

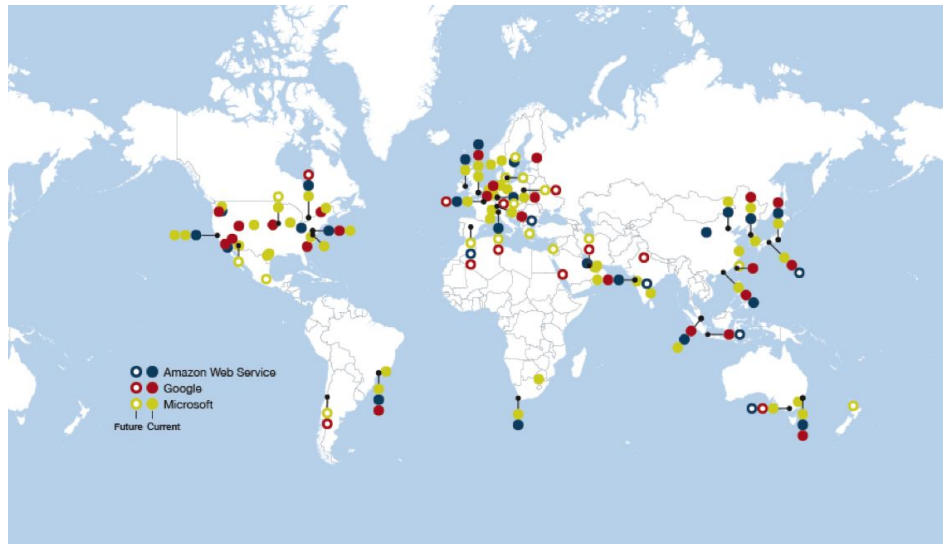
# Latin America Connectivity and Pricing Overview

