

The state of 4G&5G pricing in Latin America, August 2020

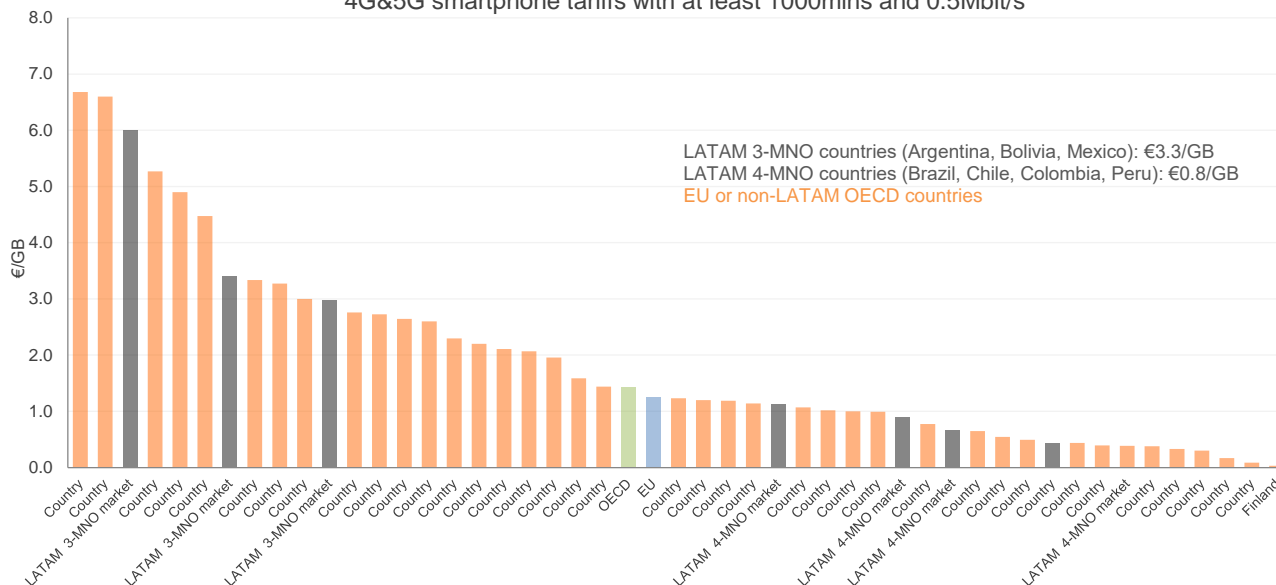
Mobile data prices in Latin American 4-MNO markets are competitive and broadly on par with European and other OECD 4-MNO market prices. Mobile data prices in Latin American 3-MNO markets are sub- or non-competitive (i.e. significantly higher than 4-MNO market prices).

Rewheel research PRO study – August 2020

Main findings

- 4-MNO Latin America markets: Brazil, Chile, Colombia and Peru where 4 national mobile network operators are present.
- 3-MNO Latin America markets: Argentina, Bolivia and Mexico where 3 national mobile network operators are present.
- Mobile data prices in LATAM 4-MNO markets are competitive and broadly on par with EU & OECD 4-MNO market prices.
- Prices in LATAM 3-MNO markets are sub- or non-competitive and broadly on par with EU & OECD 3-MNO market prices.
- Which are the most competitive LATAM 4-MNO markets and which are the least competitive LATAM 3-MNO markets?
- 4G smartphone plan gigabyte and monthly prices are lower in Latin American markets where 4-MNOs are present and even lower in 4-MNO markets where at least one out of four operators is a *mobile-only* operator.
- Prices of 4G mobile/wireless broadband plans suitable for home broadband use – plans with very large or unlimited data volume and at least 5 Mbit/s speed for HD video – are competitive in Latin American markets where at least one operator is *mobile-only* (i.e. executes mobile-centric MCC rather than fixed-mobile converged strategy FMC).

