



Office of the Director of
**Telecommunications
Regulation**

MEDIA RELEASE

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Irish Business Signals Additional Broadband Requirements

New Irish Record for Text Messaging

Irish businesses have indicated their intention to increase their bandwidth capacities in the coming 12 months in order to respond to their requirements according to details of a new survey released today, Friday 7th June by the ODTR in conjunction with its Quarterly Report - 1st January 2002 – 31st March 2002. The survey also revealed that two-thirds of respondents have also been approached by various suppliers offering broadband services in the past year indicating a significant amount of competition in the sector. This is good news for operators in the telecoms marketplace who are in a position to supply broadband capacity and also for Irish business as prices should fall as demand stimulates competition. Telecoms Regulator Etain Doyle welcomed the increased confidence of business in expanding their broadband capability. "The recent launch of commercial DSL services by *eircom* and *Esat* will mean that users have new alternatives to meeting their broadband requirements. Further opportunities for local and regional bandwidth will also come on stream in the near future under new ODTR plans for Fixed Wireless Access including WLANS".

The ODTR's quarterly report has also confirmed the phenomenal increase in SMS messaging in the first quarter of 2002. The highest ever number of text messages were sent by the Irish people in the last quarter as the half a billion barrier was breached. On average, Irish mobile subscribers are sending 62 SMS messages a month. The ODTR's Quarterly Report recorded that Irish mobile subscribers are paying the second highest APRU (Average Revenue per User) rates in Europe according to the results of a new independent survey.

Overall, the last quarter has showed that the mobile phone and home internet penetration rates have stabilised while other licenced operators now have 21% of the market of fixed line numbers. Over the last year 260,000 households have switched from analogue to digital TV accounting for 20% of all households. Revenues for the communications sector in Ireland now stands at €3.21billion per annum accounting for 2.72% of Irish GDP.

Additional Extracts from the ODTR's Quarterly Report:

Broadband Survey Results

Cont'd....

- ISDN is the predominant access technology used by Irish business.
- Respondents indicated that DSL and WLANs are access technologies that businesses will depend more on in the future.
- Of companies who have Wireless LANs four in ten had introduced it in the past 12 months.
- Of two-thirds of respondents who have been approached by alternative operators, 16% have switched operator in the past year.
- The main purposes of broadband identified by Irish companies were inter-company data transfer (65%), company website (35%) and E-commerce transactions (27%).
- Increased speed of internet functions is the most widely mentioned advantage of having additional bandwidth.
- A significant number of respondents indicated difficulties in the level of bandwidth that they had access to. One third of respondents stated that these difficulties had impacted on their investment decisions.

Fixed Lines

- Competition in the CPS (Carrier PreSelection) market has resulted in a marginal decline in lines transferred from the incumbent. There has been significant movement of subscribers with some CPS providers gaining subscribers while others have recorded losses in the last quarter.
- As of March 2002 there were approximately 140,000 CPS lines in Ireland.

Mobile

- 77% of Irish people now have a mobile phone (taking account of the adjusted population figures).
- Ireland is ranked 7th in the EU for mobile phone penetration.
- O₂ has increased its share of the market by 1% to 40%, Vodafone retains a 57% market share while Meteor controls 3%.
- Vodafone and O₂ have recently announced reductions in the rate they charge other fixed and mobile operators for a call from their networks to be completed on the mobile network which are due to come into force on June 1st and July 1st respectively. These rate reductions will see a knock-on reduction for their subscribers.

Post

- During the period under review new approved tariffs came into effect for An Post.
- The International Post Corporation (IPC) published their annual results for 2001 on the quality of service of international mail within Europe in the first quarter of 2002. The IPC's evaluation recorded deterioration in Ireland's quality of service for both inbound and outbound letters with most other European countries. The three most important countries in terms of traffic levels are assessed in the Quarterly Review. In 2001, 91.9% of Irish letters posted to Germany were delivered in 3 days as opposed to 94.6% in 2000. Similar figures for Britain were 92.8% and 93.8% respectively".

In the context of the ODTR's commitment to raising awareness of Technology Developments a Briefing Note on Optical Access and Potential Applications for Next Generation Networks was published in the last quarter. A paper on the Strategic Management of the Radio Spectrum was also published, the first time that such comprehensive information on spectrum management and on the utilisation and plans for each element of the radio spectrum has been made available in Ireland.

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