

# Is telecoms still a growth business?

Top ten telecoms markets versus economic growth forecasts 2017-2022

3 April 2019

# Introduction

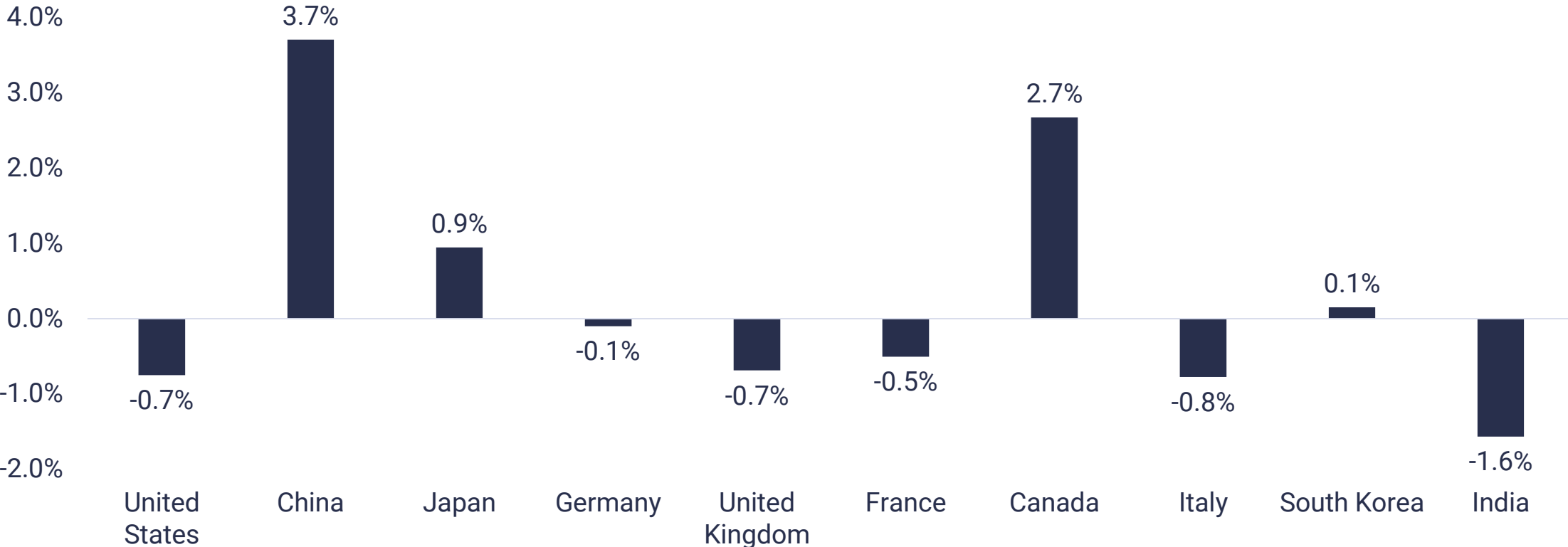
- This document digs deeper into just one of the 200+ forecasts and charts in STL Partners [2017-2022 Telecoms Revenue Forecast](#)
- It compares forecast telecoms services growth with OECD forecasts for economic growth

# Executive summary

- Key findings:
  - Six of the top 10 largest global telecommunications markets are forecast to shrink between 2017 and 2022
  - The large European markets are all shrinking
  - China is forecast to lead the pack in terms of growth
  - Canada has a strong outlook in fixed services
  - India's mobile market looks set to grow
- In real terms, this is effectively shrinkage in share of economic value as most telecoms markets are growing more slowly than their national economies
- Telcos need to significantly 'up their game' on new sources of growth

