
Telecommunications Market Data Update

Q4 2018

MARKET DATA:

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1. Market Monitor

In the following section we highlight some of the key trends emerging this quarter from the data we collect on the UK telecommunications sector.

Fixed voice services

- UK fixed voice service revenues totaled £1.9bn in Q4 2018, a year-on-year decrease of £143m (7.1%). BT's share of these revenues was 42.1%, a year-on-year decrease of 2.1 percentage points.
- Access revenues accounted for 78.8% of total fixed voice revenues in Q4 2018, a 1.3pp year-on-year increase.
- Fixed-originated call volumes totalled 10.3 billion minutes in Q4 2018, a year-on-year decrease of 2.4 billion minutes (18.7%).
- There were 32.0 million fixed exchange lines (including PSTN lines and ISDN channels) at the end of 2018, representing a fall of 229k (0.7%) year-on-year.

Fixed broadband services

- There were 26.6 million fixed broadband lines at the end of 2018, a year-on-year increase of 543k (2.1%).
- Of these lines, 11.8 million (44%) were "Other inc. FTTx" lines – predominantly fibre broadband connections – an 8.9pp increase from Q4 2017.
- BT's retail share of these lines (including EE and Plusnet) was 34.6%, a decrease of 1.3pp year-on-year.

Mobile services

From 2018, bundled revenues are reported according to the new IFRS15 accounting standard and do not include any device revenues.

- Mobile telephony services generated £3.7bn in retail revenues in Q4 2018, a £51m (1.4%) decrease from the previous quarter. Average revenue per subscriber in Q4 2018 was £14.83, with post-pay subscribers generating more revenue than pre-pay subscribers (at £19.30 and £4.98 respectively).
- The number of active mobile subscriptions (excluding M2M) was 84.0 million at the end of Q4 2018, down 0.1 million (0.1%) from a year previously. Over the same period, the number of dedicated mobile broadband subscriptions decreased by 0.5 million (9.8%), to 4.5 million.
- The number of mobile voice calls was 40.1 billion in Q4 2018, up 0.65 billion (1.6%) from the year previously, while the number of mobile messages (including SMS and MMS) continued to decline, down 2.7 billion (13.4%) over the same period.

2. Fixed telecoms market data tables

Q4 2018 (October to December 2018)

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Note: The data in these tables are the most accurate currently available. Where historical restatements have occurred, this is due to either operator restatements or improvements in methodology.

Table 1: Summary of network access & call revenues (£millions)

	All Operators	BT ²	Virgin Media	Other	BT share ²
Access & calls¹					
2017	8,213	3,644	783	3,786	44.4%
2018	7,628	3,299	752	3,577	43.2%
2017 Q4	2,019	891	191	937	44.1%
2018 Q1	1,970	880	189	901	44.7%
2018 Q2	1,903	826	187	890	43.4%
2018 Q3	1,879	803	187	889	42.7%
2018 Q4	1,877	790	189	897	42.1%
Access¹					
2017	6,299	2,514	649	3,136	39.9%
2018	5,968	2,302	648	3,018	38.6%
2017 Q4	1,565	617	160	788	39.4%
2018 Q1	1,520	602	159	759	39.6%
2018 Q2	1,489	578	160	750	38.9%
2018 Q3	1,481	568	162	752	38.3%
2018 Q4	1,478	554	166	758	37.5%
Calls					
2017	1,914	1,130	135	650	59.0%
2018	1,861	997	105	559	60.0%
2017 Q4	455	275	32	149	60.3%
2018 Q1	450	279	30	142	61.9%
2018 Q2	414	247	27	140	59.8%
2018 Q3	398	235	25	138	59.1%
2018 Q4	398	235	23	140	59.1%

Excludes VAT; ¹ Revenue figures are not intended to include subscription revenues for internet access although some element may remain. ² Includes EE from 2017 Q4.

Table 2: Summary of exchange line numbers at end of quarter (000's)

	All Operators	BT ²	Virgin Media	Other	BT share ²
2017	32,203	12,888	4,825	14,490	40.0%
2018	31,973	12,491	4,881	14,600	39.1%
2017 Q4	32,203	12,888	4,825	14,490	40.0%
2018 Q1	32,050	12,754	4,813	14,484	39.8%
2018 Q2	31,897	12,611	4,826	14,460	39.5%
2018 Q3	31,847	12,464	4,849	14,534	39.1%
2018 Q4	31,973	12,491	4,881	14,600	39.1%

Table 3: Summary of call volumes (millions of minutes)

