



Quantum-Web

# **WORLD FIXED BROADBAND FORECAST**

**Executive Summary**

June 2014



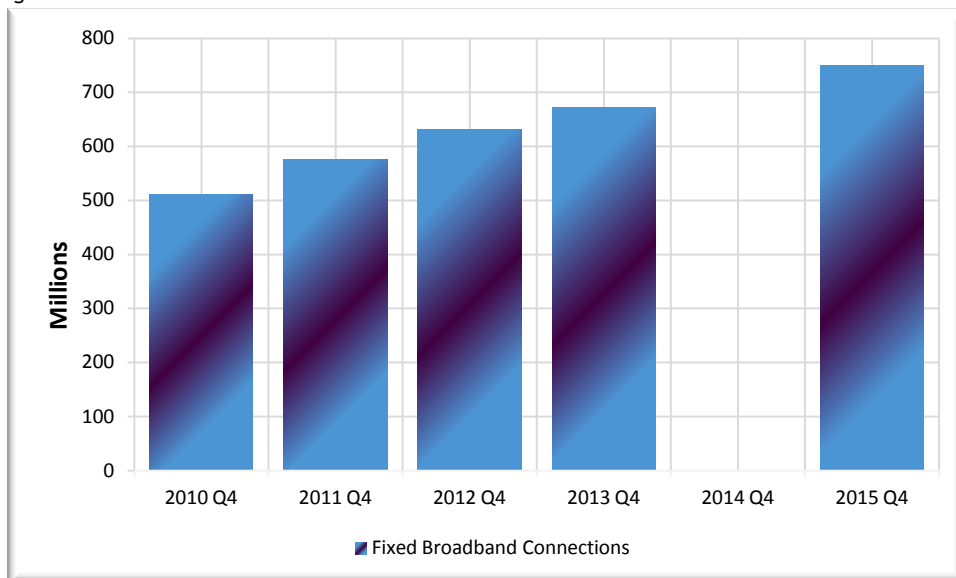
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## World Fixed Broadband Forecast

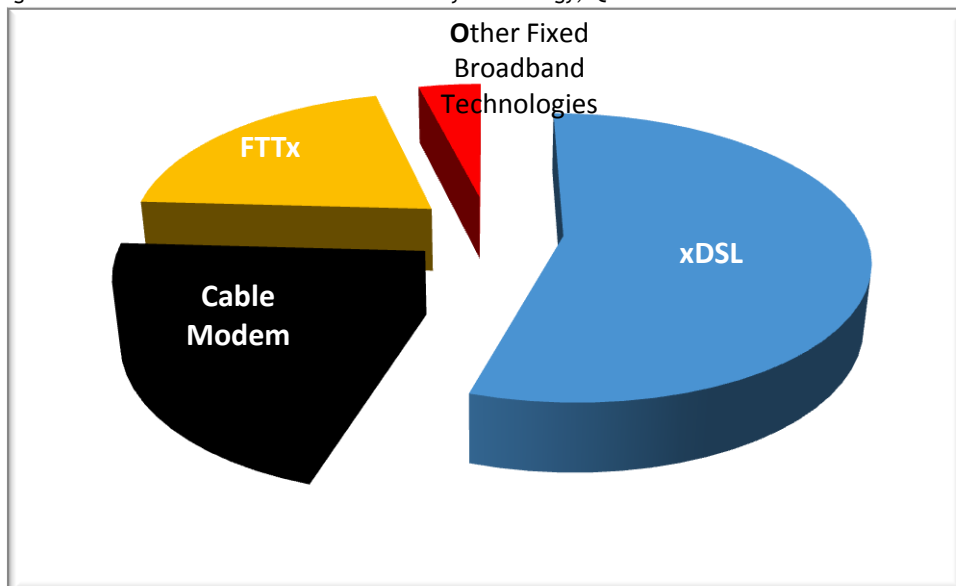
[Quantum-Web](#) has estimated that the number of fixed broadband connections worldwide would see an annual growth rate of 5.7 percent during Q4 2013-Q4 2015. The number of fixed broadband connections will grow approximately 78 million over this period reaching 749 million (Figure 1).

