

## Telefónica will drive opportunities in Mexico

**Movistar does not rule out taking advantage of offering satellites services, as allowed under its licence, and given the pressure caused by the arrival of AT&T in the country.**

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Photo: Reuters

Grupo Telefónica has resolved to take advantage of all the opportunities that the market and the new regulatory provisions will now provide in Mexico, and also take advantage of its licence in relation to satellite transmission services.

The arrival of AT&T on the Mexican mobile market has started to take effect. Firstly, it has complicated América Móvil's strategy to divest assets to prevent the IFT [Instituto Federal de Telecomunicaciones] from considering it as a company with a dominant market share, while for Telefónica, the implicit

announcement by the US company that it would displace it from its position in the market, could be a wake-up call.

Though Movistar, its Mexican subsidiary, Grupo Telefónica has the possibility to offer satellite services, such as high-speed mobile Internet, in Mexico.

To date, the Spanish firm has avoided this possibility. But the pressure from a more competitive market may change Movistar's strategy to go after a better market position. One of these possibilities is to analyse the pros and cons of offering satellite services.

At the recent LATSAT summit, Ignacio García Comin, Director of Satellite and New Services at Telefónica Global Solutions, the satellite division of Telefónica Movistar satellite division, stated "The business is clear ... We haven't ruled out anything ... Regarding mobile internet in Mexico, the company has many feasible plans ... We should have good news very soon...".

Telefónica Movistar is second in the mobile market, with more than 24 million accesses, a 16% increase over 2014, according to the last report the company released to the markets.

AT&T recently stated that after strengthening the telecommunications networks of its subsidiaries Nextel, Lusacell and Unefon, it would then compete for the prepaid and postpaid markets, so as to quickly reach second place in the market, a place currently held by Movistar.

"We are just starting, as far as percentages go, we are a small player, but we will grow ... We shall enter with force (into Mexico)," Thaddeus Arroyo stated on Wednesday when he presented AT&T to the local press.

The companies in this sector are probably already reengineering their commercial strategies in Mexico due to the arrival of the US telephone company, primarily Movistar, which will be AT&T's first target, explained the consulting firm Mediatelecom.

"AT&T aims to reuse the model that has worked so well in the United States: compete with its own infrastructure and network. Once it has a strong network, it will start to integrate triple and quadruple play. Meanwhile, the challenge is to consolidate the companies under one brand and rank second in the market as soon as possible. They already are in earnings, and the immediate target is Telefónica," Jorge Fernando Negrete, director at Mediatelecom Policy & Law, recently stated.

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