

COVID-19 Will Have Limited Impact on Worldwide Telecommunications Services and Pay TV Spending in 2020, According to IDC

FRAMINGHAM, Mass., May 15, 2020 — Worldwide spending on telecommunications and pay TV services will reach nearly \$1.6 trillion in 2020, a decrease of 0.8% compared to 2019, according to the International Data Corporation (IDC) [Worldwide Semiannual Telecom Services Tracker](#). IDC expects the decline to continue in 2021, but at a somewhat lower degree.

The telecommunications services industry is proving to be one of the most resilient sectors of the global economy during the COVID-19 crisis. The anti-pandemic measures imposed by many governments that have forced people to stay at home and reduce face-to-face interactions have increased the consumption of telecom services. However, the economic impact from shutting down businesses, higher unemployment, frozen tourist activities, and reduced consumer spending on non-essential products and services will have a negative impact on the market.

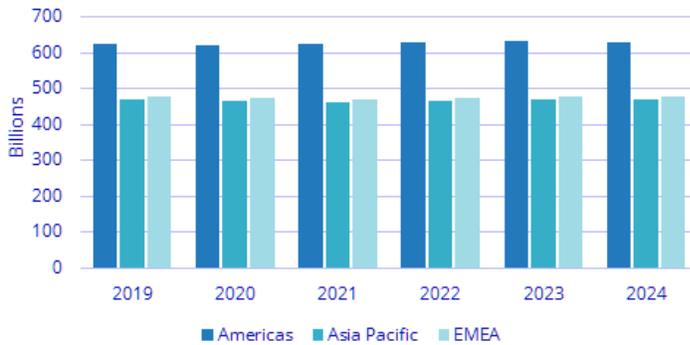
The mobile segment, the largest segment of the market, will post a slight decline in 2020 due to lower revenues from roaming charges, less mobile data overages due to the stay-at-home situation, and slower net additions, especially in the consumer segment. Fixed data services spending will increase by 2.9% in 2020 as the need for more fixed Internet connectivity determined by the "great lockdown" is likely to help this segment maintain growth. Spending on fixed voice services will continue to decline and will take an additional hit due to the pandemic as users will likely drop fixed voice services for savings purposes. Fixed IP voice will survive longer as the service is included in bundles in most cases. Pay TV services will be boosted by the lockdown, but also affected by the economic downturn, so the spending in this category is expected to decline slightly.

In 2020, telecom services spending will drop in all geographic regions. The largest market, the Americas, will see a tiny decline of 0.04%. Europe, the Middle East, and Africa (EMEA) and Asia/Pacific (including Japan) will dip more primarily because of the larger price-sensitive audience in the low-income countries of Africa and Asia. Growth is not expected in EMEA or Asia/Pacific before 2022 as the users in emerging markets are expected to remain cautious about spending for some time.

Global Regional Services Revenue and Year-on-Year Growth (revenues in \$B)			
Global Region	2019 Revenue	2020 Revenue	2020/2019 Growth
Americas	\$623	\$623	0.0%
Asia/Pacific	\$471	\$465	-1.4%
EMEA	\$480	\$474	-1.2%
Grand Total	\$1,574	\$1,561	-0.8%
Source: IDC Worldwide Semiannual Services Tracker 2H 2019			

Figure 1

Worldwide Telecoms Services by Region, 2019H2



Source: IDC 2020

The COVID-19 pandemic has changed some trends in the global telecom services market. Operators have quickly adapted to the forced changes in customer behavior and temporarily pushed aside some earlier priorities. "As the 5G revolution is being put on hold or delayed by the pandemic, the already proven technologies and business cases will keep the ball rolling in these uncertain times," said [Kresimir Alic](#), research director with IDC's Worldwide Telecom Services team. "Hosted VoIP/UCaaS, collaboration tools, SD-WAN, IoT, along with network optimization and increased reliability will keep consumers and businesses connected during the tough days of pandemic and global recession."

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For more information about IDC's Worldwide Semiannual Telecom Services Tracker, please contact Kathy Nagamine at 650-350-6423 or knagamine@idc.com.

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For more information contact:

Kresimir Alic
kalic@idc.com
+385-1-304-0052
Michael Shirer
press@idc.com
508-935-4200