



# Telecommunications Statistics Market Report 2013

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## Information Note

### Channel Islands Competition and Regulatory Authorities

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## 1. Channel Islands Telecoms Markets – Introduction

This report presents statistics on the telecommunications sectors in the Bailiwick of Guernsey and Jersey, based primarily on data submitted by licensed operators in quarter 4 of 2014, and covering the calendar year 2013.

This report is published by the Channel Islands Competition and Regulatory Authorities (CICRA)<sup>1</sup>, which is the name given to the Guernsey Competition and Regulatory Authority (GCRA) and the Jersey Competition Regulatory Authority (JCRA). These are the economic regulators in the Channel Islands for the telecommunications sector. Until the publication of this report, covering the calendar year 2013, the GCRA and the JCRA published statistics in respect of Guernsey and Jersey individually.

CICRA initiated a project to review the statistics the GCRA and the JCRA collected on the telecoms markets in Guernsey and Jersey with the objective of providing comparable statistics on the telecoms sectors across the Channel Islands on an annual basis.

Following extensive stakeholder consultation, CICRA has updated the data collection questionnaire to refine this and subsequent reports to meet the changing needs of the telecoms industry in the Channel Islands and key stakeholders. Consequently, users of this report need to bear in mind that the figures shown here for 2013 are not necessarily comparable with data published in previous years in either Guernsey or Jersey.

The data contained within this report has been provided by operators using an agreed a set of data definitions. CICRA has not audited the data provided. The accuracy of the data is the sole responsibility of the operators.

CICRA would like to thank JT, Sure, Airtel-Vodafone and Newtel, for their contribution to this report.

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<sup>1</sup> CICRA had an oversight role in the compilation of this report. It outsourced the data collection, analysis and report preparation to Laurasia Associates Limited.

## 2. Executive Summary

### Overall telecoms sector

In Guernsey in 2013 the main operators offering telecoms services were Sure (the incumbent offering a full range of services, i.e. fixed mobile and broadband), JT (offering mobile and broadband services) and Airtel (offering predominantly mobile services).

In Jersey in 2013 the main operators offering telecoms services were JT the incumbent offering a full range of services, i.e. fixed, mobile and broadband, Sure (offering mobile and broadband), Airtel (offering predominantly mobile) and Newtel (offering predominantly broadband).

Total turnover in 2013 from the telecoms industry in the Channel Islands, (including fixed, mobile, internet, the sale of handsets and the provision of data hosting services), was £210 million, equivalent to 3.6% of total GDP in the Channel Islands<sup>2</sup>. Comparison with 2012 indicates a 12.5% increase over the 2012 figure of £186.6 million or 3.3% of total Channel Island GDP.

Across the Channel Islands the telecoms industry employed 650 full-time equivalents in 2013, compared to 673 in 2012.

The telecoms industry contributed £16.5 million in corporate, staff and social taxes, including (GST payments in Jersey) to the islands' exchequers, compared to £16.7 million contributed by the telecoms industry in 2012.

During 2013, the operators invested £35.5 million in capital projects, (£10.7 million in Guernsey and £24.8 million in Jersey), reduced from the 2012 investment of £38.5 million. The majority of capital investment was concentrated on expanding and enhancing the fixed access network infrastructure across the Islands and operator IT systems.

Overall subscriber volumes reduced marginally from 356,000 in 2012 to 347,600 in 2013. Both islands saw a reduction of mobile subscriber numbers (0.4% in Guernsey and 6% in Jersey) in the period, fixed subscriber numbers dropped 2% (1% in Guernsey and 2% in Jersey), but broadband subscriber numbers increased marginally by 3% in both islands.

Overall call minutes dropped by around 8% compared to 2012; mobile call minutes dropped by 10% (8% in Guernsey and 11% in Jersey), and fixed call minute dropped by 7% with a similar fall in both islands.

### Consumer snapshot (section 3)

Consumers in Guernsey spent £74.31 per month per household (£67.66 in 2012, an increase of 9.8%) on telecommunications services, compared with £74.27 (inclusive of GST) in Jersey (£84.83 in 2012, a reduction

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<sup>2</sup> Guernsey's 2013 GDP - £2.186bn (Source – GDP 2013 First Release Aug 2014 - The States of Guernsey Policy Council Policy and Research Unit) Jersey's 2013 GDP - £3.703bn (Source - Measuring Jersey's Economy GVA and GDP – 2013 - Statistics Unit: [www.gov.je/statistics](http://www.gov.je/statistics));

of 12.5%)<sup>3</sup>. For Guernsey consumers, 37% of their monthly spend was spent on fixed voice and broadband products, but the actual spend increased marginally from £27.20 to £27.66. In Jersey, fixed voice and broadband services made up around 49% of the monthly spend or £36.75 (compared to £37.09 in 2012, a reduction of 0.9%).

In Guernsey, households sent more text messages (SMS) (194 a month, 2012, 198) than Jersey households (161 a month, 2012, 179) and made more mobile calls (92 a month, 2012, 98) compared to Jersey consumers (86 a month, 2012, 90). 2013 indicates a consistent reduction in average usage per household for conventional services across both islands which could be explained by consumers increasing their use of alternative messaging services. However, Jersey households continued to make significantly more fixed line calls (73 a month, 2012, 76) compared to Guernsey households (43 a month, 2012, 47) and consumed more mobile data (530MB per Jersey household (2012, 440MB), compared to 421MB per Guernsey household (2012, 296MB)). On a monthly basis, Jersey households spent more time making calls from their fixed lines (235 minutes, 2012, 246 minutes) compared to 134 fixed line call minutes (2012, 145 minutes) used by the average households in Guernsey.

### Competitive Market Environment (section 5)

The telecoms market environment across the Channel Islands changed little between 2012 and 2013. The Islands issue licences differently. In Guernsey licences are issued for the services offered, i.e. fixed and/or mobile services, whereas in Jersey licences are issued dependent upon the licensees anticipated level of impact on the telecoms market. In Guernsey, there were no changes to the licences issued. In Jersey, two Class I licences were ceased in the same period (Interactive Online and Link Communications), reducing the total number of licenses issued to 21 over the three main classes.

### Fixed line market (section 6)

During 2013 there was no significant competition in the landline markets in the Channel Islands with the incumbent operators in each island (Sure in Guernsey and JT in Jersey) as the only operator offering the full range of fixed services in each island.

In Guernsey, the number of minutes reduced by around 8%, to 85 million minutes (93 million minutes in 2012) originated on fixed networks year on year which corresponded to the drop in subscriber numbers. In Jersey the number of minutes fell by 11% to 168 million minutes (181 million minutes, 2012) which aligned to a slightly higher drop in subscribers.

Assessing fixed voice lines used by the population of each island the usage of fixed voice lines in Guernsey dropped to 83 per 100 inhabitants (85 in 2012), and in Jersey usage also dropped to 60 fixed voice lines per 100 inhabitants, (62 in 2012).

In both islands, around 60% of call minutes were made within the islands, although the proportion of call minutes that were on-net (calls to fixed and mobile numbers on the same network) was higher in Guernsey

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<sup>3</sup> It is assumed that the telecommunications services used by each household, comprises on average, two mobile phone, one fixed line and one broadband subscription.

(51%) than in Jersey (46%). Call traffic from Guernsey to the UK was 23% of total call traffic, compared to 29% of calls made from Jersey.

Average revenue/ ARPU per fixed voice/ broadband subscription in Guernsey was £27.65 (£27.20 in 2012), compared to £36.74 (£37.09 in 2012) in Jersey.

### Mobile market (section 7)

Demand for mobile (mobile subscriptions per 100 inhabitants) was 103 subscriptions (same as 2012) in Guernsey and 114 subscriptions in Jersey (down from 121, 2012), this compared to 130 subscriptions in the UK<sup>4</sup>. In 2013, total Channel Islands mobile subscriber numbers continued to decrease to around 177,000 (compared to 185,000, 2012).

In Guernsey, around 66 million minutes were generated on the mobile networks in 2013, but this represented a drop of around 6 million minutes compared to the 72 million minutes originated in 2012. Similarly in Jersey, around 118 million minutes were originated on the mobile networks, but this represented a drop of 14 million minutes when compared to 132 million minutes originated in 2012. The drop in mobile voice minutes apparent in both islands was greater than the corresponding reduction in mobile subscriber numbers. Mobile call minutes representing 42% (43%, 2012) of the total number of minutes originated on both fixed and mobile networks, which compared to 59%<sup>5</sup> in the UK. Similarly SMS usage also reduced across both islands, with each subscriber in Guernsey sending 1162 SMS per annum (compared to 1185, 2012) and Jersey subscribers sending 964 SMS per annum (compared to 1073, 2012).

Average revenues (ARPU) per subscriber varied between Guernsey and Jersey between 2012 and 2013, although the price changes were less marked than in 2012. In Guernsey, ARPU reduced marginally for pre-pay £9.41 (compared to £9.91, 2012) but increased for post-pay £33.38 (compared to £30.55, 2012). In Jersey, ARPU reduced significantly for both pre-pay £8.23 (compared to £9.67, 2012) and post-pay £27.35 (compared to £38.07, 2012).

In 2013, Channel Islands consumers spent around £10.7 million (compared to £10.6 million, 2012) using their mobile services whilst roaming abroad (Out Roaming) and visitors to the Channel Islands spent a further £4.2 million (increased from £3.8 million, 2012) roaming on the Channel Islands networks (In Roaming).

A total of 4,598 mobile numbers were ported in 2013, (reduced from 4,832 porting transactions, 2012), representing (2.59%) of the total Channel Islands mobile subscriber base. The majority of porting activity was seen in Jersey where 3,417 (3.04%) numbers were ported, compared to Guernsey, where 1,181 (1.82%) numbers were ported. Whilst the average porting level aligned to the average seen across Europe, it was significantly behind the competitive markets of Denmark, France and Italy, where porting activity was between 8% and 12% of the active subscriber base.

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<sup>4</sup> OFCOM Communications Market Report 2015, Figure 5.44 – 2013 – Total UK mobile subscriptions was 83.1 million, compared to UK population of 64.1 million (source World Bank).

<sup>5</sup> OFCOM Communications Market Report 2015, Figure 5.28 – 2013 - Total mobile originated minutes was 134 Billion minutes compared to total fixed and mobile originated minutes of 226 Billion minutes.



The average times to port were 1.6 days (37.7 hours) in Guernsey (2012, 55.9 hours), compared to 1.46 days (35.1 hours) in Jersey (2012, 39.9 hours). The average timeframe was lower than the average porting time reported across Europe of 3.1 days (74.4 hours)<sup>6</sup>.

### Broadband market (section 8)

The broadband<sup>7</sup> market continued to show steady growth, in particular in the number of subscribers. Broadband penetration rate per household was 86% (84%, 2012) in Guernsey and 82% (81%, 2012) in Jersey, compared to 72% for the UK.<sup>8</sup>

92% (91%, 2012) of Channel Islands consumers subscribed to broadband services offering download speeds of 2MBs or more, but average speed available in each island differed significantly. In Guernsey, all subscribers purchased packages offering a minimum advertised download speed of more than 10MB/s, but this could be due to the minimum download speed available for Guernsey Broadband packages was 16 MB/s.

Across the Channel Islands, 94% of broadband services were provided by ADSL copper based delivery technologies (95%, 2012), with the reduction probably due to the roll-out of fibre delivered broadband and increase in WiMAX based services in Jersey. Wholesale supplier of broadband services remained stable, with around 20% of subscribers being supplied on a wholesale basis via a service provider which was not the incumbent operator in the respective island.

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<sup>6</sup> Number Portability Implementation in Europe based on a survey of CEPT Member Countries - CEPT/ECC Working Group Numbering & Networks - 14 March 2014

<sup>7</sup> For this report, we use the terms 'broadband' and 'internet' interchangeably to refer to internet access services provided on fixed lines. Beside broadband, dial-up services also provide access to the internet but they are becoming negligible in number

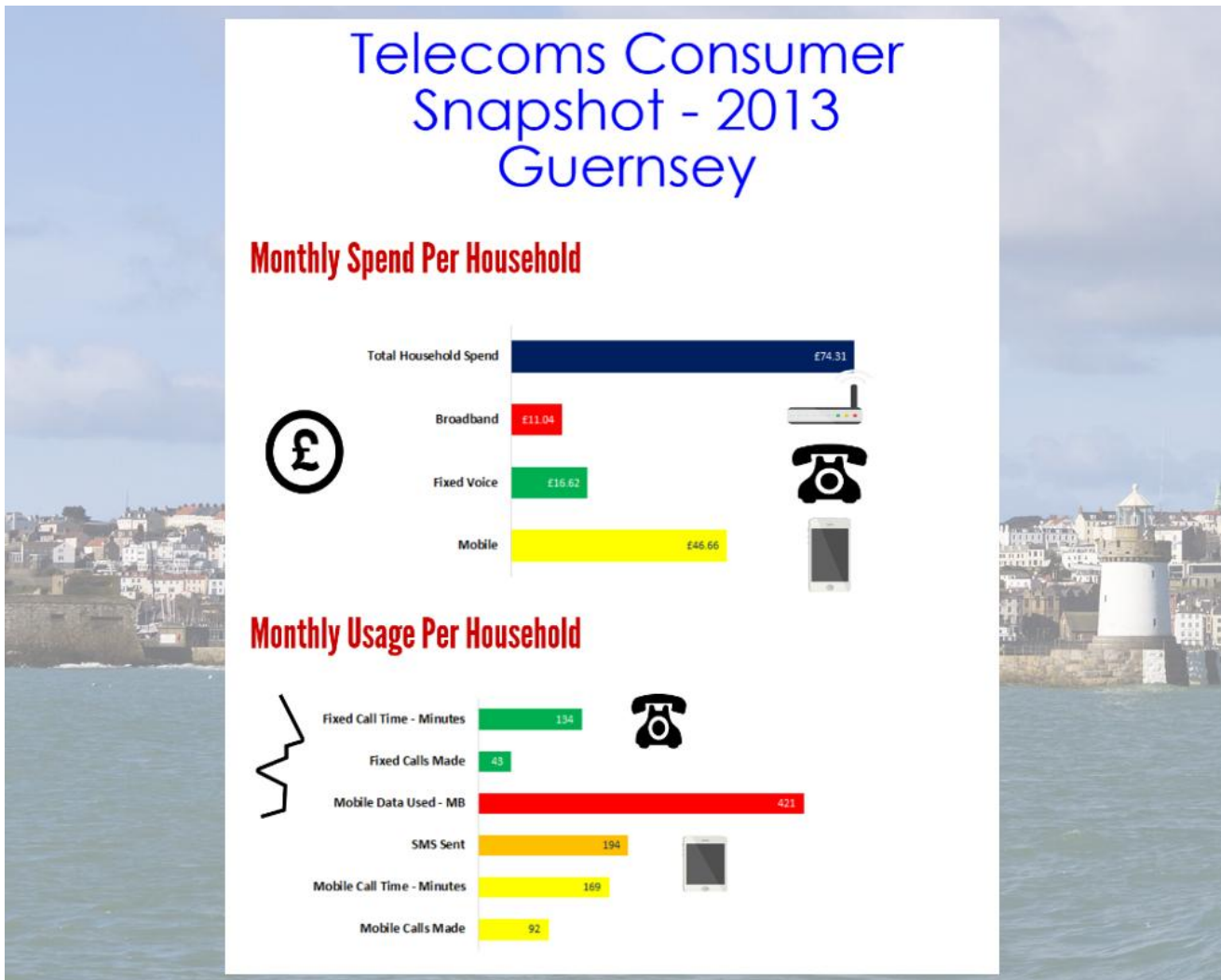
<sup>8</sup> OFCOM Communications Market Report 2015, Figure 5.55

### 3. Consumer Snapshot

The Consumer Snapshots provide a headline view of consumer use of telecoms services in Guernsey and Jersey.

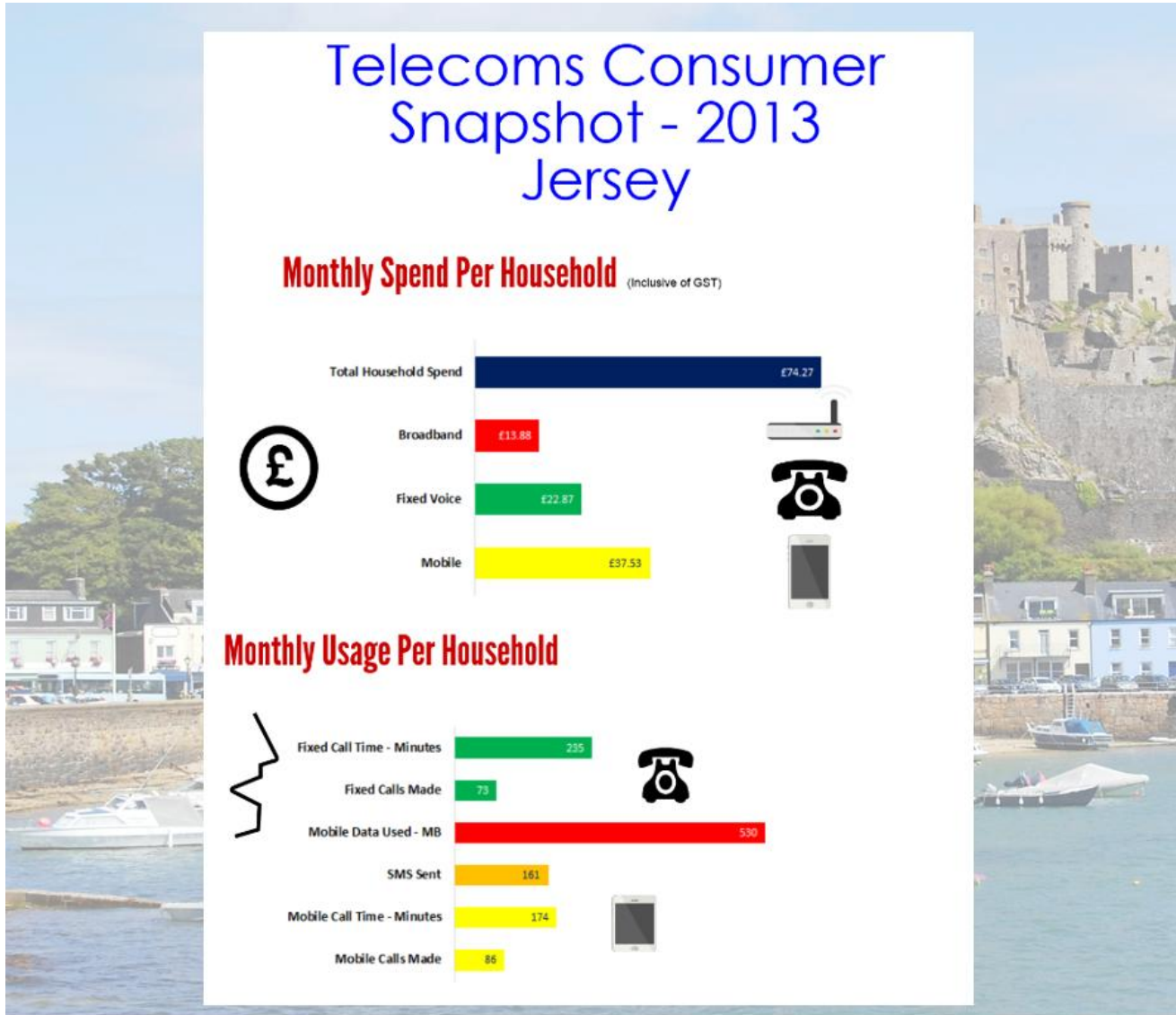
#### Guernsey Consumer Snapshot

**Figure 3.1 Guernsey Consumer Snapshot – 2013**



Source: CICRA Industry Questionnaire, October 2014

Figure 3.2 Jersey Consumer Snapshot – 2013



Source: CICRA Industry Questionnaire, October 2014

## 4. Economic Impact of the Telecoms Sector

This section presents general data about the Jersey and Guernsey telecommunications sectors, based primarily on data submitted by licensed operators in response to a CICRA questionnaire, covering the calendar year 2013.

As noted in the introduction, statistics are comparable across the Channel Islands but should not necessarily be compared with data produced separately in the past for the individual islands.

### Total Turnover for retail telecommunication services in Guernsey and Jersey

Total turnover in 2013 from the telecoms industry in the Channel Islands, (including fixed, mobile, internet, the sale of handsets and the provision of data hosting services<sup>9</sup>), was £210 million; £69.7 million in Guernsey (£70.2 million, 2012) and £140.3 million (£116.4 million, 2012) in Jersey.

The telecommunications sector represents 3.6% of total GDP in the Channel Islands<sup>10</sup>. This compares to 2.5% in the UK<sup>11</sup>. The telecommunications sector represented 3.2% (3.5%, 2012) of GDP in Guernsey and 3.8% (3.2%, 2012) of GDP in Jersey.

Figure 4.1 below shows the relative turnover reported by the operators across Guernsey and Jersey for the different market sectors. The fixed and mobile figures for both retail and corporate turnover include revenues from both voice and data services.

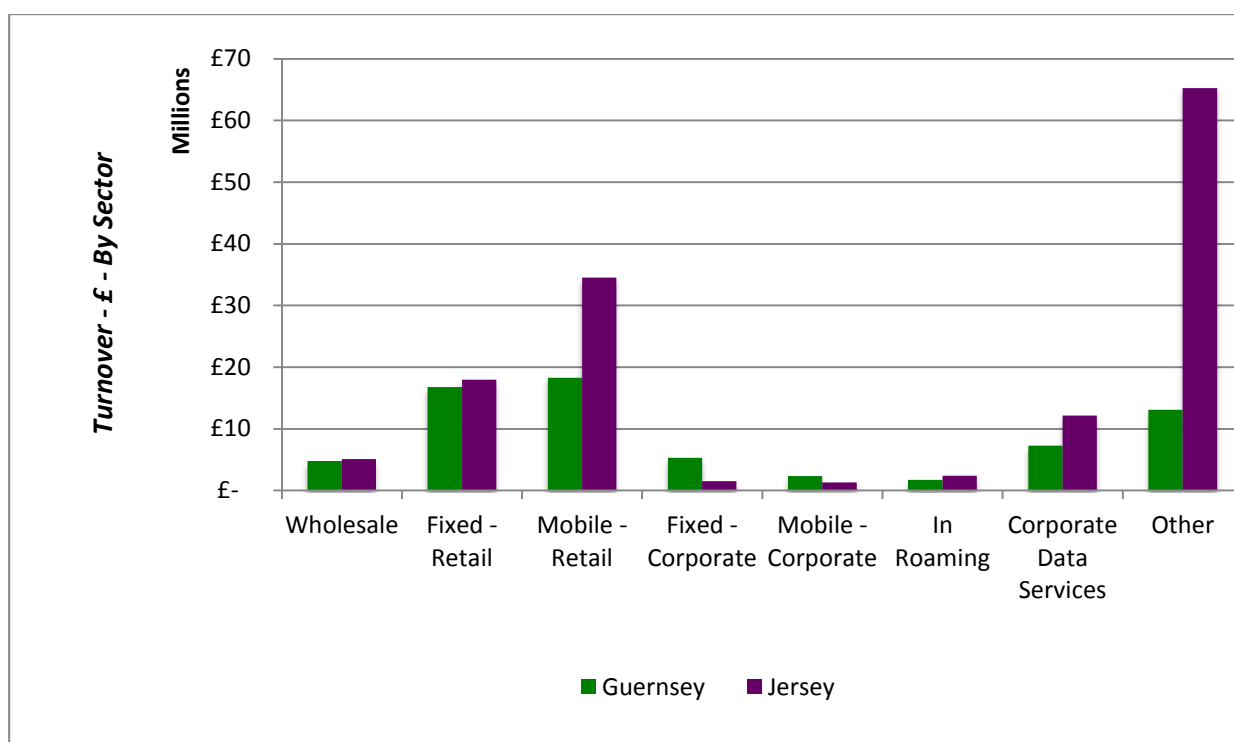
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<sup>9</sup> The revenue for data hosting services in both islands is believed to be included in the overall operator turnover figures.

<sup>10</sup> Guernsey's 2013 GDP - £2.186bn (Source – GDP 2013 First Release Aug 2014 - The States of Guernsey Policy Council Policy and Research Unit) Jersey's 2013 GDP - £3.703bn (Source - Measuring Jersey's Economy GVA and GDP – 2013 - Statistics Unit: [www.gov.je/statistics](http://www.gov.je/statistics));

<sup>11</sup> OFCOM Communications Market Report 2014, Figure 5.1 – Total Operator Reported Revenue 2013 £38.6 Billion versus UK 2013 GDP £1.534 Trillion – source UK Office of National Statistics - <http://www.ons.gov.uk/ons/rel/gva/gross-domestic-product--preliminary-estimate/q4-2012>

**Figure 4.1 Telecommunications turnover (£million) by sector– Guernsey and Jersey**



Source: CICRA Industry Questionnaire, October 2014

Figure 4.2 below groups the different sector revenues into the key service categories, i.e. fixed, mobile and other, to enable the Guernsey and Jersey data to be compared with the UK figures.

**Figure 4.2 Fixed and mobile retail services turnover – Guernsey and Jersey**

	Guernsey £	Jersey £	Total £
<b>Fixed turnover</b>	34,140,351	36,772,500	70,912,851
<b>Mobile turnover</b>	22,390,867	38,264,990	60,655,857
<b>Other Turnover</b>	13,114,658	65,280,568	78,395,226
<b>Total</b>	<b>69,645,876</b>	<b>140,318,058</b>	<b>209,963,934</b>

Source: CICRA Industry Questionnaire, October 2014

Note: Fixed turnover includes internet business services, wholesale revenue and corporate data services revenues. Mobile turnover includes retail, business and in-roaming service revenues. Other turnover includes all non-mobile and non-fixed and is believed to include data hosting revenues.