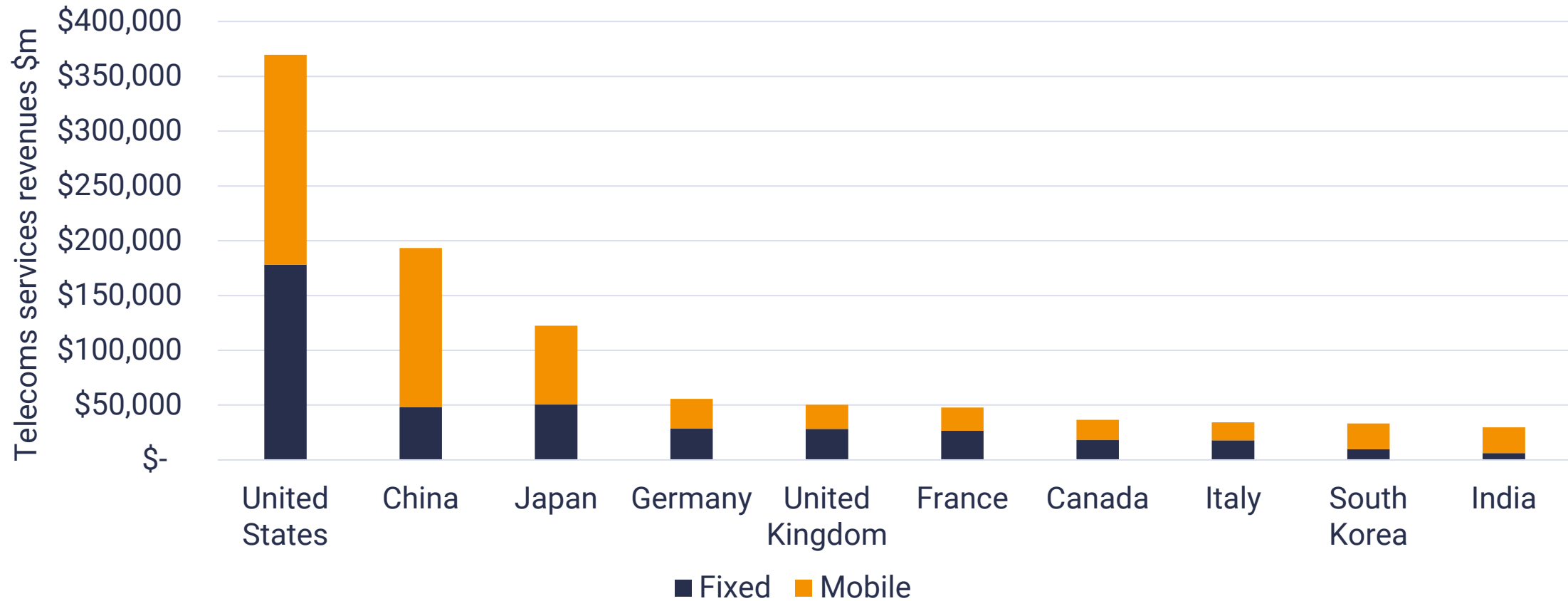
# Six of the top 10 largest global telecommunications markets are forecast to shrink between 2017 and 2022

Forecast compound annual growth for the 10 largest telco markets (fixed and mobile) 2017-2022



