

„Broadband in the 21<sup>st</sup> century“  
CEPS, Brussels,  
May 26th, 2009



# Broadband ahead!

Essential concepts for a broadband strategy

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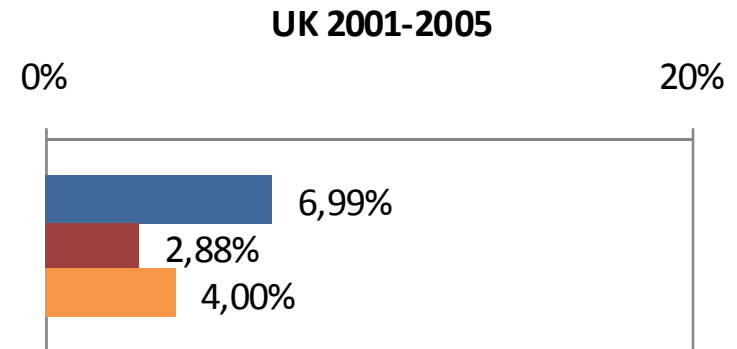
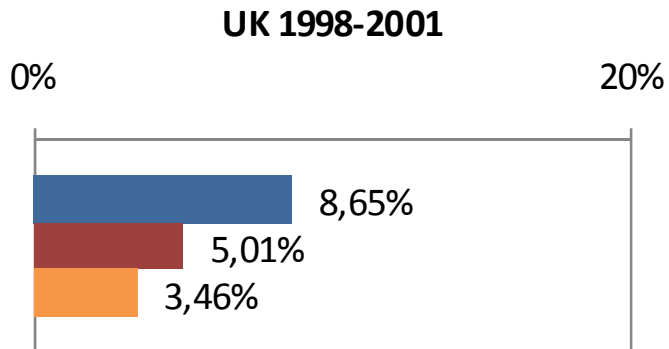
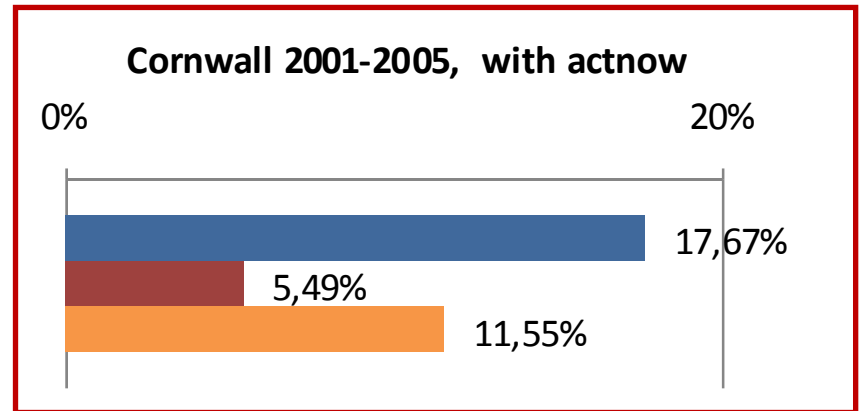
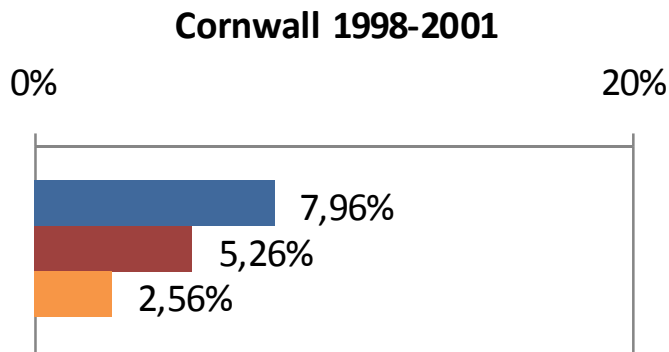
a consulting partner for private companies and the public sector in Germany and Europe.

- Market research and strategy development for public services and private companies
- Information and communication technologies
- Modernization of the public administration

**micus**STUDIE (examples)

- The use of Galileo applications in public services  
*On behalf of the German Ministry of Circulation, Building and Urban Development, 2009*
- Assessment of the Re-use of Public Sector Information (PSI)  
*On behalf of the European Commission, 2008*
- Alternative communication channels for critical processes  
*On behalf of the German Federal Administration for IT security, 2007*

