PERSONAL COMMUNICATIONS HEADING FOR BIG BANG SAYS LORD YOUNG

Liberalisation of telecommunications markets in the UK has led to incredible demand for mobile communications, Trade and Industry Secretary Lord Young said today.

Speaking at a London ceremony held by Racal to mark the 250,000th subscriber to its Vodafone cellular network, Lord Young said:

"Telecommunications is a fine example of the programme of liberalisation and privatisation which we embarked on in the 1980s. In particular, mobile communications has seen dramatic falls in installation waiting times and equipment prices since then. On top of this has come incredible growth in systems coverage, numbers of subscribers, numbers of calls, growth in equipment availability and, increasingly, a wider range of new services.

"Cellular radio, though the brightest, is Radiopaging is growing fast, Band III is making may be the next leap forward. The truly mobile may be just over the horizon. That will be the not the only star. progress and Te1epoint personal communicator big bang indeed.

"These possibilities are due just as much to the development of a market led and enterprise telecommunications culture as to the advance of technology."

Lord Young warned that the growth in usage has inevitably led to some capacity shortcomings:

"Together and separately we need to find ways of coping with the problems that success and growth bring given that the radio spectrum is, inevitably, a fixed resource.

"One such way of coping will be through the introduction of the pan-European digital cellular radio system. It was the London summit back in 1986 which, under the Prime Minister's leadership, gave the political impetus to get development underway. Seventeen countries are now committed to providing the first pan-European mobile services in 1991.

"The growth in the cellular market is a tribute to the competition between Cellnet and Racal-Vodafone. In a statement last year, Industry Minister John Butcher made clear that the Government would continue to keep under review the opportunities, after the Pan European System has come on stream, for licensing one or more further national cellular radiotelephone operators in non GSM spectrum. The spectrum planning challenges involved in accommodating
one or more further operators are considerable but, as part of the review, we are considering the technical possibilities.

"You must not assume you will not one day face extra competition in this market. But I am sure you will agree that a competitive market is the best market.

"What I now look forward to is not just the 500,000th subscriber on UK cellular systems but the 500,000th UK subscriber on the pan-European system.

"From market strength comes wider European opportunities. With its unique experience of large scale cellular growth the UK is well placed to benefit from the wider European liberalisation opportunities. Go out and do it again, this time on the European scene."

Notes to Editors

1. Band III is a band of radio frequencies allocated to operators of mobile radio systems.

2. Telepoint services will allow subscribers to make telephone calls from public places using portable cordless handsets. Applications for licences to operate Telepoint systems are being considered by the Director General for Telecommunications, who will then make recommendations to the Secretary of State.

3. GSM spectrum is the spectrum reserved for the introduction of the Pan European system.

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