



Office of Utility Regulation

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INTERNET TAKE-UP AMONGST HIGHEST IN EUROPE

Internet penetration in Guernsey is now amongst the highest in Europe according to a comprehensive report on the state of the telecoms market published by the Utilities Regulator. The report, which has been compiled from information supplied by the telecommunications operators, looks at the key markets of mobile, broadband and fixed services and provides an insight into the main changes in each sector.

“This information provides a very valuable perspective on how competition is developing in the key segments and will help inform and direct our future work. It provides an insight into where consumers are adapting to competition and gives an indication of where further work is needed by both ourselves and the market, to increase the choice for consumers” said John Curran, Director General of the OUR. “Given the importance attached to the Internet for both economic and educational development in other countries, the figures for Guernsey are encouraging.”

The report, which covers the key developments up to the end of June 2008, provides information on the overall level of usage of a wide set of telecommunications services available to Guernsey consumers. The report reveals that:

- Turnover in the Guernsey telecoms market grew by 9% between the first half of 2007 and the first half of 2008. Turnover for the first six months of 2008 was £36million;
- The average monthly spend per fixed line was just over £18 during the first half of 2008 last year. This is 23% less than for similar customers in the UK;

- Mobile penetration rate got to almost 100% during the same period, with the average spend on mobile services per customer standing at £23 per month;
- Over 25million text messages were sent in the 6 months to June 2008;
- There were over 21,000 internet customers in Guernsey by the end of June 2008. Broadband take up is amongst the highest in Europe, contributing to an internet penetration rate of 32%. Denmark has the highest take up, at 36%.

“This type of report will become a regular feature and will help provide a regular assessment on the evolution of the telecommunications market in Guernsey. It will help build a better profile of market activity and developments as well as helping to inform regulatory decisions going forward. Consumers, the industry and the overall population will be able to assess and understand better the impact of the telecommunications sector and its contribution to Guernsey’s economy,” said John Curran. “We will look to build on this work in future reports and will be particularly interested to see what impact mobile number portability will have on the mobile market.”

Full details of the Telecommunications Market Report are set out in the OUR Information Notice (OUR 09/04), at www.regutil.gg.

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Notes for Editors:

1. Key Figures in the telecommunications market:

- Industry turnover growth rate above nine percent (01/2007 to 06/2008) and accounted for 4.1 percent of Guernsey’s GDP in 2007.

2. Key figures in the fixed market segment:

- 1.3 percent decline in total number of analogue and digital lines (June 2007 to June 2008);
- Fixed telecoms revenues decreased by 1.4 percent (Jan 2007 to June2008).

3. Key figures in the mobile market segment:

- Average Revenue per User, or ARPU, for pre-paid customers was £10 per month. For post-paid (i.e. those on contract) ARPU was £43 per month.
- Number of mobile subscribers grew by 8.2% (between June 2007 and June 2008);
- Mobile penetration rate was 97% at the end of June 2008.

4. Key figures in the internet market segment:

- Penetration rate at 32% is among the highest in Europe. At the end of June 2008 there were 21,000 internet subscribers;
- Mobile broadband services were offered in Guernsey for the first time in 2008;
- Number of Internet subscribers increased 13.3% (06-2007 to 06-2008).

About the OUR -

The Office of Utility Regulation was established in 2001 to regulate the three utilities of post, telecommunications and electricity in the Bailiwick of Guernsey. The Office is headed up by Director General, John Curran and has six staff.

The role of the OUR is to protect the interests of Guernsey consumers and the economy. It does this by ensuring that customers receive the best in price, choice and quality services in the three regulated sectors, while at the same time ensuring that those sectors are vibrant and robust so that they can positively contribute to and underpin a successful Guernsey economy. The OUR licenses and regulates telecommunications operators, Guernsey Electricity Ltd and Guernsey Post Ltd.

Wherever possible, the OUR promotes the introduction of competition by ensuring that there is fair play and a level playing field between the operators. Where competition is not yet effective or where it is not feasible, the OUR regulates prices and quality of services to end customers. More information is available from the OUR website www.regutil.gg, or by contacting the Office of Utility Regulation on 01481 711120.