



Telecommunications Statistics Market Report

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Information Note

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*Guernsey Competition and Regulatory Authority
Suite 4, 1st Floor, Plaiderie Chambers
St Peter Port, Guernsey GY1 1WG
Tel : +44 (0) 1481 711120
Web : www.cicra.gg*

*Jersey Competition Regulatory Authority
2nd Floor Salisbury House, 1-9 Union Street
St Helier, Jersey JE2 3RF
Tel : +44 (0) 1534 514990
Web : www.cicra.je*

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Summary of revision A changes :

Mobile : Correction to footnote re how Sure reports “Active Subscribers”.

Broadband : Numbers of subscribers revised with consequential adjustment to market shares and numbers of customers for different types of access network technology.

Other : Minor textual changes for clarification.

These changes are made for accuracy; they have no significant effect on the analysis of activity within the market.

Change bars have been inserted in the right hand margin where changes have been made.

1. INTRODUCTION

This report presents statistics on the telecommunications sectors in the Bailiwicks of Guernsey and Jersey. It covers the calendar year 2014 and is based primarily on data submitted by the licensed telecommunications operators in quarter 4 of 2015.

This report is published by the Channel Islands Competition and Regulatory Authorities (CICRA)¹, which is the name given to the Guernsey Competition and Regulatory Authority (GCRA) and the Jersey Competition Regulatory Authority (JCRA). Together they are the economic regulators in the Channel Islands for the telecommunications sector.

For the purposes of this report Guernsey is used to mean the islands of Guernsey, Herm, Alderney and Sark.

As part of its work to promote fair competition and advance consumer interests in the Channel Islands, CICRA monitors and publishes information for stakeholders on market developments. The availability of timely and relevant market intelligence improves the ability of stakeholders including consumers to make informed choices and supports CICRA in prioritising its own resources as markets change and competition develops.

Following extensive stakeholder consultation CICRA updated its telecommunications data collection questionnaire for the years 2012 onwards so as to better reflect the changing nature of the telecommunications industry in the Channel Islands and the needs of key stakeholders. Consequently, users of this report should be mindful that the figures shown from 2012 onwards are not necessarily comparable with data published in previous years in either Guernsey or Jersey.

The data used to form this report has been provided by the Channel Islands' licensed telecoms operators using an agreed set of data definitions. CICRA has not audited the data provided although it has provided the operators with opportunity to review their data and to make adjustments where they feel necessary. The accuracy of the data is the sole responsibility of the operators but, where appropriate, notes have been included in the text to recognise and explain potential anomalies.

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

¹ CICRA outsourced some aspects of this report, notably the data collation and initial analysis to Island Global Research (part of the BWCI Group).

2. EXECUTIVE SUMMARY

Overall telecoms sector

In Guernsey in 2014 the main operators offering telecoms services were Sure² (the incumbent offering a full range of fixed and mobile services), JT³ (offering fixed and mobile services) and Airtel⁴ (offering mobile services).

In Jersey in 2014 the main operators offering telecoms services were JT (the incumbent offering a full range of fixed and mobile services), Sure (offering fixed and mobile services), Airtel (offering mobile services) and Newtel⁵ (offering fixed services).

Total turnover in 2014 from the telecoms industry in the Channel Islands, including fixed, mobile, internet, the sale of handsets, and the provision of data hosting services, was £219.8m; 3.5% of total Channel Island GDP. This is an increase of £9.8m from a total 2013 turnover, but is a slightly lower percentage of total Channel Islands GDP than 2013, which was 3.6%.

The significant growth of turnover reported for Jersey is thought to be largely due to JT increasing its non-Channel Island activities; these activities contributed £39.5m to turnover in 2014.

In 2014, the telecoms industry employed 701 full time staff across the Channel Islands, an increase of 51 from 2013.

The Channel Islands' telecom industry contributed £17m to the exchequers through corporate, staff, and social taxes (including GST payments in Jersey) compared with £16.5m in 2013.

A total of £31.2m of capital investment was made by the telecoms operators across the Channel Islands in 2014, £22.4m in Jersey and £8.8m in Guernsey. The majority of this capital investment went towards improving the islands' fixed access network infrastructure.

The overall number of subscriptions to telecoms services of all types across all of the islands was 369,185, an increase of 6% on 2013. There are signs that, as seen elsewhere in the world, mobile services are replacing fixed services.

Competitive market environment (section 5)

The basis for the licensing of telecoms operators is different in Guernsey and Jersey. In Guernsey the type of licence issued depends upon the nature of the services to be offered (fixed network service or mobile network services) whereas in Jersey licences are issued dependent upon the anticipated level of competitive impact on the telecoms market.

² In this document the name Sure refers to Sure (Guernsey) Limited and Sure (Jersey) Limited as appropriate.

³ JT refers to JT (Guernsey) Limited (formerly known as Wave Telecom) and JT (Jersey) Limited as appropriate.

⁴ Airtel refers to Airtel-Vodafone being Guernsey Airtel Ltd and Jersey Airtel Limited as appropriate.

⁵ Newtel refers Newtel Limited and its associate companies (YTel and Homenet).

There was no change in the number of licences issued to key operators in Guernsey and Jersey during 2014.

Fixed line market (section 6)

During 2014 there was no significant change to the nature of competition in the fixed markets in the Channel Islands; incumbents Sure in Guernsey and JT in Jersey remained the only operators able to offer a full range of fixed services (including line rental) in their 'home' markets.

The total number of fixed line call minutes in Guernsey was 77 million, a fall of 9% from 2013. In Jersey, the total number of fixed line call minutes was 141 million, a drop of some 16% from 2013.

There were 83 fixed line subscriptions per 100 inhabitants of Guernsey, the same as 2013. In Jersey this figure was 59, down from 60 in 2013.

61% of call minutes in Guernsey were made within the island, while in Jersey this figure was 56%. The percentage of on-net call minutes (handled entirely within the networks of the operator where the call originated) was 52% in Guernsey and 47% in Jersey. Call minutes to the UK and IoM accounted for 26% of total minutes in Guernsey, and 24% in Jersey. There has been a significant increase in minutes to non-geographic numbers; up 7% in Guernsey and 13% in Jersey.

Average revenue per fixed voice/broadband subscription per month in Guernsey was £29.13 (£27.65 in 2013), and in Jersey it was £36.85 (£36.74 in 2013).

While the distribution of calls and minutes to various types of destination remained reasonably consistent, there was a sharp decline in the total numbers of calls and minutes over the period 2012 to 2014; down 17% in Guernsey and 22% in Jersey.

Mobile market (section 7)

In Guernsey, there were 110 mobile subscriptions per 100 inhabitants, and in Jersey there were 118 subscribers per 100 inhabitants, increases of 5.6% and 5.8% respectively from 2013. The total number of mobile subscriptions in the Channel Islands in 2014 was 187,482 (2013: c. 177,000). Numbers increased after a fall in 2013 but, in Jersey, have still not recovered to the levels seen in 2012.

Mobile call minutes represented approximately half of total call minutes across fixed and mobile networks in the Channel Islands. 709 SMS messages were sent per mobile subscription in Guernsey in 2014, while 863 were sent per Jersey mobile subscription. SMS numbers are generally falling with a particularly sharp fall of 36% in Guernsey in 2014.

Average monthly revenues per subscription in Guernsey were £8.99 for pre-pay, and £35.76 for post-pay in 2014, compared with £9.41 and £33.38 respectively in 2013. In Jersey, it was £7.83 for pre-pay and £27.33 for post-pay in 2014, compared with £9.41 and £33.38 respectively for 2013.

In 2014, Channel Islands consumers spent £10.5m using mobile services while roaming abroad, compared to £10.7m in 2013. Visitors spent £2.1m whilst roaming in the Channel Islands.

Porting times for consumers switching mobile service provider increased by approximately one working day to 2.5 working days in 2014 but the Channel Islands remain on a par with the average of 2.4 working days required to effect a port across the rest of Europe.

While there have been some fluctuations in the various metrics used to measure the mobile market in the period 2012 to 2014, the trend appears to show that the mobile market is growing overall. This is in contrast to the overall decline in the fixed market, thus suggesting that there is a trend toward fixed services being substituted by mobile services.

Broadband market (section 8)

Broadband⁶ penetration rates per household were 88% in Guernsey (2013, 86%) and 81% in Jersey (2013, 82%). This is to be compared with the UK's 2014 broadband penetration rate of 73%⁸.

The Channels Islands are ranked amongst the top OECD countries for fixed broadband penetration.

Across the Channel Islands, 73% of broadband services were provided by ADSL copper based delivery technologies (84% in 2013). This reduction can be attributed to the increasing roll-out of VDSL services in Guernsey and fibre-to-the-home and WiMax based services in Jersey.

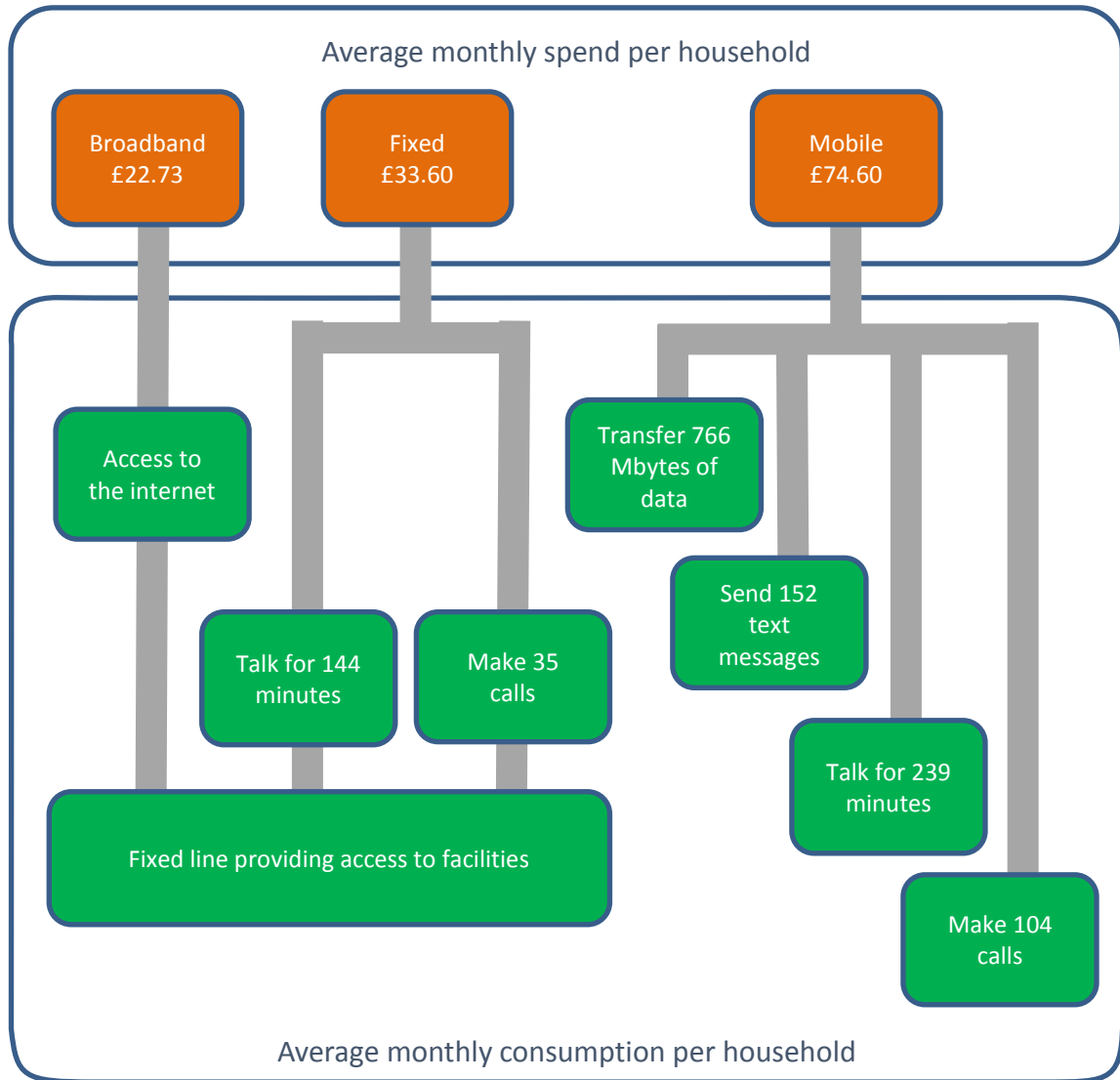
The download speeds available in each island differed significantly. Guernsey subscribers were able to access services with advertised download speeds of up to 20Mbps and up to 40Mbps. In Jersey, all subscribers could access services with advertised download speeds of up to 20Mbps and some also had access to advertised download speeds of up to 50Mbps, up to 100Mbps and up to 1Gbps.

⁶ For this report, the terms 'broadband' and 'internet' interchangeably to refer to internet access services provided over fixed lines. Beside broadband, dial-up services also provide fixed access to the internet but they are becoming negligible in number and are not considered here.

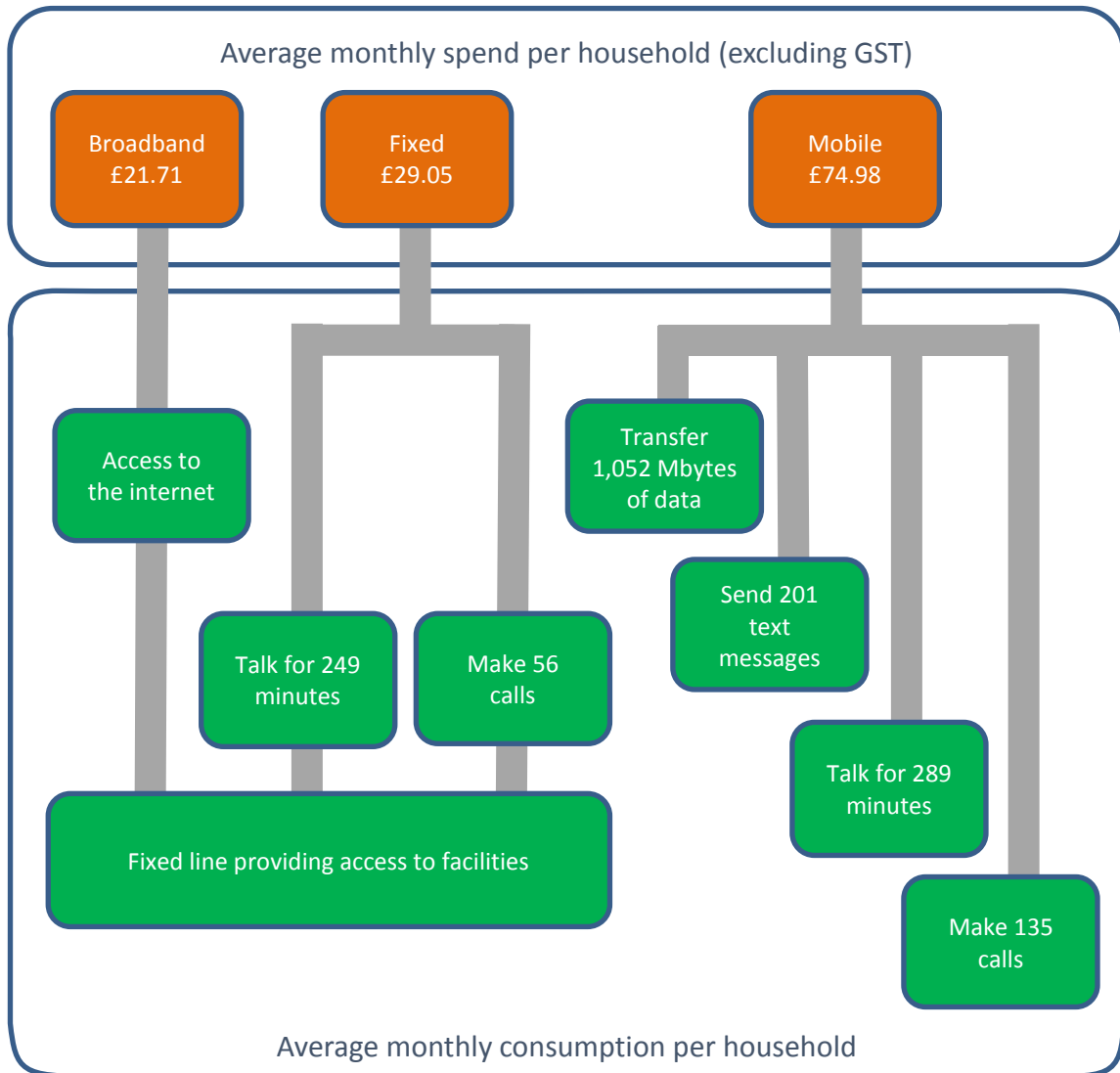
⁸ www.statista.com/statistics/272235/fixed-broadband-penetration-in-the-united-kingdom-uk/

3. CONSUMER SNAPSHOT

Guernsey consumer summary



Jersey consumer summary



4. ECONOMIC IMPACT OF THE TELECOMMUNICATIONS 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 2014.

As noted in the introduction, statistics in this report are comparable across the Channel Islands but should not necessarily be compared with data produced pre 2012 for the individual islands.

Total turnover for telecommunication services in the Channel Islands

In 2014, total turnover from the telecoms industry in the Channel Islands (including fixed, mobile, internet, the sale of handsets and the provision of data hosting services⁹) was £219.8m (2013: £210.0m); £75.4m in Guernsey (2013: £69.7m) and £144.4m in Jersey (2013: £140.3m). The telecoms sector represents 3.5% of total Channel Islands GDP, 3.2% of Guernsey's GDP¹⁰ and 3.7% of Jersey's¹¹.

Figure 1 shows the turnover in the telecommunications market in the Channel Islands during the period 2012 to 2014.

	Guernsey £'m	Jersey £'m	Total £'m
2012	70.2	116.4	186.6
2013	69.7	140.3	210.0
2014	75.4	144.4	219.8

Figure 1 Telecommunications turnover 2012 to 2014
Source CICRA industry questionnaires

Turnover in Guernsey varied over the period 2012 to 2014 but there was an overall increase of approximately 8%. In Jersey there has been growth of 24% over the same period. This substantial growth in Jersey is understood to be largely associated with JT selling its services outside of the Channel Islands¹² and does not reflect performance in the Channel Islands alone.

Figure 2 shows the total turnover in various sectors of the telecoms market in 2014. The fixed and mobile figures for both retail and corporate turnover include revenues from both voice and data services.

