



**Highlights of the OECD's  
Communications Outlook 2007:  
Focus on Mexico**

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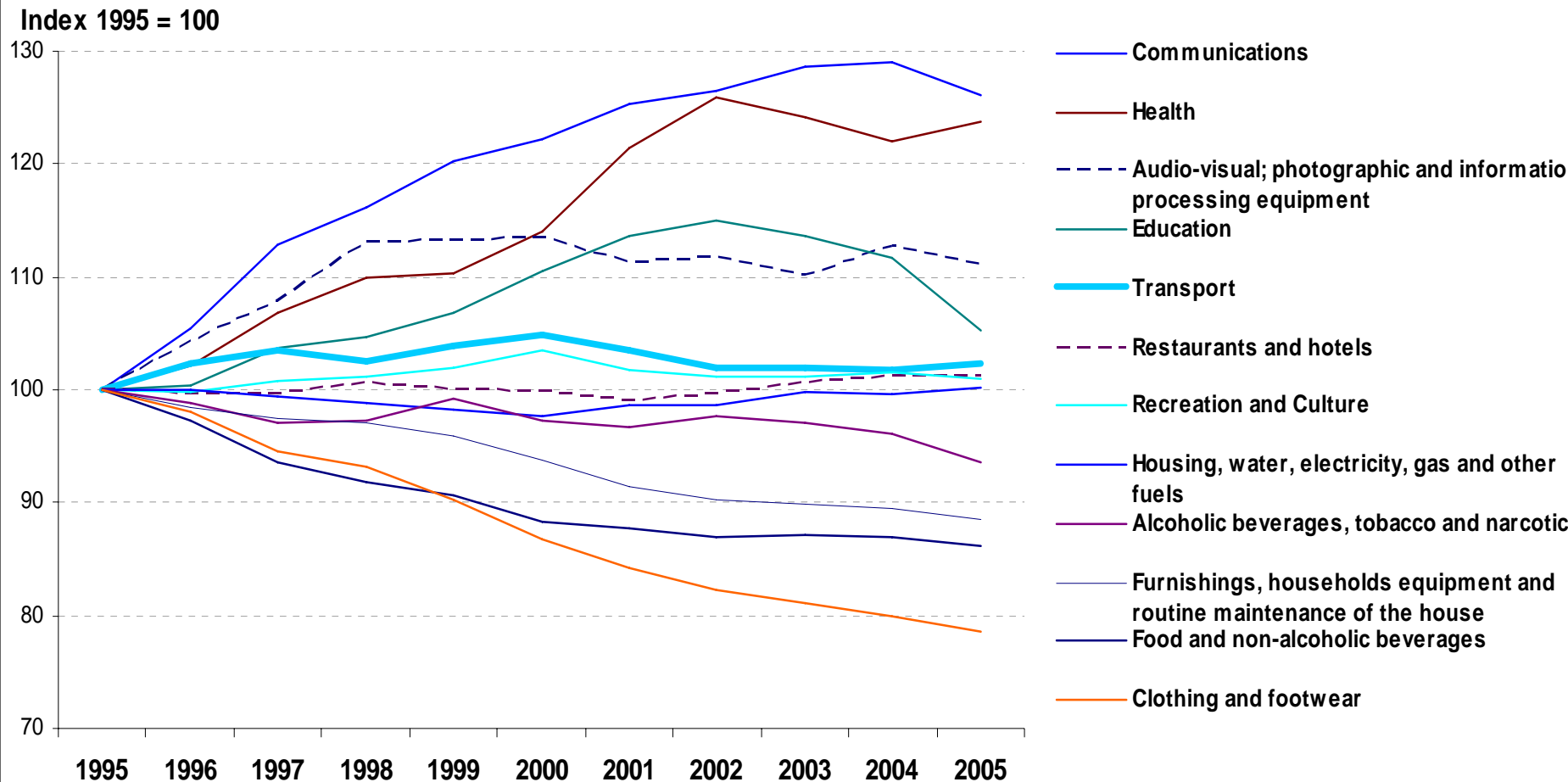
# Objectives of Communications Outlook

- Provide most recent comparable data on the performance of the communication sector – consistent time series;
- Highlight main trends in recent policy issues and market structures;
- Provide range of indicators showing developments in telecommunication market size, network dimensions, Internet and broadband infrastructure, and main trends in pricing;

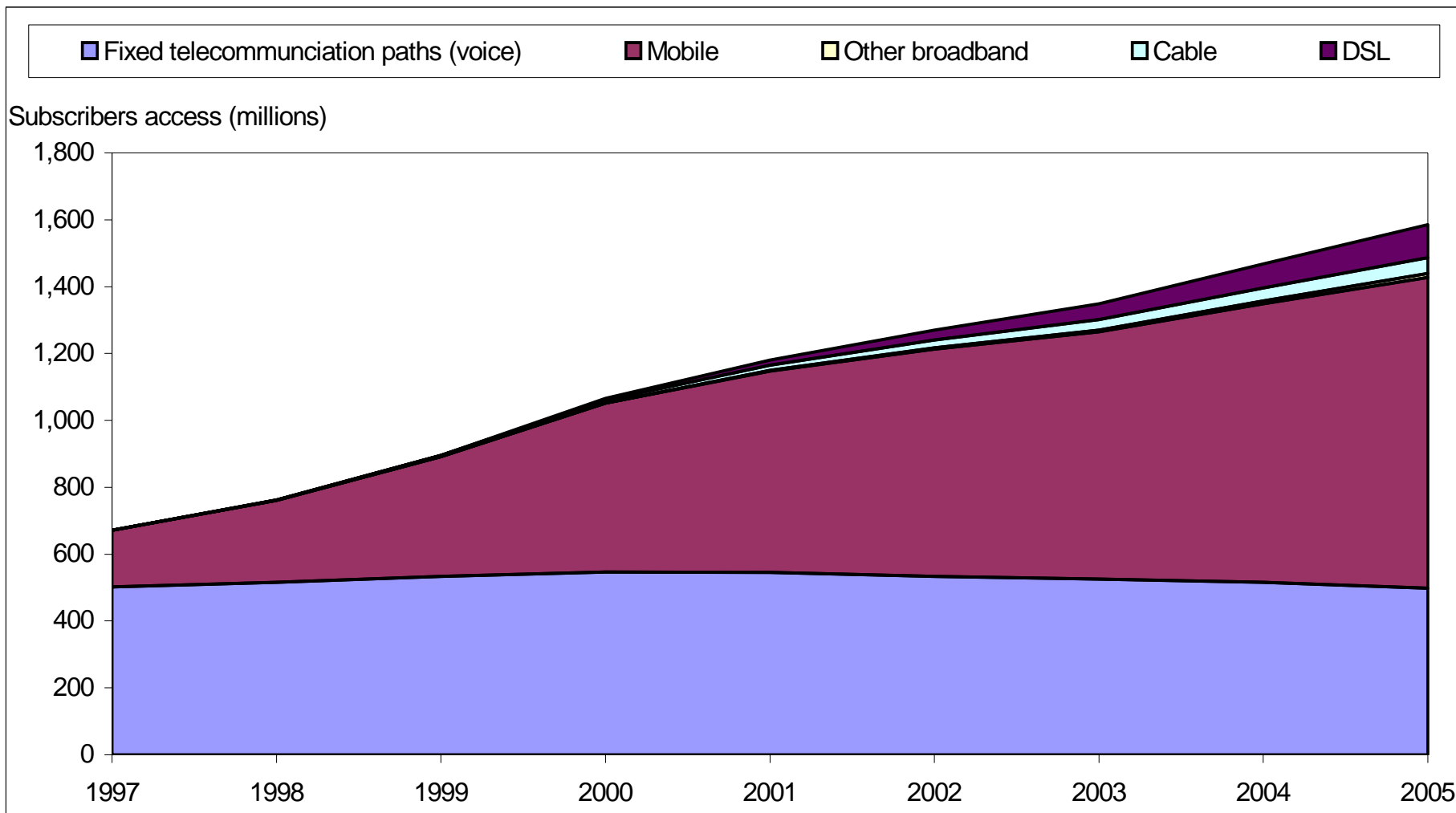
# Policy issues / market structure

- Changing landscape
  - Substitution in market: fixed - mobile
  - Success of unbundling
  - Competition from new technologies (VoIP)
  - Mobile and broadband increase
  - Shift in policies to emphasise convergence
- Convergence
  - Growth in “multiple play”
  - Network & service convergence beginning (FMC)
- “Growth through transformation”
  - Telecommunication companies becoming media companies
  - Media companies becoming telecommunication companies

