

Press Release

Launch of Broadband Benchmarking Study – Forfás

Forfás today (29th November 2004) published a Broadband Telecommunications Benchmarking report assessing Ireland's competitiveness in relation to 21 countries with particular focus on the broadband telecommunications requirements of the enterprise sector. The report presents an update of progress over the past 12 months, and sets out recommended actions for 2005.

Speaking at the launch of the report Martin Cronin, Chief Executive, Forfás commented "Ireland has made substantial progress in a number of key areas since our last report in January. These include a rapid growth in DSL, improvements in DSL coverage and substantial reductions in the cost of DSL services. Business broadband continues to grow with an estimated 30% of small and medium sized companies now having a broadband connection. Ireland continues to be competitive both in terms of international and inter-regional connectivity."

The Report also identifies a number of areas where Ireland is performing poorly or has slipped in the rankings.

"The rollout of broadband continues to be an issue and the results in this report show that we have slipped further behind both average and leading countries. The report estimates that compared with the average across countries surveyed, there is currently a broadband deficit in Ireland of up to 360,000 connections," continued Mr Cronin.

The report attributes this slippage of Ireland's position to:

- a lack of growth in competing technologies, especially cable which is very strong in other countries
- a lack of competition and innovation within the DSL market

Key Report Recommendations

The report makes a number of recommendations to ensure that Ireland builds on the progress achieved over the last 12 months:

Encouraging the development of Inter-Platform Competition

- The Department of Communications, Marine and Natural Resources to work with the Local Authorities and the Department of the Environment and Local Government to reduce the high charges involved in rolling out infrastructure by cable and telecoms operators
- ComReg to review broadband spectrum usage with the objective of encouraging operators to maximise the use of spectrum resources when delivering broadband services
- The Department of Communications, Marine and Natural Resources should update the Wireless Telegraphy Act (1926) as a matter of urgency to ensure regulatory certainty which allows for innovative access to spectrum and provides financial institutions with greater certainty with regard to investing in companies in the wireless space.

Promoting Competition and Innovation within the DSL Market

- ComReg should continue to put pressure on the incumbent to reduce local loop unbundling charges further so that other companies can access local exchanges and provide innovative services.

Development and Use of State Networks

- The Metropolitan Area Networks programme should be further developed by the Government and local authorities by:
 - Making additional funding available to expand the size of some of the constructed networks;
 - Including and prioritising those centres of strategic importance to the development agencies and key centres for development under the National Spatial Strategy.
- Establish a competitive single national rate for national backbone access (over state owned networks). This would facilitate uptake of broadband by businesses and consumers in the regions, as well as helping to attract foreign investment to the regions.
- Encourage Dublin City Council to ensure open access to its 170km of fibre ducts within Dublin City.

Ends.

The full Forfás Broadband Telecommunications Benchmarking Report can be downloaded at <http://www.forfas.ie>

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Forfás

Forfás is the national board responsible for providing policy advice to Government on enterprise, trade, science, technology and innovation in Ireland. The primary function of Forfás is to promote economic development in Ireland. Forfás achieves this by advising on policy for the promotion of enterprise, technological development and competitiveness in Ireland for the benefit of all.