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

¹⁰ States of Guernsey GDP statistics 2014 first release <http://www.gov.gg/CHttpHandler.ashx?id=97340&p=0>

¹¹ States of Jersey GVA and GDP 2014 report

<https://www.gov.je/Government/JerseyWorld/StatisticsUnit/BusinessEconomy/Pages/GVAandGNI.aspx>

¹² JT Annual Review 2014

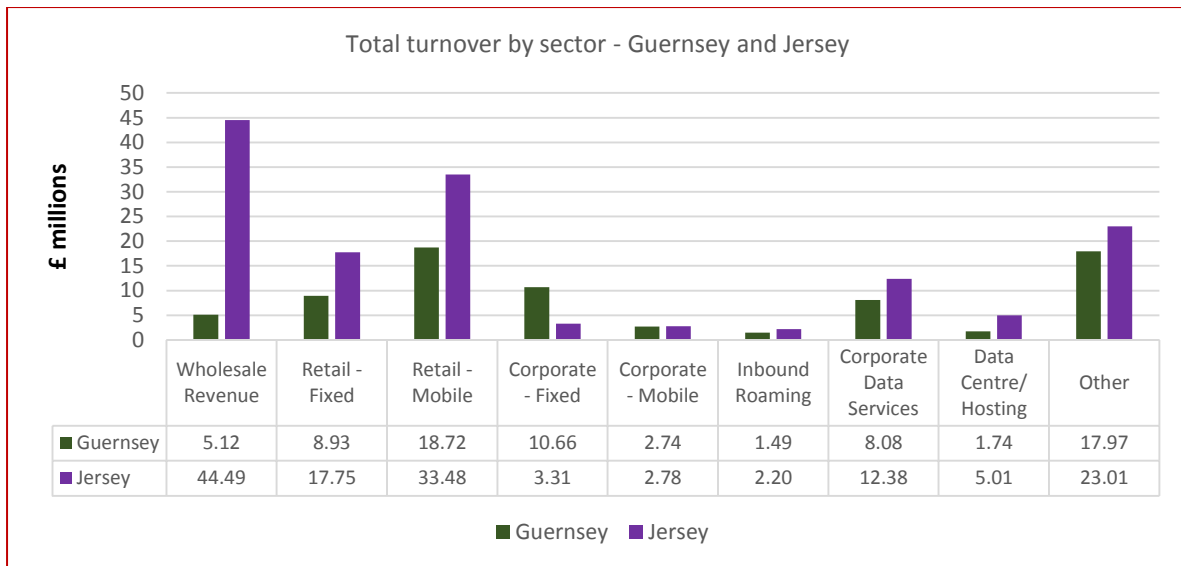


Figure 2 Total turnover by sector - Guernsey and Jersey
Source CICRA industry questionnaires

Figure 3 below summarises total turnover by key service categories.

	Guernsey £m	Jersey £m	Total £m
Fixed turnover ¹³	32.8	77.9	110.7
Mobile turnover	22.9	38.5	61.4
Other turnover	19.7	28.0	47.7
Total turnover	75.4	144.4	219.8

Figure 3 Total turnover by key service category - Guernsey and Jersey
Source CICRA industry questionnaires

The biggest share of revenue in Guernsey and Jersey was generated in the fixed sector. In 2014 in Guernsey, it accounted for 44% of total industry turnover, and in Jersey it represented 54%. By comparison, in the UK, the fixed (voice and broadband) sector contributed 36% of the UK's telecommunications revenues in 2014 (34% in 2013)¹⁴.

From previous report it is noted that as well as there having been a significant rise in total revenues since 2012, there has also been a significant redistribution of revenues across categories; this is thought to be largely due to the significant increase in JT's activities outside of the Channel Islands and the method of accounting for them.

¹³ 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 revenues.

¹⁴ Ofcom – Communications Market Report 2014 – figure 4.1

Telecommunications sector employment and taxation contribution in Guernsey and Jersey

At the end of 2014, across the Channel Islands, the telecom industry employed 701 full-time equivalents, compared to 650 in 2013; the growth being almost entirely in Jersey. In Guernsey, licensed operators employed 237 staff (2013: 235), while in Jersey this figure was 464 (2013: 415). Figure 4 shows that the telecommunications sector contributed £17m in taxation in 2014; £6.3m in Guernsey and £10.8m in Jersey. This represents an overall increase of 3.3% on 2013. Figure 5 shows the level of taxation contributions between 2012 and 2014.

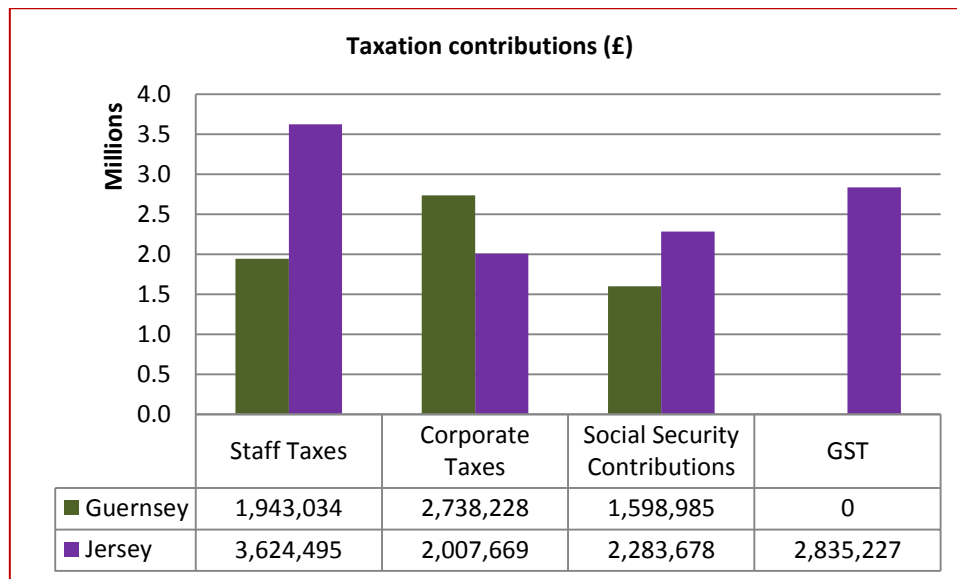


Figure 4 Taxation Contributions - Guernsey and Jersey
Source CICRA industry questionnaires

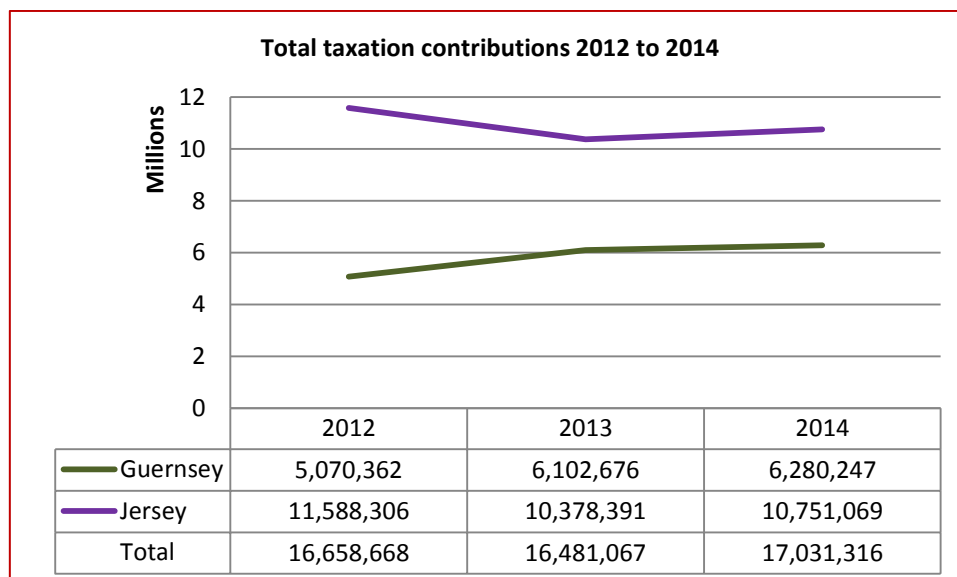


Figure 5 Total taxation contributions 2012 to 2014
Source CICRA industry questionnaires

Telecommunications sector capital investment in Guernsey and Jersey

Figure 6 shows the levels of total capital investment in the years 2012 to 2014 in the islands. Investment has declined in Jersey although the rate of decline has slowed from 20% in 2013 to 10% in 2014. Capital investment in Guernsey declined by 18% during 2014, but investment was still at a higher level than in 2012 (£8.8m in 2014 and £7.5m in 2012).

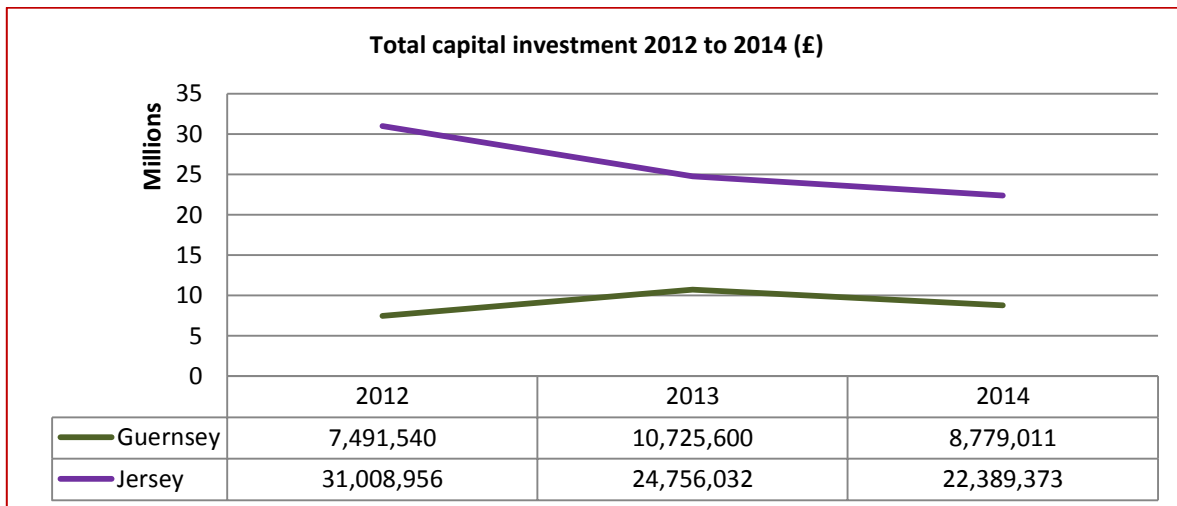


Figure 6 Total capital investment 2012 to 2014
Source CICRA industry questionnaires

Figure 7 presents a breakdown of capital investment in Guernsey in the period 2012 to 2014 by major segment of the networks and associated activities. Figure 8 presents the same analysis for Jersey. In Guernsey capital investment was relatively evenly spread across all segments with fixed access networks seeing a small but consistent rise. In Jersey the key area of investment continued to be the expansion of the fixed access network infrastructure. Expenditure on IT systems upgrades in Jersey declined from its 2012 and 2013 levels.

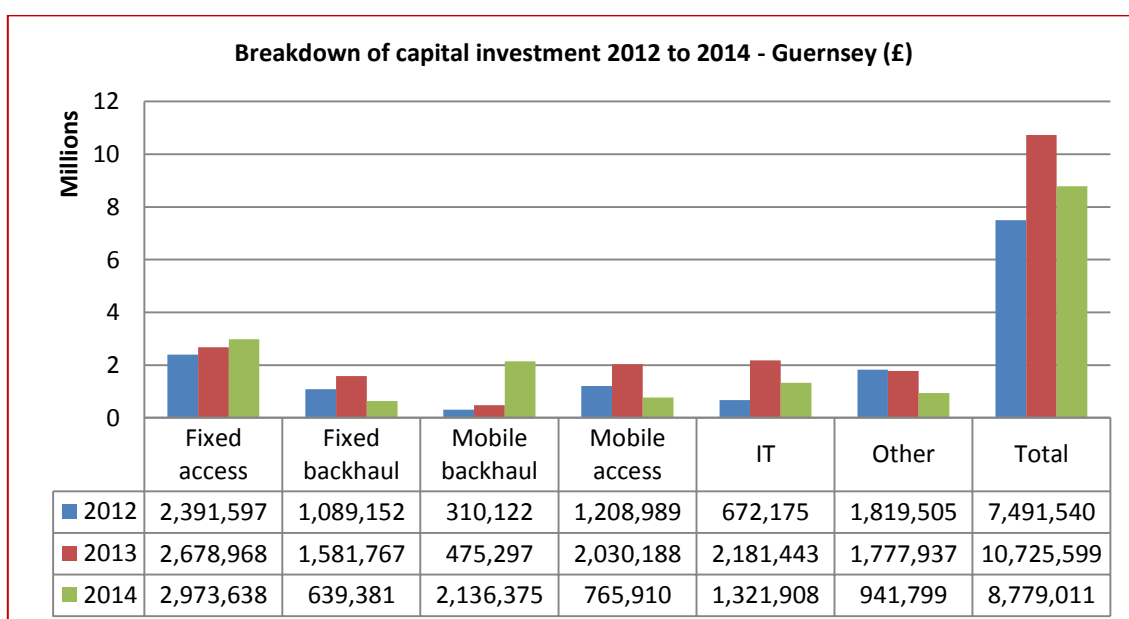


Figure 7 Breakdown of capital investment 2012 to 2014 - Guernsey
Source CICRA industry questionnaires

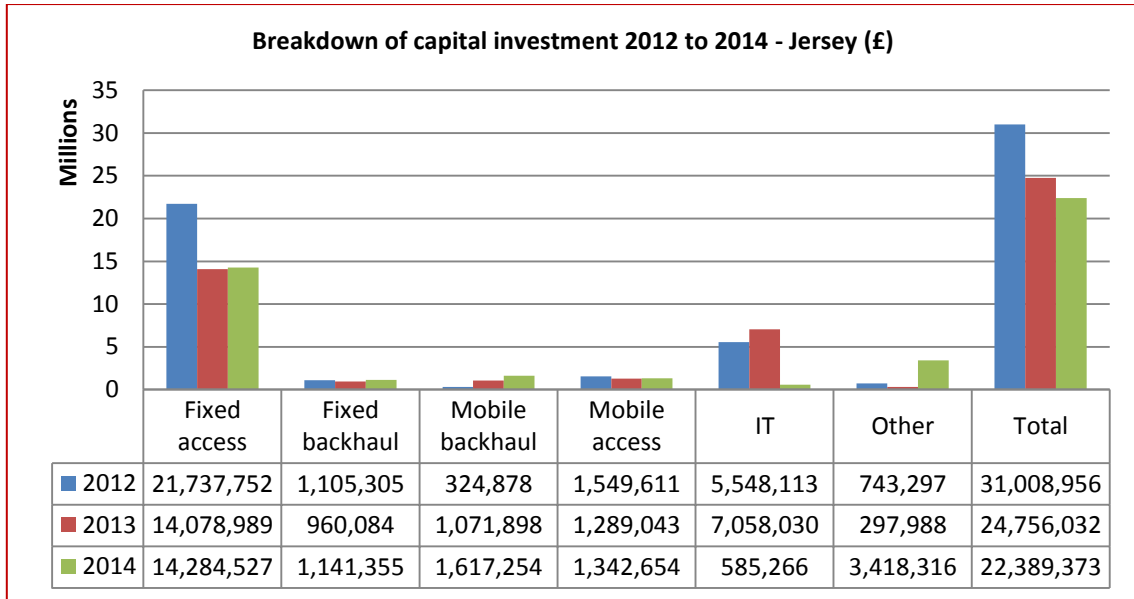


Figure 8 Breakdown of capital investment 2012 to 2014 – Jersey
Source CICRA industry questionnaires

Subscriptions by communications market

For the purpose of this report the definitions of fixed, mobile and broadband connections can be found in section 9.

Figure 9 below shows the total number of subscriptions (fixed, broadband and mobile) in Guernsey and Jersey.

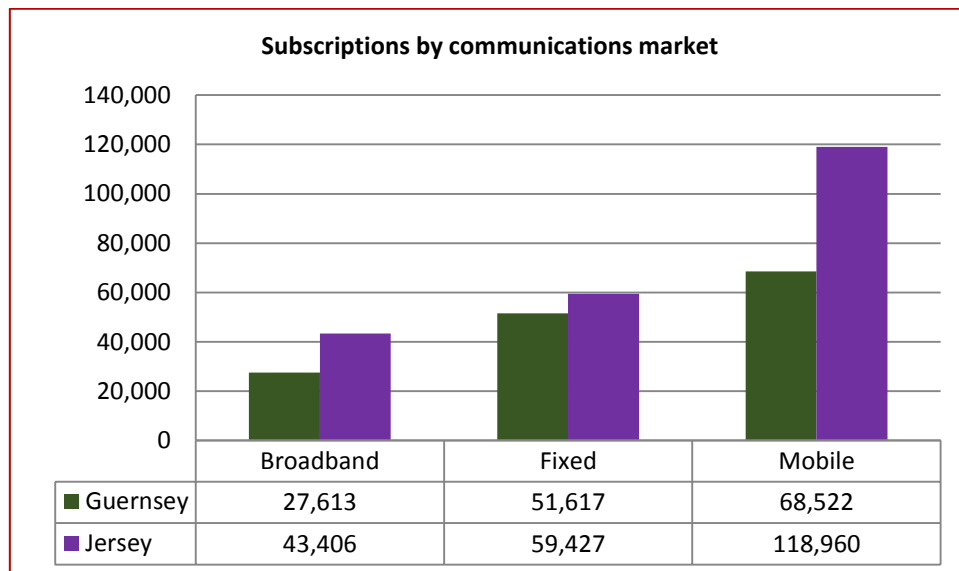


Figure 9 Subscriptions by communications market
Source CICRA industry questionnaires

At the end of 2014, the total number of subscriptions for fixed, broadband and mobile services across the Channel Islands was 369,545, an increase of 6% on 2013. The number of mobile subscriptions increased in both islands, by 6% in both Jersey and Guernsey. The number of fixed telephone line subscriptions fell by 2% in Guernsey and by 0.5% in Jersey.

Fixed telephone line penetration per 100 inhabitants¹⁵ was 83 in Guernsey, consistent with 2013, and 59 in Jersey (2013: 60).

In terms of mobile subscriptions, there were 109 per 100 Guernsey inhabitants (2013: 104), and 118 per 100 Jersey inhabitants (2013: 114).

Residential broadband penetration was 94 per 100 households in Guernsey (86 in 2013) and 87 per 100 households in Jersey (82 in 2013).

Originated Minutes

Figure 10 shows the total volume of minutes originating on the fixed and mobile networks in Guernsey and Jersey, excluding minutes on broadband services using services such as Skype.

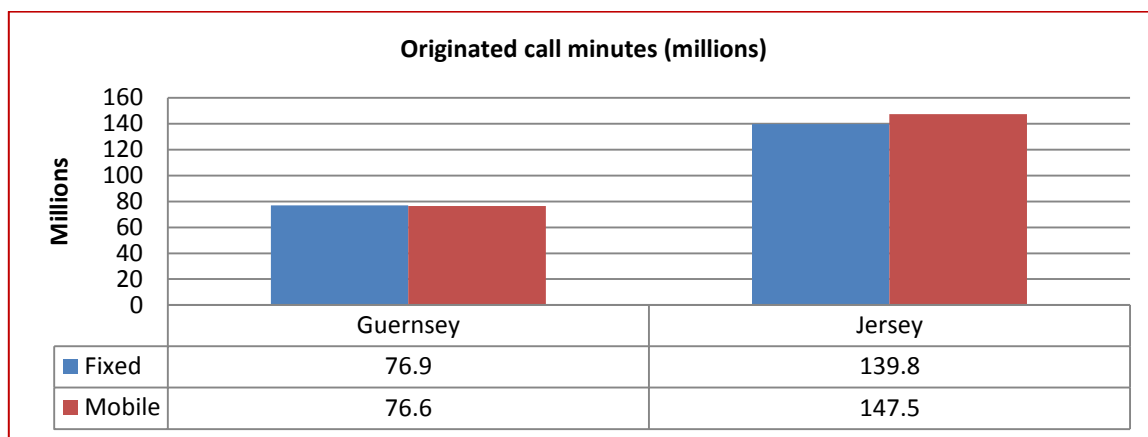


Figure 10 Fixed and mobile networks originated minutes
Source CICRA industry questionnaires

The total number of call minutes carried by the Channel Islands fixed and mobile networks increased from 436 million minutes in 2013 to 441 million minutes in 2014. This increase was not evenly distributed across the fixed and mobile markets. Fixed line minutes continued to decrease in both islands; in Guernsey from 84.8million in 2013 to 76.9million in 2014, and in Jersey from 168.4million to 139.8million. By contrast, the number of mobile minutes, having fallen in 2013, recovered significantly in 2014; from 66.2 million to 76.6 million in Guernsey and from 117.6 million to 147.5 million in Jersey.