## Empirical evidence in the business services sector



■ GVA growth    ■ Employment growth    ■ Productivity growth

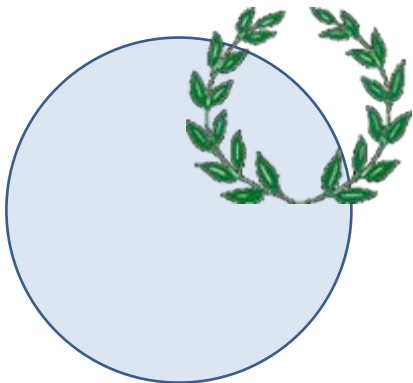
**Broadband workers** have access to a large information base and a worldwide business network: **high productivity, high innovation potential**



**In all economic sectors,  
in all kinds of activities!**

**Broadband companies** specialize in information intensive activities:

- High productivity, increase productivity in other economic sectors
- Innovation intensive to stay ahead of worldwide competition



**Companies with broadband connection: 74.5% + 13.2%/year**  
**„Broadband companies“: 23.1% + 3.0%/year**

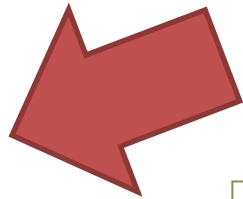
(EU27, 2006, MICUS based on Eurostat statistics)

European/ American workers are highly qualified, but with high salary levels. We are not competitive for routine jobs and „low intelligence“ occupations.

**A current situation under high pressure from the global economy**



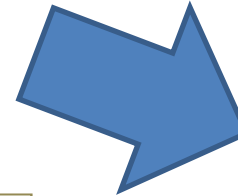
Come back to a lower life standards level



-1,319,000 jobs/year  
+1,424,000 jobs/year  

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+105,000 jobs/year  
(only broadband-related)



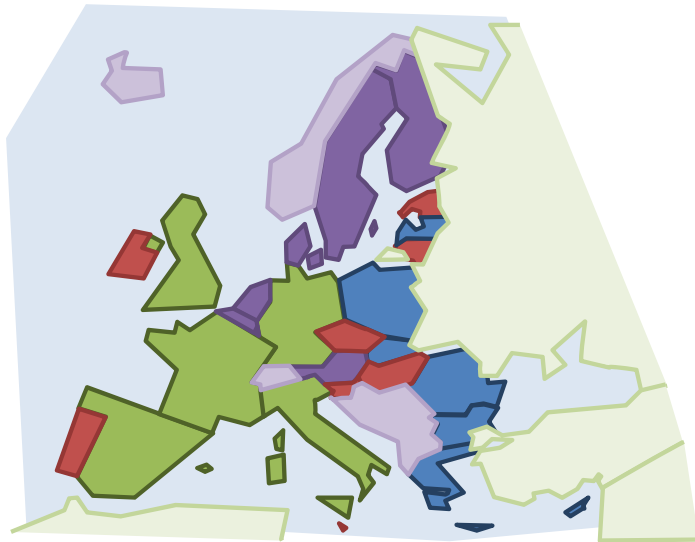
go further in developing comparative advantages in

- high competencies
- innovation capacity
- information intensive activities

+2,112,000 jobs until 2015  
(net jobs creation, best case, EU27)

**Broadband development belongs to a coherent strategy towards high competences and information intensive activities.**

70% of jobs creation related to broadband is directly due to innovation.  
Broadband development is strongly related to innovation policies.

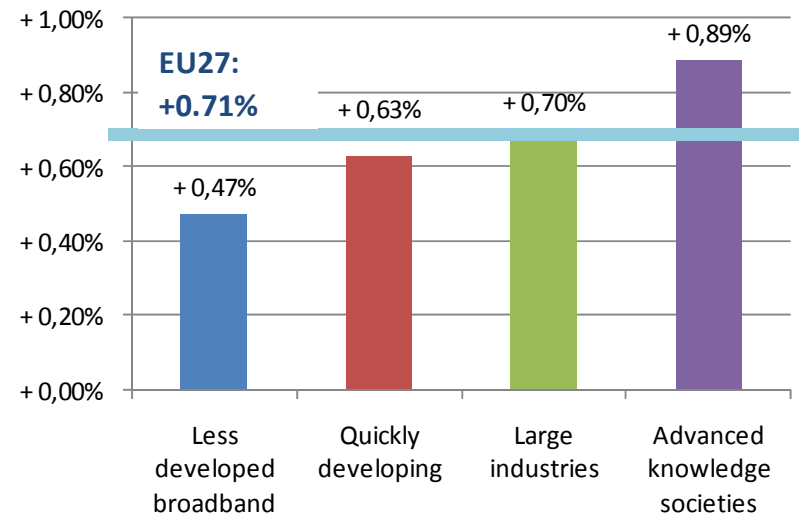


„In developed markets, innovation is a priority.“  
(CEO Briefing 2007, Economist Intelligence Unit)

Innovation is about “making the first move”.  
In an open, global economy, being among  
the group of pioneers is necessary to get  
the benefits of innovation.