The biggest share of revenue was generated in Guernsey was from the fixed sector, whereas in Jersey the biggest share was from the “other” sector. In Guernsey, fixed revenue accounted for 49% (48.2%, 2012) of the total industry turnover in 2013, whereas in Jersey, fixed revenue accounted for only 26% (down from 32.1% in 2012) of the total industry turnover. By comparison, in the UK, the fixed (voice and broadband) sector continued contributed around 32% of UK telecoms revenues in 2013<sup>13</sup>.

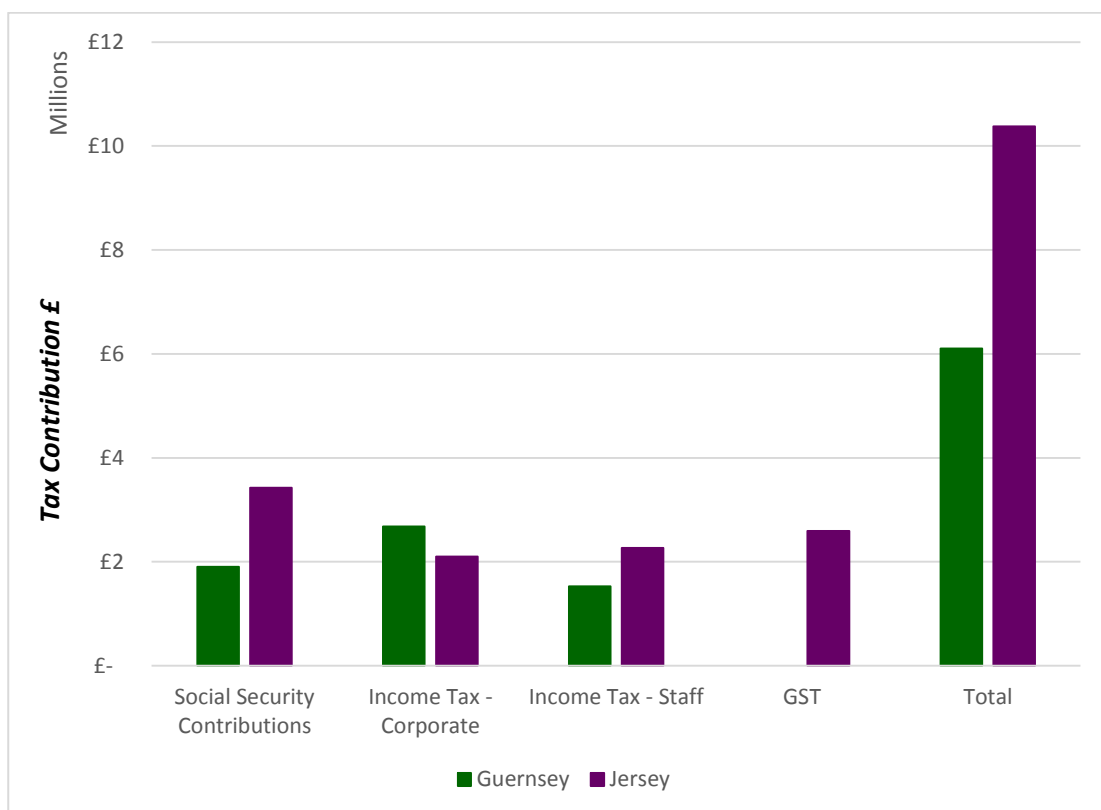
In Guernsey, mobile revenue accounted for 32% of the total industry turnover in 2013 (similar to 2012), but the mobile revenue percentage in Jersey dropped to 27% (compared to 33% in 2012). By comparison, in the UK, the mobile sector continued to contribute the highest share of UK telecoms revenues in 2013 (40%), and mobile revenues have exceeded fixed revenues since 2007.<sup>12</sup>

### Telecommunications sector employment and taxation contribution in Guernsey and Jersey

At the end of 2013, across the Channel Islands the telecoms industry employed 650 full time equivalents (FTE's) compared to 673 in 2012. In Guernsey licensed operators employed 235 FTE's (246 in 2012) and in Jersey licensed operators employed 415 full time equivalents (427 in 2012).

Figure 4.3 shows that the telecommunications sector contributed £16.5 million (£16.7 million, 2012) in taxation during 2013; £6.1 million (£5.1 million, 2012) Guernsey and £10.4 million (£11.6 million, 2012) in Jersey.

**Figure 4.3 Taxation Contribution (£) – Guernsey and Jersey**



<sup>12</sup> Ofcom – Communications Market Report 2014 – Figure 5.1

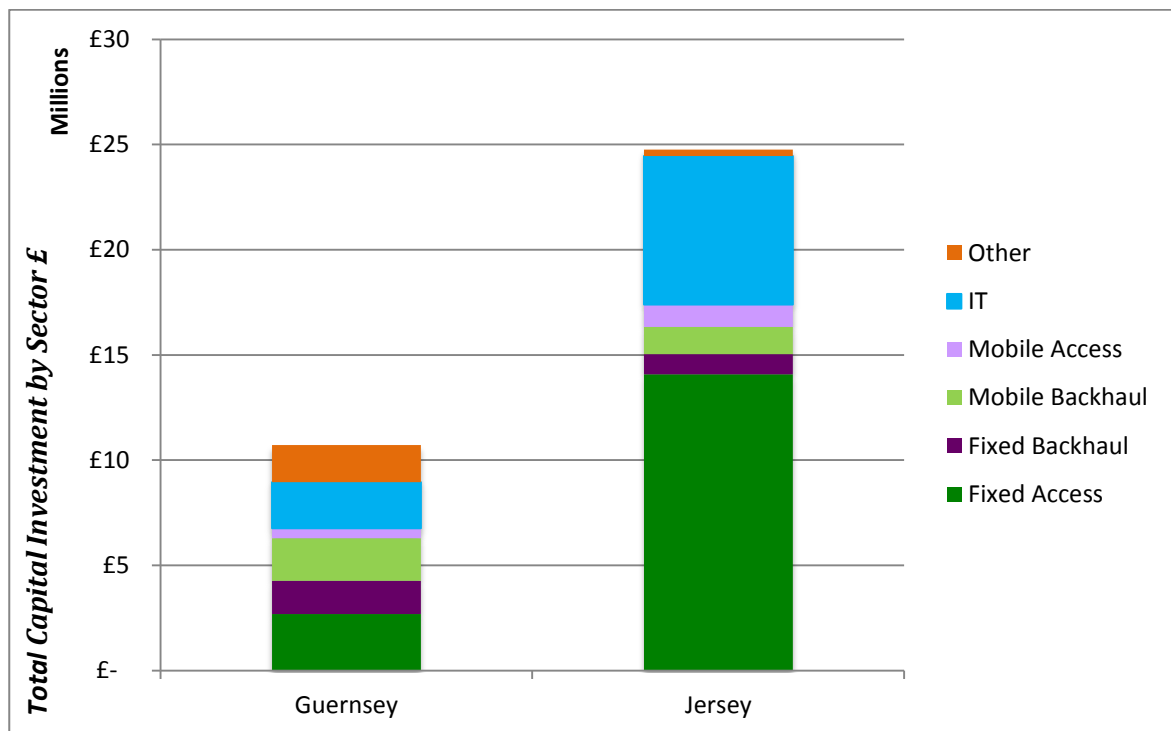
	Guernsey £	Jersey £	Total £
<b>Social Security Contributions</b>	1,901,013	3,424,541	5,325,554
<b>Income Tax - Corporate</b>	2,676,662	2,097,000	4,773,662
<b>Income Tax - Staff</b>	1,525,001	2,264,986	3,789,987
<b>GST</b>	N/A	2,591,864	2,591,864
<b>Total</b>	<b>6,102,676</b>	<b>10,378,391</b>	<b>16,481,067</b>

Source: CICRA Industry Questionnaire, October 2014

### Telecommunications sector capital investment in Guernsey and Jersey

Figure 4.4 below provides a breakdown of the telecoms sector capital investment made during 2013. JT, Sure, Airtel Vodafone and Newtel invested £35.5 million (£38.5 million in 2012) in their network and business operations, with the investment in Guernsey and Jersey, being £10.7 million (£7.5 million in 2012) and £24.8 million (£31 million, 2012) respectively. The key areas of operator investment were the expansion of fixed access network infrastructure and upgrade of IT systems.

**Figure 4.4 Telecommunications sector capital investment – Guernsey and Jersey**



	Guernsey £	Jersey £	Total £
Fixed Access	2,678,968	14,078,989	16,757,957
Fixed Backhaul	1,581,767	960,084	2,541,851
Mobile Access	2,030,188	1,289,043	3,319,231
Mobile Backhaul	475,297	1,071,898	1,547,195
IT	2,181,443	7,058,030	9,239,473
Other	1,777,937	297,988	2,075,925
<b>Total</b>	<b>10,725,600</b>	<b>24,756,032</b>	<b>35,481,632</b>

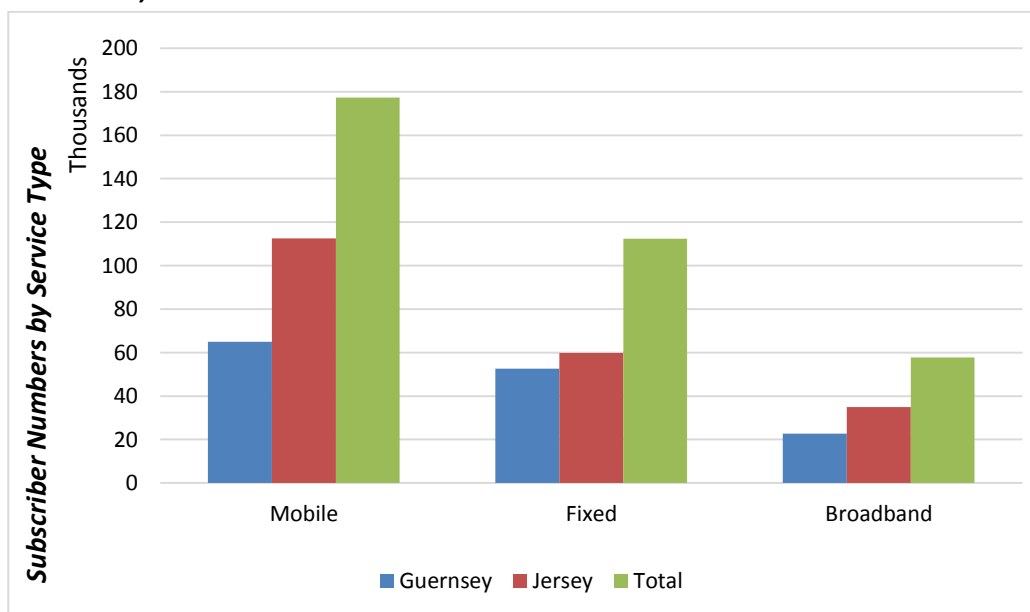
Source: CICRA Industry Questionnaire, October 2014

## Subscribers by communications market

For the purpose of this report the following definitions of each type of connection can be found in the definitions section, section 9.

Figure 4.5 below shows the total number of subscribers (fixed, broadband and mobile) in Guernsey and Jersey.

Figure 4.5 Fixed, mobile and internet subscribers<sup>13</sup>



	Guernsey	Jersey	Total
Fixed	52,682	59,765	112,447
Mobile	64,914	112,464	177,378
Broadband	22,757	35,004	57,761
<b>Total</b>	<b>140,353</b>	<b>207,233</b>	<b>347,586</b>

Source: CICRA Industry Questionnaire, October 2014

<sup>13</sup> Sure has reported “Active Subscribers” as being active on a 60 day cycle period, whereas other mobile operators have reported “Active Subscribers” as being active on a 90 day cycle period.



At the end of December 2013, the overall number of subscribers for fixed, mobile, and broadband internet services across both Guernsey and Jersey was 347,586 (356,033 in 2012) a decrease of around 2.3% from 2012. Between 2012 and 2013, both islands saw a reduction in mobile subscribers, 0.4% in Guernsey and 6% in Jersey. For the same period, the change in fixed and broadband subscribers across the Islands differed. In Guernsey, the reported number of fixed subscribers decreased by 1%, but the reported number of broadband subscribers increased by 3%. Similarly in Jersey, the number of fixed subscribers also reduced by 2%, and the number of broadband subscribers also increased by 3%.

Fixed line penetration per head of population was 83% (compared to 85% in 2012) in Guernsey and 60% (compared to 62% in 2012) in Jersey, compared to 52% in the UK.<sup>14</sup>

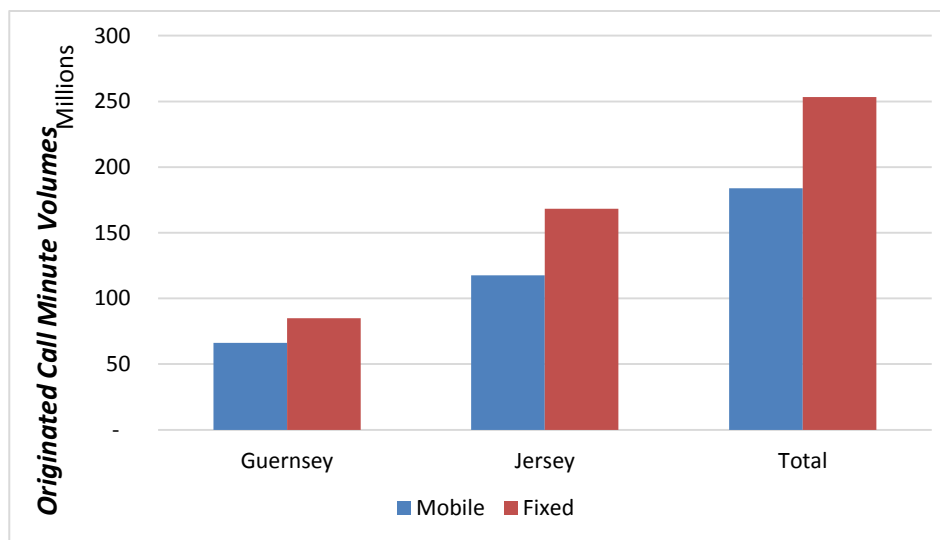
Mobile penetration per head of population in Guernsey was 103.5% (103%, 2012) and 113.6% (121%, 2012)<sup>14</sup> in Jersey, compared with 130% in the UK.<sup>15</sup>

Residential broadband penetration was 81% (compared to 84% in 2012) of households in Guernsey and 77.5% in Jersey (compared to 81% in 2012) in Jersey<sup>16</sup>. This compared to 75% household internet penetration rate in the UK.<sup>17</sup>

## Originated minutes

Figure 4.6 shows the volumes of originated minutes on the fixed and mobile networks in Jersey and Guernsey, excluding minutes on broadband services (VoIP or voice over internet).

**Figure 4.6 Originated minutes in 2013**



<sup>14</sup> Guernsey population: 62,732 and households: 26,372 in 2013

Jersey population: 99,000 and households: 42,550 in 2013 (States of Jersey estimated 2013 figures);

<sup>15</sup> Ofcom – Communications Market Report 2014, Figure 5.1 – Number of Mobile Subscriptions 2013 – 83.1 million and Number of Fixed Subscriptions 2014 – 33.4 million, compared to UK population 2013 of 64.1 million, source – World Bank

<sup>16</sup> Residential broadband numbers were 21,370 in Guernsey, 32,965 in Jersey

<sup>17</sup> Ofcom – Communications Market Report 2014, Figure 5.55

	<b>Guernsey</b>	<b>Jersey</b>	<b>Total</b>
<b>Fixed</b>	84,838,341	168,385,439	253,223,780
<b>Mobile</b>	66,208,173	117,558,884	183,767,057
<b>Total</b>	<b>151,046,514</b>	<b>285,944,323</b>	<b>436,990,837</b>

Source: CICRA Industry Questionnaire, October 2014

The number of minutes originated on fixed and mobile networks decreased by around 8%, from 477.4 million minutes in 2012 to 437 million minutes in 2013. The traffic shrinkage was marginally greater for fixed traffic volumes in Guernsey, shrinking by 8%, from 92.7 million minutes in 2012 to 84.2 million minutes in 2013. In Jersey the decrease in fixed traffic was similar showing a reduction of around 7%, from around 180.6 million minutes in 2012 to 168.4 million minutes in 2013.

For mobile networks, the number of minutes originated in Guernsey decreased by 8% from 72.1 million minutes in 2012 to 66.2 million minutes in 2013. The reduction in call minute volumes in Jersey was more marked at 11%, since the call minute volumes reduced from 132 million minutes in 2012 to 117.6 million minutes in 2013.

At the end of 2013, considering Jersey and Guernsey combined fixed and mobile traffic data, 183.8 million minutes (204 million minutes in 2012) were originated on mobile networks, representing about 42% of the total number of minutes originated on both the fixed and mobile networks<sup>18</sup>. The proportion of call minutes made by fixed and mobile consumers in Guernsey was 56%/44% (same as 2012), respectively. In Jersey, the proportion of call minutes made by fixed and mobile consumers was 59%/41% (58%/ 42% in 2012) respectively. This was in contrast to the UK, where in 2013, the number of fixed call minutes from lagged the number of mobile call minutes (41%/59%), respectively.<sup>19</sup>

## Payphones

There were 113 payphones in Jersey (same as 2012) and 71 in Guernsey (same as 2012). In both cases, all the payphones were provided by the local incumbent, JT in Jersey and Sure in Guernsey.

<sup>18</sup> Call minutes on broadband services (VoIP or voice over internet) are not included in the figures above.

<sup>19</sup> Ofcom Communications Market Report 2014 – Figure 5.28

## 5. Competitive Market Environment

### Licences in Jersey and Guernsey

The telecoms market environment across the Channel Islands changed little between 2012 and 2013. In Guernsey, there were no changes to the number of fixed and mobile licences issued and active. In Jersey two Class I licences were ceased in 2013 (Interactive Online and Link Communications).

Figure 5.1, below, shows the relative licencing status of the four key fixed and mobile players across both Guernsey and Jersey markets. We note that all of the leading operators held licences to operate fixed and mobile services in both markets, except Newtel/ Ytel, which was licenced in Guernsey to provide fixed services only.

**Figure 5.1 Status of Licencing across the four key Fixed and Mobile providers in Guernsey & Jersey as of 31 December 2012**

	Service Type	Airtel-Vodafone	JT	Newtel/Ytel	Sure
Guernsey	Fixed	Yes	Yes	Yes	Yes
	Mobile	Yes	Yes	No	Yes
Jersey		Yes – Type 2	Yes – Type 1	Yes – Type 2	Yes – Type 2

Source – CICRA Website

Figures 5.2 and 5.3 below show the number of telecommunications licences issued in Jersey and Guernsey as of 31 December 2013<sup>20</sup>.

**Figure 5.2 Total number of telecommunications licensees – Guernsey**

	31 December 2013
Number of fixed licences	11
Number of mobile licences	3
<b>Total</b>	<b>14</b>

Source: CICRA

In Guernsey, the licensing system distinguishes between mobile and fixed licences, each with a special section applicable to a licensee that has market power in any particular market. The mobile licences awarded in Guernsey are identical for all three operators, Airtel-Vodafone, JT and Sure.

<sup>20</sup> A list of all the telecommunications licensed operators is available at [http://www.CICRA.gg/licensing\\_legal/list\\_of\\_licensees.asp?Sector=Telecommunications](http://www.CICRA.gg/licensing_legal/list_of_licensees.asp?Sector=Telecommunications)

**Figure 5.3 Total number of telecommunications licensees – Jersey**

	<b>31 December 2013</b>
<b>Number of Class I licences</b>	15
<b>Number of Class II licences</b>	5
<b>Number of Class III licences</b>	1
<b>Total</b>	<b>21</b>

Source: CICRA

Jersey has adopted a telecommunications licensing system based on four classes of licence. Classes I, II and III are based on an operator's market power, whereas the fourth is a general class licence.

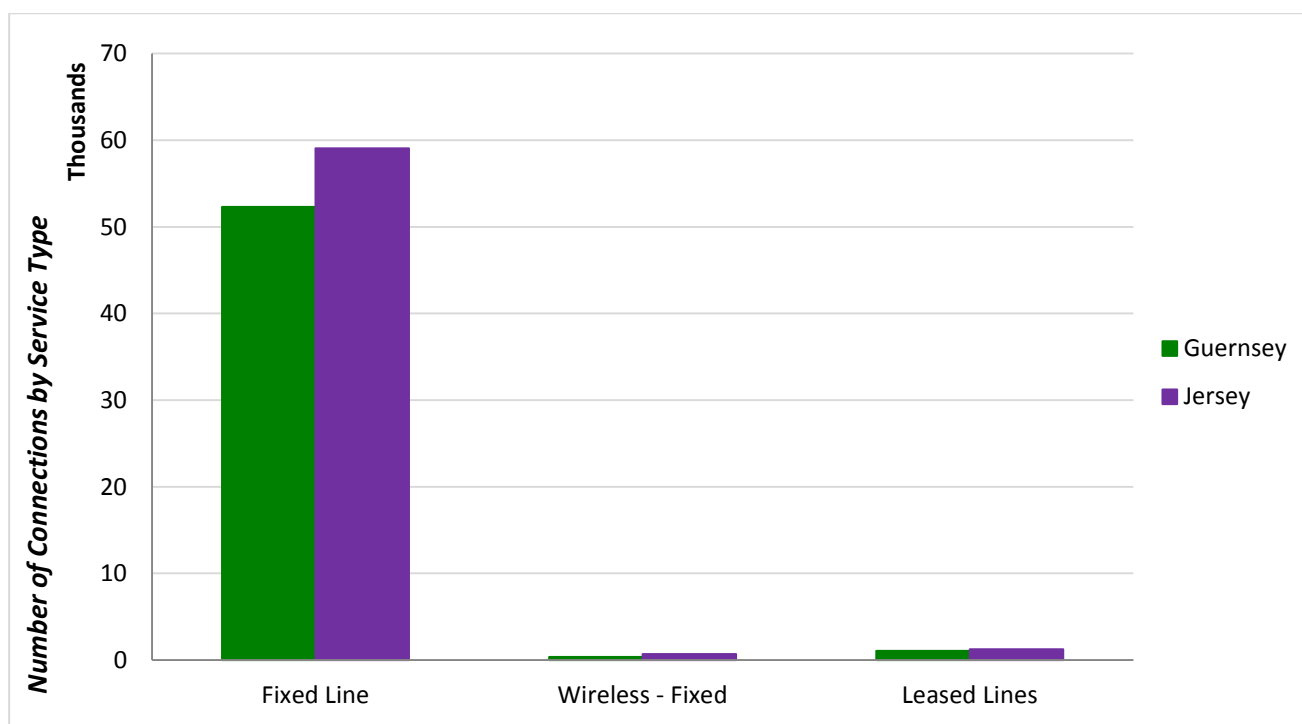
- Class I licence is for those telecoms operators that have a very limited impact on the competitive market;
- Class II licence is for those applicants without Significant Market Power (SMP);
- Class III licence is for those applicants with SMP; and
- General Class licence is for cases where there is a need for a licence but where, in the opinion of the JCRA, a formal application is too rigorous for the requirement. There is no need for an application or for notification to be made, but the licensee is required to know the limitations and responsibilities of the General Class licence. The number of General Class licences active in Jersey during 2012 has been excluded from this analysis, since the service providers holding General Class licences are not viewed as significantly impacting the competitive dynamics of the Jersey market

## 6. Fixed Market Overview

### Total number of lines and subscribers

Figure 6.1 below shows that in December 2013 there were a total of 52,682 fixed and wireless-fixed telephone lines installed in Guernsey (compared to 53,414 reported in 2012) and 59,765 telephone lines installed in Jersey (compared to 61,724 reported in 2012).

**Figure 6.1 Total number of installed lines & subscribers**



	Guernsey	Jersey	Total
<b>Fixed</b>	52,332	59,063	111,395
<b>Wireless – Fixed</b>	350	702	1,052
<b>Leased Line</b>	1,076	1,271	2,347
<b>Total</b>	<b>53,758</b>	<b>61,036</b>	<b>114,794</b>

Source: CICRA, Industry Questionnaire, October 2014

N.B. Airtel-Vodafone provided fixed wireless services but the number was small at 350 (309, 2012) subscribers in Guernsey and 305 (339, 2012) subscribers in Jersey, plus 397 (88, 2012) subscribers managed by Newtel.

