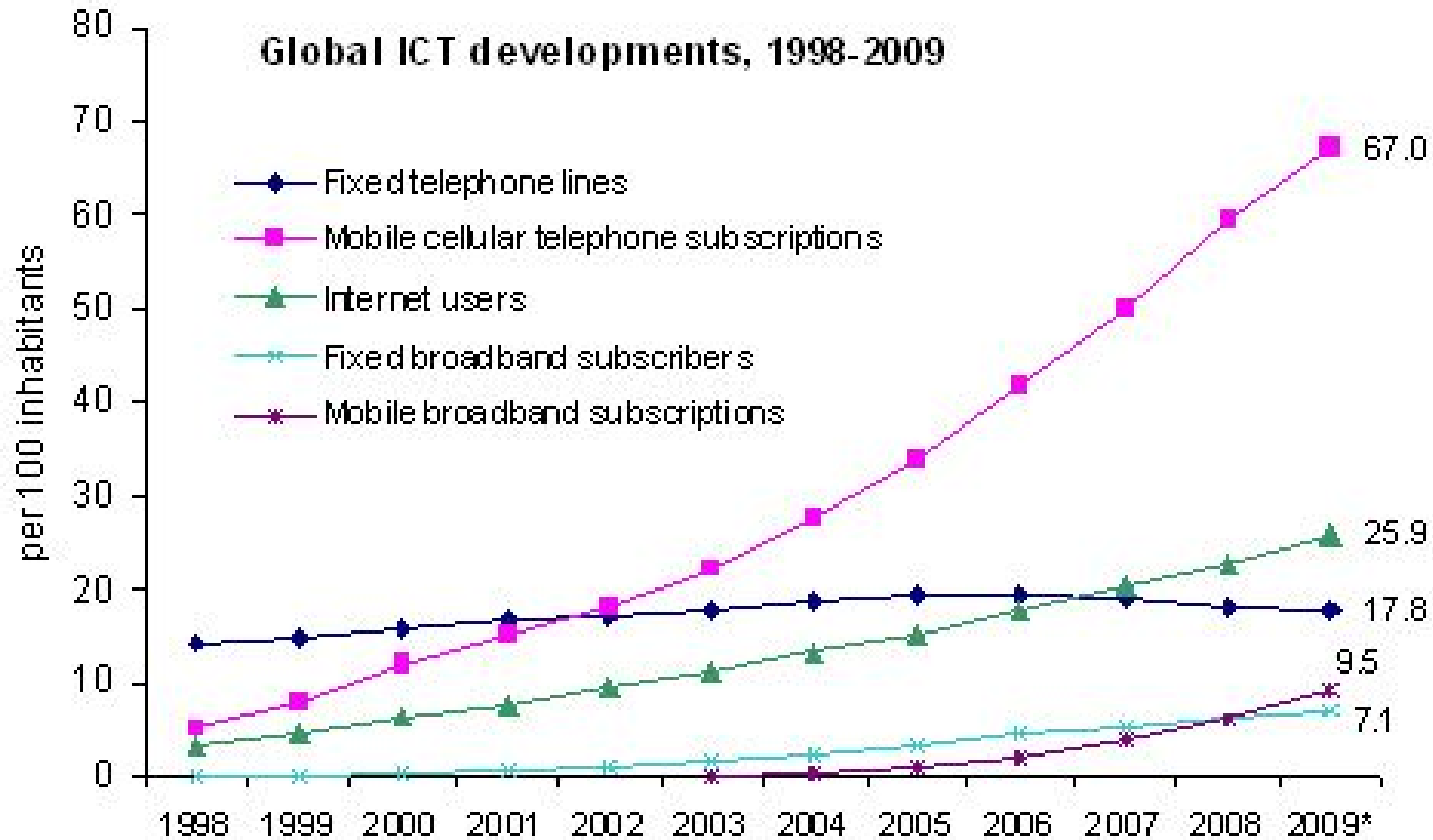


We Now Connect the World



source: [IDATE](#)

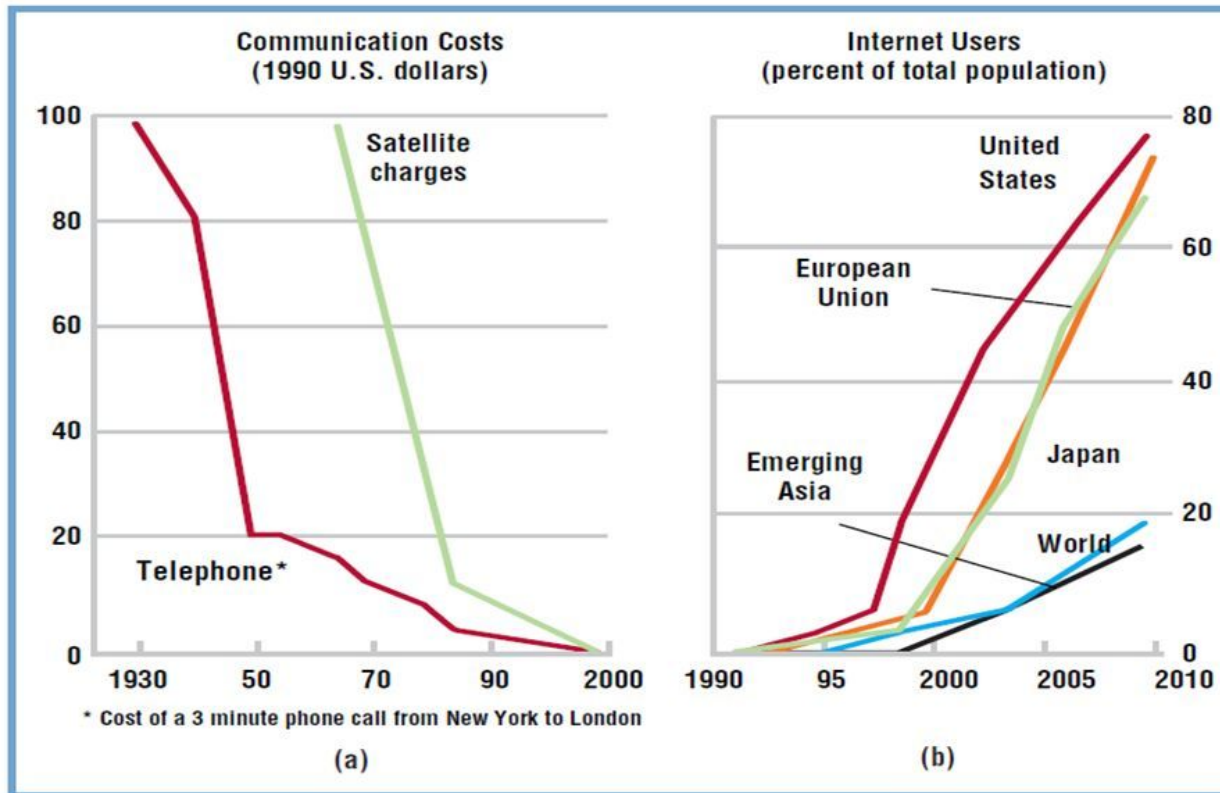
Mobile Solved Voice Problem



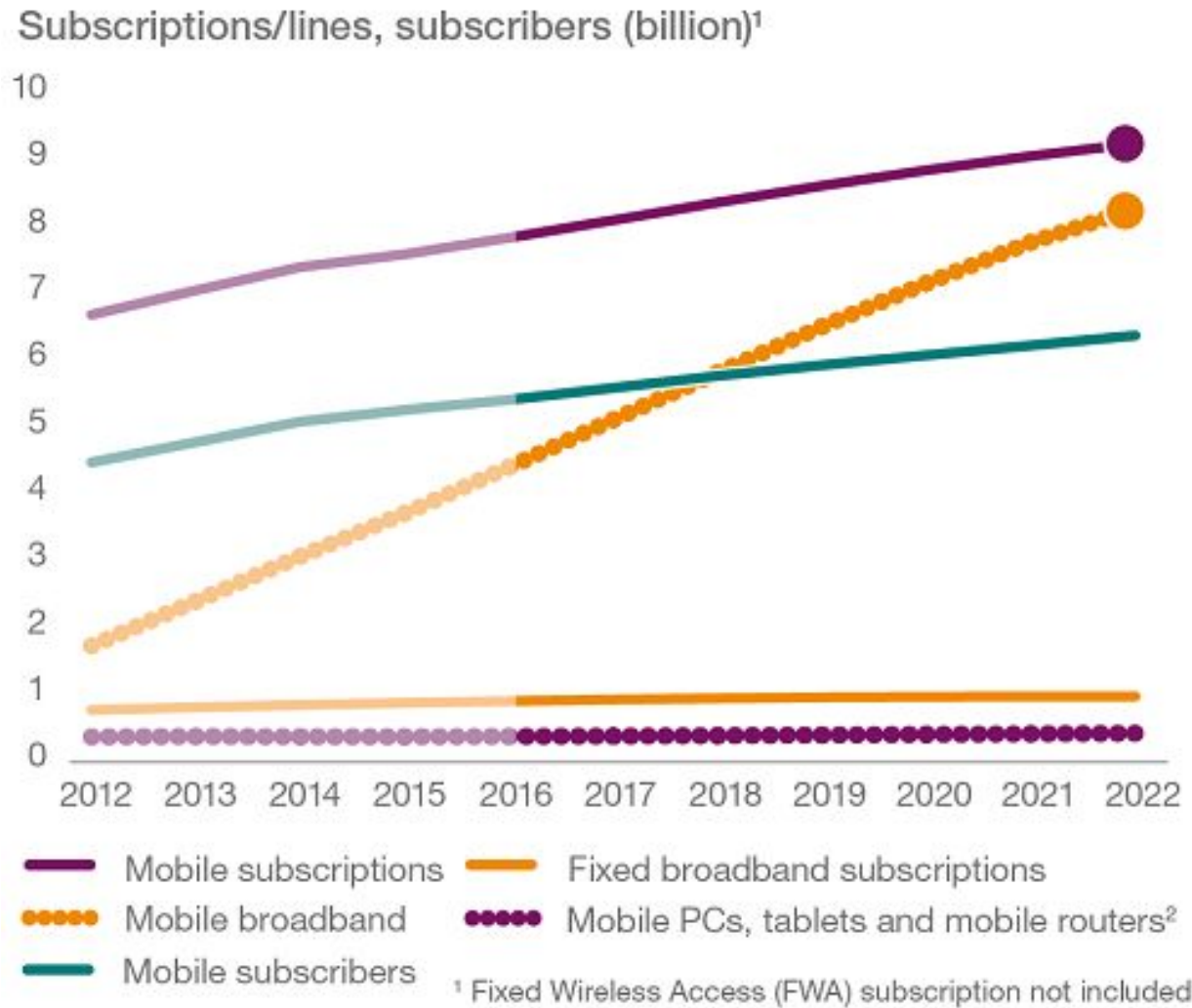
[source: ITU](#)

