Telecommunications Market Data Update

Q3 2019

MARKET DATA

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Contents

Section

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 services generated £1.7bn in revenues in Q3 2019; a fall of £36m (2.0%) from the previous quarter and £0.1bn (6.9%) year-on-year. BT's share of these revenues was 41.1%, a year-on-year decline of 1.7 percentage points.
- Access revenues accounted for 80.6% of total fixed voice revenues in Q3 2019; unchanged from Q2 and a 1.7 percentage point increase compared to Q3 2018. Call revenues continued to fall, down by £57m (14.3%) year-on-year.
- There were 31.7 million fixed exchange lines (including PSTN and ISDN channels) at the end of Q3 2019, 109k (0.3%) fewer than in the previous quarter and down 52k (0.2%) from Q3 2018.
- UK landlines generated 9.5 billion minutes of outgoing calls in Q3 2019, down by 100 billion minutes (1.0%) from Q2 and 1.7 billion minutes (15.3%) from Q3 2018.

Fixed broadband services

- There were 26.8 million UK fixed broadband connections at the end of Q3 2019, a year-on-year increase of 350k (1.3%).
- The number of 'Other' (inc. FTTx) connections (predominantly FTTC and full-fibre lines) increased by 2.5 million (22.9%) in the year to Q3 2019 when, for the first time, they accounted for over half (51.4%) of all fixed broadband connections.
- BT's share of total fixed broadband connections was 34.1%, in Q3 2019, a decrease of 0.7pp from a year previously.

Mobile services

- Mobile telephony services generated £3.4bn in retail revenues in Q3 2019, a £129m (3.7%) decrease from a year previously.
- Average revenue per subscriber in Q3 2019 was £13.35, with post-pay subscribers generating more revenue than pre-pay subscribers (at £17.03 and £4.86 respectively).
- The number of active mobile subscriptions (excluding M2M) was 84.9 million at the end of Q3 2019, up 0.9 million (1.1%) from a year previously. Over the same period, the number of dedicated mobile broadband subscriptions decreased by 0.1 million (1.6%), to 4.5 million.
- The number of outgoing mobile voice calls minutes was 39.6 billion in Q3 2019, down 0.2 billion (0.6%) from a year previously.
- The number of mobile messages (including SMS and MMS) continued to decline over the same period, down 2.7 billion (14.5%), while data usage continued to increase rapidly, up 245PB (38.3%) year-on-year.

2. Fixed telecoms market data tables

Q3 2019 (July to September 2019)

Table

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 and call revenues (£millions)

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
Access & calls[1]					
2017	8,186	3,644	783	3,758	44.5%
2018	7,620	3,301	769	3,550	43.3%
2018 Q3	1,877	803	191	883	42.8%
2018 Q4	1,876	792	194	890	42.2%
2019 Q1	1,811	758	192	860	41.9%
2019 Q2	1,784	731	193	860	41.0%
2019 Q3	1,747	718	192	837	41.1%
Access[1]					
2017	6,299	2,514	649	3,136	39.9%
2018	5,968	2,302	648	3,018	38.6%
2018 Q3	1,481	568	162	752	38.3%
2018 Q4	1,478	554	166	758	37.5%
2019 Q1	1,448	540	168	740	37.3%
2019 Q2	1,441	526	169	747	36.5%
2019 Q3	1,408	520	167	721	36.9%
Calls					
2017	1,887	1,130	135	622	59.9%
2018	1,652	999	122	532	60.5%
2018 Q3	396	235	29	131	59.4%
2018 Q4	398	238	27	133	59.7%
2019 Q1	362	219	24	120	60.3%
2019 Q2	342	206	24	113	60.1%
2019 Q3	340	199	24	116	58.5%

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	32,148	12,888	4,825	14,436	40.0%
2018	31,920	12,491	4,881	14,547	39.1%
2018 Q3	31,792	12,464	4,849	14,478	39.2%
2018 Q4	31,920	12,491	4,881	14,547	39.1%
2019 Q1	31,818	12,313	4,907	14,597	38.7%
2019 Q2	31,848	12,213	4,949	14,687	38.3%
2019 Q3	31,740	12,098	4,950	14,692	38.1%

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	52,977	21,949	4,483	16,363	10,183	41.4%
2018	47,019	19,605	6,285	13,803	7,326	41.7%
2018 Q3	11,245	4,702	1,505	3,300	1,739	41.8%
2018 Q4	10,943	4,565	1,414	3,295	1,670	41.7%
2019 Q1	10,301	4,397	1,307	2,993	1,604	42.7%
2019 Q2	9,628	4,050	1,220	2,852	1,506	42.1%
2019 Q3	9,528	3,997	1,251	2,755	1,524	42.0%

