S&P Global
Market Intelligence

FIBER NETWORK COUNCIL APAC

Asia-Pacific Special Report

FTTH business models in the fragmented APAC market

in collaboration with
Fiber Network Council Asia Pacific

S&P Global Market Intelligence Kagan

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Introduction

Fiber-to-the-home (FTTH) has emerged as a transformative solution in the rapidly evolving telecom landscape of the Asia-Pacific region, driving advanced connectivity and digital inclusion. The region is highly fragmented, however, with demands, regulatory environments, and competition dynamics that are diverse and localized. From government-led initiatives to operator-led fiber investments, the constantly changing business strategies aim to optimize infrastructure deployment and enhance service offerings. Hence, the evolving fiber-to-the-home (FTTH) business models have become essential to leverage opportunities and address challenges unique to the Asia-Pacific market.

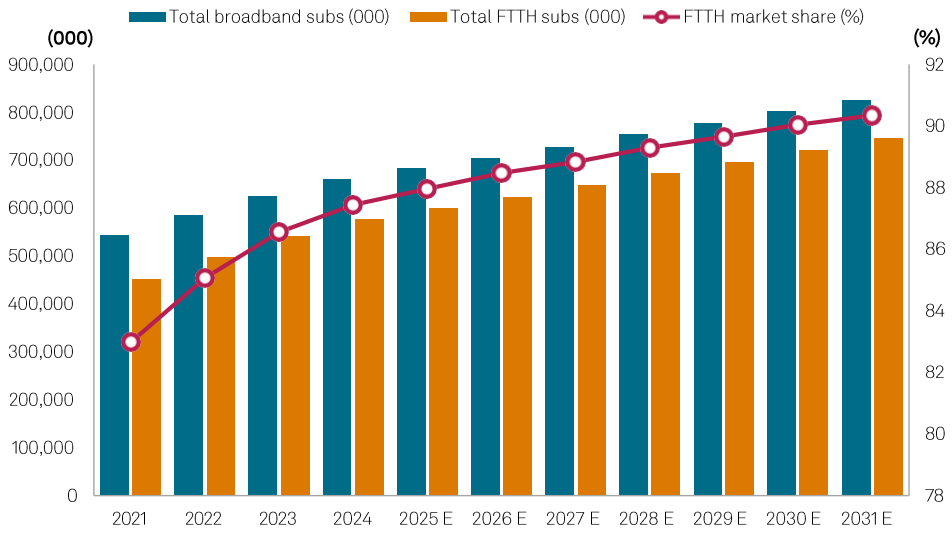
From monopoly to multiplicity: The shift from single-player deployments to infrastructure-sharing and neutral hosts

The fiber broadband landscape in the Asia-Pacific region is experiencing a transformative shift, driven by extensive investments in fiber-optic infrastructure and nationwide projects by leading internet service providers. Fiber broadband has emerged as the leading fixed broadband technology as of year-end 2024, connecting approximately 577.4 million households and capturing 87.4% share of the fixed broadband subscriber base. This growth translates into significant enhancements in internet speed, reliability and overall digital advancements to support the massive demand for data fueled by 5G and AI. Through the collaborative efforts of government regulators and telecommunications companies, the shift from legacy copper and cable networks to high-capacity fiber infrastructure has accelerated in recent years.

As the region embraces this shift, fiber broadband business also moves away from the traditional vertically integrated business model. This is characterized by single operators that manage the entire value chain, with major capital expenditures and strenuous resource allocation, particularly in diverse and demanding Asian markets. The staggering capital investment required for FTTH deployments has hindered growth and contributed to a persistent digital divide, particularly in rural areas. Even in mature markets like Japan, operators face challenges deploying fiber in remote rural areas due to geographic and natural disaster risks. In response, the fixed telecom market is gradually reshaping the financing and construction of fiber connectivity across the region by allowing specialized players, such as infrastructure companies and retail service providers, to coexist and collaborate, thereby creating opportunities for infrastructure sharing, wholesale access and the establishment of neutral host networks.

Government initiatives, such as Malaysia's JENDELA project, India's BharatNet, and the Philippines' National Broadband Plan, play a crucial role in this shift, promoting open access and shared infrastructure to achieve fixed connectivity targets. As the region embraces a multi-layered ecosystem, the potential for enhanced digital inclusion becomes increasingly tangible, positioning the Asia-Pacific as a leader in the global broadband landscape. By 2031, S&P Global Market Intelligence Kagan projects that fiber will account for nearly 90.3% of all fixed broadband households in the region. This shift is expected to drive fiber broadband subscriptions to 824.4 million by 2031, highlighting the growing reliance on this technology.

