Information Society and Media

European Commission

Overview of the situation in the 3G sector

PUBLIC PRESENTATION: SECTOR INQUIRY ON NEW MEDIA (3G)

FRIDAY 27 MAY 2005

Peter Rodford

DG Information Society and Media

Outline of presentation

- Developments to date
  - Legislative background
  - Licensing
  - Commercial issues
- Current state of play
  - Rollout / coverage in EU
  - Take-up
  - Operators / Services
- Conclusion

Information Society and Media

European Commission

Perspectives on market

- **Differences as between market players**
  - Premium content / peer to peer
  - Role of voice services
  - 2.5G / 3G / 3.5G
- **Differences between countries / regions**
- **Wider sectoral issues to be resolved**

Policy background

- **Policy goals**
  - Building information society
  - Capitalising and building on Europe’s 2G success
- **Common technology platform**
  - UMTS – pan-European services

Information Society and Media

Legislative framework

European Commission

- **Legislative framework**
  - UMTS Decision
  - Licensing Directive
  - NRF – approach to regulatory remedies
  - Full Competition / Mobile Directives

Information Society and Media

Problems

European Commission

- **Sector decline**
- **Fragmented national approaches**
  - Selection procedures
  - Charges (0 to 650 euro per inhabitant)
  - Licence duration
  - Deployment conditions
- **The financial context**
  - Declining confidence of financial markets
  - Licence costs, deployment and marketing
- **Technical problems**
- **Delayed rollout**

Policy responses

- **European Council of March 2002 - Commission to analyse barriers**
- **Commission communications**
  - Reiterates importance of 3G for Europe
  - Proposes actions to address regulatory policy barriers
- **Network infrastructure sharing**

