Status of the Telecommunications Sector in Brazil

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Abstract—This article presents the status of the telecommunications activities in Brazil, regarding the statistics of telecom operators, number of subscribers, revenue and market value of the sector.

Keywords—Brazil, Telecommunications Market, Current status.

I. INTRODUCTION

The telecommunications sector is a dynamic and important part of the economy of any country. This article presents the statistics of telecom operators, number of subscribers, revenue and market value of the sector. It is based on a report prepared by the author to the International Union of Radio Science (URSI) Commission C [1].

II. ACCESS TO TELECOMMUNICATION SERVICES

In 2012, 43.2 million were served by the basic telephone service, an increase of 2.8% over the previous year, 250.8 million use mobile cellular communication services, which represented an increase of 19.2%, there were 13.7 million users of cable television services, an increase of 31.2%, and 25.8 thousand work in the industry , which indicated an increase of 20.7%, and the trunking companies attended 4.3 million users, an increment of 17.2%, considering the 2011 figure. The Global System for Mobile Communication (GSM) continued to be the dominant technology in Brazil [2].

III. POPULATION ACCESS TO SERVICES

Regarding the population access to telecommunication services, 39,121 localities are served by the fixed telephone system, and 17,059 have individual access, and increase from the number of 38,452 localities in 2011. Currently, 100.0% of the population have access to cellular services, divided into: 83.1% served by four or five companies, 2.8% served by three companies, 4.9% served by two companies, and 9.2% served by one company [3].

Considering the geographical distribution, 100.0% of the municipalities count on mobile communication services, 85.3% of the population have access to widespread mobile services and 60,512 public schools are connected by the government widespread program. The gross operational revenue for the telecommunication sector, for the first quarter of 2012, was US$ 26.6 billion, which represents an increase of 10.8%, as compared to the same period in 2011. This figure projected a gross operational revenue of US$ 106.4 billion for the whole year.

IV. TELECOMMUNICATION MARKET

This represented the composition of the telecommunication market, in terms of gross operational revenue, in 2012:

- Industry: US$ 3.3 billion (35.0%);
- Fixed operators: US$ 6.2 billion (a decrease of 8.1%);
- Fixed widespread providers: US$ 3.0 billion (6.0%);
- Mobile personal communication service operators: US$ 11.6 billion (14.3%);
- Cable television providers: US$ 2.3 billion (33.0%);
- Trunking operators: US$ 1.1 billion (12.8%).

The gross operational revenue for the telecommunication sector, in 2011, was US$ 100.6 billion, which was the highest in the history of Brazil, and equivalent to 4.9% of the country’s gross national product (GNP). The telecommunication service providers collected US$ 7.4 billion in government taxes in the first quarter of 2012, which was equivalent to 46.2% of their net operation.

V. TELECOMMUNICATION JOBS

There were 489.3 thousand employees in the telecommunication market, in 2012, an increase of 5.1% from 2011, and the jobs were distributed as: 25.8 thousand work in the industry, 50.6 thousand in deployment services, 165.5 thousand in telecommunication services, 244.7 thousand in call centers, with a total revenue US$ 15.9 billion. The figures indicate a shift from technical to non specialized and underpaid jobs.

VI. NUMBER OF ACESS POINTS

The total number of access points, in February, 2013, was 344.5 million, and increase of 7% regarding the previous year. The fixed telephony reached 44 million (+2%), the mobile telephony was 263 million (+8%), the fixed widespread was 20.8 million (+14%) and the television subscribers were 16,7 (+25%). The number of deployed accesses, until February, 2013, was 64,7 million, of which 44 million (+2.4%) were in service. The market share of incumbent companies was 32%. The were 22,3 access points per 100 inhabitants and more than 240,000 km of optical multi-fibers.

VII. CELLULAR SERVICE IN BRAZIL

The number of mobile access points in February, 2013, was 263 million, an increase of 6% regarding the same period of the previous year. This indicated a total of 133 accesses per 100 inhabitants, of which 80% are pre-paid cellphones. There are 59 thousand base stations in the Country, a growth rate of...
11%, as compared to 2012 figures. Six thousand base stations were activated in 2012, a growth rate of 64% in relation to 2011. Now, 83% of the population live in cities with, at least, four operators and all Brazilian municipalities have mobile service. Despite an increase in the numbers, the service quality is poor, and the number of dropped calls is high.