Asia Pacific FTTH projections, 2021–2031



Data compiled September 2025.
E = Estimate.
Sources: S&P Global Market Intelligence Kagan estimates; Industry data.

Speed vs. spend: Pricing trends and affordability across developed and emerging markets in APAC

In developed markets, average revenue per user (ARPU) remained flat or declined in 2024 due to intense price competition and regulatory interventions. Meanwhile, emerging markets had a rise in prepaid fiber and short-term contracts to attract price-sensitive customers, indicating the potential for increased monetization per customer. In addition, telcos bundle fiber with streaming services, Voice over Internet Protocol (VoIP), online gaming and smart home services to increase ARPU and reduce churn.

Operator-specific fiber pricing varies significantly across the Asia-Pacific region due to differences in market maturity, regulatory policies and competitive intensity. Multi-gigabit plans will become more common in urban locations, with premium pricing for enterprise and high-end residential segments.

Fiber service pricing estimates, as of September 2025

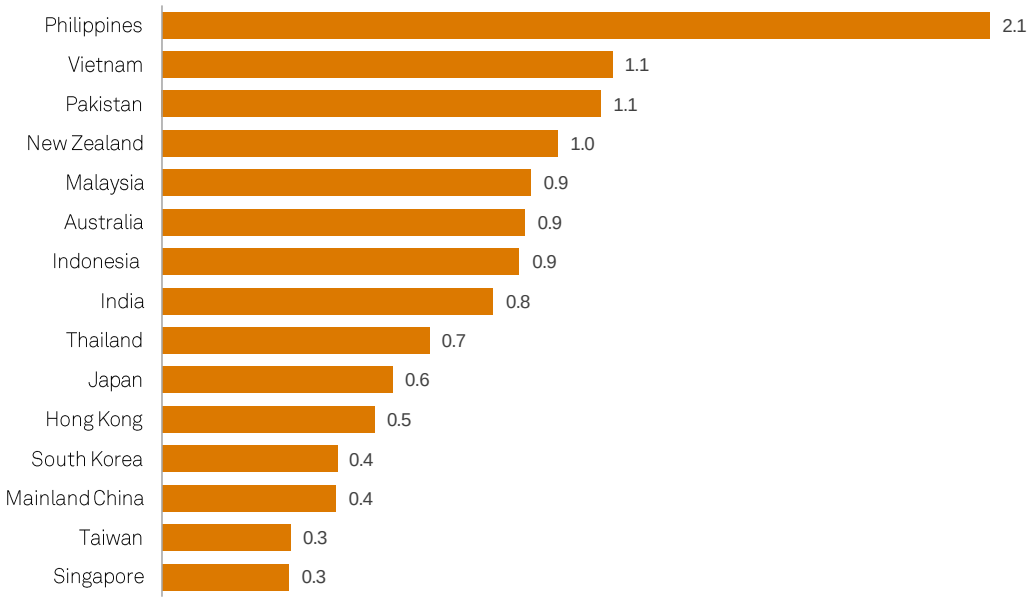
Market	Leading ISPs	Estimated monthly price
Singapore	Singtel, StarHub, M1	$29–$40 (1 Gbps)
Japan	NTT, KDDI, Softbank	$35–$45 (1 Gbps)
South Korea	KT, SK Broadband, LG U+	$25–$35 (500 Mbps–1 Gbps)
Australia	Telstra, TPG, Optus	$50–$65 (100 Mbps)
Malaysia	TM Unifi, Maxis, TIME	$20–$35 (100 Mbps)
China	China Telecom, China Unicom	$10–$20 (100 Mbps–500 Mbps)
India	Jio, Airtel, BSNL	$8–$15 (100 Mbps)
Philippines	PLDT, Converge, Globe	$25–$40 (100 Mbps)
Vietnam	VNPT, FPT, Viettel	$10–$15 (100 Mbps)
Thailand	AIS, True, 3BB	$15–$25 (100 Mbps)

Data compiled September 2025.
ISP=Internet service provider.
Sources: S&P Global Market Intelligence Kagan estimates; Industry data.

Based on 2024 per capita gross national income at purchasing power parity, Kagan calculates that fiber services are affordable in most of the advanced markets.

The Philippines emerging market had the most expensive fiber services in the region in 2024, with an affordability index of 2.1%. The physical act of fiber infrastructure deployment across the Philippines is a significant driver of high costs. The market's complex archipelagic geography and the capital-intensive nature of building telecom infrastructure create a high baseline cost that is passed on to consumers. But with the government's National Fiber Backbone program, local ISPs' fiber business innovation, and a chance for increased operator partnerships, Kagan projects fiber services in the Philippines to be affordable in the future.