Information Society and Media

Outlook improves

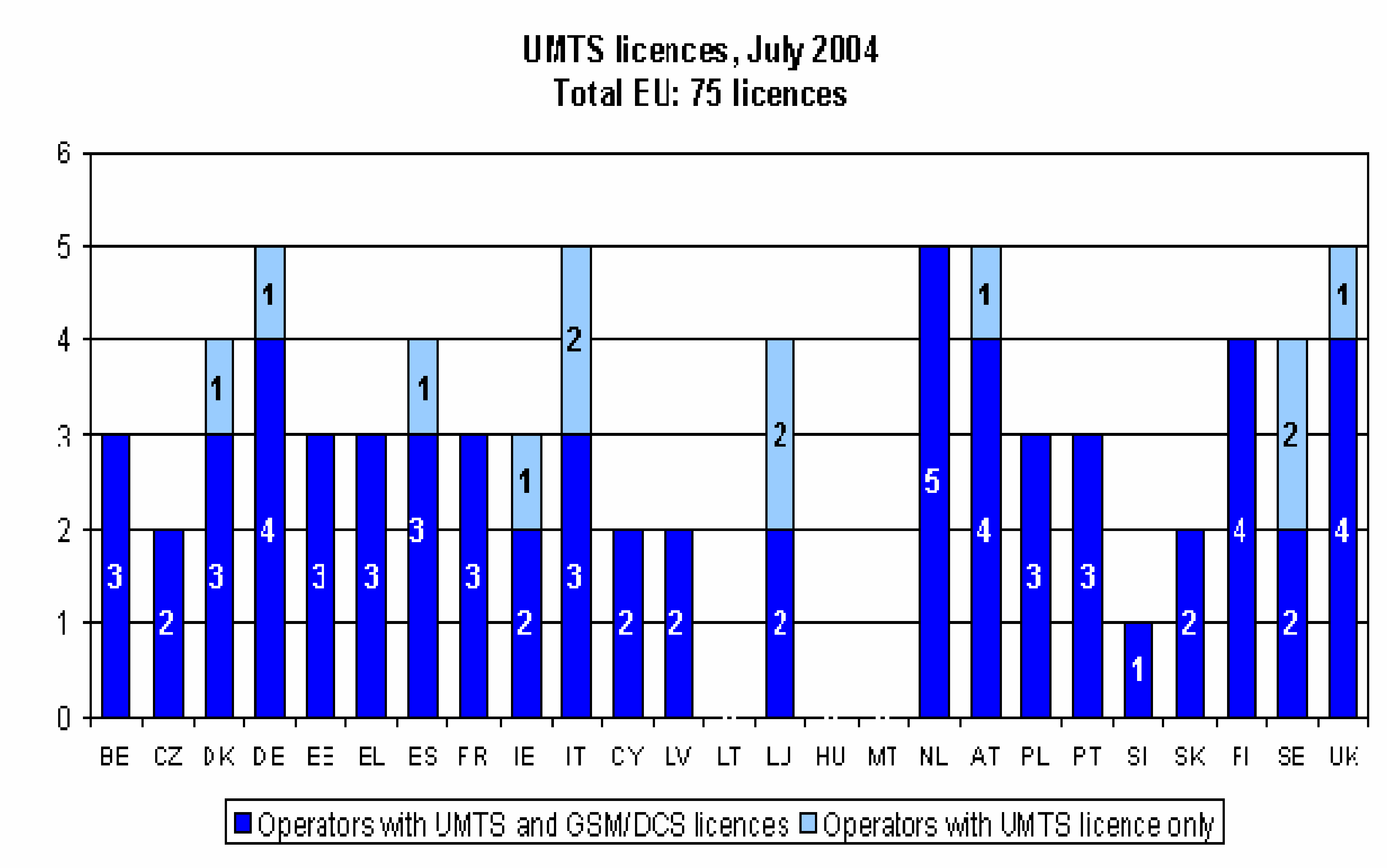
European Commission

- 3G network rollout begins in 2002 and gathers pace in 2003
- Handset issues ease
- 2003 first commercial launch
- Evidence of market for data services
- There are now 78 licences covering 23 EU MS