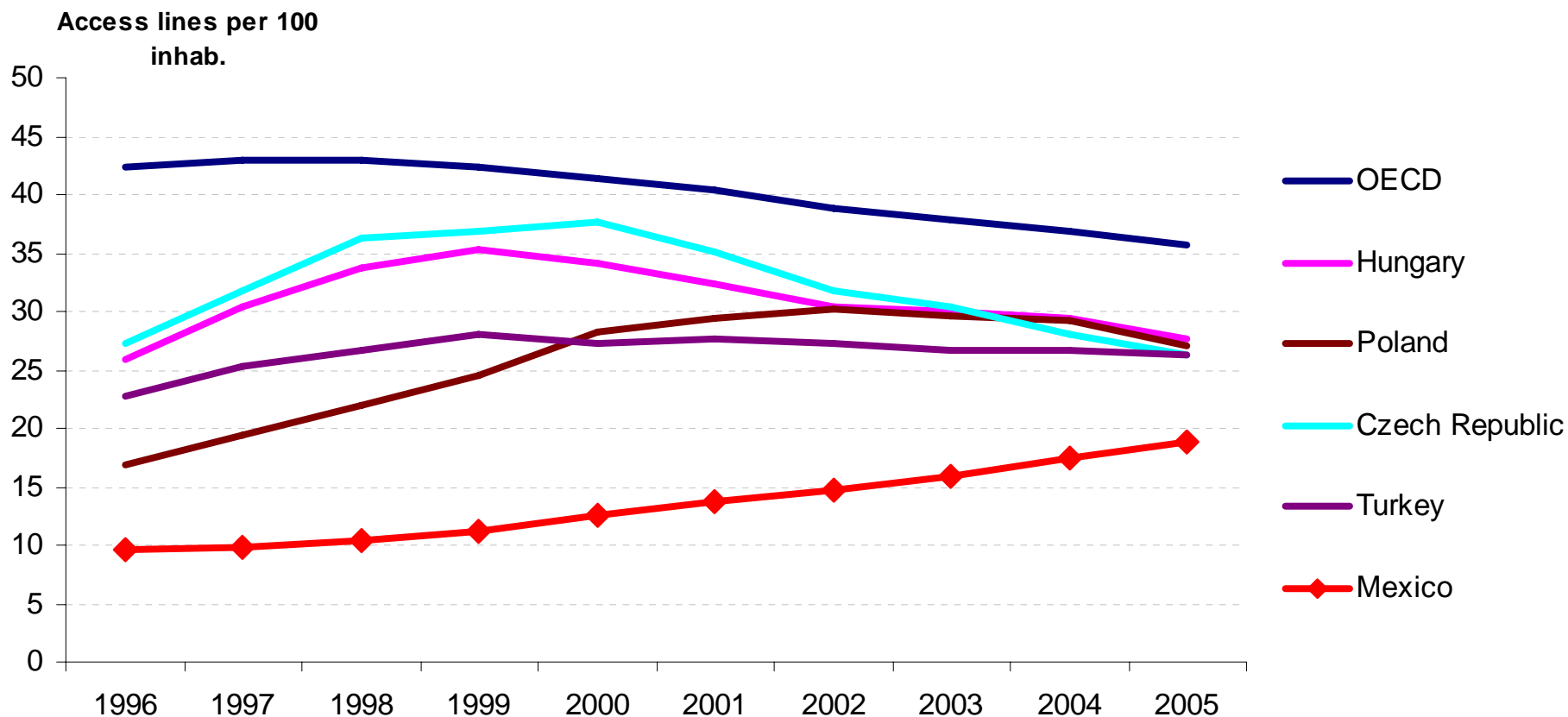
# Growth in Consumption: household expenditures on communication equipment and services