Asia Pacific FTTH affordability by market, 2024 (%)



Data compiled September 2025.
Sources: S&P Global Market Intelligence Kagan estimates; Industry data.

The OTT effect: Content bundling and OTT partnerships are rewriting value propositions for telcos

Asia-Pacific telcos tend to integrate online streaming media into their product bundles to penetrate fiber services into markets. The seamless entertainment experience bundled with mobile and fixed-line plans is an edge for carriers to compete for more customers. For example, Indian carrier Bharti Airtel Ltd. bundled its fiber-to-home broadband packages with its over-the-top aggregation service Airtel Black as a selling point, aiming to boost the penetration of its FTTH service in the emerging market.

In addition, OTT players prefer partnerships with telcos and are willing to provide discounted services for the partners' internet offerings, such as high-speed broadband and 5G mobile data. Online streaming requires intensive data traffic as basic infrastructure, which is usually a burden for internet service providers. In some markets, such as South Korea, ISPs tend to levy a charge on the data traffic burden caused by online streamers due to a massive number of viewers watching content on streaming platforms. Partnerships with ISPs usually exempt OTT players from this requirement. In addition, pay TV and telco operators provide OTT services with a direct reach to audiences, which reduces the marketing expenses for OTT services. The partnerships, therefore, are beneficial to OTT players.

India remained the largest market for telco-OTT partnerships, increasing from 117 agreements in 2024 to 139 agreements in 2025. Indian partnerships increased significantly through an abundance of OTT services accessible via OTT aggregation platforms, strong localization of global streaming services, and high demand for streaming content. Meanwhile, direct-to-home pay TV operator Tata Play topped the overall Asia-Pacific market with 33 partnership deals as of September 2025, which accounted for nearly 7% of the total partnership deals in the region.

OTT-operator partnerships in APAC by market, as of September 2025

Data compiled September 2025.
Sources: S&P Global Market Intelligence Kagan estimates; Industry data.

Top APAC telco operators offering OTT apps, as of September 2025

Market	Operator	Number OTT apps offered	Offering fiber broadband? (Y/N)
India	Tata Play	33	Y
India	Vodafone Idea	21	N (formerly offered Vi ONE)
India	Dish TV	21	N (partnered with RailWire for its Watcho service)
Malaysia	Telekom Malaysia	21	Y
India	Airtel	19	Y
Indonesia	Telkomsel	17	Y
Australia	Foxtel	16	Y
Australia	Vodafone	15	Y
India	Hathway	15	Y
India	Reliance Jio	14	Y
Singapore	Singtel	14	Y
Australia	Fetch TV	12	Y (via Telstra)
Malaysia	Astro	12	Y
Japan	J:COM	11	Y
Thailand	AIS	11	Y

Data compiled September 2025.
Sources: S&P Global Market Intelligence Kagan estimates; Industry data.

The rise of tiered value: Operators are monetizing fiber experience — not just Mbps — with QoS guarantees, smart home integration and AI-based network upgrade

In recent years, leading fiber broadband operators across Asia-Pacific have not just stayed in the business of selling speed, but also focused on customer experience, which has become an important variable for continued growth and fiber monetization. Mature markets use this strategy to salvage ARPU and reduce churn, while emerging markets use it to accelerate subscriber acquisition and build long-term service valuation.

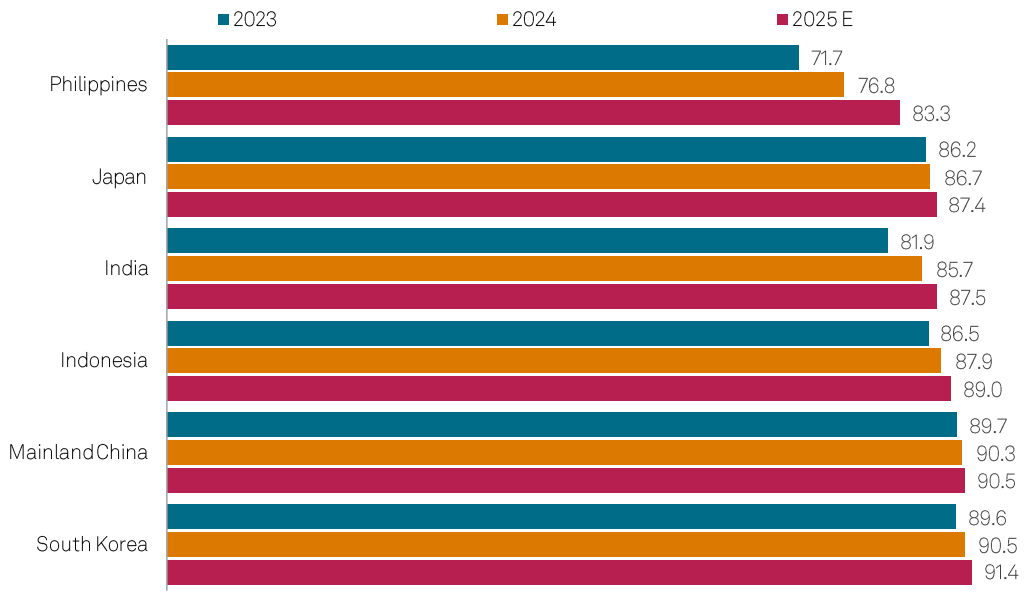
Fiber-to-the-room (FTTR) allows fiber connection directly to multiple rooms within a home, eliminating Wi-Fi dead zones and providing a stable, high-bandwidth backbone for a premium whole-home experience. China Mobile, for example, reported a 264% year-over-year growth in FTTR customers in mid-2025, highlighting strong demand for the service.

