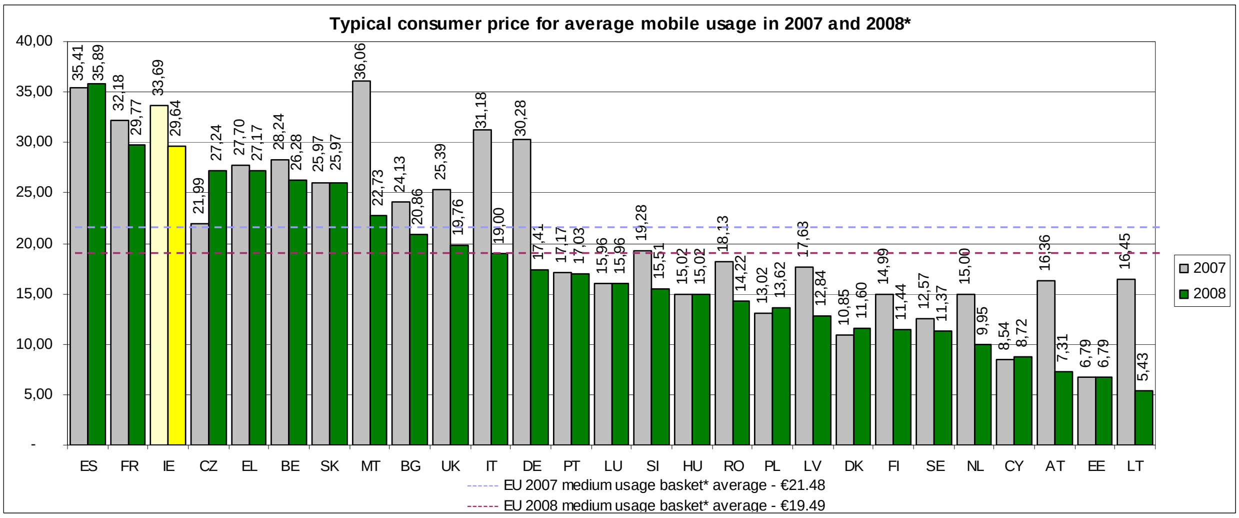
Towards a Single European Telecoms Market:

Focus on Ireland

European Commission
Information Society and Media

Irish consumers are benefiting from increasingly cheaper and transparent mobile prices at home - thanks to steps from the national regulator - and roaming prices - thanks to the EU Roaming Regulation. The mobile penetration rate in Ireland was exactly at the EU average (119%) in October 2008. While mobile broadband is spreading quickly, Ireland recorded average growth in new fixed broadband internet lines in the EU in 2008. However, the digital divide persists in rural areas where fixed broadband (DSL) coverage is 73% compared to 89% of national coverage. Competition on the market for fixed calls remains limited.



*The above table relates to the cheapest offer in the medium usage basket using OECD methodology as of 2006. It consists of 65 outgoing calls per month + 50 SMS messages + 2-3 MMS. 21% of calls are to fixed line phones, 72% to mobile phones, 7% to voicemail. Where appropriate, it includes monthly rental, and any registration charges (post-paid offers, in particular).

Progress

Broadband growing

Take up of fixed broadband internet grew to 20% of the population in 2008, compared to 17% one year earlier in Ireland. This is closing in on the EU average of 23% and almost 10 percentage points more than two years ago. In addition, mobile and cable operators continued to attract new broadband customers in 2008.

Attempts to bridge rural digital divide

Fixed broadband (DSL) coverage in rural areas stood at 73%, an increase of 9 percentage points over a year. This is still however 16 percentage points less than national coverage, although this digital gap has narrowed from 22 percentage points last year.

Mobile broadband penetration (including access to the internet via mobile phones as well as data cards) – a way of bridging the digital divide in areas where fixed networks have not developed – reached 20.5% in January 2009, largely above the EU average of 13%.

Ireland has launched a National Broadband Scheme (NBS) to extend broadband access to the estimated 10% of Irish people without access to the existing broadband infrastructure. It is expected that broadband services will be deployed in all NBS areas within 22 months.

Dynamic mobile market

Lower consumer prices and easy number portability helped the mobile penetration rate climb to 119% in October 2008 (EU average 119%).

A mobile phone call costs the average Irish consumer €0.11 per minute, making them better of than the EU average (€0.23).

It only takes one day to port an Irish mobile number, well below the EU average (8.5 days). In Ireland, 24.6% of numbers have been ported (well above the EU average of 10.38%). Approximately 1.3 million mobile numbers had been ported by October 2008, almost twice as much as the 690 000 ported two years ago.

Areas for Improvement

Wholesale costs holding back broadband competition

Competition has been hindered by expensive and unreliable wholesale access to the incumbent's network. The monthly rental charge for making the last mile of phone lines to homes accessible to alternative operators increased for the second year running, and is now the highest in the EU. Service failures for alternative operators using these lines have made life even harder for them.

Fixed market held back by low competition and high consumer prices

Only 5.8% of the alternative operators were using their own network infrastructure for the delivery of fixed telephony services in 2008 and the high cost for alternative operators of using the incumbent's phone network to provide services has had bad effects on competition and prices. In particular, the incumbent increased its local calls tariffs in 2008, and its consumer monthly line rental charge of € 25 remained the highest in the EU. At the same time, only 22% of subscribers used an alternative provider for fixed line phone services in July 2008, no change compared to one year earlier. It also takes much longer to port a fixed than a mobile number - 10 days, above the EU average of 7.5 days.

It is no surprise that there are high levels of consumers substituting fixed for mobile lines.

Digital TV advances slowly, still waiting for switchover deadline

75% of Irish TV viewers use satellite or cable, and 58% of Irish TV viewers receive digital TV services. A digital terrestrial TV (DTTV) pilot project in the Dublin area has been successfully completed. The launch of both public and commercial DTTV is likely to take place in the autumn of 2009.

However, a specific analogue broadcasting switch-off date still has not been set in Ireland, even though Digital Terrestrial TV plans have been set out.

TELECOMS SECTOR'S KEY FIGURES	EU	Ireland
Total value of sector (2007)	€356.85 billion	€4.35 billion
Nominal growth of sector (2007)	2%	6%
Total capital investment (2007)	€52 billion	€0.3 billion
Fixed broadband penetration rate January 2009	22.9%	20.2%
Mobile broadband (data cards) penetration rate January 2009	2.8%	6.3%
Mobile penetration rate	119%	119%
Average mobile termination rates	€0.0855	€0.1001
Incumbent's fixed broadband market share January 2009	45.6%	51.6%
Incumbent's market share in direct fixed access	81.4%	99.8%
Total mobile ported numbers in 2008 only	14 million	260 000
Total fixed ported numbers in 2008 only	6.5 million	7 725
Average/typical broadband consumer price*	€36.89/month	€40.58/month
Average/typical mobile communication consumer price**	€19.49/month	€29.64/month
Average/typical fixed telephony communication consumer price***	€36.13/month	€52.74/month

* Median basket price for broadband (2-4Mbps offers) using purchasing power parity (PPP)
** Average "medium usage pre&post-paid 2006 OECD basket" price for mobile communications. The figure for Ireland refers to the cheapest available offer of the two largest operators on the market
*** Average "medium usage residential 2006 OECD basket" price for fixed voice communications

For further information

Full report on the Internet: http://ec.europa.eu/information_society/policy/ecomm/library/communications_reports/annualreports/14th/index_en.htm
More information on telecoms: http://ec.europa.eu/ecomm
Europe's Information Society Thematic Portal: http://ec.europa.eu/information_society
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