# Access growth 1997-2005

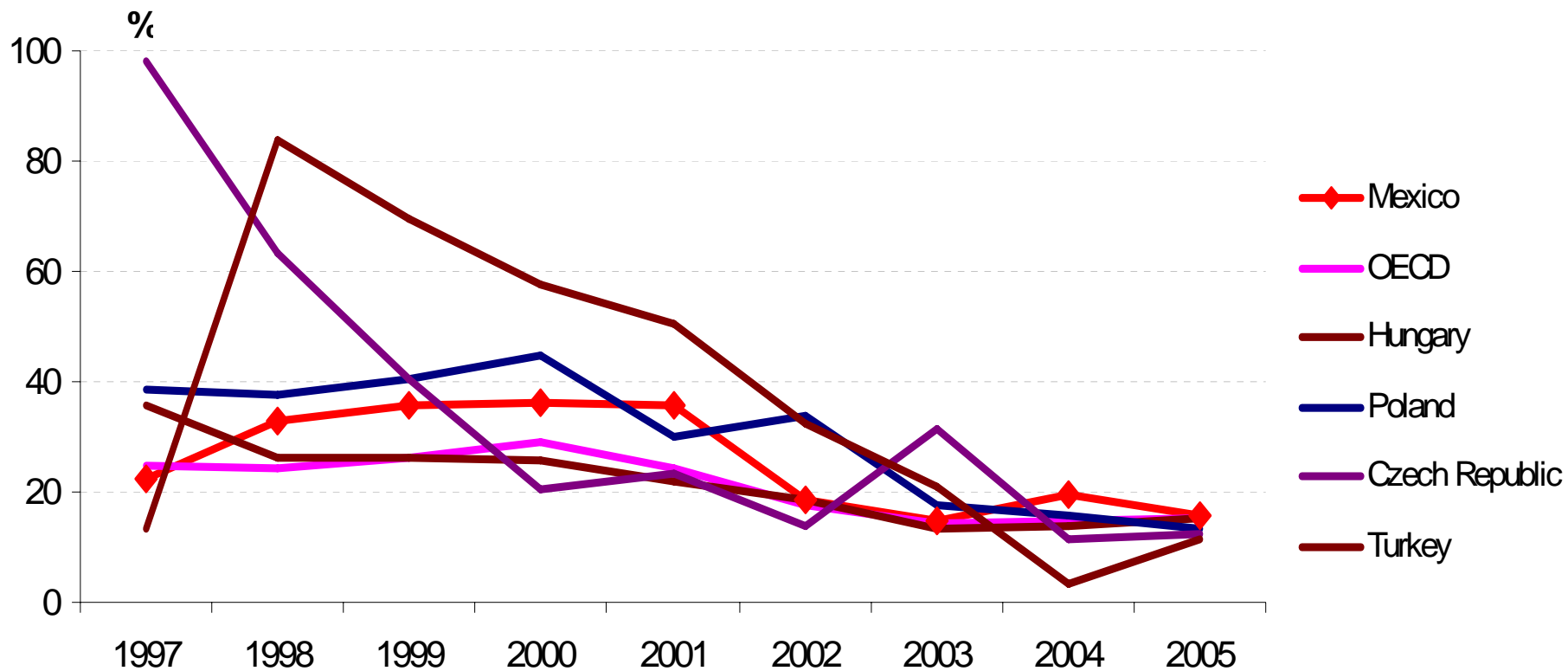


# Growth in Main Lines: Selected Countries

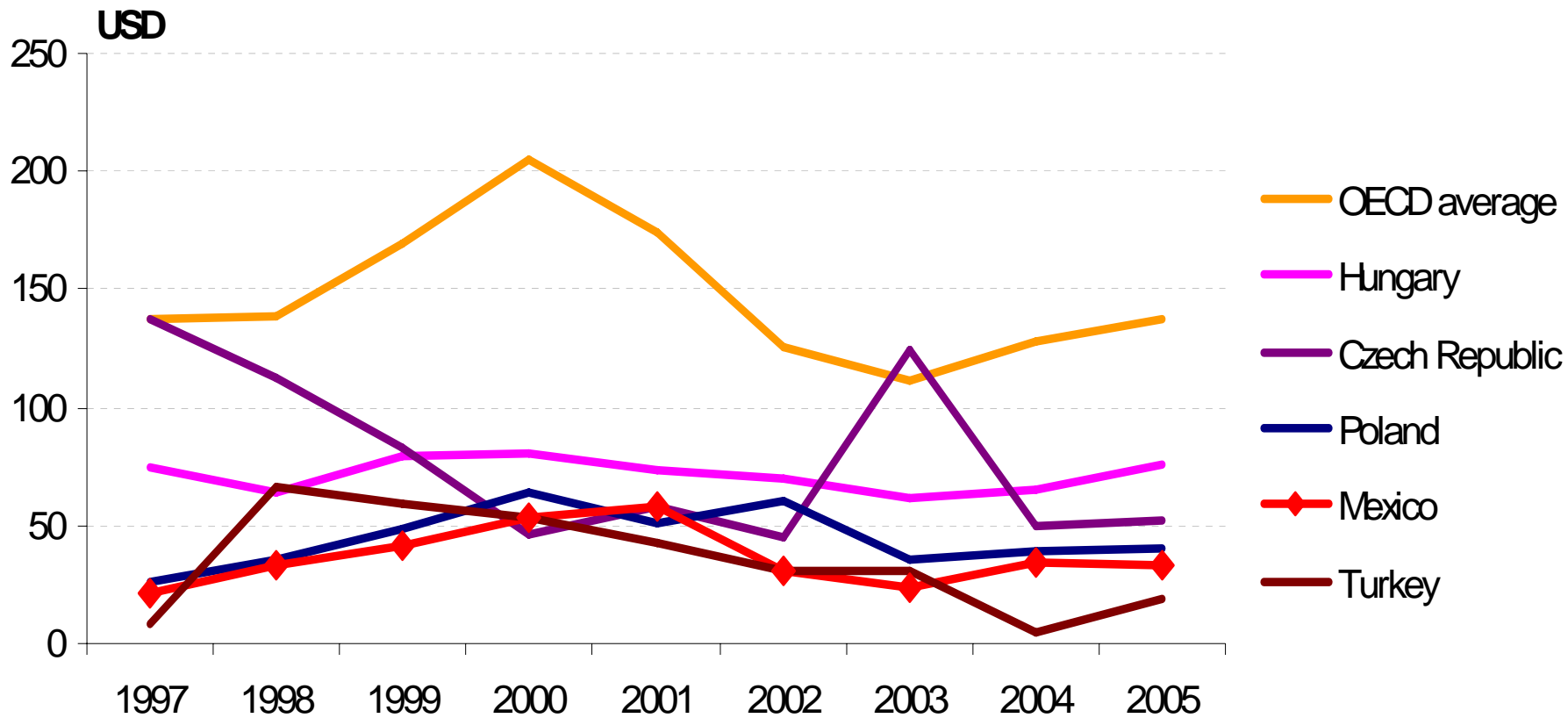


<b>Hungary</b>	<b>10 941</b>
<b><u>Mexico</u></b>	<b><u>7 292</u></b>
<b>Poland</b>	<b>7 920</b>
<b>Turkey</b>	<b>5 045</b>
<b>OECD average</b>	<b>29 881</b>

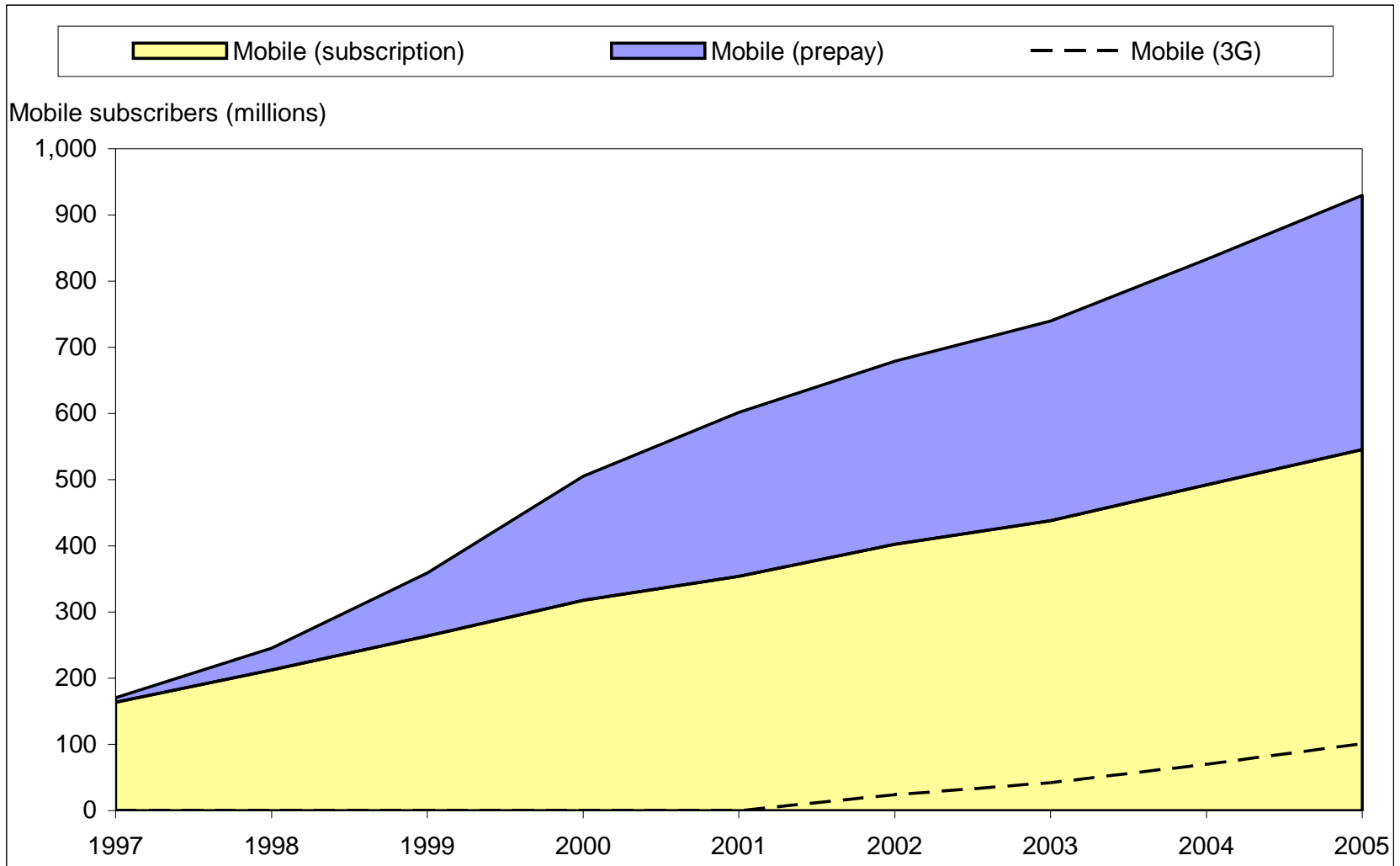
# Telecommunication Investment as percentage of telecommunication revenue