Next Challenge: Internet

Declining Cost of Global Communication and Growing Number of Internet Users

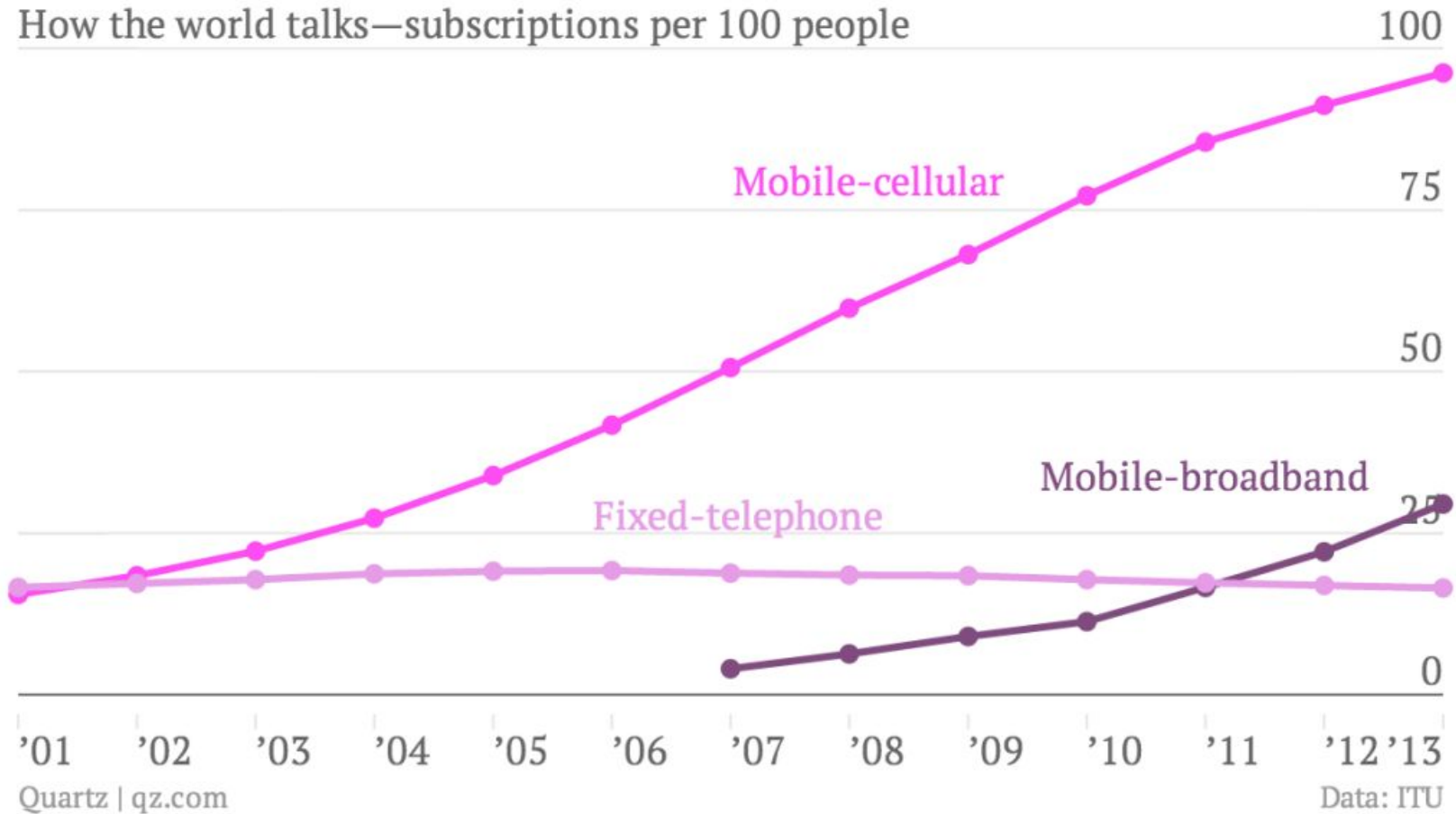


Mobile Mostly is the Answer for Internet



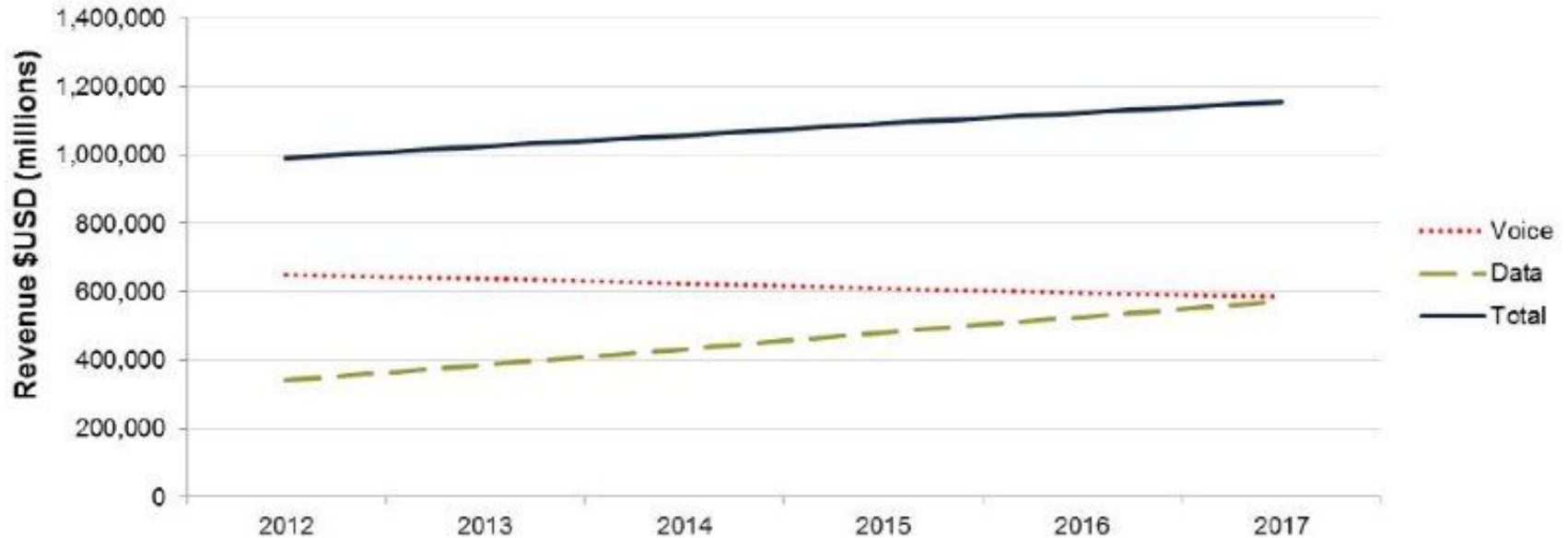
...Because Mobile Will be the Way Most People Connect to Internet

How the world talks—subscriptions per 100 people



source: ITU

Revenue Increasingly Internet Access Driven



Source: Informa Telecoms & Media

[source: Informa](#)



“We used to be Facebook”

