



Media Release- September 9th 2003

ComReg Quarterly Report shows growing interest in internet services

The Commission for Communications Regulation (ComReg) said its latest quarterly report shows growing interest in internet services with a good uptake of flat-rate internet access products (FRIACO) and a doubling of DSL broadband connections following reductions in price last May.

There has been over 6,500 subscriptions for FRIACO products and there has also been 3,850 additional subscriptions for DSL broadband connections between April and June. However, the percentage of residential users on line has remained static for the last three quarters.

The quarterly report also contains the result of surveys of the communications and postal sectors carried by Amárach Consulting and TNS mrbi on behalf of ComReg between April and June of this year.

The survey results show that for the first time, Irish people are spending more time on-line than they are talking on the phone when it comes to overall telephone usage. 40% of all phone traffic is for internet usage compared to 39% for telephone calls. This reflects a rise in the use of the Internet by low volume users such as small enterprises and residential consumers.

This survey updates market information and indicates trends and developments in the Irish Communications Sector. Among the results of this quarter's survey is the continued growth of the mobile sector, with overall mobile penetration now reaching 81%. There are now 3.17 million mobile subscribers, while growth in text-messaging has stabilised with an estimated 716 million text messages sent during the quarter. Overall revenues for the fixed, mobile and broadcasting sectors have increased.

ComReg said that there has also been a number of other key regulatory developments in the period which include an agreement of charges for Partial Private Circuits with eircom, the launch by two providers of FRIACO services, the publication of a consultation paper on Carrier Pre Selection. Ireland was one of five EU countries which completed on time the arrangements for the introduction of the new EU framework on the 25th of July.

Full Mobile Number Portability was launched on the 25th of July and to date 10,000 numbers have been ported. MNP is expected to grow as operators and consumers become more aware of the opportunities that this service can provide.

The main postal issue for ComReg in the period was the consultation on granting a postal price increase with discounts for bulk users, including small enterprises. ComReg made it clear that An Post must address effectively its inefficiencies, and it must realise the benefits of productivity agreements and capital investments, in order to resolve its financial difficulties and quality of service issues.

The ComReg Quarterly Report also includes the findings of a survey into the attitudes of business and residential consumers to the provision of letter post services. While household generally consider the service to be good, the survey highlights a number of worrying trends, including:-

- Satisfaction has decreased across all service issues rated in this year's and last year's survey.
- Over half of businesses that have personally made a complaint in the past 12 months consider their complaint to have been handled badly.
- The level of dissatisfaction with the latest collection time in relation to next day delivery of letters has increased by 10%.
- There has been an increase in the level of dissatisfaction with the amount of time it takes An Post to deliver letters.

Commenting on the Quarterly Report, the Chairperson of the Commission for Communications, Eoin Doyle said: "while the Irish communications market has grown strongly over recent years, competition has been maintained despite the international downturn. Ireland needs to vigorously enhance competition given its central importance within the communications sector, in particular, for the introduction and supply of broadband services. There are some encouraging signs in relation to internet services in this quarterly review, but clearly we need to see more. Further measures are required which are tailored to the needs of the Irish market. If we wish to encourage more small businesses to use broadband services then such companies need to be sure that they will get the productivity gains and efficiencies which justify investing in such services."

ENDS

Issued By

Tom Butler

Public Affairs Manager, ComReg

Ph: 01 804 9639 Mobile: 087 2536358

tom.butler@comreg.ie