Anahí Rebatta, TeleGeography  
April 2021

# Connectivity

# What is connected?

Cloud Data Centers

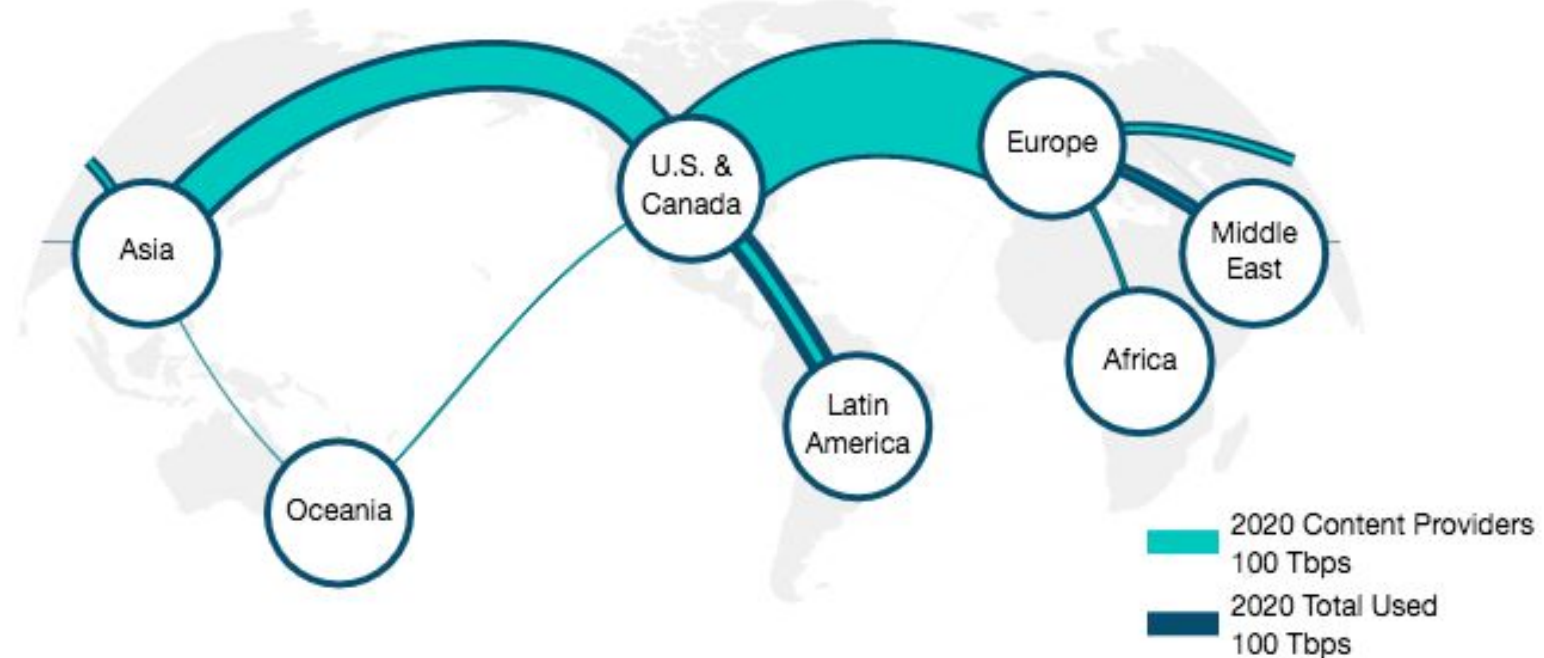


Major Colocation Hubs



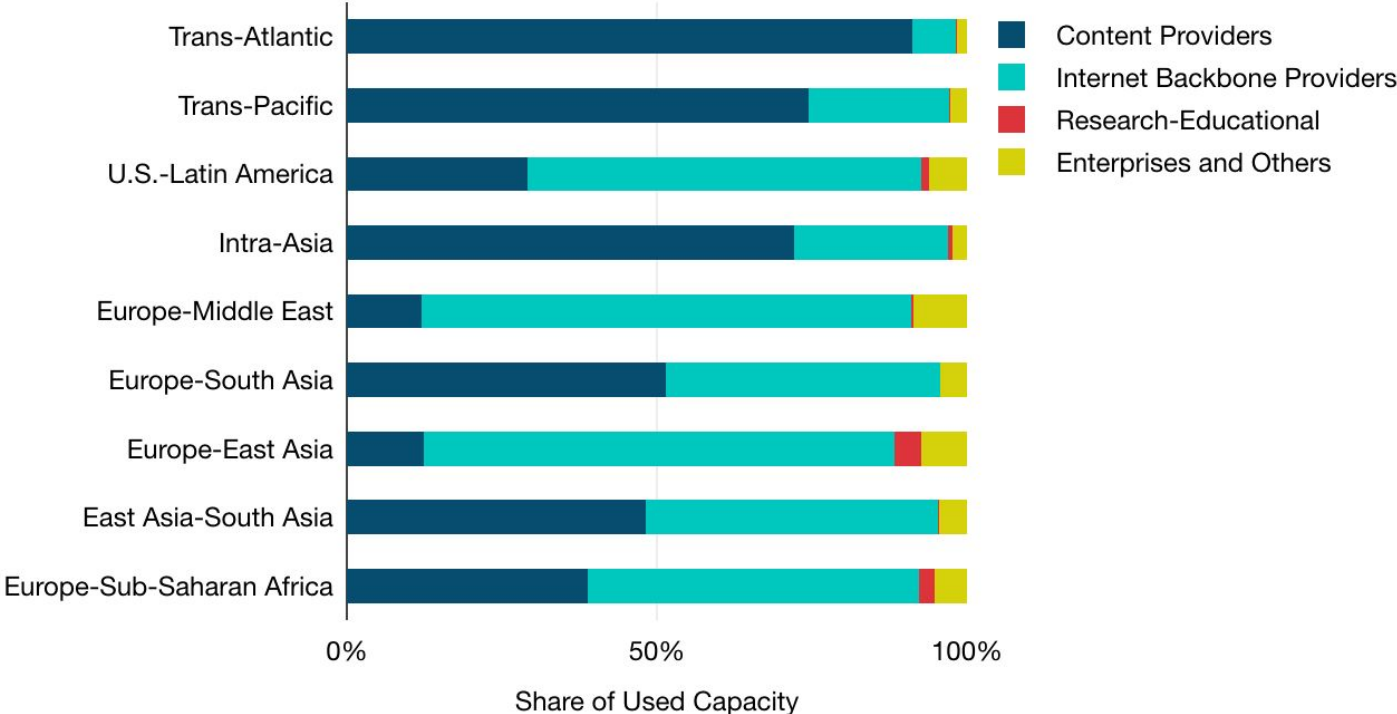
# How is it connected?