Information Society and Media

3G Licences

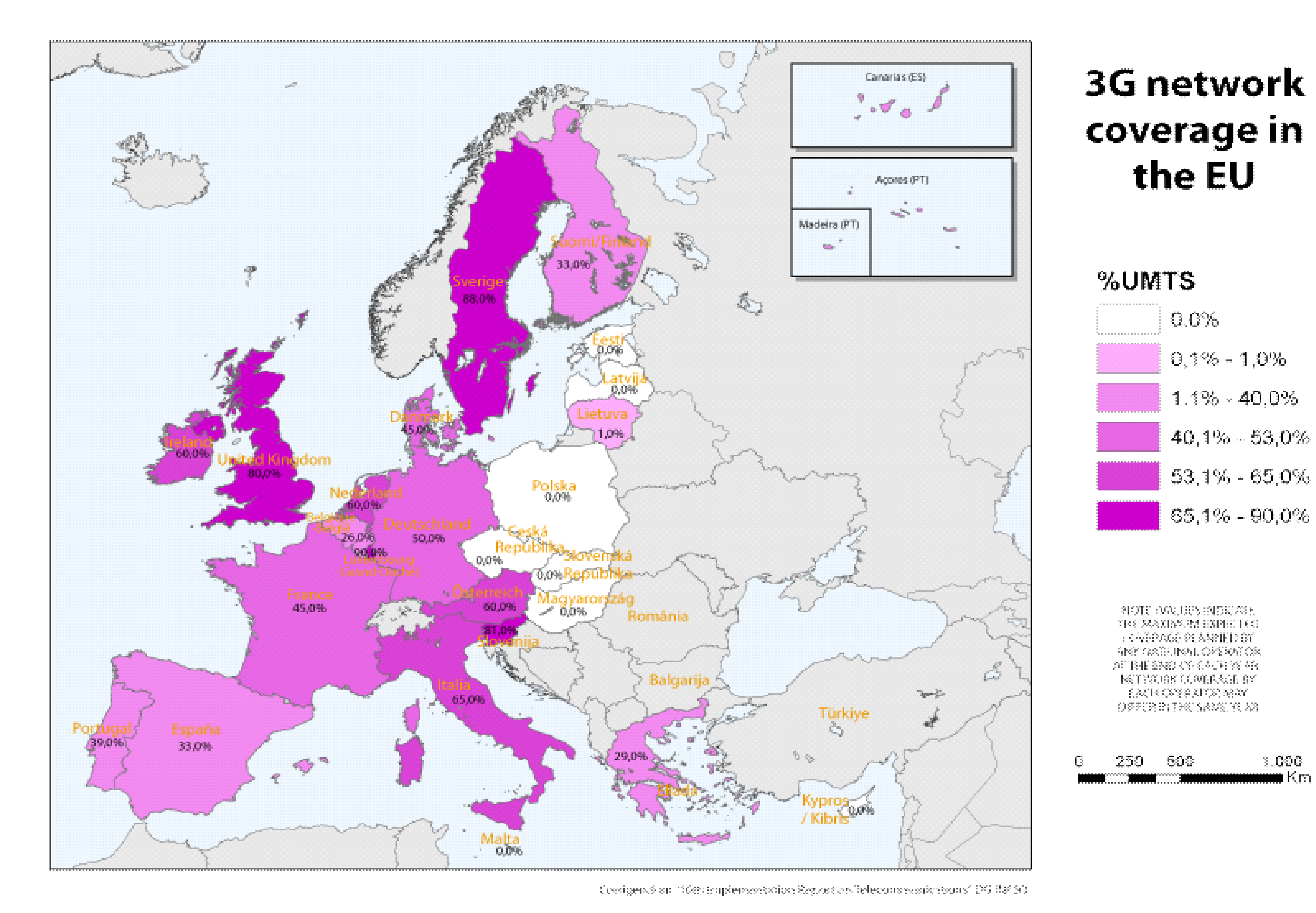
European Commission



Information Society and Media

3G population coverage

European Commission



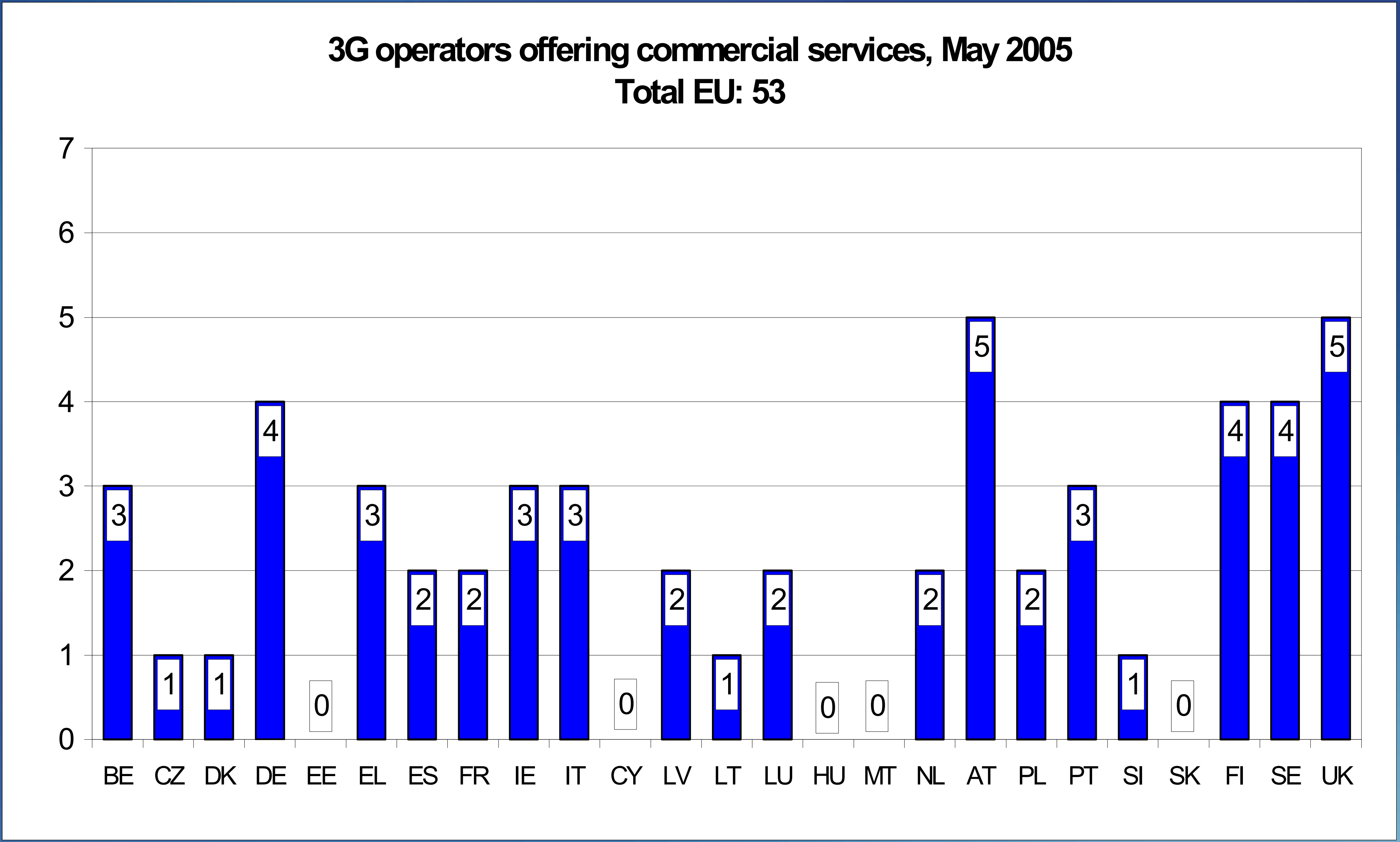