	All Operators	BT ^{1,2}	Virgin Media	Other Direct Access	Other Indirect Access	BT share ²
2017	53,597	21,949	4,483	16,913	10,252	41.0%
2018	44,407	19,605	3,041	14,359	7,402	44.1%
2017 Q4	12,633	5,496	1,012	3,985	2,140	43.5%
2018 Q1	12,309	5,446	944	3,841	2,078	44.2%
2018 Q2	11,216	4,892	793	3,655	1,876	43.6%
2018 Q3	10,605	4,702	699	3,443	1,761	44.3%
2018 Q4	10,276	4,565	605	3,420	1,687	44.4%

Table 4: Summary of call revenues by call type (£millions)

	All calls	UK geographic calls	International calls	Calls to mobiles	Other calls ¹
2017	1,914	551	157	441	766
2018	1,661	472	126	383	680
2017 Q4	455	129	36	104	185
2018 Q1	450	129	34	101	186
2018 Q2	414	117	32	98	167
2018 Q3	398	111	29	95	163
2018 Q4	398	115	30	89	165

Excludes VAT; ¹ Includes freephone, special services, premium rate, directory enquiries and all other call types. Figures are not intended to include subscription revenues for internet access although some element may remain. ² Includes EE from 2017 Q4.

Table 5: Summary of call volumes by call type (millions of minutes)

	All Operators	BT ²	Virgin Media	Other Direct Access	Other Indirect Access	BT share ²
UK geographic calls						
2017	34,692	14,914	3,338	10,144	6,296	43.0%
2018	28,898	13,323	2,190	8,911	4,474	46.1%
2017 Q4	8,258	3,754	743	2,414	1,347	45.5%
2018 Q1	8,054	3,714	686	2,351	1,303	46.1%
2018 Q2	7,244	3,281	567	2,256	1,139	45.3%
2018 Q3	6,872	3,187	496	2,148	1,040	46.4%
2018 Q4	6,729	3,141	441	2,156	991	46.7%
International calls						
2017	2,514	576	107	1,367	464	22.9%
2018	1,962	496	71	1,075	320	25.3%
2017 Q4	603	153	24	335	91	25.4%
2018 Q1	551	146	22	297	86	26.5%
2018 Q2	519	135	19	282	83	26.0%
2018 Q3	452	110	16	250	76	24.4%
2018 Q4	440	105	14	246	75	23.9%
Calls to mobiles						
2017	6,251	2,304	508	1,819	1,620	36.9%
2018	5,401	2,078	412	1,596	1,315	38.5%
2017 Q4	1,477	573	124	419	361	38.8%
2018 Q1	1,461	567	121	416	358	38.8%
2018 Q2	1,385	535	112	404	334	38.6%
2018 Q3	1,297	499	95	388	315	38.5%
2018 Q4	1,258	477	84	388	309	37.9%
Other calls¹						
2017	10,139	4,155	530	3,583	1,871	41.0%
2018	8,146	3,708	368	2,777	1,292	45.5%
2017 Q4	2,294	1,016	121	817	341	44.3%
2018 Q1	2,243	1,019	115	777	332	45.4%
2018 Q2	2,069	941	95	713	320	45.5%
2018 Q3	1,985	906	92	657	330	45.6%
2018 Q4	1,849	842	66	630	311	45.5%

¹ Includes freephone, special services, premium rate, directory enquiries and all other call types.

² Includes EE from 2017 Q4.

Table 6: Summary of residential network access & call revenues (£millions)

	All Operators	BT ²	Virgin Media	Other	BT share ²
Access & calls¹					
2017	6,043	2,509	719	2,815	41.5%
2018	5,715	2,315	699	2,701	40.5%
2017 Q4	1,508	627	176	706	41.5%
2018 Q1	1,472	621	174	677	42.2%
2018 Q2	1,413	571	173	669	40.4%
2018 Q3	1,410	563	174	673	39.9%
2018 Q4	1,420	560	178	683	39.4%
Access²					
2017	4,821	1,697	614	2,510	35.2%
2018	4,666	1,585	618	2,462	34.0%
2017 Q4	1,215	424	151	640	34.9%
2018 Q1	1,180	414	151	614	35.1%
2018 Q2	1,157	395	153	609	34.1%
2018 Q3	1,160	392	154	614	33.7%
2018 Q4	1,169	384	159	625	32.9%
Calls					
2017	1,222	812	105	305	66.5%
2018	1,050	730	81	239	69.6%
2017 Q4	293	203	24	66	69.2%
2018 Q1	292	207	22	63	70.8%
2018 Q2	256	176	20	59	68.8%
2018 Q3	250	171	20	59	68.6%
2018 Q4	252	176	18	58	69.8%

Excludes VAT; ¹ Revenue figures are not intended to include subscription revenues for internet access although some element may remain. ² Includes EE from 2017 Q4.