VIII. Wideband Transmission

In February, 2013, there were 93.5 million wideband subscribers, in total, an increase of 43% regarding the previous year. Of those subscribers, 20.8 million used wideband services via fixed telephony (+14%), 72.7 million via mobile telephony (+54%), 58.9 million via 3G devices (+51%). There were 13.8 million data terminals (+67%), 7.1 million 3G modems, 6.8 million M2M chips. This indicated 51 new deployments per minute, and a total of 26.7 million new access points were deployed, in 2012. A total of 3,315 municipalities were covered by 3G services, which indicated that 88% population were attended. The average nominal transmission rate, for fixed telephony, was 6.1 Mbit/s, but the actual transmission rate was only 15% to 25% of the nominal rate.

IX. Subscriber Television

In February, 2013, Brazil had 16.7 million access points, an increase of 25% regarding the previous year. That indicated a total of 27 access points per 100 houses, and that 3.4 million new subscribers were added in 2012. Cable and Multichannel Multipoint Distribution Service (MMDS) account for only 8% of the total number of television viewers.

X. Investment in Brazil

The reported investment in the telecommunication sector, until January, 2013, was R$ 273.8 billion since privatization, including the price paid for all the licenses, valued at R$ 35.8 billion [4] [5]. This figure indicated an average of R$ 18.3 billion per year, since 1998. There was an investment of R$ 22.7 billion, in 2011, an increase of 21.7% in relation to 2010, and an investment of R$ 22 billion, in 2012, the same figure of 2011. The lack of investment from the telecommunication companies is stalling the Country’s economy [6].

XI. Gross Revenue in the Sector

The telecommunication companies collected R$ 200 billion, in 2011, or 5% of the Brazilian Gross National Product (GNP), an increase of 10% in relation to 2010, and R$ 213.3 billion, in 2012, 7% bigger than the previous year.

Until January, 2013 the telecommunication companies collected:

- Industry: R$ 18 billion, 23% bigger than the previous year;
- Fixed Telephony: R$ 36 billion, 9% smaller than the previous year;
- Fixed Wideband: R$ 19 billion, 10% bigger than the previous year;
- Mobile Telephony: R$ 65 billion, 10% bigger than the previous year;
- Subscriber TV: R$ 15 billion, 24% bigger than the previous year;
- Specialized Mobile Service: R$ 6 billion, 1% smaller than the previous year.

XII. Revenue from Sectoral Funds

A total of R$ 62 billion from the collected taxes was allocated to the funds, since 2001, with the following composition:

- Fistel: R$ 44 billion;
- FUST: R$ 14 billion;
- Funttel: R$ 4 billion;
- Only 7% of the total was used in 2012;
- R$ 7 billion were collected, in 2012;
- Fistel: R$ 4.6 billion;
- FUST: R$ 2 billion;
- Funttel: R$ 0.5 billion.

In 2011, the TFF Fistel collected R$ 3 billion, and the Anatel budget was R$ 340 million, which indicated a growth rate of 11% [7].

XIII. Taxes

A total of R$ 468 billion was collected by the telecommunication companies, since 2000. In the fiscal year of 2011, a total of R$ 57 billion was collected, which represented 46% of the net revenue. In 2000, taxes represented 34% of the net revenue, an increase of 40% regarding the previous year. In 2012, R$ 60 billion were collected, 6% more than in the previous year. Additionally, R$ 32.4 billion were collected for state taxes, in 2011.

XIV. Conclusion

It is important to mention that the Brazilian subscriber pays the highest tariffs in the World for telecommunication services, according to reports from the International Telecommunications Union (ITU). But the service is poor, with a blocking probability that reaches 20% for cellular calls, and transmission rates, for Internet connection, that seldom attains 10% of the service contracted from the companies. Because of the privatization of the state owned telecommunication companies, the government ceased collecting tariffs and, since then, promotes, every year, an increase in the collected taxes from tax payers [8] [9] [10].

References