Payphones

Consistent with 2013, there were 184 public payphones in use across the Channel Islands; 113 in Jersey and 71 in Guernsey.

¹⁵ Details of population levels and numbers of households in the islands can be found in section 9.

5. COMPETITIVE MARKET ENVIRONMENT

The telecoms market environment across the Channel Islands changed little between 2013 and 2014 with the same four key operators (JT, Sure, Airtel and Newtel) providing the bulk of the services.

Jersey's licensing system is based on four classes of licence. Classes I, II and III reflect the operator's market power. 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 a formal application is not required; the licensee is however required to know the limitations and responsibilities of the General Class licence.

In Guernsey, the licensing system distinguishes between operators providing mobile and fixed services. Licences place special conditions on any licensee that has SMP in any particular market. The mobile licences awarded in Guernsey are identical for all three operators, Airtel, JT and Sure.

The licencing status of the four key Channel Island telecoms operators in the Guernsey and Jersey markets in 2014 is shown in figure 11¹⁶. Figures 12 and 13 break this down by types of licence.

	Service Type	Airtel	JT	Newtel	Sure
Guernsey	Fixed	Yes	Yes	Yes	Yes
	Mobile	Yes	Yes	No	Yes
Jersey		Yes Class II	Yes Class III	Yes Class II	Yes Class II

Figure 11 Key telecommunications licence holders in the Channel Islands
Source: www.cicra.gg

Note that in 2014 all of the key operators held licences to operate fixed and mobile services in both islands except Newtel, which was licenced in Guernsey to provide fixed services only.

¹⁶ A list of all Channel Islands licensed telecommunications operators is available at http://www.CICRA.gg/licensing_legal/list_of_licensees.asp?Sector=Telecommunications

The numbers of telecommunications licences in effect in Guernsey at 31 December 2014 was

	Licences
Number of fixed licences	10
Number of mobile licences	3
Total	13

Figure 12 Numbers of telecommunications licences in effect in Guernsey
Source: www.cicra.gg

The numbers of telecommunications licences in effect in Jersey at 31 December 2014 was

	Licences
Number of Class I licences	9
Number of Class II licences	4
Number of Class III licences	1
Total	14

Figure 13 Numbers of telecommunications licences in effect in Jersey
Source: www.cicra.je

6. FIXED MARKET

The fixed market is characterised by consumer equipment that is in a fixed geographic location. This is to be contrasted to the mobile market where the consumer equipment is not fixed to a single geographic location and moves easily from one location to another. Various technologies are used in the networks of the fixed market including traditional copper circuits, fibre optics and wireless.

The following data re based on information supplied by the operators.

Total number of lines and subscriptions

Figures 14 and 15 shows the number of retail fixed, wireless-fixed and leased lines in Guernsey and Jersey in 2014.

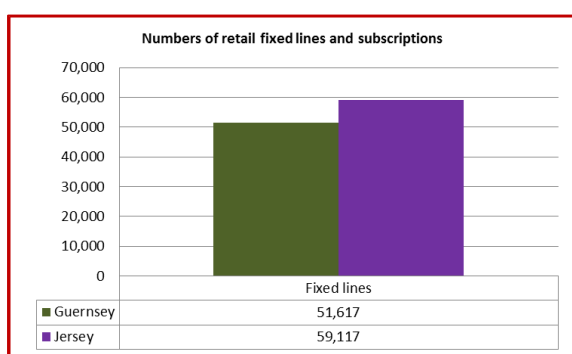


Figure 14 Numbers of retail fixed lines and subscriptions
Source CICRA industry questionnaires

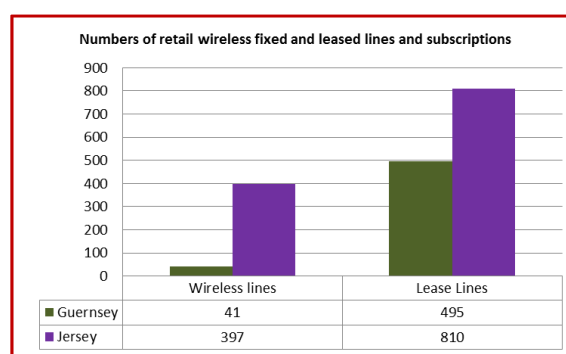


Figure 15 Numbers of retail wireless fixed and leased lines and subscriptions
Source CICRA industry questionnaires

Note. It is understood that the Guernsey numbers for fixed lines includes 12,660 subscriptions to carrier selection services as well as physical lines. The number of physical fixed lines in Guernsey is therefore 38,957. All Jersey numbers relate to physical lines.

Figure 16 shows the penetration rates per 100 inhabitants for fixed and wireless-fixed lines and subscriptions.

	Guernsey	Jersey
2012	84	62
2013	85	60
2014	83	59

Figure 16 Fixed and wireless fixed retail lines per 100 inhabitants
Source CICRA industry questionnaires and government statistics (see section 9)

Figure 17 shows the numbers of the different types of fixed lines in Guernsey in the period 2012 to 2014. Figure 18 shows the same analysis for Jersey. Note these numbers include lines supplied on a retail and a wholesale basis.

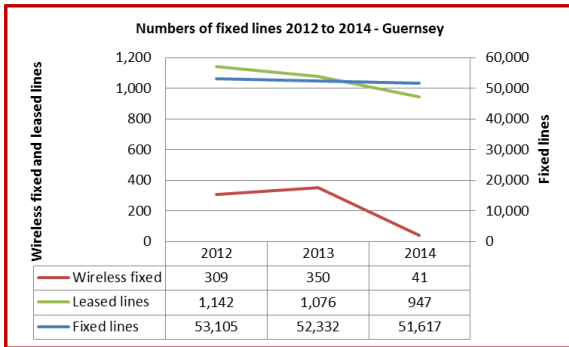


Figure 17 Numbers of fixed lines of all types 2012 to 2014 - Guernsey
Source CICRA industry questionnaires

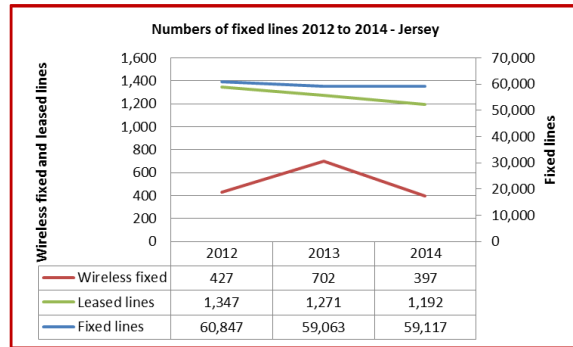


Figure 18 Numbers of fixed lines of all types 2012 to 2014 - Jersey
Source CICRA industry questionnaires

The slow decline in the numbers of fixed lines between 2012 and 2014 matches declines seen in other developed countries¹⁷ and is in contrast to the much greater rate of decline in the number of voice calls and minutes made over these lines (figure 19). One reason for the number of lines holding up, while their traditional use as a means of making calls declines, is that broadband services are supplied over the same physical lines.

	Guernsey	Jersey
Decline in fixed lines 2012 to 2014	2.9%	2.8%
Decline in fixed line minutes (figures 24 and 25)	17.0%	22.3%
Decline in fixed line calls (figures 28 and 29)	18.4%	17.4%

Figure 19 Decline in fixed lines, minutes and calls 2012 to 2014
Source CICRA industry questionnaires

Figure 20 shows the numbers of retail and wholesale leased lines supplied across the islands in 2014.

Wholesale leased lines are those supplied by one operator to another operator.

Note that a proportion of the leased lines retailed in an island will have been obtained on a wholesale basis from the incumbent in the island; the remainder will have been provided by the retailing operator using their own network infrastructure.



Figure 20 Number of retail and wholesale leased line
Source CICRA industry questionnaires

Figure 21 shows that the numbers of leased lines being retailed in the islands has been declining in recent years.

	Guernsey	Jersey
2012	707	1,013
2013	585	922
2014	495	810

Figure 21 Numbers of retailed leased lines 2012 to 2014
Source CICRA industry questionnaires

¹⁷ <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr13/international/icmr-1.07>

Figure 22 shows how these leased lines were used in 2014.

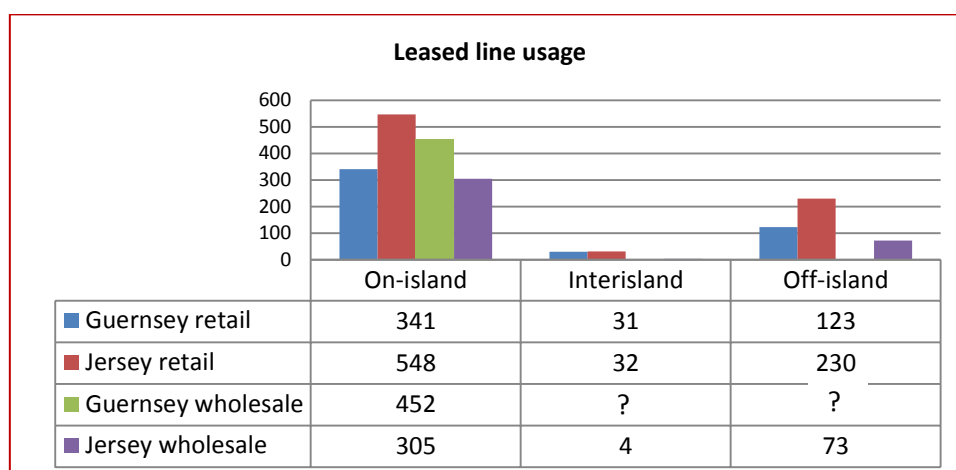


Figure 22 Leased line usage
Source CICRA industry questionnaires

Note numbers provided for Guernsey inter-island and off-island leased lines were incomplete but the missing numbers are thought to be low.

On-island leased lines are defined as lines that originate and terminate on the same island. In 2014, on a pan Channel island basis, 68% of all retail leased lines were supplied for on-island use as were 91% of the wholesale leased lines. In an on-island context, wholesale leased lines are used by operators to build their on-island fixed and mobile networks as well as to support retail sales.

Inter-island leased lines originate in one island and terminate in another. In 2014 5% of all retail leased lines were supplied for inter-island services. 37 inter-island leased lines originated in Guernsey and 41 originated in Jersey.

Off-Island leased lines connect the Channel Islands with the UK or France. In 2014 27% of retail leased lines were supplied for off-island connectivity and 9% of wholesale leased lines. Again this suggests that retailing operators use their own network infrastructures to support off-island services.

Voice originated minutes by operator

Figure 23 below shows the numbers of minutes of voice traffic originating in the islands and carried over the fixed-line and wireless-fixed networks. Call minutes originating on broadband services (i.e. VoIP services) are not included in these figures.

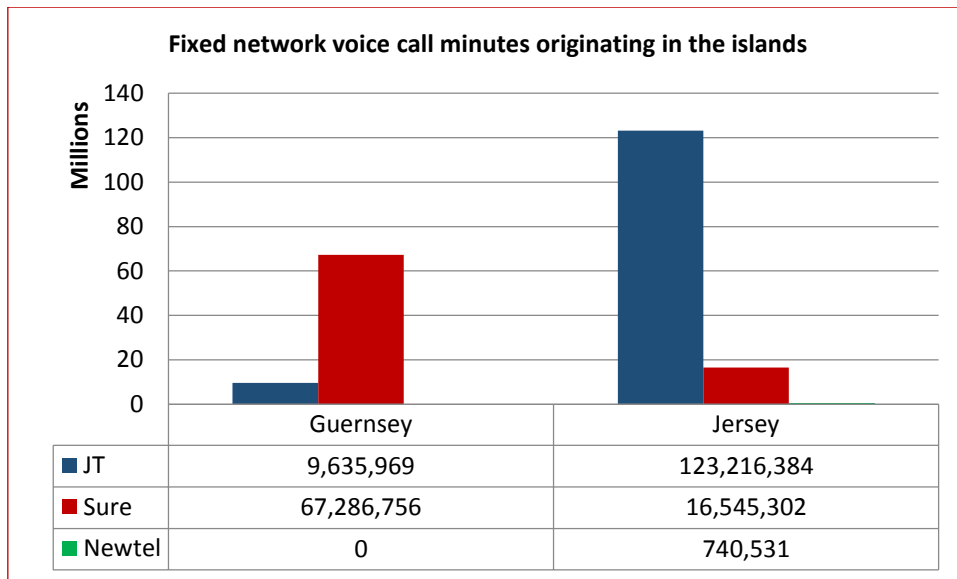


Figure 23 Fixed network voice minutes in 2014
Source CICRA industry questionnaires

Figure 24 shows the numbers of minutes carried by the operators in Guernsey in the period 2012 to 2014. Figure 25 shows the same analysis for Jersey. They show that the new entrant operators have made no significant inroads into the market shares of the incumbent operators. They also show a rapid decline in the number of call minutes originating in both islands. A possible cause for this fall is substitution of traditional PSTN/ISDN services by mobile phones and alternative forms of communications such as VoIP and messaging services.

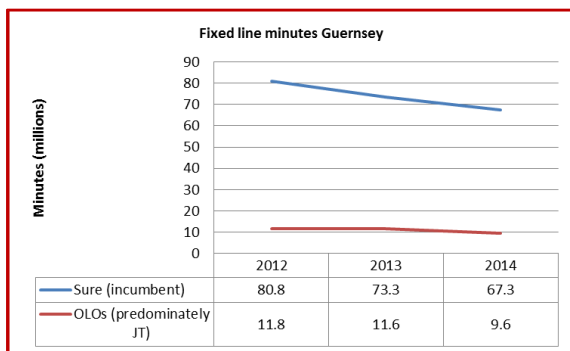


Figure 24 Numbers of fixed line minutes 2012 to 2014 – Guernsey
Source CICRA industry questionnaires

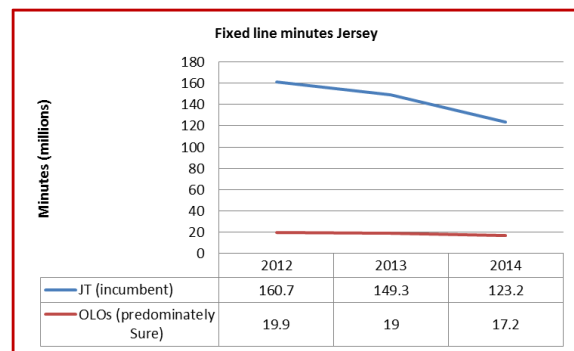


Figure 25 Numbers of fixed line minutes 2012 to 2014 – Jersey
Source CICRA industry questionnaires

Voice originated minutes by destination

Figure 26 below provides a breakdown of the numbers of minutes of call traffic originating on the Channel Island fixed networks, by destination.

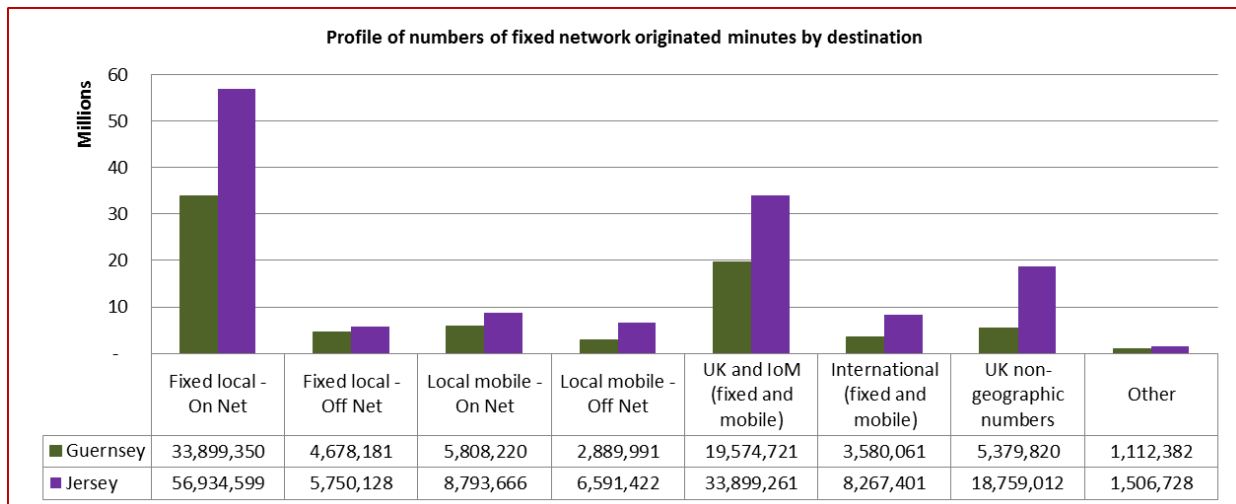


Figure 26 Profile of fixed originated minutes by destination
Source CICRA industry questionnaires

Allowing for the overall fall in call minutes, the profile is broadly similar to that in 2013.

Voice originated calls by operator

Figure 27 shows that total numbers of fixed line calls in each island by originating operator. The incumbent operators continue to account for the majority of calls originating in their home territories where they provide voice services over their own networks. Sure in Jersey and JT in Guernsey used indirect access methods¹⁸ on the other's network to provide fixed telecoms services and thus compete at the retail level. Airtel¹⁹ and Newtel provide service over their own fixed wireless links.