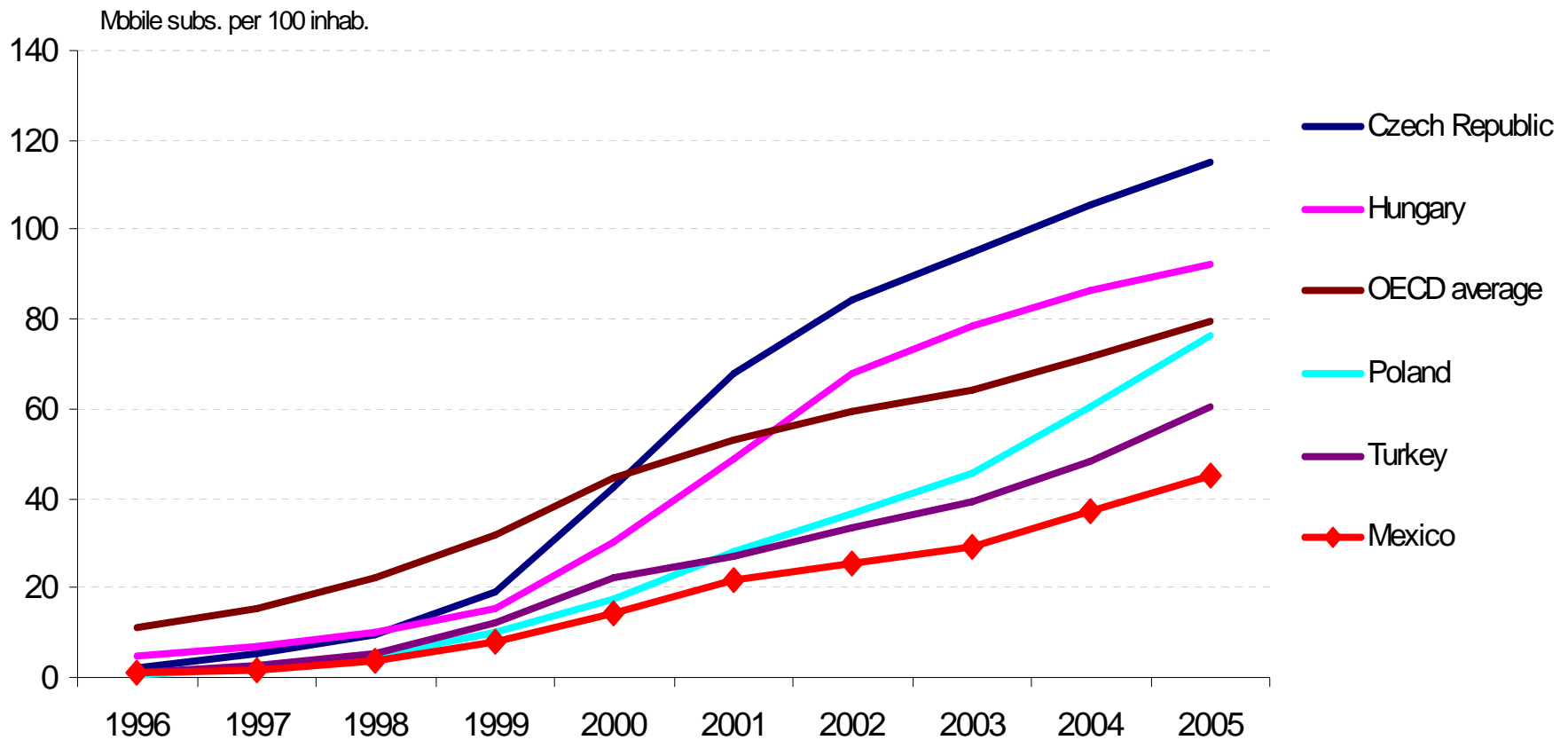
# Telecommunication investment per capita



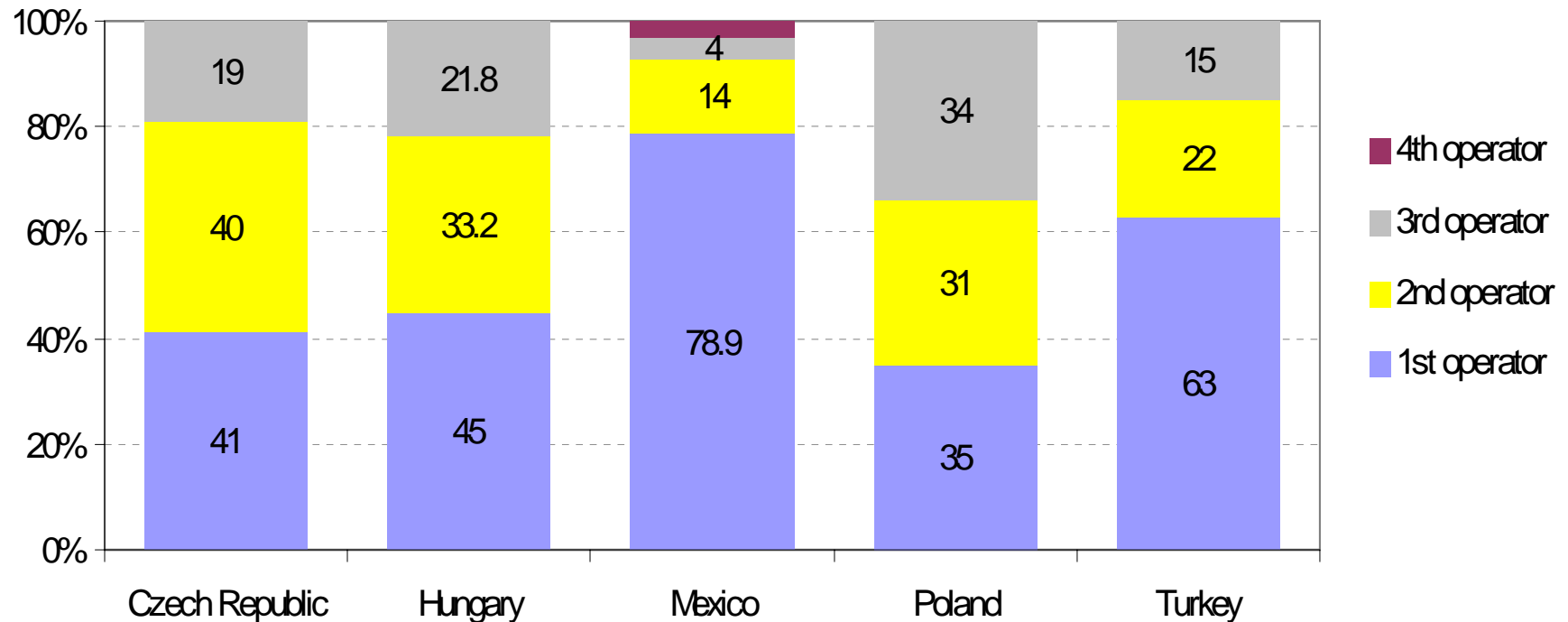
# Growth of mobile



# Growth in mobile subscribers (per 100 inhabitants)



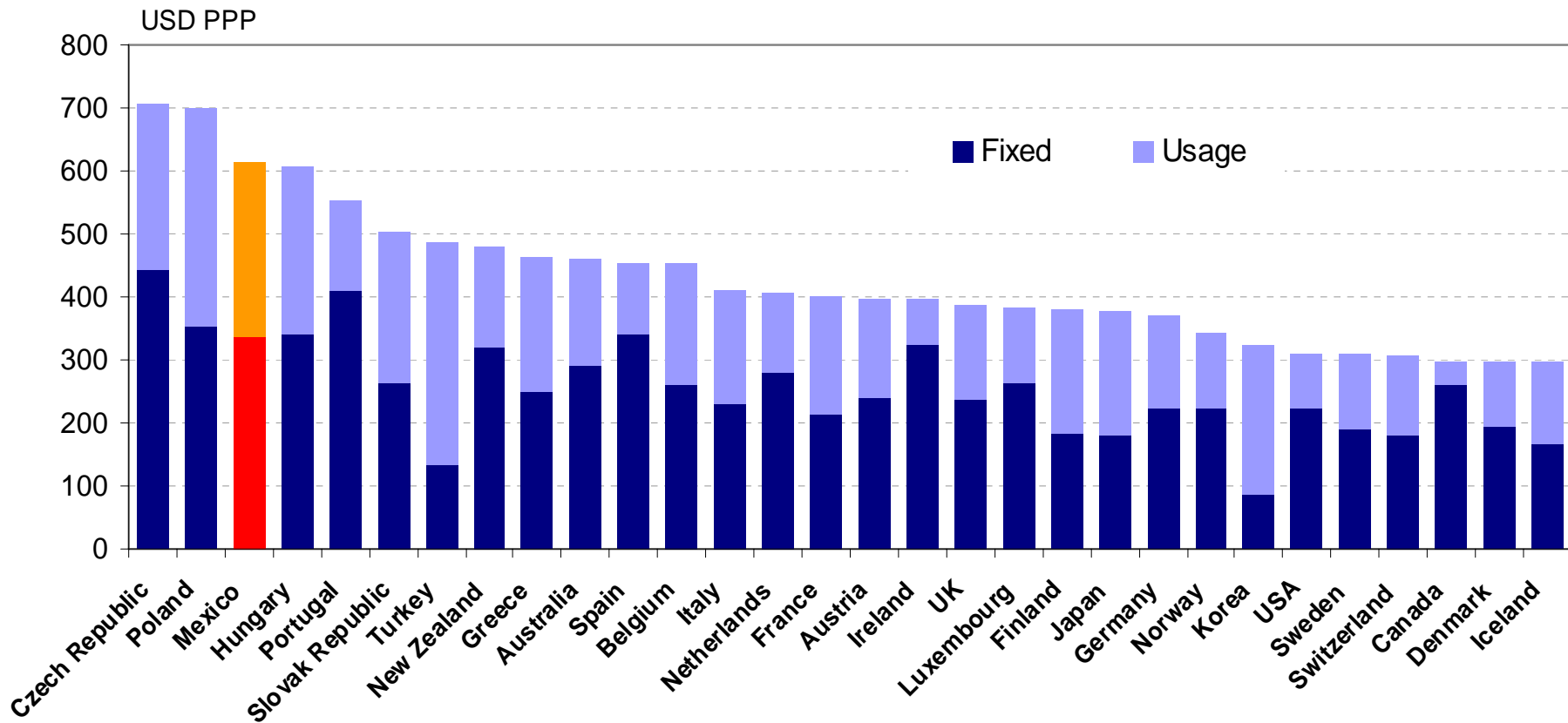
# Relative Market shares in mobile: 2005



