



Guatemala

Mobile communications

Regulations

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Regulatory bodies:	The Ministry of Communications, Transport and Public Works has overall responsibility for the mobile communications market in Guatemala. The Superintendencia de Telecomunicaciones de Guatemala (SIT) - a government body set up in November 1996 - is responsible for regulating the sector and for the implementation of Guatemala's General Telecommunications Law. Specifically SIT's duties include allocating radio frequencies, setting interconnection fees and licensing new operators.
Recent regulatory developments:	In October 1999 SIT licensed the country's fourth mobile operator when it awarded a digital PCS concession to a consortium headed by US telco BellSouth.

Mobile market overview

2000. Despite this, and the fact that the country has one of central America's strongest economies, it has a relatively low penetration rate for mobile telephony services. By September 2000 there were an estimated 570,000 cellular subscribers in Guatemala, up from 320,472 nine months earlier, equating to around 5.1% of the population.

Main operators

Comcel

The longest established mobile operator in Guatemala is backed by the Luxembourg-based holding company Millicom International Cellular (MIC) and began offering services in October 1990. By the end of September 2000 Comcel had an estimated 260,000 subscribers, up from around 195,000 at the start of the year. However, despite an advantage of almost nine years, its competitors have been eating away at its share of the market and between December 1999 and September

Main operators							
Mobile telephony							
Operator	Network	Launch date	Subscribers		% change	% pre-paid	WAP/GPRS launched?
			End 1999	Sept 2000			
Comcel	AMPS/TDMA	1990	195,472	260,000*	33%	na	no
PCS Digital	CDMA	1999	76,000	189,130	149%	na	no
Movistar	CDMA	1999	49,000	120,000	145%	na	no
BellSouth Guatemala	CDMA	2000	-	-	-	-	no
Total number of mobile subscribers:			320,472	569,130			
Cellular penetration:			2.9%	5.1%			
*CIT estimate							

2000 its share fell from 61% to around 45%. In October 1999 MIC announced that it was initiating an upgrade of the Comcel network from AMPS to TDMA. Migration to the digital technology will allow Comcel to offer a host of new options including a short message service. Ericsson has been contracted to upgrade its infrastructure.

In October 1999 MIC increased its equity interest in Comcel from 47% to 55%. The remaining shares are distributed among a number of smaller shareholders.

PCS Digital

Guatemala saw the launch of its second mobile provider in May 1999, when national fixed line operator Telgua launched its CDMA-based PCS Digital service in the capital Guatemala City. Based on equipment supplied by Nortel Networks, PCS Digital's network has since been expanded to give national coverage. Within just over six months of launch the company had attracted around 76,000 customers to give it a respectable 24% of the market. By September 2000 its subscribers numbered almost 190,000, an increase of 149% over nine months.

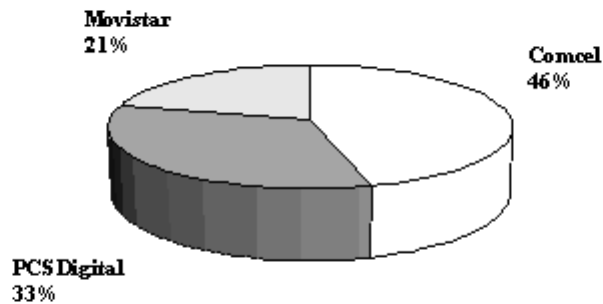
PCS Digital is a wholly owned subsidiary of national PTO Telgua, which is itself 79% owned by Mexican operator Telmex; Guatemala's Luca Group holds a further 16%, while the remaining 5% is owned by Telgua employees.

Movistar

Guatemala's third cellular service was launched in October 1999 under the name Movistar by Telefónica Centroamerica, the local subsidiary of Spanish PTO Telefónica. By the end of that year the company had signed up some 49,000 subscribers,

Mobile telephony market share

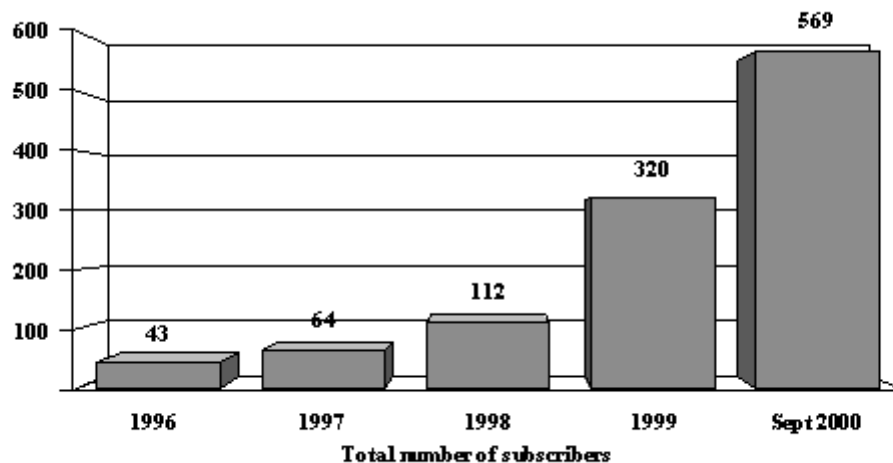
September 2000



Total number of subscribers: 569,130

Source: operators

Growth of cellular services (000)



Source: operators

surpassing its own target of 40,000, and nine months later its customer base had grown to 120,000, giving it more than a fifth of the market. Pre-paid services are offered under the name Aló Fácil y Rápido.

Movistar is owned by Telefónica Centroamerica, a wholly owned subsidiary of Telefónica of Spain.

BellSouth Guatemala

The mobile market in Guatemala gained a new licensee in 1999, when in late October a consortium backed by US telco BellSouth and publicly held Panamanian investment company Multi-Holding Corporation (MHC) was awarded a national digital mobile concession. The consortium bid USD26 million for the licence; it is not clear whether there were any other contenders. The new operator launched its commercial service in early October 2000 using CDMA technology, with coverage initially limited to the capital city. BellSouth will expand its cellular operations to other areas of the country during 2001 and eventually plans to offer fixed line services using wireless in the local

loop technology. Guatemala became the US parent company's eleventh Latin American cellular market.

BellSouth owns 60% of BellSouth Guatemala, with MHC controlling the remaining 40% stake.

Last updated: January 2001