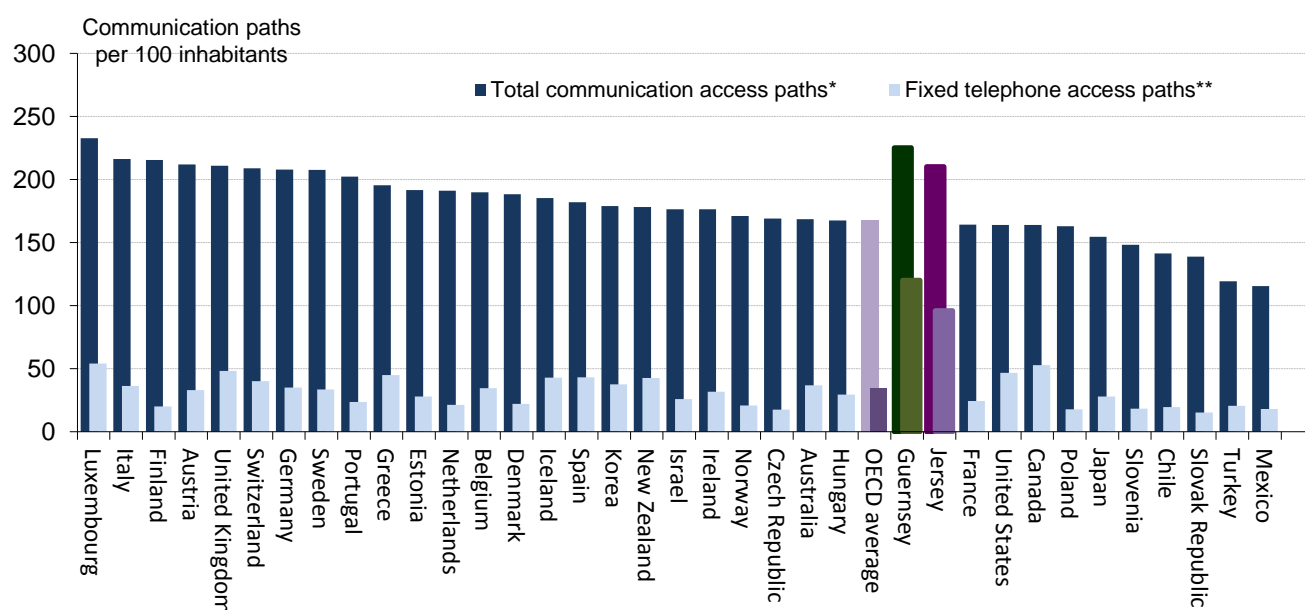
Figure 6.2 below provides a comparison of OECD fixed line penetration rates per 100 inhabitants and shows that the results for the Channel Islands are well above the OECD average. Guernsey and Jersey scored highly probably due to the higher level of non-residential and leased lines present and the highly concentrated nature of both markets, from a population and geographic basis.

Using the OECD Fixed Telephone Access Path definition (Total communication access paths: Analogue lines + ISDN lines + DSL + cable modem + other + fibre + mobile), Guernsey scored 225 (same as 2012) and Jersey scored 210 (2012, 219).

Analysing fixed voice lines (Total communication access paths: Analogue lines + ISDN lines + DSL + cable modem + other + fibre), compared to the population of each island, the usage of fixed access paths in Guernsey was 121 per 100 inhabitants (same as 2012), compared to Jersey with 96 fixed access paths per 100 inhabitants (2012, 97).

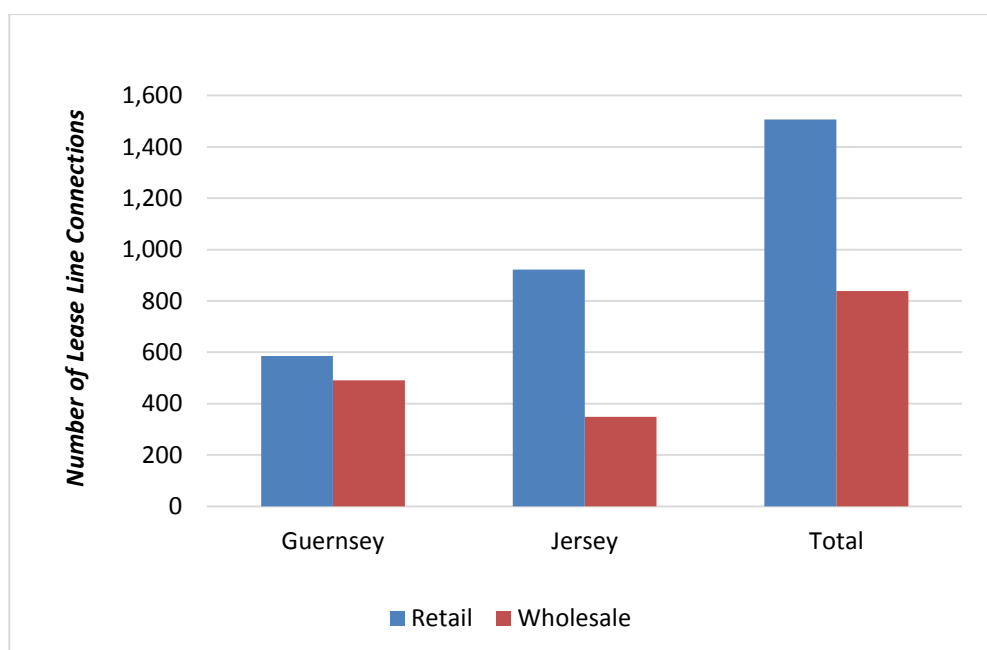
However, a simpler comparison of the number of fixed and wireless fixed lines only (i.e. no Leased Lines or Broadband Lines) is compared to the population of each Island, suggests that fixed line penetration in Guernsey was 85 (84, 2012) lines per 100 inhabitants, and for Jersey, was 60 (62, 2012) lines per 100 inhabitants.

**Figure 6.2 OECD fixed line penetration rate per 100 inhabitants**



In 2013, across the Channel Islands, there were 2,347 (2,489, 2012) leased lines, of which 1,507 or 64% (1,720/ 69%, 2012) were supplied on a retail basis and 839 or 36% (769/ 31%, 2012) were supplied through wholesale arrangements. Figure 6.3 below shows that the wholesale supply of leased lines in Guernsey was more pronounced at 46% (38%, 2012) of the market, compared to 27% (25%, 2012) market share of wholesale supplied leased lines in Jersey.

**Figure 6.3 Number of retail vs wholesale leased lines**



	Guernsey	Jersey	Total
Retail	585	922	1,507
Wholesale	491	349	840
Total	<b>1,076</b>	<b>1,271</b>	<b>2,347</b>

Source: CICRA, Industry Questionnaire, October 2014

At the end of 2013, there were some 585 retail leased lines installed in Guernsey ( 707 in 2012) and 922 retail leased lines installed in Jersey (1,013 in 2012)<sup>21</sup>.

On-Island leased lines are defined as lines that originate and terminate on the same island. On-Island leased lines accounted for about 79% (compared to 80% in 2012) of total leased lines in both Islands.

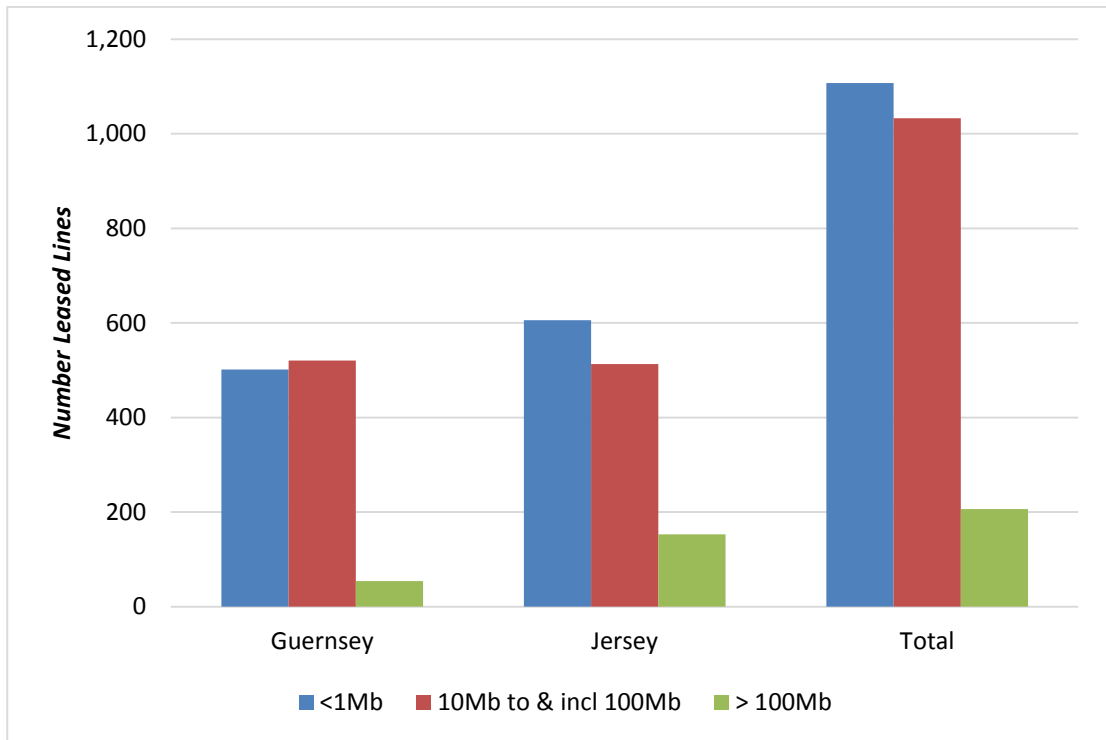
Off-Island leased lines connect the Channel Islands with the UK or France and amounted to 14% (compared to 16% in 2012) of the total leased lines, whilst inter-island leased lines accounted for about 7% (compared to 5% in 2012). Inter-Island lines are attributed to the Island from which they originate, with more inter-Island lines originating in Guernsey (96) than in Jersey (76).

Figure 6.4 below shows that the profile of demand for leased lines products varied between Guernsey and Jersey. In Guernsey, 48% (51%, 2012) of leased lines purchased offered capacity between 10Mb and 100Mb, whereas the demand for such products was lower in Jersey 40% (35%, 2012). In Jersey the greatest demand was for sub 1Mb products 605 or 48%, compared to 502 or 47% in Guernsey. The Jersey market demand for

<sup>21</sup> There were also 491 wholesale leased lines in Guernsey (compared to 435 in 2012) and 349 wholesale leased lines in Jersey (compared to 334 in 2012); wholesale lines are supplied by an infrastructure owner, usually the incumbent in each island, to other telecom operators; these, in turn, provide retail lines to consumers.

>100Mb leased lines was significantly higher at 153 (162 or 12%, 2012) connections (12%) than Guernsey 54 (50 or 4%, 2012) connections (5%).

**Figure 6.4 Profile of Leased Line Types**



	Guernsey	Jersey	Total
<10Mb	502	605	1,107
10Mb to & incl 100Mb	520	513	1,033
>100Mb	54	153	207
<b>Total</b>	<b>1,076</b>	<b>1,271</b>	<b>2,347</b>

Source: CICRA, Industry Questionnaire, October 2014

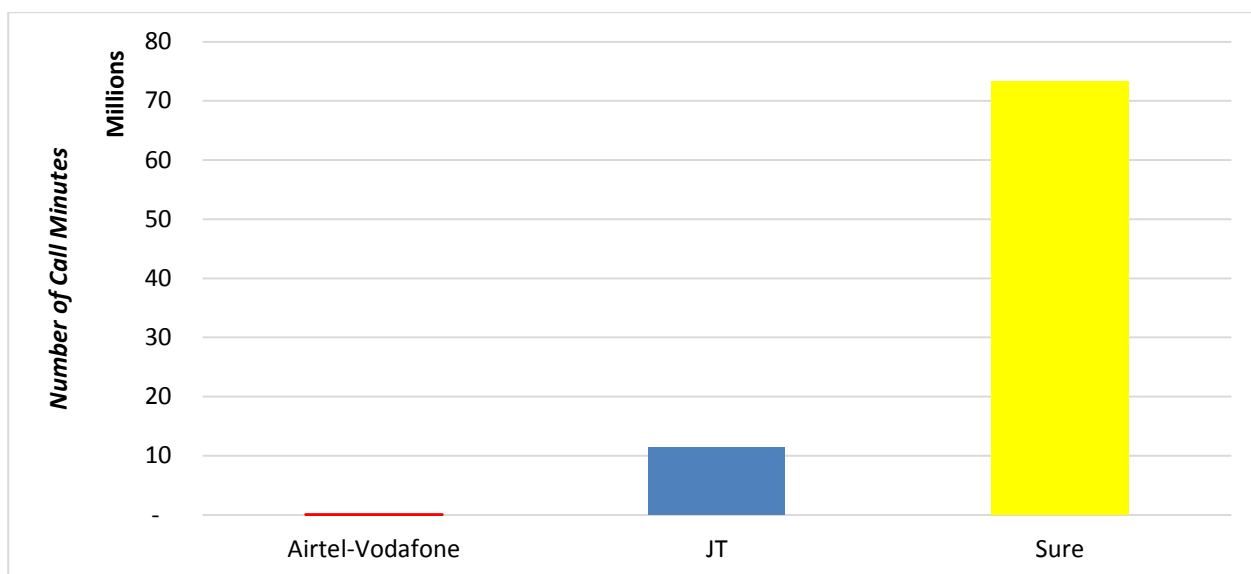
### Voice originated minutes - market share by operator

Figure 6.5 below shows that in Guernsey, Sure accounted for 86.3% (compared to 87% in 2012) of the minutes originated by fixed service operators<sup>22</sup>, JT accounted for 13.5% (12.7%, 2012) and Airtel-Vodafone for about 0.2% (same as 2012).

<sup>22</sup> Call minutes on broadband services (VoIP or voice over internet) are not included in the figures



**Figure 6.5 Voice call minutes – Guernsey**



	Airtel-Vodafone	JT	Sure
Call Minutes – Guernsey	134,781	11,452,843	73,250,718

Source: CICRA Industry Questionnaire, October 2014

In Jersey, the incumbent operator, JT, accounted for around 88% (same as 2012) of the minutes originated by fixed service operators<sup>23</sup>. Sure used indirect access<sup>24</sup> to JT’s network in order to compete and provide fixed telecoms services at the retail level. Figure 6.6 below shows that in 2012, Sure’s market share was around 11% (10% in 2012) of the total fixed originated minutes. Newtel’s share was 0.5% (same as 2012) of the share of voice originated minutes, whilst Airtel-Vodafone provided services to a very small proportion (0.2%) of the fixed call market<sup>25</sup>.

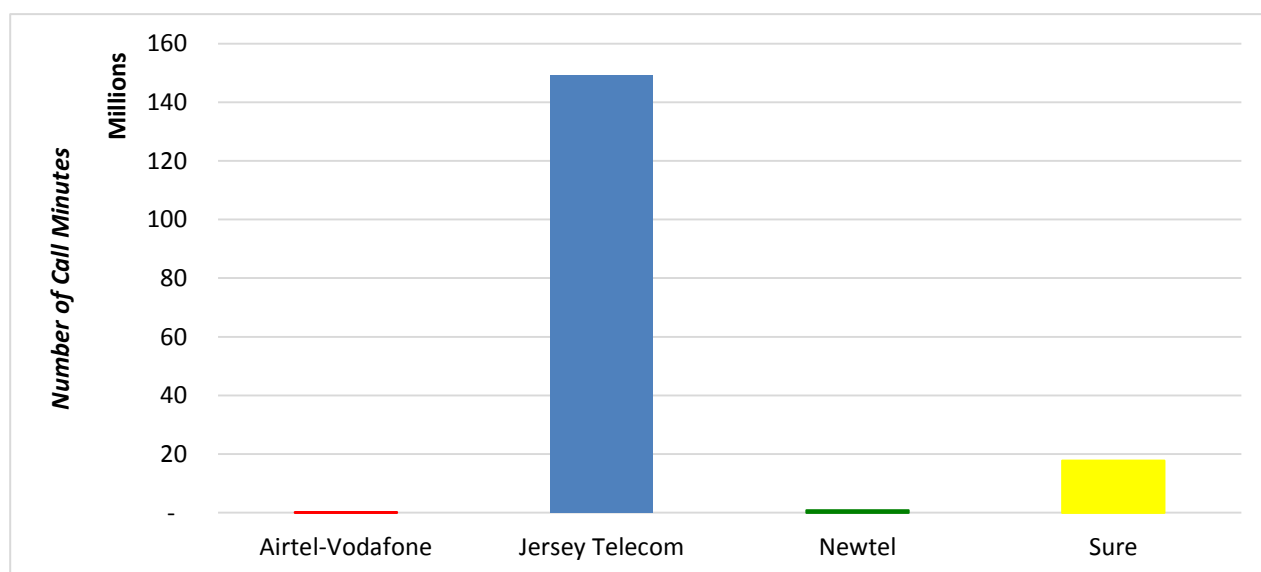
Comparison with 2012, suggests that traffic market share for both the Guernsey and Jersey fixed voice markets remained stable and that the incumbent operators continued to retain their dominance in originating voice and terminating voice traffic, in line with the corresponding dominance in fixed line subscription market share.

<sup>23</sup> Call minutes on broadband services (VoIP or voice over internet) are not included in the figures.

<sup>24</sup> Other Licensed telecom Operators (OLOs), including Sure, use Carrier Selection as the only means of indirect access to the incumbent fixed network. With Carrier Selection, a consumer dials a prefix before a telephone number to use the services of an OLO instead of the incumbent.

<sup>25</sup> Airtel-Vodafone provides a pay-as-you-go wireless fixed service.

**Figure 6.6 Voice call minutes – Jersey**



	Airtel-Vodafone	JT	Newtel	Sure
Call Minutes - Jersey	281,801	149,342,914	916,925	17,843,799

Source: CICRA Industry Questionnaire, October 2014

### Share of voice originated minutes

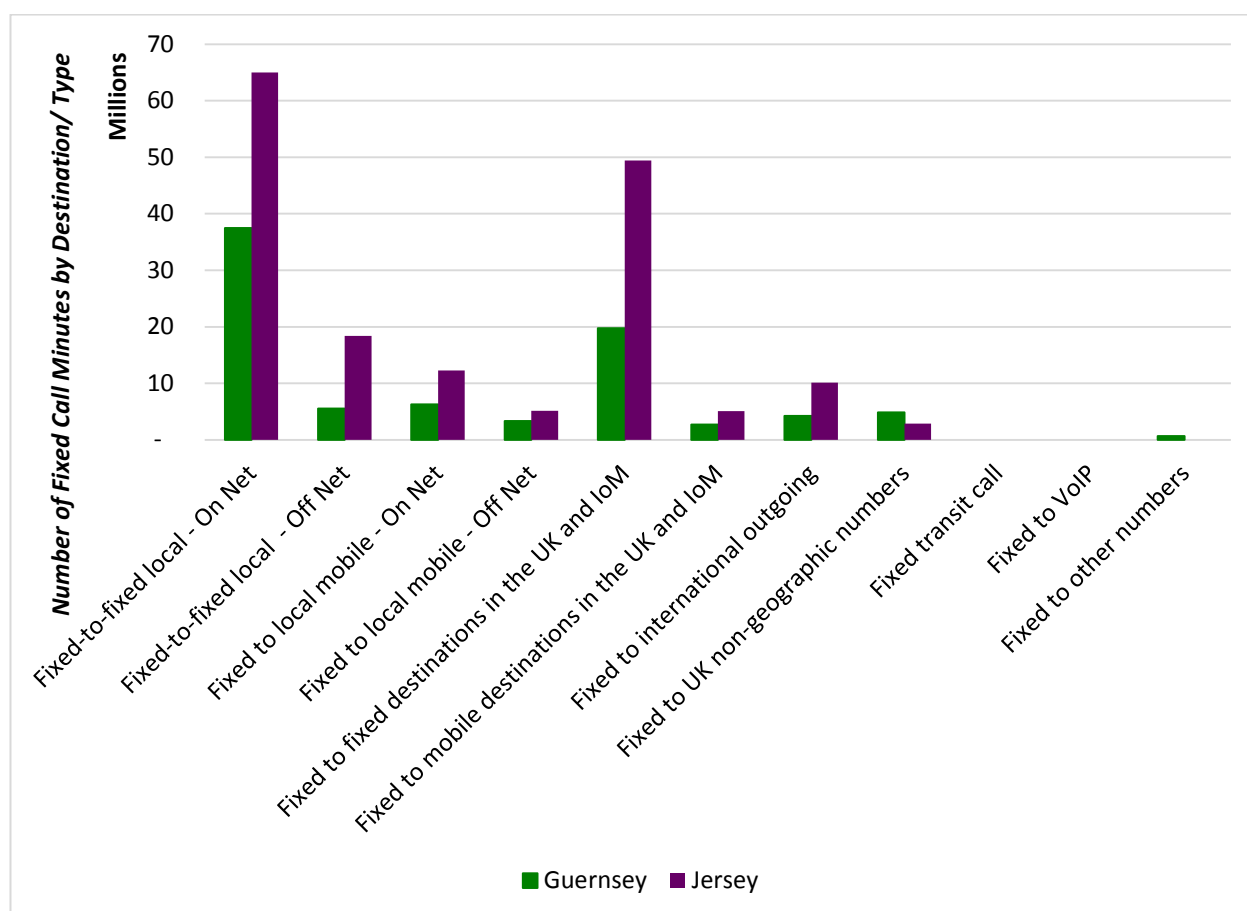
Figure 6.7 below profiles the fixed originated minutes by call destination. In Guernsey 62% and Jersey 60% of call minutes were made within the islands (60% for both islands in 2012).

The comparison with 2012 traffic profiles suggested that consumer usage of fixed line services remained consistent and stable during 2013.

The UK networks (i.e. UK, other Channel Islands and the Isle of Man) were the second highest destination for the minutes originated on the fixed networks of both Jersey and Guernsey. 23% of Guernsey call minutes originated on fixed networks (same as 2012) and 29% of Jersey call minutes originated on fixed networks (compared to 30% in 2012) were terminated on national (UK) numbers. The proportion of calls to ‘Other’ destinations was higher in Guernsey than in Jersey. However, this data needs to be treated with some caution, as ‘national’ calls (those to the UK, the Channel Islands and Isle of Man) may have included some calls to non-geographic numbers<sup>26</sup>, which could also have been categorised as “Other” type calls, since one operator could not separate “Other” calls from ‘National’ calls.

<sup>26</sup> Non-geographic numbers include Freephone, special services, premium rate, directory enquiries and other call types, including 0800 and 0845 numbers.

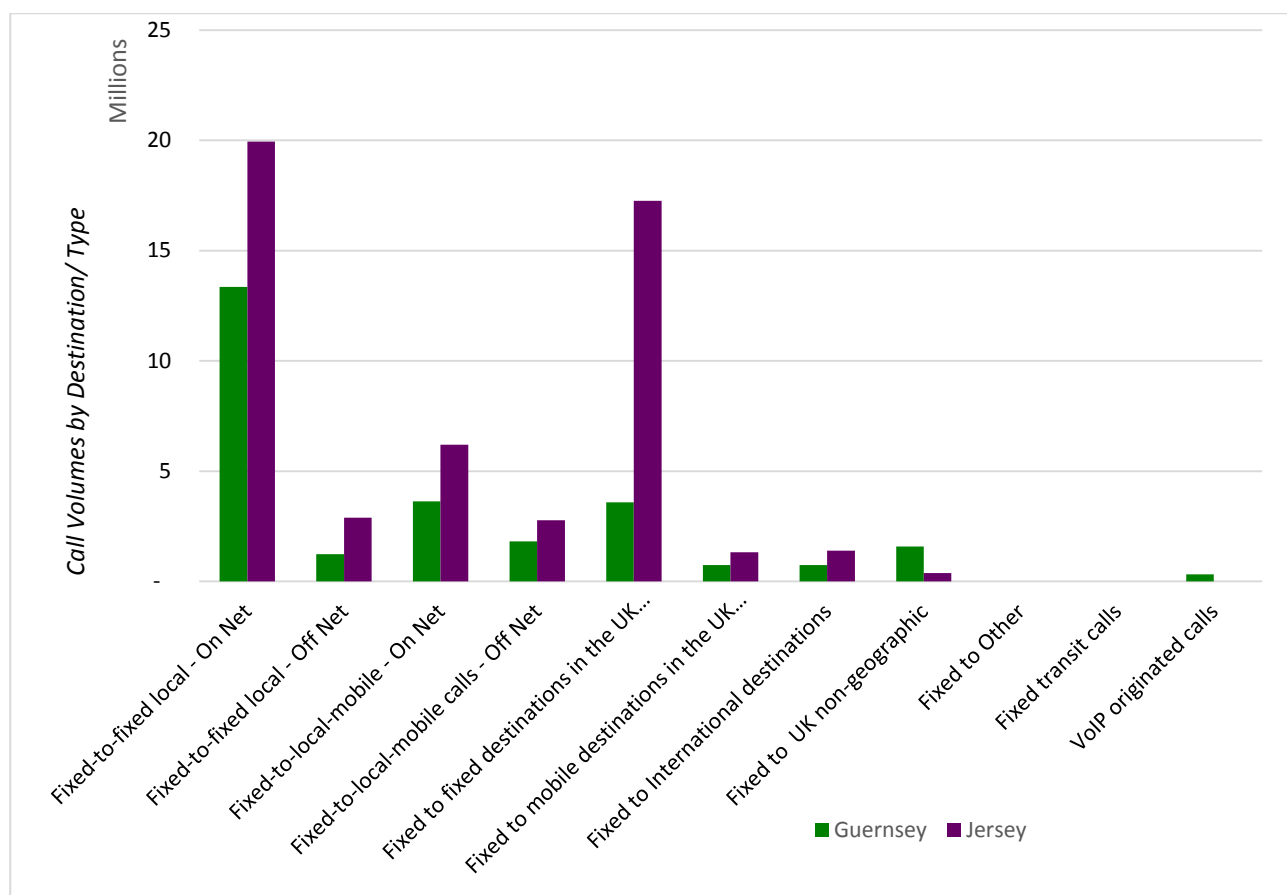
Figure 6.7 Profile of fixed originated minutes, by call destination