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

	All calls	UK geographic calls	International calls	Calls to mobiles	Other calls[1]
2017	1,887	542	155	435	754
2018	1,652	469	128	378	677
2018 Q3	396	110	30	94	162
2018 Q4	398	114	30	88	165
2019 Q1	362	106	28	82	147
2019 Q2	342	94	23	81	144
2019 Q3	340	94	21	81	145

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	34,427	14,914	3,338	9,846	6,329	43.3%
2018	31,194	13,323	4,756	8,612	4,503	42.7%
2018 Q3	7,437	3,187	1,132	2,071	1,047	42.9%
2018 Q4	7,318	3,141	1,091	2,089	997	42.9%
2019 Q1	6,883	3,040	1,018	1,895	930	44.2%
2019 Q2	6,438	2,794	943	1,813	888	43.4%
2019 Q3	6,354	2,751	958	1,754	891	43.3%
International calls						
2017	2,471	576	107	1,320	469	23.3%
2018	1,994	496	145	1,029	324	24.9%
2018 Q3	459	110	34	238	77	24.0%
2018 Q4	448	105	32	235	76	23.4%
2019 Q1	417	103	31	208	75	24.7%
2019 Q2	392	94	28	197	73	24.0%
2019 Q3	364	88	28	178	69	24.2%
Calls to mobiles						
2017	6,280	2,304	508	1,789	1,679	36.7%
2018	5,732	2,078	707	1,567	1,380	36.3%
2018 Q3	1,379	499	170	380	330	36.2%
2018 Q4	1,345	477	159	382	327	35.5%
2019 Q1	1,319	478	152	353	336	36.2%
2019 Q2	1,296	455	161	350	331	35.1%
2019 Q3	1,301	451	168	340	342	34.7%
Other calls[1]						
2017	9,799	4,155	530	3,408	1,706	42.4%
2018	8,099	3,708	677	2,595	1,119	45.8%
2018 Q3	1,970	906	169	610	286	46.0%
2018 Q4	1,832	842	132	589	269	46.0%
2019 Q1	1,681	776	106	536	263	46.2%
2019 Q2	1,502	707	88	493	214	47.1%
2019 Q3	1,509	707	97	483	222	46.9%

[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 & calls[1]					
2017	6,043	2,509	719	2,815	41.5%
2018	5,733	2,315	716	2,702	40.4%
2018 Q3	1,415	563	179	673	39.8%
2018 Q4	1,424	560	182	683	39.3%
2019 Q1	1,396	542	182	672	38.8%
2019 Q2	1,377	520	182	675	37.7%
2019 Q3	1,344	514	181	649	38.3%
Access[2]					
2017	4,821	1,697	614	2,510	35.2%
2018	4,666	1,585	618	2,462	34.0%
2018 Q3	1,160	392	154	614	33.7%
2018 Q4	1,169	384	159	625	32.9%
2019 Q1	1,159	380	162	617	32.8%
2019 Q2	1,153	368	163	623	31.9%
2019 Q3	1,124	366	161	597	32.5%
Calls					
2017	1,222	812	105	305	66.5%
2018	1,067	730	98	239	68.4%
2018 Q3	254	171	24	59	67.4%
2018 Q4	256	176	22	58	68.6%
2019 Q1	237	163	20	54	68.6%
2019 Q2	224	152	19	52	67.9%
2019 Q3	220	149	20	51	67.7%

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	25,851	10,191	4,424	11,236	39.4%
2018	26,133	9,985	4,523	11,625	38.2%
2018 Q3	25,937	9,958	4,477	11,503	38.4%
2018 Q4	26,133	9,985	4,523	11,625	38.2%
2019 Q1	26,164	9,838	4,569	11,757	37.6%
2019 Q2	26,218	9,775	4,607	11,836	37.3%
2019 Q3	26,245	9,729	4,611	11,904	37.1%

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	32,065	13,857	5,384	12,824	43.2%
2018 Q3	7,642	3,315	1,297	3,030	43.4%
2018 Q4	7,506	3,210	1,246	3,050	42.8%
2019 Q1	6,933	3,033	1,158	2,742	43.8%
2019 Q2	6,409	2,760	1,045	2,604	43.1%
2019 Q3	6,341	2,723	1,082	2,536	42.9%

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	1,067	321	77	203	466
2018 Q3	254	75	18	53	109
2018 Q4	256	80	19	46	112
2019 Q1	237	74	17	44	102
2019 Q2	224	64	13	43	103
2019 Q3	220	64	11	43	101