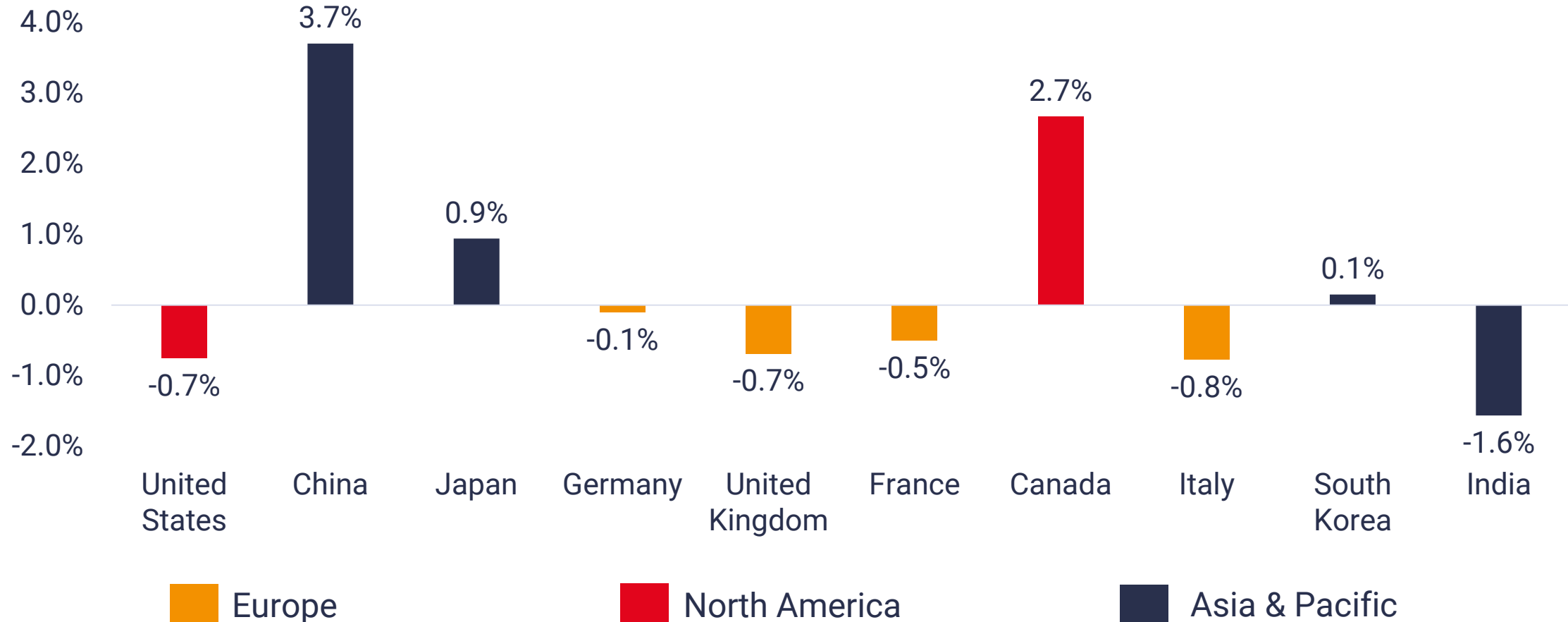
# In context: the markets in the US, China and Japan are significantly larger than the rest