Asia fiber ISPs have also positioned themselves as the central hub of the connected home. Smart home integration, delivered through device bundling, platform and app-based command centers, and subscription-based value-added services opened revenue-generating opportunities for operators.

AI in fiber network operations allowed operators to seamlessly identify potential fiber line failures before they occur, making proactive repairs to prevent service outages and improve network uptime. In addition, AI-enabled chatbots and AI-powered diagnostic tools provided prompt solutions for customer concerns and issues.

With the focus on customer experience, fiber broadband households in most Asia-Pacific markets will maintain steady increases long term. For instance, major Asia-Pacific markets, such as South Korea, mainland China, Indonesia, India, Japan and the Philippines, are estimated to have more than 80% of households connected to fiber in 2025.

Fiber share of broadband households (%)



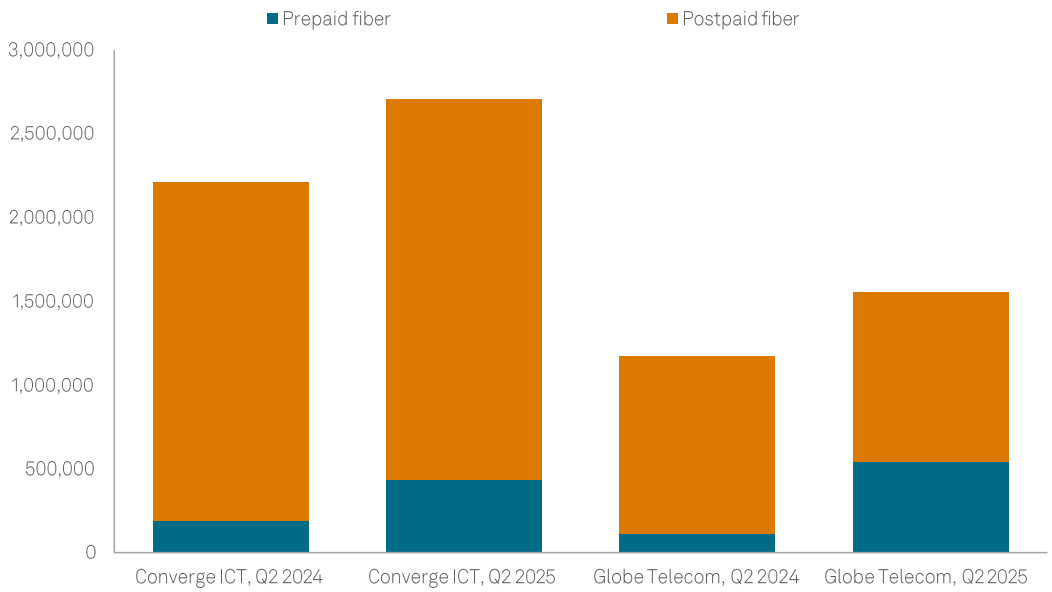
Data compiled September 2025.
Sources: S&P Global Market Intelligence Kagan estimates; Industry data.

The rise of ‘pay-as-you-grow’ and prepaid FTTH plans

The “pay-as-you-grow” (PAYG) model is a scalable, demand-driven approach to network deployment and service delivery. ISPs invest in infrastructure incrementally, expanding capacity and coverage as subscriber demand materializes. PAYG fiber broadband services — where users pay for access in flexible increments rather than committing to long-term contracts — have gained traction, especially in emerging markets and among cost-sensitive consumers.

