

## 8 EU Member States ahead of the US in broadband deployment says Commission's Telecoms Report

*Denmark, Finland, the Netherlands and Sweden are world leaders in broadband deployment with penetration rates over 30% at the end of 2007, says the European Commission's 13th Progress Report on the Single Telecoms Market issued today. These EU countries, together with the United Kingdom, Belgium, Luxembourg and France, all had broadband penetration rates higher than the US (22.1%) in July 2007. 19 million broadband lines were added in the EU in 2007, the equivalent of more than 50,000 households every day. The broadband sector generated estimated revenues of € 62 billion and Europe's overall penetration reached 20%. However, there is considerable scope for further consumer benefits from a reinforced single market, strengthened competition and reduced regulatory burden for market players.*

*"The European regulatory model is designed to increase competition in the telecoms market and this certainly is starting to pay off," said Viviane Reding, the EU's Telecoms Commissioner. "However, the job is not yet done. Competition is limited for access to the fixed network which is still provided to 86.5% of customers over the incumbent's infrastructure. In addition, though telecoms technologies know no borders, only 30% of major operators' EU business is outside their home market. This shows that we still lack an attractive single market for businesses and services of European dimensions, so we must intensify our efforts to reduce the regulatory borders in Europe. Only by opening up the single market for business will Europe become competitive and will consumers benefit from a wide choice of rich and affordable services."*

Today's Progress Report presents a snapshot of Europe's Single Telecoms Market as of December 2007, based on facts and figures from national telecoms regulators and market players.

The Telecoms sector is worth nearly € 300 billion (2% of EU GDP) and grew by 1.9% last year. 2007 was also the fifth consecutive year of increased investment in this sector, exceeding € 50 billion (similar to the US and higher than China and Japan put together).

### **A Growing Sector**

The mobile sector continues to be the largest in the Telecoms market, with mobile revenues up by 3.8% to € 137 billion. Mobile penetration rose further, to 112% compared to 103% in 2006. 3<sup>rd</sup> Generation (3G) mobile penetration doubled to 20% in 2007, now representing over 88 million subscriptions. As 3G took off, mobile data services grew by around 40%.

Fixed voice telephony revenues declined 5% compared to 2006, with customers switching to mobile and IP services. However, fixed operators were compensated by strong growth in their broadband services, generating revenues of € 62 billion.

### **12 million customers changed operator in 2007**

Falling mobile voice prices of up to 14% reflect reductions in Mobile Termination Rates charged by one operator to another to connect calls between their networks, as a result of intervention by national telecoms regulators. Consumers also benefited from more bundled offerings. 13% of Europeans now subscribe to a bundled offer with a single bill, 12% include TV in their bundled package, 23% voice telephony, 6% mobile telephony and 24% Internet access.

Number portability – switching operator without changing number – is now possible for fixed and mobile users everywhere except Bulgaria and Romania. 12 million consumers switched operator in 2007.

### **The Single Telecoms Market: ...a lot still to do**

The Commission's report also identifies areas where the Single Telecoms Market is incomplete:

- Incumbent operators hold more than 46% of broadband lines and in 7 Member States control more than 60% of broadband connections. In Cyprus, Luxembourg and Finland, the incumbent's broadband market share is higher than 70%. Moreover, access to fixed telephony is still provided to 86.5% of customers over the incumbent's infrastructure, and to more than 95% in the case of 12 Member States, either because regulatory changes have yet to be made or to take effect.
- Mobile Termination Rates (MTR) have gone down in 2007 but vary widely across the EU. The EU's highest MTR is more than 10 times higher than its lowest: 1.9 Euro cent/min in Cyprus, 22.4 in Estonia. This can cause uncertainty for pan-European operators.
- Number portability is applied inconsistently across the EU. It takes one day in Ireland and Malta to change mobile operator, but up to 20 days in Italy and Slovakia.

Proposals for a reform of telecoms regulation in Europe were adopted by the Commission in November 2007 (see [IP/07/1677](#), [IP/07/1678](#) and [MEMO/07/458](#)). These proposals are currently being discussed in the European Parliament and Council.