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

Mission Statement

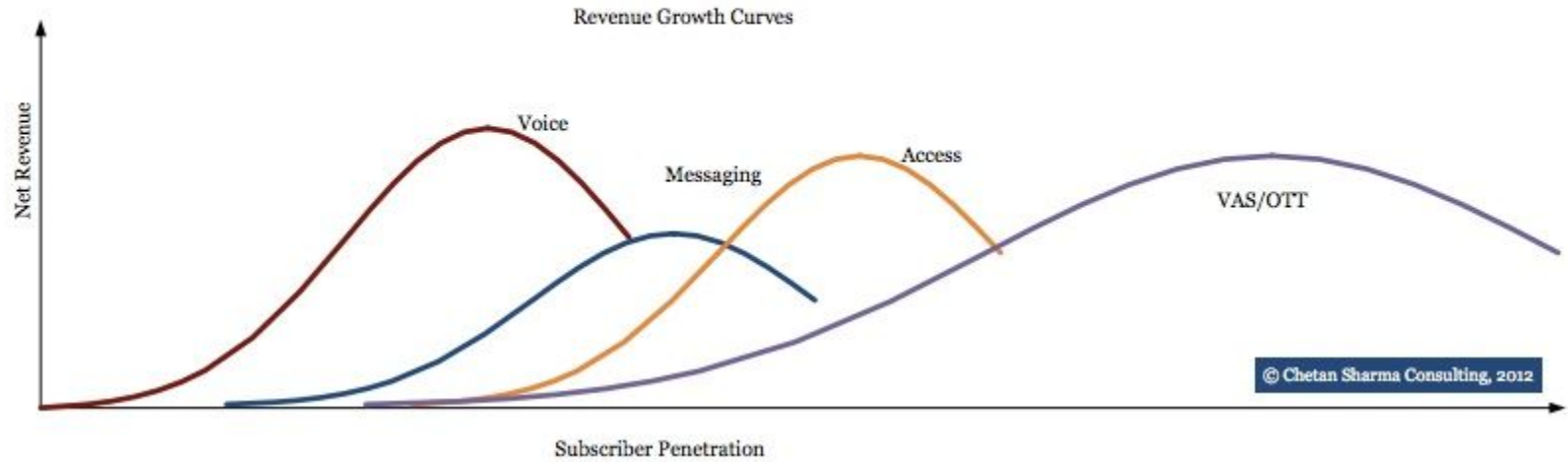


bring the world
closer together

dis **rup**
tion

All Legacy Products Mature

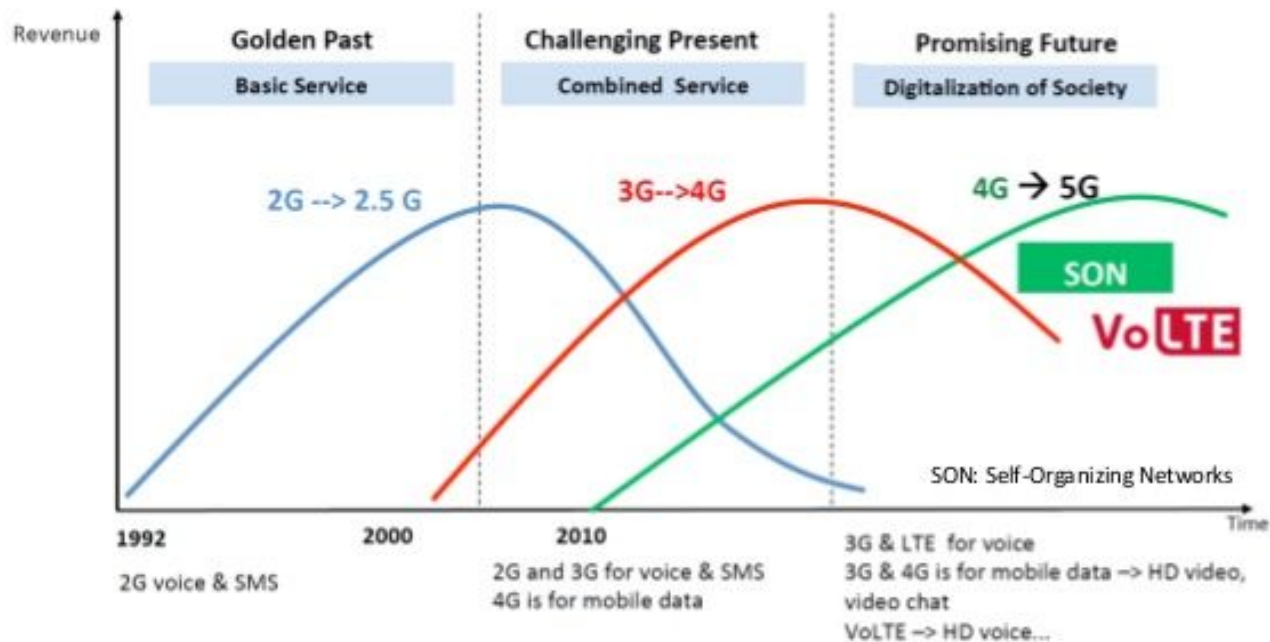
OPERATOR'S DILEMMA (AND OPPORTUNITY): THE 4TH WAVE



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 ...

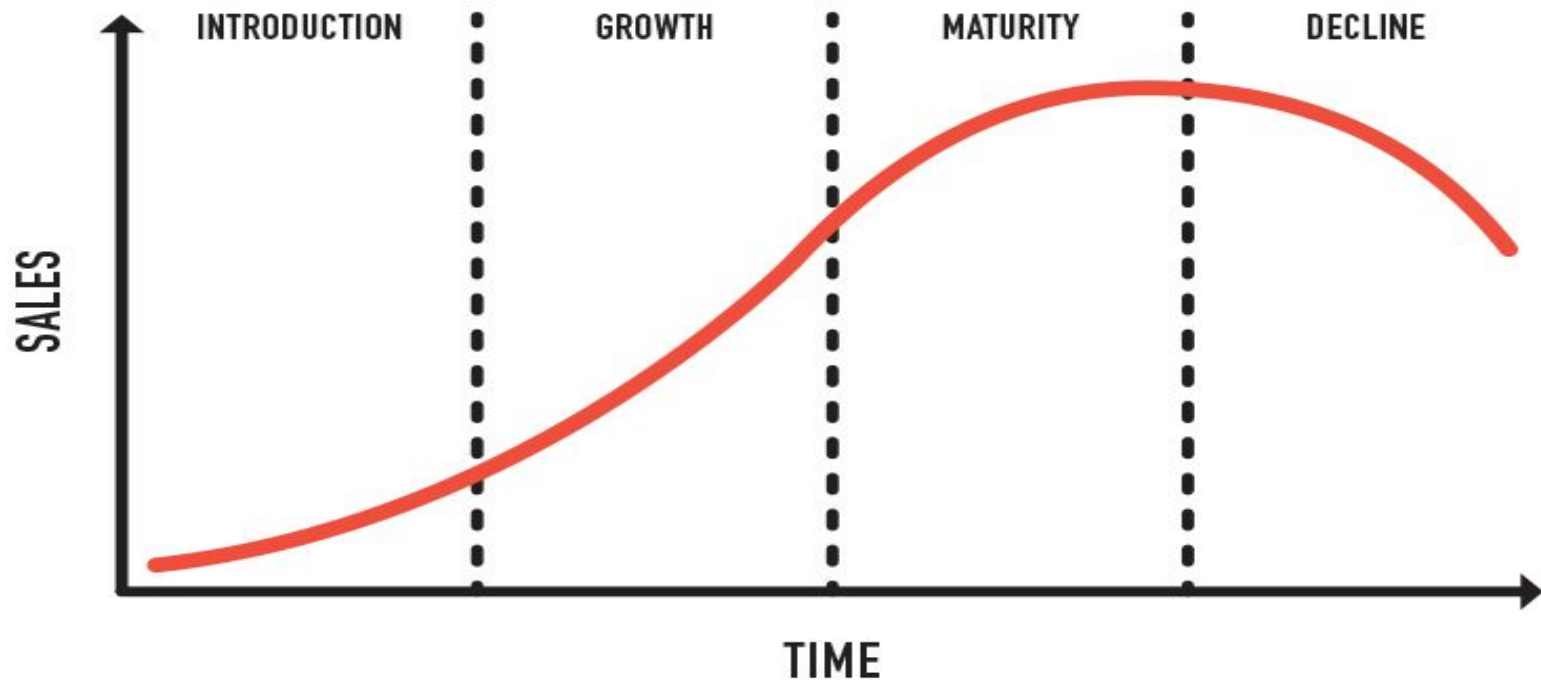


Ali.Saghaeian [at] gmail.com

[source: Ali Saghaeian](#)