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	23,164	10,427	4,268	8,469	45.0%
2018 Q3	5,491	2,481	1,022	1,988	45.2%
2018 Q4	5,497	2,478	1,000	2,019	45.1%
2019 Q1	5,082	2,339	941	1,802	46.0%
2019 Q2	4,699	2,124	852	1,723	45.2%
2019 Q3	4,622	2,078	871	1,673	45.0%
International calls					
2017	1,550	345	88	1,117	22.3%
2018	1,315	328	131	856	25.0%
2018 Q3	305	77	31	197	25.2%
2018 Q4	298	72	30	196	24.2%
2019 Q1	275	70	29	176	25.5%
2019 Q2	252	63	26	163	25.0%
2019 Q3	234	58	26	150	24.8%
Calls to mobiles					
2017	2,586	939	185	1,462	36.3%
2018	2,462	860	414	1,188	34.9%
2018 Q3	597	207	102	288	34.7%
2018 Q4	580	186	101	293	32.1%
2019 Q1	528	175	96	257	33.2%
2019 Q2	520	168	93	259	32.3%
2019 Q3	525	168	99	258	32.0%
Other calls[1]					
2017	6,127	2,567	399	3,161	41.9%
2018	5,125	2,242	571	2,312	43.7%
2018 Q3	1,249	550	142	557	34.7%
2018 Q4	1,132	474	115	543	32.1%
2019 Q1	1,048	449	92	507	33.2%
2019 Q2	938	405	74	459	32.3%
2019 Q3	961	419	86	456	32.0%

[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 & Calls[1]					
2017	2,132	1,125	64	943	52.8%
2018	1,879	977	54	848	52.0%
2018 Q3	460	238	12	210	51.7%
2018 Q4	449	230	12	208	51.2%
2019 Q1	413	214	11	188	51.9%
2019 Q2	405	210	11	184	51.8%
2019 Q3	402	202	11	189	50.3%
Access[1]					
2017	1,478	817	34	626	55.3%
2018	1,302	717	29	556	55.0%
2018 Q3	321	176	7	137	54.9%
2018 Q4	310	170	7	133	54.9%
2019 Q1	290	160	7	123	55.3%
2019 Q2	288	158	6	124	54.8%
2019 Q3	284	154	6	124	54.3%
Calls					
2017	655	308	30	317	47.0%
2018	577	261	24	292	45.2%
2018 Q3	140	62	5	73	44.2%
2018 Q4	140	60	5	75	42.9%
2019 Q1	124	54	4	65	43.9%
2019 Q2	116	52	4	60	44.4%
2019 Q3	118	48	5	65	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	6,298	2,697	401	3,200	42.8%
2018	5,787	2,506	359	2,922	43.3%
2018 Q3	5,854	2,506	373	2,975	42.8%
2018 Q4	5,787	2,506	359	2,922	43.3%
2019 Q1	5,653	2,475	338	2,840	43.8%
2019 Q2	5,631	2,438	343	2,851	43.3%
2019 Q3	5,495	2,369	339	2,788	43.1%

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	17,994	6,690	1,065	4,941	5,299	37.2%
2018	14,940	5,735	901	3,856	4,448	38.4%
2018 Q3	3,599	1,383	208	919	1,090	38.4%
2018 Q4	3,434	1,352	168	892	1,023	39.4%
2019 Q1	3,366	1,362	149	845	1,011	40.5%
2019 Q2	3,215	1,287	175	805	948	40.0%
2019 Q3	3,185	1,272	169	773	970	39.9%

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	655	180	66	208	201
2018	577	148	51	175	203
2018 Q3	140	36	12	41	51
2018 Q4	140	34	12	42	51
2019 Q1	124	31	11	38	43
2019 Q2	116	30	10	38	39
2019 Q3	118	29	10	37	42