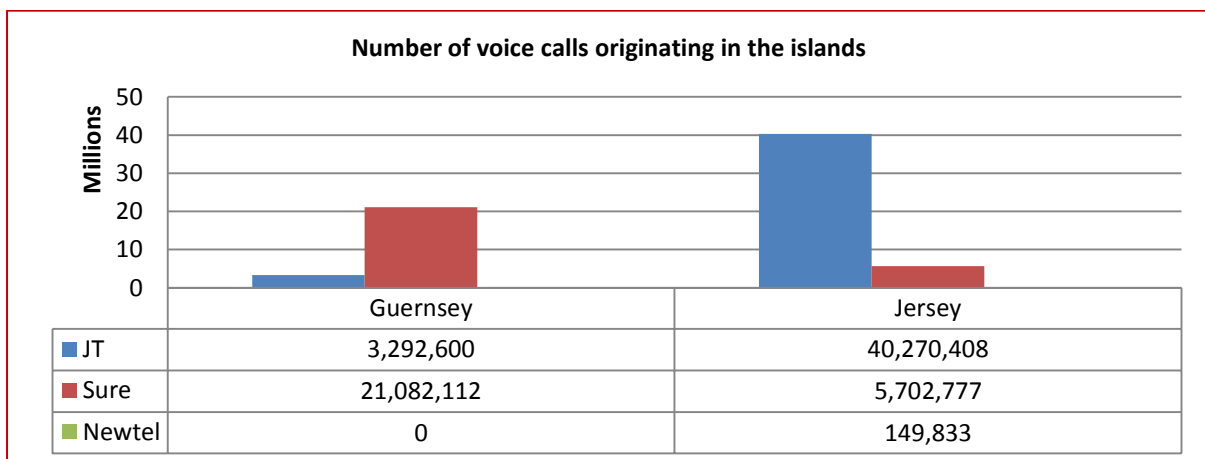


Figure 27 Fixed network voice calls 2014
Source CICRA industry questionnaires

¹⁸ 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.

¹⁹ Data for Airtel for 2014 was not available.

Figures 28 and 29 below show the numbers of calls made in Guernsey and Jersey in the period 2012 to 2014. Similar to the analysis of call minutes, the total numbers of calls being made is in decline in both islands. While the levels of activity by the new entrant operators are relatively constant, they are increasing their shares of a diminishing market.

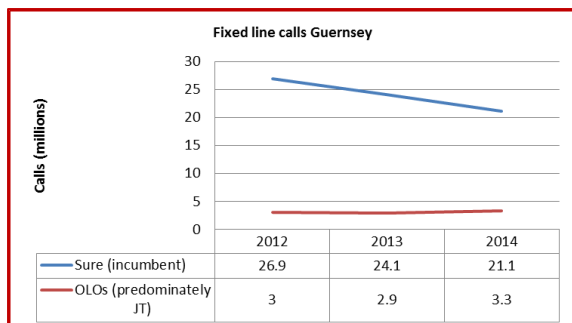


Figure 28 Numbers of fixed line calls 2012 to 2014 - Guernsey
Source CICRA industry questionnaires

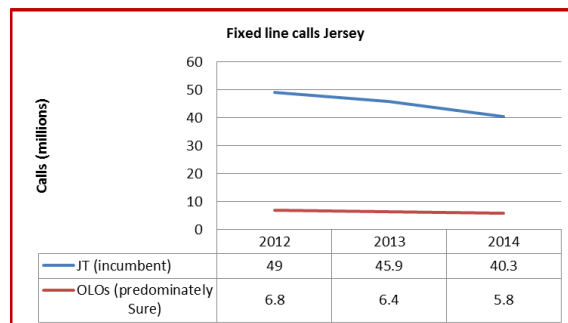


Figure 29 Numbers of fixed line calls 2012 to 2014 - Jersey
Source CICRA industry questionnaires

Voice originated calls by destination

Figure 30 below provides a breakdown of the numbers of calls originating on the fixed networks, by destination.

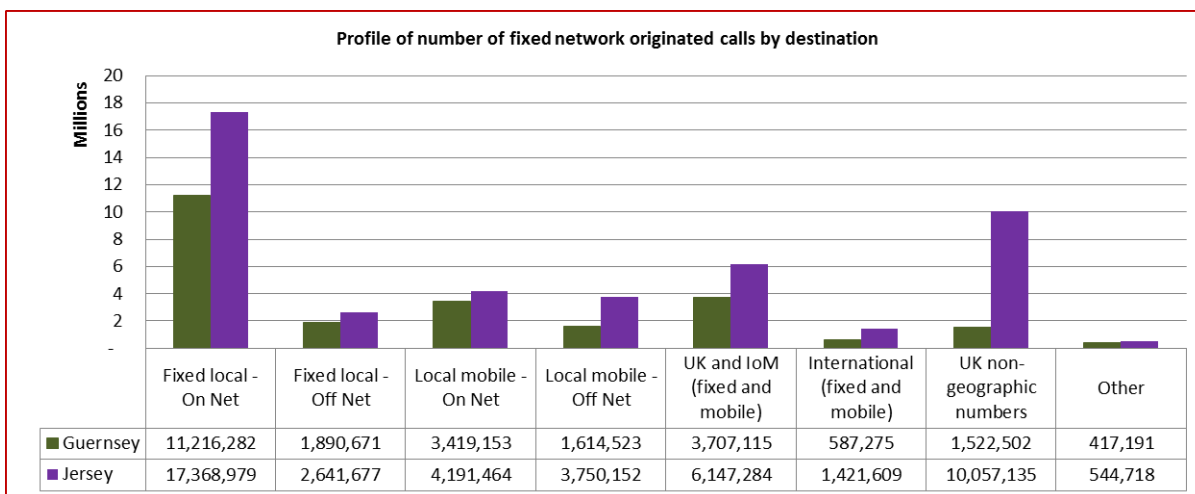


Figure 30 Profile of numbers of fixed network originated calls by destination
Source CICRA industry questionnaires

Calls to on-island fixed lines and mobiles continue to dominate although total volumes are declining. This decline is generally to all destinations with the exception being calls and minutes to UK non-geographic numbers, there being a particularly sharp rise in Jersey in 2014 (figure 31).

	Guernsey		Jersey	
	Calls (m)	Minutes (m)	Calls (m)	Minutes (m)
2012	1.8	5.5	0.4	2.7
2013	1.6	4.9	0.4	2.9
2014	1.5	5.4	10.1	18.8

Figure 31 Number of calls and minutes to UK non-geographic numbers 2012 to 2014
Source CICRA industry questionnaires

Call duration

The average duration of calls to all destinations in Guernsey was 3.16 minutes (3.14 minutes in 2013 and 3.10 minutes in 2012); a small trend toward longer calls. In Jersey the average call duration to all destinations was 3.05 minutes (3.23 minutes in 2013 and 3.24 minutes in 2012); a slightly larger trend toward shorter calls.

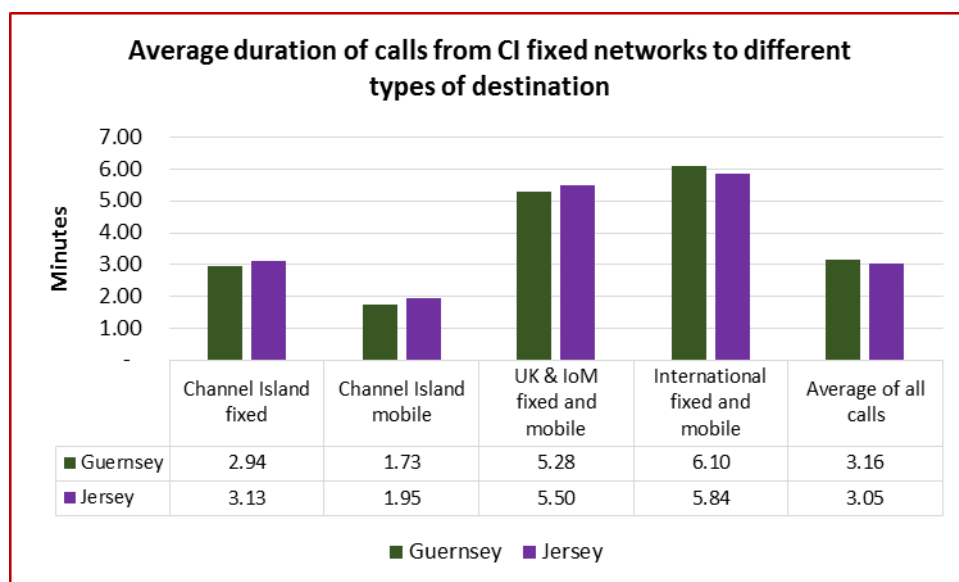


Figure 32 Average call durations to different types of destination
Source CICRA industry questionnaires

International destinations

The most commonly called destinations from fixed line connections in the Channel Islands changed little during the period 2012 to 2014²⁰. In alphabetical order:

	Australia	Canada	Eire	France	Latvia	Poland	Portugal	Romania	South Africa	Switzerland	USA
2012		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2013	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2014		✓	✓	✓		✓	✓		✓	✓	✓

Figure 33 Commonly called destinations from fixed lines 2012 to 2014
Source CICRA industry questionnaires

²⁰ In the CICRA questionnaire, the operators were asked to identify their top five destinations for international calls in the various markets reported here (fixed, mobile, roaming etc.) The operators' responses have been consolidated to indicate the most common international destinations for calls from the Channel Islands.

Average monthly revenue - ARPU

Figures 34 and 35 below show the annual revenues associated with subscribers that take voice only services and subscribers that take voice bundled with broadband services²¹, in Guernsey and Jersey.

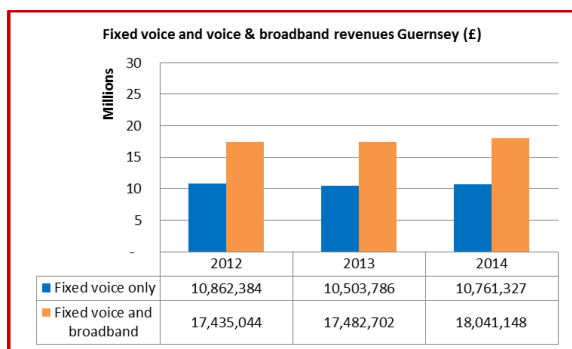


Figure 34 Revenues from voice only and voice & broadband Guernsey

Source CICRA industry questionnaires

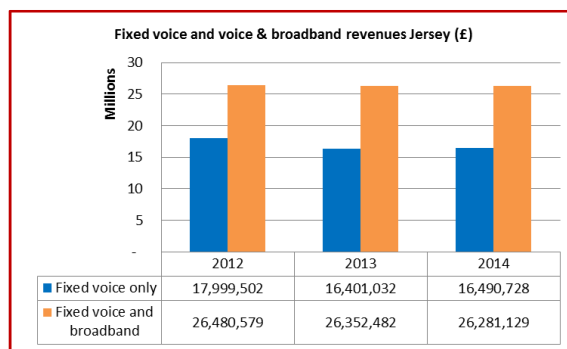


Figure 35 Revenues from voice only and voice & broadband Jersey

Source CICRA industry questionnaires

Figures 36 and 37 shows the average revenue per user (subscription) per month from fixed voice only subscriptions and subscriptions to fixed voice bundled with fixed broadband service in Guernsey and Jersey in the years 2012 to 2014. Jersey values are exclusive of GST.

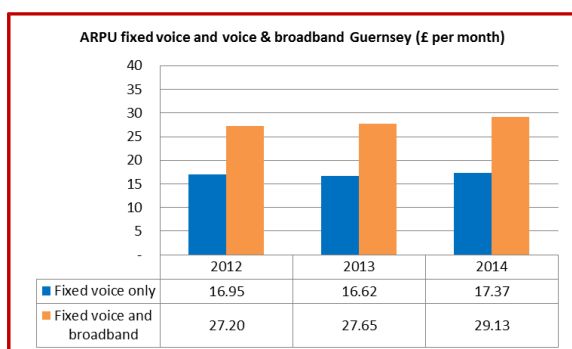


Figure 36 Monthly ARPU voice only and voice & broadband Guernsey

Source CICRA industry questionnaires

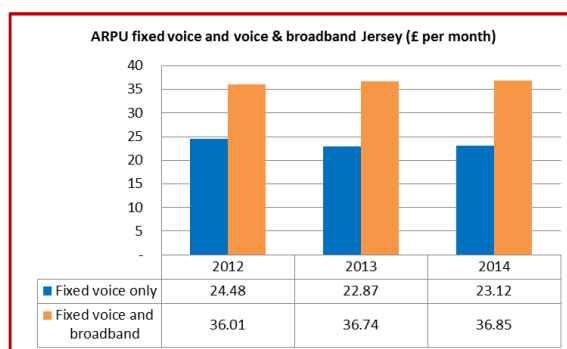


Figure 37 Monthly ARPU voice only and voice & broadband Jersey

Source CICRA industry questionnaires

Total revenues and monthly ARPU have been consistently lower in Guernsey than in Jersey although changes in the period 2012 to 2014 have closed the gap slightly (figure 38).

	Guernsey	Jersey
Voice only	+2%	-6%
Voice and broadband	+7%	+2%

Figure 38 Changes in fixed line ARPU 2012 to 2014

Source CICRA industry questionnaires

²¹ The voice and broadband bundle make use of the same physical network line.

7. MOBILE MARKET

Subscriptions, penetration rates and market shares

As of 31 December 2014, there were three mobile network operators (MNO) with commercial activities in Jersey and Guernsey : Sure, JT and Airtel.

Figure 39 below provides a breakdown of the number of mobile subscriptions for the three MNOs in Guernsey and Jersey ²².

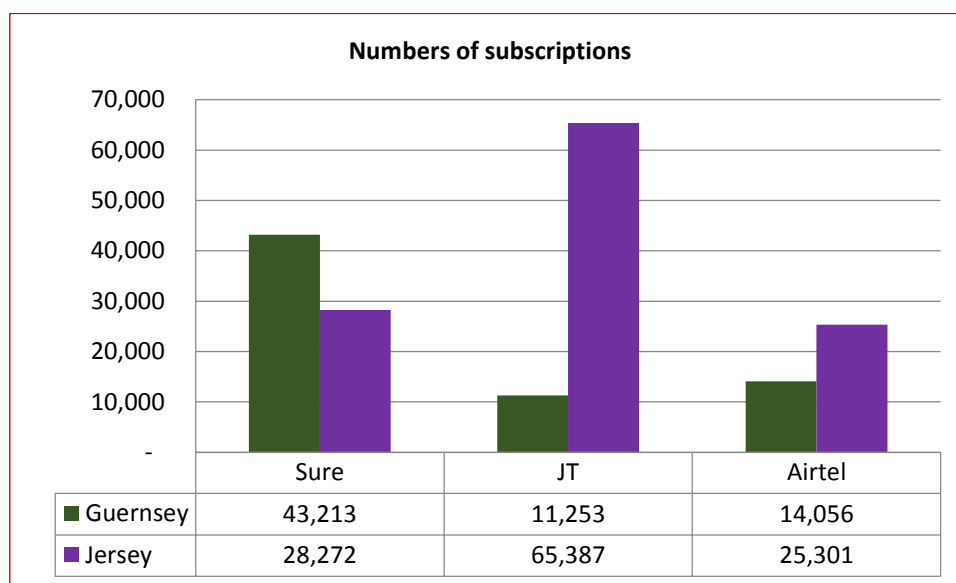


Figure 39 Number of mobile subscriptions per operator
Source CICRA industry questionnaires

Figure 40 shows the numbers of mobile subscriptions in the period 2012 to 2014. At the end of 2014, there were 68,522 active mobile subscriptions in Guernsey and 118,960 in Jersey.

	Guernsey	Jersey
2012	65,145	120,076
2013	64,914	112,464
2014	68,522	118,960

Figure 40 Numbers of active mobile subscriptions 2012 to 2014
Source CICRA industry questionnaires

As is common in many developed countries, the number of active mobile subscriptions in the Channel Islands is greater than the number of inhabitants. In 2014 in Guernsey there were 110 active subscriptions per 100 inhabitants, and in Jersey there were 118 subscriptions per 100 inhabitants.

²² All mobile operators report "Active Subscribers" based on a 90 day cycle period.

Figure 41 shows the mobile penetration rates in Guernsey and Jersey overlaid on the penetration rates within OECD countries.

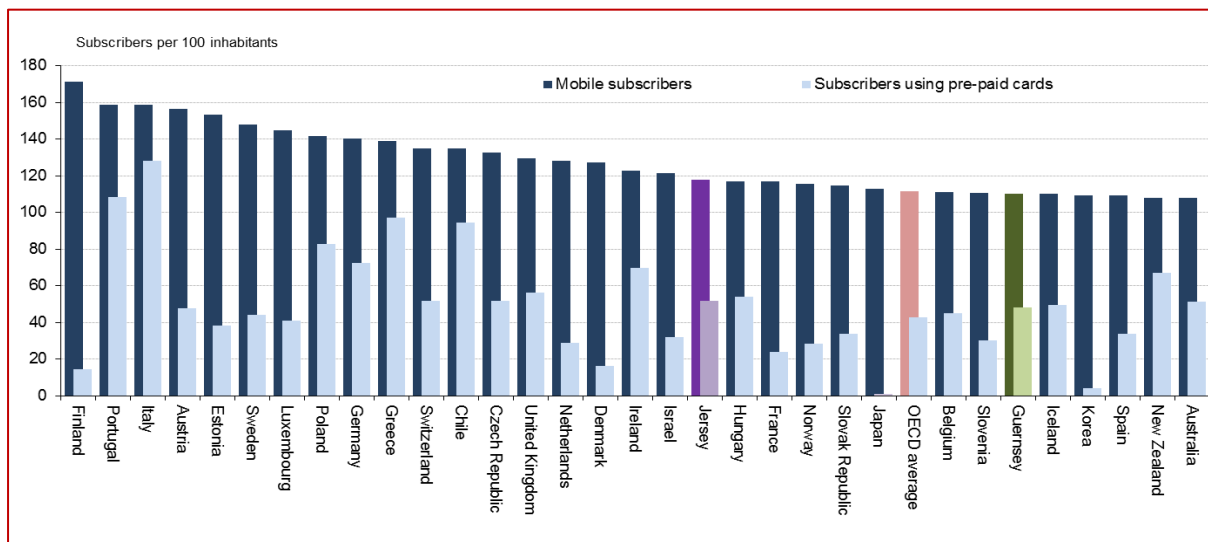


Figure 41 Mobile penetration rates in Guernsey and Jersey compared to OECD countries
Source OECD²³ and CICRA industry questionnaires

Figure 42 shows the mobile shares of each operator in Guernsey based on numbers of subscriptions of all types. Figure 43 shows the same analysis for Jersey. While Airtel has increased its share, the overall situation has remained relatively stable over the period 2012 to 2014 in both islands. Sure continues to have the majority share of subscribers in Guernsey as does JT in Jersey.

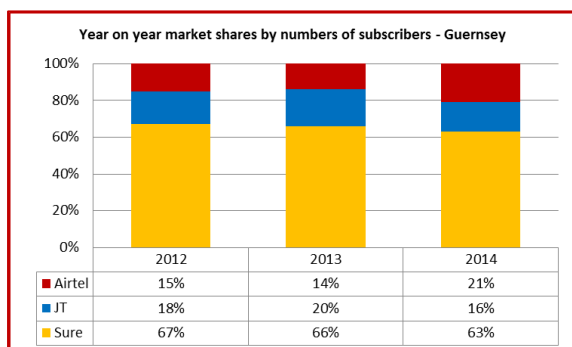


Figure 42 Change in market shares 2012 to 2014 – Guernsey
Source CICRA industry questionnaires

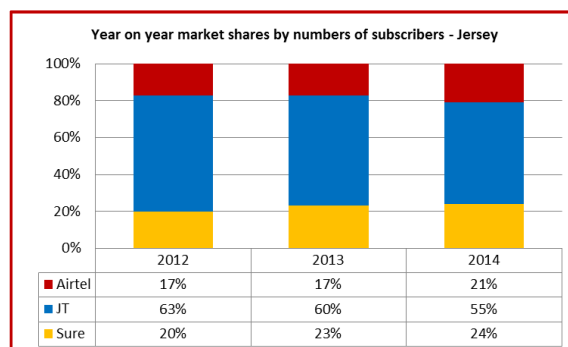


Figure 43 Change in market shares 2012 to 2014 - Jersey
Source CICRA industry questionnaires

Figure 44 provides a breakdown of pre-pay and post-pay mobile subscriptions in each island in the period 2012 to 2014²⁴. Post-paid subscriptions are more popular than pre-paid subscriptions. Some evidence of volatility in the pre-paid market can be seen in the number of pre-paid subscriptions that were deactivated during the year due to lack of activity: 6,754 in Guernsey (22.5% of pre-pays) and 12,531 in Jersey (23.9% of pre-pays).