	Guernsey	Jersey
Fixed-to-fixed local - On Net	37,463,600	65,008,303
Fixed-to-fixed local - Off Net	5,521,635	18,363,233
Fixed to local mobile - On Net	6,300,621	12,301,462
Fixed to local mobile - Off Net	3,347,817	5,139,279
Fixed to fixed destinations in the UK and IoM	19,738,226	49,447,365
Fixed to mobile destinations in the UK and IoM	2,718,736	5,058,086
Fixed to international outgoing	4,215,807	10,100,878
Fixed to UK non-geographic numbers	4,870,266	2,864,377
Fixed transit call	-	-
Fixed to VoIP	-	-
Fixed to other numbers	661,635	102,457
<b>Total chargeable call minutes</b>	<b>84,838,343</b>	<b>168,385,440</b>

Source: CICRA Industry Questionnaire, October 2014

**Figure 6.8 Profile of fixed originated fixed call volumes, by call destination**



	Guernsey	Jersey
Fixed-to-fixed local - On Net	13,349,496	19,951,273
Fixed-to-fixed local - Off Net	1,227,779	2,885,181
Fixed-to-local-mobile - On Net	3,633,495	6,197,183
Fixed-to-local-mobile calls - Off Net	1,821,741	2,777,330
Fixed to fixed destinations in the UK and IoM	3,590,068	17,263,435
Fixed to mobile destinations in the UK and IoM	735,044	1,320,547
Fixed to International destinations	739,923	1,392,265
Fixed to UK non-geographic	1,580,444	383,206
Fixed to Other	-	3,320
Fixed transit calls	-	-
VoIP originated calls	324,969	-
<b>Total chargeable call minutes</b>	<b>27,002,959</b>	<b>52,173,740</b>

Source: CICRA Industry Questionnaire, October 2014

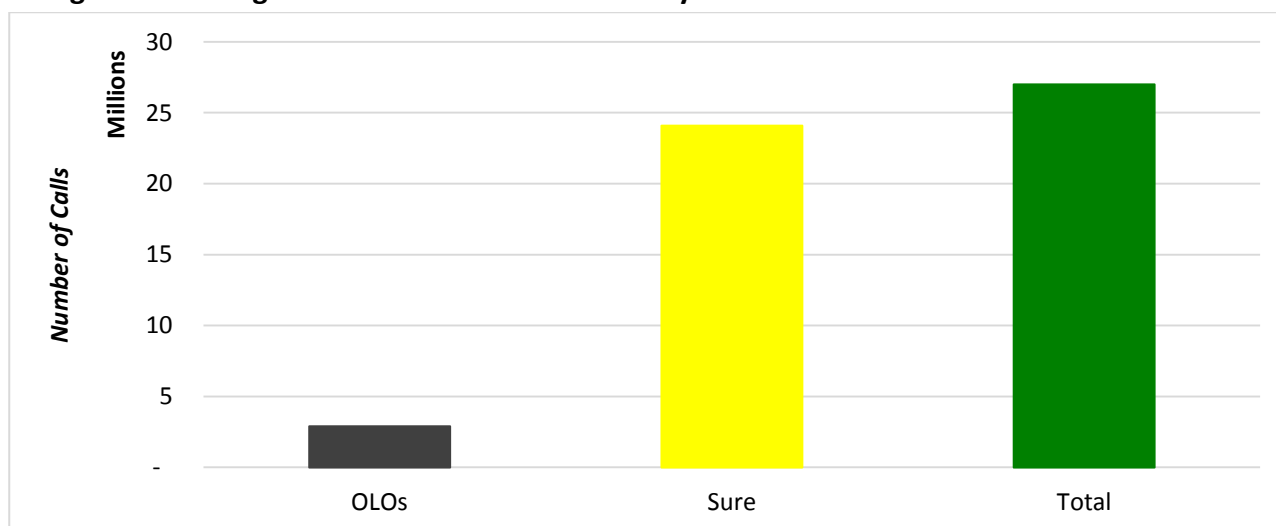
## Total chargeable fixed line telephone calls – Jersey

Figure 6.8 below shows that in Guernsey, around 27 million telephone calls were made from fixed lines during 2012 (30 million calls in 2012). In Jersey, there were 52.2 million telephone calls made from fixed lines in the same period (56 million calls in 2012). Unfortunately, it was not possible to split out the volume of calls made from residential and non-residential fixed lines due to differences in the reporting provided by the different networks.<sup>27</sup>

The reduction in call volumes across both Guernsey and Jersey during 2013 seems to be related to the corresponding reduction in fixed line subscriber numbers in the same period. During 2013, in Guernsey, subscriber numbers dropped by 1%, but the volume of originated call minutes dropped by 8% and the originated call volumes dropped by nearly 10%. Similarly in Jersey, subscriber numbers dropped by 2%, but the volume of originated call minutes dropped by 7% and the reduction in originated call volumes was around 6%. It is not possible to explain the reasons for the call volume changes between 2012 and 2013 across the Islands, but ongoing fixed to mobile calling substitution maybe a partial explanation for Jersey, but not for Guernsey. In Guernsey, mobile subscriber numbers dropped by only 0.4% during 2013, but mobile call minute volumes decreased significantly by 8%, where in Jersey, the reduction of mobile subscriber numbers was higher at 4%, but the reduction in mobile call minutes volumes was only marginally higher at 11% for the same period.

In Guernsey, 89% (90%, 2012) of all fixed calls were supplied by the incumbent, Sure, see figure 6.9, whereas in Jersey the percentage of calls supplied by the incumbent, JT, was around 88% (same as 2012), see figure 6.10.

**Figure 6.9 Chargeable fixed line calls – Guernsey**

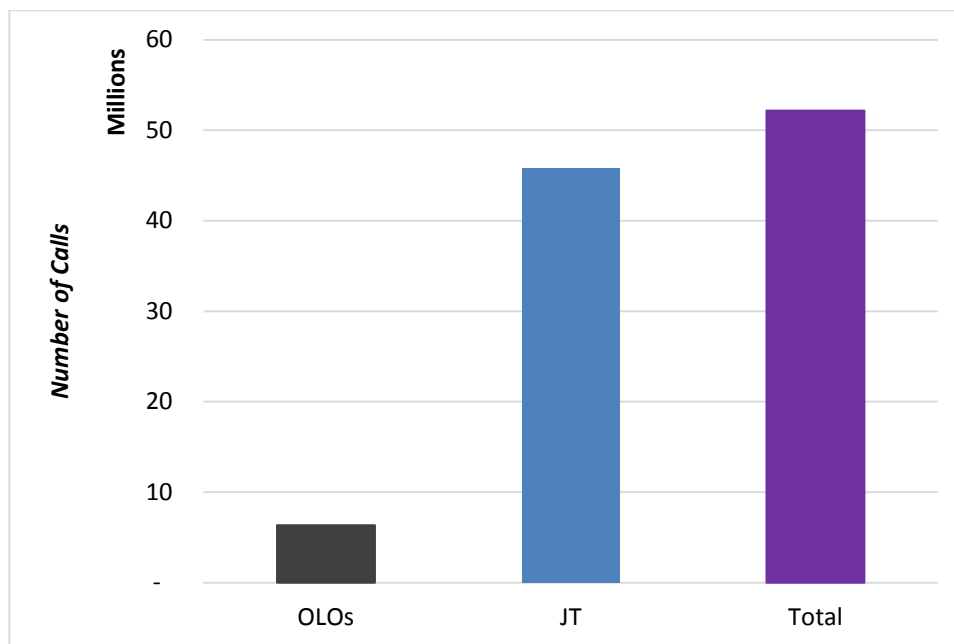


	OLOs	Sure	Total
<b>Fixed Calls – Guernsey</b>	2,908,609	24,094,350	<b>27,002,959</b>

Source: CICRA Industry Questionnaire, October 2014

<sup>27</sup> It should be noted that some operators were not able to separate out some types of traffic by Island or destination and thus a year on year comparison may not be appropriate or accurate.

**Figure 6.10 Chargeable fixed line calls – Jersey**



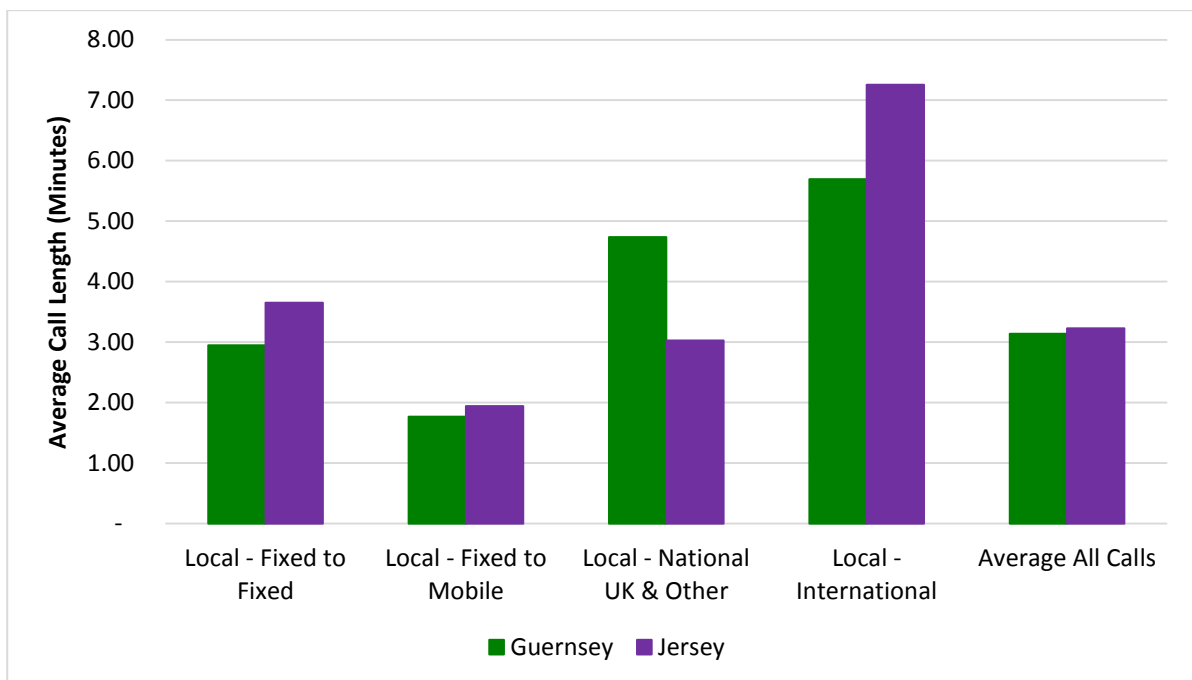
	OLOs	JT	Total
<b>Fixed Calls – Jersey</b>	6,350,967	45,822,773	<b>52,173,740</b>

Source: CICRA Industry Questionnaire, October 2014

#### Length of calls originating on a fixed network

By collecting ‘matching’ data on call minutes (as a measure of overall traffic volumes) and number of calls made it is possible to calculate the average length of calls to various destinations simply by dividing call minutes by number of calls. Figure 6.11 below shows the results for Guernsey compared to Jersey.

**Figure 6.11 Guernsey compared to Jersey call length (chargeable minutes)**



	<b>Guernsey</b>	<b>Jersey</b>
<b>Average All Calls</b>	<b>3.14</b>	<b>3.23</b>
Local - Fixed to Fixed	2.95	3.65
Local - Fixed to Mobile	1.80	1.90
Local - National UK & Other	4.74	3.03
Local - International	5.70	7.25

Source: CICRA, Industry Questionnaire, October 2014

The length of telephone calls to each destination was broadly similar in Guernsey (3.14 minutes per call on average – 3.10 minutes, 2012) compared against Jersey (3.23 minutes per call on average – 3.24 minutes, 2012).

## International Calling Destinations

Fixed line users in both Guernsey and Jersey called a range of international destinations, but from the submissions provided by the operators, the most common called destinations<sup>28</sup>, include :-

- Australia
- Canada
- Eire
- France
- Latvia
- Poland
- Portugal
- Romania
- South Africa
- Switzerland
- USA

## Average Monthly Revenue – ARPU

Average monthly revenue per fixed line for voice services was £16.62 (£16.95, 2012) in Guernsey and £22.87 (£23.48, 2012) in Jersey, showing that average fixed line voice revenues dropped by around 2% during 2013. This included revenues for both residential and business voice calls but not broadband. Some operators were not able to separate out the residential and business fixed voice service revenues in their submissions.

Broadband is commonly sold as a bundled service together with line rental. Some operators have not been able to separate fixed voice and fixed broadband revenues for residential and business users: line rental fees are attributed to telephony, although most fixed broadband subscribers (other than mobile broadband subscribers) require a telephone line in order to subscribe to broadband services.

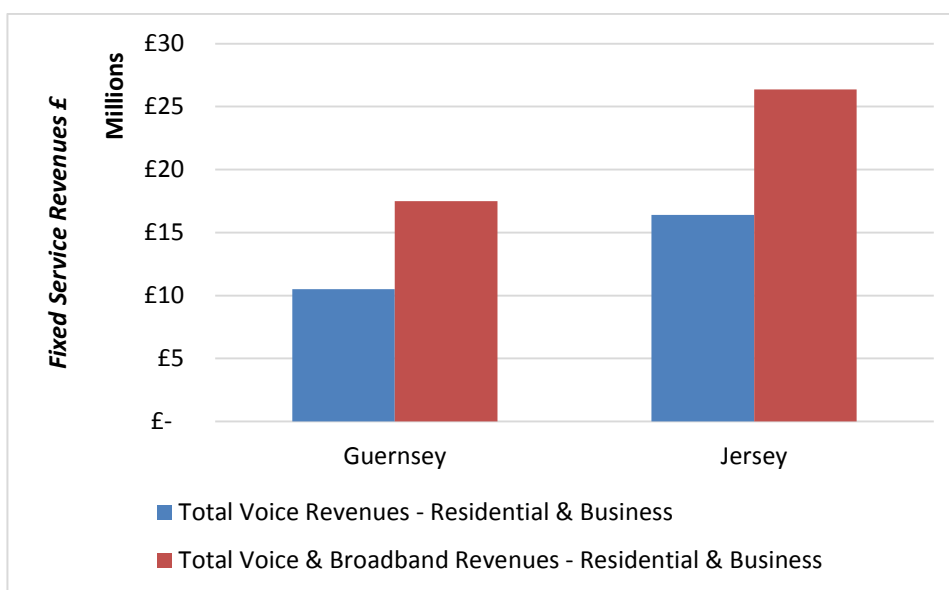
Figure 6.12 below shows the fixed voice only and voice / broadband revenues. In Guernsey, total fixed voice and broadband revenues for residential and business services were around £17.5 million (£17.4 million, 2012), of which fixed voice only services comprised 60% (62%, 2012) of the total. In Jersey, total fixed voice and broadband revenues for residential and business services were around £26.4 million (£27.3 million, 2012), of which fixed voice only services comprised 62% (66%, 2012) of the total.

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<sup>28</sup> In the CICRA questionnaire, the operators were asked to confirm the top 5 destinations for international calling and In/ Out Roaming. The operator responses have been consolidated to indicate the most common international calling and destinations for Channel Islands traffic.



**Figure 6.12 Fixed Voice Only & Voice/Broadband Revenues – Residential & Business Combined**

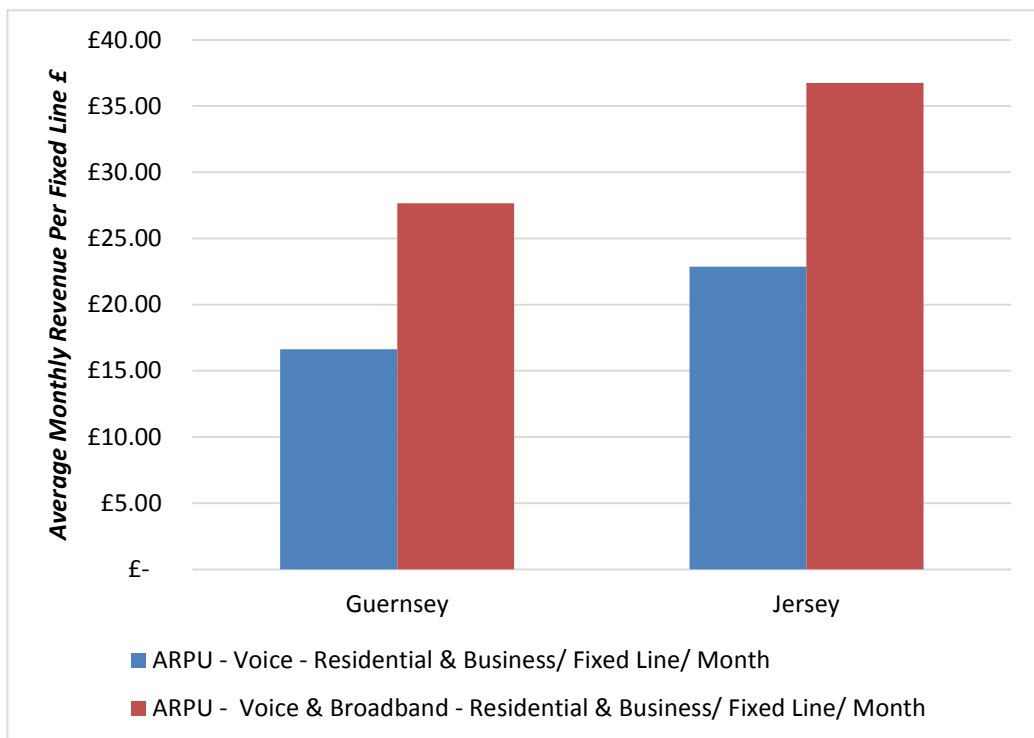


	Guernsey	Jersey	Combined Total
<b>Fixed Voice Only – Residential &amp; Business</b>	£10,503,786	£16,401,032	£26,904,818
<b>Fixed Voice &amp; Broadband – Residential &amp; Business</b>	£17,482,702	£26,352,482	£43,835,184

Source: CICRA Industry Questionnaire, October 2014

Figures 6.13 below shows the average monthly revenue per fixed line – voice only and voice / broadband. If the total reported broadband revenues are included, in Guernsey, the average monthly revenue per fixed line for voice and broadband services was £27.65 (£27.20, 2012) and £36.74 (£37.09, 2012) in Jersey. Unlike the consistent reduction in average fixed line voice revenues of 2% during 2013 across Guernsey and Jersey, the overall combined fixed voice/ broadband revenue in Guernsey actually increased by 1% compared to 2012, whereas the overall combined fixed voice/ broadband average revenue in Jersey still dropped by 1%, probably due to greater competition, i.e. 3 competitors rather than 2.

**Figure 6.13 Average monthly revenue per fixed line – Voice Only & Voice/ Broadband – Residential & Business Combined**



	Guernsey	Jersey
ARPU - Voice - Residential & Business/ Fixed Line/ Month	£16.62	£22.87
ARPU - Voice & Broadband - Residential & Business/ Fixed Line/ Month	£27.65	£36.74

Source: CICRA Industry Questionnaire, October 2014

## 7. Mobile Market Overview

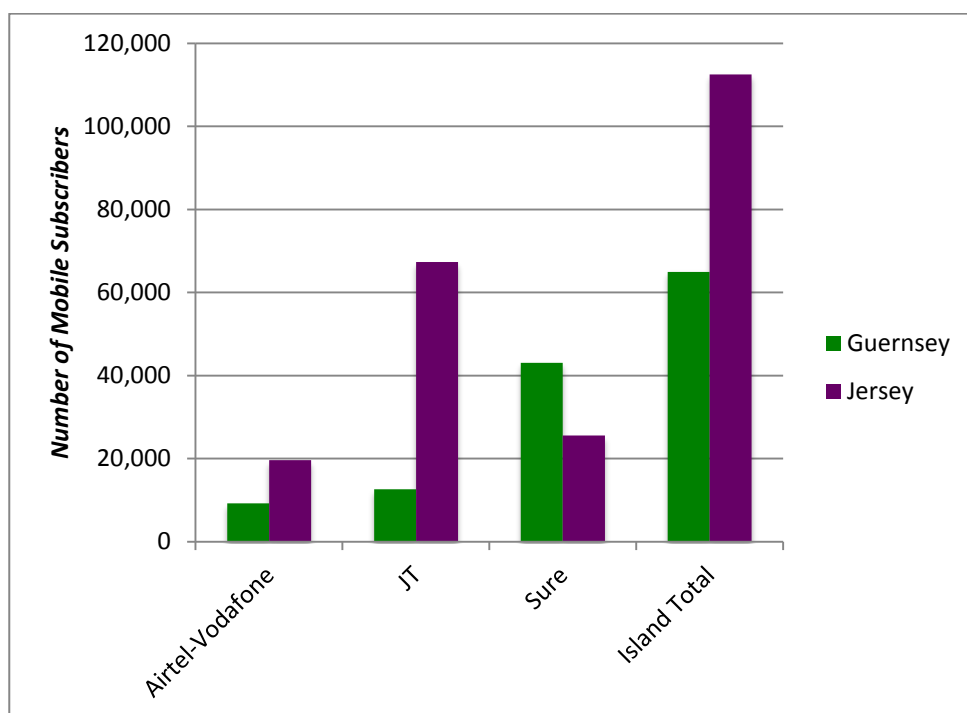
### Subscribers, penetration rate and market shares

As of 31 December 2013, there were three mobile network operators (MNO) with commercial activities in Jersey and Guernsey – Sure, JT and Airtel-Vodafone.

At the end of 2013, the number of active mobile subscribers was 64,914 (compared to 65,145 in 2012) in Guernsey and 112,464 (compared to 120,076 in 2012) in Jersey, representing a year on year reduction of 0.4% in Guernsey and 6% in Jersey. Across the Channel Islands, the number of existing active mobile subscribers was greater than the local population as is fairly common in most developed countries. In Guernsey, the mobile service penetration rate was 103% (same as 2012), whereas in Jersey, the penetration rate remained higher at 114% (reduced from 121% in 2012).

Figure 7.1 below provides a breakdown of the number of mobile subscribers per operator in Jersey and Guernsey.

**Figure 7.1 Number of mobile subscribers per operator, Guernsey & Jersey<sup>29</sup>**



	Guernsey	Jersey	Total
<b>Airtel-Vodafone</b>	9,258	19,585	28,843
<b>JT</b>	12,614	67,310	79,924
<b>Sure</b>	43,042	25,569	68,611
<b>Island Total</b>	<b>64,914</b>	<b>112,464</b>	<b>177,378</b>

Source: CICRA Industry Questionnaire, October 2014

<sup>29</sup> Sure has reported “Active Subscribers” as being active on a 60 day cycle period, whereas other mobile operators have reported “Active Subscribers” as being active on a 90 day cycle period.

Figure 7.2 below shows that the mobile penetration rate and pre-paid usage in Guernsey and Jersey align to the OECD average.

**Figure 7.2 OECD mobile penetration rate per 100 inhabitants**

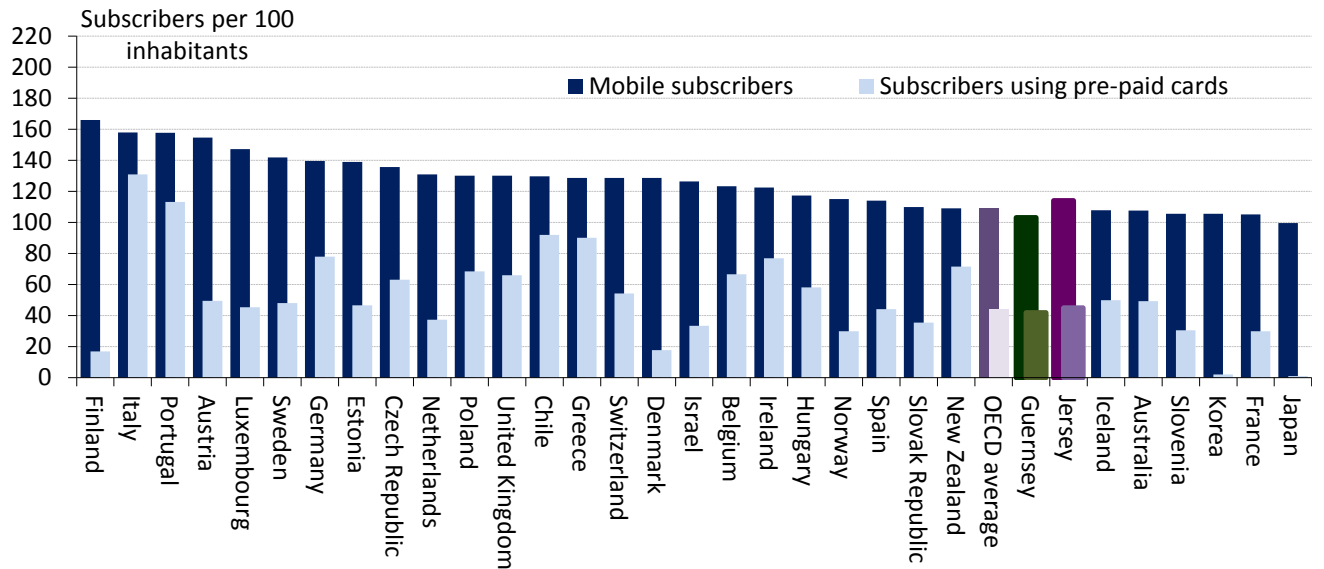
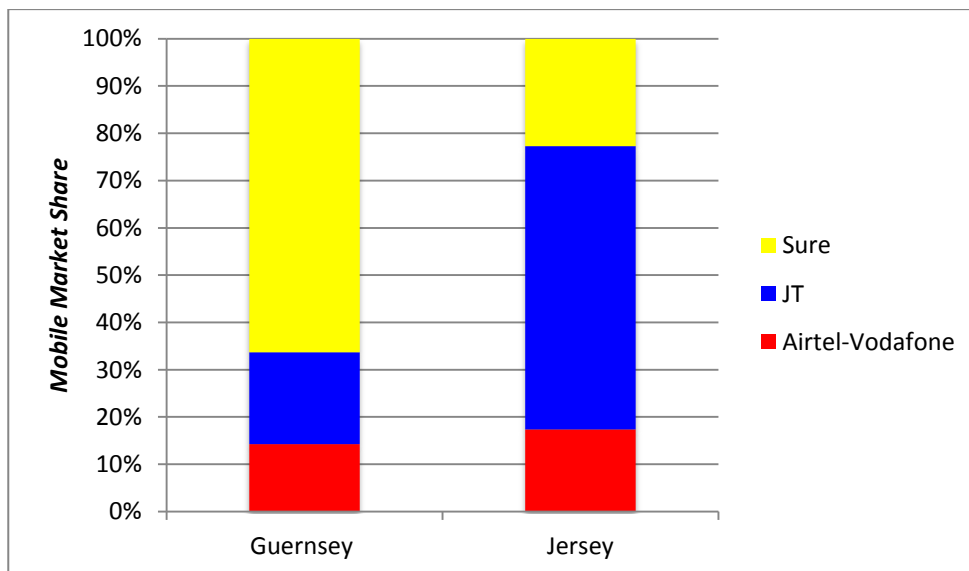


Figure 7.3 below shows that across the Channel Islands, the market share of the dominant operator (Sure in Guernsey and JT in Jersey) was around 66% (67%, 2012) and 60% (63%, 2012) respectively. The rest of the market was split between the entrants with market shares of 23% for Sure and 17% for Airtel-Vodafone in Jersey and 20% for JT and 14% for Airtel-Vodafone in Guernsey.