Used Inter-Regional Bandwidth, 2020



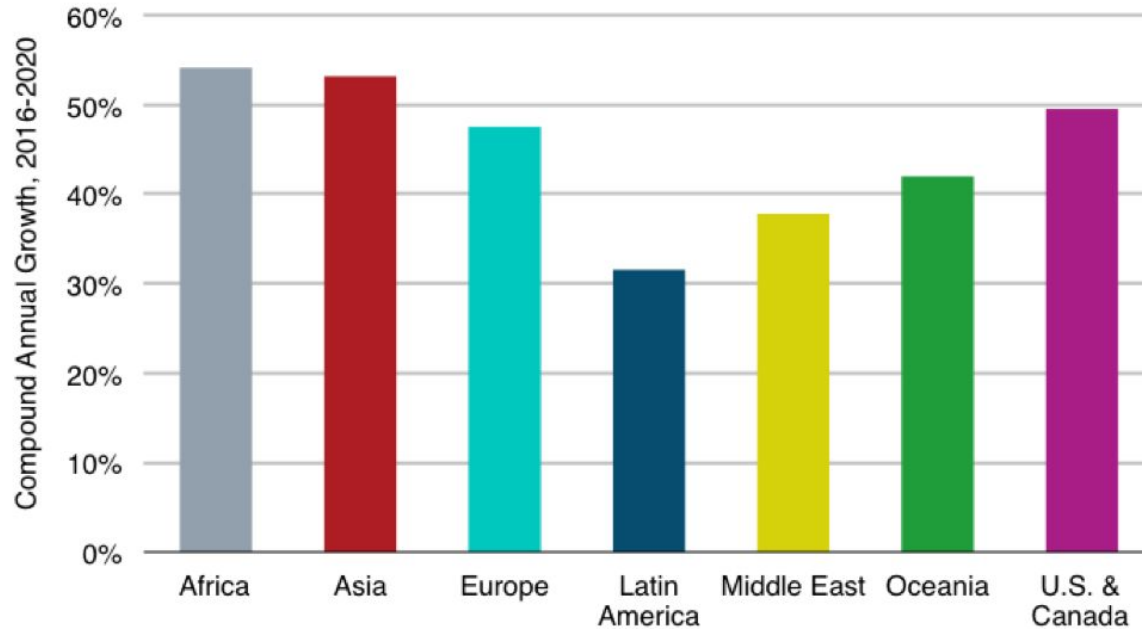
# Source of bandwidth demand

Share of Used Bandwidth by Category for Major Routes, 2020



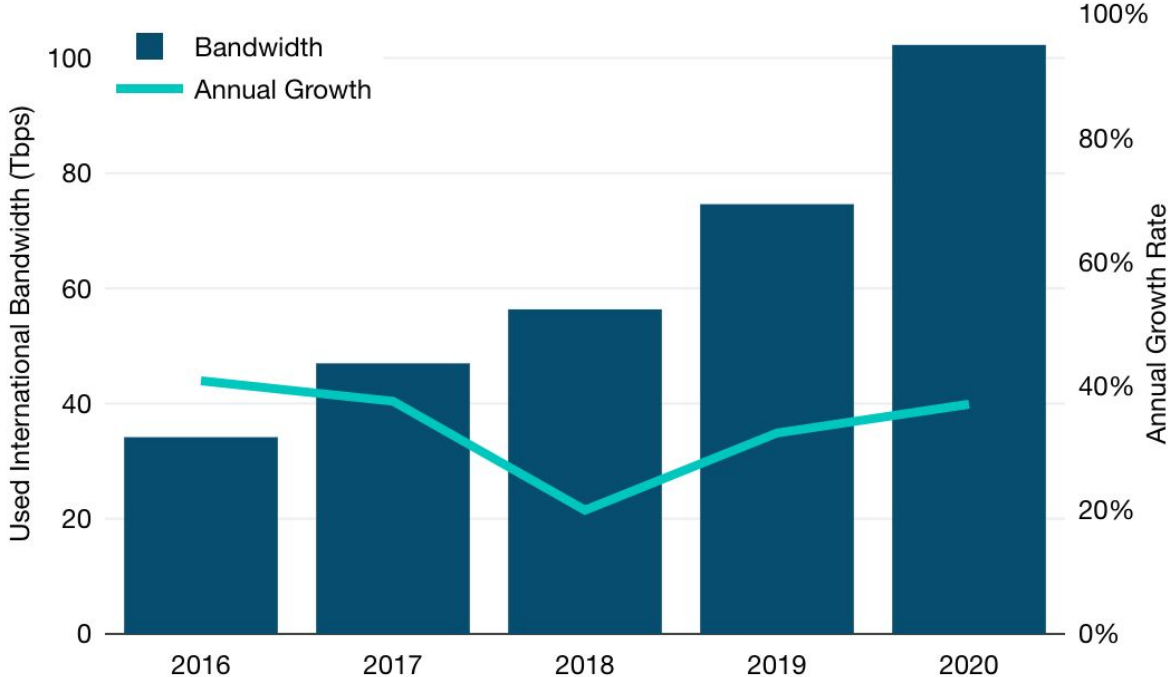