### **For more information:**

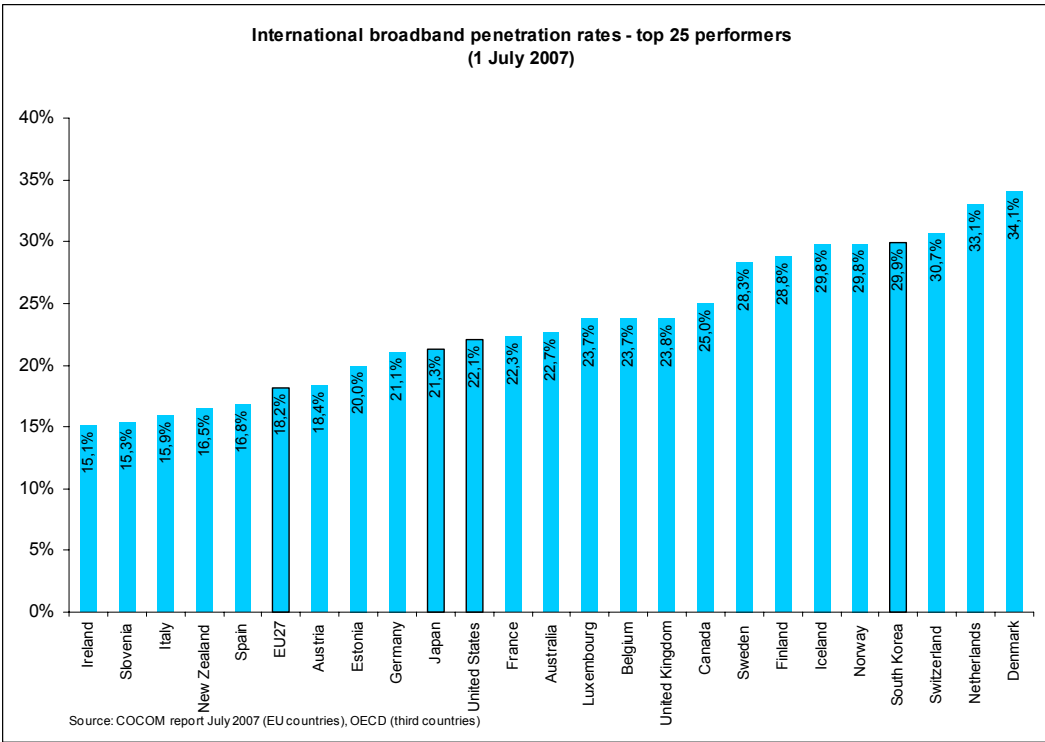
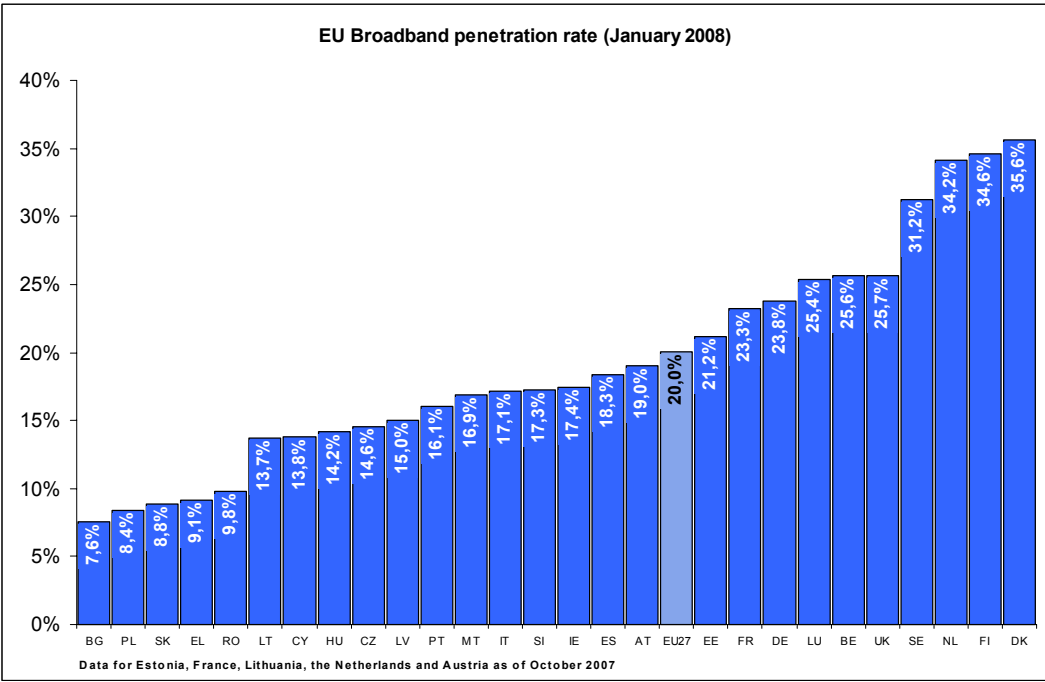
MEMO/08/167

See [IP/07/435](#) for the 12<sup>th</sup> Implementation Report 2006.