## Top ten telecoms markets by size



# The large European markets are all shrinking

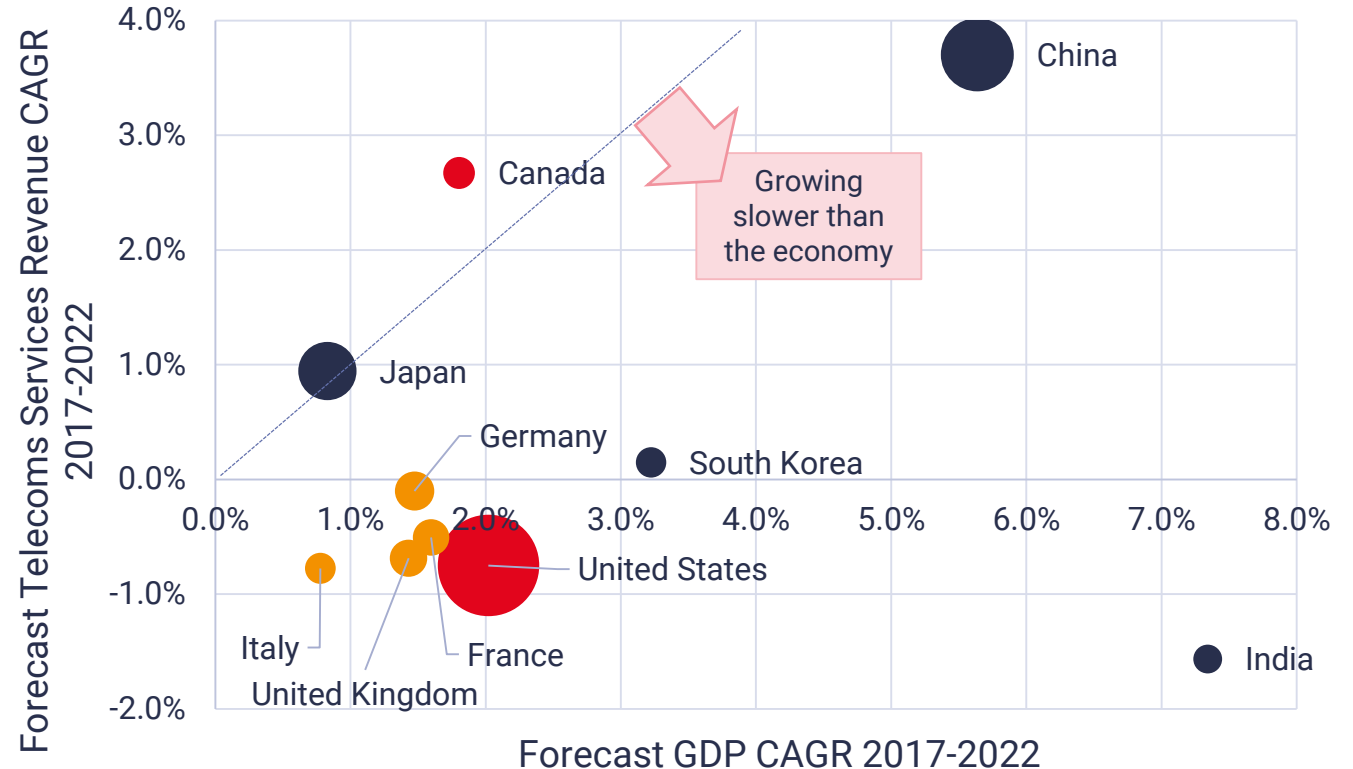
Forecast compound annual growth for the 10 largest telco markets (fixed and mobile) 2017-2022



# China is forecast to lead the pack in terms of growth

- Overall, China is leading the pack in terms of growth
- Only telecoms services in Canada and Japan are forecast to grow faster than their national GDPs
- India's fiercely competitive market is forecast to shrink despite strong economic growth