# Bandwidth demand is strong all around

Used International Bandwidth Growth by Region, 2016-2020



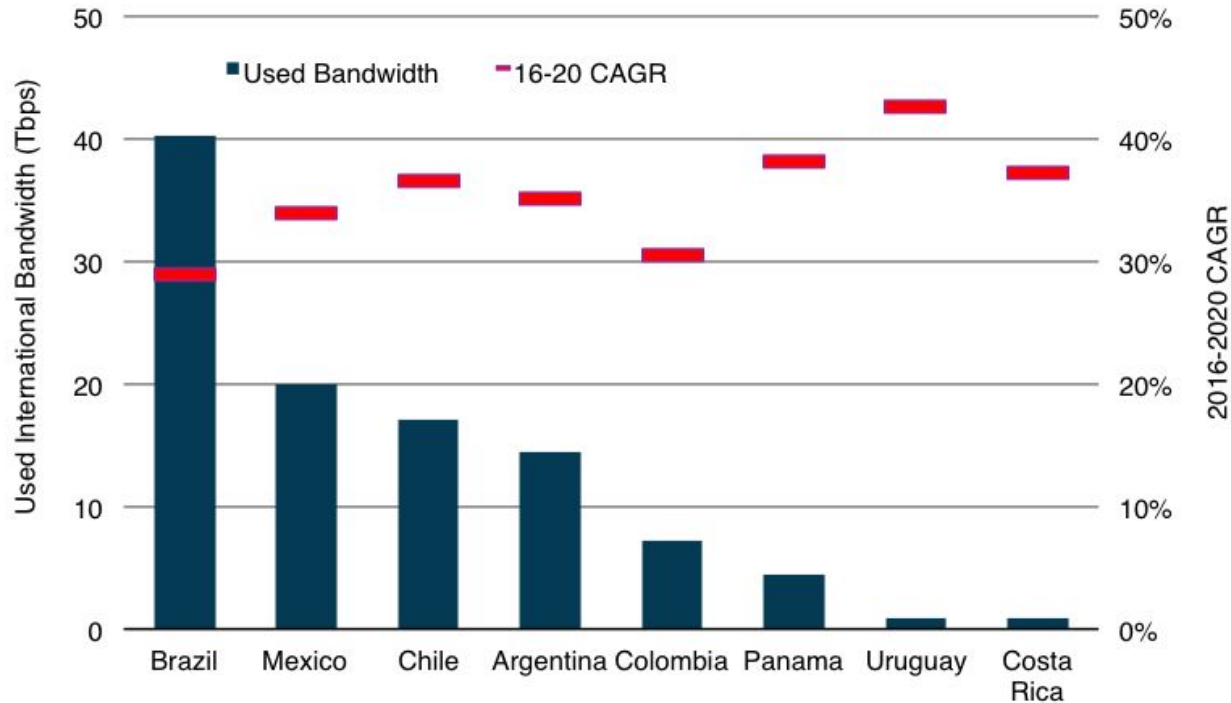
# International bandwidth in Latin America