**Figure 7.3 Mobile operator market shares – Guernsey and Jersey**

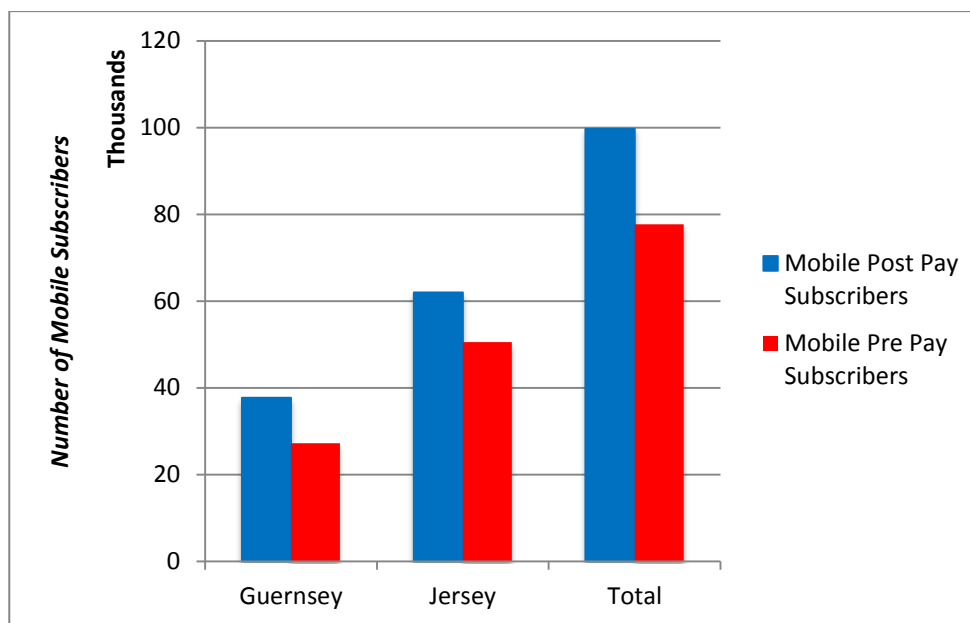


	Guernsey	Jersey
<b>Airtel-Vodafone</b>	14%	17%
<b>JT</b>	20%	60%
<b>Sure</b>	66%	23%

Source: CICRA Industry Questionnaire, October 2014

Figure 7.4 below provides a split between prepay and post pay mobile subscribers by island. Guernsey, the proportion of prepay subscribers was 42% (46%, 2012) of the total, compared to 45% (50%, 2012) in Jersey<sup>30</sup>, and 43% in the United Kingdom<sup>31</sup>.

**Figure 7.4 Pre-pay and post-pay mobile subscribers<sup>32</sup>**



	Guernsey	Jersey	Total
Post-Pay Subscribers	37,705	61,963	99,668
Pre-Pay Subscribers	27,209	50,501	77,710

Source: CICRA Industry Questionnaire, October 2014

## Voice Traffic – Mobile Call Minutes

Voice traffic can be analysed in terms of call minutes or the number of calls made. This section analyses both starting with the call minutes and then turning to the number of calls made.

Figure 7.5 below shows the total voice traffic, measured in minutes, in Guernsey and Jersey, and how it was distributed between the three main telecom operators.

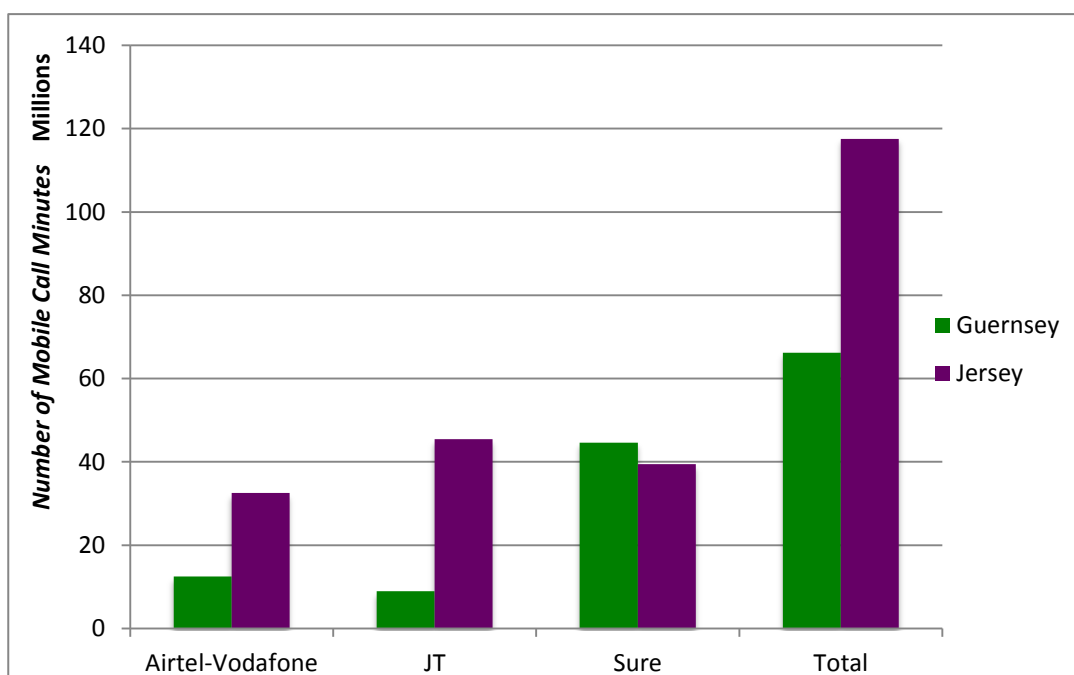
During 2013, Guernsey mobile subscribers generated 66 million call minutes (72 million call minutes, 2012), compared to nearly 118 million (132 million call minutes, 2012) in Jersey, showing that the Jersey market was 78% (83%, 2012) larger than Guernsey, in terms of outgoing call minutes.

<sup>30</sup> These figures exclude number of pre-pay consumers that have been deactivated in last 12 months due to inactivity.

<sup>31</sup> Source – Ofcom 2014 CMR – figure 5.45

<sup>32</sup> Pre-pay consumers put cash on their mobile phone account in advance of using it – typically, these are not business users and they are low-users of mobile phones. Post-pay consumers are charged monthly – usually by direct debit – and retrospectively for the use of their mobile phones.

**Figure 7.5 Total number of mobile minutes per operator – Guernsey and Jersey**



	Guernsey	Jersey
<b>Airtel-Vodafone</b>	12,549,829	32,540,154
<b>JT</b>	8,984,207	45,509,041
<b>Sure</b>	44,674,137	39,509,689
<b>Island Total</b>	<b>66,208,173</b>	<b>117,558,884</b>

Source: CICRA Industry Questionnaire, October 2014

As for the relative market shares viewed in terms of subscriber numbers, the original incumbent telecom operators (Sure in Guernsey and JT in Jersey) had the largest share of traffic in their respective islands. In Guernsey, Sure had 67% (73%, 2012) share of the total call minutes, compared to JT 14% (11%, 2012) and Airtel-Vodafone 19% (16%, 2012). In contrast in Jersey, JT had 39% (43%, 2012) of the total mobile call minutes, compared to Sure 33% (35%, 2012) and Airtel-Vodafone 28% (22%, 2012).

The data in figure 7.5 indicates the total number of call minutes carried by the networks of the mobile operators. The same data can also be looked at from the perspective of mobile subscribers and the use each subscriber makes of mobile networks.

Figure 7.6 below shows the average annual number of minutes that each consumer in Guernsey and Jersey spends calling various destinations from a mobile phone. Between 2012 and 2013, the average number of call minutes generated per consumer per annum decreased in Guernsey from 1,107 minutes to 1,020 minutes and in Jersey from 1,100 minutes to 1,045 minutes, but the decrease in minute activity was focused in the post-pay segment, since average call minutes for pre-pay consumers were either stable (Guernsey) or increased (Jersey).

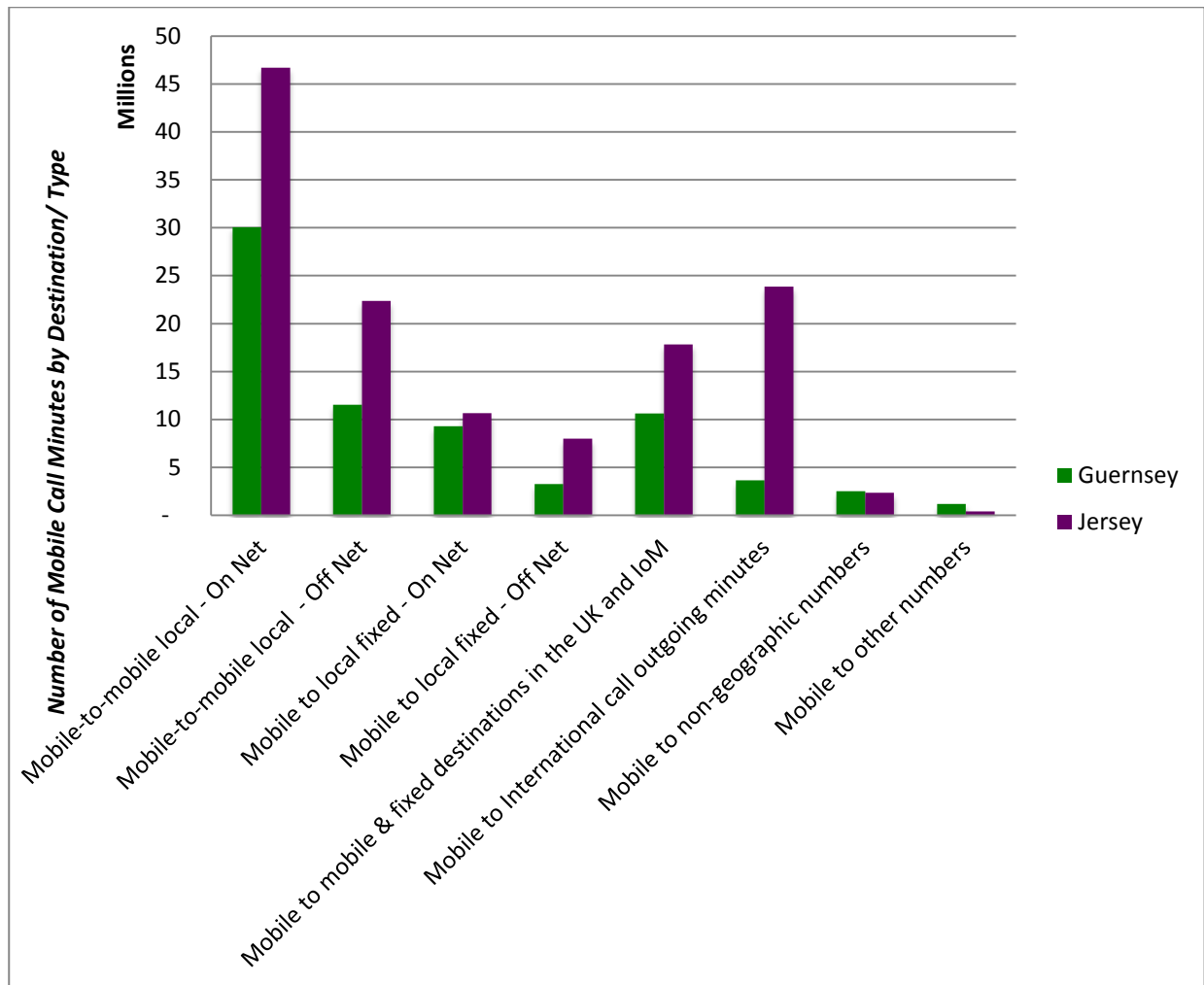
**Figure 7.6 Number of mobile call minutes per consumer per annum**

Mobile Service Type	Guernsey	Jersey
All Services – Average	1020	1045
Pre-Pay	693	923
Post-Pay	1256	1145

Source: CICRA Industry Questionnaire, October 2014

Figure 7.7 below provides an analysis of the main destinations called by subscribers in Guernsey and Jersey. The highest proportion of call minutes were On-Net calls to other subscribers on the same mobile network, 37% (42%, 2012) in Guernsey and 34% (35%, 2012) in Jersey. Off Net call minutes to other subscribers on a different mobile network were balanced across both islands at around 22% (increase from 17% in 2012) of overall call minutes. Mobile call minutes to fixed subscribers on the same network were significantly higher in Guernsey (14%) than in Jersey (9%). Traffic to the UK generated the largest volume of international traffic, representing between 14% for Guernsey and 15% for Jersey of total call minutes.

**Figure 7.7 Mobile call minutes, by call destination, per consumer and per annum**

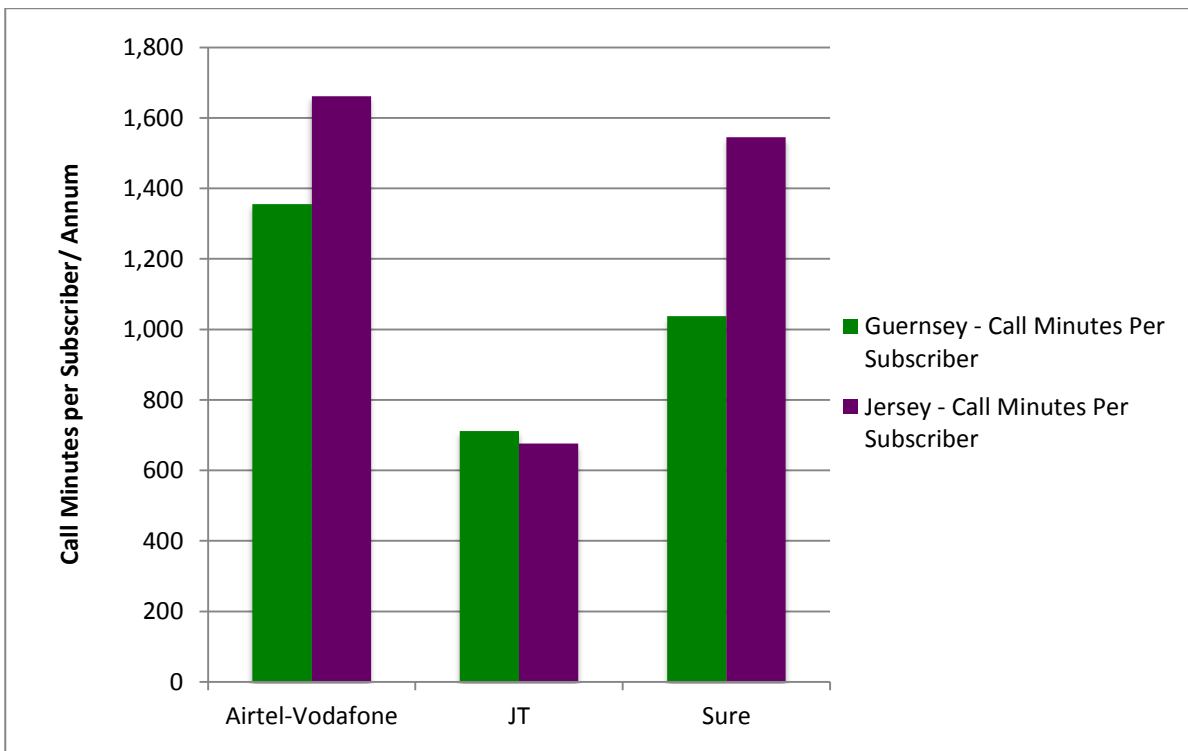


	Guernsey	Jersey
Mobile-to-mobile local - On Net	24,367,874	39,643,225
Mobile-to-mobile local - Off Net	14,426,589	26,091,411
Mobile to local fixed - On Net	8,991,943	10,524,095
Mobile to local fixed - Off Net	2,112,170	5,466,979
Mobile to mobile & fixed destinations in the UK and IoM	9,528,713	17,463,249
Mobile to International call outgoing minutes	4,162,846	17,220,148
Mobile to non-geographic numbers	1,492,730	720,758
Mobile to other numbers	1,125,309	429,019
<b>Total Mobile Minutes</b>	<b>66,208,174</b>	<b>117,558,884</b>

Source: *CICRA Industry Questionnaire, October 2014*

Figure 7.8 below shows the average number of mobile minutes per annum per consumer, by operator, across both Guernsey and Jersey. Consumers of Airtel-Vodafone had the highest number of minutes, averaging 1,356 minutes each year in Guernsey (26 minutes per week) and 1,661 minutes each year in Jersey (32 minutes per week). On average in Guernsey, mobile users talk for almost 20 minutes per week (21 minutes per week, 2012) on their mobile phone compared whereas Jersey mobile users talk for just over 20 minutes per week (compared to 21 minutes per week in 2012).

**Figure 7.8 Average mobile call minutes per subscriber, per operator, per annum**





	Guernsey	Jersey
<b>Airtel-Vodafone</b>	1,356	1,661
<b>JT</b>	712	676
<b>Sure</b>	1,038	1,545
<b>Island Average</b>	<b>1,020</b>	<b>1,045</b>

Source: CICRA Industry Questionnaire, October 2014

## Voice Traffic – Total Calls

Voice traffic, as noted above, can also be considered from the perspective of the number of calls made, irrespective of length.

Figure 7.9 below shows the average number of mobile calls per subscriber during 2013.

**Figure 7.9 Number of mobile calls per consumer per annum**

Mobile Service Type	Guernsey	Jersey
<b>All Services – Average</b>	<b>545</b>	<b>514</b>
<b>Pre-Pay</b>	392	433
<b>Post-Pay</b>	654	579

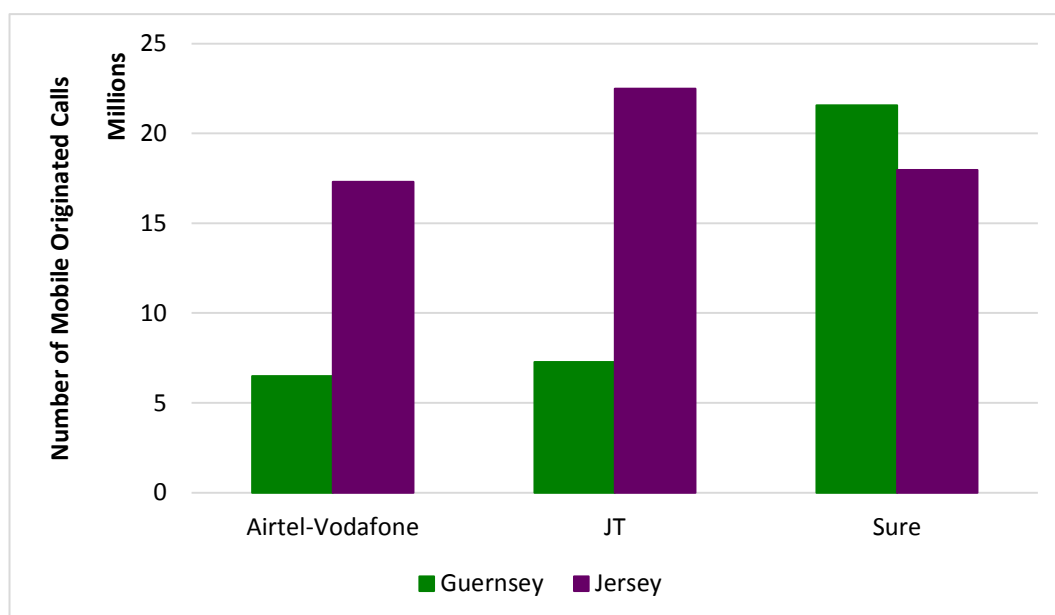
Source: CICRA Industry Questionnaire, October 2014

The average number of calls per subscriber differed slightly between Guernsey (average of 545 per subscriber per annum – 589, 2012) and Jersey (average of 514 per subscriber per annum – 538, 2012). Similarly to the change in mobile call minute volumes between 2012 and 2013, the average number of calls per subscriber dropped significantly for post-pay consumers for both islands, but increased for both Guernsey and Jersey pre-pay consumers.

Subscribers to the incumbent operators, Sure in Guernsey and JT in Jersey made relatively fewer calls than subscribers to the new entrants in each Island.

Figure 7.10 below the number of mobile calls originated on each network in Guernsey and Jersey. During 2012, Guernsey mobile subscribers made 35.3 million calls (38.4 million, 2012), compared to 57.8 million calls (64.6 million, 2012) in Jersey (around 62% more calls than Guernsey). The incumbent in Guernsey (Sure) had about 61% (65%, 2012) of the total number of Guernsey originated calls, with smaller shares for JT 21% (19%, 2012) and Airtel-Vodafone 18% (16%, 2012). In Jersey, JT had 39% (36%, 2012) of the local market in terms of originated call volumes, compared to Sure 31% (38%, 2012) and Airtel-Vodafone 30% (26%, 2012). Across the Channel Islands, Sure subscribers made around 42% (48%, 2012) of the total calls generated, with JT and Airtel-Vodafone subscribers accounting for 32% (30%, 2012) and 26% (22%, 2012) of the total call traffic respectively.

**Figure 7.10 Total number of calls per operator, per annum**



	Guernsey	Jersey	Total
<b>Airtel-Vodafone</b>	6,494,012	17,313,304	23,807,316
<b>JT</b>	7,284,709	22,503,791	29,788,500
<b>Sure</b>	21,568,028	17,967,791	39,535,819
<b>Island Total</b>	<b>35,346,749</b>	<b>57,784,886</b>	<b>93,131,635</b>

Source: CICRA Industry Questionnaire, October 2014

### Incoming International Calling Countries

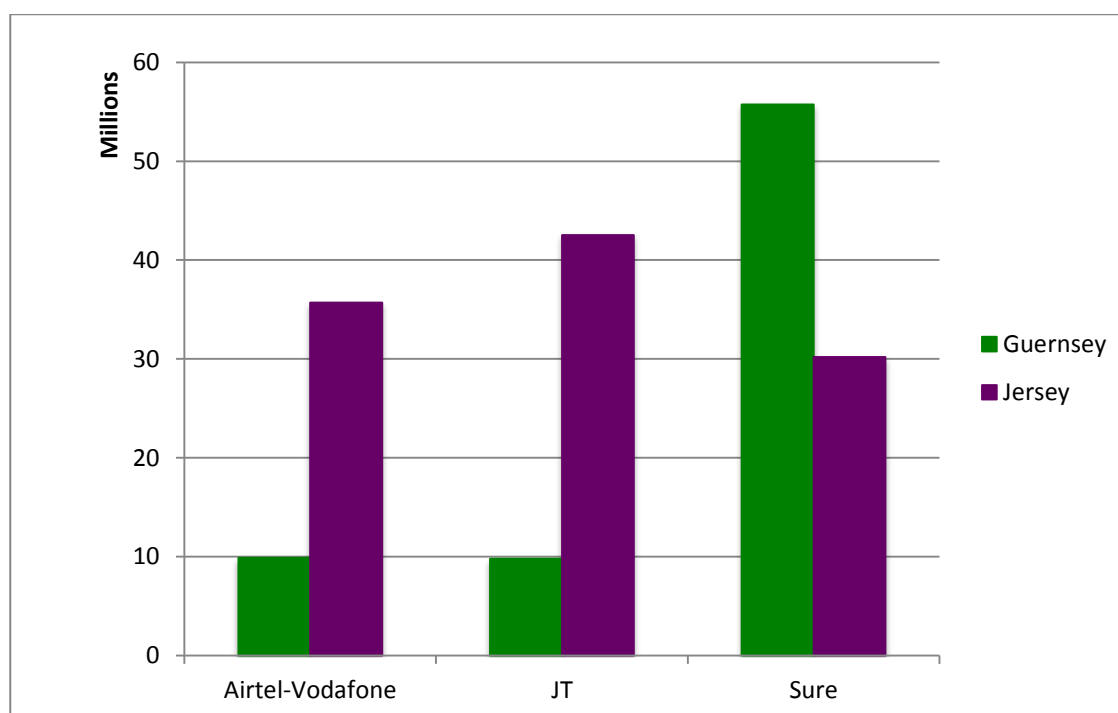
Mobile users in both Guernsey and Jersey received calls from a range of countries, but from the submissions provided by the operators, the most common called countries originating mobile calls to the Channel Islands, included :-

- Canada
- Eire
- France
- Latvia
- Poland
- Portugal
- Romania
- Spain
- Switzerland
- USA

## SMS Traffic

Similarly to the mobile call volume statistics, 44% (67%, 2012) more SMS messages were sent in Jersey compared to Guernsey. Figure 7.11 below shows that in total 75.5 million (77.2 million, 2012) million SMS messages (30% sent by pre-paid subscribers and 70% sent by post-paid subscribers) were sent in Guernsey in 2013 and 108.5 million (128.8 million, 2012) SMS messages were sent in Jersey in 2013 (29% sent by pre-paid subscribers and 71% sent by post-paid subscribers).