Total Telecoms Services vs Economic Growth Forecasts, 2017-2022

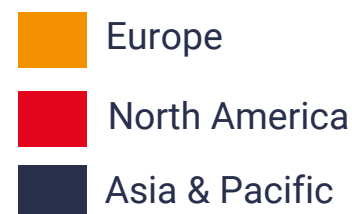
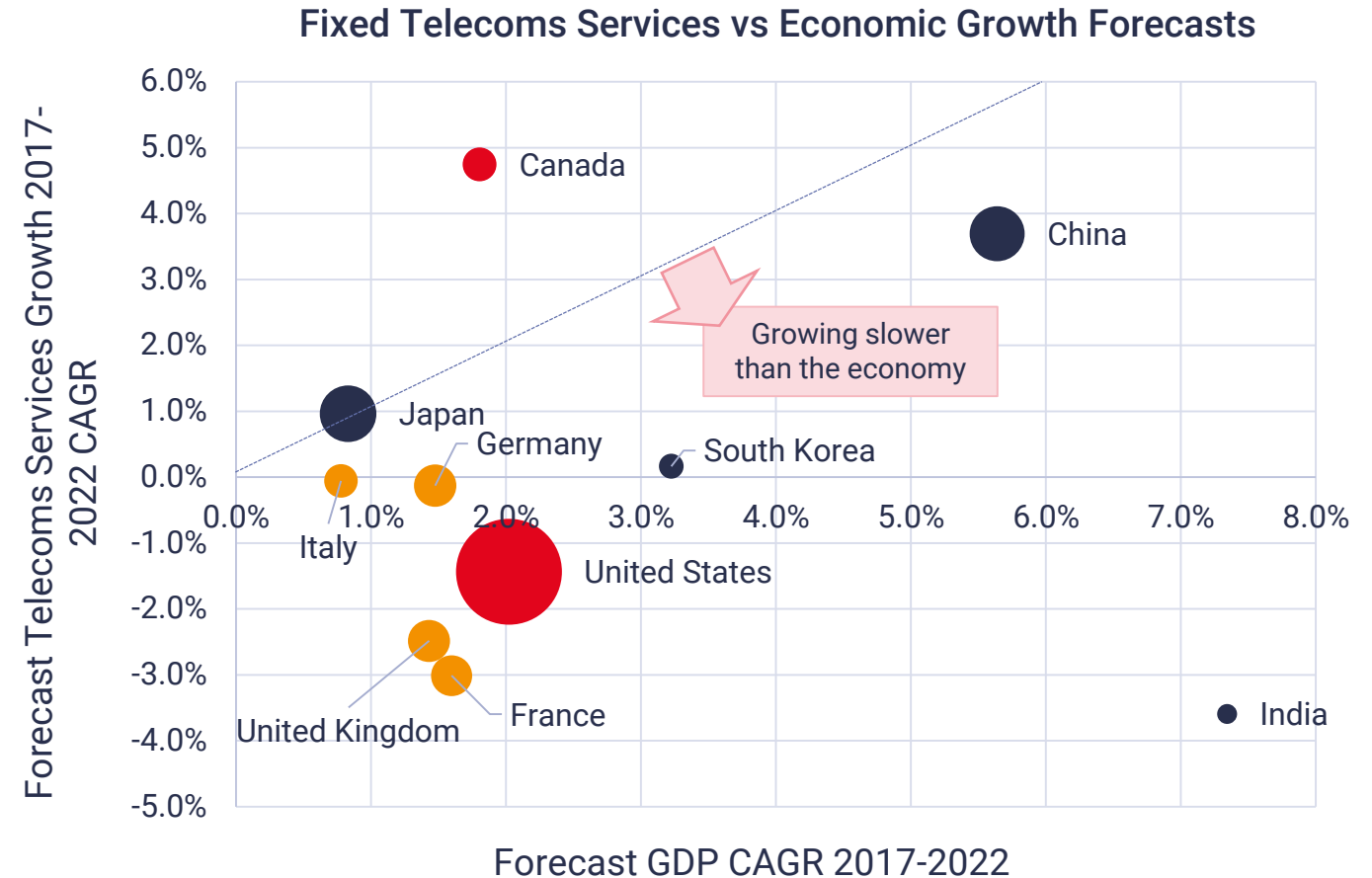


Bubble size = 2017 Services Revenues

Sources: STL Partners and OECD Forecasts

# Canada has a strong outlook in fixed services

- The outlook for fixed is strong in Canada
- Among the Europeans, the fixed outlook is marginally better in Italy and Germany than the UK and France
- Even though India's fixed market is small, it is nonetheless forecast to shrink