Used International Bandwidth in Latin America, 2016-2020



# Demand within Latin America varies greatly

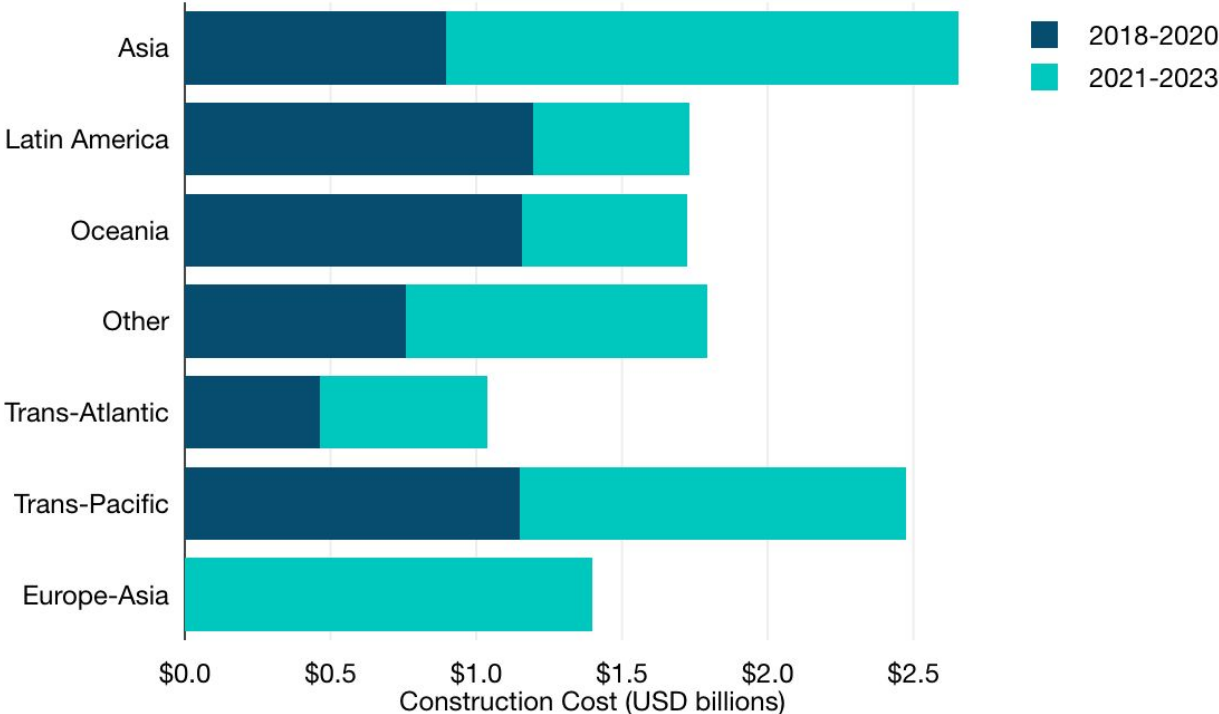
Used International Bandwidth by Country, 2020