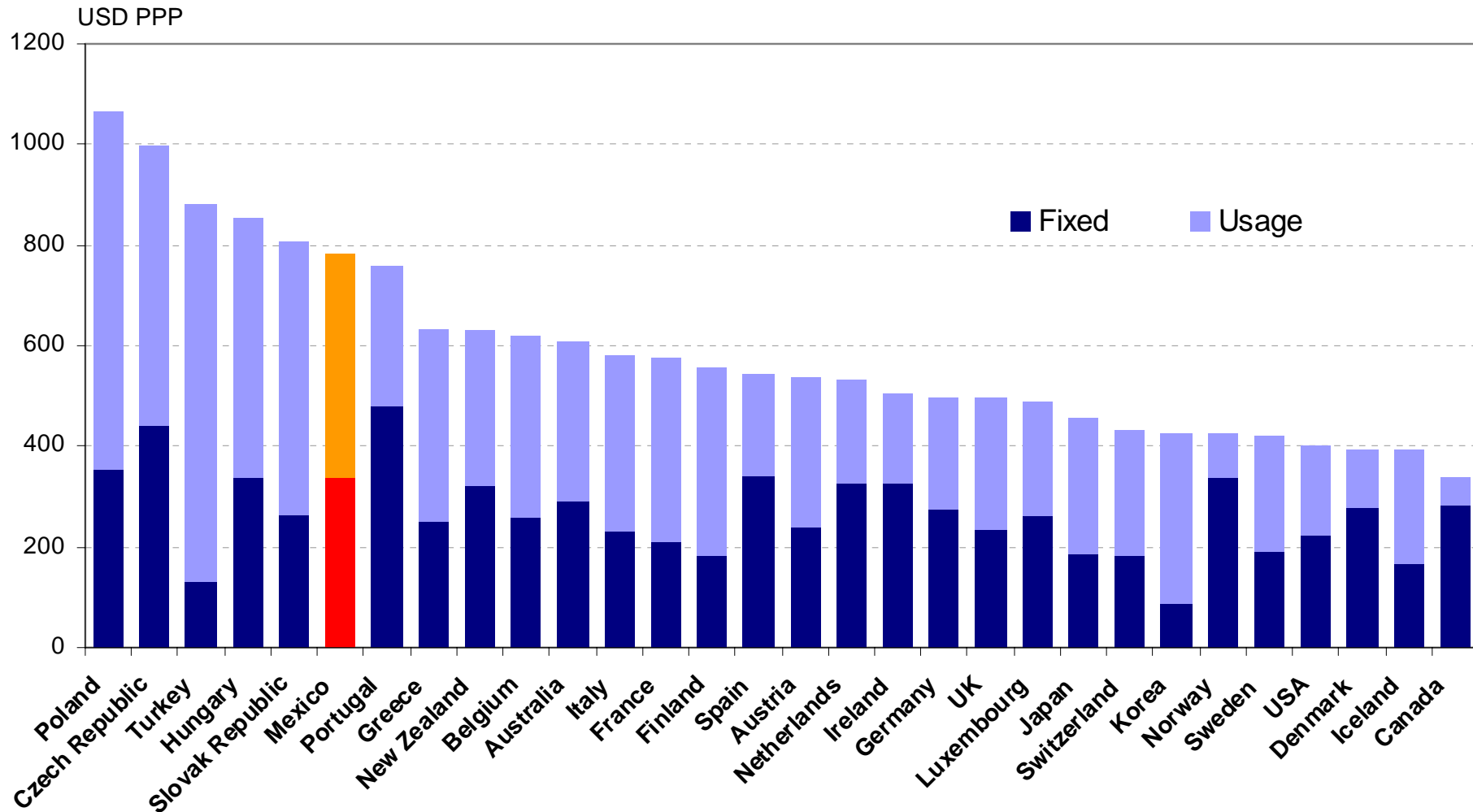
# Main trends in pricing

- Trends
  - Prices for all telecommunications services falling
  - Surplus spent on new telecommunication services
  - Move towards flat-rate pricing
  - Broadband speeds increasing while prices fall
- Bundling
  - Triple play bundled prices: video, voice, data
  - Bundling fixed and mobile services
    - Orange, BT, KT, Swisscom
- New telecommunication basket methodology
  - Fixed
  - Mobile

