

*Latin America***Wireless and Mobile Telecom Markets Heat Up**

Latin Americans have recognized that an improved telecommunications infrastructure is a vital component for future economic growth. Estimates of market size for telecommunications equipment over the next five years range from \$40 billion to \$70 billion. Changes in the economic environment, large-scale privatization of telephone companies and liberalization have created unprecedented opportunities for Canadian telecommunications equipment and service providers. Opportunities in mobile and wireless communications are particularly significant. The rural switching, transmission and distribution market alone is estimated to be worth over \$3 billion over the next five years. Why is this the case?

Firstly, recent regulatory changes now permit the full exploitation of modern technologies by private entrepreneurs. This includes paging and cellular, but also trunking and rural telephony concessions.

Secondly, due to an aging wire-based infrastructure and the five to ten years required to modernize it, wireless communications offer a cost-effective, convenient and immediately viable choice. In essence, wireless and mobile solutions are a way to bypass poor wireline networks. They offer high utility to the user and can be constructed very rapidly. In addition, largely as a result of deregulation and competition, private satellite networks are growing exponentially. In Mexico, almost all major banks have installed and are continuing to expand satellite-based networks. In Venezuela, 140 companies registered for private satellite networking within two months of the opening of the service. In Argentina, the country's first satellite company, Impsat, had secured contracts by the middle of 1990 for 500 VSAT (Very Small Aperture Terminal) and 180 interconnections to its high-speed digital network in Buenos Aires.

In Mexico, Chile, Argentina and Venezuela, penetration rates for cellular telephones are growing faster than those in North America. These developments have created excellent opportunities for suppliers of switches, antennas, voice mail and microwave products. To capitalize on this trend it is important to propose solutions which extend behind methodologies and designs in Canada. For example, in Mexico, high-powered transmitters offer rural cellular telephony service where no service previously existed. Argentina is now following a similar approach and is in the process of offering a third cellular licence that will extend coverage to the interior of the country. Another illustration is the provision of data broadcasting or teletext service through television transmission, coverage which is currently in place in most countries. Bidders should not restrict mobile technology designs and proposals to traditional models.

Because mobile technologies allow users to leapfrog alternative technologies, applications such as public pay cellular telephones may have great potential in Latin America, whereas in most industrialized countries this type of option is not an

issue. In the immediate future, technologies such as digital cordless telephony (DCT) may provide the basis for a wireless local loop. Latin America is closely watching Canadian developments, where four DCT licenses have been awarded. Canada is once again taking a world-leading role and we have an opportunity to play a part in DCT development in Latin America.

The use of mobile satellites will have a major impact on the competitiveness of key decentralized resource industries such as petroleum. Latin America has shown great interest in mobile applications, such as SCADA (Supervisory Control and Data Acquisition), that can provide industrial control and monitoring. Future transmission capacity through new satellites will allow full development of wireless communications in the region.

Finally, the North American Free Trade Agreement will provide a cost advantage of 10 to 20 per cent for products going to Mexico and, in addition, serve as a springboard into Latin America. The moment has come to build strategic partnerships with Latin America in order to unleash its mobile and wireless communications potential.

Asia Telecom '93

Canada will have a national stand at Asia Telecom '93. This exhibition and forum is one of the region's largest and most comprehensive telecommunications events. Taking place in Singapore from May 17 to 22, 1993, the event will attract some 130 exhibitors from more than 30 countries. Sponsored by the International Telecommunication Union, Asia Telecom '93 will feature symposiums focussing on policy, technical, regulatory, and economic issues. At Asia Telecom, legislators, ministers and corporate leaders will set the course for the region's future direction in telecommunications development and opportunities.

In addition to Canada's national stand, several Canadian companies will have exhibits of their own. Companies wishing to exhibit at Asia Telecom '93 through the national stand are requested to contact EAITC's Asia Pacific South Trade Development Division (see contacts box).