

Connecting Latam

Powering a Tech Infrastructure Boom

Internet traffic — particularly mobile data usage — continues to grow at an astounding rate in developing markets like Latin America, driving an infrastructure boom for the towers and fiber optic cable networks that allow the data to flow.



Exponential Data Growth

Latin American monthly IP data usage will rise at a phenomenal rate over the coming years, going from 5.99 Exabytes (EB) per month in 2016 to 15.46 EB a month by 2021. This growth will be driven in large part by increased mobile data usage.

5.99 (EB)
per month in 2016

15.46 (EB)
per month by 2021

Mobile data traffic in 2021 will rise to 3.1 Exabytes per month, up from 0.46 EB a month in 2016. Latin America's Mobile traffic was 8.7% of total Internet traffic in 2016, and will hit 23.1% by 2021 as mobile data usage grows 7-fold, at a CAGR of 47%.



Infrastructure Needed

As data usage continues to soar in Latin America, there is a growing need for infrastructure to support this expansion — such as cell towers, fiber optic networks and data centers. For the tower space, the largest markets in the region, Brazil and Mexico, are dominated by a few independent operators. Tower companies may look to smaller markets for growth, such as Colombia, Chile and Peru. Venezuela, Argentina and the Southern Cone may also present opportunities — where mobile network operators continue to dominate — as political, currency and other risks have stifled the rise of independent tower operators.



43%

Increase in FTTH/B subscribers in the region from Q3 2016 to Q3 2017

17.2
Million homes

&

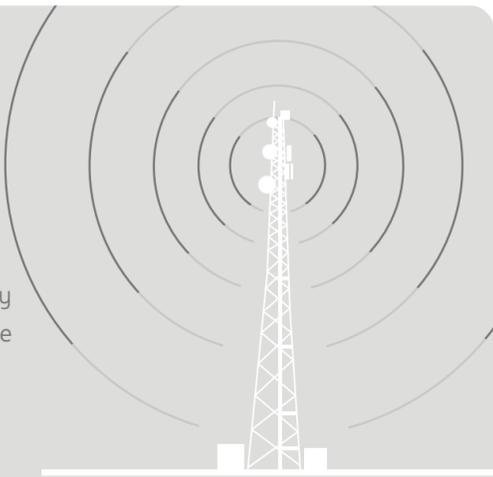
3.87
Million users

As consumers and businesses demand increasing speed for internet access and data usage, Fiber to the Home/Fiber to the Building (FTTH/B) and other FTTx technologies, such as VDSL, are flourishing. As FTTx, along with 5G mobile technology, continue to expand across Latin America, fiber infrastructure demands are dramatically rising.

VDSL deployment in Brazil, where it is the main FTTx architecture deployed

A Market In Flux

Telecoms operators have increasingly segregated or sold off tower infrastructure over the past 5 years — particularly in emerging markets, where low urbanization rates and high operational costs have pushed some network operators into aggressive cost cutting efforts. This presents a huge opportunity for independent tower operators, which have moved in to fill the gap. The towers space boasts excellent long-term growth potential in emerging markets such as Latin America, which continues to suffer from a shortage of network infrastructure.

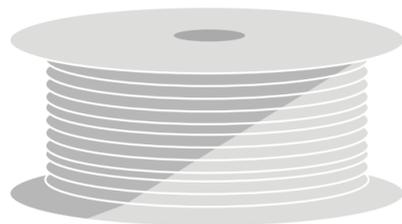


Opportunities for Growth

3X
Faster

Rate at which Latin American mobile data traffic is predicted to grow, versus fixed IP traffic, between 2016 and 2021.

With mobile far outperforming fixed IP growth over the coming years in emerging markets, and telecoms operators investing heavily in network expansion and densification, tower operators will benefit — both through built-to-suit agreements and through acquisition. Large regional tower firms may be best positioned to take advantage, using this opportunity to expand both regionally and globally.



102 FTTx

initiatives were under way in the region in Q3 2017

24% increase on the previous year

On the Fiber front, FTTx deployment is led by Mexico and Brazil, but fiber network expansion is a dominant theme in most markets in the region. Major growth markets include Argentina, Colombia, Uruguay, Peru, Bolivia and Costa Rica.

Find out more

To find out about how ING is supporting Latin American tech infrastructure development visit: www.ingwb.com/americas