Prepaid fiber has become a powerful tool for digital inclusion, especially in markets with high prepaid mobile usage and income volatility. This strategy helps operators monetize underutilized infrastructure, reduce churn and reach new customer segments. The Philippines, known for retail products and services, pioneered the strategy through ISPs Converge ICT and Globe Telecom. The operators adapted the retail business strategy and offered prepaid FTTH packages at cheaper prices compared to fiber postpaid plans. The offering received a positive reception from the consumers, leading to a massive subscription growth year over year.

Philippines fiber subscriptions by operator



Data compiled September 2025.
Sources: S&P Global Market Intelligence Kagan estimates; Industry data.

Disruption watch: The M&A landscape and its influence on how FTTH is priced, bundled and sold

Fixed-mobile convergence (FMC) is one of the key drivers in the M&A landscape in the region, where consolidated operators leverage their combined assets to offer integrated bundles of mobile, broadband and content services. This created new commercial strategies for FTTH to capture value and market share in the Asia-Pacific telco market. With the consolidation of telcos, redundant network investments are eliminated, and a more rational pricing environment becomes evident. Southeast Asian markets Indonesia, Malaysia and Thailand experienced operator consolidation in recent years.

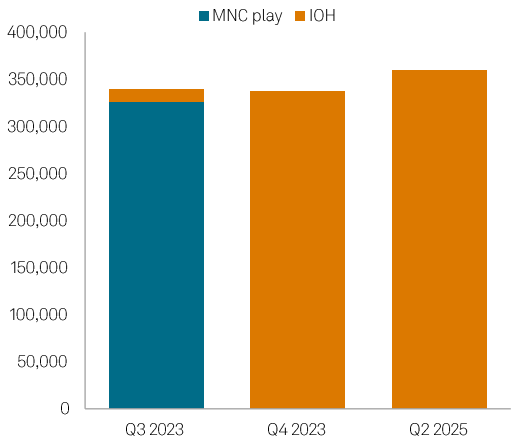
In late 2023, Indosat Ooredoo Indonesia acquired the FTTH customer assets of MNC Play, instantly adding over 300,000 fiber broadband subscribers. The merger of Celcom and Digi in late 2022 created CelcomDigi, Malaysia’s telco market leader, with about 236,000 fiber broadband subscribers as of second quarter 2025.

The AIS-TTTBB (3BB) deal, in late 2023, allowed deeply integrated bundles of mobile, fiber and content in Thailand. However, this consolidation raised regulatory concerns about pricing as the government regulator, National Broadcasting and Telecommunications Commission (NBTC), prohibited AIS from raising broadband internet prices and required it to maintain its lowest-price packages for five years. As of second quarter 2025, AIS had 5.1 million fiber broadband subscribers.

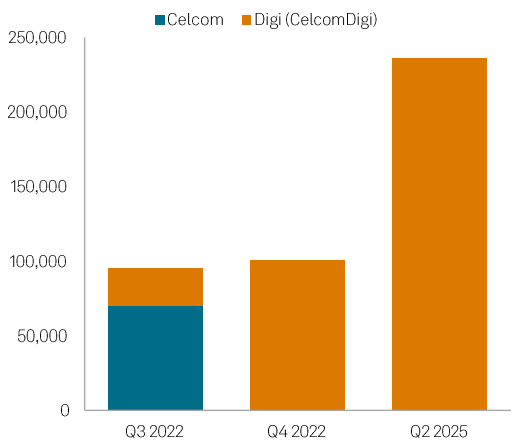
M&A activities maintained a healthy fiber broadband subscription rate in these Southeast Asian markets and are not experiencing churn, according to operator data and Kagan estimates.

Fiber broadband M&A landscape in Southeast Asia

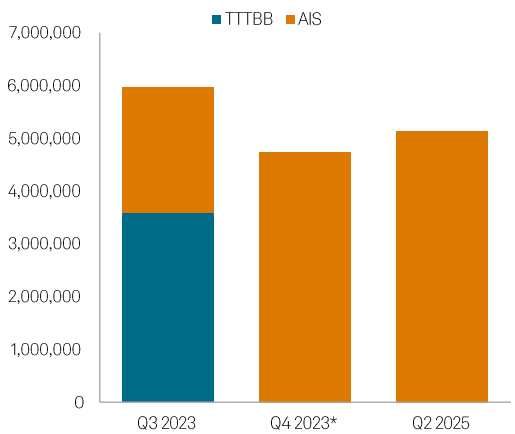
Indonesia



Malaysia



Thailand



Data compiled September 2025.
*2.3million TTTBB subscribers were acquired.
Sources: S&P Global Market Intelligence Kagan estimates; Industry data.

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