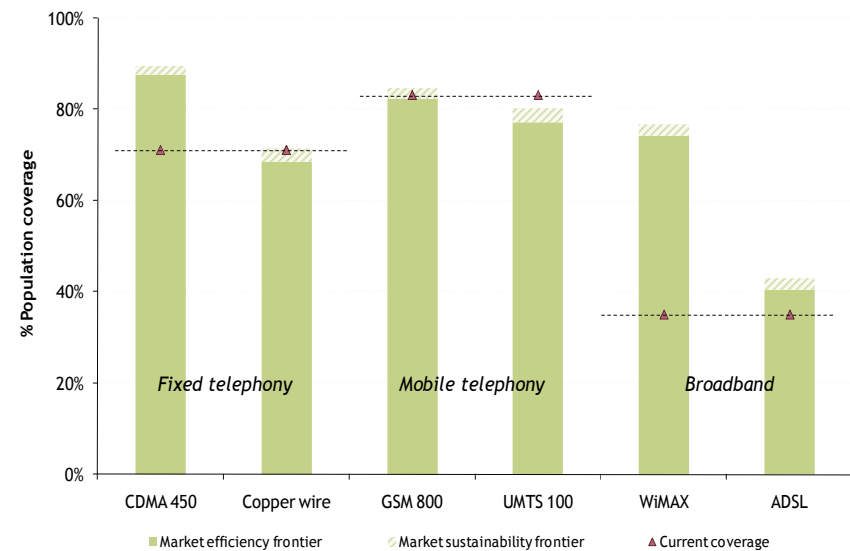


# Telecommunications strategy for a LATAM country

- SVP Advisors, together with a partner Telecoms Research firm, were commissioned to carry out an assessment of the telecoms sector performance in a large LATAM country, and identify those areas where public intervention would be required as the services provided by the market do not satisfactorily meet the needs of end-users. The country was characterised by a high degree of geographical dispersion and large income inequalities. Penetration levels for telecommunications services were below those countries of a comparable socio-economic level.
- After establishing the market frontier for the services considered, the benefits and costs for several intervention alternatives were calculated. The evaluation of alternatives included an assessment of the relative performance of various fixed and mobile technologies, including traditional copper pair, ADSL, WiMAX, CDMA 450, GSM and UMTS. The study covered the public communications role of serving low income segments and rural communities.
- The study resulted in a set of strategic recommendations strongly grounded in the realities of the market and based on recent international experiences which had proven successful. The central role of competition, the expanding importance of mobile communications, and the developing concept of the Internet as an extended social interactivity tool were guiding principles for the formulation of recommendations. Our recommendations covered several policy areas, including telecommunications regulation, social telephony and Internet access programs, spectrum management and education.

**Market efficiency gap with different technologies**



Note: figure in the table above have been altered for confidentiality reasons)