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	9,723	3,522	592	2,688	2,921	36.2%
2018	8,029	2,896	488	2,191	2,454	36.1%
2018 Q3	1,946	706	110	533	596	36.3%
2018 Q4	1,821	663	91	520	548	36.4%
2019 Q1	1,801	701	77	501	522	38.9%
2019 Q2	1,739	670	91	478	500	38.5%
2019 Q3	1,732	673	87	464	508	38.9%
International calls						
2017	921	231	19	514	157	25.1%
2018	680	168	14	375	123	24.7%
2018 Q3	154	33	3	88	29	21.5%
2018 Q4	150	33	2	86	29	22.0%
2019 Q1	143	33	2	76	31	23.1%
2019 Q2	139	31	2	75	32	22.2%
2019 Q3	130	30	2	69	28	23.1%
Calls to mobiles						
2017	3,694	1,365	323	752	1,254	37.0%
2018	3,270	1,218	293	640	1,119	37.2%
2018 Q3	783	292	68	153	269	37.3%
2018 Q4	765	291	58	151	265	38.0%
2019 Q1	791	303	56	151	281	38.3%
2019 Q2	776	287	68	145	276	37.0%
2019 Q3	777	283	69	138	287	36.4%
Other calls[1]						
2017	3,657	1,572	131	986	967	43.0%
2018	2,960	1,453	106	650	752	49.1%
2018 Q3	718	352	27	144	195	49.1%
2018 Q4	697	365	17	135	180	52.4%
2019 Q1	631	325	14	116	175	51.5%
2019 Q2	561	299	14	108	140	53.3%
2019 Q3	546	286	11	102	147	52.4%

[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	26,043	11,493	5,110	9,440	35.9%
2018	26,586	9,550	5,225	11,810	34.6%
2018 Q3	26,455	10,137	5,203	11,115	34.8%
2018 Q4	26,586	9,550	5,225	11,810	34.6%
2019 Q1	26,695	8,933	5,250	12,512	34.4%
2019 Q2	26,732	8,438	5,273	13,021	34.2%
2019 Q3	26,805	7,873	5,277	13,656	34.1%

[1] Includes EE from 2017 Q4.

3. Mobile telecoms market data tables

Q3 2019 (July to September 2019)

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	13,794	10,193	208	224	243	377	334	607	1,609
2018 Q3	3,517	2,588	54	58	59	102	93	154	410
2018 Q4	3,438	2,574	50	55	64	93	66	154	381
2019 Q1	3,349	2,565	44	51	57	81	56	143	351
2019 Q2	3,367	2,618	43	52	54	72	53	138	337
2019 Q3	3,388	2,642	42	52	53	61	54	139	345

Note: From 2018, bundled revenues are reported according to the new IFRS15 accounting standard, and they do not include any device revenues. Revenue figures from 2018 onwards are not comparable to those beforehand. 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/PB)

	All calls	UK fixed calls	On-net mobile calls	Off-net mobile calls	Int'l calls	Calls when roaming	Other calls	SMS and MMS messages	Data
2017	153.75	33.99	45.74	61.23	4.76	2.48	5.57	78.78	1,794
2018	160.73	34.58	47.74	66.13	3.97	2.81	5.51	74.11	2,451
2018 Q3	39.9	8.70	11.75	16.15	0.99	0.87	1.43	18.74	638
2018 Q4	39.95	8.49	11.89	16.71	0.90	0.67	1.30	17.93	685
2019 Q1	39.95	8.58	11.89	16.68	0.89	0.60	1.31	16.70	693
2019 Q2	40.06	8.25	11.97	16.89	0.90	0.77	1.28	16.50	787
2019 Q3	39.65	8.32	11.65	16.49	0.84	1.00	1.34	16.03	882

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	56.53	27.57	0.19	67.2%	5.00
2018	28.55	83.98	58.04	25.94	-0.12	69.1%	4.51
2018 Q3	7.76	83.99	57.39	26.60	0.23	68.3%	4.59
2018 Q4	7.40	83.98	58.04	25.94	-0.01	69.1%	4.51
2019 Q1	6.41	83.92	58.73	25.19	-0.06	70.0%	4.48
2019 Q2	7.09	84.29	58.79	25.50	0.37	69.8%	4.46
2019 Q3	8.09	84.91	59.32	25.67	0.62	69.8%	4.51

Note: Includes estimates where Ofcom does not receive data from providers; excludes M2M connections. From Q4 2019 we are going to stop collecting data on new connections from mobile operators and remove this metric from the quarterly Telecoms Data Updates. This is because Ofcom does not use these data. Instead net additions information, which is published in operators' financial results and can be calculated from Ofcom's published subscriptions data, is more frequently used to measure market growth.

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	13.69	17.81	4.89
2018 Q3	13.98	18.12	5.08
2018 Q4	13.65	17.61	4.94
2019 Q1	13.30	17.05	4.73
2019 Q2	13.34	16.99	4.89
2019 Q3	13.35	17.03	4.86

Note: From 2018, bundled revenues are reported according to the new IFRS15 accounting standard, and they do not include any device revenues. Revenue figures from 2018 onwards are not comparable to those beforehand. 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
2018 Q3	14.45
2018 Q4	14.92
2019 Q1	15.18
2019 Q2	15.25
2019 Q3	14.85

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