So Business Model is Biggest Challenge

PRODUCT LIFECYCLE

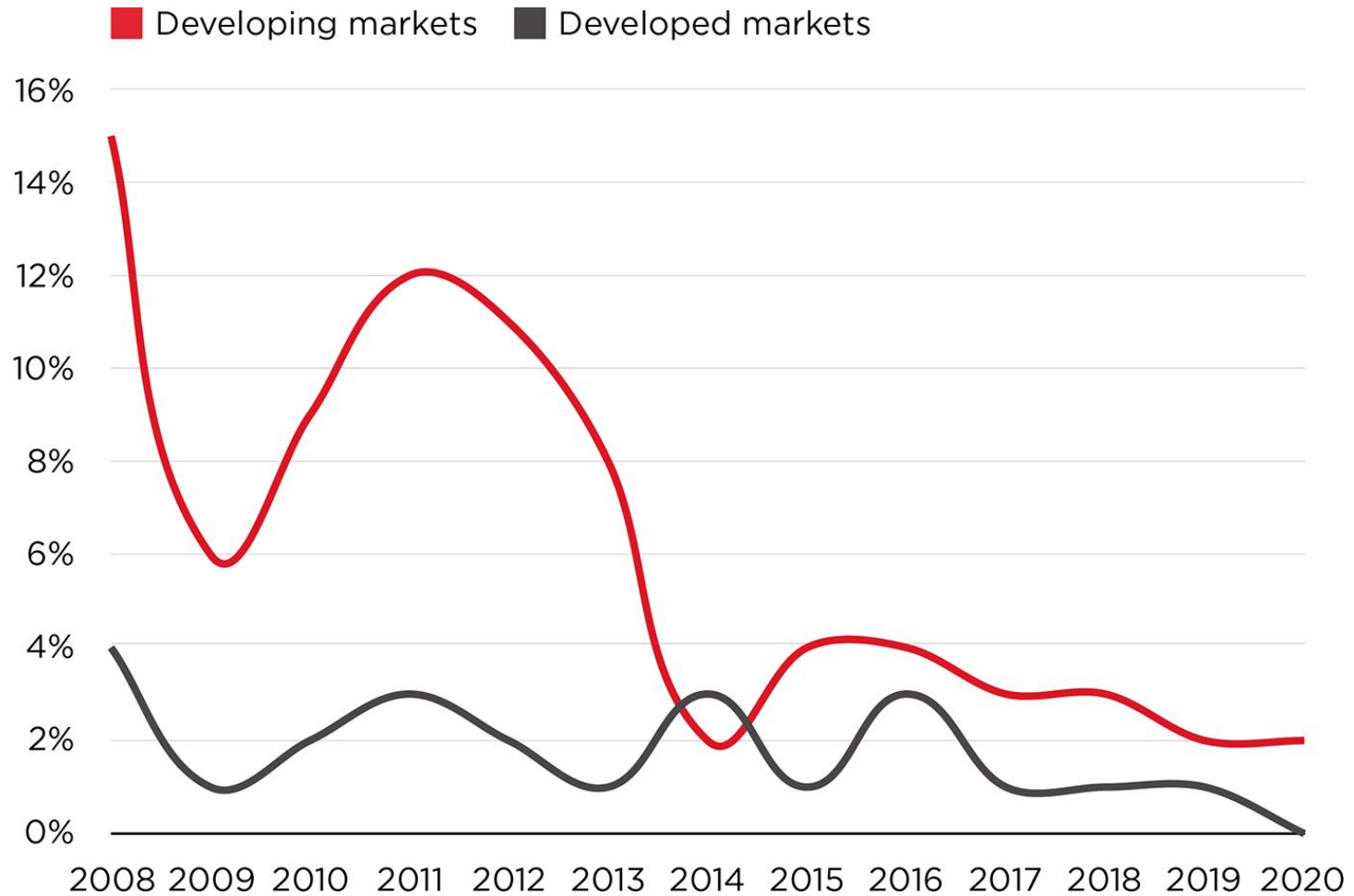


The More People We Connect

disrupt

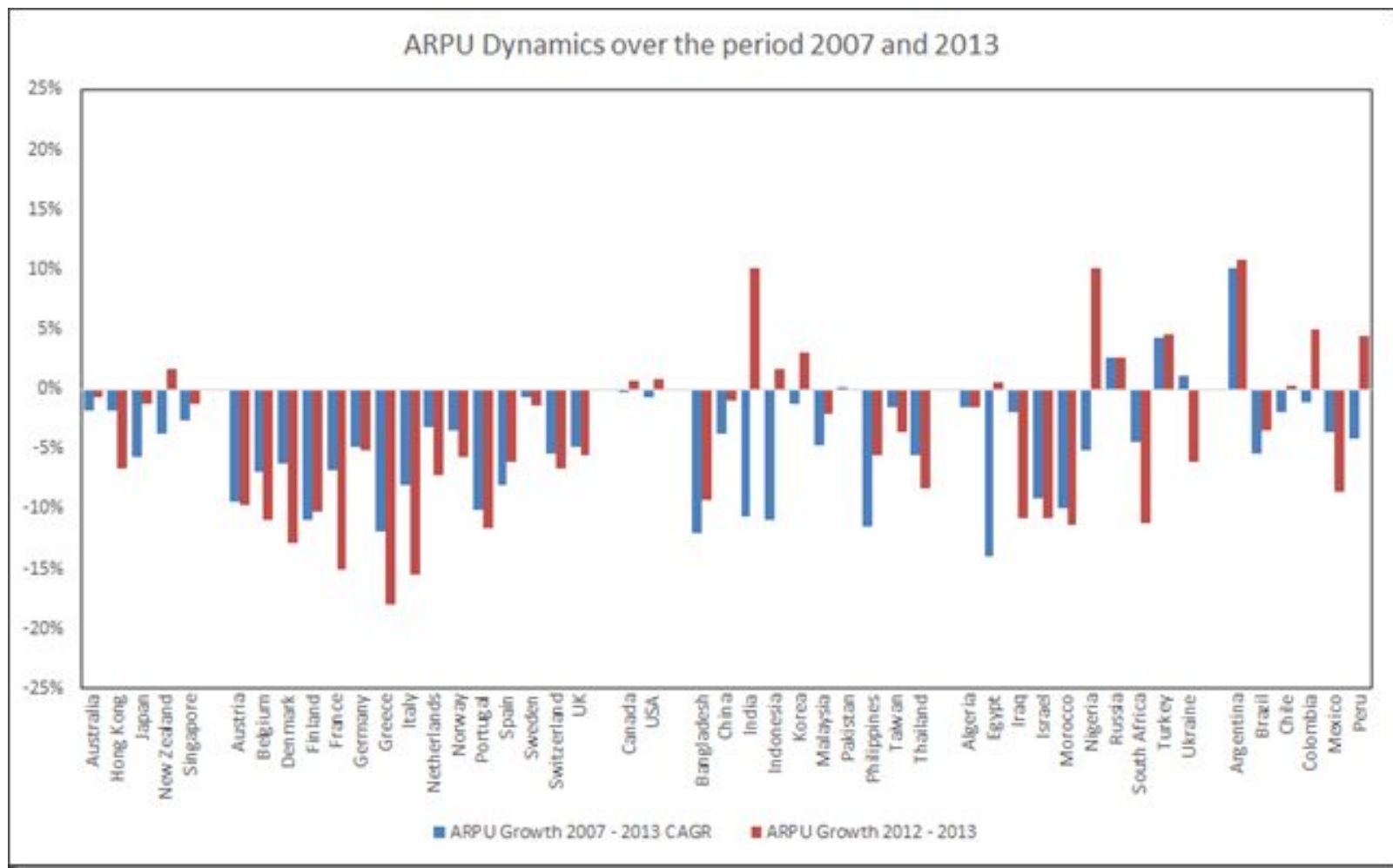
the more industry disruption there will be

Revenue Growth is Slowing, or Gone



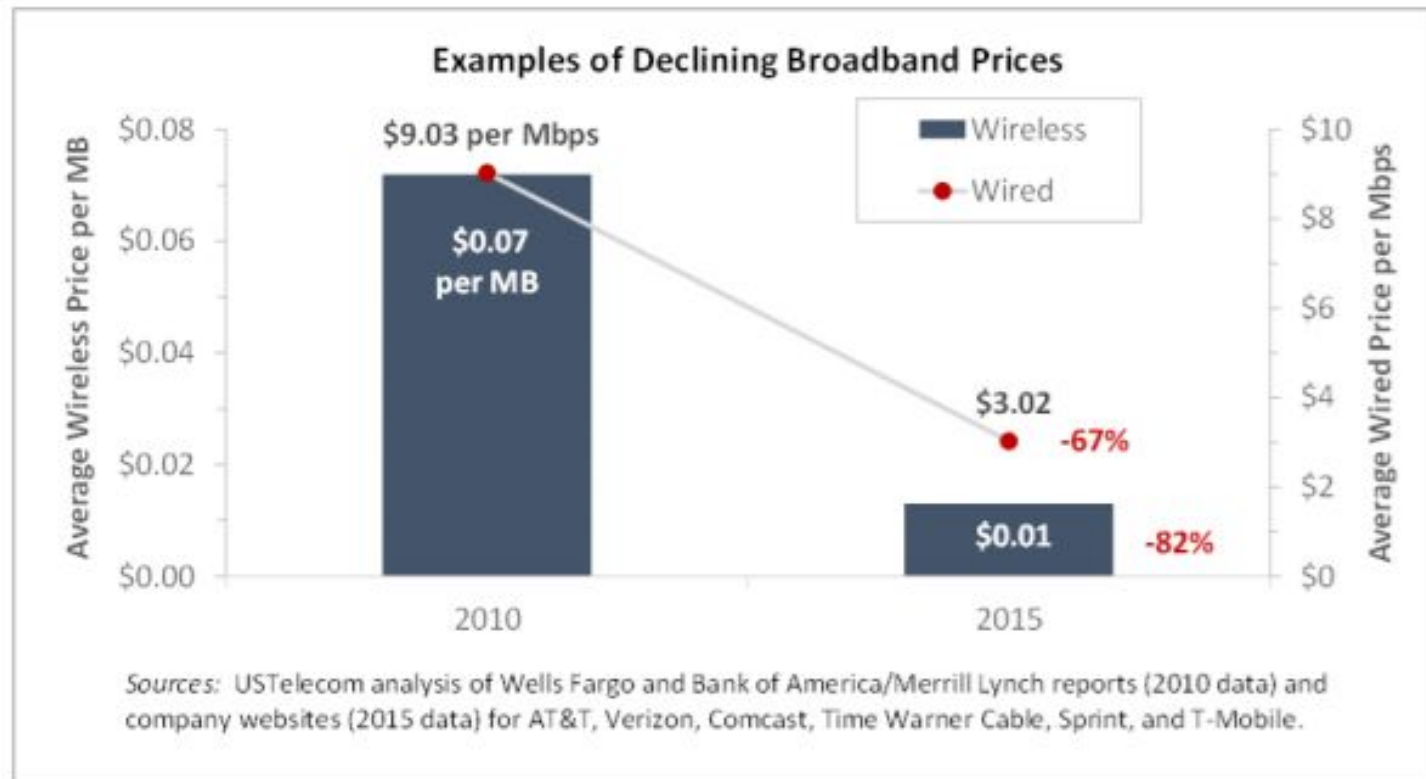
[source: GSMA Intelligence](#)

ARPU is Falling



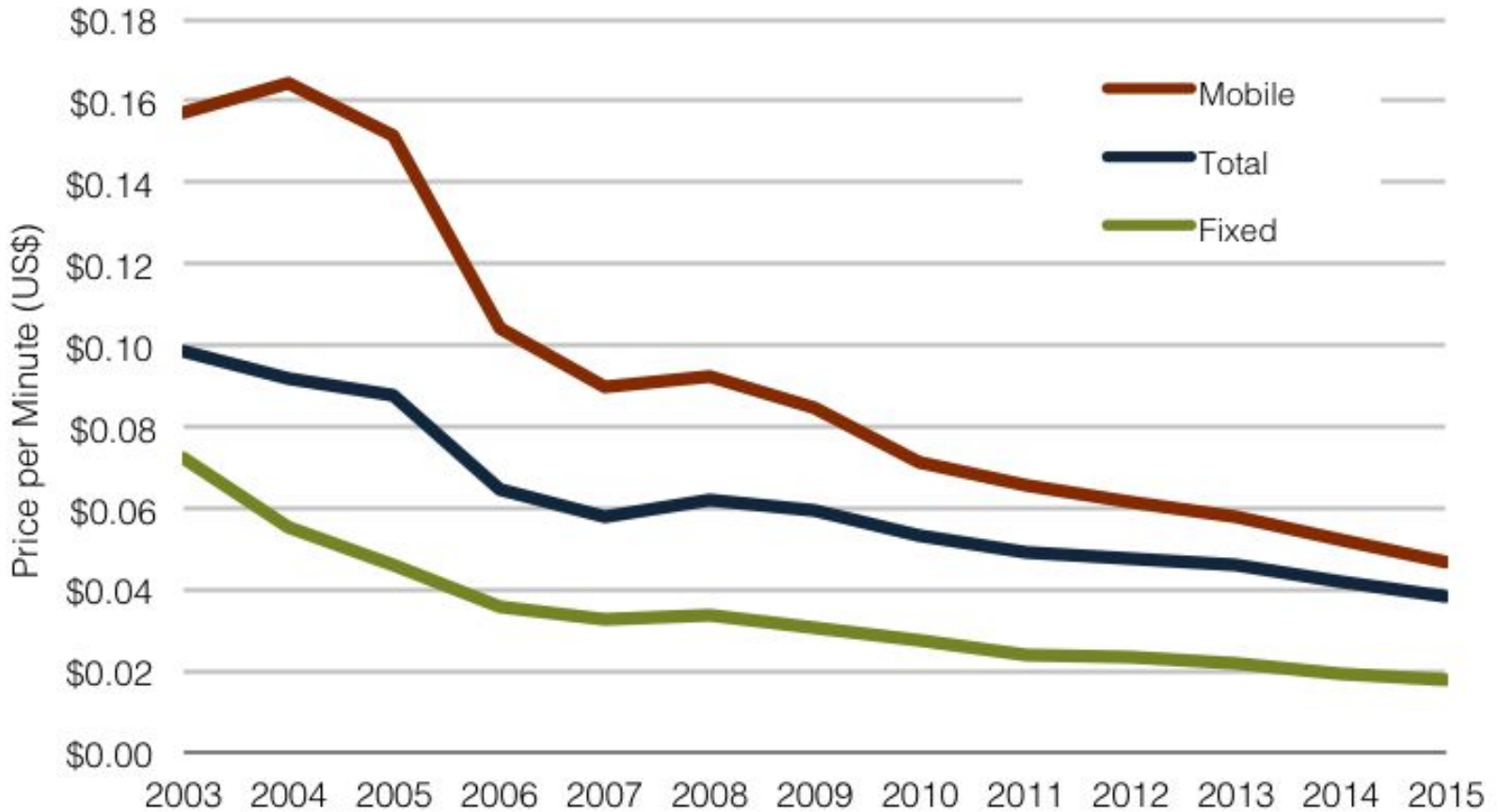
source: [technconomyblog](http://technconomyblog.com)

