



Media Release- 4<sup>th</sup> of December 2003

## **ComReg Quaterly Report shows Small Business is gaining from greater choice within the Telecoms market**

The Commission for Communications Regulation (ComReg) said today its latest quarterly report shows that almost two out of every three small businesses believe that there are savings to be gained by changing their telecommunications supplier. The Quarterly Report also shows that 44% of households regularly use the internet and that mobile phone penetration has now reached 83%.

The Report updates information on the Irish Communications Sector for the period from July to September 2003. As part of December Quarterly Report, ComReg also published the results of three surveys which examine the attitudes of Small and Medium Enterprises (SMEs) to telecommunications, a survey of residential internet use, and a survey of attitudes to broadcasting services.

The Internet survey, conducted by Amárach Consulting, shows that Internet penetration is at 44% for all households with a fixed line, up 5% since last quarter. In addition, Personal Computer (PC) ownership has also increased with 49% of all households now having a PC, up 4% on the last quarter.

The SME survey, conducted by TNS mrbi, shows that nine out of ten SMEs are now connected to the internet, up 6% from last year. The percentage of SMEs using DSL lines has trebled since last year, from a base of 3% to 10%.

Subscriptions to flat rate internet products i.e. (FRIACO) increased rapidly from 6,500 last quarter to over 30,000 and orders are now running at over 1,500 per week. DSL broadband connections increased from 7,350 to 13,350 in the quarter to the end of September. In addition, the number of new broadband connections is now running at over 1,000 orders per week.

ComReg said that the Telecoms Sector accounts for approximately 3.5% of GNP and it has an estimated yearly turnover of €3.65 billion. Total revenues for fixed, mobile and broadcasting are up 3% since last quarter. The mobile sector continues to grow with penetration up to 83%, up 2% since the last quarter. Meteor's share of the mobile market has increased by 1% from 4% to 5%. Text messaging continues to grow, with each mobile subscriber sending on average 78 messages each month - up from 65 this time last year. Consumers have also taken advantage of the opportunity provided by Mobile Number Portability with over 40,000 subscribers having ported their mobile number since its introduction in July.

ComReg also said the fourth mobile network operator "3" launched its services on the 30<sup>th</sup> September 2003. "3" who were successful in the competition for the 3G "A" licence has an obligation to provide MVNO access to its network.

ComReg reported that 29% of all households with a television now have digital services. The take-up of digital TV services stands at 47% of all pay-TV subscribers, an increase of 3% on last quarter.

The key regulatory developments in this quarter include market analysis consultations on mobile and broadcasting markets as part of the new regulatory framework, a Decision Notice and response to consultation on ComReg's review of Carrier Pre Selection in Ireland and the Fixed Wireless Access Local Area (FWALA) Competition. ComReg also held its annual National Conference and a Postcode Symposium.

Commenting on the Quarterly Report, the Chairperson of Commission for Communications Regulation, John Doherty said: "Despite difficult trading conditions the Communications sector has achieved a modest level of growth over the last quarter. It's imperative that the level of competition within the communications sector increases as we enter the New Year. Ireland's economy needs a diverse and competitive electronic communications sector to underpin our growth and to allow industry and consumers, alike, the choices, prices and quality they need."

Mr. Doherty also said: "There are encouraging signs in this quarterly report. The numbers of Small Businesses using DSL lines has trebled as more firms see the benefits of upgrading their phone and communication lines. ComReg would like to see a continued increase in DSL take-up throughout 2004. Within the mobile phone sector, the level of mobile number portability shows that there is potential for greater competition within this key sector."

All of the documents relating to the quarterly report are available on the ComReg website. They are as follows:

Market Commentary Report	- <b>ComReg03144a</b>
Key Data Report	- <b>ComReg 03144b</b>
SME survey	- <b>ComReg 03144c</b>
Internet survey	- <b>ComReg 03144d</b>
Broadcasting survey	- <b>ComReg 03144e</b>

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