



Office of the Director of  
**Telecommunications  
Regulation**

## **MEDIA RELEASE**

*For Immediate Release*  
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### **The Irish Telecommunications Market – Two years after liberalisation**

**Revenues exceed £IR 2 billion in the Communications sector**

**Over 2 million Mobile customers.**

**Prices falling but need to fall more**

Telecoms Regulator, Etain Doyle, today (1st December 2000) on the second anniversary of liberalisation of the Telecommunications Market issued details of her latest quarterly review for the telecoms market for the period 1<sup>st</sup> July 2000 – 30th September 2000. She also published the findings of an independent survey carried out by Irish Marketing Surveys on behalf of the ODTR, on the attitudes of SME's to services provided by Telecoms Operators.

- Total revenues for the fixed, mobile and broadcasting markets are now worth over £2 billion a year — the telecoms sector now accounts for approximately 2.9% of GNP.
- There are now over 2 million mobile users, market penetration is at 54% but the price of mobile calls remains extremely high when compared to other OECD countries

According to the Telecoms Regulator “ Ireland has achieved much over the last two years . The are now 77 licensed operators 46 of which are active in the market, 6 wireless local loop operations, 3 licensed mobile operators and a greatly improved interconnect regime. It’s worth remembering that only two years ago most of this sector was the preserve of a monopoly. The new companies and the *eircom* response have transformed the market and we have been pleased to play our part, forcing the pace of change to the benefit of the user. I believe the liberalised market is just breaking into its stride. Recent announcements of major developments for cable, MMDS, Fixed Wireless Access, pricing and number portability are testament to this.”

**Highlights of the report are:**

**Fixed Line Services**

New entrants share of the fixed line market is now over 17%.

120,000 customers are now availing of carrier pre-selection a 100% increase on last quarter’s figures.

There are now 11 companies offering services in the residential market with eight of these providing the full suite of services i.e. local, national and international.

The introduction of Geographic Number Portability from today onwards should ease transfers from one operator to another in particular to small and medium sized businesses and also to residential customers. This facility is expected to increase the level of competition in the market by reducing the barriers to changing operators.

**Mobile market**

The mobile market continues to expand rapidly. Total number of mobile subscribers now stands at just over 2 million. Mobile market penetration rate is currently at 54% compared to 49% at the start of June 2000 and is expected to exceed 60% by year-end.

However in terms of prices in the mobile market Ireland fares badly when compared with other OECD countries. In the mobile business market as shown by the standard OECD statistics Ireland is ranked 19<sup>th</sup> and in the mobile residential market 18<sup>th</sup>. Both positions are well below the OECD average and clearly there is a lot of room for improvement in this sector. Ireland's position in this market is expected to improve with Meteor entering the market in early 2001.

### **Tariffs**

Although prices have dropped considerably in all sectors since the introduction of competition two years ago, to be competitive on an international scale prices need to drop below the international equivalent.

In the national residential market Ireland improved its position by three rankings since the last quarterly review. This is largely due to *eircom*'s reduction in the minimum call charge from 11.5p to 5p. Ireland is now 5 points ahead of the OECD average and is ranked 11<sup>th</sup> out of 19 countries.

Ireland has consolidated its strong position in the international leased line market by retaining 2<sup>nd</sup> position just behind Denmark. In the national leased line market Ireland retained its 7<sup>th</sup> position.

### **Survey results**

The ODTR commissioned Irish Marketing Surveys to carry out a survey of SME's and their attitudes to services provided by telecom operators. Over 200 companies were surveyed in early October this year.

### **Key findings include**

Following liberalisation

- 95% believe the sector is more competitive.
- 85% believe costs have fallen
- 85% of respondents said they would switch service provider on the basis of price reductions.
- Among those surveyed *eircom* is currently the most widely used supplier for local, national and international calls. 78% of companies currently use *eircom* for their

local landline calls and 69% for their international landline calls. 8% of companies currently use Esat Clear for local calls, 12% for national calls and 12% for international calls. Very low proportions of companies use other suppliers i.e. less than 3%.

- 89% of companies say they are aware they can now select an operator other than eircom to carry their calls (Carrier Pre Selection)
- 81% of companies are satisfied with the availability of services from their current service provider.
- 31% of customers are dissatisfied when it comes to the issue of price believing they are simply too expensive.

The regulator concluded “ A very good start has been made to date but this is a market that moves fast. With many of the right foundations in place and some such as local loop unbundling coming very shortly, Ireland can reach new heights. I wish to ensure that the ODTR continues to play our part in keeping Ireland at the top of the European league table in terms of offering consumers the best in telecommunications service.”

00/91 “The Irish Telecommunications Market after two years of Liberalisation – Quarterly Review December 2000” is available on the ODTR website [www.odtr.ie](http://www.odtr.ie).

**ENDS**

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