# Fixed (residential): low usage

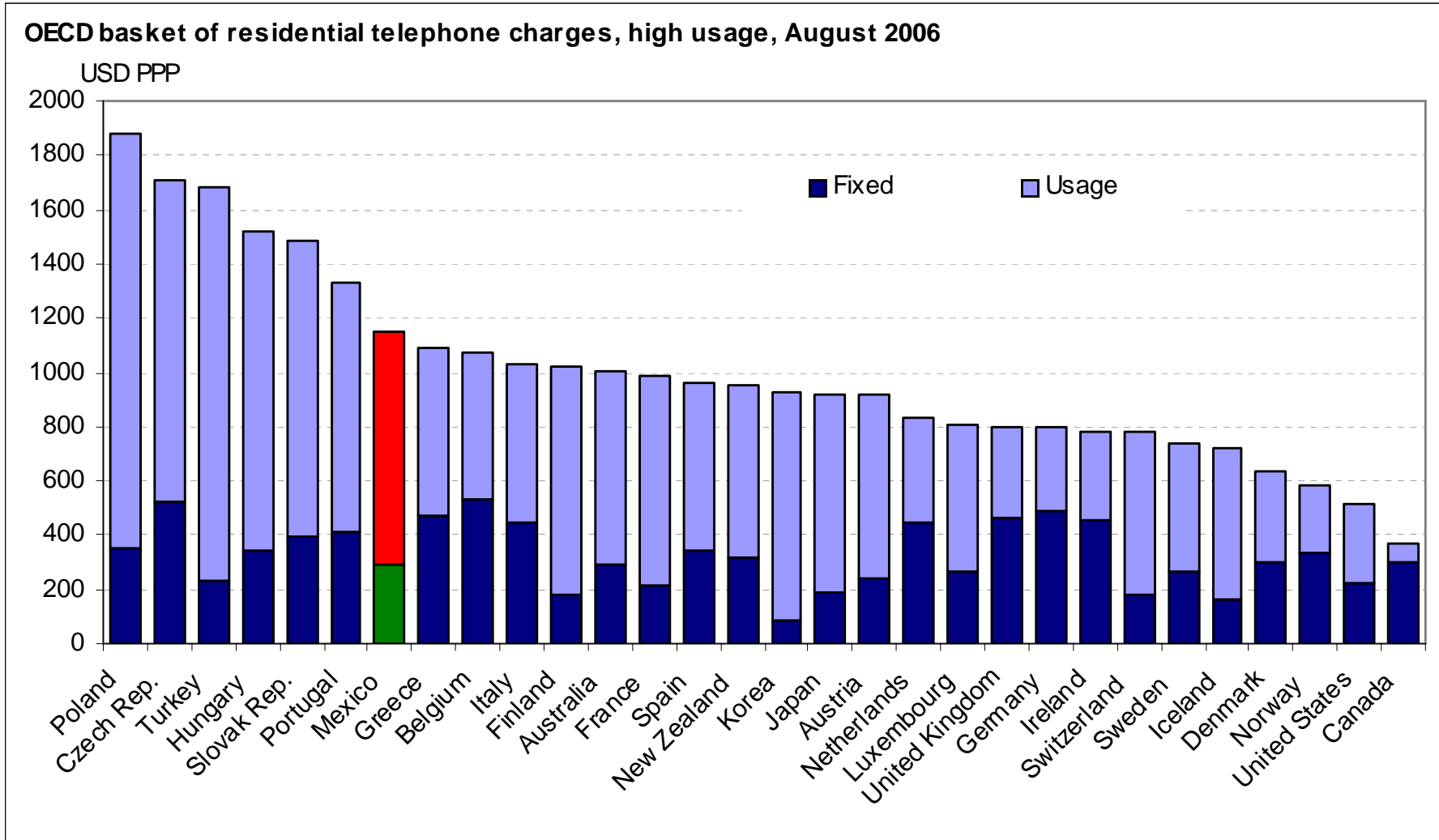


# Fixed (residential): medium usage



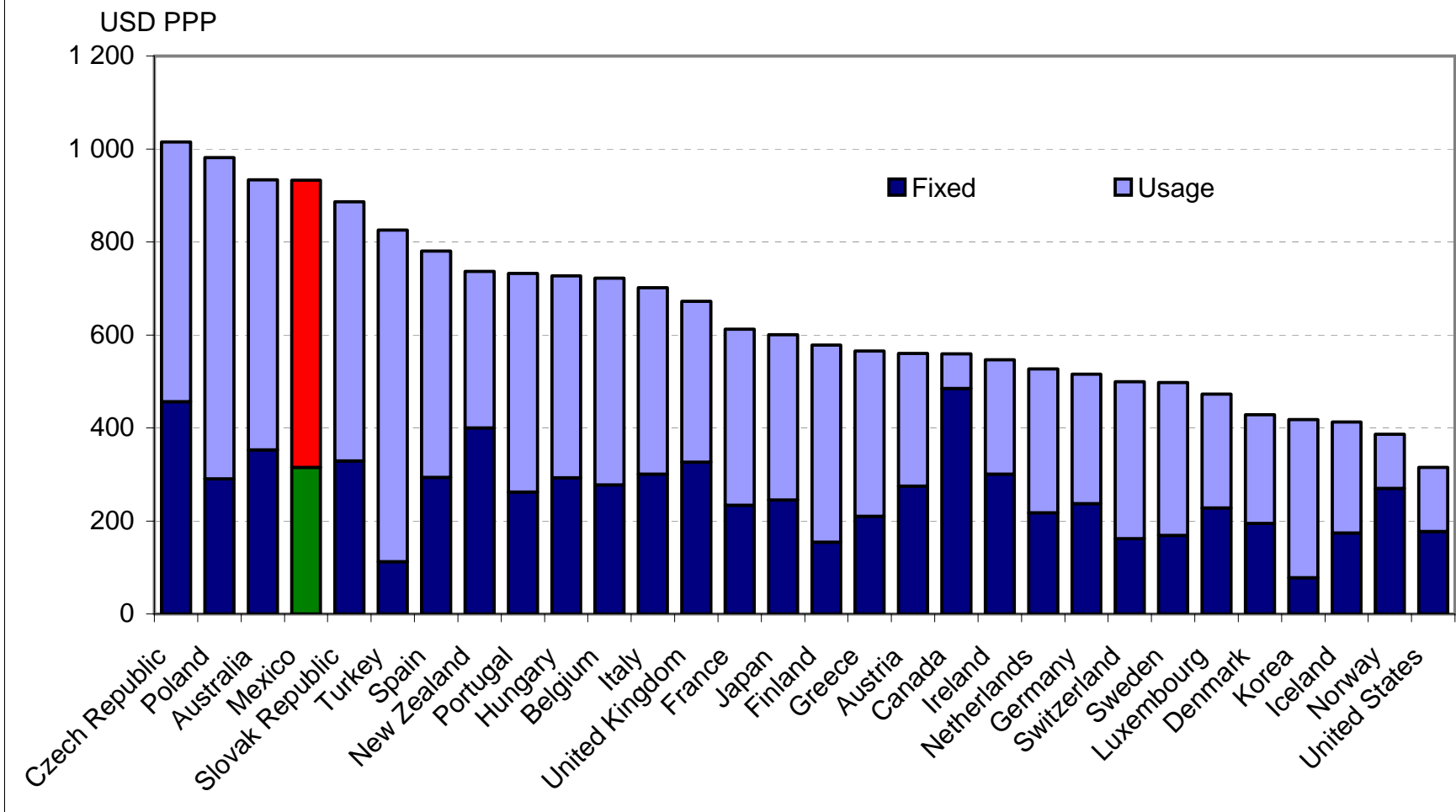
Source: OECD Communications Outlook 2007