²³ OECD data updated July 2015 <http://www.oecd.org/internet/broadband/oecdkeyictindicators.htm>

²⁴ Pre-pay subscribers make payment in advance of using the service; typically they are not business users and have low levels of usage. In contrast post-pay subscribers tend to have higher usage levels and are charged monthly in arrears paying by direct debit. The Channel Island figures exclude pre-pay customers that have been deactivated in the last 12 months due to inactivity.

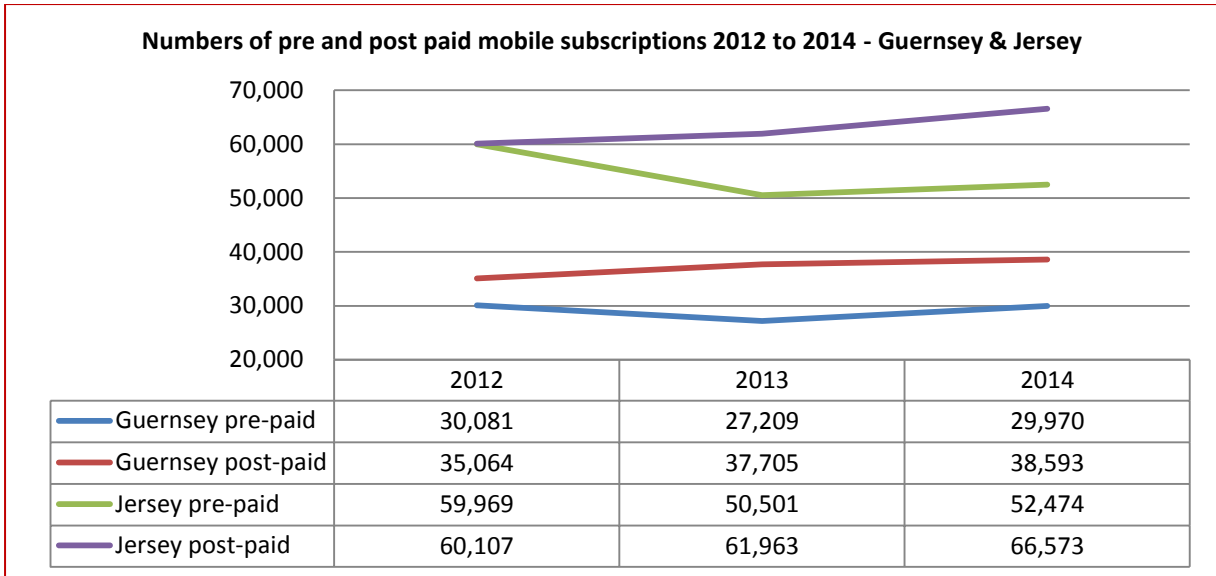


Figure 44 Pre and post paid mobile subscriptions 2012 to 2014 - Guernsey and Jersey
Source CICRA industry questionnaires

Voice traffic - numbers of minutes

Figure 45 shows the number of voice minutes carried by each operator in each island in 2014.

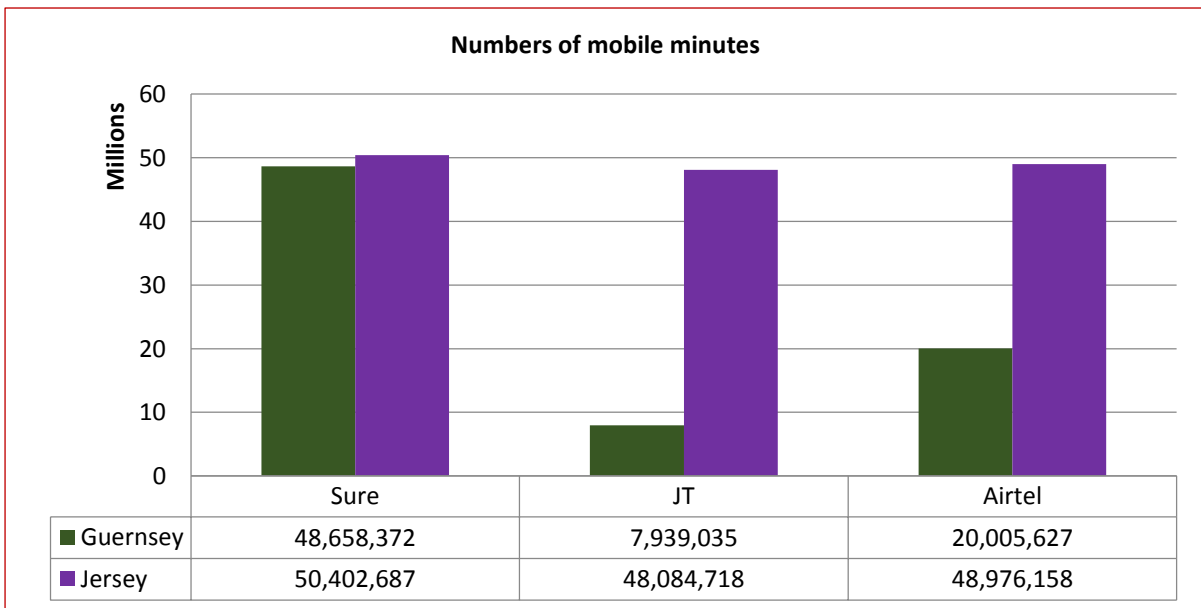


Figure 45 Numbers of minutes per operator in 2014
Source CICRA industry questionnaires

Figure 46 shows the total number of mobile voice minutes carried by each operator in Guernsey in the period 2012 to 2014. Figure 47 presents the same analysis for Jersey.

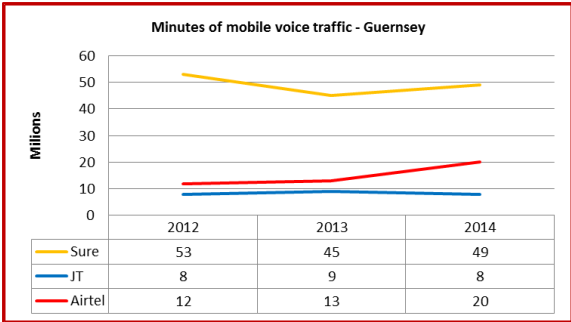


Figure 46 Numbers of minutes of mobile voice traffic 2012-2014 Guernsey
Source CICRA industry questionnaires

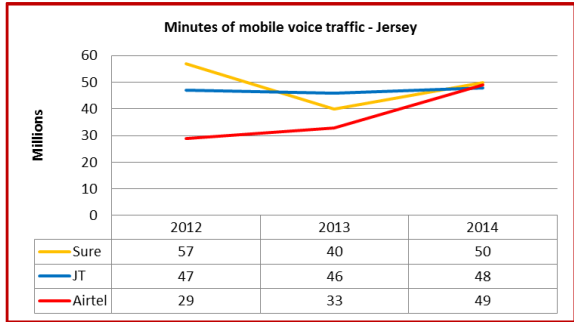


Figure 47 Numbers of minutes of mobile voice traffic 2012 to 2014 – Jersey
Source CICRA industry questionnaires

The levels of overall activity in the mobile market is illustrated by the total numbers of minutes in each island during the period 2012 to 2014 (figure 48).

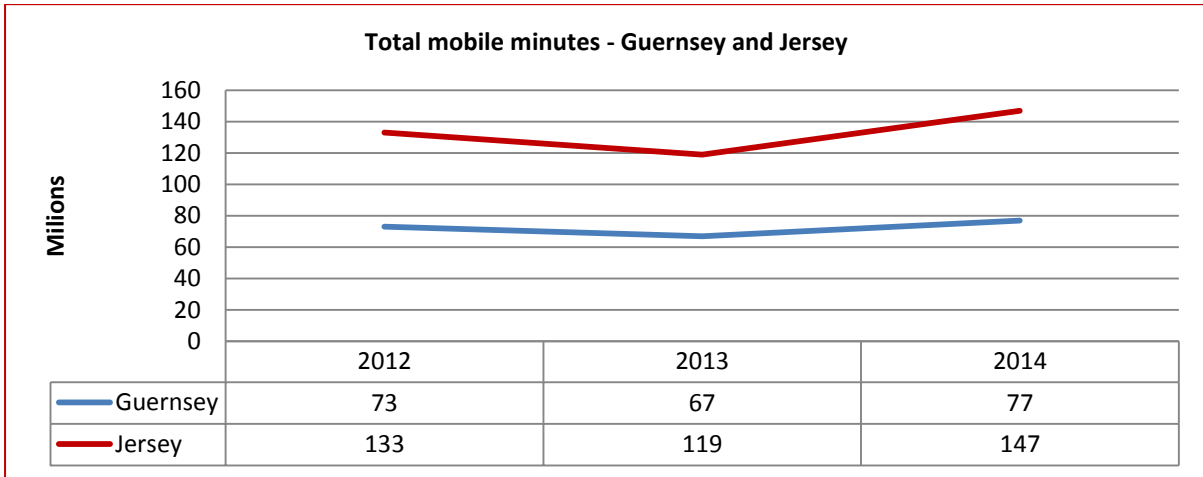


Figure 48 Total mobile minutes 2012 to 2014 - Guernsey and Jersey
Source CICRA industry questionnaires

Figure 49 shows the number of voice minutes per year by type of subscription. It indicates a decline in call durations over the period.

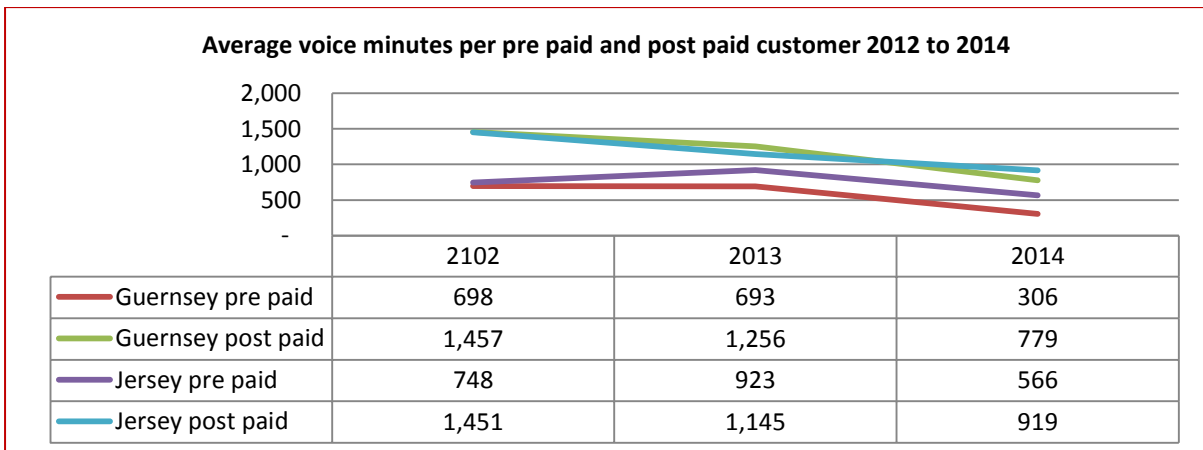


Figure 49 Average voice minutes per pre paid and post paid subscriber 2012 to 2014
Source CICRA industry questionnaires

Voice traffic - minutes by destination

Figure 50 shows a breakdown of the number of minutes to various classes of destination from calls originating from Sure and JT in Guernsey and Jersey. No breakdown of call destination information was available from Airtel for 2014 but there is no reason to think that its customers have a different usage profile. The overall profile is similar to that in 2013 with the exception of a significant fall in the number of minutes to international destinations from both islands.

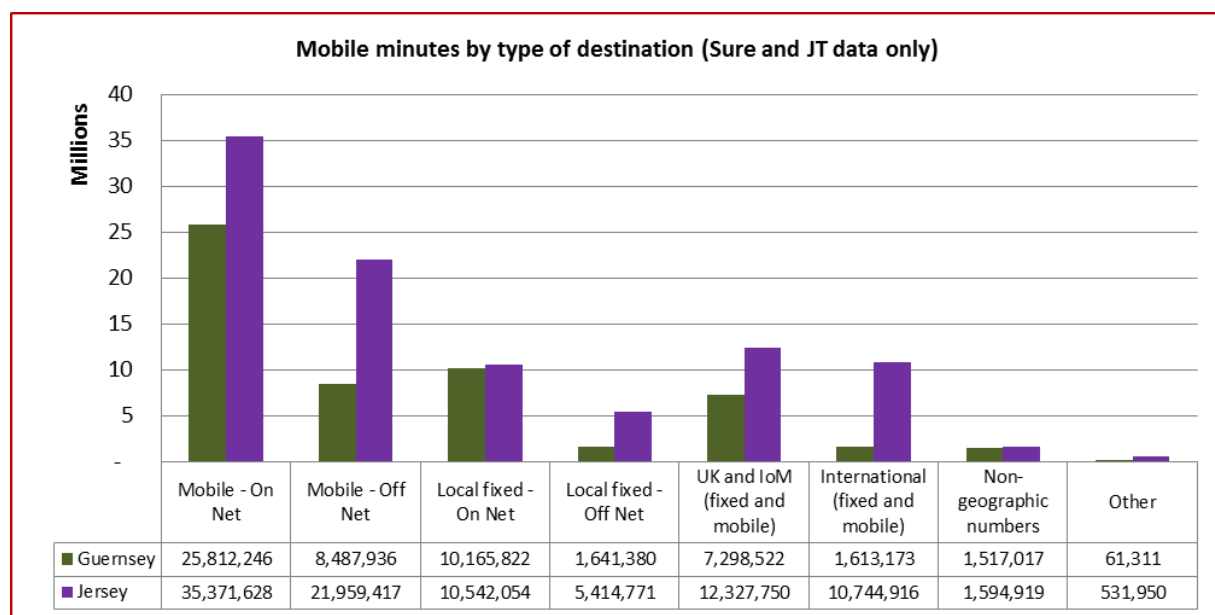


Figure 50 Mobile calls minutes by destination
Source CICRA industry questionnaires

Figure 51 shows the percentage of minutes from Guernsey mobiles to various types of destination in the period 2012 to 2014. Figure 52 shows the same analysis for Jersey. The years 2012 and 2013 are based on data from all three operators while 2014 is based on data from Sure and JT only.

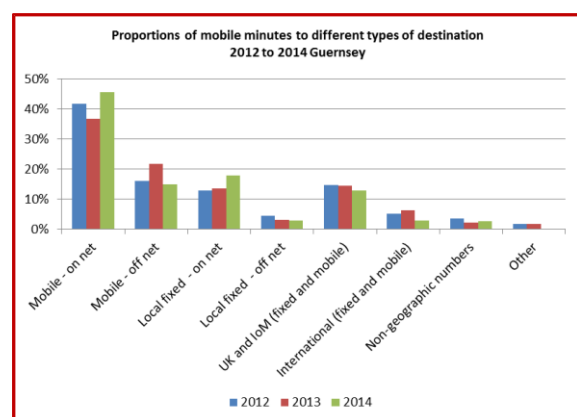


Figure 51 Proportions of minutes to different types of destination 2012 to 2014 Guernsey
Source CICRA industry questionnaires

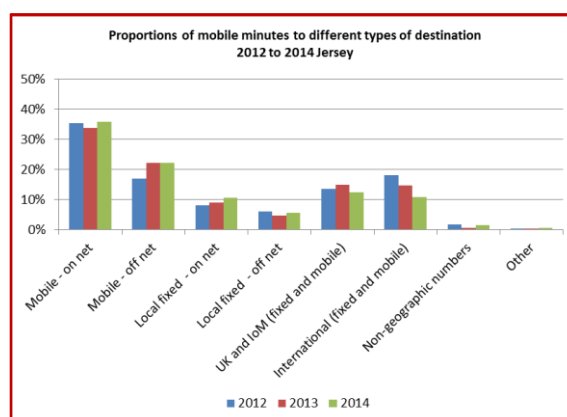


Figure 52 Proportions of minutes to different types of destination 2012 to 2014 Jersey
Source CICRA industry questionnaires

The year on year profiles are broadly similar and the profiles of the two islands are also broadly similar but Jersey has a higher proportion of minutes to international destinations than Guernsey.

Voice traffic – numbers of calls per operator

It was noted in the 2013 report that between 2012 and 2013 the number of calls per post-paid subscriber was falling while the number of calls per pre-paid subscriber was rising. Figure 53 shows the trend over the period 2012 to 2014. It can be seen that the islands are diverging in their mobile phone usage. Between 2012 and 2014 the average number of calls made per pre-paid and post-paid subscriber in Jersey increased by 27% while, in Guernsey, the average number of calls from both pre-paid and post-paid subscribers decreased 10%.

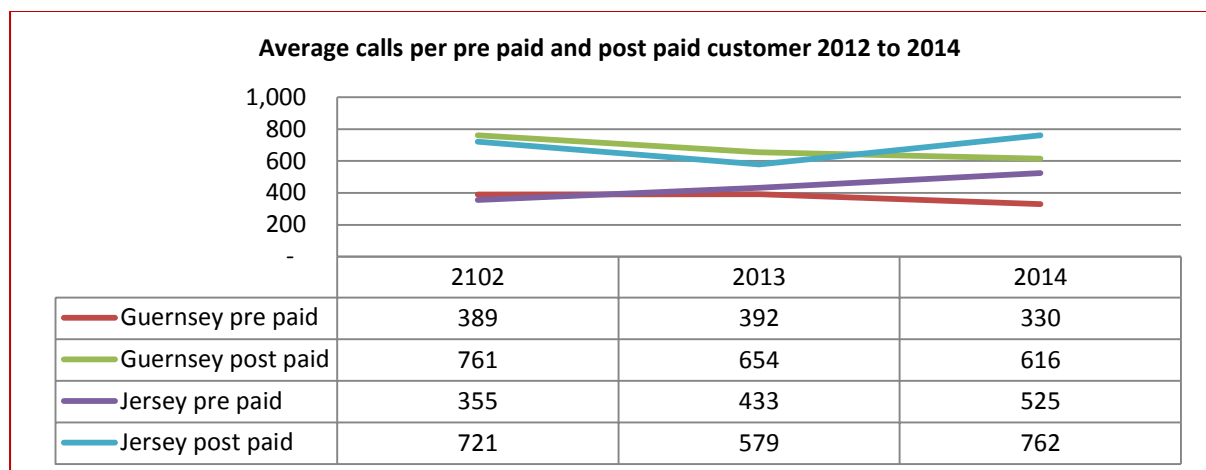


Figure 53 Average calls per pre paid and post paid subscriber 2012 to 2014
Source CICRA industry questionnaires

It can also be seen from figure 53 that, in both islands, on average, a post-paid customer makes significantly more calls per year than a pre-paid customer.