Information Society and Media

Commercial launches

European Commission

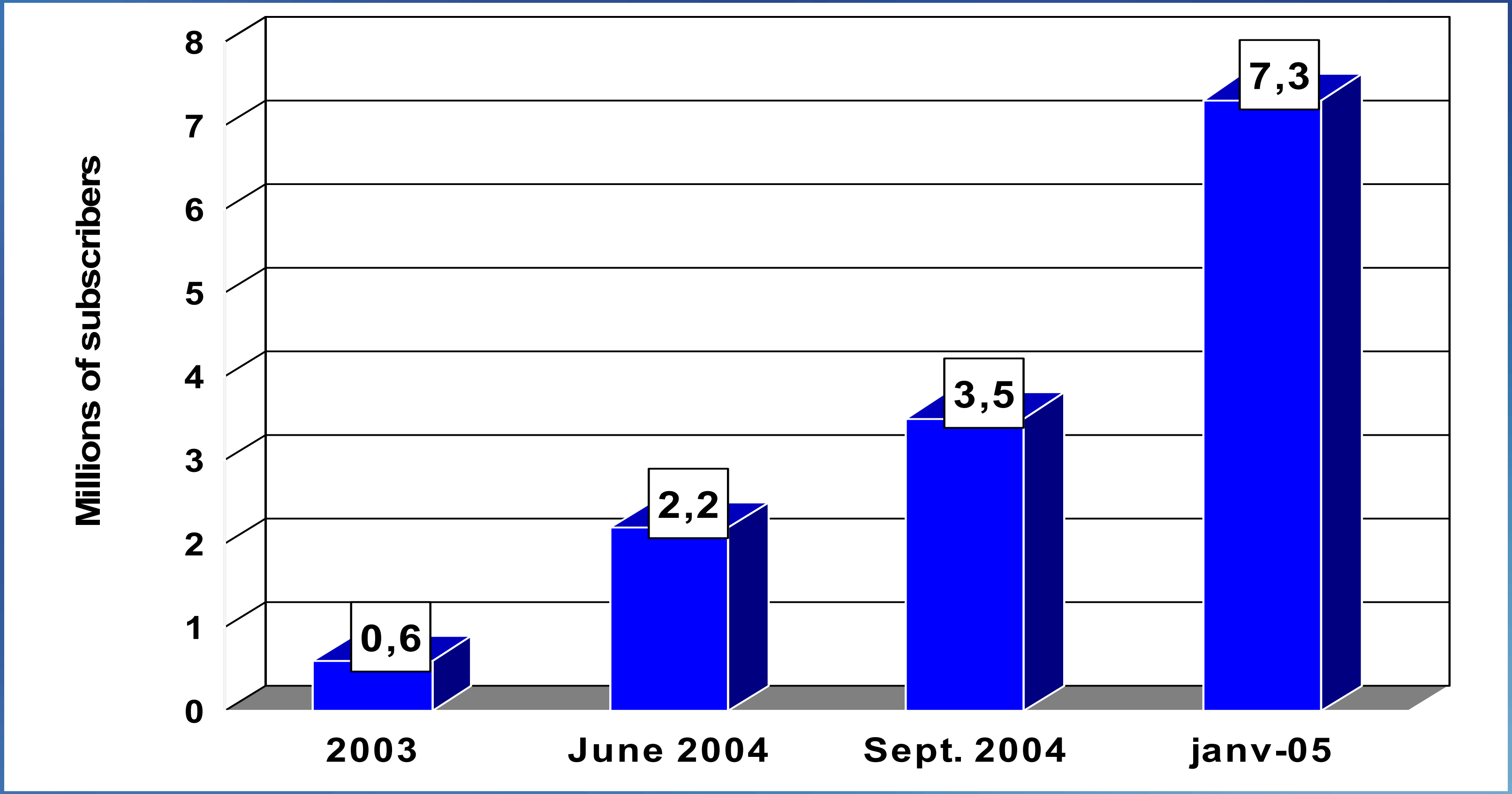
- 53 operators now providing commercial service in 20 countries
- Almost 80% of operators have now launched