Broadband Price Compression



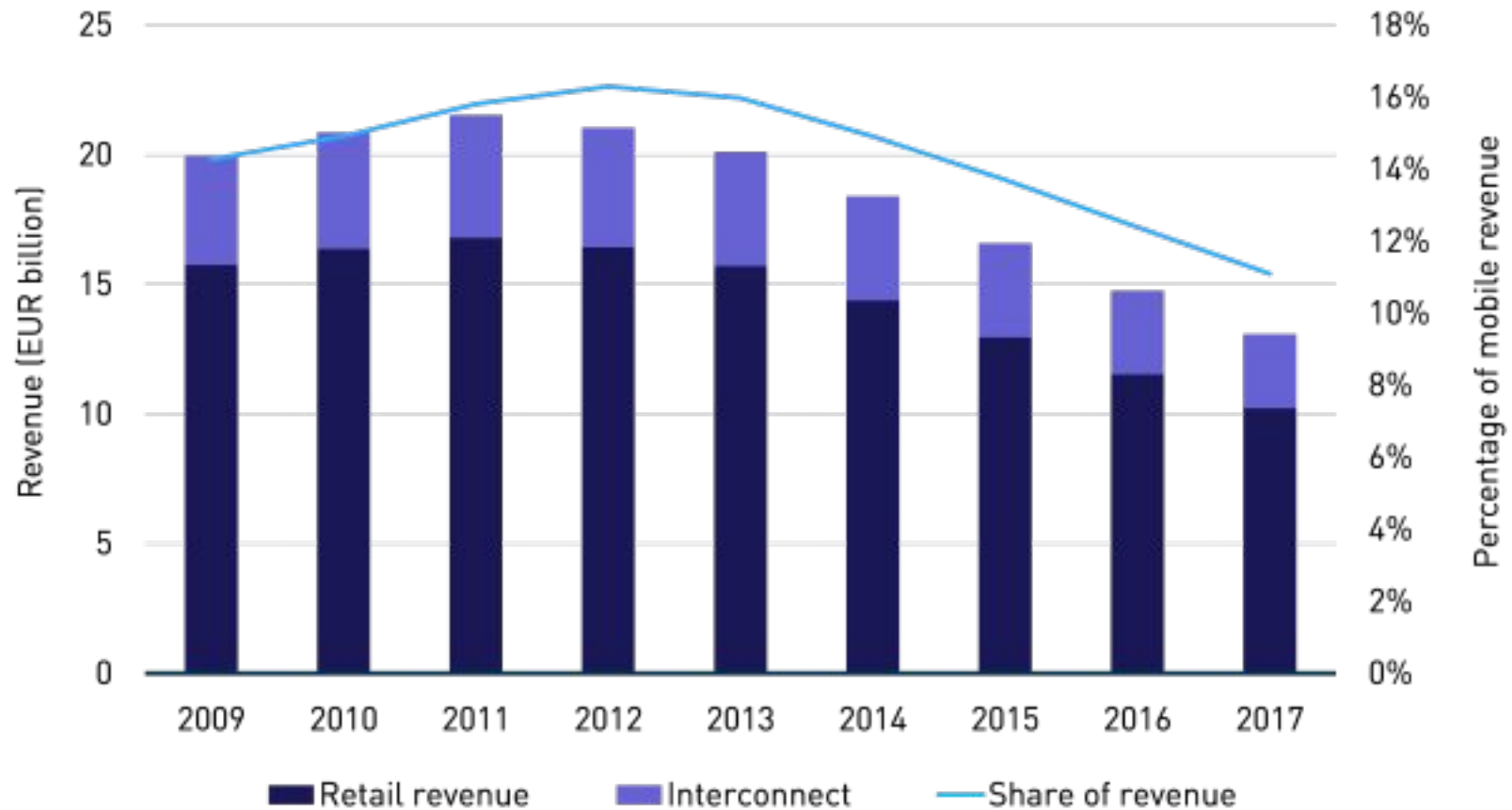
[source: US Telecom](#)

Voice Price Compression



[source: Telegeography](#)

Messaging Price Compression



source: [Analysys Mason](#)

Telecom is Part of the Internet Ecosystem

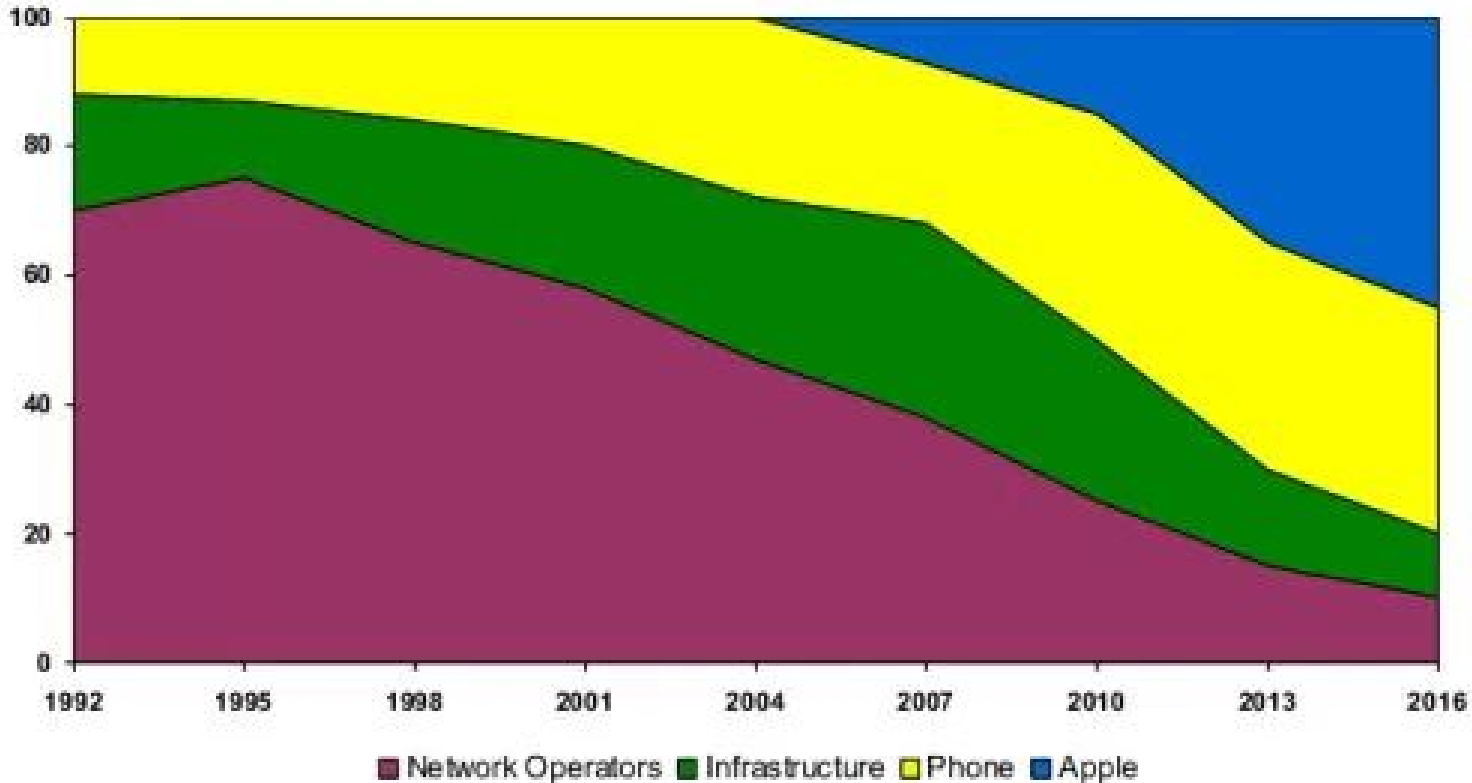


Detecon Research, 2016

[source: Detecon](#)

So Value/Power/Influence has Shifted

Influence in the Mobile Industry



[source: Creative Connectivity](#)