Figure 54 shows the total numbers of calls made in Guernsey in the period 2012 to 2014. Figure 55 shows the same analysis for Jersey.

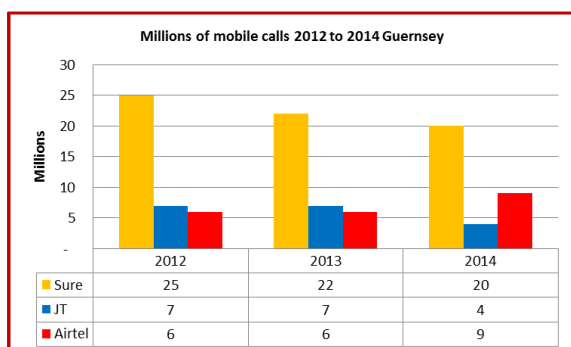


Figure 54 Millions of mobile voice calls 2012 to 2014
Guernsey
Source CICRA industry questionnaires

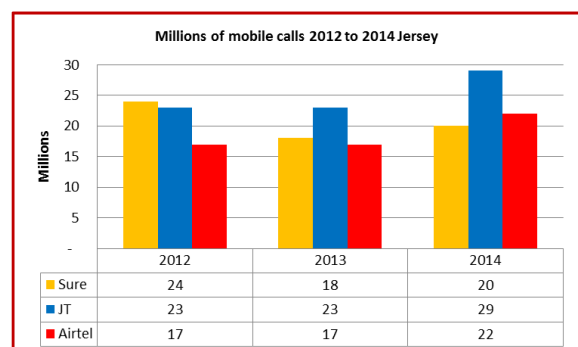


Figure 55 Millions of mobile voice calls 2012 to 2014
Jersey
Source CICRA industry questionnaires

Figure 54 shows that while the total number of mobile voice calls in Guernsey is falling, Airtel's share of the remaining calls is increasing at the expense of both Sure and JT. Figure 55 shows that in Jersey the total number of mobile voice calls is increasing with JT and Airtel taking market share from Sure.

Incoming international calling countries

Mobile users in both Guernsey and Jersey received calls from a range of countries, but from the submissions provided by operators the most common called countries originating calls to Channel Islands mobiles (excluding the UK and IoM) in recent years were as follows (alphabetical order) :

	Canada	Egypt	Eire	France	Latvia	Poland	Portugal	Romania	South Africa	Spain	Switzerland	USA
2012	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	
2013	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓
2014		✓	✓	✓	✓	✓	✓		✓			

Figure 56 Common sources of calls to Channel Island mobiles
Source CICRA industry questionnaires

SMS traffic

Figure 58 shows the number of SMS text messages originated on each operator in Guernsey in the period 2012 to 2014. Figure 59 shows the same analysis for Jersey. There was a general decline in the period 2012 to 2014 and a particularly sharp drop of 36% in Guernsey in 2014.

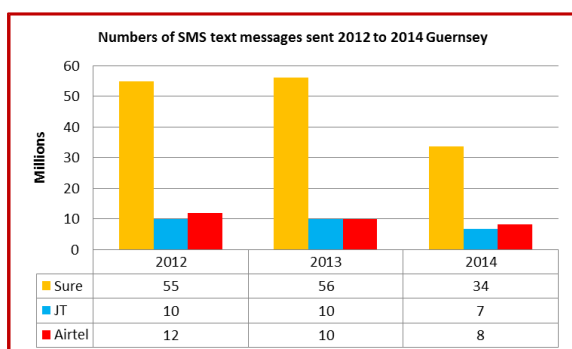


Figure 57 Number of SMS text messages sent 2012 to 2014 Guernsey
Source CICRA industry questionnaires

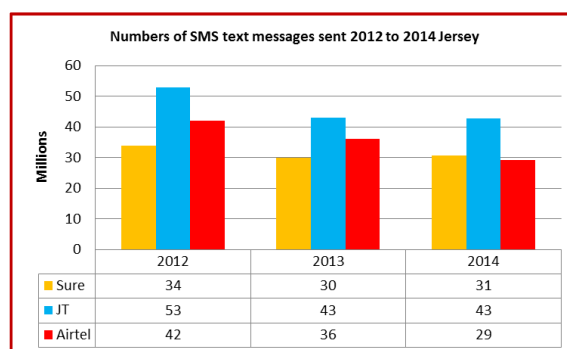


Figure 58 Number of SMS text messages sent 2012 to 2014 Jersey
Source CICRA industry questionnaires

As with numbers of mobile voice calls, in Guernsey the market for SMS texts is dominated by Sure while in Jersey it is more evenly divided with JT having the largest individual share. As shown in figure 60, market shares based on numbers of SMS messages sent, have varied only slightly in the period 2012 to 2014.

	Guernsey			Jersey		
	Sure	JT	Airtel	Sure	JT	Airtel
2012	71%	13%	16%	26%	41%	33%
2013	74%	13%	13%	28%	39%	33%
2014	69%	14%	17%	30%	42%	28%

Figure 59 Market shares bases on numbers of SMS text messages sent 2012 to 2014
Source CICRA industry questionnaires

Combining figures 58 and 59 illustrates that while relative market shares have varied only slightly, the total size of the SMS text message market is decreasing.

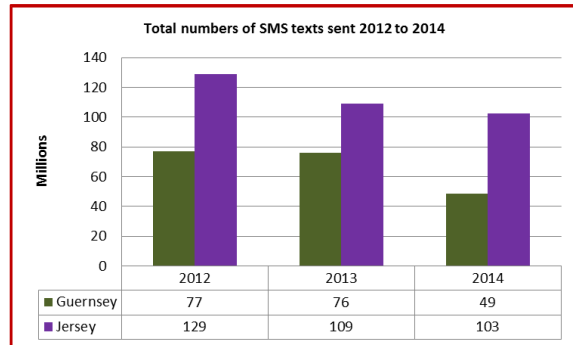


Figure 60 Total numbers of SMS text messages sent 2012 to 2014

Source CICRA industry questionnaires

Figure 61 shows the average number of SMS text messages sent per pre-paid and post paid subscribers in each island in the period 2012 to 2014. There are declines in the numbers of messages being sent by both types of subscriber in both islands.

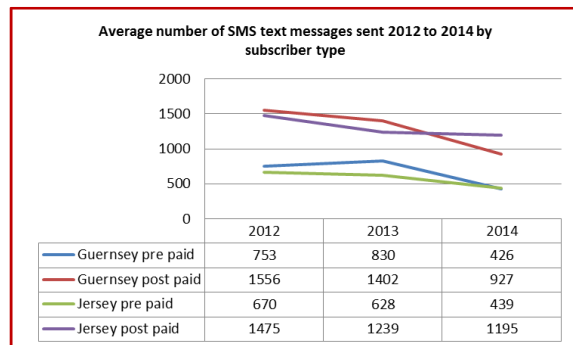


Figure 61 Average number of SMS text messages sent 2012 to 2014 by subscriber type

Source CICRA industry questionnaires

Mobile revenue

Figure 62 shows the average revenue per pre-pay and post-pay mobile subscriptions per month in the Channel Islands in 2014²⁵.

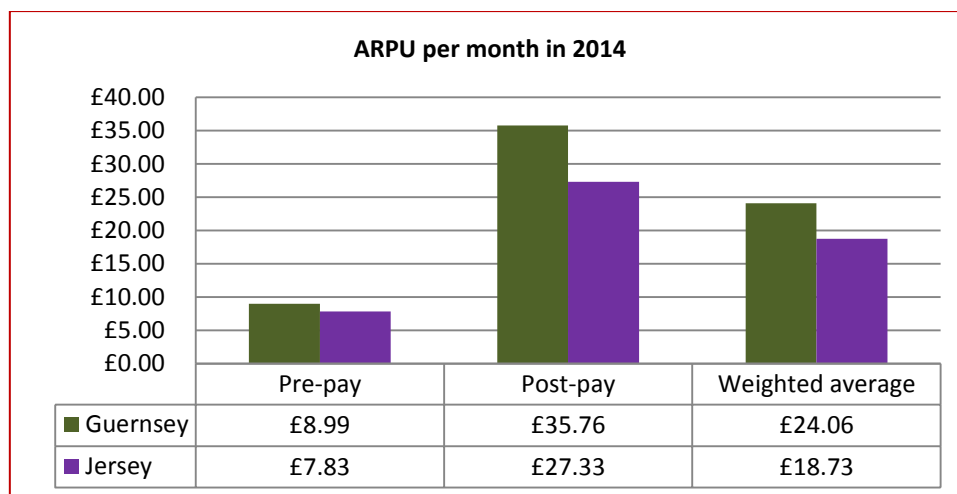


Figure 62 ARPU per month in 2014 by subscriber type
Source CICRA industry questionnaires

²⁵ Jersey ARPU figures exclude GST so as to provide a direct comparison with Guernsey.

From a year on year comparison (figure 63) it can be seen that ARPU per month for pre-paid subscriptions in both islands is similar and remained largely unchanged since 2012. Monthly ARPU for post-paid subscriptions in Guernsey rose slightly in 2014 while in Jersey it has stabilised after a decline in 2013.

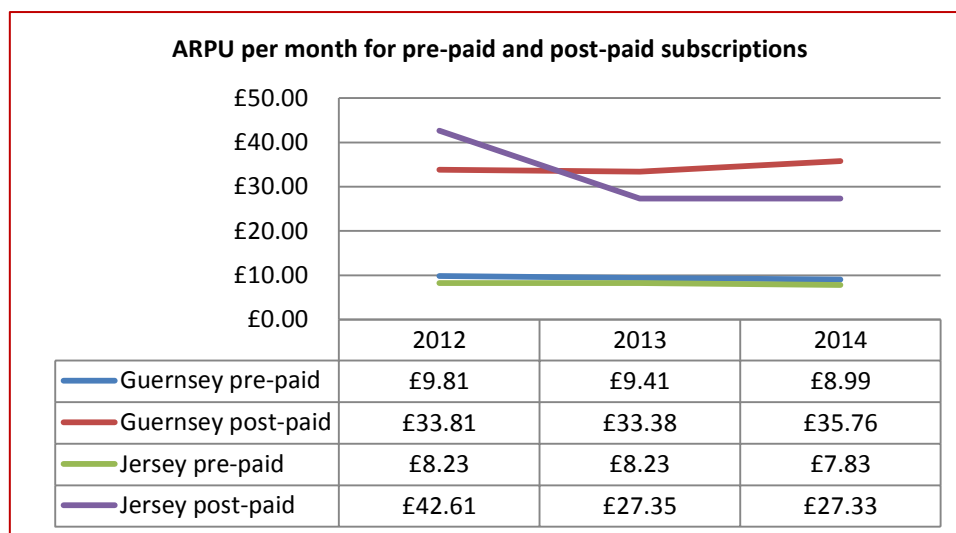


Figure 63 ARPU per month for pre paid and post paid subscriptions 2012 to 2014
Source CICRA industry questionnaires

ARPU for post-paid subscriptions has been consistently higher than for pre-paid subscriptions but the post-paid ARPU includes revenue from roaming and data charges.

In the UK ²⁶ pre-paid consumers spent on average £4.98 per month and post-paid consumers spent on average £23.15 per month. According to Ofcom, the average monthly blended ARPU for UK mobile consumers (including voice, roaming and data charges) was £15.38 per month; this is to be compared to £24.06 in Guernsey and £18.73 in Jersey.

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 figures 64 and 65 below, ‘porting-in’ describes the number of consumers successfully 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.

²⁶ Ofcom : 2015 Communications Market Report. Figure 4.46

Guernsey porting activity

	Port in	Port out	Net benefit
Airtel	1,280	297	983
JT	521	710	-189
Sure	586	1,380	-794
Island total	2,387	2,387	

Jersey porting activity

	Port in	Port out	Net benefit
Airtel	1,974	1,281	693
JT	1,066	2,800	-1,734
Sure	2,333	1,292	1,041
Island total	5,373	5,373	

Figure 64 Mobile number porting activity - Guernsey and Jersey 2014

Source Porting XS MNP Channel Island data

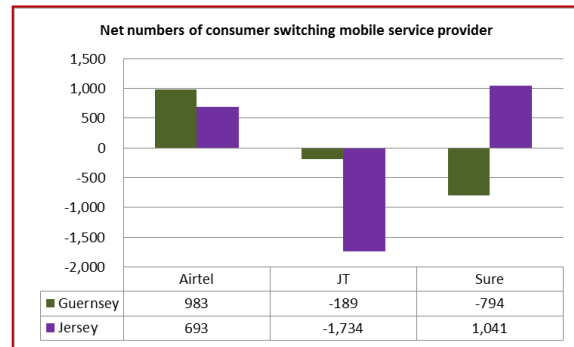


Figure 65 Net numbers of consumers switching mobile service provider in 2014

Source Porting XS MNP Channel Island data - 2014

The overall net beneficiary from porting activity across the islands was again Airtel gaining 1,676 consumers from the other service providers during 2014 across both Guernsey and Jersey (2013, 828 consumers). However Sure made considerable gains in Jersey in 2014.

Figure 66 shows the percentage of registered mobile numbers switched in Guernsey and Jersey in 2012 to 2014. The levels of switching increased significantly in 2014 in comparison with 2012 and 2013.

	2012	2013	2014
Guernsey	1.77%	1.82%	3.48%
Jersey	3.06%	3.04%	4.51%

Figure 66 Levels of mobile number switching 2012 to 2014

Source Porting XS MNP Channel Island data 2012 to 2014

However, even at these increased levels of activity the Channel Islands continued to be behind average porting levels in jurisdictions such as Denmark, France and Italy where porting activity was between 8% and 12% of the active subscriber base in 2013²⁷.

The number of working days required to complete a successful port from one operator to another increased slightly in 2014 to 1.8 working days in both Guernsey (1.6 in 2013) and Jersey (1.5 in 2013).

Figure 67 shows the average number of working days required to complete a successful mobile port in various countries across Europe. The European average (excluding Sweden) is approximately 2.4 working days.

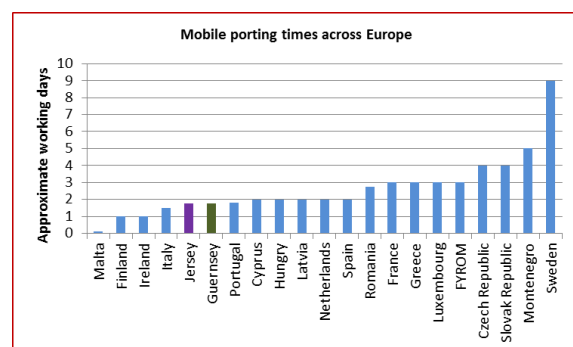


Figure 67 Mobile porting times across Europe

Source CICRA industry questionnaires and CEPT²⁸

²⁷ Number Portability Implementation in Europe based on a survey of CEPT Member Countries – CEPT/EEC Working Group Numbering & Networks – 1 March 2014.

²⁸ Ibid.

Roaming activity in the Guernsey and Jersey mobile markets

Out-roaming revenues

Out-roaming is the use of mobile services by mobile consumers of Channel Island operators while roaming on networks outside of the Channel Islands.

In 2014, operators in the Channel Islands generated total revenues of £10.5m from out-roaming activities, approximate 18% of total mobile revenue (excluding in-roaming revenues) (2013: £10.7 million, approximately 18.2% of total mobile revenue).

Figure 68 shows the revenues generated from out-roaming by each operator for each type of service (out-going call, SMS and data) in 2014.

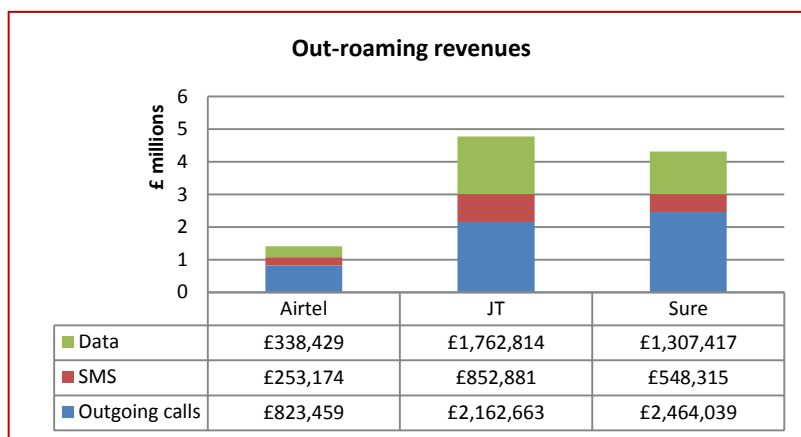


Figure 68 Out-roaming revenues by service 2014
Source CICRA industry questionnaires

Figure 69 shows total out-roaming revenues in the period 2012 to 2014. While Airtel's out-roaming revenues have increased, Sure and JT's out-roaming revenues have declined. This is reflective of Airtel's generally increasing market share.

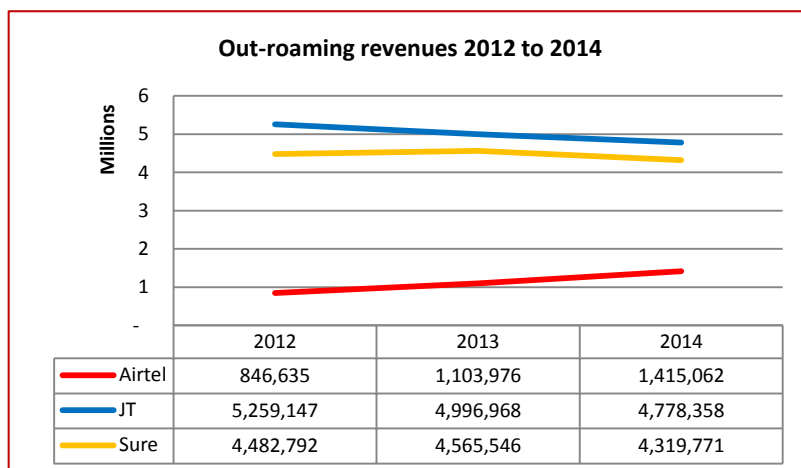


Figure 69 Out-roaming revenues 2012 to 2014
Source CICRA industry questionnaires

Out-roaming outgoing calls minutes

Out-roaming outgoing call minutes are all minutes made by the mobile customers of Channel Island operators while roaming on networks outside the Channel Islands.

Figure 70 shows the numbers of minutes for each operator in the years 2012 to 2014 in Guernsey. Figure 71 shows the same analysis for Jersey. JT in Jersey and Sure in Guernsey had the largest market shares in their respective home islands. The total numbers of minutes declined in both islands.

