

# **GEOGRAPHICAL ANALYSIS OF BROADBAND SERVICES AND NGA DEPLOYMENT IN SPAIN. DECEMBER 2020.**

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## EXECUTIVE SUMMARY

This analysis is part of the CNMC's annual follow-up of fixed broadband services and next generation access (NGA<sup>1</sup>) network deployments, with a geographical breakdown using data as at 31 December 2020.

The data show a 3.5 per cent increase in the volume of broadband accesses in Spain during the year to 15.9 million active connections. Once again, MASMOVIL Group achieved the largest net gain in access lines, with 411k. xDSL (Digital Subscriber Line) accesses were down 760k (-29.4%), though this was offset by the subscription of nearly 1.4m (+13.5%) new fiber to the home (FTTH) access lines. The growth in FTTH accesses led to an increase in connections with speeds of 100 Mbps or higher to 13.4 million (+14%), from 11.7 million the year before.

### Fiber to the home and HFC (Hybrid Fiber Coaxial)

Both Movistar and the alternative network operators (or "altnets") continued to invest in the deployment of fiber-to-the-home in 2020. As a result, there were 55.4 million total FTTH accesses deployed by the end of the year, up 9.5% from 50.6 million in 2019. There were nearly 10 million HFC DOCSIS<sup>2</sup> 3.x accesses installed, which allow for ultra-fast connections.

The geographical break up indicates that operators extended FTTH network deployments considerably in smaller municipalities. Some 3.5 million new FTTH accesses were installed in 2020, of which 81% were deployed in municipalities with a population of less than 100 thousand inhabitants. The largest percentage of DOCSIS 3.x HFC accesses was concentrated in medium and large cities, with populations between 100,000 and 1,000,000. Meanwhile, the number of installed HFC accesses has broadly remained unchanged over the past few years.

### Take-up

While fiber access was being deployed, FTTH subscriptions rose sharply, extending the trend seen in recent years. There were 11.17 million active FTTH lines at end-December 2020, an 11.6% increase from the 2019 figure: 10 million. The altnets accounted for 75% of the new FTTH accesses. As a result, the share

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<sup>1</sup> NGA: Next Generation Access. Wired access networks which consist wholly or partially of optical fiber and are capable of delivering high access speeds to users.

<sup>2</sup> Data Over Cable Service Interface Specification is an international telecommunications standard that permits high-bandwidth data transfer.

of active xDSL accesses in most municipalities fell sharply, although this was offset by the increase in take-up of FTTH accesses.

Specifically, the altnets' average share of xDSL lines in all average-sized municipalities decreased during the year. Conversely, their share of active FTTH and HFC lines rose in all municipalities, more in those with populations between 1,000 and 10,000, where their share jumped by more than 7 percentage points (pp). In Barcelona and Madrid, the increases were 2.6pp and 1.4pp, respectively.

In Barcelona and Madrid, active FTTH lines accounted for 86.3% and 82.5% of total broadband accesses, respectively. Moreover, in towns with a population of over 10,000, the active FTTH lines accounted for 71.5% of total broadband accesses (close to the national average of 72.4%). The share of HFC DOCSIS 3.x lines in service in municipalities with a population of between 50 thousand and 1 million was near or above the national average (14.1% of total broadband lines in service).

The analysis taking into account the footprint of Movistar's local central access network exchanges offices<sup>3</sup> shows a growing presence of altnets via FTTH and HFC networks in the local and smaller central offices or exchanges. The number of central offices with active FTTH accesses grew to 5,710, with 15 million active broadband access points (97.8% of total active broadband access points). Movistar's share of these central offices at year-end stood at 37.5%. Meanwhile, the altnets with NGA networks (FTTH or HFC) had operations in a total of 5,460 central offices (+17% from 4,666 at year-end 2019) with 15.1 million broadband accesses.

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<sup>3</sup> Includes total copper and FTTH central offices access network exchanges.