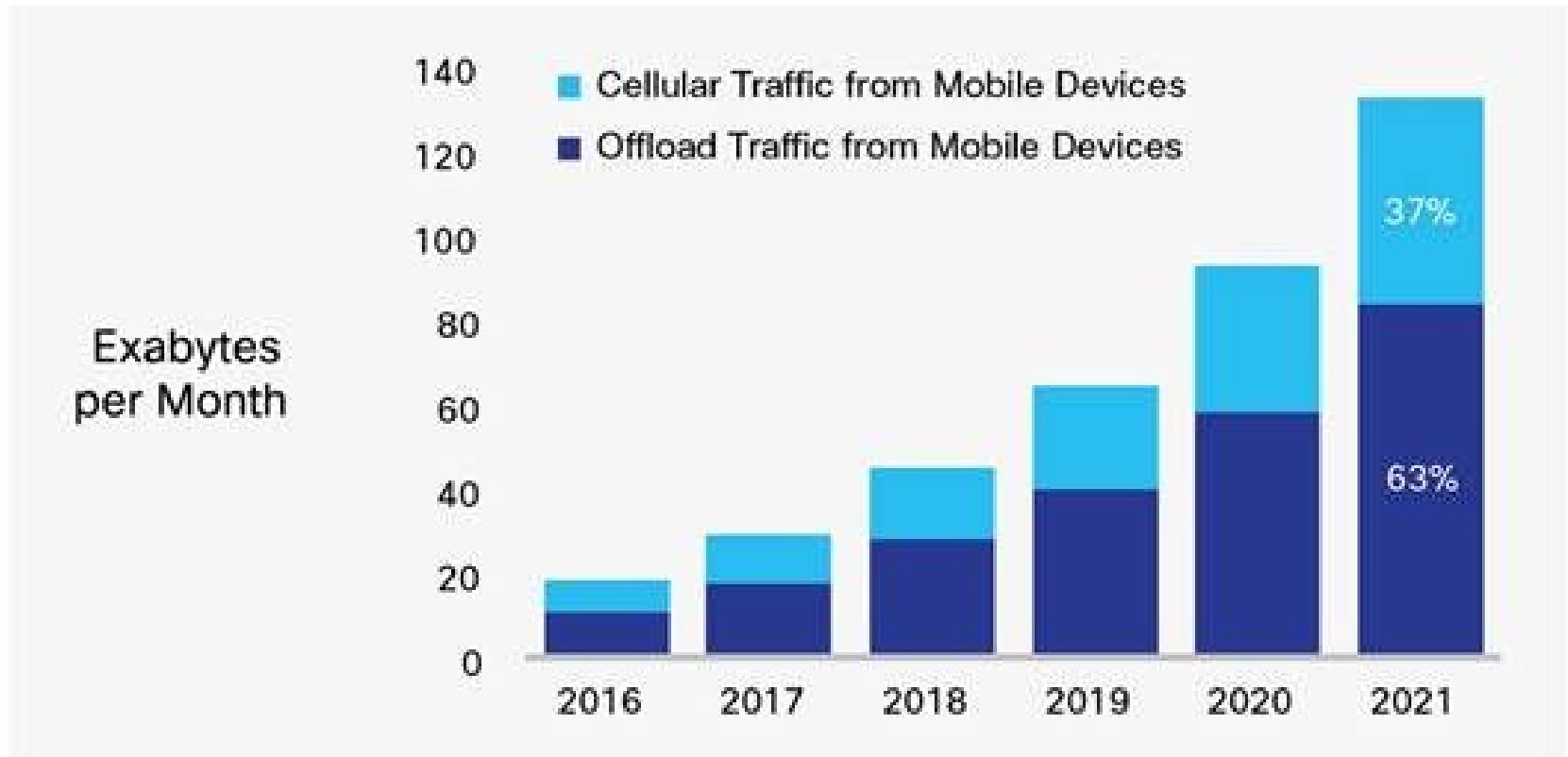
Wi-Fi as the Access Layer?

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

Human value: Time



Consumers Often Expect “Near Zero” Pricing



[source: Cisco](#)

Without New Revenue Sources...

ubuntu'
@mectors

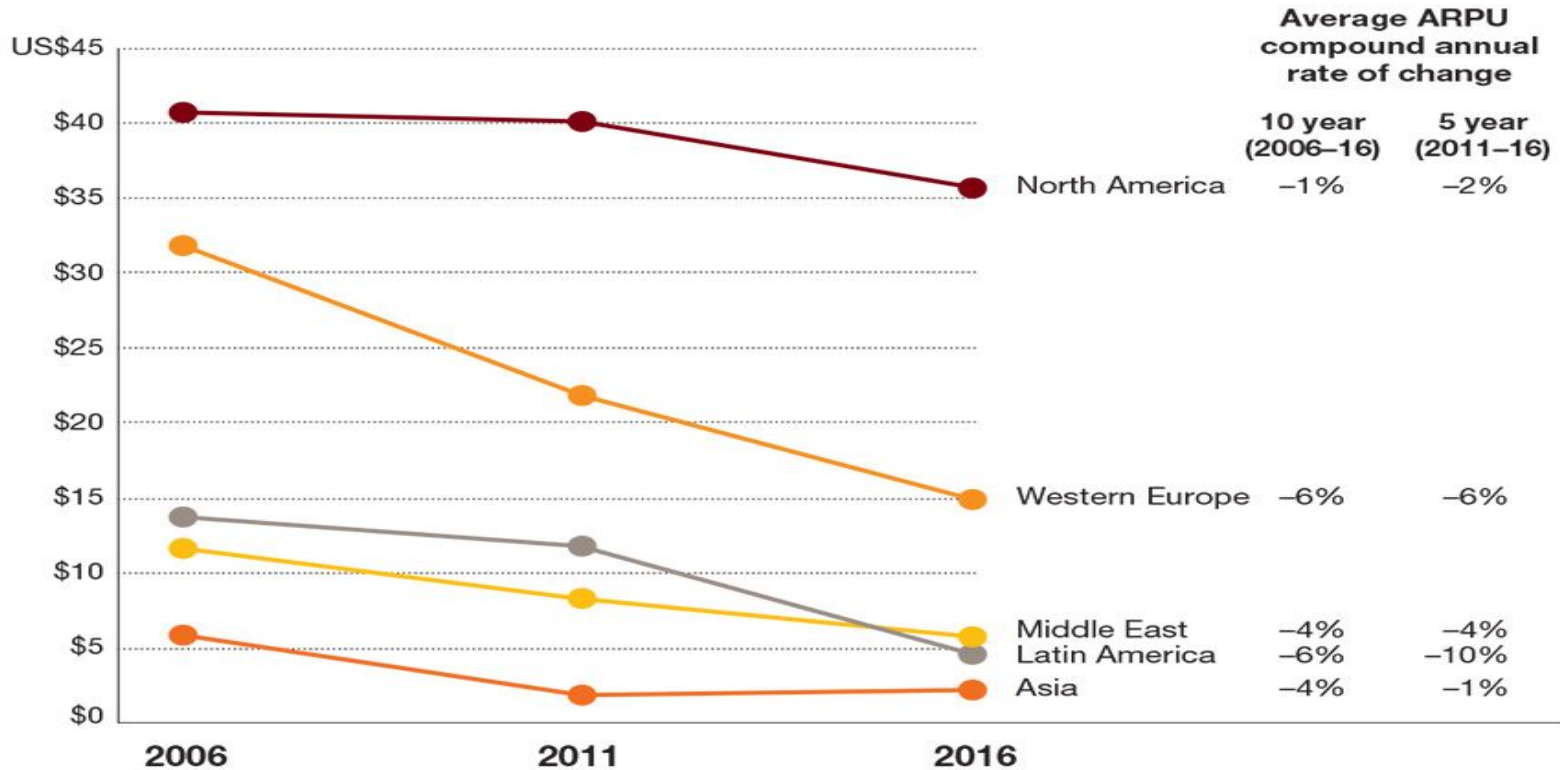
#TheFutureOfTelecom



[source: Canonical](#)

ARPU Falling

Average revenue per user in the telecom industry is falling in virtually every region

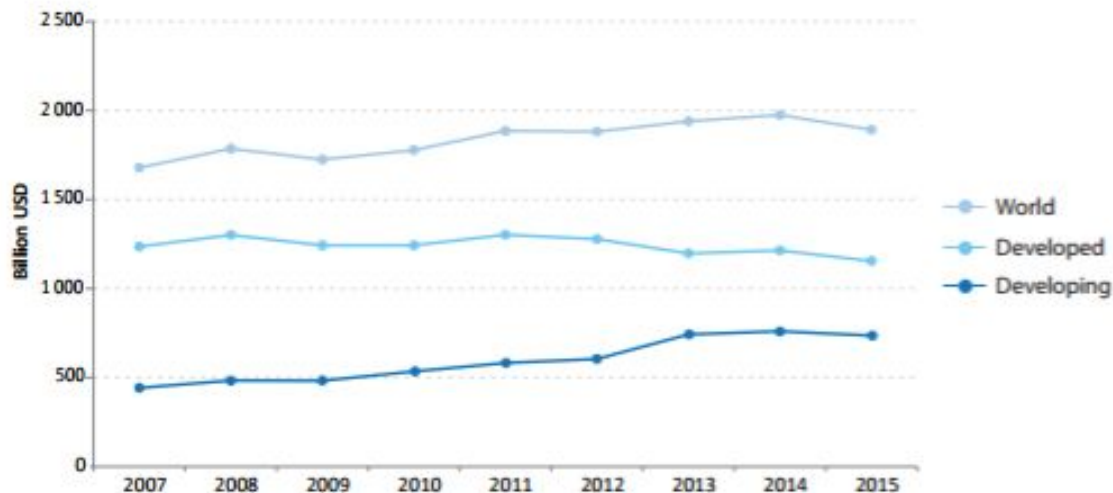


Source: Strategy& research and analysis

[source: strategy &](#)

No Growth

Telecommunication revenues, world and by level of development



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.