Table 7: Summary of residential exchange line numbers at end of quarter (000's)

	All Operators	BT ²	Virgin Media	Other	BT share ²
2017	25,847	10,191	4,424	11,232	39.4%
2018	26,129	9,985	4,523	11,622	38.2%
2017 Q4	25,847	10,191	4,424	11,232	39.4%
2018 Q1	25,874	10,134	4,418	11,322	39.2%
2018 Q2	25,854	10,070	4,443	11,341	38.9%
2018 Q3	25,934	9,958	4,477	11,499	38.4%
2018 Q4	26,129	9,985	4,523	11,622	38.2%

Table 8: Summary of residential call volumes (millions of minutes)

	All Operators	BT ^{1,2}	Virgin Media	Other	BT share ²
2017	34,968	15,243	3,418	16,307	43.6%
2018	28,821	13,857	2,140	12,824	48.1%
2017 Q4	8,279	3,936	738	3,605	47.5%
2018 Q1	8,068	3,903	668	3,497	48.4%
2018 Q2	7,220	3,429	544	3,247	47.5%
2018 Q3	6,836	3,315	491	3,030	48.5%
2018 Q4	6,697	3,210	437	3,050	47.9%

Table 9: Summary of residential call revenues by call type (£millions)

	All calls	UK geographic calls	International calls	Calls to mobiles	Other calls ¹
2017	1,222	362	89	228	543
2018	1,050	315	73	202	460
2017 Q4	293	86	21	55	130
2018 Q1	292	87	20	54	131
2018 Q2	256	76	18	50	111
2018 Q3	250	73	17	53	107
2018 Q4	252	78	18	45	110

Excludes VAT; ¹ Includes freephone, special services, premium rate, directory enquiries and all other call types. Figures are not intended to include subscription revenues for internet access although some element may remain. ² Includes EE from 2017 Q4.

Table 10: Summary of residential call volumes by call type (millions of minutes)

	All Operators	BT ²	Virgin Media	Other	BT share ²
UK geographic calls					
2017	24,705	11,392	2,746	10,567	46.1%
2018	20,598	10,427	1,702	8,469	50.6%
2017 Q4	5,921	2,947	591	2,383	49.8%
2018 Q1	5,786	2,928	534	2,324	50.6%
2018 Q2	5,110	2,540	432	2,138	49.7%
2018 Q3	4,855	2,481	386	1,988	51.1%
2018 Q4	4,847	2,478	350	2,019	51.1%
International calls					
2017	1,550	345	88	1,117	22.3%
2018	1,240	328	57	855	26.4%
2017 Q4	375	100	19	256	26.7%
2018 Q1	349	93	17	239	26.6%
2018 Q2	324	86	15	223	26.6%
2018 Q3	287	77	13	197	26.8%
2018 Q4	280	72	12	196	25.7%
Calls to mobiles					
2017	2,586	939	185	1,462	36.3%
2018	2,167	860	119	1,188	39.7%
2017 Q4	601	249	40	312	41.5%
2018 Q1	580	241	35	304	41.5%
2018 Q2	560	226	31	303	40.3%
2018 Q3	522	207	27	288	39.7%
2018 Q4	505	186	26	293	36.8%
Other calls¹					
2017	6,128	2,567	399	3,162	41.9%
2018	4,816	2,242	262	2,312	46.6%
2017 Q4	1,382	640	88	654	46.3%
2018 Q1	1,352	641	82	629	47.4%
2018 Q2	1,227	577	66	584	47.0%
2018 Q3	1,172	550	65	557	46.9%
2018 Q4	1,066	474	49	543	44.5%

¹ Includes freephone, special services, premium rate, directory enquiries and all other call types.

² Includes EE from 2017 Q4.

Table 11: Summary of business network access & call revenues (£millions)

	All Operators	BT ²	Virgin Media	Other	BT share ²
Access & Calls¹					
2017	2,160	1,125	64	971	52.1%
2018	1,907	977	54	876	51.2%
2017 Q4	509	263	16	231	51.6%
2018 Q1	496	257	15	224	51.8%
2018 Q2	488	252	14	221	51.7%
2018 Q3	467	238	12	216	51.0%
2018 Q4	457	230	12	215	50.4%
Access¹					
2017	1,478	817	34	626	55.3%
2018	1,302	717	29	556	55.0%
2017 Q4	350	193	8	148	55.3%
2018 Q1	340	187	8	145	55.1%
2018 Q2	332	183	7	141	55.2%
2018 Q3	321	176	7	137	54.9%
2018 Q4	310	170	7	133	54.9%
Calls					
2017	682	308	30	345	45.1%
2018	605	261	24	320	43.1%
2017 Q4	160	69	7	83	43.5%
2018 Q1	156	70	7	79	44.7%
2018 Q2	156	69	7	80	44.3%
2018 Q3	146	62	5	79	42.3%
2018 Q4	147	60	5	82	40.8%

Excludes VAT; ¹ Revenue figures are not intended to include subscription revenues for internet access although some element may remain. ² Includes EE from 2017 Q4.

