



Office of the Director of
**Telecommunications
Regulation**

MEDIA RELEASE

Tuesday June 5th

ODTR report -New Entrants have 20% of the Fixed Line Telecoms Market Broadband competitiveness improved and substantial increase in demand for Broadband forecast

Etain Doyle, Telecoms Regulator, today (Tuesday 5th June 2001) issued a quarterly report on the Irish communications market for the period 1st January 2001 to 31st March 2001. Latest figures show that the market continues to expand with the sector representing 3% of Irish GDP, new entrants share of the fixed line market is now at 20% and there is evidence to suggest that when our tariffs are benchmarked against other European countries, Ireland's position has slipped slightly during the quarter although still remaining ahead of the OECD average.

According to the Regulator, " While I am pleased to see that the sector continues to expand and consumers in general continue to benefit from liberalisation, Ireland needs to keep the pressure on - if we do not continue to progress we will fall behind."

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Broadband Survey

The ODTR also commissioned Irish Marketing Surveys to examine the attitudes of large companies to the provision of broadband services in Ireland. 200 interviews were conducted during May 2001. Two thirds of the companies were Irish owned with the balance mainly from the UK and USA but located in Ireland. 75% of the companies had over 100 employees.

Top line results indicate that the majority of those surveyed believe it is well served by telecommunications services and believe that the market for telecommunications including broadband is more competitive than it was twelve months ago.

71% indicate that they intend to expand their broadband usage in the next 12 months. When asked about access to broadband services nation-wide, approximately one-third indicated they had difficulties accessing broadband services and of these 36% indicated that this would influence their location decisions.

70% of those surveyed said alternative suppliers had approached them but only 13% have actually switched supplier.

Over half of the respondents believe the competitiveness of broadband communications had improved in the past twelve months and 53% believed Ireland is well placed to be an e-commerce hub for Europe.

Fixed Line Market:

New entrants share of the fixed line market now stands at 20%. This figure has doubled in 12 months but there is some evidence to suggest that the rate of market share gain by new entrants has slowed in the quarter.

Total revenues for fixed, mobile and broadcasting markets have increased to £2.5 billion per annum.

Fixed line revenue accounts for approximately 67% of total telecommunications revenue.

There are now approximately 160,000 customers both residential and business using Carrier Pre Selection (CPS). Carrier Pre Select enables customers to change operator without having to use codes.

Fixed Telephony Retail traffic measured in minutes has increased by 7% during the period. 25% of this traffic represents Internet minutes and therefore 1 in 4 minutes on the fixed line network is spent on the internet.

Internet

Only 32% of the population had home Internet access at the end of April 2001. According to Nielsen Net Ratings Irish Home users spent an average of 4hrs 20 minutes online in April 2001.

Mobile

Short Messaging Services (SMS) has continued its remarkable growth in the mobile market. The number of SMS messages sent has increased by 38% since the last quarter and by 400% in the last 12 months.

The total number of mobile subscribers was 2.7 million at the 31st march 2001. Mobile lines now account for approximately 59% of the total access paths

Mobile penetration rate is now at 73% in Ireland, up 5% on the last quarter. Luxembourg has the highest penetration rate in Europe at 78%, followed by Iceland and then Austria.¹

Review of Telecommunications Tariffs

¹ Like other countries, the ODTR is reviewing the basis for calculation of mobile subscribers.

During this quarter the trend in Ireland's incumbent tariff rates when compared to European counterparts has been mixed.

In the National Residential basket Ireland's position fell by two rankings since the last review in March. However since May 2000 Ireland's position has improved 5 places. Ireland is currently ranked 11th out of 18.

Results for the business basket have been somewhat more positive with the national business basket gaining two positions and the international business basket dropping one position since the last quarter. Ireland is now ranked 10th out of 18.

For national leased lines, Ireland has dropped two positions in this basket. Ireland now lies in 8th position; 7 places ahead of the OECD average. Luxembourg improved its position by 7 places to move into 4th place following a widespread review of tariffs by the incumbent. For international leased lines Ireland lost one position in this basket and now lies in third position.

The Quarterly Review can be viewed on the ODTR website - www.odtr.ie - ODTR 01/41 'The Irish Communications Market Quarterly Review'.

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