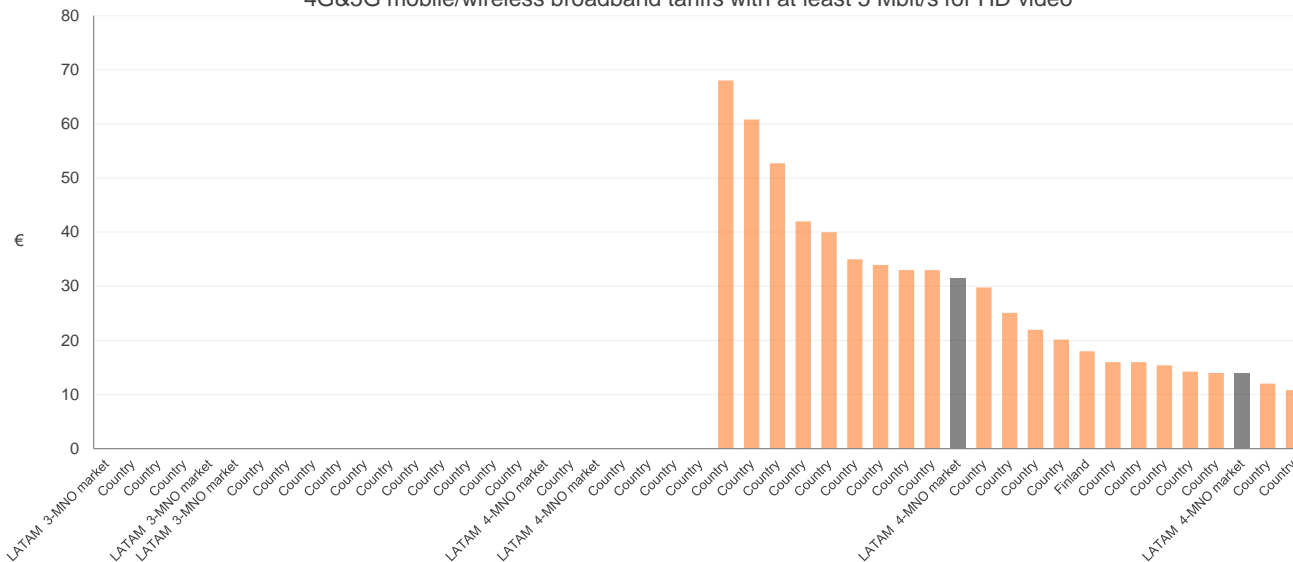
MEDIAN gigabyte price - EU & OECD versus Latin America countries
4G&5G smartphone tariffs with at least 1000mins and 0.5Mbit/s



Fully allocated gigabyte price: tariff retail monthly price incl. VAT & tax divided by included gigabyte allowance (unlimited data volume: 1000 gigabytes). Median price among all eligible tariffs logged in the database for country or group of countries. EU & OECD April 2020, LATAM August 2020 prices. Unlimited data volume tariffs had no finite gigabyte volume (i.e. no throttling or deprioritization) or at least 1000 gigabytes.

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MIN monthly price for UNLIMITED data - EU & OECD versus LATAM countries
4G&5G mobile/wireless broadband tariffs with at least 5 Mbit/s for HD video



Tariff retail monthly price incl. VAT & tax.

Minimum price among all eligible unlimited data volume tariffs logged in the database for country. EU & OECD April 2020, LATAM August 2020 prices. Unlimited data volume tariffs had no finite gigabyte volume (i.e. no throttling or deprioritization) or at least 1000 gigabytes.

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Context

Rewheel’s Digital Fuel Monitor bi-annual releases have been tracking mobile data connectivity prices in the 41 EU & OECD countries since the first half of 2014. The most recent DFMonitor release, release 13th 1H2020¹, tracked and analysed the state of 4G&5G pricing during April 2020.

As seen in the table below among the 41 countries included in DFMonitor’s bi-annual international mobile data connectivity comparisons only two Latin American countries were included: Chile and Mexico which, until very recently, were the only Latin American countries that were OECD members². In April 2020 Colombia became the 37th OECD member country.

Herein, having received a client request, we examine the competitiveness of 7 selected Latin American countries using the DFMonitor methodology and mobile data connectivity metrics³. In this study we compare the latest (i.e. August 2020) prices of the 7 selected Latin American countries against the April 2020 prices of 27 EU and 12 non-EU OECD countries. The 7 Latin American countries we examine are the 5 largest Latin American countries (Brazil, Mexico, Colombia, Argentina and Peru), Chile and Bolivia.

We conclude that mobile data prices in Latin American markets where 4 mobile network operators are present (i.e. Brazil, Chile, Colombia and Peru) are competitive and broadly on par with European and other OECD 4-MNO market prices. Mobile data prices in Latin American 3-MNO markets (i.e. Argentina, Bolivia and Mexico) are sub- or non-competitive i.e. significantly higher than 4-MNO market prices.