# Fixed (residential): high usage

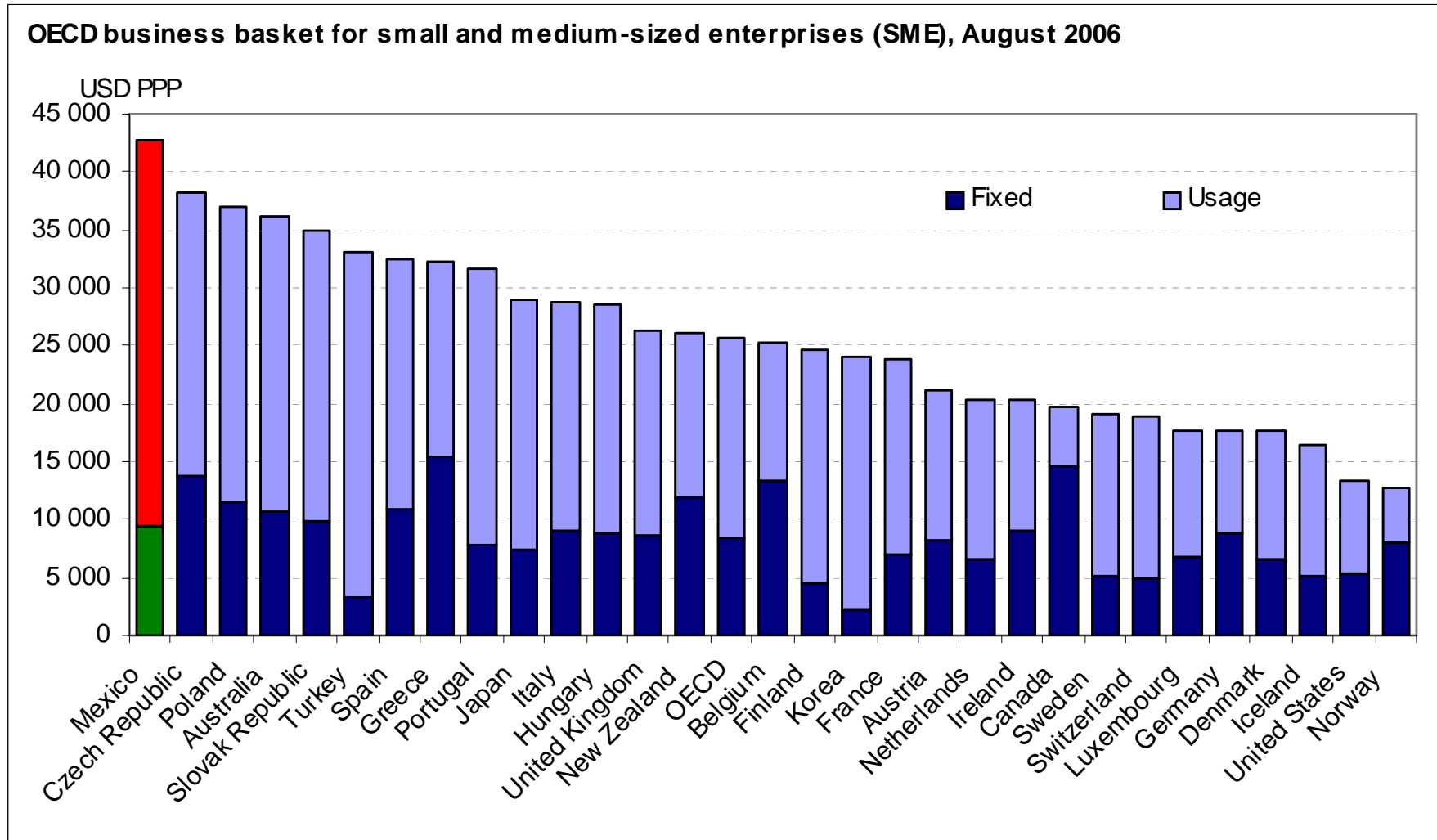


# Fixed (business): SOHO

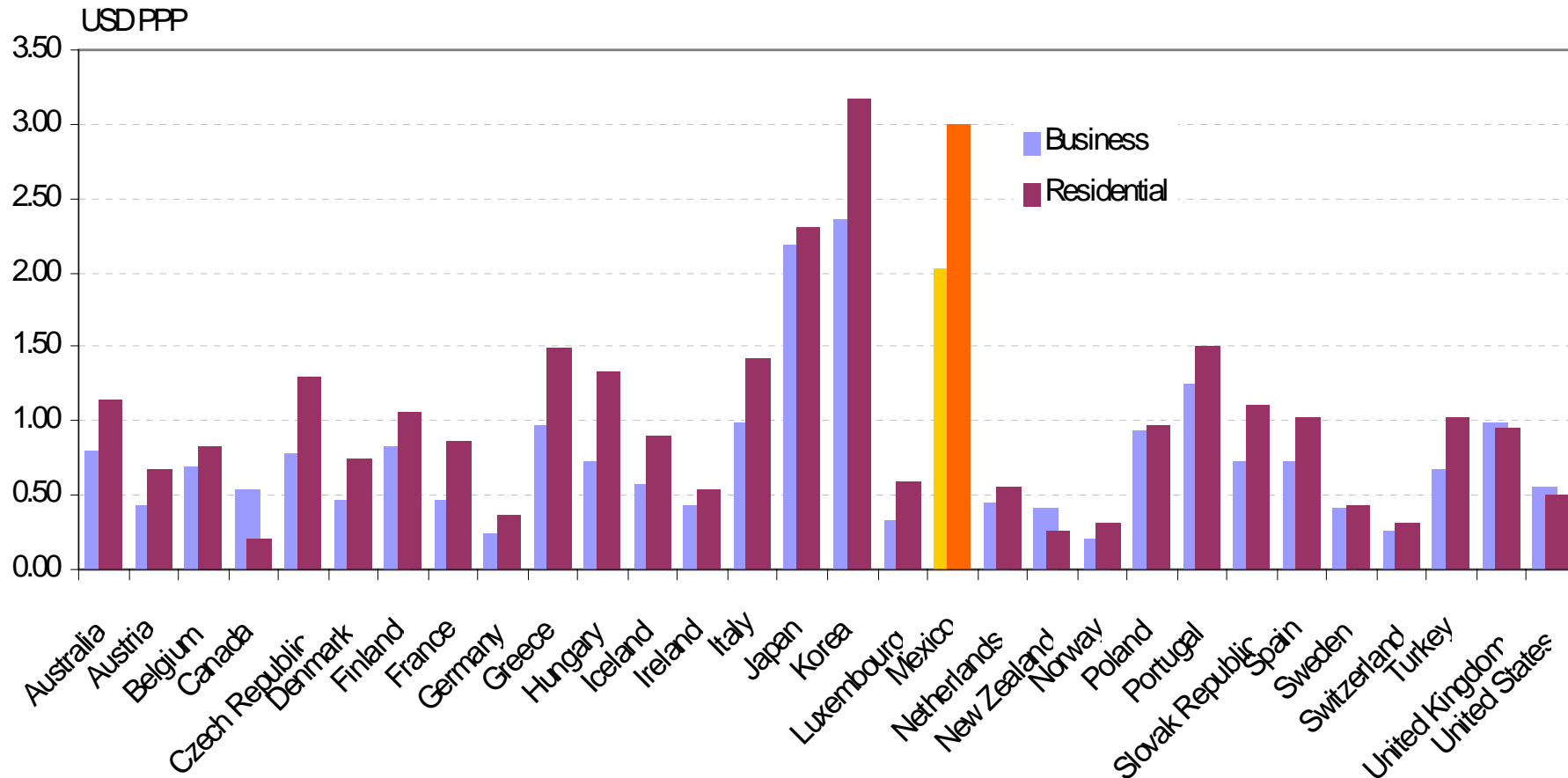
OECD business basket for small office and home office (SOHO), August 2006



