

Broadband Opportunity in Europe's New Member States

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Abstract

New Member States in Europe are advancing their plans to develop their e-economy. Central to these plans is the need to make broadband connectivity widely available to both residential and small business users. A variety of broadband deployment approaches are being adopted to ensure that developments are sustainable. This requires that not only is there capital to build a network in the first place, but that there are sufficient wanted services and supporting infrastructures available to ensure that the networks will be used and that a total package can be offered at an affordable price. Establishing broadband connectivity in a new area is therefore complex and dynamic with many interdependencies. As European telecom regulations are applied, competition and the formation of partnerships are likely to play an increasing role.

This paper will present results from the first 6 months of the work of the FP6 IST BReATH project. The project started its work in June 2005 with the aim to stimulate and support the transfer of know-how and best practices in planning and delivering broadband services to the EU New Member States and Associated Candidate Countries, involving as many stakeholders as possible and fostering cross-border research collaboration.

Broadband as an enabler in Economic Development

The deployment of new broadband technologies, such as ADSL and cable modems, has spurred a dramatic growth in the take up of internet services for both residential and business users. However deployment has progressed at different rates in the regions of Europe. As some countries are now approaching 100% availability of broadband access to users, others are just starting out or beginning to experience high rates of growth.

For example the Czech Republic and Slovakia have very low numbers of broadband lines but these have doubled between July 2004 and January 2005, while Slovenia has increased by more than 50% in the same period [1].

But growth in broadband lines alone is insufficient; useful services must also become available. The report [2] shows that the online sophistication of public services in New Member States is not very advanced. The report provides benchmarks for online public services in Europe and gives the highest score in Sweden at 74%. But in Poland (where there are now more than 1.25 million broadband lines), Slovakia, and Latvia the scores are below 40%.

This serves to illustrate that there is huge potential growth for electronic services in the New Member States and Associated Candidate Countries, and this in turn will lead to further growth in demand for connectivity. The rate of development will be influenced by the regulatory environment. The potential represents a huge opportunity for both network and service providers who operate within the region. The availability of broadband infrastructure is expected to be a key enabler in the economic development of the region that will lead to benefits for the whole of Europe.

The BReATH Project

The BReATH project [3] will assess and benchmark the current status of broadband networks and services in New Member States and identify problems, hurdles and bottlenecks to their deployment. It will carry out case studies, techno-economic studies and strategic modelling to support discussions with regional economy developers to find ways of overcoming barriers to implementation and will explore methods for creating incentives for broadband investment in the New Member States. These investigations will cast light on the sensitivities and issues associated with approaches to particular developments and will place the results in a regional context.

This paper will present the status of broadband deployment in the Czech Republic, Poland and Slovenia as well as in other New Member States and will describe some of the approaches being adopted. It will also explain networking initiatives that the BReATH project is taking to facilitate the deployment and take up of broadband in New Member States and Associated Candidate Countries. This includes detailed evaluation in the use of technologies, including techno-economic analysis and the information this generates about strategic and regulatory approaches that are being analysed within the project.

Acknowledgments

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References

[1] European Commission report, COCOM05-12 final, working document prepared by the Communications

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[2] ONLINE AVAILABILITY OF PUBLIC SERVICES:
HOW IS EUROPE PROGRESSING? WEB BASED
SURVEY ON ELECTRONIC PUBLIC SERVICES.
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2004, prepared by: Capgemini For: European Commission
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[3] www.ist-breath.net

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