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Market developments for electronic communications and post – key outcomes for the first six months of 2022

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This publication highlights key trends for the telecoms and postal sectors in Malta for the first six months of 2022. The figures in this press release are gathered directly from local authorised operators, based on a quarterly data gathering exercise managed by the MCA.

General developments for telecoms

Most of the trends observed for the telecoms sector continue to run their course, with the MCA observing growth in subscriptions across all segments. Growth in the local telecom subscriber base was underpinned by a bigger consumption of mobile voice and data units alongside an increasing share of fast and ultra-fast broadband connections.

Subscriptions

Subscriptions were up significantly year-on-year for the mobile telephony and fixed broadband segments. The mobile telephony segment registered a 4% rise in subscriptions between the end of June 2021 and the end of June this year, with 668,210 connections recorded by the end of the current reporting period. The fixed broadband segment also recorded a 4% rise in subscriptions during the same period from 217,862 to 226,423 subscriptions by the end of last June. The TV and fixed telephony segments also registered growth in terms of connections, with the former recording a 3% rise in subscriptions and the latter seeing subscriptions rise marginally by 0.4% year-on-year.

Internet services

More significantly for the fixed broadband segment, take-up strengthened for plans supporting headline download speeds of 100Mbps or more. This is somewhat expected as most homes and businesses in Malta can now access fast and ultra fast broadband as a result of ongoing investments

by local operators. Subscriptions to plans supporting headline download speeds of 100Mbps or more were up by 12.7% over a 12-month period ending last June. A more granular review of the higher speed broadband segment shows that the number of subscriptions supporting headline download speeds of '100Mbps but less than 500Mbps' was down by 35% between June 2021 and June 2022 whilst the number of subscriptions supporting headline download speeds of '500Mbps or more' was up by 207% during the same period.

Looking at take-up on the basis of the technologies supporting the fixed broadband service in Malta, the number of internet connections via the FTTH network increased the most year-on-year, by 11,643 (or by 28%), with this platform representing 23.4% of all fixed broadband subscriptions by end of the reporting period. The number of cable subscriptions saw a year-on-year rise of 3,201 subscriptions (or by 3%), accounting for 48% of all broadband subscriptions by end of the quarter. In contrast, the number of copper DSL subscriptions, continued to decline by 8,318 (or by 14.6%) year-on-year, due to the continued roll-out of fibre by the operator owning this legacy infrastructure and the shift and switching of subscribers to FTTH. In addition, the take-up in fixed wireless broadband subscriptions was down by 2,035 subscribers year-on-year, and represented 7.2% of all fixed broadband subscriptions.

Consumption of mobile internet data increased significantly in the first half of this year, compared to the first half of 2021. When it comes to volume, a total of 34,801 million Mbs were consumed this year, representing a 52% increase over data volumes recorded in the first six months of last year.

Voice telephony services

Growth was remarkably strong in the voice telephony area, with developments underpinned by a very strong performance for the mobile telephony segment in terms of uptake and usage. Mobile telephony operators added 26,150 new subscriptions to their client base over the 12-month period ending last June, compared to 1,103 new subscriptions for fixed telephony services. Significantly for mobile, the ongoing shift from pre-paid to post-paid plans remains a key feature, with almost 45% of subscriptions now on a post-paid plan (up from 42% as at the end of June 2021).

Voice calling traffic volumes were also strongly up for the mobile telephony segment, in contrast to declines recorded for the fixed telephony segment. The number of calls mobile voice calls consumed during the first six months of 2022 was up 10.3 million (or by 4.2%) compared to the same period of 2021, whilst the number of voice call minutes was up by 4.5 million (or by 0.8%). At the same, the number of fixed voice calls was down by 7.0 million (or by 21.2%) and the number of fixed voice call minutes was down by 41.2 million (or by 28.4%).

TV services

The TV segment maintained an upward trend in take-up for the first half of 2022, with subscriptions up by 5,805 (or by 3.2%) year-on-year to reach 180,718 by the end of last June. Around 82% of all TV subscriptions were purchased on a bundle plan at the end of the current reporting period.

Looking at subscriptions by type of technology, IPTV-based subscriptions increased by 4,425 (or by 6.9%) in the 12-month period till the end of June. The number of subscriptions on the DTTV platform, which is owned by the same operator, was down by 2,039 (or by 49.3%) as this platform is in the process of being wound down.

High-quality connectivity services

Dedicated connections are high-quality, point-to-point data transmission connections typically used by businesses operating in Malta, such as government entities, banks and gaming companies.

This business segment is relatively niche for local telecom operators as it represents a small portion of consumers with well-defined data connectivity requirements, different to those exhibited by the mass market for fixed broadband. Often, these data connectivity services are offered with specific product characteristics such as no contention ratio, fully symmetrical speeds and Service Level Agreements (SLAs).

The number of high-quality dedicated connections totalled 318 by the end of the second quarter of 2022, down from 331 at the end of June 2021. This means that the number of high-quality connections was down by almost 4% year-on-year.

Postal services

The postal segment continues to see a drop in mail volumes, in line with the the long-term decline observed for the previous reporting periods. A total of 6.9 million mail items were posted in the first half of this year, which is 4.1% lower than recorded in the first six months of 2021.

Looking at postal mail volumes within the scope of the universal service, and comparing the first six months of 2022 with the corresponding period of 2021, the number of bulk mail items went up by 230,668 (or by 2.3%). In contrast, the other mail categories saw volumes fall. The registered mail category shows the largest year-on-year drop of 502,475 items (or by 49%). Following it is single piece letter mail with a decline of 395,833 items (or 9.3%) decline and parcel mail which contracted by 619 items (or 0.5%) in the same period.

Mail volumes outside the scope of the universal service declined marginally by 1,474 items in the first half of the year, compared with the first six months of 2021. Volumes for mail items weighing less than 2kgs dropped by 48,049 (or by 7.2%), outweighing an increase of 46,575 (or by 11.3%) bigger sized parcel mail items.

Notes:

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- (i) Data cut-off date: 29th November 2022;
 - (ii) Data is preliminary and subject to change.