**Figure 7.11 Number of SMS texts per annum**



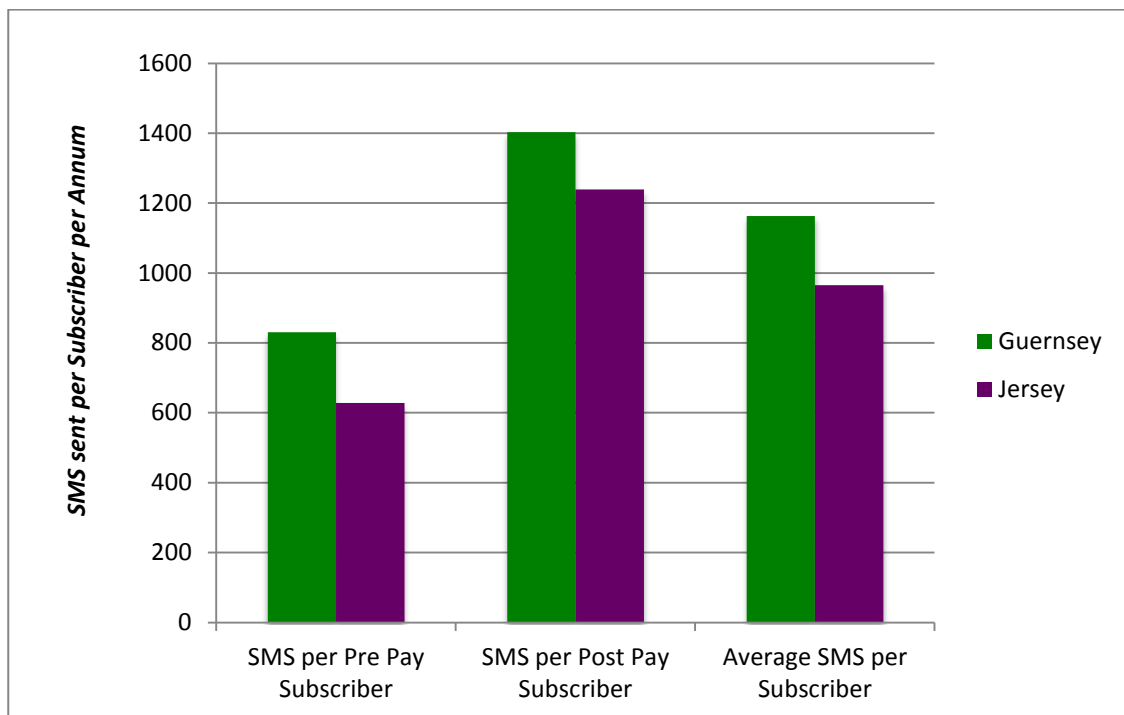
	Guernsey	Jersey	Total
<b>Airtel-Vodafone</b>	9,898,122	35,706,257	45,604,379
<b>JT</b>	9,815,890	42,555,863	52,371,753
<b>Sure</b>	55,747,282	30,209,013	85,956,295
<b>Island Total</b>	<b>75,461,294</b>	<b>108,471,133</b>	<b>183,932,427</b>

Source: *CICRA Industry Questionnaire, October 2014*

In terms of market share, the incumbent in Guernsey (Sure) had 74% (71%, 2012) of the total number of SMS messages sent, with smaller shares for Airtel-Vodafone 13% (16%, 2012) and JT 13% (same as 2012). In Jersey, JT had 39% (41%, 2012) of the local market in terms of originated number of SMS message, compared to Airtel-Vodafone 33% (same as 2012) and Sure 28% (26%, 2012).

As shown in Figure 7.12 below, in Guernsey, the number of texts sent by prepay consumers was 16 (14, 2012) SMS's per week, compared to 27 (30, 2012) SMS's for the average Guernsey post-pay consumer. In Jersey, prepay consumers sent about 12 (10, 2012) SMS's per week, compared to post-pay consumers who sent about 24 (28, 2012) SMS's per week.

**Figure 7.12 Average number of SMS texts per annum**



Mobile Service Type	Guernsey	Jersey
All Services – Average	1162	964
Pre-Pay	830	628
Post-Pay	1402	1239

Source: CICRA Industry Questionnaire, October 2014

### Mobile revenue per type of consumer

Figure 7.13 below shows that there were differences between what consumers paid for their mobile services in Guernsey and in Jersey (technically, the data collected referred to the revenue that mobile operators obtained from each consumer)<sup>33</sup>. Figure 7.13 also shows the annual revenue per user (ARPU) in total and analysed according to subscriber type.

<sup>33</sup> Jersey average revenue figures exclude GST to provide a direct comparison with the Guernsey figures

**Figure 7.13 Average revenue per subscriber per month**



Mobile Service Type	Guernsey £	Jersey £	Average £
All Services – Average	23.33	18.76	20.43
Pre-Pay	9.41	8.23	8.64
Post-Pay	33.38	27.35	29.63

Source: CICRA Industry Questionnaire, October 2014

For pre-pay consumers, the average monthly ARPU was £9.41 per month (£9.91 per month, 2012) for Guernsey consumers and £8.23 per month (£9.67, 2012) per month for Jersey consumers.

For post-pay consumers, on average Guernsey consumers spent £33.38 per month (£30.55 per month, 2012) and Jersey consumers spent £27.35 (£38.07 per month, 2012). These figures included roaming and mobile data charges.

In the UK, pre-pay consumers spent on average £5.19 per month and post-pay consumers spent £25.21 on average. According to Ofcom, in 2013, the average monthly blended ARPU for a UK mobile consumer (including voice, roaming and data charges) was around £15.63<sup>34</sup>, compared to the average monthly ARPU in Guernsey of £23.33 and £18.76 in Jersey.

<sup>34</sup> Ofcom: 2014 Communications Market Report – Fig 5.41

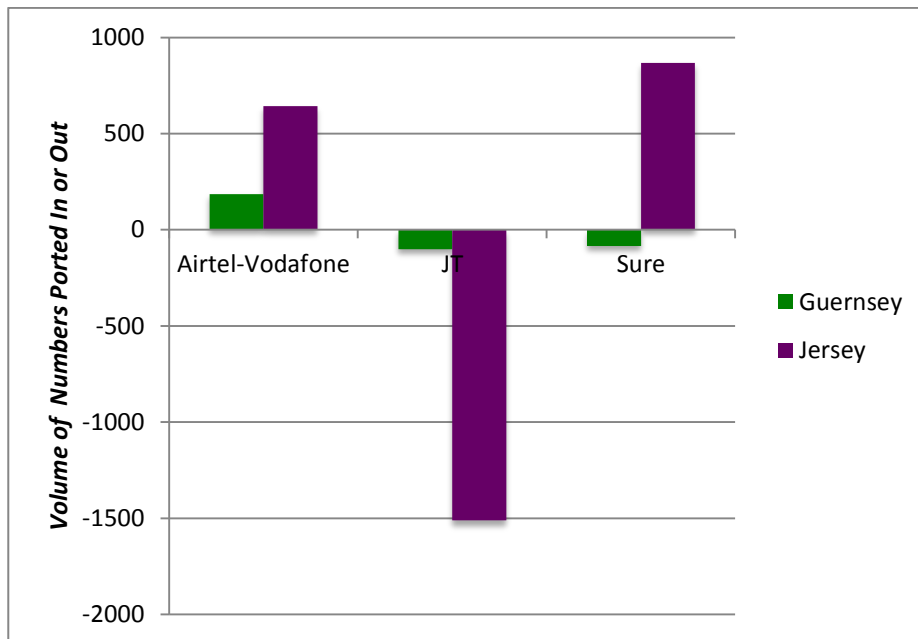
## Switching Activity in the Guernsey and Jersey mobile markets

One measure of the competitive dynamics apparent in markets is the extent to which consumers switch from one supplier to another. If consumers switch, it indicates that telecom operators are innovative and competitive in creating new offerings that entice consumers from one operator to another. Switching is usually associated with the process called 'porting' whereby consumers, can switch from one supplier to another while keeping their telephone number; in effect, consumers 'port' their telephone number from one telecom supplier. In the Channel Islands number porting is available intra-island but not inter-island.

In Figure 7.14 below, 'porting-in' describes the number of consumers moving to a new supplier and, conversely, 'porting-out' describes the number of consumers leaving their existing supplier. In each island, the total number of consumers porting in and out, by definition, is equal and in each island, the incumbent operator lost more consumers than it gained.

Figure 7.14 shows that the overall net beneficiary from porting activity was Airtel-Vodafone, gaining 828 (778, 2012) consumers during 2013 across both Guernsey and Jersey.

**Figure 7.14 Mobile Porting Activity – Guernsey & Jersey**



<b>Guernsey Porting Activity</b>	<b>Port In</b>	<b>Port Out</b>	<b>Net Benefit</b>
<b>Airtel-Vodafone</b>	309	124	185
<b>JT</b>	540	641	-101
<b>Sure</b>	332	416	-84
<b>Island Total</b>	<b>1181</b>	<b>1181</b>	
<b>Jersey Porting Activity</b>	<b>Port In</b>	<b>Port Out</b>	<b>Net Benefit</b>
<b>Airtel-Vodafone</b>	1179	536	643
<b>JT</b>	953	2464	-1511
<b>Sure</b>	1285	417	868
<b>Island Total</b>	<b>3417</b>	<b>3417</b>	

Source: Porting XS MNP Channel Islands data – 2013

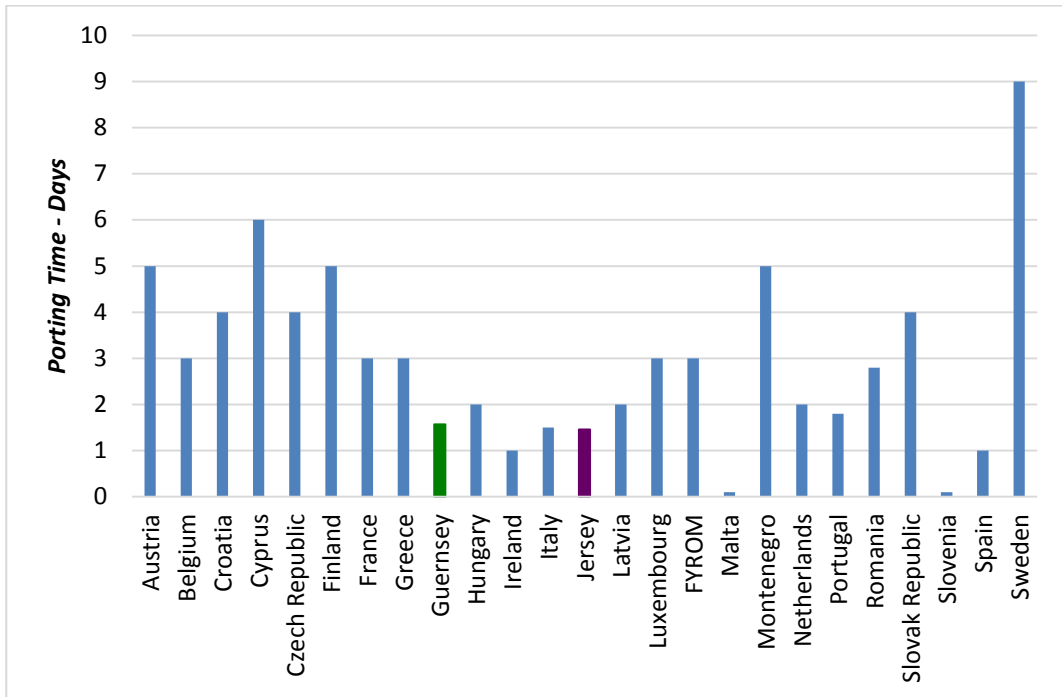
A total of 4,598 mobile numbers were ported in 2013, (4,832, 2012), representing (2.59%) of the total 2013 Channel Islands mobile subscriber base. The majority of porting activity was seen in Jersey where 3,417 (3.04%) numbers were ported, compared to Guernsey, where 1,181 (1.82%) numbers were ported. Whilst the average porting level aligned to the average seen across Europe, it was significantly behind the competitive markets of Denmark, France and Italy, where porting activity was between 8% and 12% of the active subscriber base.

Figure 6.15 below provides a comparison of porting times across the EU. The average times to port were 1.6 days (37.7 hours) in Guernsey (55.9 hours, 2012), compared to 1.46 days (35.1 hours) in Jersey (a reduction 39.9 hours, 2012).

According to the 2014 CEPT report data<sup>35</sup>, the average porting time for mobile services across the EU was 3.1 working days (74.4 hours). However, the variation in porting times was broad, and it should be noted that porting timeframes in Eire, Malta and Spain could be less than one hour and thus the 2012 porting performance in both Guernsey and Jersey was poorer than the European best practice countries and outside the one day porting requirement mandated by the EU.

<sup>35</sup> Number Portability Implementation in Europe based on a survey of CEPT Member Countries - CEPT/ECC Working Group Numbering & Networks - 14 March 2014

**Figure 7.15 Comparison of Porting Times across the EU**



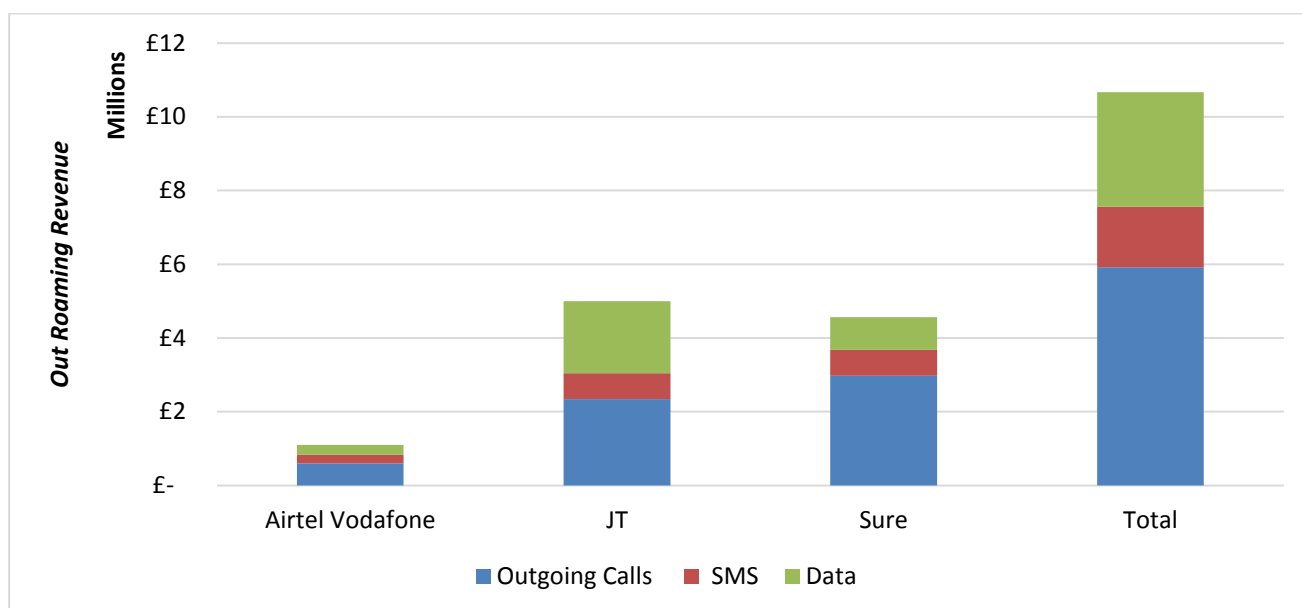
### Out Roaming

Out Roaming is the use of mobile services by the mobile consumers of Channel Island operators while roaming on networks outside the Channel Islands. In 2013, the Channel Islands mobile operators generated revenues of around £10.7 million or 18.2% of total mobile revenues excluding In Roaming revenues, (£10.6 million, 2012) from Out Roaming service usage by their consumers.

Figure 7.16 below shows the relative Out Roaming revenues generated by each operator from Out Roaming calls (56% - 58%, 2012), SMS (15% - 16% 2012) and data usage (29% - 26%, 2012), indicating that data usage is starting to supplement traditional voice calling when roaming overseas.



**Figure 7.16 Out Roaming Revenue**



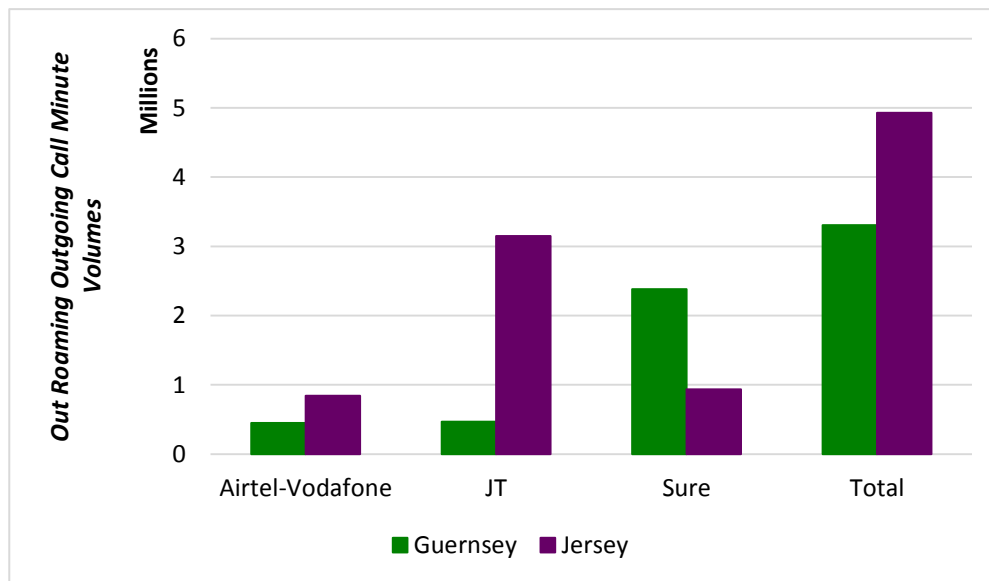
Out Roaming Revenue	Outgoing Calls	SMS	Data	Total
<b>Airtel-Vodafone</b>	£599,589	£234,424	£269,963	<b>£1,103,976</b>
<b>JT</b>	£2,345,319	£700,550	£1,951,099	<b>£4,996,968</b>
<b>Sure</b>	£2,977,423	£698,120	£890,003	<b>£4,565,546</b>
<b>Total</b>	<b>£5,922,331</b>	<b>£1,633,094</b>	<b>£3,111,065</b>	<b>£10,666,490</b>

Source: CICRA Industry Questionnaire, October 2014

### Out Roaming outgoing call minutes

Out Roaming outgoing call minutes are all minutes made by the mobile consumers of Channel Island operators while roaming on networks outside the Channel Islands. Between 2012 and 2013, Channel Islands Out Roaming outgoing call minutes dropped by around 728,000 minutes (8%). Figure 7.17 below shows that the two respective incumbent operators in both Islands had the highest number of roaming out outgoing call minutes, Sure in Guernsey 72% (71%, 2012) and JT in Jersey 64% (same as 2012), which reflected the comparable size of their consumer bases

**Figure 7.17 Out Roaming outgoing call minutes**



Out Roaming outgoing call minutes	Guernsey	Jersey	Total
<b>Airtel-Vodafone</b>	453,121	841,511	1,294,632
<b>JT</b>	468,828	3,151,334	3,620,162
<b>Sure</b>	2,384,824	936,912	3,321,736
<b>Total</b>	<b>3,306,773</b>	<b>4,929,757</b>	<b>8,236,530</b>

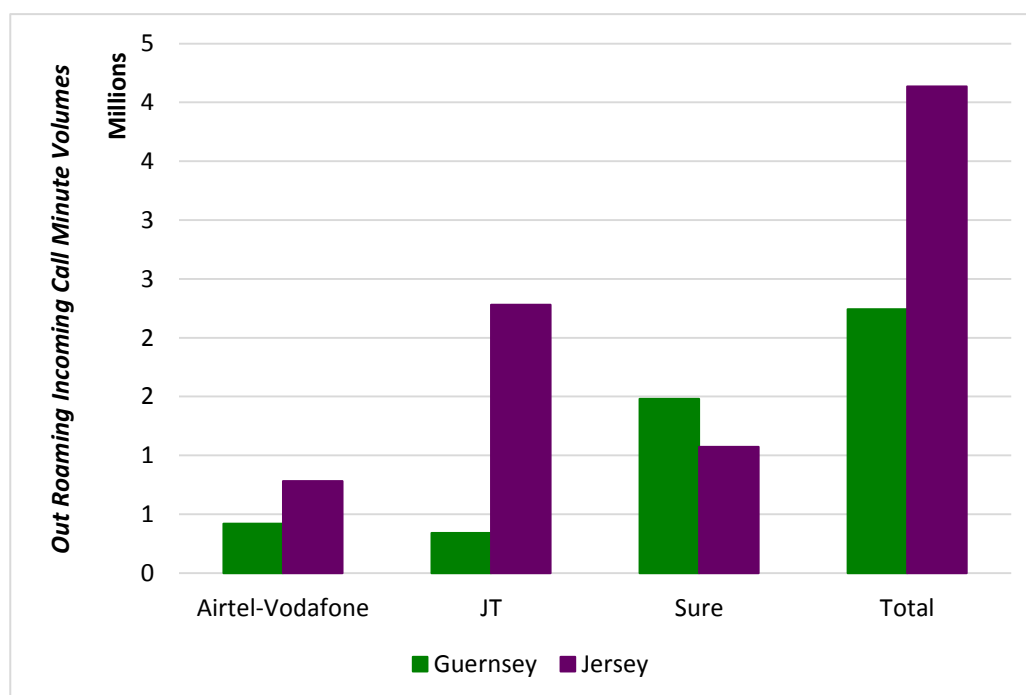
Source: CICRA Source: CICRA Industry Questionnaire, October 2014

### Out Roaming incoming call minutes

Out Roaming incoming call minutes are those calls minutes received by the operators' own mobile consumers while roaming on networks outside the Channel Islands. Figure 7.18 below provides a breakdown of Out Roaming incoming calls minutes by island and by operator.

Similarly to the Out Roaming outgoing call trend, between 2012 and 2013, Channel Islands Out Roaming incoming call minutes dropped by around 474,000 minutes (7%). The two respective incumbents' consumers receive the largest number of call minutes, Sure in Guernsey (66% - 67%, 2012) and JT in Jersey (55% - 56%, 2012).

