

BRIC Economies to Experience Strong Mobile User Growth, Reaching 1.64bn by 2013, Despite Reduced Investment Across the Sector, According to Juniper Research

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Hampshire, UK: Tuesday 27th January 2009 – The increasing availability of broadband-enabled mobile networks, aided by falling prices of sophisticated handsets and data charges, will underpin continued strong growth in mobile phone usage in Brazil, Russia, India and China (collectively referred to as the BRIC markets), from 1.21 billion in 2008 to 1.64 billion by 2013, according to a report published by Juniper Research.

Aided by the existing strong mutual interdependence and trading partnerships between these four countries - which are tapped to become the largest economies in the world by 2050 - this growth in mobile services uptake will be able to defy the general economic slowdown and recession that is already affecting other markets and regions arguably more exposed to fluctuating capital market conditions.

However, BRIC Mobile Opportunities report (<http://www.juniperresearch.com/shop/viewreport.php?id=153>) author Andrew Kitson sounds a note of caution: “Despite rising revenue levels, spurred by increasing service usage, some publicly-listed operators may find it difficult in the short term to maintain investment plans for new network build-out and enhancement projects, due to the limited capital-raising opportunities at this time. Similarly, government-owned utilities may also find finances to be in short supply. Further, debt repayment burdens may weigh heavily on all manner of operators that have achieved growth through heavy borrowing.”

This is an important issue, because financing will be a key component of market growth in these four countries over the 2009-2013 period as existing and new operators alike move to build out 2.5G, 3G and 3.5G mobile networks, particularly in Russia and India where low tariffs are behind the rapid user growth rates seen in recent years. Indeed, with billions of dollars needed to establish these next-generation networks, the fundamental challenge faced by market players is in turning a profit from markets that are still expected to have very low GDP per capita levels for decades to come.

Other findings include:

- Revenues from mobile data services will rise from \$26 billion in 2008 to \$48 billion by 2013, with China accounting for the majority of such revenues
- Total operator-billed voice revenues for the region will peak in 2010 at \$117.1 billion and will decline thereafter
- The key change in the next five years will be the launch of commercial 3G services particularly in India and China

Whitepapers and further details of the study ‘BRIC Mobile Opportunities: Markets & Forecasts 2008-2013’ can be freely downloaded from <http://www.juniperresearch.com>. Alternatively, please contact John Levett at john.levett@juniperresearch.com, telephone +44 (0)1256 830002.

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