# Subsea infrastructure investment all around

Construction Cost of New Submarine Cables Entering Service by Region, 2018-2020



# Announced submarine cable projects

<b>Intra-Latin America</b>		
Malbec	Argentina, Brazil	RFS Q2 2021
SPCS/Mistral	Chile, Ecuador, Guatemala, Peru	RFS Q2 2021
Galapagos Cable System	Ecuador	RFS 2022
<b>Atlantic</b>		
EllaLink	Brazil, Portugal	RFS Q2 2021
<b>U.S.-Latin America</b>		
GigNet-1	Mexico, U.S.	RFS 2022
Aurora Cable	Multiple Latin American countries, U.S.	RFS 2023
Caribbean Express	Colombia, Mexico, Panama, U.S.	RFS 2024

# Announced data centers projects

## **Carrier neutral data centers:**

- Ascenty plans to launch 10 new data centers within the next few years. A total of 7 in Brazil, 2 in Mexico, and 1 in Chile.
- ODATA is building new data centers in Chile and Mexico.

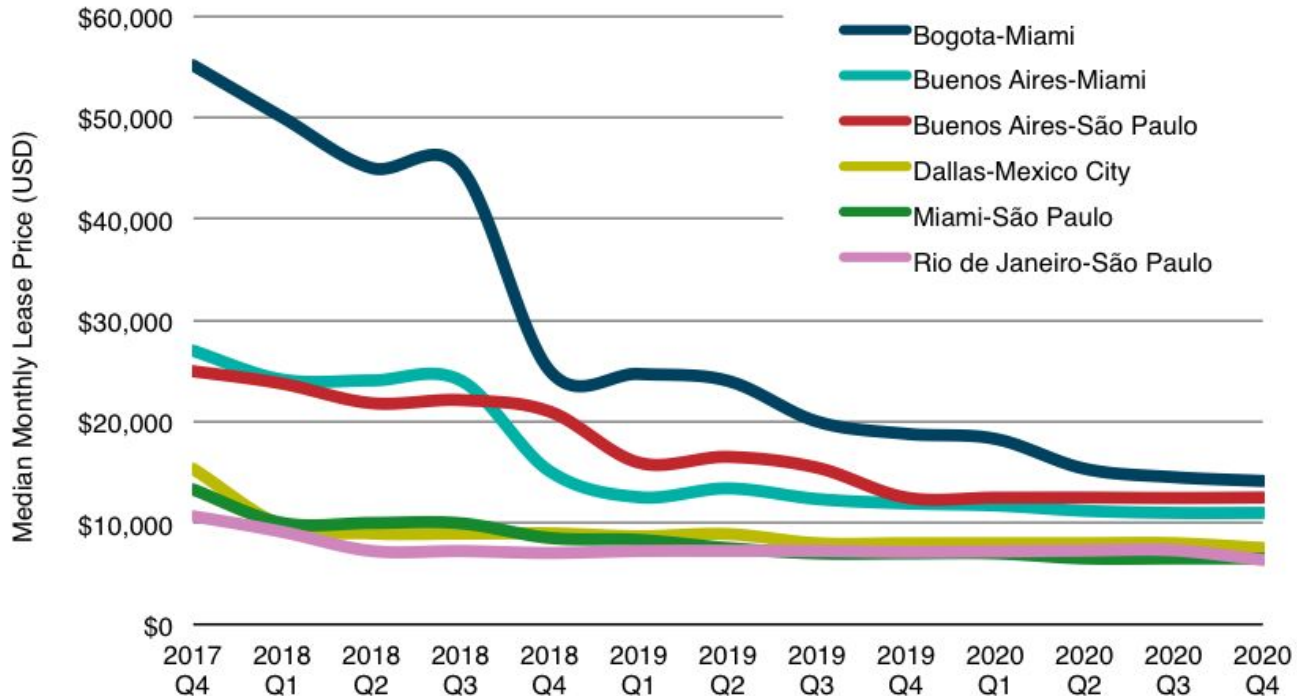
## **Proprietary data centers by cloud service providers:**

- IBM: Brazil
- Google: Chile
- Microsoft: Chile, Brazil, Mexico
- Oracle: Brazil

