"Digital Dividend And Refarming Policy. Comparative Study and Market Effects"

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ABOUT MARAVEDIS-RETHINK

Maravedis-Rethink Research is a premier global provider of market intelligence and advisory services focusing on 4G and mobile cloud technologies, regulation and markets.

Executive Summary

This study covers broadly the Digital Dividend and Refarming concepts, technical issues and policy and market implications.

The additional spectrum made available after refarming and digitization – the Digital Dividend – is an opportunity to increase worldwide access to telecom services and applications. However, the digital dividend per se is not the answer to the spectrum shortage that the telecom world will continue to face in the future. Hence, the implementation of refarming policies and the way the digital dividend is used and managed has a number of implications both in the regulatory arena and in the telecom market that can help optimize spectrum resources.

Key findings include:

- Regional focus will continue to be a priority over global coordination.
- Technology of choice is also a matter of regional and domestic priorities. Some countries will need to apply the digital dividend with access/coverage in mind rather than for mobility and broadband services. This could have an impact in the technology of choice.
- The availability of spectrum from the DD is not a goal per se, but rather a means. Auction design and other policies related to the DD and refarming are key to efficient policy implementation.
- On average, countries in all regions could have an additional 300 MHz of spectrum from successful and efficient DD and refarming processes.
- The Mobile market worldwide is expected to continue growing and reach 7.7 billion subscriptions by 2016. However, how the market develops over the next few years will be heavily dependent on the availability of additional spectrum. Worst case scenarios show investments in the industry could fall up to 10.7% if DD spectrum availability is delayed.
- Additionally, the lack of available spectrum could have an impact on technological change and mobile broadband expansion
- Although the DD is not the final answer to the spectrum shortage, its efficient use and implementation can help lessen the impacts of spectrum scarcity.

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