Report: 2012 Global Telecom Revenues Hit $2T

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Global telecom operator revenues exceeded $2 trillion in 2012, with 60 percent going to mobile operators, according to research firm Ovum.

While Ovum sees minimal growth overall in the coming year, the firm believes some segments will still have above-average growth and significant incremental revenues over the next five years at each level of the value chain.

Not suprisingly, mobile broadband presents the single largest opportunity for telcos to claw back revenue. Ovum forecasts mobile broadband will grow 19.2 percent annually and generate $123 billion in incremental revenue between 2013 and 2016.

Other segments with double-digit revenue growth over the next five years include public cloud, enterprise Ethernet, IPTV, and managed/hosted IP voice.

John Lively, chief forecaster at Ovum, said the recovery from the 2009 recession has been weak, and the ongoing global fiscal crisis continues to present a risk to the telecom industry.

“Over the next 3–4 years, both fixed and mobile operators will face the same fundamental challenge: to increase new sources of revenue fast enough to offset the decline in mature services,” Livey said.

Ovum says operators will need to compete with over-the-top players by including more consumer services in their marketing.

On the infrastructure side, Ovum expects overall capital expenditures will be limited by low single-digit gains in service provider revenues. Ovum says vendors need to position themselves in one or more high-potential product segments, such as converged packet optical, ROADMs, 40G/100G networking gear, carrier Wi-Fi, and network-related services.

Source URL (retrieved on *04/25/2014 - 2:42am*):
http://www.wirelessweek.com/news/2013/01/report-2012-global-telecom-revenues-hit-2t