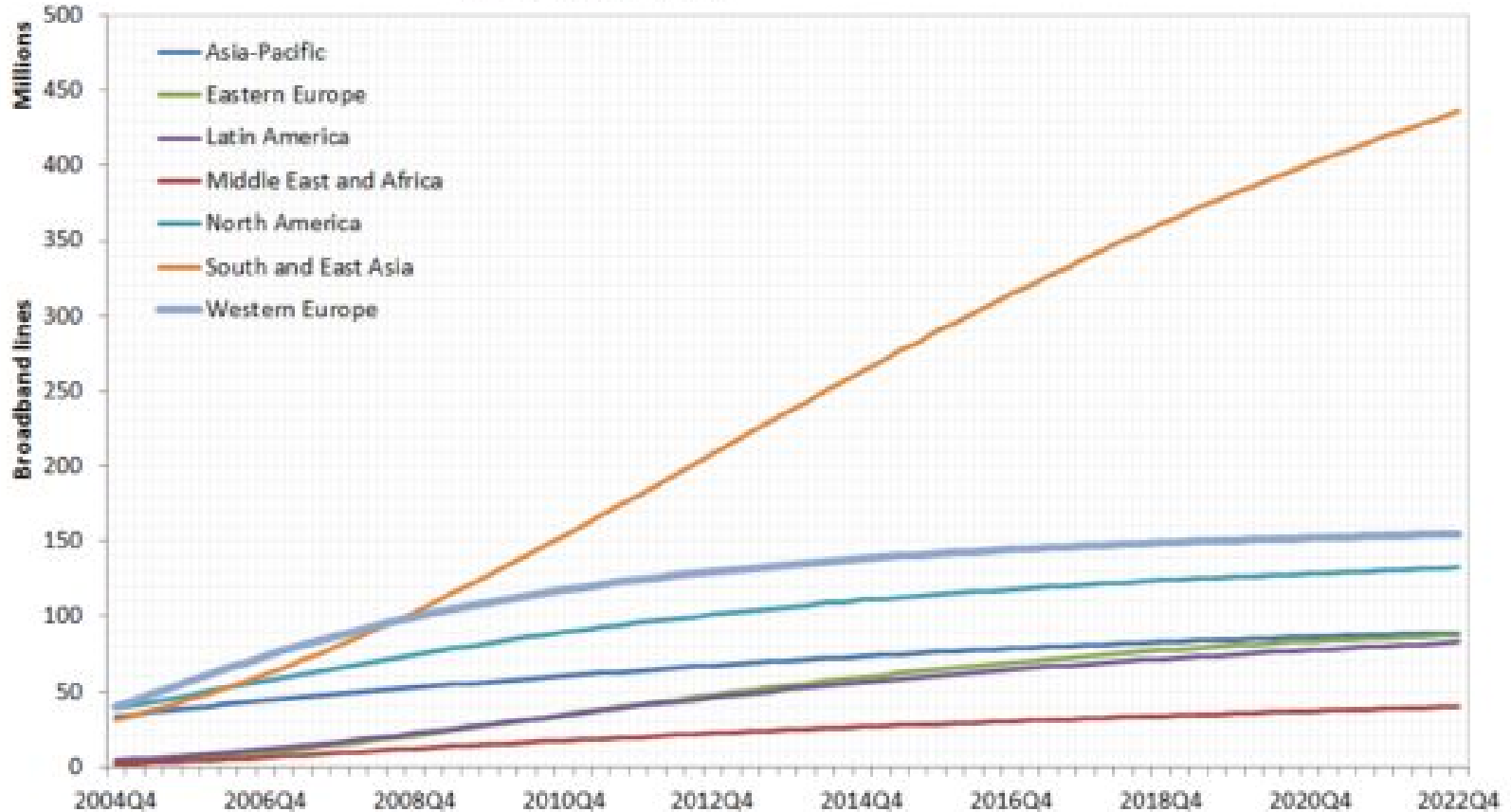
Developing countries are home to 83% of the global population but generate only 39% of the world's telecommunication revenues.

Source: ITU.

But How Much? (Except India, China)?

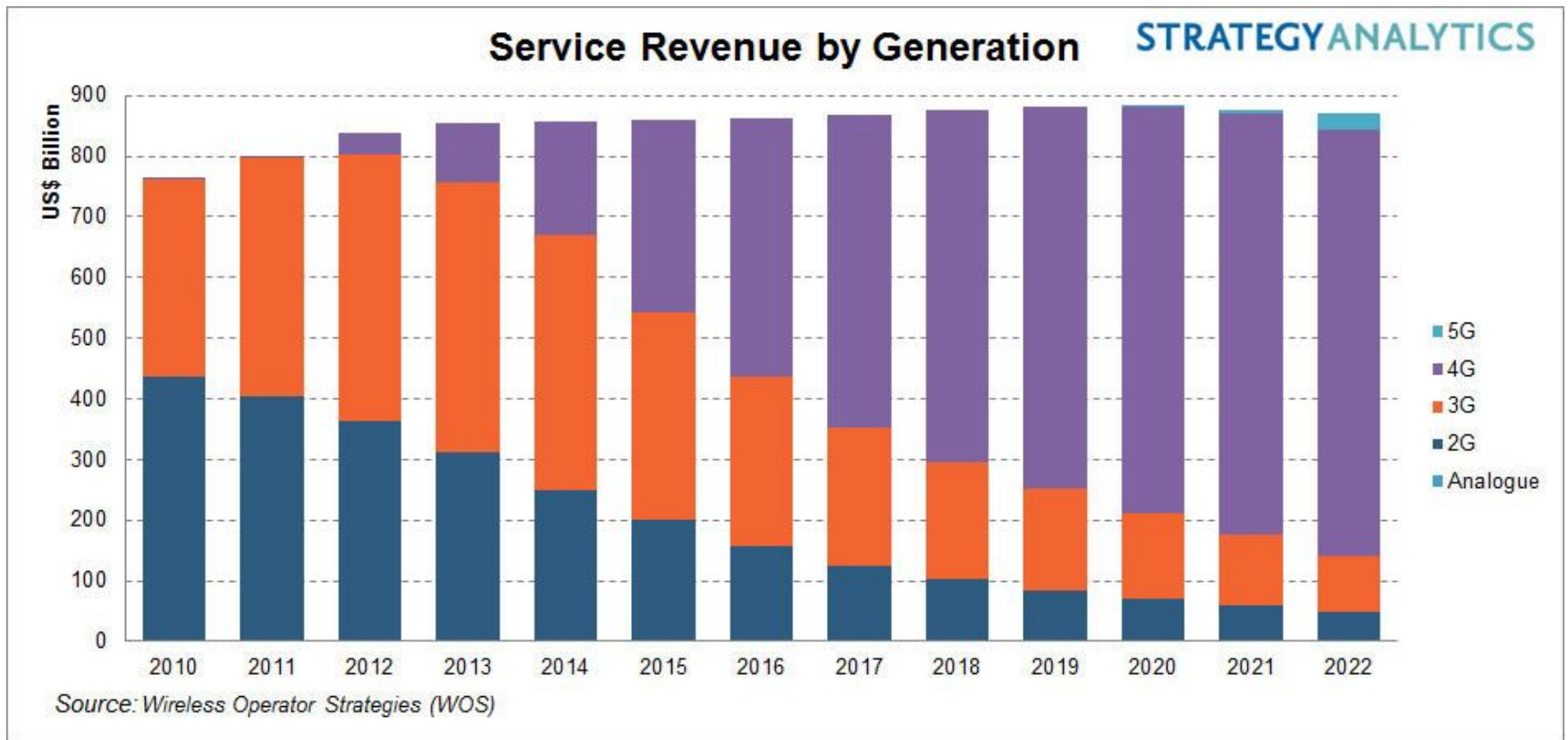
World broadband subscriber forecasts

NB Does not include RoW counts



source: [Point Topic](#)

Look at the Top Line



[source: Strategy Analytics](#)

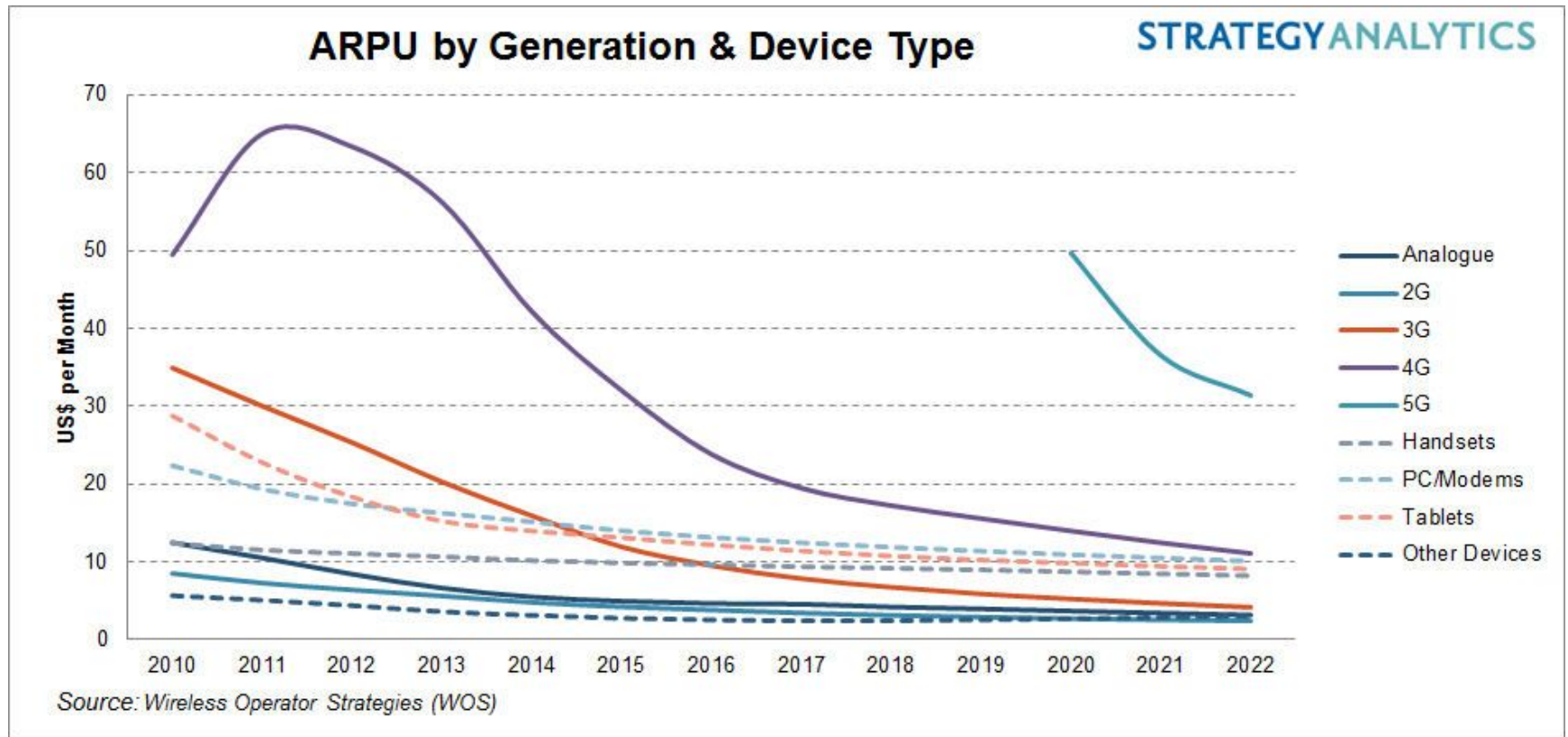
Subs Up, ARPU Down

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



[source: Juniper Research](#)