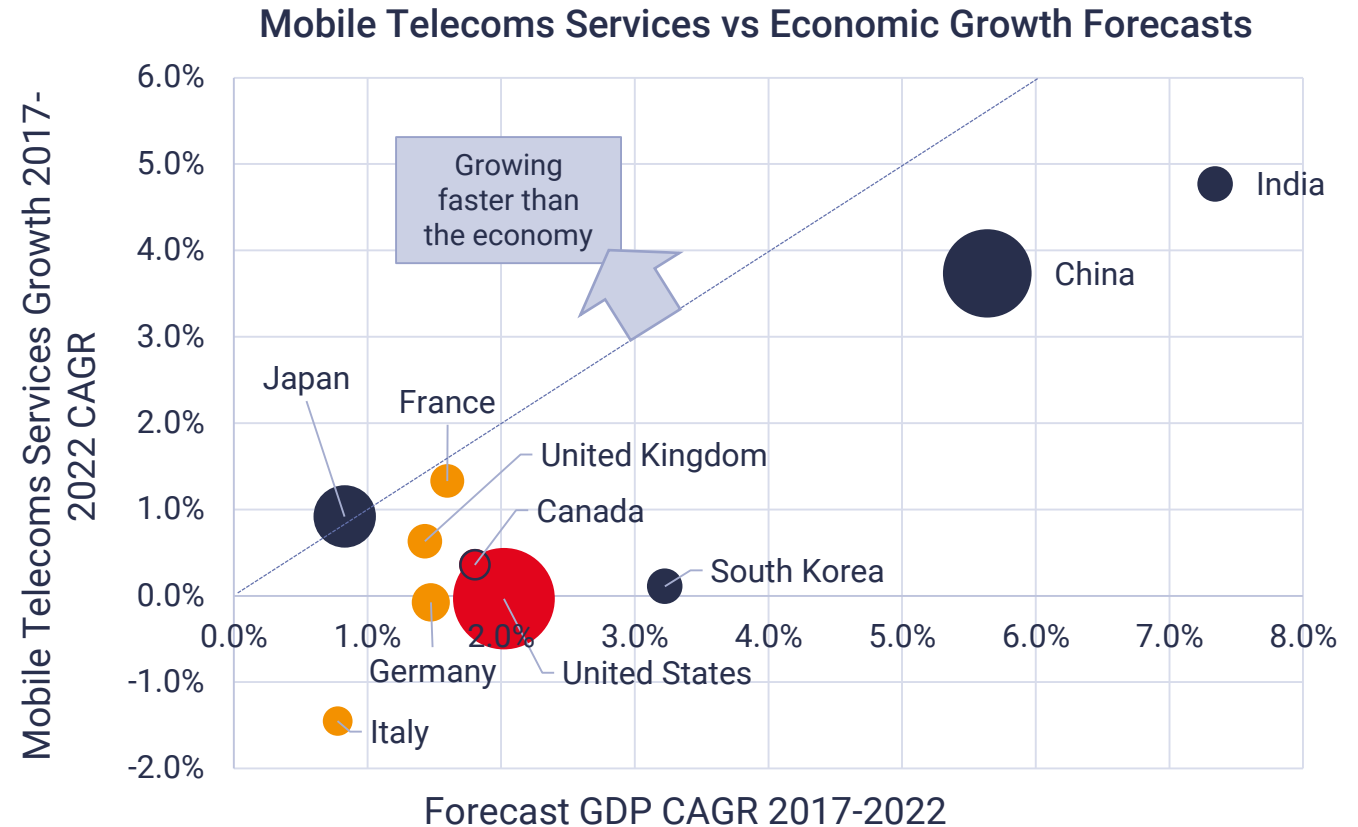
Bubble size = 2017 Services Revenues

Sources: STL Partners and OECD Forecasts 8



# India's mobile market looks set to grow

- Italy's mobile market is moribund
- Most other markets face tepid growth
- Only Japan's mobile market is forecast to grow even slightly faster than its economy



Bubble size = 2017 Services Revenues

Sources: STL Partners and OECD Forecasts

# Conclusions

- There is still some growth in the largest markets, but the vast majority of this growth is in China
- With the exception of Canada, all the other largest markets are either shrinking or at close-to-zero growth
- In real terms, this is effectively shrinkage in share of economic value as most telecoms markets are growing less than their national economies
- Telcos need to significantly 'up their game' on new sources of growth

# Get in touch to talk about our revenue forecasts

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