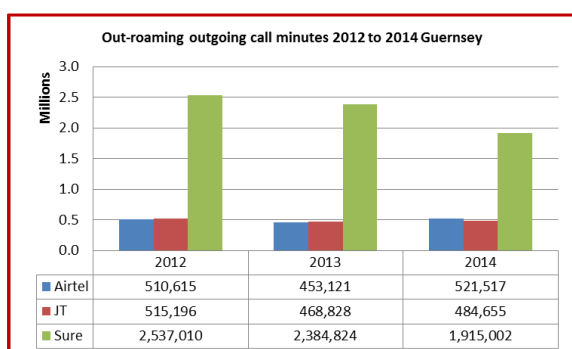


Figure 70 Out-roaming outgoing call minutes 2012 to 2014 Guernsey

Source CICRA industry questionnaires

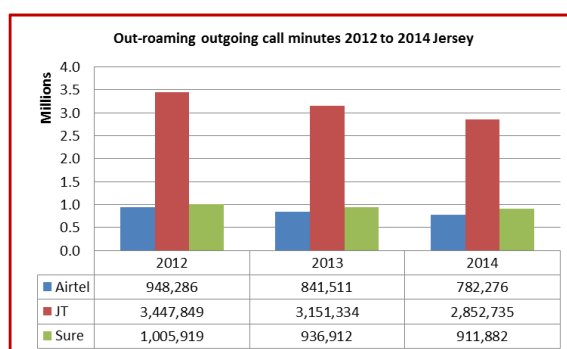


Figure 71 Out-roaming outgoing call minutes 2012 to 2014 Jersey

Source CICRA industry questionnaires

Out-roaming incoming calls minutes

Figure 72 shows that, as with outgoing call minutes, in 2014 the majority of the incoming call minute market belonged to Sure in Guernsey and JT in Jersey.

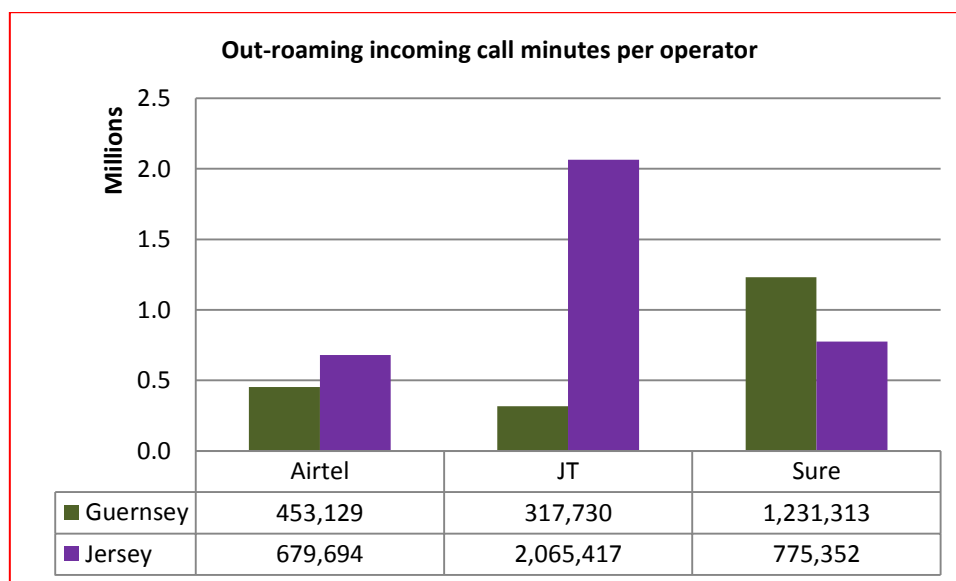


Figure 72 Out-roaming incoming call minutes per operator

Source CICRA industry questionnaires

Out-roaming outgoing call revenues

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.

Figure 73 shows that, in 2014, Sure generated 45% of total Channel Islands out-roaming outgoing call revenues, with JT generating 40%, and Airtel 15%.

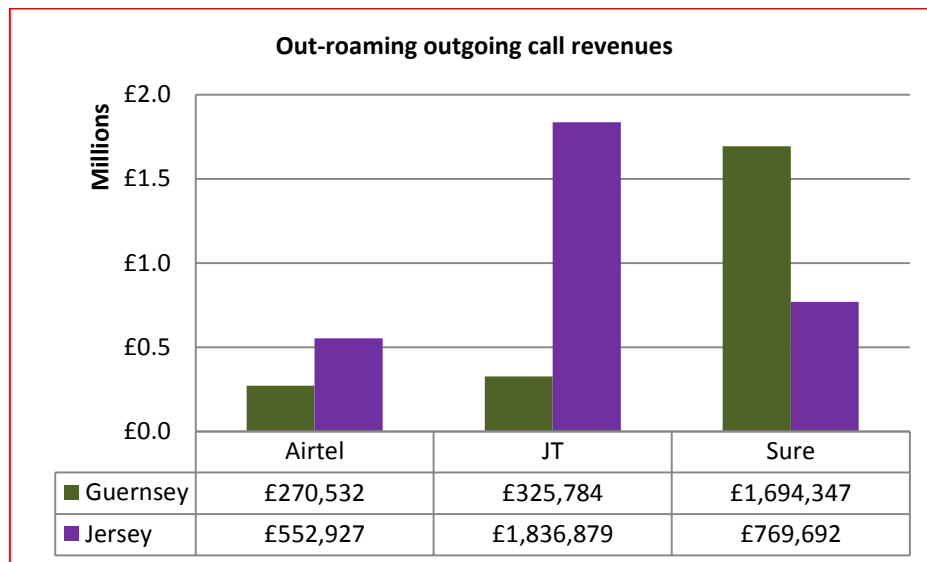


Figure 73 Out-roaming outgoing call revenue 2014
Source CICRA industry questionnaires

Out-roaming revenue per outgoing call minute

The blended average revenue per out-roaming outgoing call minute was 73p among Channel Islands operators in 2014. As shown by figure 74, Sure had the highest blended average revenue per minute at 87p, JT's was 65p, and Airtel's was 63p.

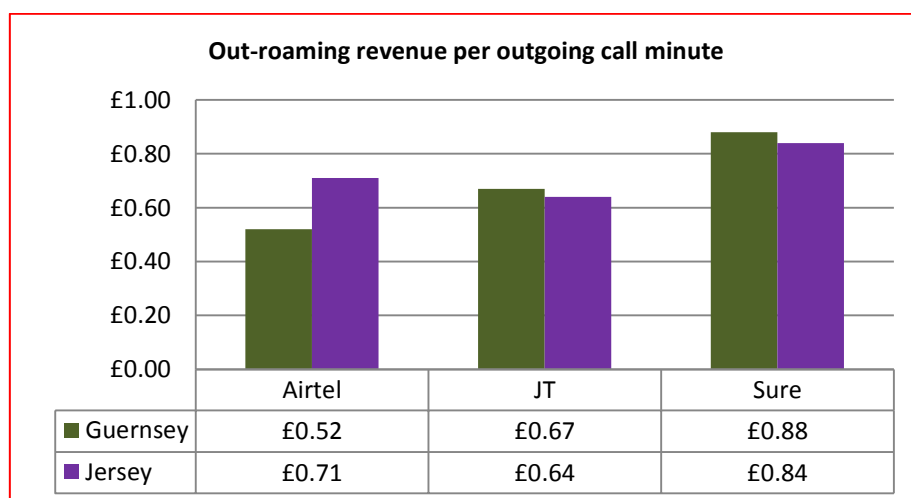


Figure 74 Out-roaming revenue per outgoing call minute
Source CICRA industry questionnaires

Out-roaming SMS revenues

Out-roaming SMS message revenue is the revenue received (excluding tax) from SMS text messages sent by the operator's own consumers while roaming on networks outside the Channel Islands.

Figure 75 shows that Channel Island operators generated a total of £1.65m from out roaming SMS traffic (slightly up on 2013's £1.6m). JT generated 52% of this total, Sure generated 33%, and Airtel 15%.

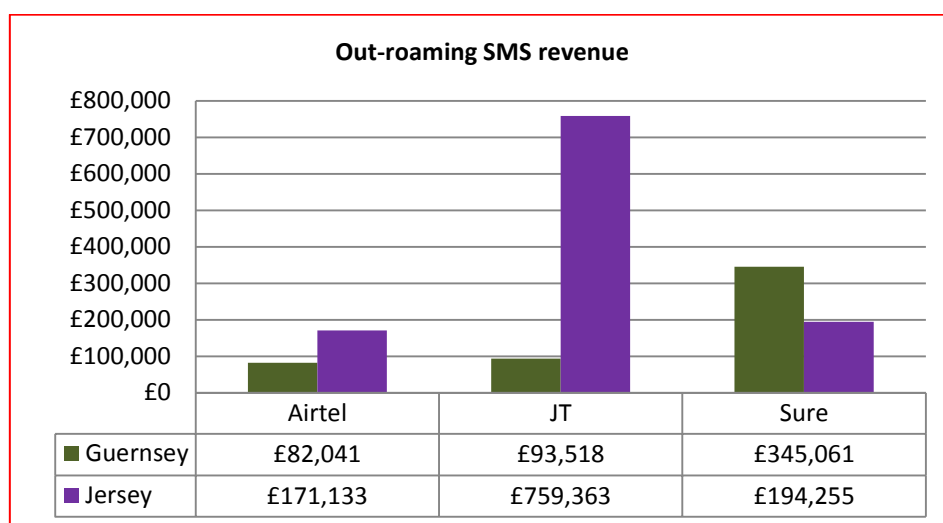


Figure 75 Out-roaming SMS revenues
Source CICRA industry questionnaires

The average revenue per out-roaming SMS message across all three operators was 19p. The average in Jersey was 21p with the average in Guernsey was 15p. JT received an average of 23p per message, with Sure receiving 16p and Airtel 15p, as shown by figure 76.

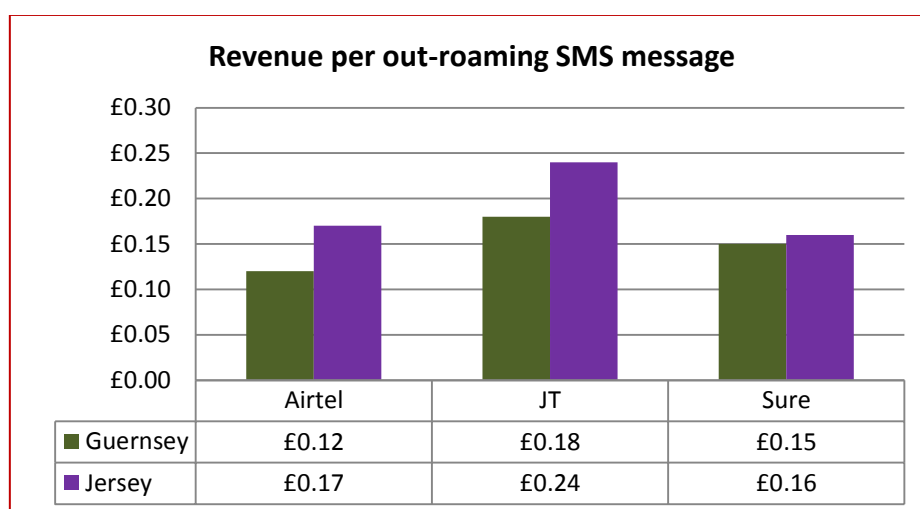


Figure 76 Revenue per out-roaming SMS message
Source CICRA industry questionnaires

Figure 77 shows that the average revenue per out-roaming SMS message is rising.

	Guernsey			Jersey		
	Airtel £/message	JT £/message	Sure £/message	Airtel £/message	JT £/message	Sure £/message
2012	0.09	0.15	0.10	0.09	0.19	0.10
2013	0.12	0.14	0.11	0.14	0.17	0.10
2014	0.17	0.18	0.15	0.17	0.24	0.16

Figure 77 Average revenue per out-roaming SMS message 2012 to 2014

Source CICRA industry questionnaires

Out-roaming data revenues

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

Figure 78 shows that, in 2014, the total revenue across all three operators from out-roaming data was £3.4m; £1.2m in Guernsey and £2.2m in Jersey. JT's revenue for 2014 was £1.8m, Sure's was £1.3m and Airtel's was £0.3m.

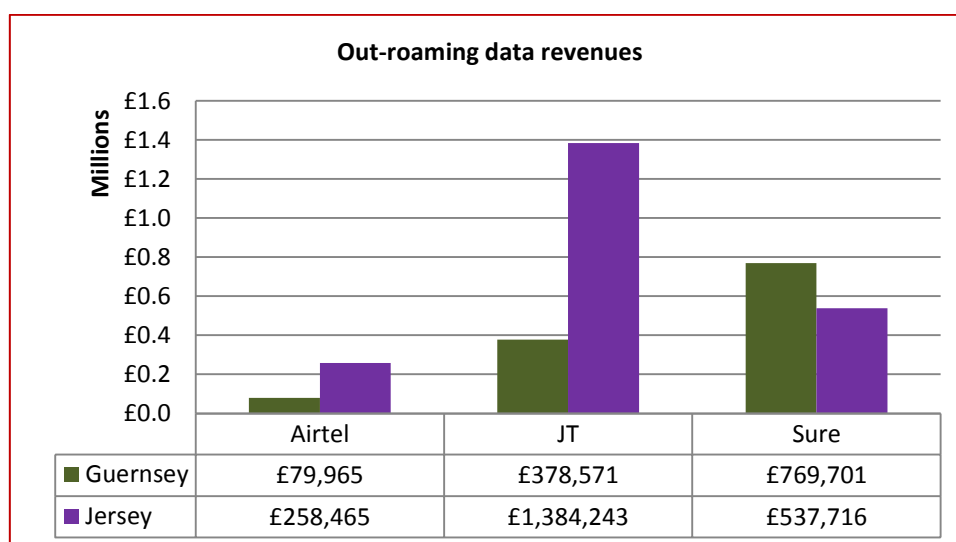


Figure 78 Out-roaming data revenue

Source CICRA industry questionnaires

Figure 79 shows that total out-roaming data revenues rose steadily in the period 2012 to 2014.

	Guernsey £m	Jersey £m
2012	1.0	1.8
2013	1.1	2.0
2014	1.2	2.2

Figure 79 Revenues from out-roaming data 20102 to 2014

Source CICRA industry questionnaires

Figure 80 shows the average revenue received by the operators for every Mbyte of out-roaming data.

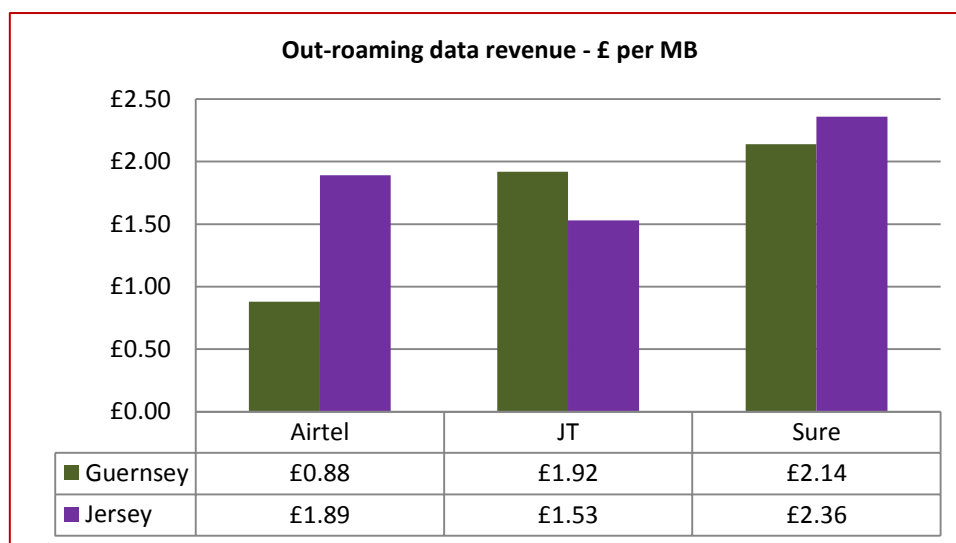


Figure 80 Out-roaming data revenue - £ per MB
Source CICRA industry questionnaires

Previous CICRA market reports have commented on the levels and trends in out-roaming data revenues. In 2013 the data suggested 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. This trend has been continued in 2014 (figure 81).

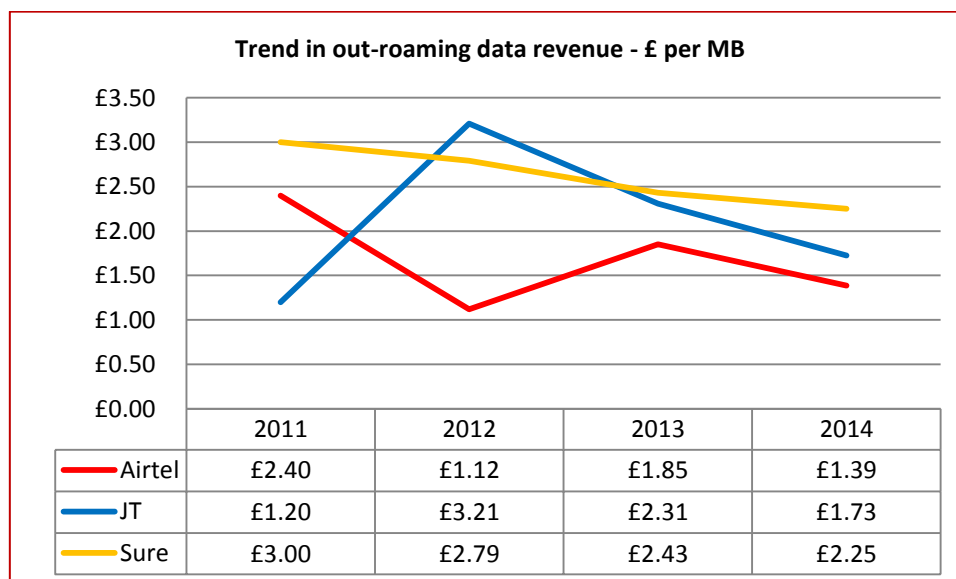


Figure 81 Out-roaming data revenue per MByte 2012 to 2014
Source CICRA industry questionnaires

Most common out-roaming locations

The most common locations for Channel Islands consumers to be using out-roaming services when roaming abroad (excluding the UK, in alphabetical order) were as per figure 82.

	Eire	France	Germany	Latvia	Poland	Portugal	Romania	South Africa	Spain	Switzerland	USA
2012	✓	✓			✓	✓			✓	✓	✓
2013	✓	✓		✓	✓	✓			✓	✓	✓
2014		✓	✓	✓	✓	✓	✓	✓	✓		✓

Figure 82 Most common locations for using out-roaming services 2012 to 2014

Source CICRA industry questionnaires

In-roaming revenues

In-roaming is the use of Channel Islands networks by overseas visitors while visiting the islands.

Figure 83 shows the total in-roaming revenue for each operator in the years 2012 to 2014. In general revenues are falling. In 2014 Sure had a 31% share of in-roaming revenues (45% in 2013), JT's had 40% (33% in 2013) and Airtel's had 29% (22% in 2013).

	Airtel £	JT £	Sure £	Total £
2012	1,073,158	967,453	1,720,029	3,760,640
2013	904,023	1,386,236	1,862,545	4,152,804
2014	859,090	1,207,516	917,772	2,984,378

Figure 83 In-roaming revenues by operator 2012 to 2014

Source CICRA industry questionnaires

In-roaming outgoing call minutes

In-roaming is the total number of call minutes resulting from the calls made by visiting mobile customers while roaming on Channel Island networks. Figure 84 shows that approximately 9m in-roaming outgoing call minutes were made on Channel Islands networks in 2014; 3.5m on JT's networks, 3m on Airtel's and 2.5m on Sure's.