Table 12: Summary of business exchange line numbers at end of quarter (000's)

	All Operators	BT ²	Virgin Media	Other	BT share ²
2017	6,355	2,697	401	3,258	42.4%
2018	5,844	2,506	359	2,979	42.9%
2018 Q1	6,355	2,697	401	3,258	42.4%
2018 Q2	6,176	2,620	395	3,162	42.4%
2018 Q3	6,043	2,541	383	3,118	42.1%
2018 Q4	5,913	2,506	373	3,034	42.4%
2018 Q1	5,844	2,506	359	2,979	42.9%

Table 13: Summary of business call volumes (millions of minutes)

	All Operators	BT ²	Virgin Media	Other Direct Access	Other Indirect Access	BT share ²
2017	18,614	6,690	1,065	5,491	5,368	35.9%
2018	15,572	5,735	901	4,412	4,523	36.8%
2017 Q4	4,351	1,556	274	1,270	1,251	35.8%
2018 Q1	4,238	1,540	276	1,204	1,218	36.3%
2018 Q2	3,992	1,460	249	1,129	1,154	36.6%
2018 Q3	3,765	1,383	208	1,062	1,112	36.7%
2018 Q4	3,576	1,352	168	1,017	1,040	37.8%

Table 14: Summary of business call revenues by call type (£millions)

	All calls	UK geographic calls	International calls	Calls to mobiles	Other calls ¹
2017	682	189	68	213	212
2018	605	157	53	181	214
2017 Q4	160	42	15	49	53
2018 Q1	156	42	14	47	53
2018 Q2	156	41	14	47	54
2018 Q3	146	38	12	43	53
2018 Q4	147	37	12	44	54

Excludes VAT; ¹ Includes freephone, special services, premium rate, directory enquiries and all other call types. Figures are not intended to include subscription revenues for internet access although some element may remain. ² Includes EE from 2017 Q4.

Table 15: Summary of business call volumes by call type (millions of minutes)

	All Operators	BT ²	Virgin Media	Other Direct Access	Other Indirect Access	BT share ²
UK geographic calls						
2017	9,988	3,522	592	2,986	2,887	35.3%
2018	8,299	2,896	488	2,490	2,425	34.9%
2017 Q4	2,337	807	152	686	692	34.5%
2018 Q1	2,267	786	152	662	668	34.7%
2018 Q2	2,133	741	135	631	626	34.7%
2018 Q3	2,016	706	110	610	590	35.0%
2018 Q4	1,882	663	91	587	542	35.2%
International calls						
2017	964	231	19	562	152	24.0%
2018	722	168	14	422	119	23.3%
2017 Q4	228	53	5	137	34	23.2%
2018 Q1	203	53	5	114	30	26.2%
2018 Q2	195	49	4	111	32	25.1%
2018 Q3	164	33	3	100	28	20.1%
2018 Q4	160	33	2	97	28	20.6%
Calls to mobiles						
2017	3,665	1,365	323	782	1,195	37.2%
2018	3,234	1,218	293	669	1,054	37.7%
2017 Q4	877	324	84	181	287	37.0%
2018 Q1	881	326	86	184	285	37.0%
2018 Q2	825	309	81	167	267	37.5%
2018 Q3	775	292	68	161	254	37.7%
2018 Q4	753	291	58	157	247	38.6%
Other calls¹						
2017	3,997	1,572	131	1,161	1,133	39.3%
2018	3,316	1,453	106	831	925	43.8%
2017 Q4	910	372	33	266	239	40.9%
2018 Q1	886	375	33	244	234	42.3%
2018 Q2	839	361	29	220	229	43.0%
2018 Q3	809	352	27	191	240	43.5%
2018 Q4	781	365	17	176	222	46.8%

¹ Includes freephone, special services, premium rate, directory enquiries and all other call types.² Includes EE from 2017 Q4.

