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.

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%.

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.

As customers 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.

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.

Connecting Latam
Powering a Tech Infrastructure Boom

Exponential Data Growth

Infrastructure Needed

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A Market In Flux

With mobile outpacing 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.

Opportunities for Growth

 opportunities were under way in the region in Q3 2017 increase on the previous year

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

Find out more

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