

Launch of Forfás Broadband Benchmarking Study

Forfás today (Monday 5th December) published its report, *Benchmarking Ireland's Broadband Performance*, which assesses Ireland's competitiveness in terms of broadband availability, take-up, quality and choice.

There have been a number of significant developments in the broadband market in Ireland in the last 12 months, including substantial growth in broadband take-up (from 63,600 in Q2 04 to 175,500 subscribers in Q2 05), further decline in prices and continued progress on the rollout of the Metropolitan Area Networks (MANs) and the County and Group Broadband Schemes. However, in spite of these developments, Ireland's relative broadband take-up performance has not improved.

Speaking on the launch of the report Martin Cronin, Chief Executive, Forfás commented "Although broadband take-up in Ireland is increasing, take-up in other countries is also growing and as a result Ireland's relative performance has not improved. Broadband is of key strategic importance to economic growth in all sectors and particularly with respect to improving Ireland's productivity performance. In light of this, continued poor broadband performance will have serious implications for our future economic success and competitiveness".

Forfás started benchmarking Ireland's broadband performance in 2002 and, earlier this year, revised the benchmarking process, placing a greater emphasis on looking behind the numbers to understand why Ireland continues to be outperformed by other countries in terms of broadband take-up.

One of the key objectives of the study is to understand why broadband take-up in other countries continues to outperform Ireland.

"Greater competition both between infrastructure platforms (such as cable and DSL) and within the DSL market, as well as initiatives to drive demand, for example, the integration of ICT into the education system, have emerged as the key factors driving broadband take-up in other markets", according to Martin Cronin.

"To bring about the change needed to improve Ireland's broadband performance requires the engagement of all stakeholders from government, the telecommunications industry and broadband users. Forfás is engaging in further consultation with stakeholders to develop detailed policy recommendations that will effect the change required" commented Mr. Cronin

Written submissions are invited on the key issues highlighted for attention by the benchmarking analysis. These include:

- Increasing broadband availability
- Increasing competition in the market place
- Creating awareness to increase demand

Submissions should be sent to Forfás by 5pm on Friday, 3rd February 2006.

Key Findings

- **Broadband Availability**

At the end of Q2 2005, Ireland ranked 25th out of the 32 countries for broadband take-up. When the comparator group is limited to the 21 countries benchmarked in the 2004 study, Ireland's position has actually deteriorated, from 18th out of 21 in 2004 to 19th out of 21 in 2005.

- **Broadband Costs**

The cost of entry-level DSL in Ireland has decreased significantly since the launch of services in 2002. Based on the amortised monthly costs for 1Mbit/s DSL, Ireland currently ranks 7th cheapest of 32 countries benchmarked.

- **SME Broadband take-up**

In terms of broadband take-up by SMEs, out of 20 EU countries included, Ireland ranks 17th out of 20 for take-up by companies with a workforce of between 10-49 employees and 19th out of 20 for take-up by companies employing 50-249 people.

- **Broadband Availability**

Notwithstanding significant improvements in DSL availability in Ireland since its launch in 2002, DSL coverage in Ireland based, on population, stands at 72%, making it the second lowest of the EU-15 countries.

- **Quality of Service (bandwidth capacity/choice of advanced products)**

A broadband innovation index, used to measure quality of service (bandwidth capacity/choice of advanced products) performance across the benchmark countries, ranks Ireland 21st out of 30 countries on this important indicator.