MAX gigabytes that 5, 10, 15, 20, 25, 30, 40, 50, 60, 70, 80 EUR bought (4G&5G smartphone tariffs with at least 1000mins & 5 Mbit/s full HD 1080p video) - 1H2020															
EU	OECD	Country code	Country name	5 EUR	10 EUR	15 EUR	20 EUR	25 EUR	30 EUR	40 EUR	50 EUR	60 EUR	70 EUR	80 EUR	
Yes	Yes	EL	Greece	0	0	0	0	0	0	0	3	6	6	20	
No	Yes	CA	Canada	0	0	0	1	3	3	10	15	25	25	25	
Country group	Country group	Country code	Country	5	20	20	20	20	20	26	26	30	30	30	
Country group	Country group	Country code	Country	8	20	25	25	45	45	50	50	50	50	50	
Country group	Country group	Country code	Country	0	10	10	24	25	51	51	51	51	51	51	
Country group	Country group	Country code	Country	0	0	80	80	80	80	80	80	80	80	80	
Country group	Country group	Country code	Country	0	0	0	5	5	12	30	40	100	100	100	
Country group	Country group	Country code	Country	0	0	30	50	70	90	90	110	110	110	110	
Country group	Country group	Country code	Country	0	40	80	80	100	140	140	140	140	140	140	
Country group	Country group	Country code	Country	0	60	75	100	100	100	100	100	100	150	150	
Country group	Country group	Country code	Country	0	5	20	30	55	100	100	150	150	150	150	
Country group	Country group	Country code	Country	10	60	60	150	150	150	150	150	150	150	150	
Country group	Country group	Country code	Country	0	200	200	200	200	200	200	200	200	200	200	
Country group	Country group	Country code	Country	0	2	4	8	12	16	50	50	50	50	Unlimited	
Country group	Country group	Country code	Country	0	0	0	0	2	6	12	100	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	0	1	3	7	10	25	150	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	0	0	0	5	15	15	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	0	0	2	4	15	20	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	0	0	7	10	16	25	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	6	14	25	35	40	60	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	10	20	26	40	60	60	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	0	10	10	60	60	100	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	4	10	40	50	100	100	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	1	4	4	4	5	10	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	0	5	10	10	10	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	5	5	5	15	15	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	5	7	20	20	40	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	0	1	5	5	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	10	80	80	80	80	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	0	0	1	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Yes	Yes	FI	Finland	0	0	4	4	4	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
No	Yes	CH	Switzerland	0	0	0	5	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	3	5	6	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	3	7	7	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	1	5	15	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	4	7	40	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	5	30	60	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	3	30	100	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	0	60	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	0	4	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Country group	Country group	Country code	Country	80	80	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	

¹http://research.rewheel.fi/downloads/The_state_of_4G_5G_pricing_DFMonitor_13_release_1H2020_PUBLIC.pdf

²<https://www.oecd.org/about/members-and-partners/>

³http://research.rewheel.fi/downloads/The_state_of_4G_5G_pricing_DFMonitor_13_release_1H2020_PUBLIC.pdf

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About Rewheel

*New radio spectrum bands, 4.5G and 5G technology, unlimited mobile data plans and the Internet of Things radically change mobile network operators' cost, revenue and profitability dynamics. **Rewheel's mission is to help operators prepare for the paradigm shift in network and spectrum strategy, spectrum valuation, network sharing, M&A, MVNO economics and mobile data pricing.***

Founded in 2009, Rewheel is a Finland based boutique management consultancy. Our clients are mainly European mobile network operators, telco groups, MVNO groups, sector regulators, competition authorities, governments, global internet firms, mobile data-centric start-ups, PE and VC investors.

We delivered management consultancy work for clients in the United Kingdom, United States, Ireland, Switzerland, Finland, Sweden, Belgium, Greece, Poland, Slovenia, Hungary, Russia, Romania.

The following authorities have acquired access to our research: The European Commission Directorate for Competition, the United States Department of Justice, the New York, California and many other US State Attorney General Offices, the national competition authorities of Canada, Australia, the Netherlands and Greece, the Ministry of Economic Affairs of the Netherlands, the Ministry of Industry and Trade of Czechia, the Korean Electronics and Telecommunication Research Institute, the sector regulators of the United Kingdom, Germany, France, the Netherlands, Finland, etc.

Rewheel's mobile data technology, network-economics, spectrum, profitability and competitiveness focused reports have been cited by OECD Economic Surveys, The Economist, The Financial Times, The New York Times, Reuters, Bloomberg, WSJ and publicly referenced by the UK telecoms regulator Ofcom, BIPT, Vodafone, Telefonica, Tele2, Elisa, DNA, GSMA, VPs of the EU Commission responsible for Competition, MEPs, IEEE, ITU.

Since 2010 we have been supporting a number of European challenger mobile operators in multiband (700, 700 SDL, 800, 900, 1400 SDL, 1800, 2600, 3.5 GHz) auctions with spectrum valuation and strategic advisory services.

Network economics metrics

For comprehensive data usage, spectrum usage and capacity utilisation metrics in EU28 and OECD markets visit

⇒ <http://research.rewheel.fi/networkeconomics/>

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The state of 4G & 5G pricing, 1H2020

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⇒ http://research.rewheel.fi/insights/2018_july_pro_T-mobile-Tele2_Netherlands/

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