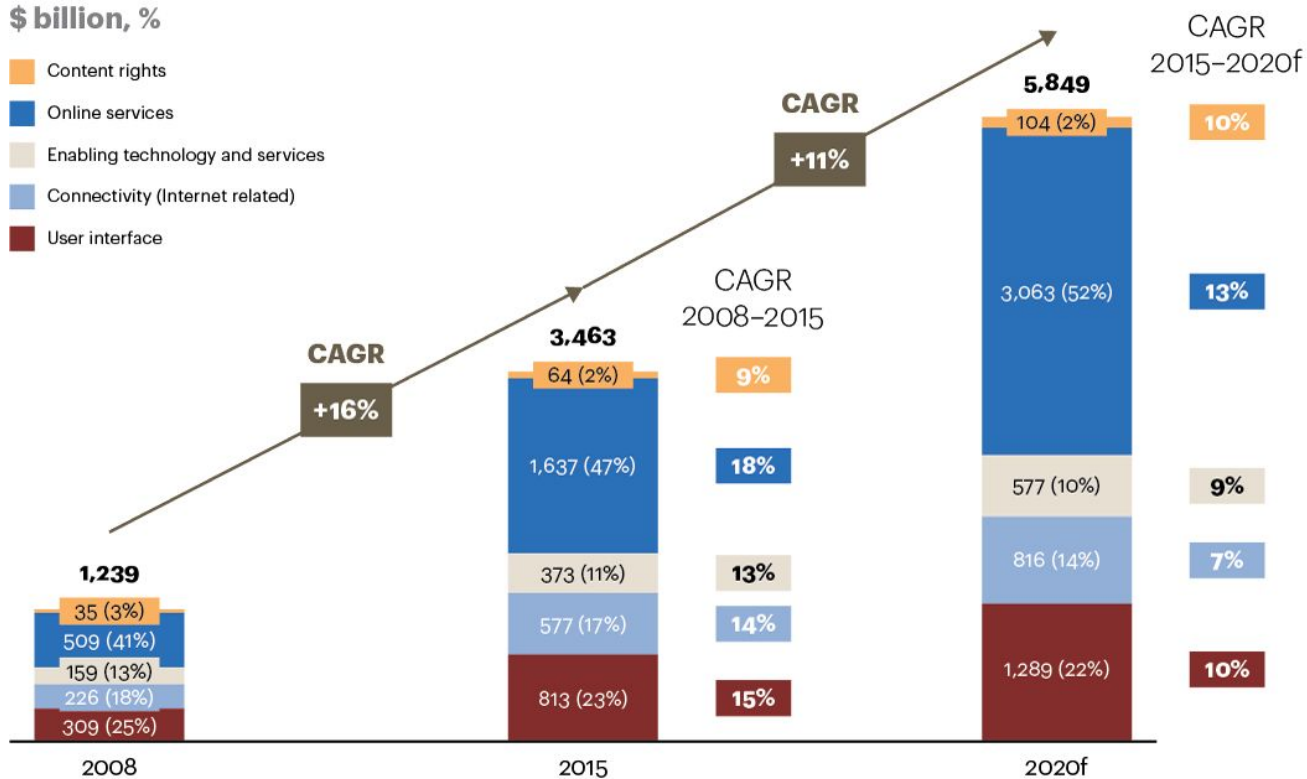
Profit is an Issue



[source: Strategy Analytics](#)

Value of “Access” Drops 50% in 5 Years

Internet value chain size and growth by segment

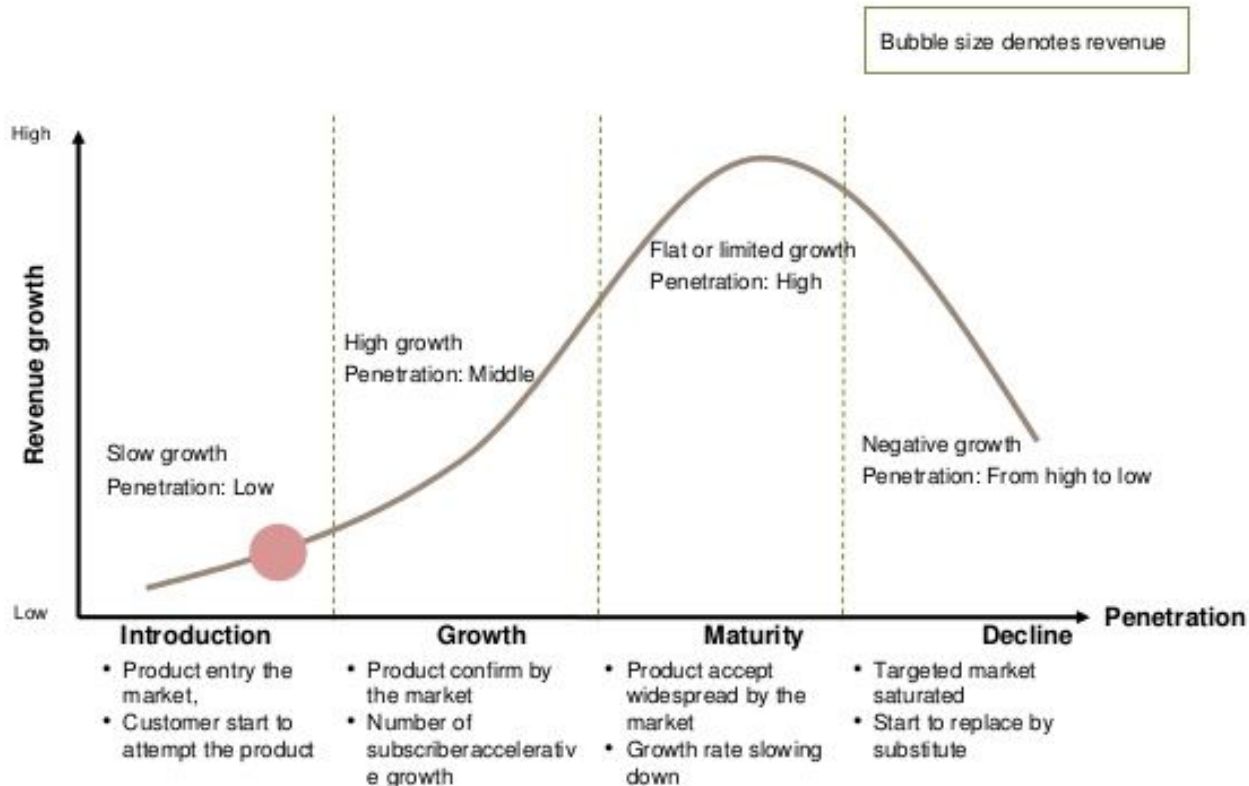


Note: Includes restatements of 2008 data to 2015 structure to enable comparability.

Source: A.T. Kearney analysis

All Products Have Life Cycles

We can categorize Operator existing products into four phases



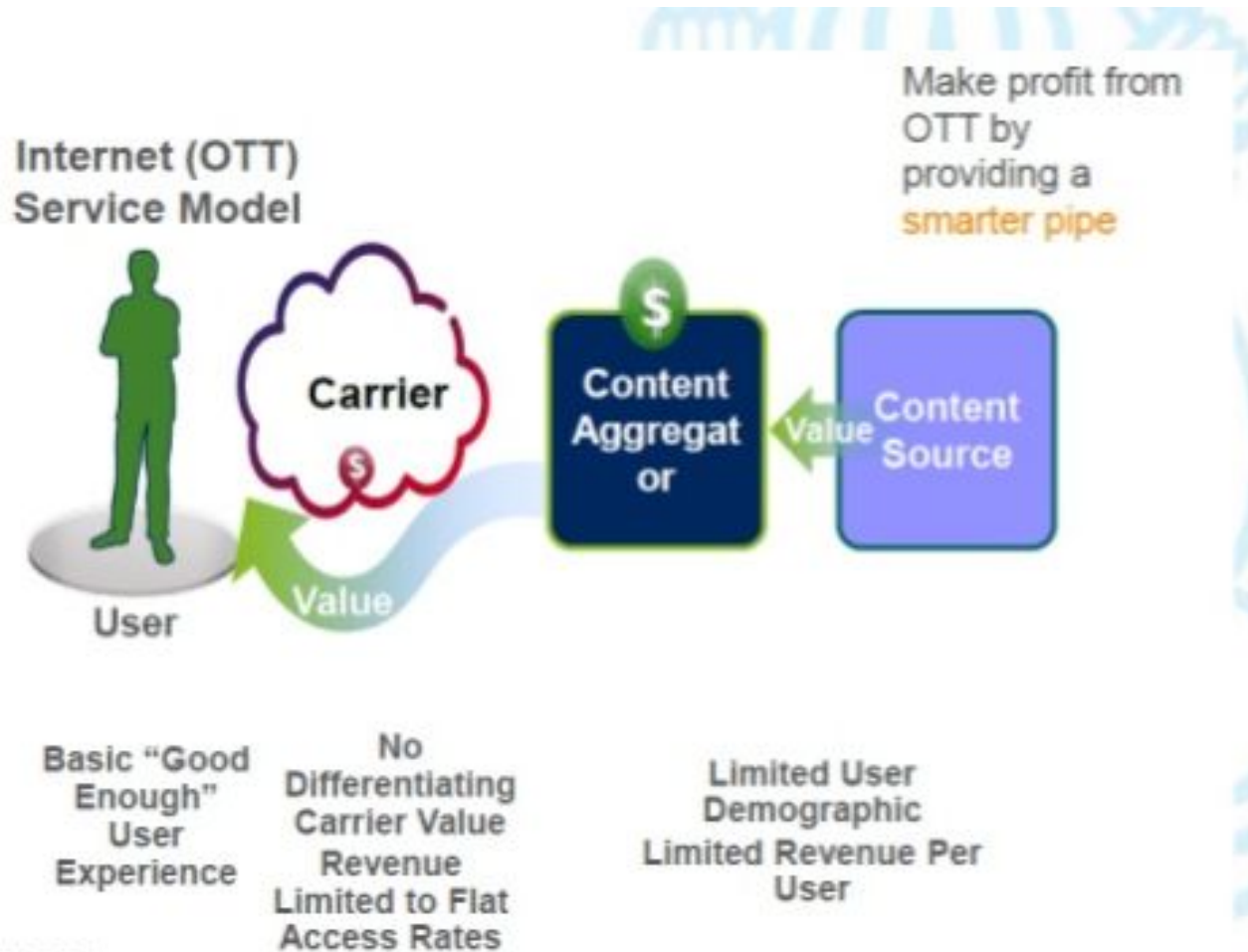
Source: Product Life Cycle Theory

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[source: Ali Sagheian](#)

Avoid This!



Ericsson Internal | 2015-11-10 |

[source: Dr. Joko Suryana](#)



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THANK YOU