# Capacity Pricing

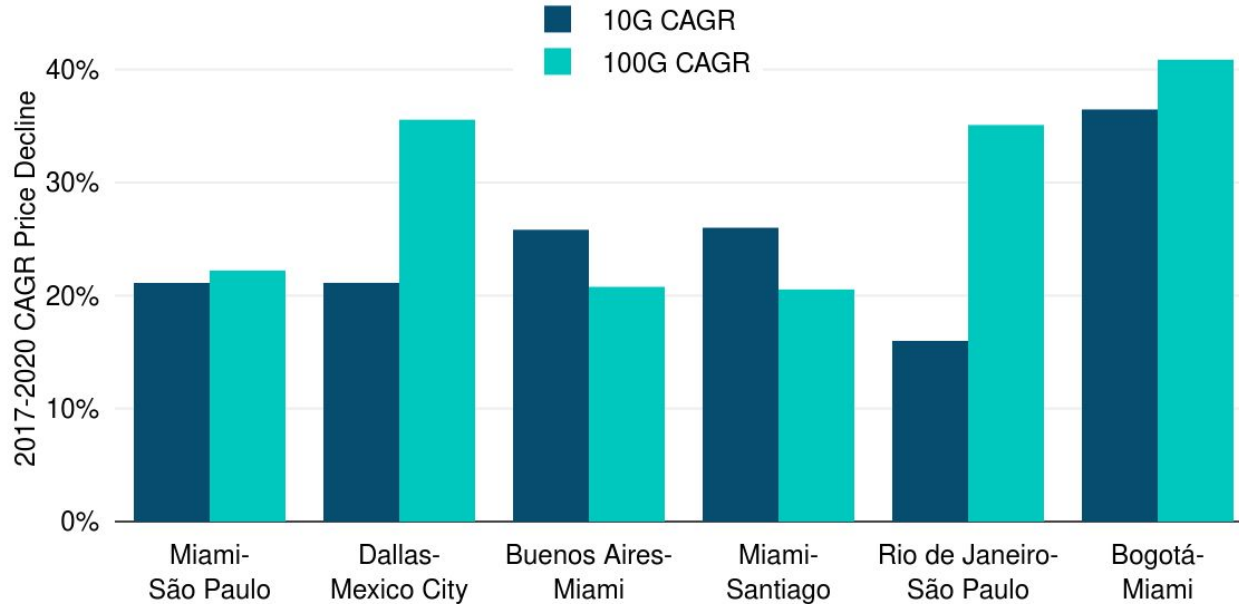
# Bandwidth prices continue to drop

Weighted Median 10 Gbps Wavelength Prices, 2017-2020



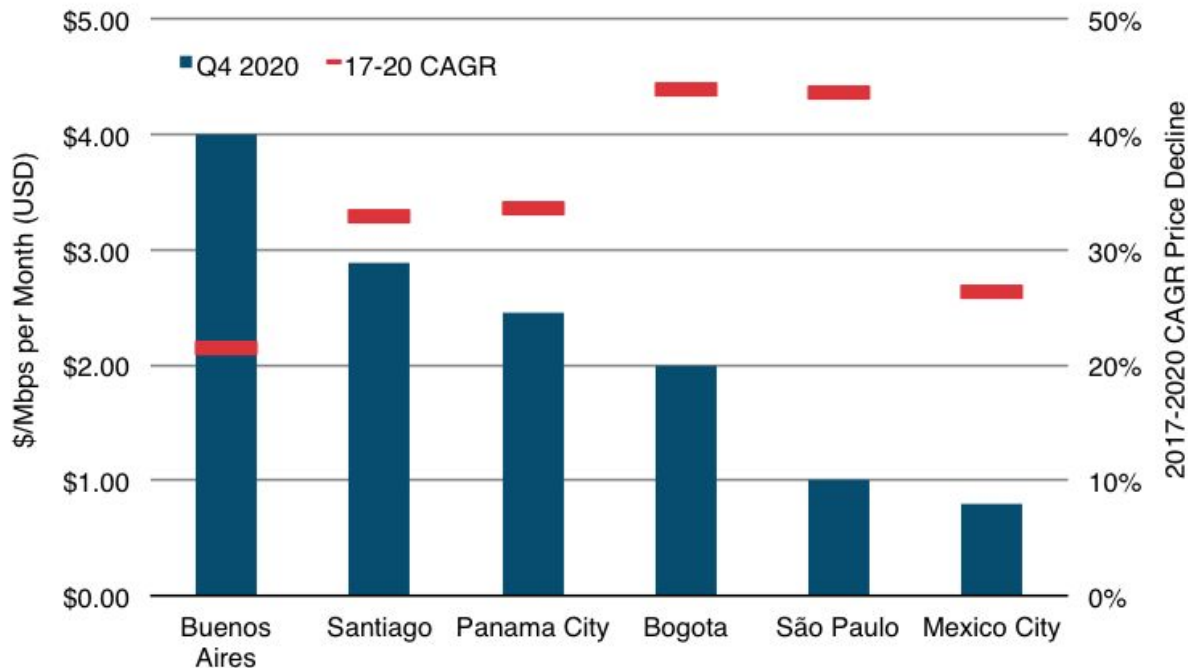
# 100 Gbps experiencing rapid price erosion

