TIA ICT Market Review & Forecast Says U.S. Network Infrastructure Spending to Reach $300 Billion by 2015

Industry's Most Comprehensive Data Report Also Predicts Wireless Data Spending will Top Voice Spending for the First Time in 2013; Anticipated to Reach $108 Billion

The Telecommunications Industry Association (TIA), the leading association representing the manufacturers and suppliers of high-tech global communications networks, has announced the release of its 2012 ICT Market Review & Forecast (MR&F). The MR&F provides the ICT industry's most comprehensive, trusted and in-depth data review, along with projections and forecasts for the next four years.

Many of the most significant findings from this year's report focus on the impact of the rapid growth of smartphones and tablets, cloud-related services and video streaming. These devices and services are driving dramatic traffic surges and demanding increased network infrastructure investment.

Infrastructure spending rose dramatically in the past two years, in large part because of federal stimulus spending. While network backbone spending will come down from its stimulus-fueled recent dramatic highs, TIA's MR&F says it will still remain robust in the years ahead.

"The rapid advancement of smart phones, cloud services and video is placing an increasingly enormous demand on the network," said TIA President Grant Seiffert. These devices and services have not only become essential for consumers, they have become critical for American businesses. And for this reason, the companies that support both wired and wireless networks are expected to spend nearly 41 percent more in the next four years than was spent in the previous four years."

Per TIA's MR&F, key facts related to this trend include:

• Global Internet traffic will quadruple by 2015;
• In five years, mobile broadband traffic will be 35 times what it is currently;
• Combined U.S. spending on wireless and wired network infrastructure will grow from the $210 billion spent over the last four years, to $296 billion over the next four years; $70 billion will be spent in 2012;
• Spending on U.S. IT-based cloud computing will continue to be the fastest-growing category, increasing by more than 23 percent in 2012.
• The Middle East/Africa region will have 10 percent growth telecom spending through 2015, followed by Asia Pacific at 9.5 percent and Latin America at 7.5 percent.

The MR&F also identifies 2013 as a pivotal year in the evolution of wireless

communications – predicting that, for the first time, consumers will spend more on wireless data than they spend on wireless voice services. Key facts related to this trend include:

• In 2013 consumers will spend $108 billion on wireless data and $91.5 billion on wireless voice;
• In 2011 consumers spent $73.6 billion on wireless data and $102.3 billion on wireless voice;
• In Q4 2010, there were 101 million mobile broadband-dependent smartphones sold—versus 92 million PCs.

“Every year the Market Review & Forecast offers a sea of data that presents the most complete look at where the worldwide ICT industry has been, and where it is headed,” said TIA President Grant Seiffert. “This year, the report identifies a clear, unmistakable theme: America’s broadband networks are going to be under extraordinary pressure in the immediate future.”

TIA’s annual ICT Market Review & Forecast collects and analyzes a wide range of industry data, and looks at the economic, technology and public policy drivers behind the numbers. The report includes very specific data related to key industry segments, including wireless data, wireline data, landline equipment, conferencing services, wired internet access, network equipment and more. It also presents high level data related to global ICT industry spending, including key facts such as:

• Telecom spending in the United States will top $1.1 trillion in 2012;
• International telecom spending will reach $3.6 trillion in 2012 (not including the U.S.);
• Combined telecom spending will top $4.7 trillion in 2012, and will surpass $5 trillion in 2013

For the full report, please visit www.tiaonline.org [1].

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[1] http://www.tiaonline.org