Figure 1. World Fixed Broadband Connections



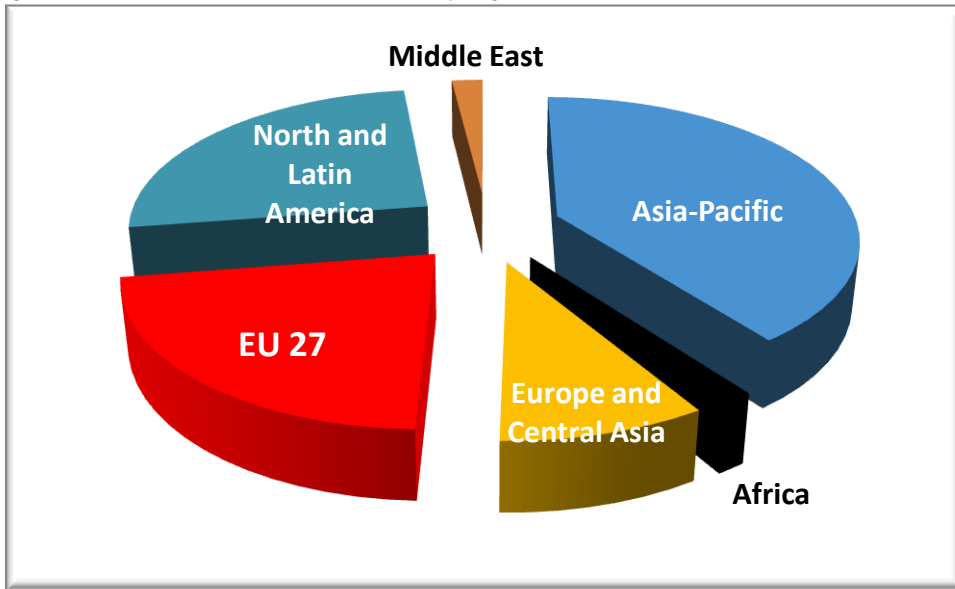
According to Quantum-Web biannual forecasting service, the dominant technology will remain xDSL accounting for 55 percent of total fixed broadband connections by Q4 2015. Cable modem would come next (21 percent) followed by FTTx (20 percent) and other fixed broadband technologies (4 percent). (Figure2).

Figure 2. World Fixed Broadband Connections by Technology, Q4 2015



The fastest growing region in terms of connections is North and Latin America with over 24.5 million new connections while the Middle East has the highest CAGR growth clocking up 16.9 percent over the same period (Figure 3).

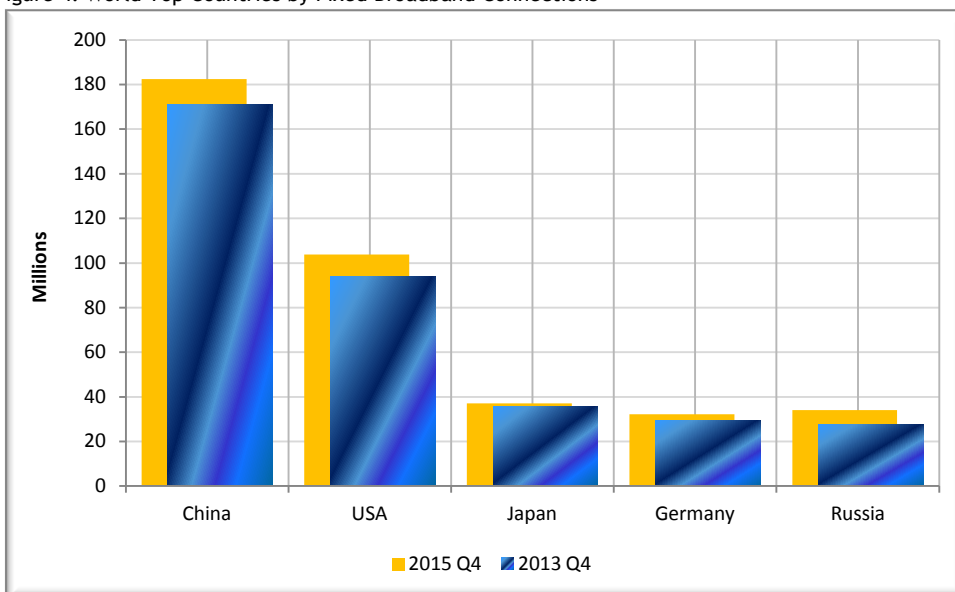
Figure 3. World Fixed Broadband Connections by Region, Q4 2015



The study further reveals Brazil's strong broadband uptake due to the 2014 world cup while the summer Olympics of 2016 would contribute to the momentum of the North and Latin American region. Iran would act as the engine for the growth of the Middle East in this field helped by the election of the moderate President.