Weighted Median Monthly 10 & 100 Gbps Price Erosion, 2017-2020



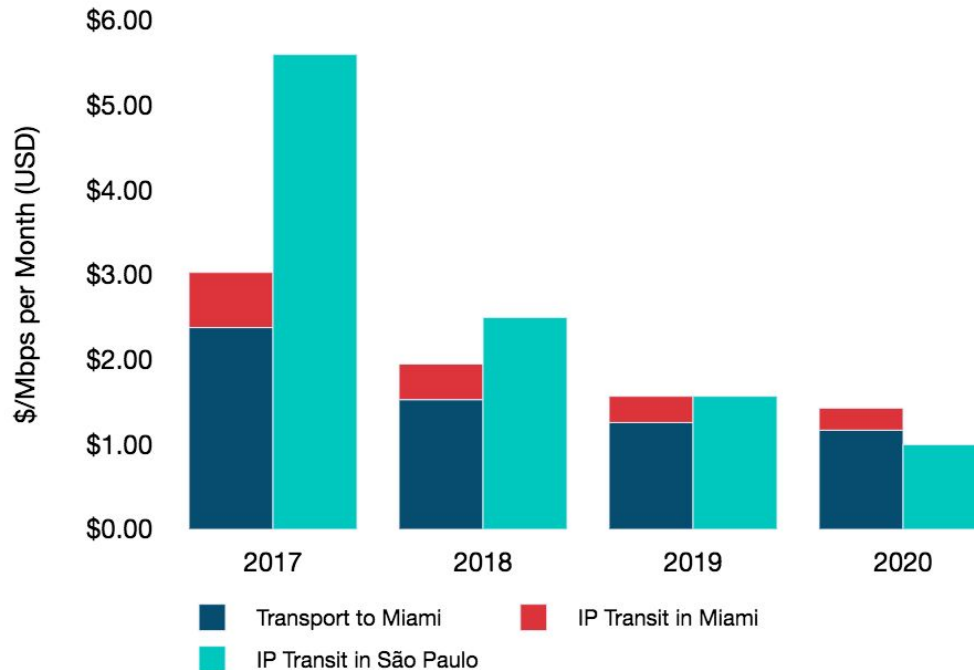
# Transit prices also dropping

Weighted Median 10 GigE IPT Prices, Q4 2020 & Price Erosion 2017-2020



# Business model is shifting

Pipe & Port vs. IP Transit in São Paulo, 2017-2020





# Key takeaways

- Bandwidth demand in Latin America remains strong
- Content providers are influencing new subsea cable builds
- Growing demand and competition are accelerating price erosion
- Still geographic differences in prices

**Thank you!**

Anahí Rebatta

arebatta@telegeography.com