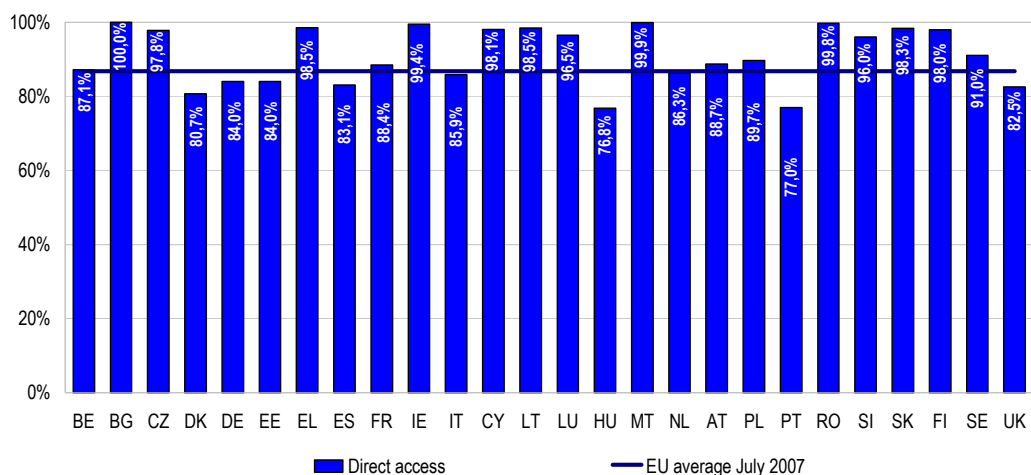
Press pack with the whole text of the Single Market Telecoms Progress Report 2007 and Country Fact Sheets on all 27 EU Member States:

[http://ec.europa.eu/information\\_society/newsroom/cf/itemlongdetail.cfm?item\\_id=3963](http://ec.europa.eu/information_society/newsroom/cf/itemlongdetail.cfm?item_id=3963)

eCommunications website: <http://ec.europa.eu/ecomm>

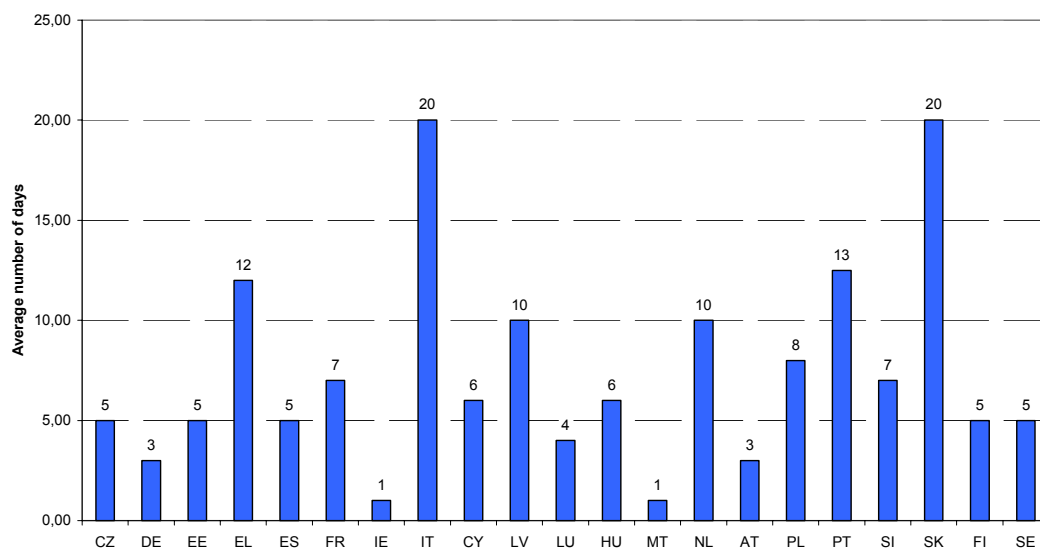


Subscribers using incumbent for direct access, July 2007  
EU average: 86.5%



Data for Latvia unavailable

Time needed in number of days for mobile number portability. October 2007  
(european average: 8.41 days)



Data only available for 21 Member States

Interconnection charges for call termination on mobile networks  
(national average on the basis of subscribers)

EU average Oct. 2007: 9.67 €-cents