According to Quantum-Web forecasts, the number of broadband net additions would reach 78 million by the end of 2015. China, the largest broadband nation doesn't show any sign of slowing down. The number of broadband connections in China would reach 182 million, adding more than 11 million subscribers by the end of 2015. The five countries leading the net additions in fixed broadband connections would account for more than 42 percent of the global new connections. (Figure 4)

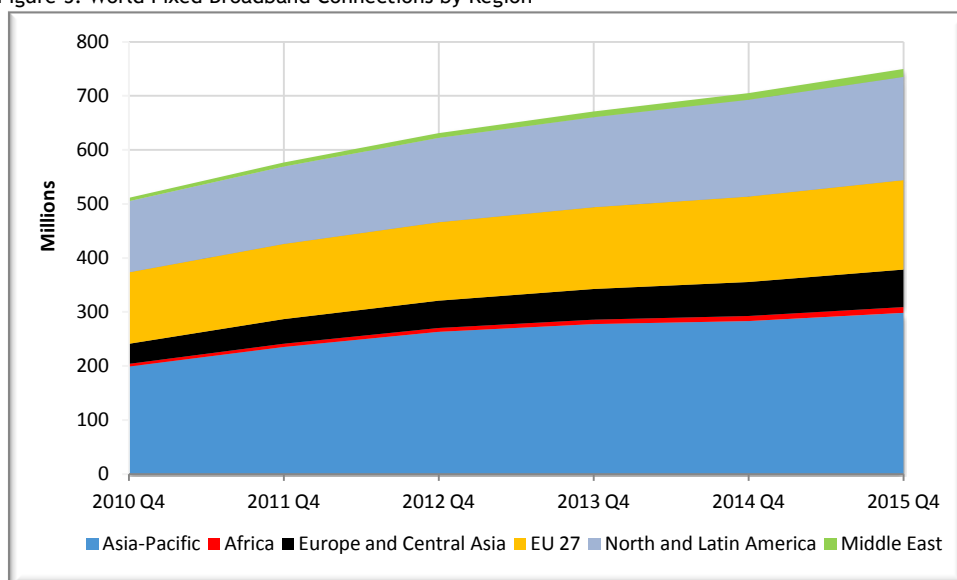
Figure 4. World Top Countries by Fixed Broadband Connections



## Regional Trend

All regions will show growth in fixed broadband adoption but at different speeds (Figure 5).

Figure 5. World Fixed Broadband Connections by Region



In the Asia Pacific region, the largest global market, the growth is fuelled by emerging markets such as China, Indonesia and Vietnam. Indonesia with 41 percent CAGR would be the fastest growing market among the top three.

In North and Latin America, USA, Brazil and Mexico with over 17 million net additions represent over 71 percent of the whole regional growth. Uruguay with 49 percent CAGR has the highest growth rate in the region. The strong growth in this region will be driven by economic development of major economies especially USA, Brazil and Mexico.

The study anticipates that, in Middle East region, Iran would experience over two million net additions and 66 percent growth over the next two years. According to our forecasts, Iran would be the biggest market in the region overtaking its southern neighbours: Saudi Arabia and UAE and the region's current leader Israel.

In Africa with over 2.5 million net additions, Egypt would be the largest fixed broadband market standing at 49 percent CAGR followed by Algeria and South Africa. The rest of the continent is showing a modest growth due to poor fixed network infrastructure.

In Europe and central Asia region, Russia, Turkey and Ukraine, currently in political turmoil, would maintain their positions as the top three markets. These three countries enjoying a net addition of over 8.6 million or 68 percent of the growth in the whole region over the next two years.

In the EU 27 market, we estimate a net addition of 16.5 million new connections over the next two years. Germany, France and the UK are the top countries in terms of net additions at nearly 46 percent of the European Union.

## Technology Trend

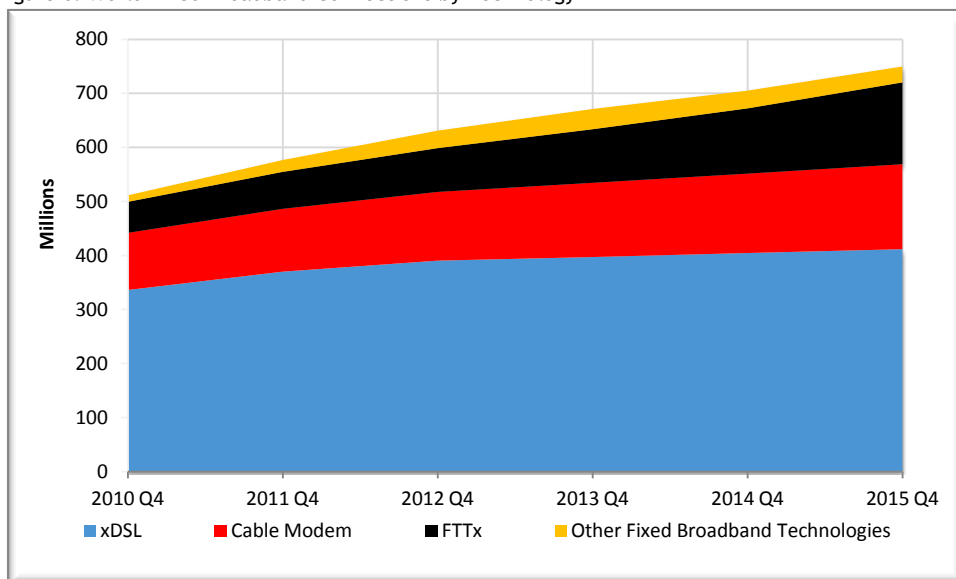
xDSL shows a modest growth during the forecast period. The number of xDSL connections expected to grow at a CAGR of around 1.8 percent between 2013 and 2015 (figure 6). It is noteworthy that there are large differences between countries and operators for xDSL adoption. A significant portion of xDSL connections will be registered among operators and countries where the population are big city dwellers.

