MALTA COMMUNICATIONS AUTHORITY

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Market developments for electronic communications and post – a review of outcomes for 2022 based on Q1 figures

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This publication highlights some of the main trends observed in the first three months of 2022 for the Maltese telecoms and postal sectors. All the figures that are presented have been submitted by local service providers, in response to the MCA's ongoing gathering of data that is carried out at quarterly intervals.

General developments

The main trends borne out in 2021 for the telecoms sector held for the first quarter of this year. Subscriptions were up year-on-year for mobile telephony, fixed broadband, and TV by 6.1%, 3.5% and 3.2% respectively. Meanwhile, the fixed telephony segment saw its client base contract, as pre-paid subscriptions were phased out. Some trends for data connectivity services stand out, particularly that 35% of all fixed broadband users at the end of last March had a connection supporting a headline download speed of at least 500Mbps. Meanwhile, mobile data usage in the first three months of this year surged by 51% compared to consumption recorded in the same period a year earlier.

On the postal front, mail volumes in the first quarter of this year were 3.5% higher than in the same period of last year. The latest figures show that this increase is mainly attributed to the bulk mail segment, with volumes jumping by 12%, and to a lesser extent parcel mail, with volumes up by 2%. Mail volumes by destination show that rising domestic and outbound mail did compensate for the decline observed for inbound mail.

Additional insights for the telecoms and postal segments are provided below.

Fixed Broadband

The fixed broadband segment saw a rise of 7,503 subscriptions year-on-year (or an increase of 3.5%), with more subscriptions supporting fast and ultra-fast speeds. Growth in take-up was particularly strong for the high-end segment. The number of subscriptions supporting headline download speeds of 100Mbps or more was up by around 25,000 (or by 21.8%%) in the 12-month period to the end of March 2022. Significantly, the segment comprising products supporting headline download speeds of 500Mbps to 1Gbps was up by 55,218 subscriptions (up by almost 240%) during the same reporting period.

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Looking at subscriptions by technology, subscriptions via the FTTH network rose the most year-on-year, by 11,751 (or by 31%), with this platform accounting for 22.4% of all fixed broadband subscriptions by end of the quarter. The number of cable subscriptions saw a year-on-year rise of 3,694 subscriptions (or by 3.5%), representing 48.7% of all broadband subscriptions by end of the reporting period. The number of copper DSL subscriptions, on the contrary, continued to decline by 7,878 (or by 13.6%) 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. Meanwhile, the number fixed wireless broadband subscriptions, which was down by a marginal 64 subscribers since March 2021, represented 6.3% of all fixed broadband subscriptions.

More fixed broadband subscriptions were purchased in a bundle by the end of March 2022 compared to a year earlier, reaching almost 95% of the total.

Fixed broadband ARPU was up from €58.08 in 2021 to €63.81 in 2022.

Mobile telephony

Mobile telephony subscriptions were up by 62,764 (or by 9.9%) year-on-year, reaching a total of 698,834 by the end of March. This development is mainly a result of a rise in the take-up of post-paid plans, which was up by 57,731 in the 12-month period under review. Similarly, the number of pre-paid subscriptions was also up by 5,033. Evidently, the increase in the post-paid segment by far outpaced that observed for the pre-paid segment, as end-users opt for plans that give them the most advantageous offer that addresses their increasing demand for mobile data.

The first three months of 2022 also saw a strong increase in mobile data consumption, with volumes of Mb consumed surging up by almost 51%. Consistently with developments observed over the past years, voice traffic volumes in the first three months of this year were down compared to the same period in 2021. The number of voice calls and voice call minutes was down by 0.1% and 2.5% respectively, potentially as end-users made higher use of OTT-based platforms.

Roaming voice activity intensified as travel makes its comeback Comparing volumes in the first quarter of 2022 to the same period a year earlier, roaming voice minutes were up by 11% whilst roaming data consumption rebounded by 27%.

Mobile telephony ARPU was down to €41.72 in the first quarter of 2022 compared to €43.04 in the first quarter of last year.

Pay-TV

The TV segment experienced an increase in take-up for the quarter in review. In fact, year-on-year, subscriptions were up by 5,435 (or by 3%), reaching 177,947 from 172,512. Almost 83% of all pay-TV subscriptions were purchased in a bundle at the end of March 2022.

It can be noted that take-up for the number of IPTV-based subscriptions rose by 5,290 (or by 8.5%) in the 12-month period ending March 2022. Meanwhile, the digital cable platform registered an increase of 2,828 subscriptions (or by 2.3%), whereas the number of subscriptions for the DTTV platform, which is close to being switched-off completely, was down by 2,683 (or by 53.3%).

Pay TV ARPU in the first quarter of 2022 stood at €49.01, up from €46.58 in the first quarter of last year.

Fixed telephony segment

The fixed telephony segment was down by 1,193 subscriptions (or by 0.5%) in the 12-month period ending last March, with subscriptions totalling 257,654. The majority of fixed telephony subscribers, at almost 86%, purchased the service in a bundle alongside other telecom services.

Looking at subscriptions by type of contract, the number of post-paid subscriptions increased by 4,109 (or by 1.6%) from the end of March 2021 to the end of March 2022. During the same period, pre-paid plans were phased out. The other segment encompassing businesses on contract-based plans featuring enhanced capabilities, typically referred to as enhanced subscriptions, saw subscriber numbers decline by 1.9% year-on-year.

Fixed voice traffic volumes dropped significantly when comparing the first quarter of 2022 to the first quarter of 2021, with the number of voice calls declining by 23.5% and the number of voice call minutes falling by 30.7%.

Fixed telephony ARPU for the first quarter of 2022 stood at €26.66, down from €32.41 for the same period last year.

High-quality connections

High-quality connections feature specific product characteristics that are not offered with mass market products, such as point-to-point and guaranteed data transmission. These connections are typically used by several organisations operating in Malta, such as banks, gaming companies and government entities.

The number of high-quality connections totalled 330 by the end of March of 2022. This is down by 3.5% year-on-year.

Post

The postal sector has been experiencing growing competition from online sources, which intensified since the start of pandemic. Nothwithstanding, mail volumes in the first quarter of this year were 3.5% higher than in the corresponding period last year.

Mainly contributing to this uptick is the mail volume increase recorded within the scope of the universal service. Specifically, bulk mail and parcel mail, which together made up 68% of total mail volumes during this period, saw volume increase by 12.3% and 2.2% respectively. The latter is possibly a result of a rise in online retail shopping, whilst the former is attributed to bulk mail generated by public sector activities. These year-on-year increases outweighed a drop of 23.9% in registered mail and a 10.9% decline in letter mail of 10.9%.

Mail volumes outside the scope of the universal service for the first quarter of this year were down by 4.4% compared to the same period a year earlier.

Notes:

(i) Data cut-off date: 1st July 2022;

(ii) Data is preliminary and subject to change.