**Figure 7.18 Out Roaming incoming call minutes**



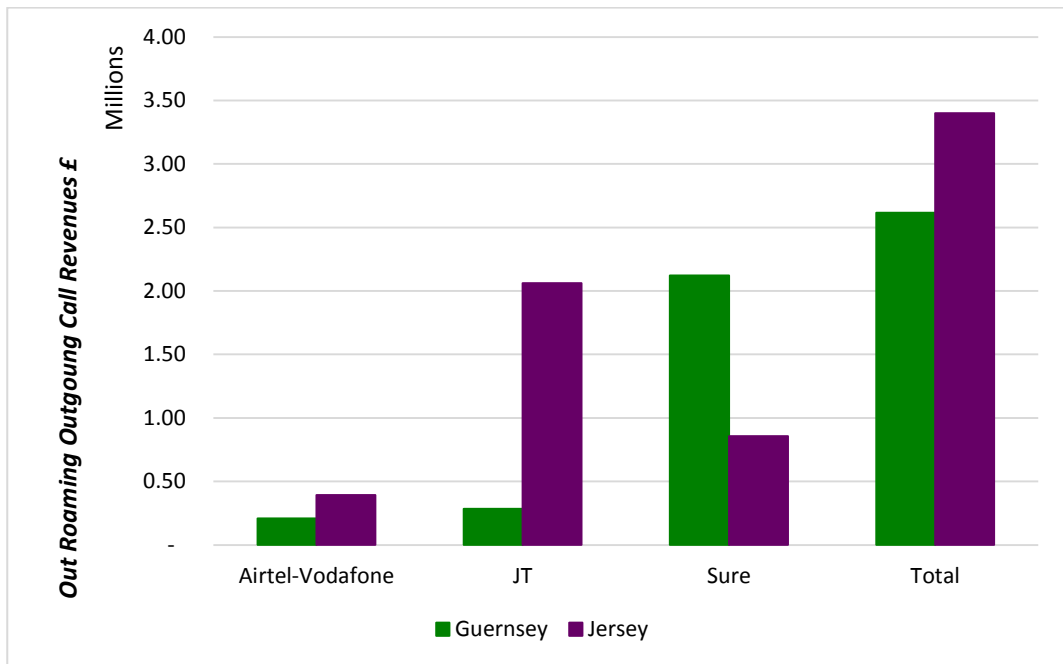
Out Roaming Incoming Call Minutes	Guernsey	Jersey	Total
Airtel-Vodafone	421,101	782,043	1,203,144
JT	340,989	2,282,000	2,622,989
Sure	1,481,169	1,073,464	2,554,633
<b>Total</b>	<b>2,243,259</b>	<b>4,137,507</b>	<b>6,380,766</b>

Source: CICRA Industry Questionnaire, October 2014

### Out Roaming outgoing call revenue

Out Roaming outgoing call revenue is the revenue received from roaming out voice calls made by the operators' own mobile consumers while roaming on networks outside the Channel Islands. The operators made around 11% of total mobile revenues (excluding In Roaming revenues), from Out Roaming outgoing calls. Out Roaming outgoing call revenue totalled £5.9 million in 2013, compared to £6.2 million in 2012, with £2.6 million (£2.8 million, 2012) generated by Guernsey subscribers and £3.3 million (£3.4 million, 2012) generated by Jersey subscribers. Sure generated 50% (49%, 2012) of the total out roaming outgoing call revenues, JT 40% (43%, 2012) and Airtel-Vodafone 10% (8%, 2012)

Figure 7.19 Out Roaming outgoing call revenue (£)



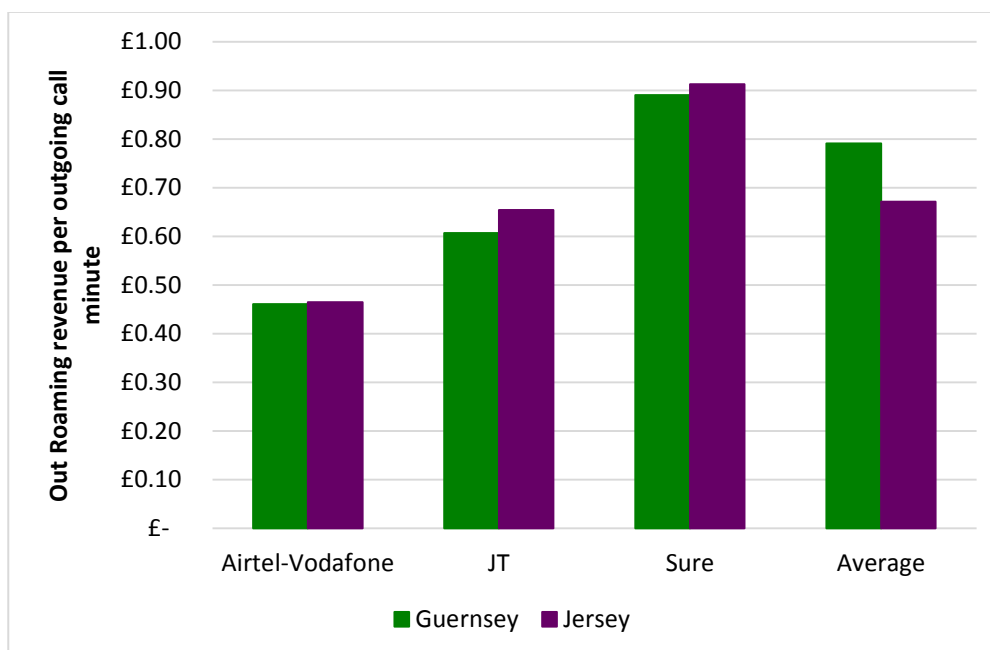
Out Roaming Outgoing Call Revenue £	Guernsey	Jersey	Total
Airtel-Vodafone	£208,534	£391,054	£599,588
JT	£284,434	£2,060,886	£2,345,320
Sure	£2,122,436	£854,987	£2,977,423
<b>Total</b>	<b>£2,615,404</b>	<b>£3,306,927</b>	<b>£5,922,331</b>

Source: CICRA Industry Questionnaire, October 2014

## Out Roaming - revenue per outgoing call minute

Figure 7.20 below shows the average revenue per outgoing call minute.

**Figure 7.20 Out Roaming– revenue per outgoing call minute**



Out Roaming – Revenue per outgoing call minute £	Airtel-Vodafone	JT	Sure	Average
Guernsey	£0.46	£0.61	£0.89	£0.79
Jersey	£0.46	£0.65	£0.91	£0.67
Average	£0.46	£0.63	£0.90	£0.73

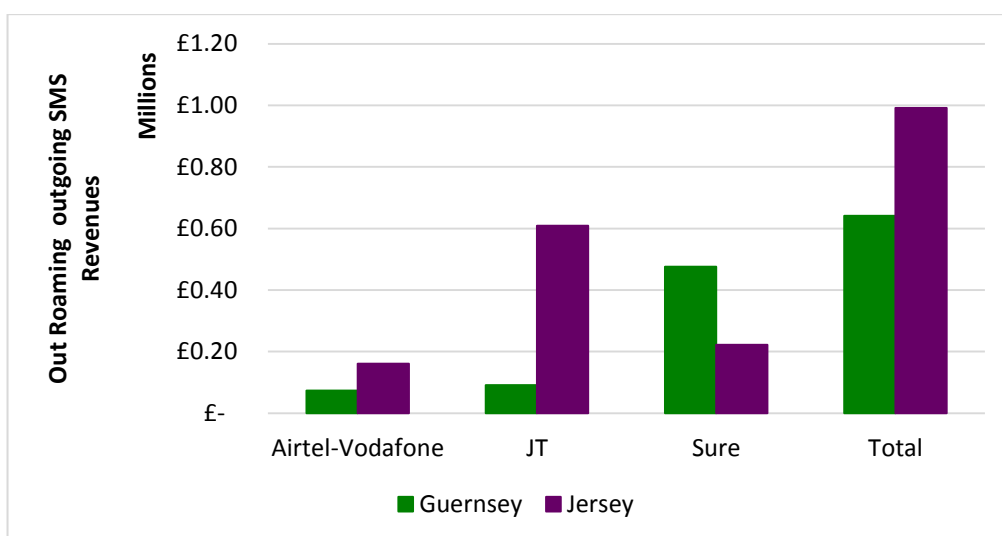
Source: CICRA Industry Questionnaire, October 2014

The average revenue per Out Roaming outgoing call minute figures have been calculated as the ratio of revenue and call minutes. Average revenue per Out Roaming outgoing call minute was 18% or £0.12 higher (23% higher in 2012) in Guernsey, when compared to Jersey. Sure collected the highest average revenue per minute at £0.90 (£0.84, 2012), compared to £0.63 (£0.72, 2012) for JT and £0.46 (£0.35, 2012) for Airtel-Vodafone.

## Out Roaming SMS message revenue

Out Roaming SMS message revenue is the revenue received (excluding tax) from SMS messages sent by the operators' own mobile consumers while roaming on networks outside the Channel Islands. Figure 7.21 below shows that the operators generated around £1.6 million (same as 2012) from out roaming SMS traffic, with £0.6 million generated by Guernsey consumers and around £1 million generated by Jersey consumers. Sure generated 43% (48%, 2012) of the total out roaming outgoing SMS revenues, JT 43% (41%, 2012) and Airtel-Vodafone 14% (11%, 2012).

**Figure 7.21 Out Roaming – SMS message revenue (£)**

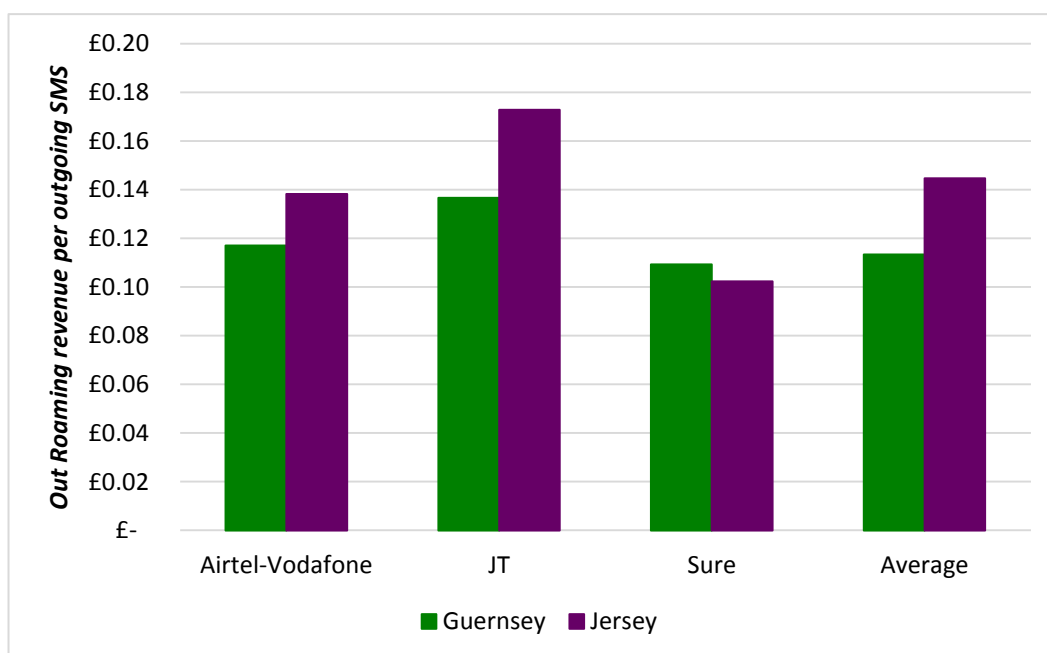


Out Roaming Outgoing SMS Revenue £	Guernsey	Jersey	Total
<b>Airtel-Vodafone</b>	£73,425	£160,998	£234,423
<b>JT</b>	£91,376	£609,174	£700,550
<b>Sure</b>	£476,339	£221,780	£698,119
<b>Total</b>	<b>£641,140</b>	<b>£991,952</b>	<b>£1,633,092</b>

Source: CICRA Industry Questionnaire, October 2014

As can be seen from the figure 7.22 below contrary to the trend for average revenue per Out Roaming outgoing call minute pricing, the average pricing of SMS roaming messages was 28% or £0.03 per SMS higher in Jersey, when compared to Guernsey On average, JT received on average £0.16 per SMS roaming message (£0.17, 2012), compared to £0.11 (£0.10, 2012) for Sure and £0.13 (£0.09, 2012) for Airtel-Vodafone. Compared to 2012, the market pricing between the operators for SMS roaming messages narrowed, since both Airtel-Vodafone and Sure increased their average revenue per SMS roaming message.

**Figure 7.22 Revenue per Out roaming SMS message**



Out Roaming – Revenue per SMS £	Airtel-Vodafone	JT	Sure	Average
Guernsey	£0.12	£0.14	£0.11	£0.11
Jersey	£0.14	£0.17	£0.10	£0.14

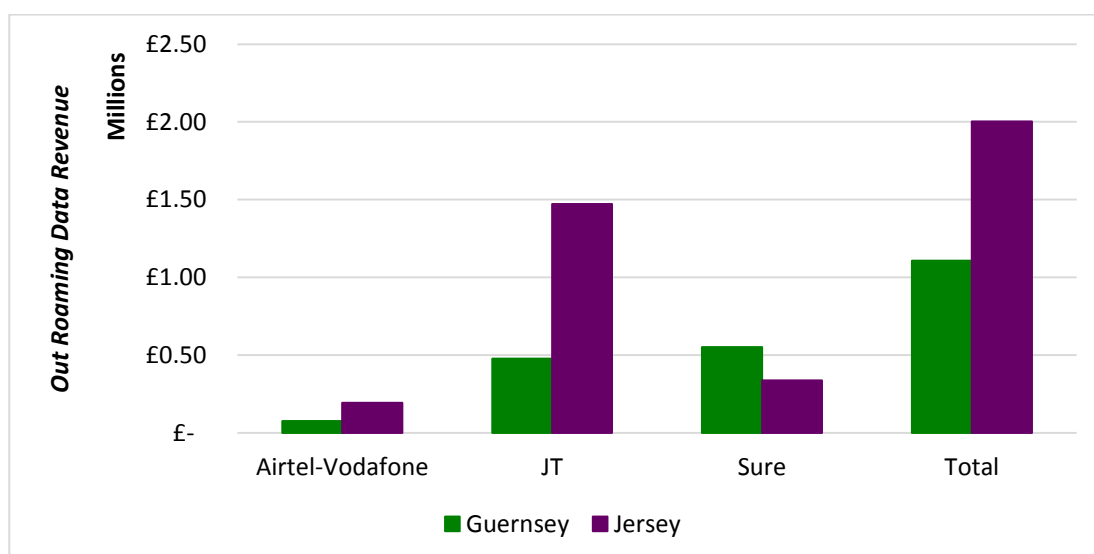
Source: CICRA Industry Questionnaire, October 2014

### Out Roaming data revenue

Out Roaming data revenue is the revenue received from data downloaded by the operators' own mobile consumers while roaming on networks outside the Channel Islands.

Figure 7.23 below shows that Guernsey Out-Roaming data revenues grew marginally to £1.1 million (compared to £1 million in 2012) but Jersey Out Roaming data revenues increased from £1.8 million in 2012 to £2.0 million in 2013.

**Figure 7.23 Out Roaming Data Revenue**



Out Roaming Outgoing Data Revenue	Guernsey £	Jersey £	Total £
Airtel-Vodafone	76,090	193,872	269,962
JT	478,919	1,472,180	1,951,099
Sure	552,310	337,692	890,002
<b>Total</b>	<b>1,107,319</b>	<b>2,003,744</b>	<b>3,111,063</b>

Source: CICRA Industry Questionnaire, October 2014

Figure 7.24 below shows the average revenue per downloaded MB of data that the Channel Islands operators collected from their local consumers when they roamed abroad and downloaded data. The average Out Roaming data pricing per MB varied significantly between the average revenue generated by Airtel-Vodafone in Jersey at £1.57 per MB to JT’s average Guernsey revenue at £3.20 per MB. The average revenue that Airtel-Vodafone and JT generated between the islands also varied significantly, for instance, Airtel-Vodafone’s average Guernsey generated revenue was £2.49 per MB compared to the Jersey average revenue of £1.57 per MB. Similarly, JT’s average revenues varied between £2.12 per MB generated in Jersey, compared to £3.20 per MB generated in Guernsey. Sure’s average revenues between the islands were more aligned, where Guernsey generated roaming data averaged £2.36 per MB, compared to £2.55 per MB in Jersey.

In the 2012 market report it was reported that the average revenue for roaming data had dropped between 2011 and 2012 for Airtel-Vodafone (£2.40/ MB to £1.12/ MB) and Sure (£3/ MB to £2.79/MB), but JT’s average revenue had increased in the same period (£1.20/MB to £3.21/MB).

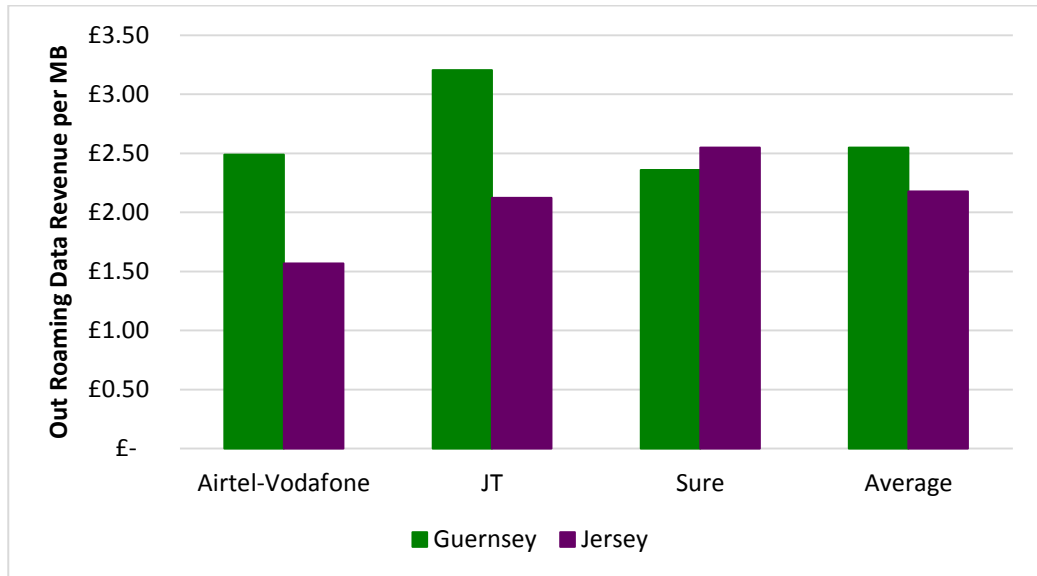
Comparing the 2013 average roaming data revenue figures with those from 2012, shows further volatility in the revenue fluctuations between the operators and islands. The average revenue in Guernsey increased by 6% from £2.41/MB to £2.55/MB, but the Jersey average revenue fell by around 7% from £2.34/MB to £2.18/ MB. Average revenue for Airtel-Vodafone increased by 65% from £1.12/MB to £1.85/ MB, JT’s average



revenue dropped by 28% from £3.21/MB to £2.31/MB and Sure’s average revenue dropped by 13% from £2.79/MB to £2.43/MB.

The underlying trend from the 2013 data suggests that the average revenue generated by the operators across both islands was converging and following the downward trend seen across the UK and Europe where roaming data pricing have been reducing significantly due to regulatory and consumer pressure.

**Figure 7.24 Out Roaming Data - Revenue per MB (£)**



Out Roaming – Revenue per MB £	Airtel-Vodafone	JT	Sure	Average
Guernsey	£2.49	£3.20	£2.36	£2.55
Jersey	£1.57	£2.12	£2.55	£2.18
Average	£1.85	£2.31	£2.43	£2.29

Source: CICRA Industry Questionnaire, October 2014

### Out Roaming Destinations

The submissions from the Channel Islands operators indicate that the most common destinations for local consumers to use their mobile telecommunications services when roaming abroad, include:-

- Eire,
- France,
- Latvia,
- Poland,
- Portugal,
- Spain,
- Switzerland,
- UK,
- USA

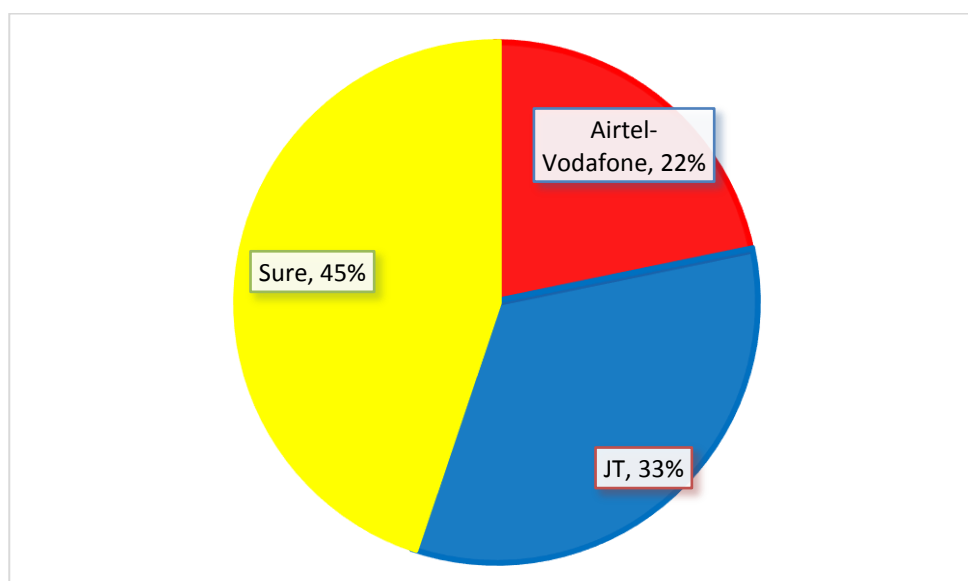
## In Roaming

In Roaming is the use of Channel Islands networks by overseas visitors for mobile services

In 2013, In Roaming subscribers generated revenues of around £4.2 million (£3.7million, 2012) million across the Channel Islands. Visitors to Guernsey generated revenues of around £1.7 million (same as 2012) and those to Jersey generated revenues of around £2.4 million (£2.0 million, 2012).

Figure 7.25 below shows that Sure generated 45% (46%, 2012) of the total Channel Island In Roaming revenue, with Airtel-Vodafone generated 22% (28%, 2012) and JT 33% (26%, 2012) respectively.

**Figure 7.25 In Roaming Revenue Market Share**



In Roaming Revenue	Guernsey	Jersey	Total
Airtel-Vodafone	£416,879	£487,144	£904,023
JT	£366,035	£1,020,201	£1,386,236
Sure	£957,412	£905,133	£1,862,545
<b>Total</b>	<b>£1,740,326</b>	<b>£2,412,478</b>	<b>£4,152,804</b>

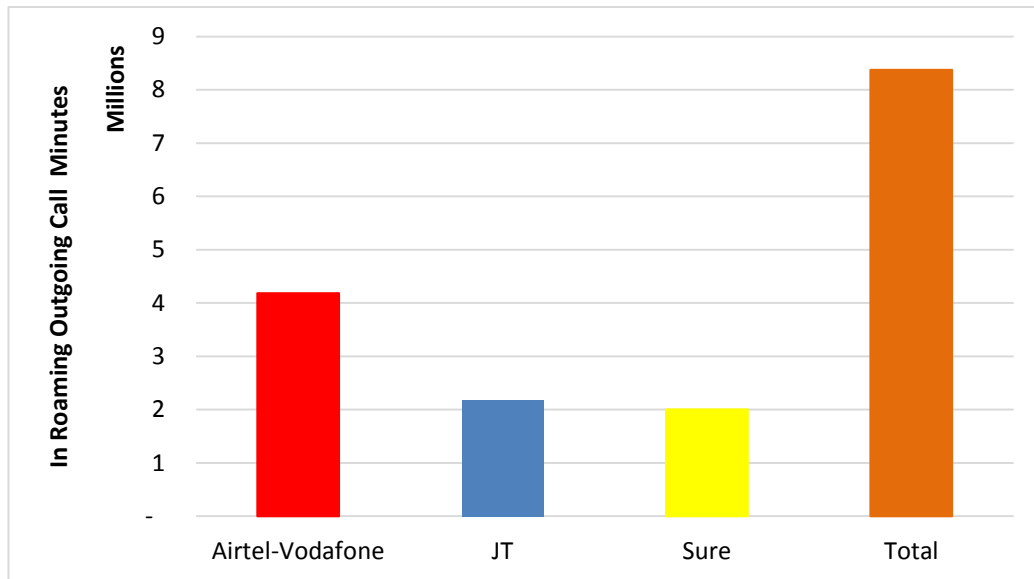
Source: CICRA Industry Questionnaire, October 2014

## In Roaming outgoing call minutes

Figure 7.26 below shows the number of outgoing call minutes used by visiting mobile consumers while roaming on the Channel Island operators' mobile networks.

Some of the operators were unable to separate out In Roaming traffic between Guernsey and Jersey and thus In Roaming data is presented on a pan Channel Island basis.

**Figure 7.26 In Roaming outgoing call minutes**



In Roaming Outgoing Call Minutes	Total
Airtel-Vodafone	4,185,405
JT	2,185,504
Sure	2,005,711
<b>Total</b>	<b>8,376,620</b>

Source: CICRA Industry Questionnaire, October 2014

Figure 7.26 below shows the outgoing call minutes used by visiting mobile consumers for each mobile network. Compared to 2012, the total outgoing call minutes in 2013 dropped by 588,000 minutes or 7%. 26% (44%, 2012) of the roaming in outgoing call minutes were made on JT’s Network and 24% on Sure’s network (40%, 2012), but Airtel-Vodafone’s share of the outbound roaming traffic grew significantly to 50% of the overall traffic volume (16%, 2012).

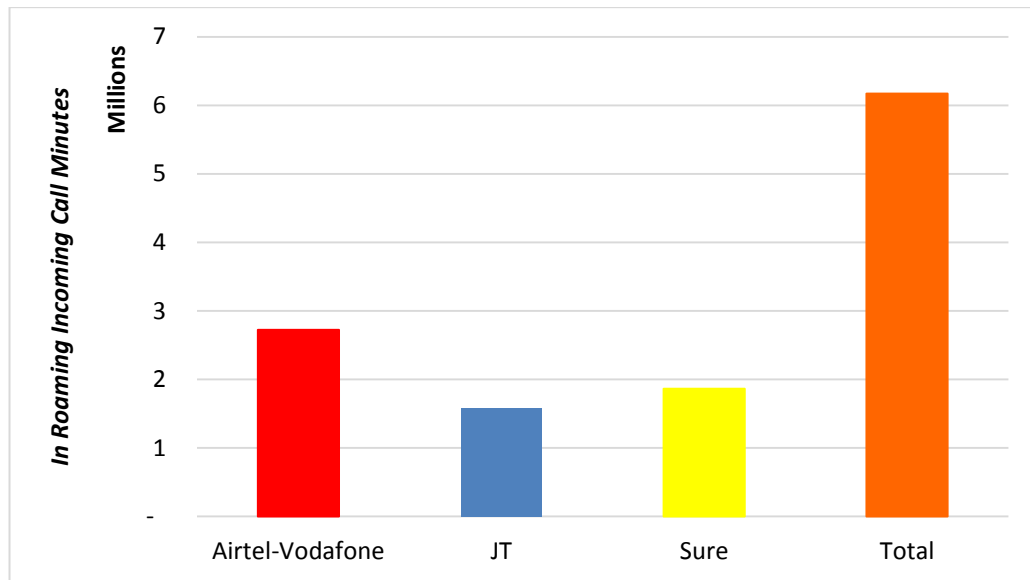
**In Roaming incoming call minutes**

This is the total number of call minutes received by visiting mobile consumers while roaming on the operators’ own mobile networks.

The 2013 trend for In Roaming incoming call minutes contradicted the corresponding outgoing call minute trend since the total incoming call minutes increased by nearly 1.7 million minutes or 37%.