Commercial launches



Subscribers

- **Fast growth but penetration still relatively low**

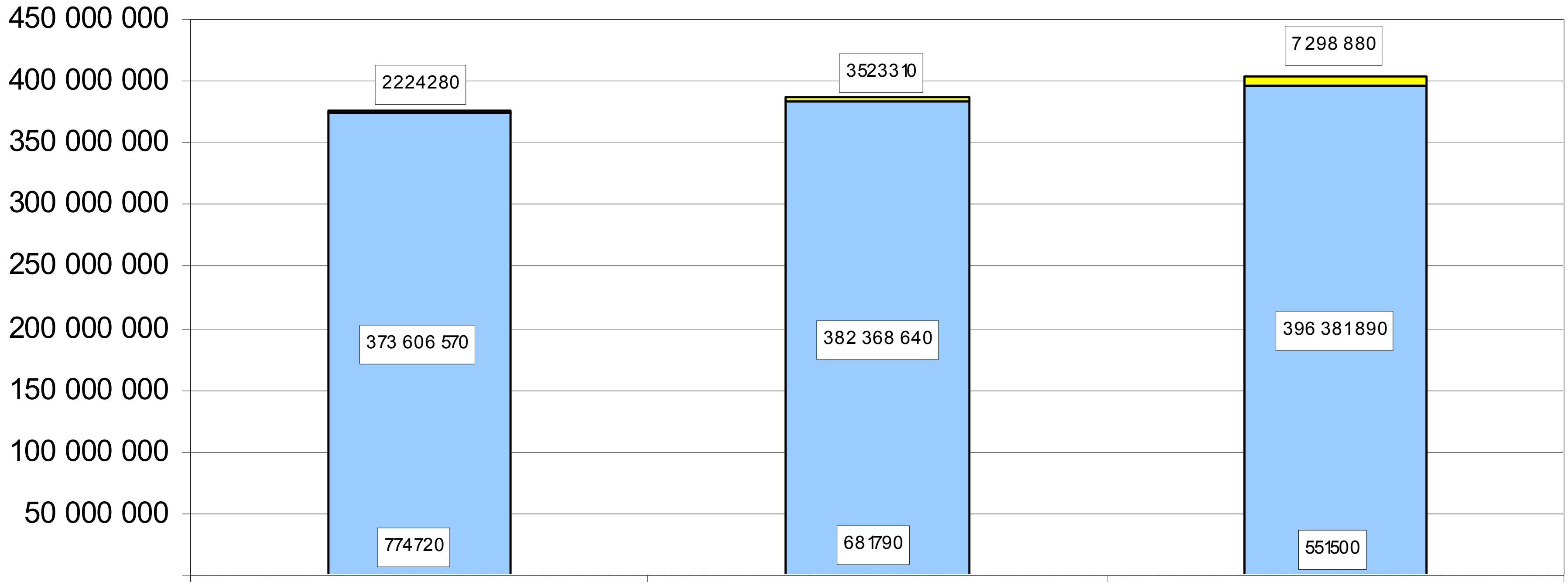


Information Society and Media

Mobile Subscribers

European Commission

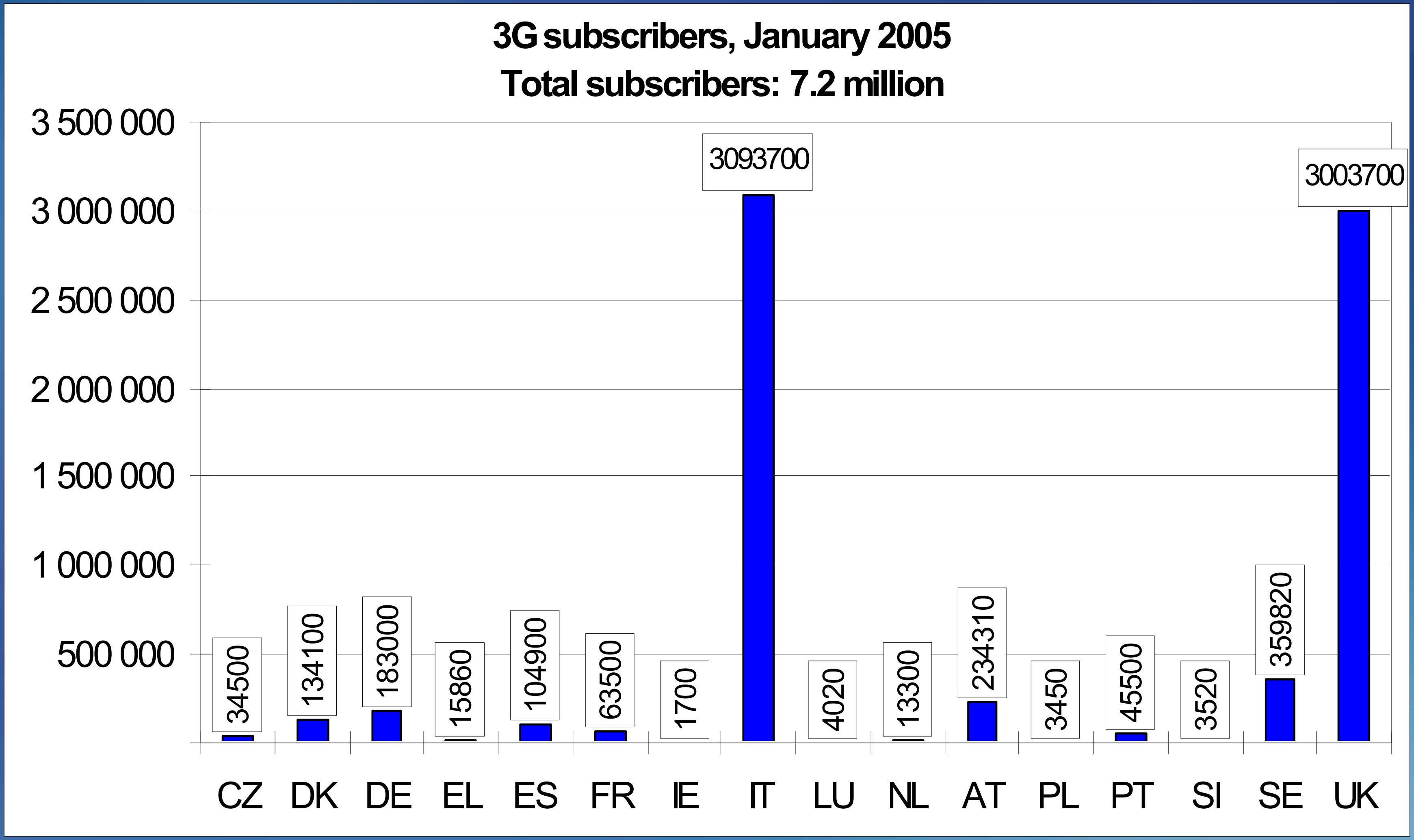
Mobile subscribers and mobile generation, June 2004-January 2005
Total EU25 subscribers: 396 million



	Jun-04	Sep-04	Jan-05
3G	2224280	3523310	7 298 880
2G	373 606 570	382 368 640	396 381 890
1G	774 720	681 790	551 500

1G 2G 3G

Take-up by country



Information Society and Media

European Commission

Services / applications

- Voice (still more than 80% of revenues)
- Music
- Sport
- Location-based services
- MMS
- Ringtones
- Enterprise solutions - in combination with other technologies?

Information Society and Media

European Commission

Conclusion

- Early barriers disappearing
- 3G services now widely available and growing fast
- More launches over coming months
- Voice still dominant but premium content growing
- No longer a question of 'if'

Conclusion

- **Supportive regulatory and policy environment is a continuing priority**
- **Continuous monitoring**
- **Ultimately market will drive:**
  - Attractive content at affordable prices