

Turkey Telecom Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

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Report description:

The Turkey telecom market is expected to grow at a CAGR above 4.43% over the next five years. Based on the telecom regulator's efforts to construct a 5G network, there has been a steady growth in mobile subscriptions and an increase in mobile data subscriptions. Turkey is one of the few nations that can design and create its own communications satellites, and it is expanding its capabilities within the telecom sector.

Key Highlights

With around 85 million people, Turkey's mobile communication business is expanding quickly. As the young population adopts new technology and services, Turkey will soon take the lead in Europe for mobile service adoption. Except for mobile telephony, there is little rivalry in the telecommunications industry. Turkey's mobile market has expanded quickly during the last ten years. At the beginning of the current year, there were 78 million cell phone connections in Turkey, according to data from GSMA Intelligence.

The current telecom landscape in Turkey provides a solid platform for developing a dynamic, genuinely national broadband network that serves and benefits everyone. The reach, speed, and price of broadband have all been established thanks to a competitive market, supportive regulations, and considerable expenditures. With the combined effect of several price changes and strong upsell performance, the country's telecom operators are witnessing robust ARPU growth in fixed and mobile broadband. Also, this growth was driven by innovative technologies that allowed the companies to offer services to the right consumer at the right time.

Even though Turkey is accelerating its broadband reach and is consistently laying the groundwork for this growth, low demand among entry-level customers, a lack of desire for faster speeds, expensive device taxes, spotty coverage in suburban and rural regions, a difficult wholesale market, and distribution inefficiencies are the obstacles preventing the Turkish broadband industry from developing. However, numerous effective, reasonably priced, and minimally disruptive techniques and reforms have been

developed in the country to build on that basis and overcome present obstacles.

Turkish telecom operators are forging forward with more robust software and hardware development as part of the Turkish government's ambition to establish an advanced telecom infrastructure servicing millions of residents. Notably, work to build various 5G technology units, and 5G radio continued unabatedly, even during the coronavirus pandemic. Leading service providers are anticipating the deployment of commercial 5G by next year.

The COVID-19 pandemic has brought about several significant changes in people's daily life, including remote employment, online education, and the growing demand for online media. The significance of telecommunications services is highlighted during this critical time. Turkey's telecom has witnessed notable demand growth in the use of digital solutions due to COVID-19. Consumption of the internet during regular business hours has grown as the nation has become accustomed to living with COVID-19. Weekday viewing, movie rentals, and movie sales have increased, as has the telecom industry.

Turkey Telecom Market Trends

Increase in Broadband Penetration

Turkey might enter the digital economy faster if high-speed internet access infrastructure were built quickly and effectively. This entails offering everyone access to high-speed Internet and valuable apps, even those that consume much bandwidth. This development would assist Turkey's fair socioeconomic improvement and strengthen its position as a worldwide competitor, positively impacting GDP, job growth, competitiveness, and social welfare.

With the appropriate mechanisms, Turkey's high-speed internet market might grow heavily in the upcoming years. By next year, 85% of households would have broadband access thanks to this acceleration, compared to 60% under the current scenario. By adopting fixed broadband in an extra 7 million homes, Turkey may increase its GDP by a total of USD 130 billion by next year and create an additional 0.5 million net jobs. People's choices for broadband have also evolved. However, fixed technology continues to be the most dependable, economical, and capable of supplying high-speed, high-capacity Internet. Mobile broadband has been the technology that has brought people online.

There are several reasons to be impressed with Turkey's fixed broadband development thus far. Over the previous five years, significant improvements in coverage and speed have brought Turkey up to EU average values. The percentage of fiber coverage within overall coverage has rapidly changed to facilitate high-speed internet connectivity. In the past five years, the fixed broadband and mobile industries have seen a considerable competition increase. Robust high-speed broadband deployment has been supported by the present market structure, which features infrastructure-based competition, and by supportive laws and regulations.

