

Promoting investment and competition in fibre networks - Approach to geographic markets

Illustrative assessment by Nation

In December 2018, we published an initial consultation on our approach to geographic markets.¹ It included an illustrative assessment of competitive intensity in different geographic areas of the UK.² We presented the results of our illustrative assessment of the number of premises and postcode sectors across the whole of the UK by reference to the following classifications: category 1 (competitive areas), category 2 (potentially competitive areas) or category 3 (non-competitive areas).³ Following a stakeholder request, below we present results for each Nation of the UK and the whole of the UK.

Table 1: Illustrative number of postcodes and premises by category of area for each Nation and the UK as a whole

Nation	Classification	Number of postcode sectors	Percentage of postcode sectors	Number of premises (millions)	Percentage of premises
England	Potentially competitive areas	5296	66.9%	17.89	72.5%
	Non-competitive areas	2621	33.1%	6.79	27.5%
Northern Ireland	Potentially competitive areas	76	31.8%	0.31	39.5%
	Non-competitive areas	163	68.2%	0.48	60.5%
Scotland	Potentially competitive areas	452	47.1%	1.63	61.1%
	Non-competitive areas	508	52.9%	1.04	38.9%
Wales	Potentially competitive areas	168	32.1%	0.61	40.4%
	Non-competitive areas	355	67.9%	0.89	59.6%
UK	Potentially competitive areas	6116	61.0%	20.44	69.0%
	Non-competitive areas	3912	39.0%	9.13	31.0%

¹ Ofcom, 2018. *Promoting investment and competition in fibre networks - Approach to geographic markets*. https://www.ofcom.org.uk/data/assets/pdf_file/0005/130001/Consultation-Promoting-investment-and-competition-in-fibre-networks.pdf.

² See Section 4 of footnote 1.

³ See Table 4.9 and Figure 4.10 in Section 4 of footnote 1.

Note that our analysis is undertaken at the postcode sector level. We have mapped postcode sectors to Nations to produce the above results.⁴ In some instances, at national boundaries, a postcode sector maps to two Nations. In these cases, we have counted the postcode sector and all premises in the postcode sector in both Nations. This results in a slight overstatement of the number of premises by Nation. For Wales it results in a potential overstatement of premises in non-competitive areas of up to 63,000 (up to 7% of premises in non-competitive areas).⁵ The effect for Scotland and England is very small and there is no effect on Northern Ireland.

⁴ Fewer postcode sectors are matched to the Nations than are matched to the whole of the UK. This is because we used a dataset of premises to derive the Nations breakdown and this excludes postcode sectors with no premises in the premises dataset.

⁵ This simple approach assumes all premises in these postcode sectors (63,000 premises) are in both England and Wales which is clearly an error. 63,000 is therefore the upper estimate of this error. For Scotland the overstatement is up to 13,000 and England is the sum of both i.e. 76,000 premises.