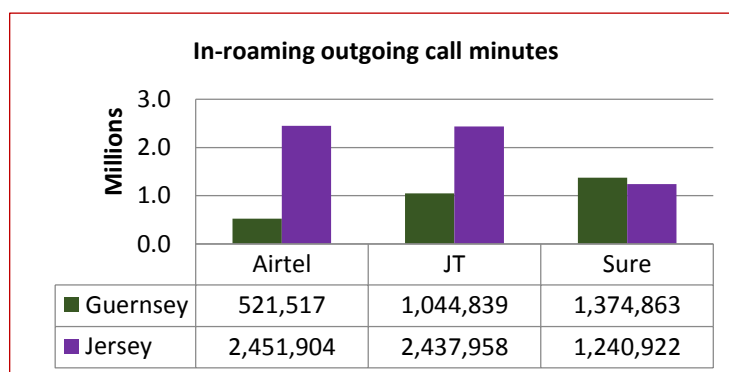


Figure 84 In-roaming outgoing call minutes 2014

Source CICRA industry questionnaires

In-roaming incoming call minutes

This is the total number of call minutes received by visiting mobile customers while roaming on Channel Island networks. Figure 85 shows approximately 8.3m in-roaming incoming minutes were received; 4.3m on JT, 2m on Airtel and 2m on Sure.

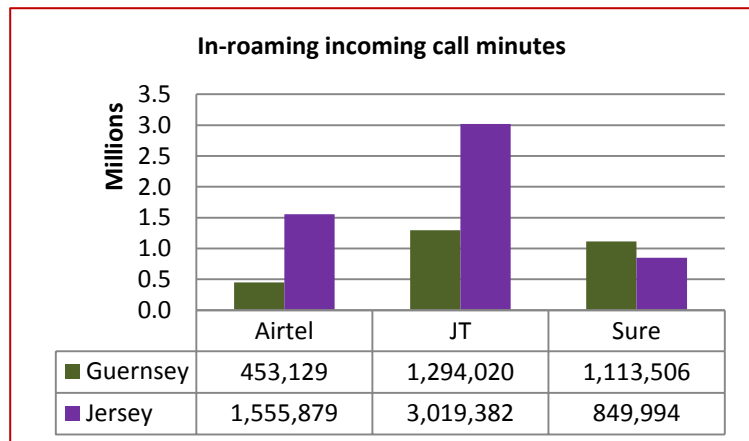


Figure 85 In-roaming incoming call minutes
Source CICRA industry questionnaires

In-roaming outgoing SMS messages

Figure 86 shows the number of in-roaming SMS messages sent by visitors over Channel Islands mobile networks in 2014. The total number of messages sent was approximately 9.1m; 4m on JT's networks; 2.7m on Sure's network and 2.4m Airtel's networks.

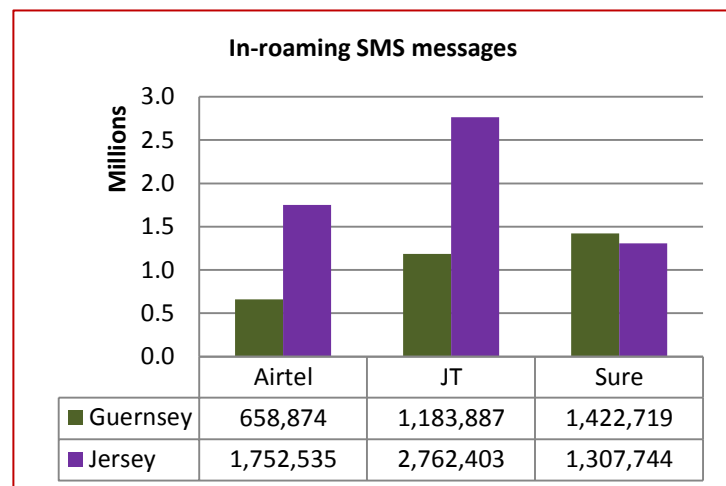


Figure 86 In-roaming outgoing SMS messages
Source CICRA industry questionnaires

In-roaming data

Figure 87 provides a breakdown of the in-roaming data usage on Channel Island networks in 2014. A total of 9.1m MBytes of data was downloaded; 3.9m on JT's networks, 2.8m on Sure's network and 2.4m Airtel's network.

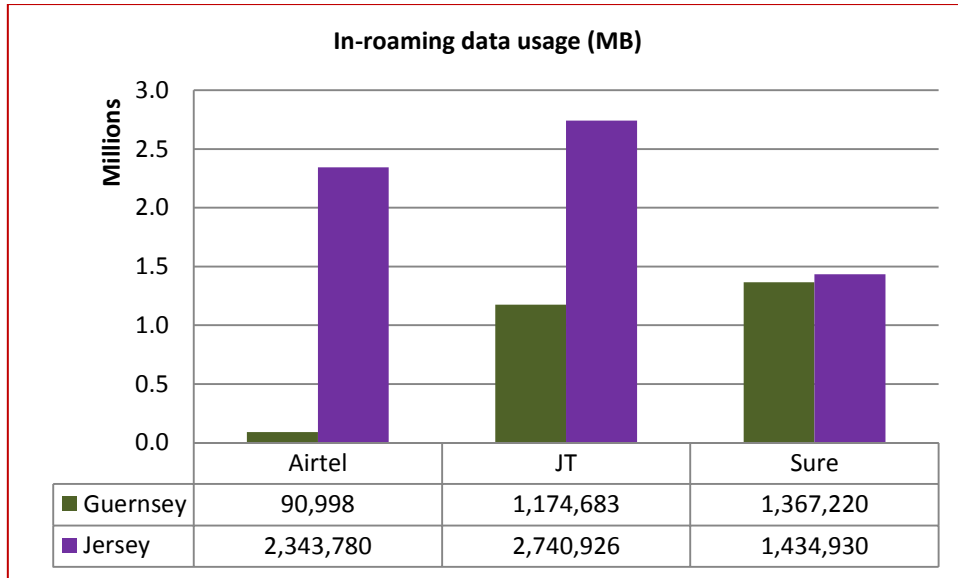


Figure 87 In-roaming data usage (MBytes)
Source CICRA industry questionnaires

Most common in-roaming locations

The most common countries of origin of those individuals who roam on Channel Islands networks (excluding the UK, in alphabetical order) were as per figure 88.

	Belgium	France	Germany	Eire	Italy	Latvia	Netherlands	Norway	Portugal	Poland	South Africa	Spain	Switzerland	USA
2012	✓	✓	✓	✓			✓		✓	✓			✓	
2013	✓	✓	✓	✓			✓		✓	✓			✓	
2014	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓	✓

Figure 88 Most common locations for using in-roaming services 2012 to 2014
Source CICRA industry questionnaires

8. BROADBAND MARKET

Subscribers and penetration rates

Fixed network broadband services are those delivered over physical copper connections, fibre connections and fixed wireless communications links (e.g. WiMax). They do not include services delivered over mobile networks (3G and 4G).

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” are small businesses purchasing residential type products. Some of the operators were unable to distinguish between residential and small business users who purchased the same broadband package. In 2014, for both Guernsey and Jersey the split between residential and business subscribers was approximately 94%/6% respectively, similar to the profile in 2012 and 2013.

Figure 89 below shows that fixed broadband penetration rates are generally steady.

	Guernsey	Jersey
2012	80	76
2013	86	82
2014	88	81

Figure 89 Numbers of fixed broadband subscriptions per 100 households
Source : CICRA industry questionnaires

As illustrated in figure 90, the islands enjoy some of the highest broadband penetration rates (per 100 inhabitants) in the OECD with their rankings having increased since 2013. Both islands’ rankings have now overtaken that of the UK.

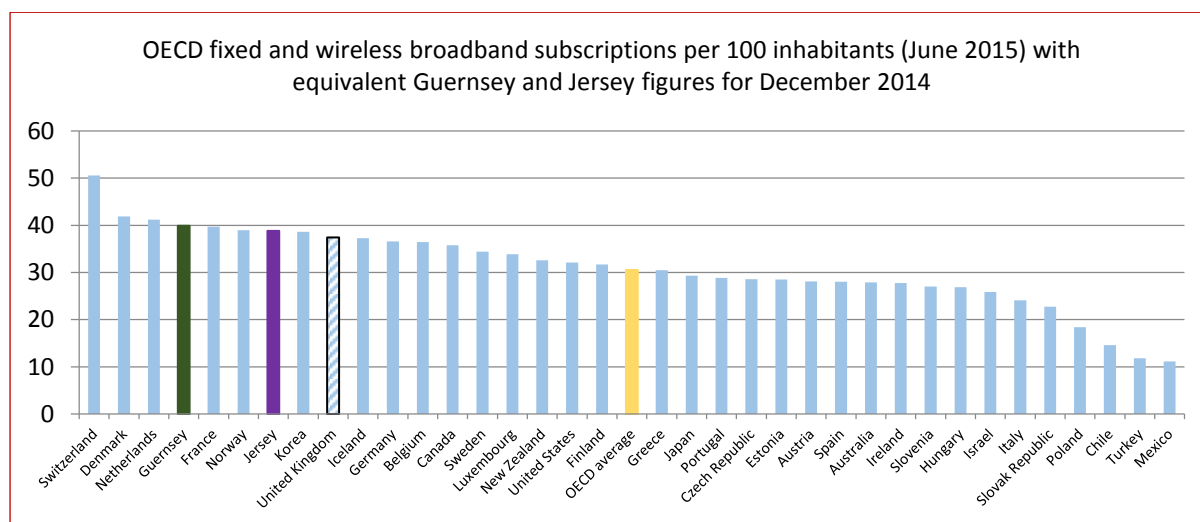


Figure 90 Guernsey and Jersey broadband penetration rates compared to OECD countries
OECD Mobile broadband subscriptions per 100 inhabitants, by technology, June 2015 with Guernsey and Jersey data inserted²⁹

²⁹ <http://www.oecd.org/sti/broadband/oecdbroadbandportal.htm> table 1.2

Share of fixed broadband subscribers

Figure 91 shows the fixed network broadband subscription numbers for each of the service providers in Guernsey and Jersey. The incumbent operators remained dominant in their respective markets, i.e. Sure in Guernsey and JT in Jersey. Note that Newtel does not provide fixed network broadband service in Guernsey and Airtel does not provide such services in either island.

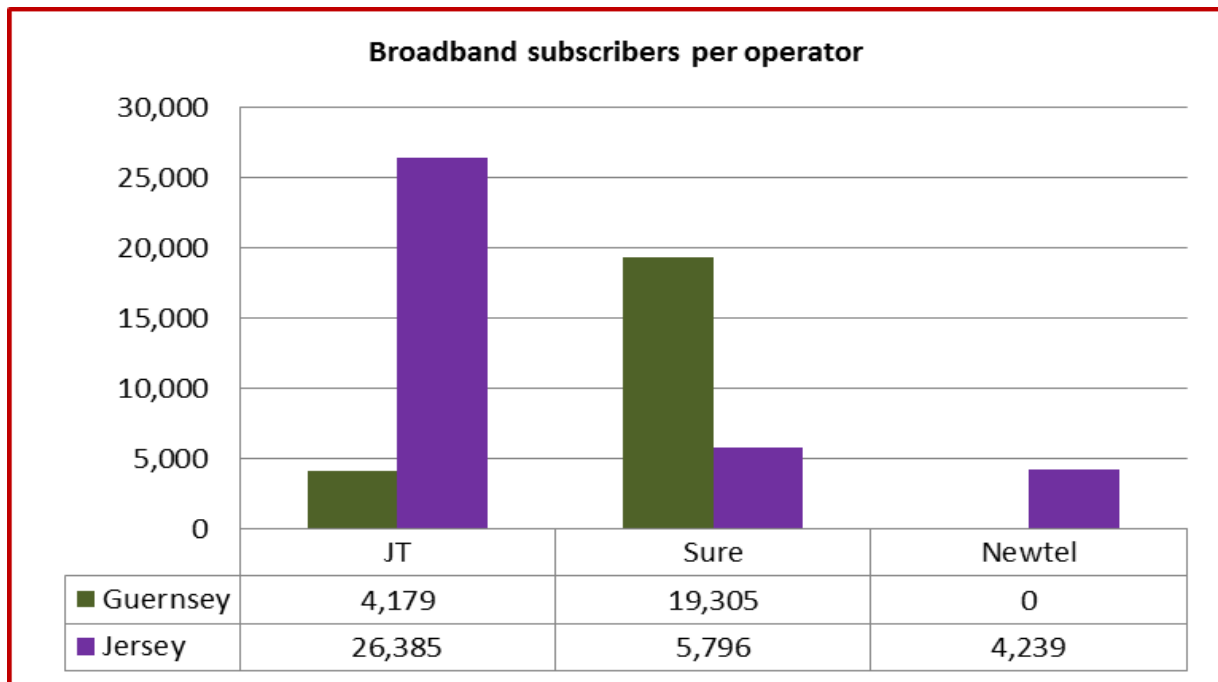


Figure 91 Broadband subscribers by operator
Source : CICRA industry questionnaires

Figure 92 shows that the total number of fixed broadband subscriptions continues to rise.

	Guernsey	Jersey
2012	22,087	34,037
2013	22,757	35,004
2014	23,484	36,420

Figure 92 Numbers of fixed broadband subscriptions 2012 to 2014
Source : CICRA industry questionnaires

Figure 93 shows that the incumbent operators remained dominant in their respective home markets, Sure in Guernsey and JT in Jersey. Market shares were little changed in Guernsey during 2014, suggesting that few subscribers are switching service provider, while in Jersey there are signs that Sure is gaining market share at the expense of both JT and Newtel.

	Guernsey		Jersey		
	Sure	JT	Sure	JT	Newtel
2012	81%	19%	9%	79%	13%
2013	81%	19%	11%	76%	13%
2014	82%	18%	16%	72%	12%

Figure 93 Fixed broadband market shares 2012 to 2014
Source : CICRA industry questionnaires

Broadband delivery technologies

Figure 94 shows that in 2014 the majority of broadband services in the Channel Islands continued to be supplied through ADSL. The remainder in Guernsey were supplied through VDSL lines while in Jersey the remainder were supplied through Fibre to the Home (FTTH) and WiMax connections.

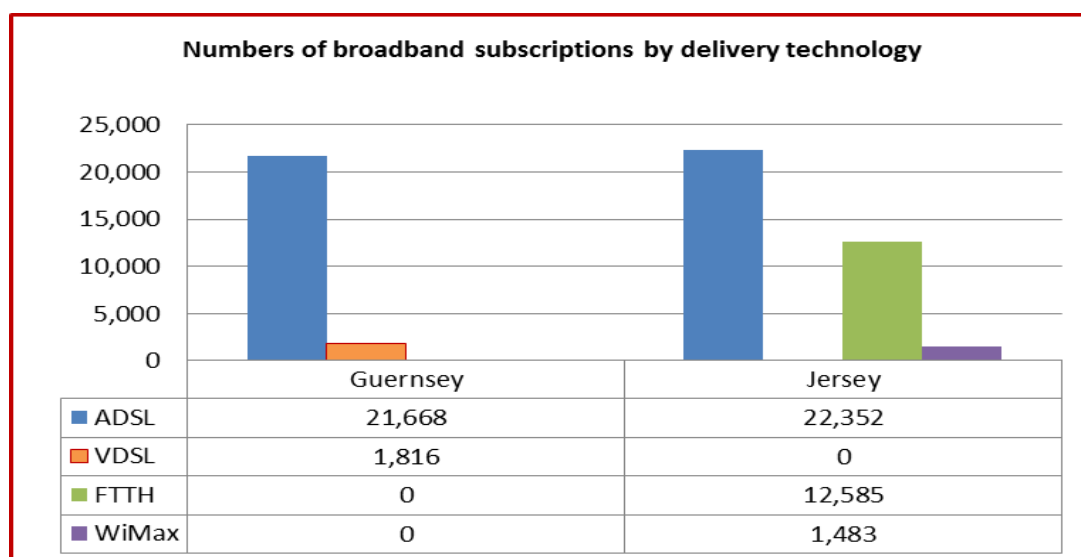


Figure 94 Numbers of fixed broadband subscriptions by service delivery technology
Source : CICRA industry questionnaires

Figure 95 shows that in Jersey the rollout of FTTH accelerated with a consequential decline in ADSL. Note that in Jersey both JT and Newtel own and operate their own FTTH networks, JT owns all the ADSL connections and Newtel all the WiMax connections. Sure and Newtel uses ADSL and FTTH based services obtained from JT on a wholesale basis.

	ADSL subscriptions	FTTH subscriptions	WiMax subscriptions
2012	31,806	1,965	266
2013	26,972	6,713	1,319
2014	22,352	12,585	1,483

Figure 95 Numbers of subscriptions by broadband delivery technology 2012 to 2014 - Jersey
Source : CICRA industry questionnaires

Figure 96 shows that in Guernsey VDSL numbers are increasing slowly. In Guernsey Sure owns all the physical lines and JT obtains service through wholesale arrangements.

	ADSL subscriptions	VDSL subscriptions
2012	21,423	664
2013	21,397	1,360
2014	21,668	1,816

Figure 96 Numbers of subscriptions by broadband delivery technology 2012 to 2014 - Guernsey
Source : CICRA industry questionnaires

Insufficient data was provided by the operators to allow an analysis of the distribution of broadband speeds in the islands in 2014. It can however be assumed that as subscribers move from ADSL to FTTH and VDSL products the average download speed experienced by subscribers is increasing. There are thought to be only a small number of subscribers on services with advertised download speeds of less than 20Mbps.

Broadband market pricing

In Guernsey the price for the basic retail broadband service ranged from £18.00 to £24.99 per month. In Jersey prices ranged from £12.76 to £17.99 per month. In both islands, the new entrant operators offered the lowest prices.

Factors influencing the lower price points in Jersey may well have been the greater competition (three operators rather than two in Guernsey) and a wider range of network technologies (each with their own costs bases and geographic spread).

In Guernsey both Sure and JT offered broadband products without usage caps although fair usage policies existed for both service providers. In Jersey, while Newtel and Sure offered broadband services without usage caps (fair usage policies apply), JT applied monthly usage caps with overage charges, although data add on packages were available at additional cost.

9. REPORT DEFINITIONS

- Broadband connection - active high-speed Internet access connection, provided by either wireline or wireless delivery technologies, which could be provided with other fixed or mobile services.
- Households – the numbers of households in the islands is used to standardise various metrics throughout this report. The numbers used are as follows

Guernsey	26,692	source States of Guernsey Facts and Figures
Jersey	44,698	source Jersey in Figures

- Inhabitants – like households the numbers of inhabitants of the islands is used to standardise various metrics throughout the report. The numbers used are as follows

Guernsey	62,477	source States of Guernsey Facts and Figures
Jersey	100,800	source Jersey in Figures

- Fixed calls - 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 – 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 – mobile phone retail connection on a telecom operator’s network with a mobile telephone number that has been active within the previous 90 days.
- Subscription - 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.