



Office of the Director of  
**Telecommunications  
Regulation**

## **MEDIA RELEASE**

*For Immediate Release*  
Thursday 28<sup>th</sup> September 2000

**More Competition evident in the Telecoms market – New Entrants now command 15% of the market.**

**More Mobile than Fixed Lines**

**Regulator warns that prices must continue to fall if we are to remain competitive in the international arena.**

Etain Doyle, Telecommunications Regulator, today (Thursday 28<sup>th</sup> September 2000) issued details of her latest quarterly review of the Telecoms market for the period 1<sup>st</sup> April 2000 – 30<sup>th</sup> June 2000.

According to the Regulator “ the Telecoms Market in Ireland continues to expand with virtually all segments of the market experiencing increased demand. There is strong evidence to suggest that competition continues to develop with new entrant’s share of the fixed market in excess of 15%. The full automation of carrier pre-selection since April 2000, which enables the customers switch operator with relative ease has greatly facilitated this competition .The mobile market in Ireland exhibits the third fastest relative growth rate in Western Europe. Mobile market penetration is estimated at just below 50% and the number of mobile subscribers now stands at 1.86 million. For the first time the number of mobile lines have now exceeded the number of fixed lines. ”

She continued “In the leased lines sector Ireland has made some significant improvements, particularly in the international leased lines market. Ireland has climbed from 8<sup>th</sup> to 2nd position in this market just behind the leading country Denmark.”

However the Regulator warned against any sense of complacency. She said “A lot of work still needs to be done and in particular I am concerned about the price levels of local and national calls both in the business and residential sectors. Prices have fallen significantly in Ireland but they need to fall even faster. I am hopeful that increased competition will continue to drive these prices down. Of 19 key countries surveyed Ireland currently is ranked 14<sup>th</sup> in the residential market and 12<sup>th</sup> in the business market. I hope to see significant improvements in this area.”

### **Some highlights of the Quarterly Review:**

- Total revenues for the fixed, mobile and broadcasting markets are now worth over £1.85 billion a year representing a 10% increase on previous estimates (£1.66b).
- The Telecoms market in Ireland is now estimated to account for approximately 2.7% of Irish GDP.
- Based on data supplied by the operators for the three months to June 2000, the ODTR estimates that the new entrants share of the fixed line market is in excess of 15%. This compares very favourably to international experience – particularly for a country that has experienced less than 2 years of liberalisation.
- Mobile phones have for the first time surpassed fixed PSTN lines as the most popular means for voice communications. At June 2000, the number of fixed lines remains constant at just under 1.59 million while mobile lines account for over 1.8 million up from 1.6 million in the last review. Market penetration in the mobile market is at 49%.
- There is evidence to suggest that Internet traffic is growing. As a percentage of total fixed line minutes, Internet usage accounts for 22%. With voice traffic increasingly migrating to the mobile networks, domestic traffic that includes both local and national long-distance calls, now accounts for just over 55% of total fixed traffic. The shares of both outgoing international minutes and other minutes have remained relatively constant accounting for approximately 7% and 5% of the market respectively, while despite the huge growth in the number of mobile

subscribers, interestingly calls to mobiles still only make up 9% of total fixed traffic.

Further growth in Internet traffic is predicted over the next few months as NTL and Irish Multichannel roll out their local broadband networks across the major population centres. The ODTR estimates that approximately 1.6 million households in Ireland could potentially subscribe to cable or MMDS services. Both operators will hope to leverage this large customer base in the emerging market for Digital TV in Ireland. Experience in the UK shows that one in five households now subscribe to digital television services.

How does Ireland rank in comparison to other key countries within the OECD in relation to telecom tariffs?

- In the national sector, Ireland has improved its position by one ranking in both the residential and business sectors since June. Of the 19 key countries surveyed Ireland lies 14<sup>th</sup> and 12<sup>th</sup> respectively. To improve our competitiveness we not only need to reduce our prices but we also need to reduce them to rates lower than our international rivals. This is the only way that Ireland can improve its position in the rankings.
- In the leased lines sector Ireland has made some significant improvements. In the International leased line market Ireland now is ranked second. This significant improvement can in part be attributed to increased competition in the market arising from the Government backed Global Crossing Link. Ireland has also improved in the national leased line market, climbing one position from 7<sup>th</sup> to 8<sup>th</sup>. This is a direct result of 16-18% price reductions by *eircom* effective from July 2000.

**A copy of the Document 00/71 Irish Telecommunications Market Quarterly Review- September 2000 is available on the ODTR website [www.0dtr.ie](http://www.0dtr.ie)**

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