

# Challenges for European telecoms operators imposed by the Internet

Comparing EU and US

Richard Feasey



Strong demand

Revenues down 10%

Investment FLAT

Indebted industry/weak economy

Prepay tradition



Strong demand

Revenues up 35%

Mobile investment up 70%

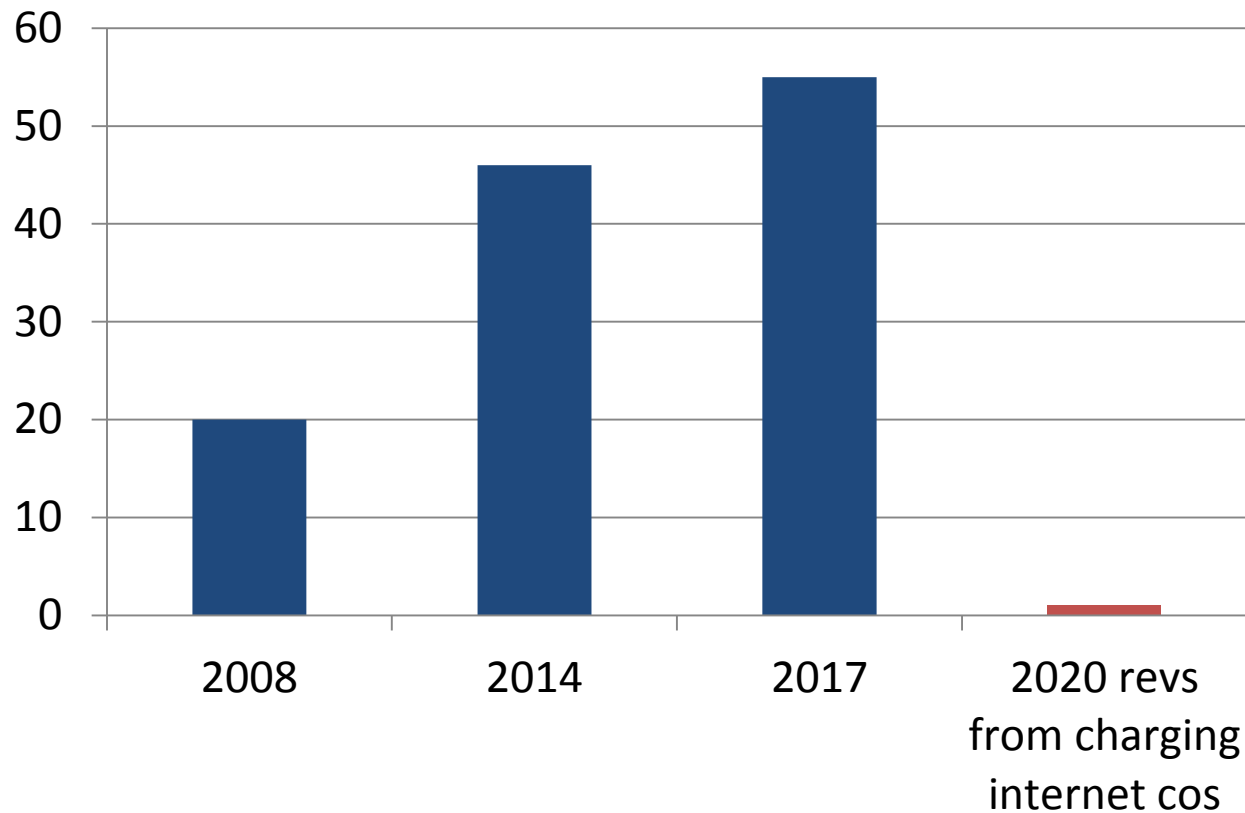
Stronger industry/economy

Free calls tradition

# Impact of internet

How you pay for telecoms has already changed....

% European Telecoms Revenues earned from flat or access fees



Source of data: AT Kearney 'A Future Policy Framework for Growth'

# What can be done?

Further accelerate the rate of change in telecoms



US plans to end copper networks by 2020

Europe could take 90 years at current rates



US could see end of Terrestrial TV before 2020

Europe sees no change until at least 2030

# What more can be done?

Internet storm is unstoppable (and positive for Europe as a whole)



Situations emerge in the process of creative destruction in which many firms may have to perish that nevertheless would be able to live on vigorously and usefully if they could weather a particular storm.

(Joseph Schumpeter)

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At a minimum, EU policy should **not hinder** the ability of telecom operators to weather the storm.