Cable Modem the second largest fixed broadband technology after xDSL and would maintain this runner up position during the forecast period. The growth of Cable Modem connections depicts a stable trend and is expected to rise to over 150 million by the end of 2015. North and Latin America with over 88 million connections represents 56 percent of total Cable Modem connections in 2015.

FTTx the fastest growing fixed broadband technology is expected to grow at a CAGR of around 24 percent, taking the total number of fibre optic connections from 57 million to over 151 million in 2015. A significant portion of FTTx growth is primarily generated in Asia Pacific. According to our forecasts around 70 percent of fibre optic connections would be in that region.

Other fixed broadband technologies such as Powerline and Ethernet remain a substitute for main broadband technologies where the fixed infrastructure coverage is limited, low income of families and countries with particular geographic topology. Other fixed broadband technologies shows a negative growth trend during the period of forecast and the number of connections would drop from 37 million to 29 million between 2013 and 2015 (Figure 6).

Figure 6. World Fixed Broadband Connections by Technology



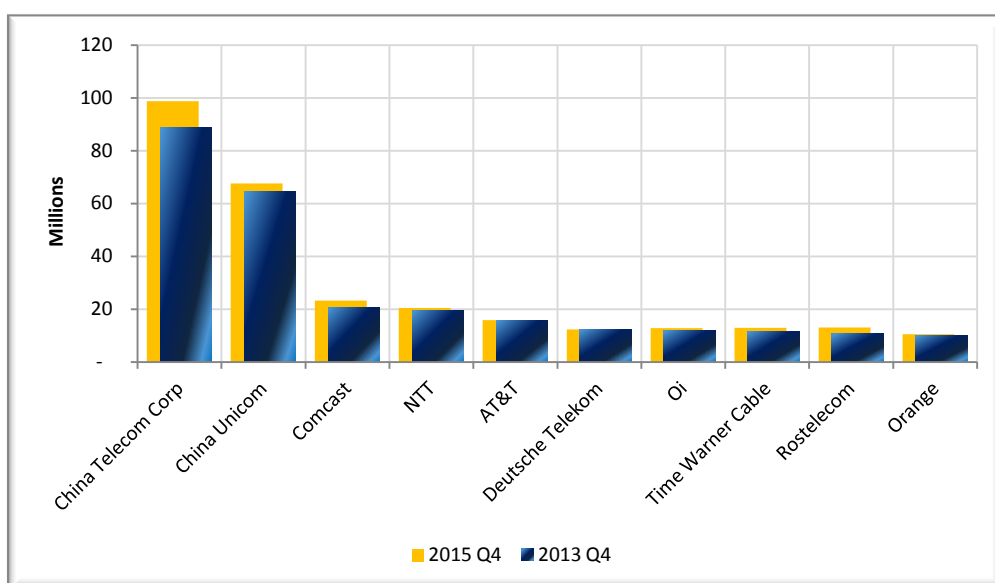
## Operators' Trend

There are around 700 network operators that currently provide fixed broadband to over 670 million subscribers or 9.46 percent of the global population.

China Telecom, with 88.8 million fixed broadband connections, is the largest operator in the world followed by China Unicom and Comcast. According to our forecasts, the number of China Telecom connections would rise by 5 percent CAGR to 98.6 million connections between 2013 and 2015.

The fastest growing operator, among the top ten operators in the world, is Russia Rostelecom with 11 percent CAGR during the same period (Figure 7).

Figure 7. World largest Fixed Broadband Operators, Q4 2013- Q4 2015



The biannual forecast service covers over 150 countries and 700 operators globally for the next 8 quarters. Our forecasts cover both the individual 700 operators and the country aggregated levels. The operators' forecasts include the estimation of main KPIs of all 700 operators individually.

This service includes forecasts for the following metrics at operator level:

- Fixed residential and business broadband connections
- Access technology
- Revenue per connection
- Traffic by service/application

For more information about our forecasting coverage please contact Andrea Riddling at [ar@quantum-web.com](mailto:ar@quantum-web.com) or contact Qmars Safikhani, Head of Analytical Research at [gs@quantum-web.com](mailto:gs@quantum-web.com) or +44 (0)20 3286 9570

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