Figure 7.27 below shows the share of incoming call minutes received by visiting mobile consumers demonstrated a similar profile to the corresponding outgoing call traffic, in which the predominate market share was held by Airtel-Vodafone with 44% share (37%, 2012), but Sure’s market share was closer at 30% (37%, 2012) and JT whose share was stable at 26%.

**Figure 7.27 In Roaming incoming call minutes**



In Roaming Incoming Call Minutes	Total
Airtel-Vodafone	2,723,827
JT	1,582,606
Sure	1,864,555
<b>Total</b>	<b>6,170,988</b>

Source: CICRA Industry Questionnaire, October 2014

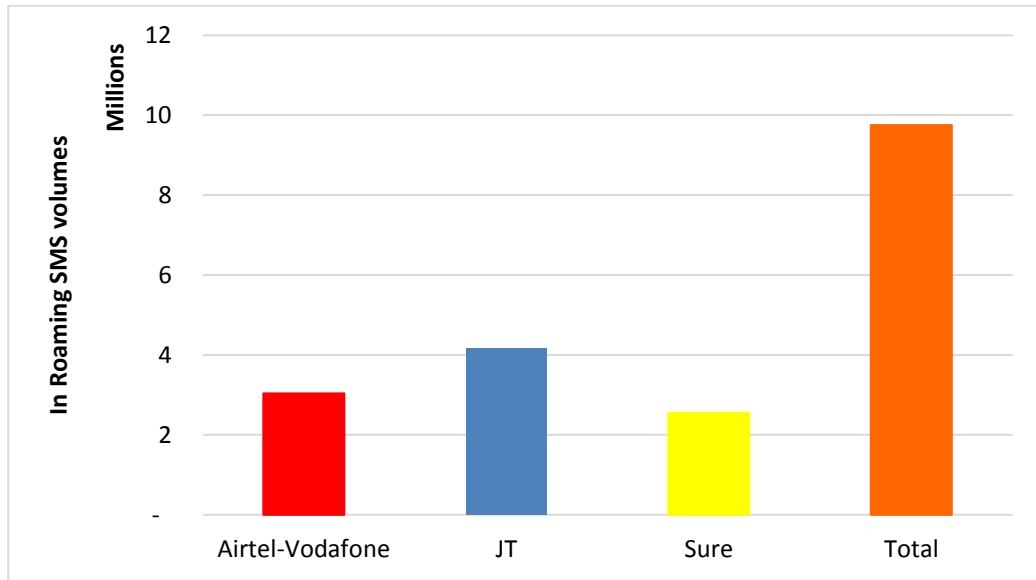
**In Roaming SMS messages and data**

Figure 7.28 below shows the total number of SMS messages sent by visiting mobile consumers while roaming on Channel Islands’ operators’ mobile networks.

In 2013 In Roaming outgoing SMS message volumes increased by nearly 1.7 million SMS messages or 21%, when compared to the reported 2012 In Roaming SMS traffic.

The share of outgoing SMS messages sent by visiting mobile consumers was more balanced across the different networks, but JT led with a 43% market share (58%, 2012), followed by Airtel-Vodafone with 31% share (23%, 2012) and Sure with 26% share (19%, 2012).

**Figure 7.28 In Roaming – outgoing SMS messages**



In Roaming SMS	Total
Airtel-Vodafone	3,038,576
JT	4,157,221
Sure	2,554,057
<b>Total</b>	<b>9,749,854</b>

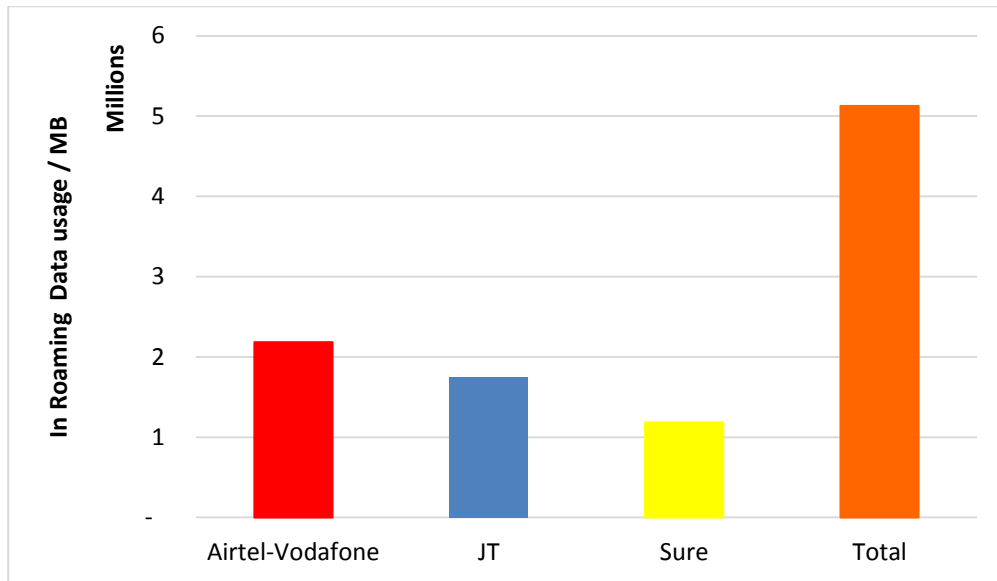
Source: CICRA Industry Questionnaire, October 2014

Figure 7.29 below shows the amount of data which visiting mobile consumers downloaded while using one of the networks of a Channel Island operator.

In 2013 In Roaming outgoing data usage increased by over 2.6 million MB or 107%, when compared to the reported 2012 In Roaming data usage.

Airtel-Vodafone accounted for the largest share of In Roaming data usage with a 43% market share (31%, 2012), JT accounting for 34% (56%, 2012) and Sure with 23% (17%, 2012). It is evident that In Roaming mobile consumers significantly increased their use of roaming data in the Channel Islands which aligns with the global trend for increased roaming data usage, driven by reducing roaming data prices and increased use of smartphones.

**Figure 7.29 In Roaming – data usage (MB)**



In Roaming Data Usage/ MB	Total
<b>Airtel-Vodafone</b>	2,184,448
<b>JT</b>	1,757,844
<b>Sure</b>	1,184,749
<b>Total</b>	<b>5,127,041</b>

Source: CICRA Industry Questionnaire, October 2014

### In Roaming Destinations

The submissions from the Channel Islands operators indicate that the most common countries from which visiting consumers originate who roam on the Channel Islands mobile networks whilst visiting the Channel Islands, include :-

- Belgium,
- France,
- Germany,
- Eire,
- Netherlands,
- Portugal,
- Poland,
- Switzerland,
- UK

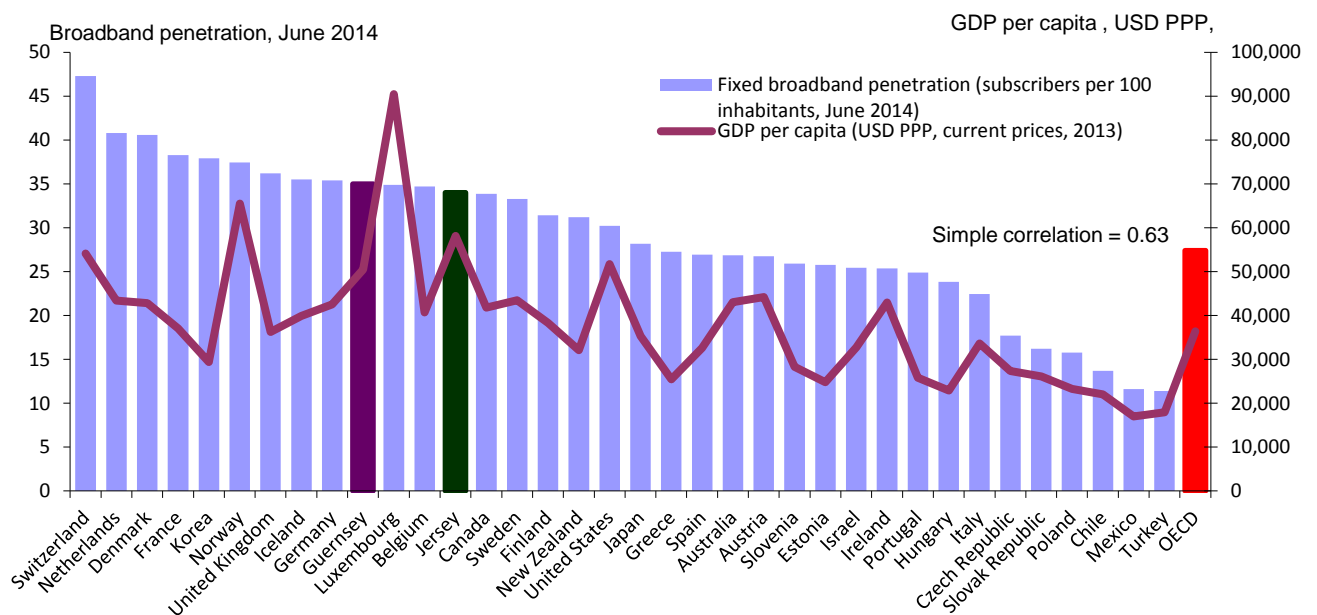
## 8. Broadband Market Overview

### Subscribers and penetration rate

The majority of broadband subscribers in both islands are categorised as residential users rather than business users. However, it is believed that some subscribers termed as “residential” users could be small businesses, but purchase residential type products. Some of the operators were unable to distinguish between residential and small business users who purchased the same broadband package. In 2013, for both Guernsey and Jersey the split between residential and business subscribers was around 94%/6% respectively, similar to the profile in 2012.

At the end of December 2013, there were 86 residential broadband fixed line subscribers per 100 households in Guernsey (increased from 80 in 2012), compared to 82 in Jersey (increased from 76 in 2012). In the UK in 2013, the average fixed line broadband household penetration rate was 72%<sup>36</sup>. The number of fixed line broadband subscribers per head of population was 36.3% (35%, 2012) in Guernsey and 35.4% (34%, 2012) in Jersey. Figure 8.1 below shows that these results were above the OECD average of 27%<sup>37</sup> but not as high as either Switzerland, Netherlands or Denmark, which had the highest penetration rates in terms of population of 47%, 41% and 41% respectively.

**Figure 8.1 OECD broadband penetration rate per 100 inhabitants**



Source: OECD Broadband statistics June 2012 [oecd.org/sti/ict/broadband] – updated to include Guernsey and Jersey data

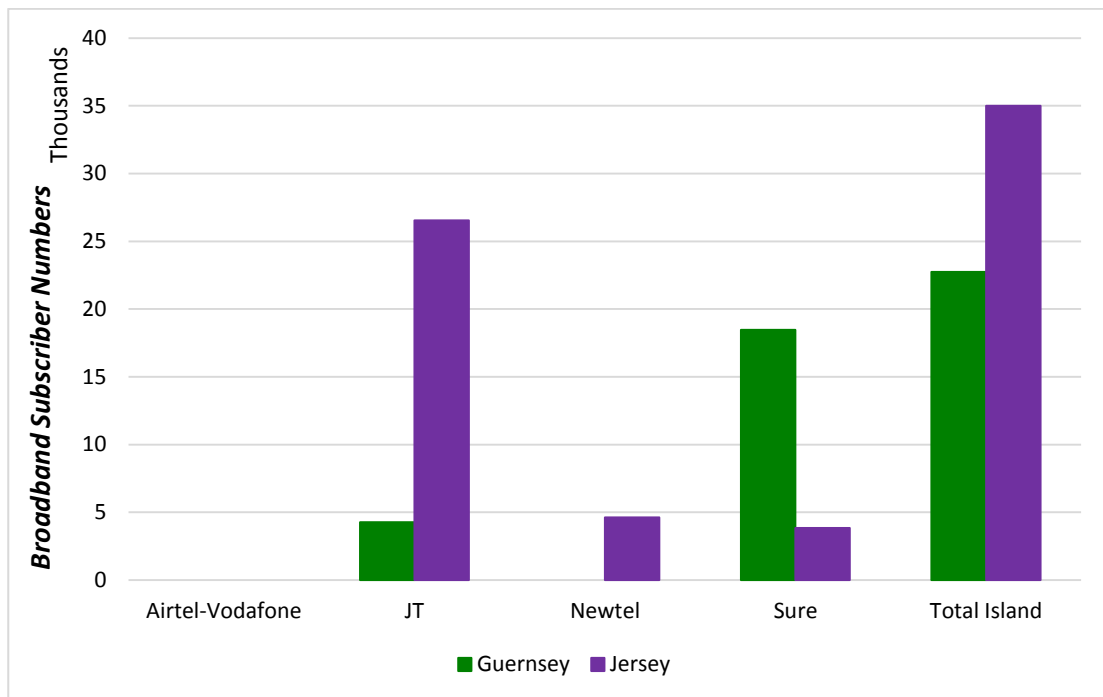
<sup>36</sup> Ofcom: Communications Market Report 2014 – Figure 5.55

<sup>37</sup> Note that the OECD figures were collected in June 2012 and published in February 2013 and have been updated to include Guernsey and Jersey 2013 GDP and penetration information for comparison.

## Share of broadband subscribers

Figure 8.2, shows the respective Broadband subscriber numbers between the different operators for Guernsey and Jersey. It is evident that the incumbent operators remained dominant in the respective markets, i.e., Sure in Guernsey and JT in Jersey.

**Figure 8.2 Broadband subscribers by operator – Guernsey and Jersey**



	Guernsey	Jersey	Total
<b>Airtel-Vodafone</b>	0	0	0
<b>JT</b>	4,280	26,554	30,834
<b>Newtel</b>	0	4,615	4,615
<b>Sure</b>	18,477	3,835	22,312
<b>Island Total</b>	<b>22,757</b>	<b>35,004</b>	<b>57,761</b>

Source: CICRA Industry Questionnaire, October 2014

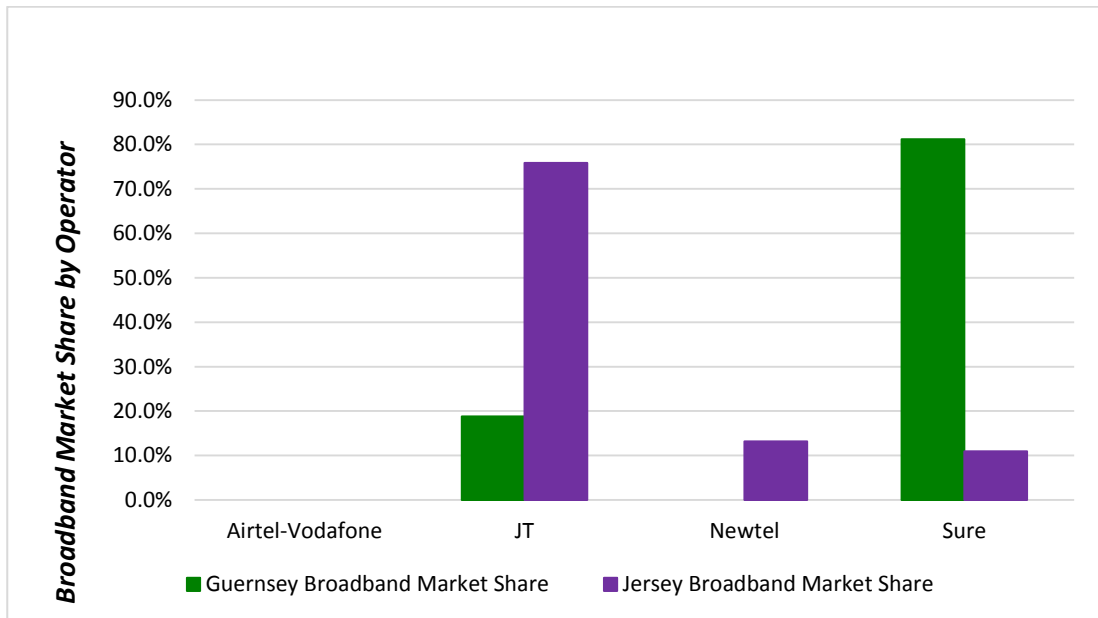
Similar to the fixed line sector, in Guernsey, at the end of December 2013, Sure's market share in terms of subscribers was 81% (same as 2012). JT had a 19% market share (same as 2012).

In Jersey, JT had the greatest share of the broadband market in terms of subscriber numbers. By the end of December 2013, JT's market share in terms of subscribers was approximately 76% (a decrease from JT's 2012 market share of 78%). The main competitor was Newtel which had 13% of the market at the end of 2013 (same as 2012). Sure's market share increased to around 11% at the end of 2013, compared to 9% in 2012.



Across the Channel Islands, the incumbent operators maintained high market shares in broadband services, as indicated by Figure 8.3 below.

**Figure 8.3 Market shares of broadband subscribers by operator – Guernsey & Jersey**



	Guernsey	Jersey
<b>Airtel-Vodafone</b>	< 1%	< 1%
<b>JT</b>	19%	76%
<b>Newtel</b>	< 1%	13%
<b>Sure</b>	81%	11%

Source: CICRA Industry Questionnaire, October 2014

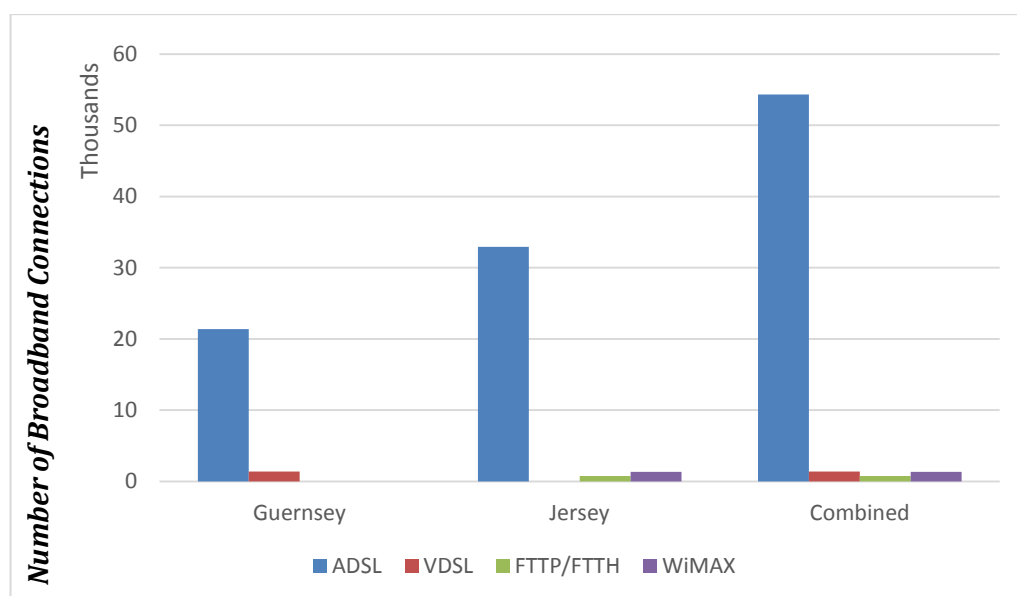
The wholesale market in Guernsey at the end of 2013 showed that Sure provided 4,004 (3,944, 2012) wholesale broadband lines to the OLOs (JT), representing 18% of the total. In Jersey at the end of 2013, JT provided 7,068 (7,112, 2012) wholesale broadband lines to the OLOs (Newtel & Sure), representing 20% of the total.

### Broadband Delivery Technologies

Figure 8.4 overleaf shows that in 2013, most broadband services across Guernsey and Jersey were delivered using ADSL copper based products, accounting for 94% (97%, 2012) of broadband service delivery in Guernsey and also 94% (99%, 2012) of broadband service delivery in Jersey.

In Guernsey, Sure delivered 1,373 (664, 2012) broadband lines via the higher performance VDSL copper based technology. Whereas in Jersey, JT progressed its fibre roll-out programme and delivered 754 (144, 2012) fibre based broadband services to consumers in 2013. Newtel provided WiMAX wireless broadband services in Jersey, to 1,319 (266, 2012) consumers.

**Figure 8.4 Broadband Service Delivery Technology – Guernsey & Jersey**



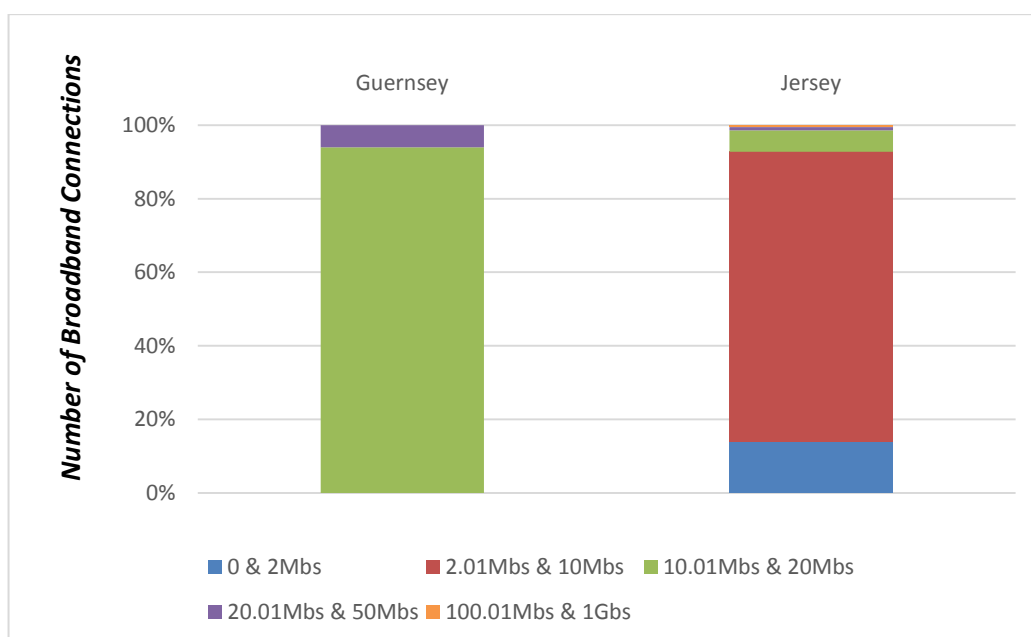
	Guernsey	Jersey	Combined
<b>ADSL</b>	21,384	32,931	54,315
<b>VDSL</b>	1,373	0	1,373
<b>FTTP/ FTTH</b>	0	754	754
<b>WiMAX</b>	0	1,319	1,319
<b>Island Total</b>	<b>22,757</b>	<b>35,004</b>	<b>57,761</b>

Source: CICRA Industry Questionnaire, October 2014

Figure 8.5 below, shows that the ADSL delivered broadband products in Guernsey in 2013 had a minimum download speed of between 10 MB/s and 20 MB/s (94% of services provided), with a further 6% (3%, 2012) of broadband services delivered via VDSL, providing download speeds of between 20MB/s and 50MB/s. It should be noted that the minimum download speed available for Guernsey broadband packages was 16 MB/s.

In Jersey, as the roll-out of fibre based broadband services progressed there was a shift towards higher speed fibre products. The number of subscribers with broadband packages with advertised download speeds of between 10Mbps and 50Mbps increased from 4% in 2012 to 7% in 2013. However, the majority of Jersey broadband services (79% of the total broadband market) were still provided by ADSL offering download speeds lower than Guernsey, at between 2 MB/s and 10MB/s, with a further 14% of provided services offering lower download speeds of less than 2MB/s.

**Figure 8.5 Broadband Download Speed – Guernsey & Jersey**



	Guernsey	Jersey
<b>0 &amp; 2 MB/s</b>	0%	14%
<b>2.01 MB/s &amp; 10MB/s</b>	0%	79%
<b>10.01 MB/s &amp; 20 MB/s</b>	94%	6%
<b>20.01 MB/s &amp; 50 MB/s</b>	6%	1%
<b>100.1 MB/s &amp; 1GB/s</b>	0%	< 1%

Source: CICRA Industry Questionnaire, October 2014

### Broadband Market Pricing

The average market pricing of the cheapest fixed Retail Broadband service providing a minimum download speed of 1Mb/s in 2013 in Guernsey was £16.50 per month (same as 2012), whereas in Jersey, the equivalent average price was lower at £14.82<sup>38</sup> per month (same as 2012). The difference in pricing could be a result of the increased competition in the Jersey broadband market with 3 competitors, compared to 2 competitors in Guernsey. This was evidenced by the lowest broadband product in Guernsey being priced at £14.99 per month compared to £12.76 for the lowest priced broadband product in Jersey.

It was noted that in Guernsey, both providers offered broadband products without usage caps, but these services were subject to the fair usage policies of each of the service providers. In Jersey, while Newtel and Sure offered broadband products without usage caps, JT products were based on capped usage, averaging 18GB per subscriber per month (16.63GB, 2012).

<sup>38</sup> All Jersey retail service prices exclude GST

## 9. Report Definitions

- **Broadband connection** – refers to an active high-speed Internet access connection, provided by either wireline or wireless delivery technologies, which could be provided with other fixed or mobile services.
- **Fixed calls**- refers to calls billed as part of a monthly subscription allowance and billed separately (when charged per minute) of all outgoing calls originating on a fixed network in the Channel Islands during the year, to all destinations i.e., Channel Islands, international, non geographic, fixed and mobile.
- **Fixed connection** – refers to an active telephone line (PSTN or ISDN) retailed by a telecom operator, identified by having a fixed line telephone number (area code + 6 digit local number). This includes fixed wireless connections.
- **Mobile connection** – refers to a mobile phone retail connection on a telecom operator's network with a mobile telephone number that has been active within the previous 90 days.
- **Subscriber** - refers to an individual telephone number or connection, whether fixed or mobile. It is important to bear in mind that it does not apply to an individual; a person or a business may use a number of connections and telephone numbers