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Colombia: Government-Led Initiatives Boost Vitality of Fixed Broadband and Mobile Data Markets

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Summary

‘Colombia: Government-Led Initiatives Boost the Vitality of Fixed Broadband and Mobile Data Markets’ offers an incisive profile of Colombia’s mobile and fixed telecommunications and pay-TV markets based on comprehensive proprietary data and insights from our research in the Colombian market. Published annually, this presentation-quality, executive-level report provides detailed analysis of the near-term opportunities, competitive dynamics and evolution of demand by service type and technology/platform across the fixed telephony, broadband, mobile and pay-TV sectors, as well as a review of key regulatory trends.

The executive-level report contains detailed forecasts of key indicators up to 2018, delivering deep quantitative and qualitative insights, analyzing key trends, evaluating near-term opportunities and assessing risk factors, based on proprietary data from Pyramid Research’s databases.

The Country Intelligence Report provides in-depth analysis of the following:

• Regional context: telecom market size and trends in Colombia compared with other countries in the region.
• Economic, demographic and political context in Colombia.
• The regulatory environment and trends: a review of the regulatory setting and agenda for the next 18-24 months as well as relevant developments pertaining to spectrum licensing, national broadband plans, number portability and more.
• A demand profile: analysis as well as historical figures and forecasts of service revenue from the fixed telephony (including VoIP), broadband, mobile voice, mobile data and pay-TV markets.
• Service evolution: a look at changes in the breakdown of overall revenue between the fixed/pay-TV and mobile sectors and between voice, data and video from 2014 to 2019.
• The competitive landscape: an examination of key trends in competition and in the performance, revenue market shares and expected moves of service providers over the next 18-24 months.
• In-depth sector analysis of fixed telephony, broadband, mobile voice, mobile data and pay-TV services: a quantitative analysis of service adoption trends by network technology and by operator, as well as of average revenue per line/subscription and service revenue through the end of the forecast period.
• Main opportunities: this section details the near-term opportunities for operators, vendors and investors.
Key findings

Key findings of the report include:

- The government launched the second phase of the Vive Digital plan, shifting focus to the development of applications and services, and to the development and improvement of e-government services.
- The auction for the 700MHz spectrum will take place during the first half of 2015, with 90MHz of spectrum being made available.
- We expect broadband lines to expand at a CAGR of 11% between 2014 and 2019, to reach 6.6m lines by 2019, for a population penetration of 12.6%.
- The pay-TV market in Colombia generated about $920m in estimated service revenue in 2013 and had a household penetration of 37.6%, below the regional average of 41.4%.
Report highlights: Demand profile

COLOMBIA COMMUNICATIONS MARKET REVENUE, 2013-2019

SEGMENT REVENUE CAGRs, 2014-2019

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<th>Segment</th>
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<td>Pay-TV</td>
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<td>Broadband Internet access</td>
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<td>Fixed VoIP</td>
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<td>Fixed circuit-switched voice</td>
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<td>Mobile data</td>
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<td>Mobile voice</td>
<td>X.X%</td>
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<td>Market total</td>
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Sources: Pyramid Research, operators
Report highlights (cont’d): Demand profile

The Colombian telecom services market is dominated by mobile services, with mobile voice and mobile data together accounting for just over two-fifths of total revenue

Colombia’s telecom and pay-TV markets were worth $10.2bn in 2013, and we estimate they will generate service revenue of $X.Xbn in 2014, down X.X% year-over-year (in local currency terms, total market revenue will expand by X.X% in 2014). The mobile voice and data segments alone will account for 60.2% of the total in 2014, while fixed voice (circuit-switched and VoIP) and Internet will account for a combined X.X%. We expect to see overall service revenue grow at X.X% CAGR over the 2014–2019 period. Mobile data will grow faster than any other segment (CAGR of X.X% between 2014 and 2019) as adoption of smartphones and LTE services expands. The pay-TV segment will also grow at a fast pace (CAGR of X.X% between 2014 and 2019), mainly driven by the increased offering of DTH services. For instance, Claro is set to launch its DTH service in 2014 to complement its current cable-based pay-TV offering. The fixed broadband market will expand at a CAGR of X.X%, primarily driven by efforts carried out by the government through the Vive Digital plan.

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Source: Pyramid Research
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Report methodology

The Colombia Country Intelligence Report’s detailed analysis of the trends, regulatory environment, competitive dynamics and opportunities in the fixed, mobile and pay-TV service markets in Colombia is built around Pyramid Research’s Forecast products, the most comprehensive demand, growth and market share tracking service available in the industry. These forecasts are developed using a bottom-up methodology that combines secondary and primary research with international benchmarking and quantitative modeling in order to present a complete picture of the socio-demographic, competitive and demand trends affecting Colombia.

Primary research involves interviews with service providers, vendors, the regulatory authority and other market participants as well as end-user surveys on an ongoing basis, led by Pyramid Research’s regional experts. The secondary research effort includes obtaining relevant data and intelligence through publicly available sources, regulatory authority publications, trade associations, specialist databases, company financial reports, presentations and press releases. Pyramid Research’s proprietary databases tracking more than 100 countries worldwide allow for unmatched international benchmarking capabilities to inform the assumptions behind projected technology and service adoption trends.
Reasons to buy

This Country Intelligence Report helps executives build proactive, profitable growth strategies by offering comprehensive, relevant analysis of Colombia’s communications market. The analysis is based on insights directly from the local market players.

- The report offers a wealth of data on the Colombian telecom markets, with the mobile and fixed segments examined in detail.
- The competitive landscape and the major players are given extra attention, enabling local players or prospective market entrants to gain the insight they need.
- The broad but detailed perspective will help operators, equipment vendors and other telecom industry players to succeed in the challenging telecommunications market in Colombia.
- The report is designed for an executive-level audience, boasting presentation quality that allows it to be turned into presentable material immediately.
- The report concludes with an exploration of the opportunities available in the Colombian market to operators, vendors and investors.
Country Intelligence Report

Pyramid Research’s premium Country Intelligence Reports are the industry’s best available analysis of market trends, regulatory environments and competitive dynamics for 101 countries worldwide. Each report offers a precise, incisive profile of the converged telecommunications, media and technology sectors, based on proprietary data from Pyramid Research's country-by-country research. Published annually, these executive studies provide a holistic view of communications markets around the world by analyzing key trends, evaluating near-term opportunities and assessing upcoming risks factors.

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* Abridged version
About Pyramid Research

ADVISING LEADERS IN THE GLOBAL COMMUNICATIONS INDUSTRIES ON EMERGING MARKETS AND SERVICES OPPORTUNITIES

Pyramid Research (www.pyramidresearch.com) offers practical solutions to the complex demands our clients face in the global communications industry. Its analysis is uniquely positioned at the intersection of emerging markets, emerging technologies and emerging business models, powered by the bottom-up methodology of our market Forecasts for more than 100 countries — a distinction that has remained unmatched for more than 25 years.

HOW WE COVER COMMUNICATIONS MARKETS

Our highly structured analysis closely examines the performance, technology trends, macroeconomic and regulatory environment, of service providers and equipment vendors in each of the more than 100 countries we cover. Using a bottom-up approach, we size market demand across services and countries, and conduct end-user surveys to validate adoption trends and anticipate shifts in demand. Our commitment to intensive, direct interviewing of regulatory authorities, service providers and manufacturers — complemented with end-user data — ensures the most reliable portrait of every market we examine.
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