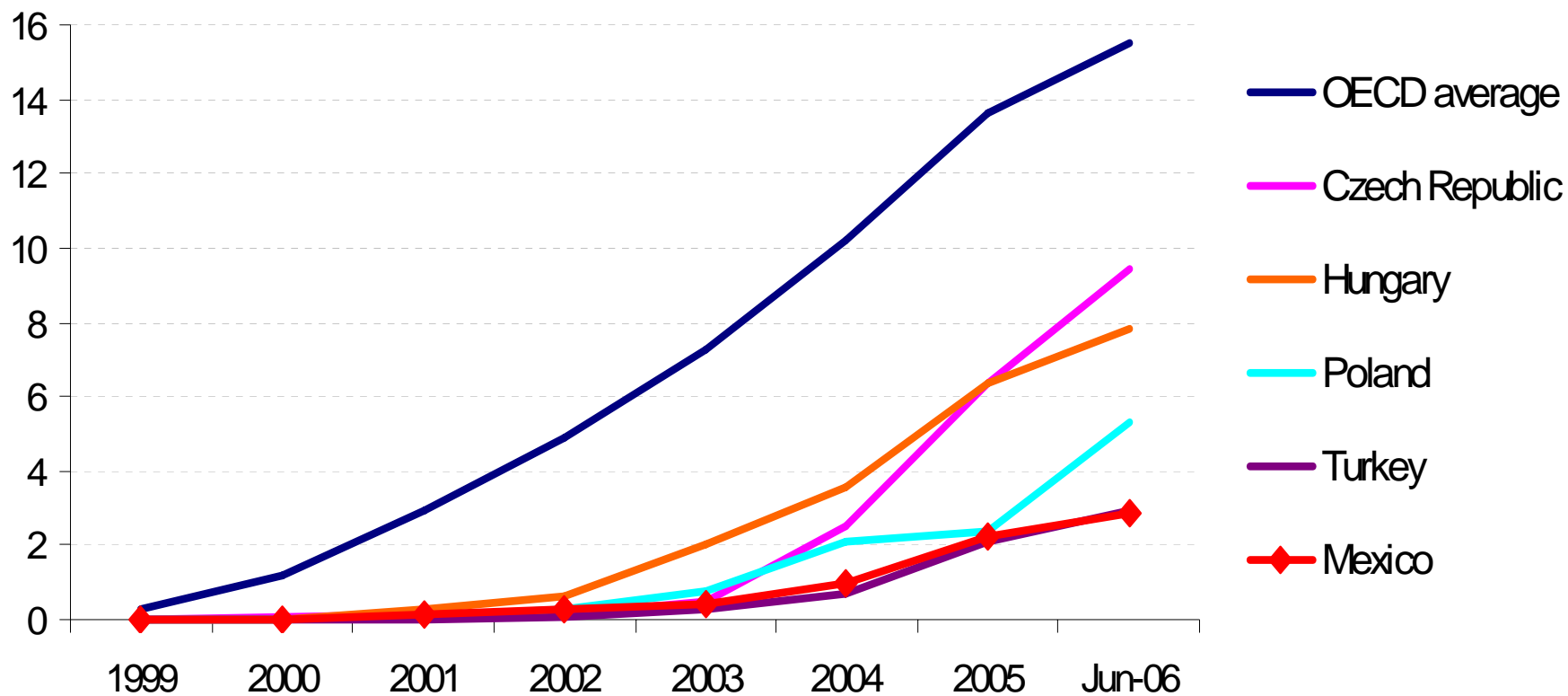
# Fixed (business): SME



# OECD Basket of international telephone charges, August 2006

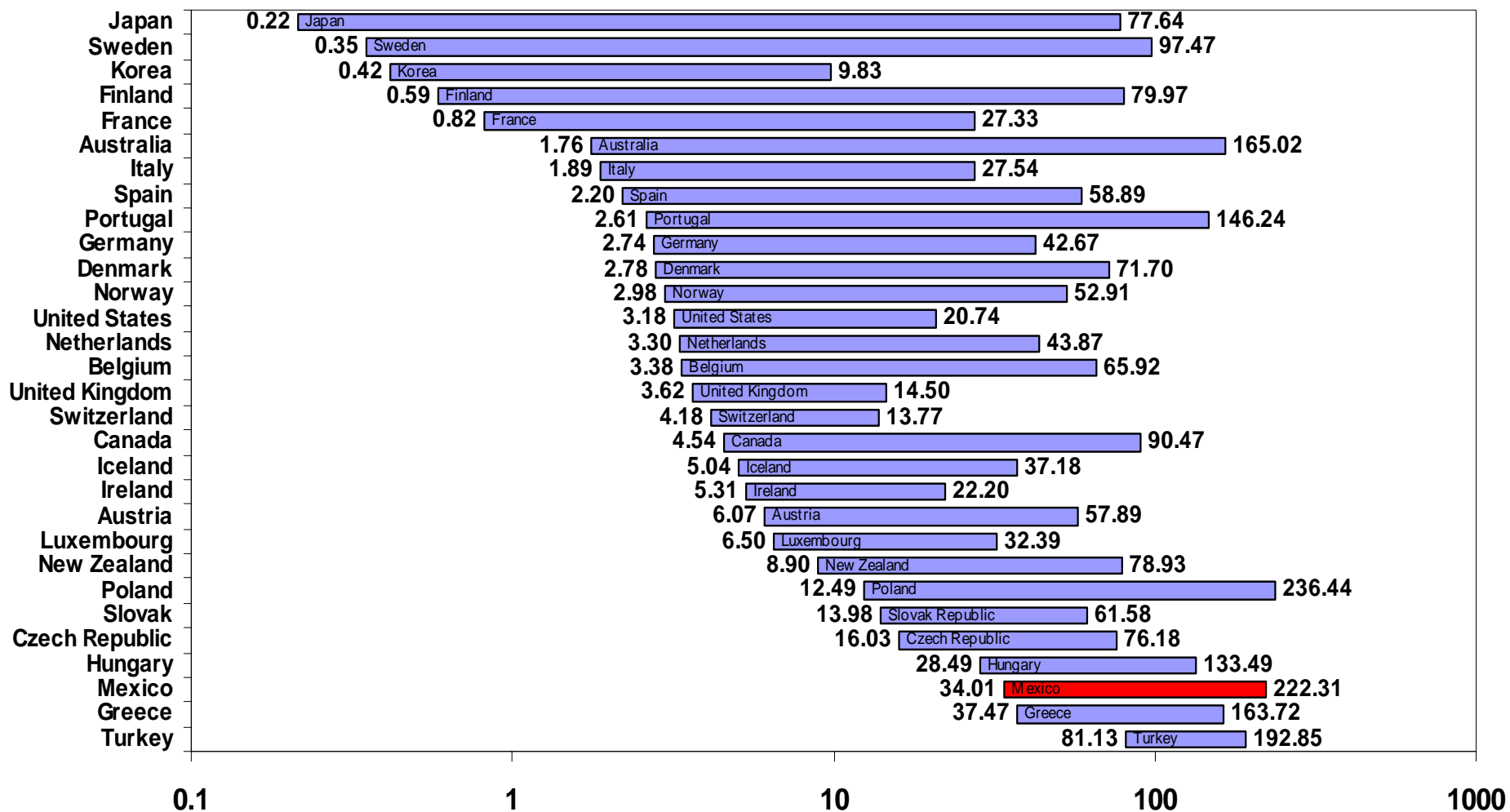


# Broadband subscribers per 100 inhabitants (1999 – June 2006)



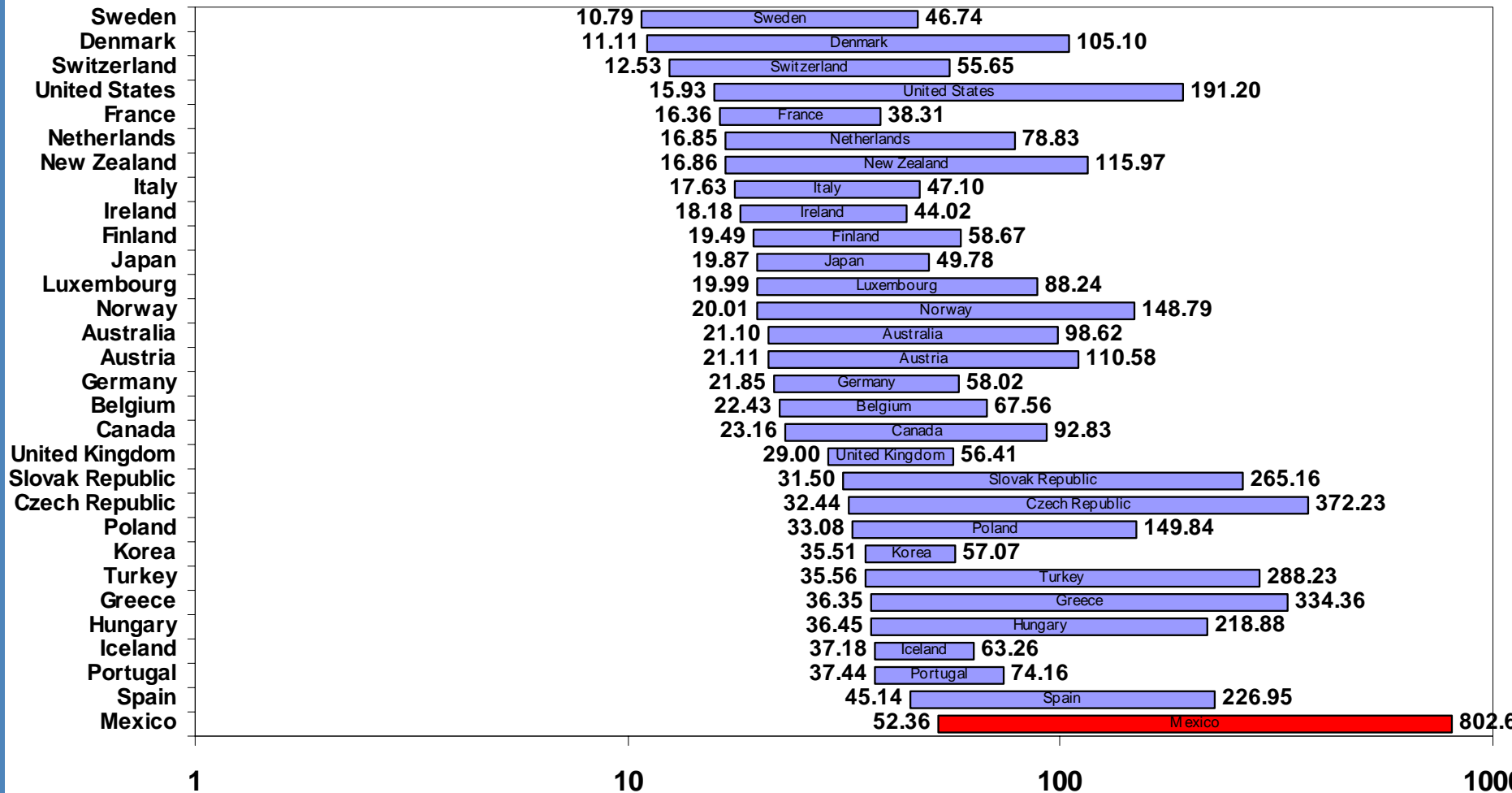
# Broadband prices per Mbit/s, Oct. 2006

Range of broadband prices per mbit/s, October 2006, all platforms, logarithmic scale, USD PPP



# Broadband prices per monthly subscription, Oct. 2006

Broadband price ranges, October 2006, all platforms, logarithmic scale, USD PPP



# Mexico's Performance

- Slow network growth – insufficient competition
- Insufficient investment
- High relative prices
- Weak performance in broadband
- Need to improve data on market performance
- Foreign investment restrictions (Canada, Korea, Mexico);
- No local loop unbundling: Mexico, New Zealand (2007); Switzerland (2007)