Table 16: Summary of residential and small business broadband connections at end of quarter (000's)

	Total	ADSL	Cable	Other (inc. FTTx)	BT retail share ¹
2017	26,059	11,493	5,110	9,456	35.8%
2018	26,586	9,550	5,225	11,810	34.6%
2017 Q4	26,059	11,493	5,110	9,456	35.8%
2018 Q1	26,206	11,030	5,149	10,027	35.6%
2018 Q2	26,377	10,716	5,173	10,488	35.3%
2018 Q3	26,455	10,137	5,203	11,115	34.8%
2018 Q4	26,586	9,550	5,225	11,810	34.6%

¹Includes EE from 2017 Q4.

3. Mobile telecoms market data tables

Q4 2018 (October to December 2018)

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Note: The data in these tables are the most accurate currently available. Where historical restatements have occurred, this is due to either operator restatements or improvements in methodology.

Table 1: Estimated retail revenues generated by mobile telephony (£millions)

	Total	Access and bundled svcs	UK fixed calls	On-net mobile calls	Off-net mobile calls	Int'l calls	Other calls	SMS and MMS	Data services
2017	16,168	12,147	253	242	296	416	436	645	1,733
2018	14,904	11,276	209	224	234	377	355	610	1,620
2017 Q4	4,099	3,119	57	58	71	101	98	159	435
2018 Q1	3,686	2,776	52	55	61	89	87	150	416
2018 Q2	3,694	2,795	53	55	58	93	87	150	403
2018 Q3	3,788	2,859	54	58	59	102	93	154	410
2018 Q4	3,737	2,846	50	56	56	93	87	157	392

Note: From 2018, bundled revenues are reported according to the new IFRS15 accounting standard, and they do not include any device revenues. Includes estimates where Ofcom does not receive data from providers; excludes revenues from interconnection.

Table 2: Call and message volumes by call type (billions of minutes/messages)

	All calls	UK fixed calls	On-net mobile calls	Off-net mobile calls	Int'l calls	Calls when roaming	Other calls	SMS & MMS messages
2017	151.39	33.17	44.69	60.73	4.76	2.48	5.57	78.78
2018	160.84	34.75	47.93	65.79	3.97	2.78	5.61	73.41
2017 Q4	39.42	8.28	11.78	16.30	1.14	0.55	1.37	19.90
2018 Q1	40.38	8.57	12.01	16.82	1.07	0.55	1.37	18.88
2018 Q2	40.50	8.83	12.09	16.45	1.01	0.72	1.41	18.56
2018 Q3	39.90	8.70	11.75	16.15	0.99	0.87	1.43	18.74
2018 Q4	40.07	8.66	12.08	16.37	0.90	0.65	1.40	17.23

Note: Includes estimates where Ofcom does not receive data from providers.

Table 3: Subscriber numbers by type (millions)

	Conns during period	Total subs at end of period	Post-pay subs at end of period	Pre-pay subs at end of period	Net change during period	Proportion post-pay	Mobile b'band subs at end of period
2017	28.77	84.10	56.54	27.56	0.19	67.2%	5.00
2018	28.55	84.00	58.08	25.92	-0.10	69.1%	4.51
2017 Q4	7.54	84.10	56.54	27.56	-0.34	67.2%	5.00
2018 Q1	6.72	84.09	57.07	27.02	0.00	67.9%	4.94
2018 Q2	6.66	83.76	57.07	26.69	-0.33	68.1%	4.81
2018 Q3	7.76	83.99	57.43	26.57	0.23	68.4%	4.59
2018 Q4	7.40	84.00	58.08	25.92	0.00	69.1%	4.51

Note: Includes estimates where Ofcom does not receive data from providers; excludes M2M connections.

Table 4: Average monthly retail revenue per subscriber (£ per month)

	All subscribers	Post-pay contract	Pre-pay
2017	16.03	21.84	4.82
2018	14.79	19.42	4.89
2017 Q4	16.21	21.92	4.77
2018 Q1	14.61	19.37	4.70
2018 Q2	14.67	19.30	4.83
2018 Q3	15.05	19.70	5.07
2018 Q4	14.83	19.30	4.98

Note: From 2018, bundled revenues are reported according to the new IFRS15 accounting standard, and they do not include any device revenues. Revenues are only from those services detailed in Table 1 and do not include those generated by incoming calls or VAT.

Table 5: Interconnection call volumes (billions of minutes)

All operators	
2017	57.26
2018	58.67
2017 Q4	14.56
2018 Q1	14.46
2018 Q2	14.85
2018 Q3	14.45
2018 Q4	14.92

Note: Shows the number of call minutes terminating on mobile networks which originate on other networks.