

More Mobile Than Ever

By Paul Gibson



In a special report released on September 22, 2008, London-based **Informa Telecoms and Media** takes a snapshot of the key to future success in the mobile industry and some of the major challenges the industry will face in upcoming years.

Andy Reinhardt, Head of Marketing for market researcher *Informa Telecoms & Media*, forecasts a healthy 4 billion mobile subscriptions around the world, coming off a jump to 3 billion - a milestone reached a little over a year. That figure is expected to reach a startling 576.3 million subscriptions by year-end in Western Europe alone.¹

Until now, the major source of revenue has originated from emerging markets, with China heading the pack with over 53.6 million *additional* subscriptions alone this year. Indonesia, Vietnam, Pakistan, Brazil, Iran, Russia and Nigeria have all registered over 10 million new subscriptions each. The most rapidly developing region as far as mobile service is concerned is expected to be

¹ Business Week Online Edition Sept. 25, 2008

Andy Reinhardt, "No Meltdown (Yet) in Mobile Services"

the Middle East, with a healthy 37.33% growth rate in subscriptions.²

The prospect of present growth in subscriptions overshadows the future challenges most operators will face in the near future, however. Markets face fierce saturation, and we can expect mobile competition to appear in the form of price wars and special package offers that will dazzle even the most old-fashioned consumers. The winners seem to be the handset makers who will continue to benefit from increasing demand for better, more sophisticated handsets to impress markets.

As the EU Commission moves to impose a measure to lower roaming charges among EU member countries (by almost 60%), mobile operators need to focus their efforts on new ways to boost revenue via data transmission and / or mobile video services. The most optimistic projections see growth in revenue coming from these sales to outpace subscription growth in the next five years.

Regions such as Africa, Latin America and Asia (especially the Asia Pacific Region) will undoubtedly take center stage, as the number of future subscriptions could reach astronomical figures (over 500 million in the first two regions and a startling 2.5 billion estimated subscriptions for Asia.).

Unlike these growing markets, penetration rates in North America, especially in the U.S. and Canada will expect to slow due to the economic slowdown, but there seems to be more than enough room for mobile operators to see their services expand in the next decade or so, with no immediate end to the flow of good returns and profits in sight.

² Idem.