

CANADIAN  
DATA COMMUNICATIONS SERVICES  
MARKET REPORT



2020 EDITION

NBI / MICHAEL SONE  
ASSOCIATES INC.

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MARKET REPORT, 2020 EDITION**

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**About This Report**

Examining the period of 2019-2022, NBI/Michael Sone Associates' **Canadian Data Communications Services Market Report, 2020 Edition** continues the tradition as the most comprehensive study published on the Data Communications Services Market in Canada. At 70 pages and including 46 Exhibits, the report provides extensive coverage and analysis of revenues, market shares, and growth forecasts by company and service. This report is the culmination of numerous interviews with industry participants over a period of several months.

Section 1 presents a quantitative summary of the Canadian Data Communications Services Market with a size and growth snapshot of our highlighted segments including Private Line, IP-VPN, Ethernet, DWDM, SD-WAN and Network Management Services. The Market Analysis section provides a detailed examination of the industry with elaboration on service offerings and technology trends. We have also included an expanded section on the emergence, drivers and future prospects of SD-WAN. Section 2 provides comprehensive profiles of 14 significant data communications service providers and explores areas such as product/service development, competitive positioning, business strategy, technology, and prospective initiatives. Each profile includes a qualitative and quantitative review delineated by segment.

A major challenge in compiling this report is ensuring that the definition used for data revenues remained consistent across all the profiled companies, most of which have varying service mixes included as part of their reported data revenues. To the extent possible, estimates of company revenues include those from commercial data communications services used to provide connectivity between sites as well as revenues from management of those services and the networks over which they are provided. The report does not include revenues from consumer services, Internet access, hosting, business

process outsourcing, professional services, or the sale/rental of data communications equipment.

### **A Note Regarding COVID-19 Implications on the Datacom Market**

As this report goes to print, the effects of the COVID-19 pandemic and the response of the Canadian and other western countries have begun to wreak havoc on the Canadian economy and on that of the rest of the first world. The forecasts in this report do not take into account the COVID-19 effect mainly because it is impossible to predict what that effect will be as it depends on the duration of the pandemic, predictions for which range from a few weeks to as long as 18 months.

On the one hand, governments have designated telecommunications services as essential so that telecom providers can continue operating at normal capacity. Many businesses, as well, can continue to operate, even if not essential, as long as their employees can work safely from their homes. However, that will likely put pressure on the major Internet networks, stretching their capacity to handle the expected huge increase in daytime traffic, while at the same time there will be a commensurate decrease in demand for high speed connectivity between corporate locations, which is the bread and butter of most of the services studied in this report. Hospitality and retail are expected to be the hardest hit sectors of the economy, which will no doubt have a serious impact on data revenues across the board. As has already happened, some businesses are at a standstill while others, while continuing to operate will, no doubt, refrain from investment in growth. In summary, if COVID-19 does not clear from Canada by the end of the summer and GDP plunges as expected, we could see declines in overall revenues as high as 20% in 2020, but then with a rebound in 2021.

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