As of early last year, fiber connections accounted for about a quarter of all fixed broadband connections, demonstrating the widespread deployment of fiber-based broadband networks. Even though DSL currently dominates the market, making up roughly two-thirds of connections, its share rapidly falls year over year. The country's activities about smart city ideas, which have emerged as a crucial area of concentration for the burgeoning digital economy and the transition to a knowledge-based economy, are supported by improved fixed and mobile infrastructure.

According to an ITU report, Turkey's Broadband subscription per 100 inhabitants is expected to increase steadily. The monthly subscription per 100 people is expected to reach 19 by the end of the year from 17 subscriptions in 2019. Encouragingly the number of subscriptions per 100 inhabitants is anticipated to grow to 20 in 2024 and 21 by the end of 2026.

Satellite Boosting Digital Transformation

Turkey has emphasized digital transformation to ensure the nation reaches its full potential as it works toward achieving its goal

for next year. Turkey is becoming a significant participant in the global telecom industry, and its skills in this sector are growing daily. Turkey advances with its own-built communication satellite. It is one of the few nations able to create and develop its communications satellites as it expands its telecom sector capabilities. As part of the government's National Orbit Program, which aims to have ten satellites in space by next year, the centenary of the Republic of Turkey, Turkey's new 5B communication satellite, has been put into operation. With Turksat 5B, a large region from Africa to the Middle East, from Europe to Asia, would have uninterrupted and secure access to TV transmission and broadband satellite communication.

By next year, Turkey will implement its national smart cities strategy and action plan. According to President Erdogan, launching the 5B satellite would support the Turkish military's overseas missions. It would provide constant connectivity even in the nation's most isolated and mountainous regions. The Turksat 6A satellite would follow early next year. Along with these technical advances, the nation's telcos have invested in fiber infrastructure. For example, Vodafone Turkey tested a 1Tb/s service late last year to support its 5G network backhaul and enhance the quality of its fixed infrastructure.

Telecom operators are investing billions of dollars in digital transformation in Turkey. Telecommunications companies are investing in 5G and the tools and infrastructure to enable the nation to deploy new technologies. Using intelligent networks, data analytics, and IoT platforms by the country's prominent telecom players would help to develop sustainable smart cities, simplify, improve the efficiency of services, reduce energy usage, and provide more sustainable living environments. Moreover, the pandemic has boosted internet enterprises, and it is essential to encourage investments in the sector to support the digital revolution.

The nation's bandwidth capacity was significantly expanded last year with the successful launch of the Turksat 5A and 5B satellites. Turkey's thriving mobile phone sector is one of the world's fastest-growing cellular markets. In January this year, there were 69.95 million internet users in Turkey. Also, at the beginning of the current year, 82.0 percent of Turkey's population used the internet. Internet users in Turkey climbed by 3.9 million (+5.9 percent) between last and current year, according to Kepios research. According to information from GSMA Intelligence, Turkey had 78 million mobile phone connections at the beginning of the year.

As per the ITU report on Digital Economy, Turkey's Internet penetration is anticipated to rise for the forecast period through 2026. Internet penetration is expected to reach 78.7% by the current year from 70.4% in 2019. The same is expected to grow to 82.3% in 2024 and 84.6% by the end of 2026.

Turkey Telecom Market Competitor Analysis

The Turkey telecom market is moderately fragmented in nature. Some major players in the market studied include Turk Telekom, Turkcell, Vodafone Turkey, and TurkNet. The market also hosts other Internet service providers (ISPs), MVNOs, and fixed-line service providers. Some of Turkey's telecommunication companies are competitive internationally and hold strong ground in the global telecom space.

In September 2022, Turk Telekom announced the network synchronization solution for 5G. In its 5G network, Turk Telekom utilizes specialized GPS/GNSS-independent technology for time and frequency synchronization. It is anticipated that the approach would lower synchronization investment costs greatly and improve 5G service continuity.

In March 2022, Turkcell unveiled that it's working with Comba Network, a subsidiary of Comba Telecom, to begin open RAN trials. This is an initiative to help Turkcell groups RAN architectural transition beginning with the first experiment in Turkey.

Additional Benefits:

The market estimate (ME) sheet in Excel format

3 months of analyst support

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Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

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