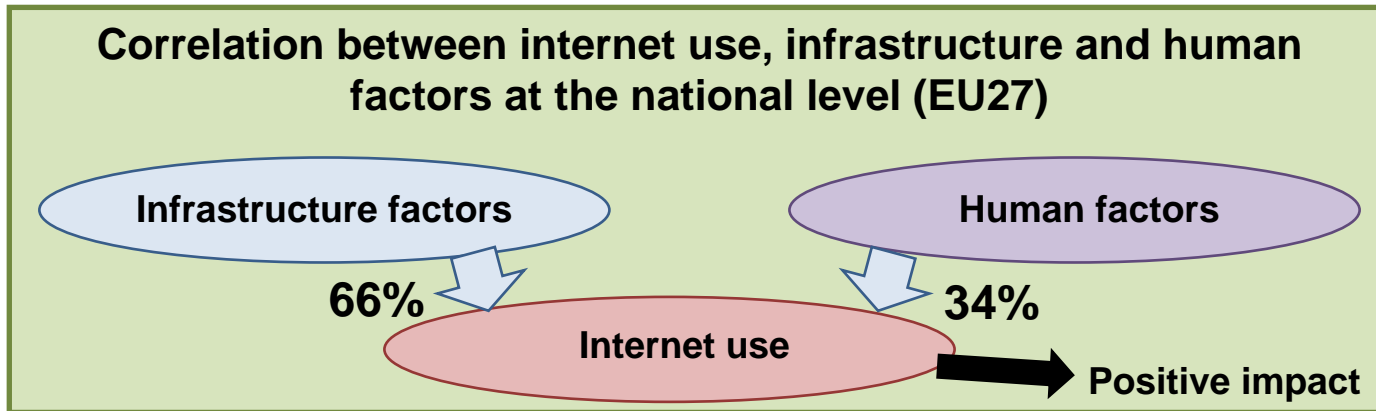
The impact of broadband is stronger in the  
most advanced and innovative countries.

**Broadband impact, %GDP**

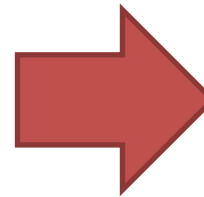


Not all companies having a broadband connection do take advantage of broadband potentials. **Entering the „knowledge economy“ is not trivial.**

**Correlation between internet use, infrastructure and human factors at the national level (EU27)**



+13% connected companies but only +3% annual adoption of broadband applications in businesses



Only +0.29% annual productivity increase!



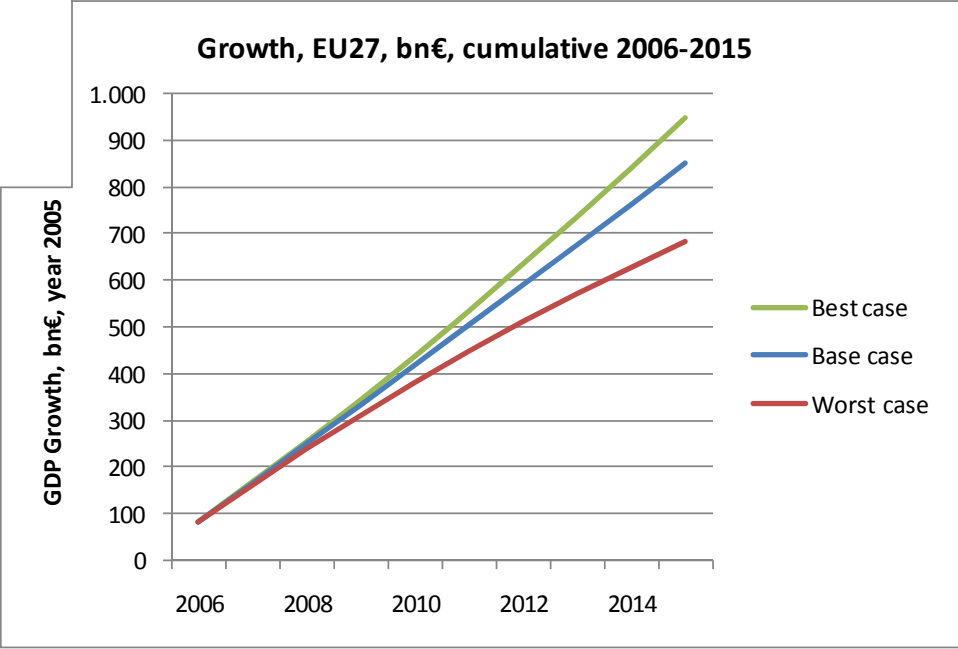
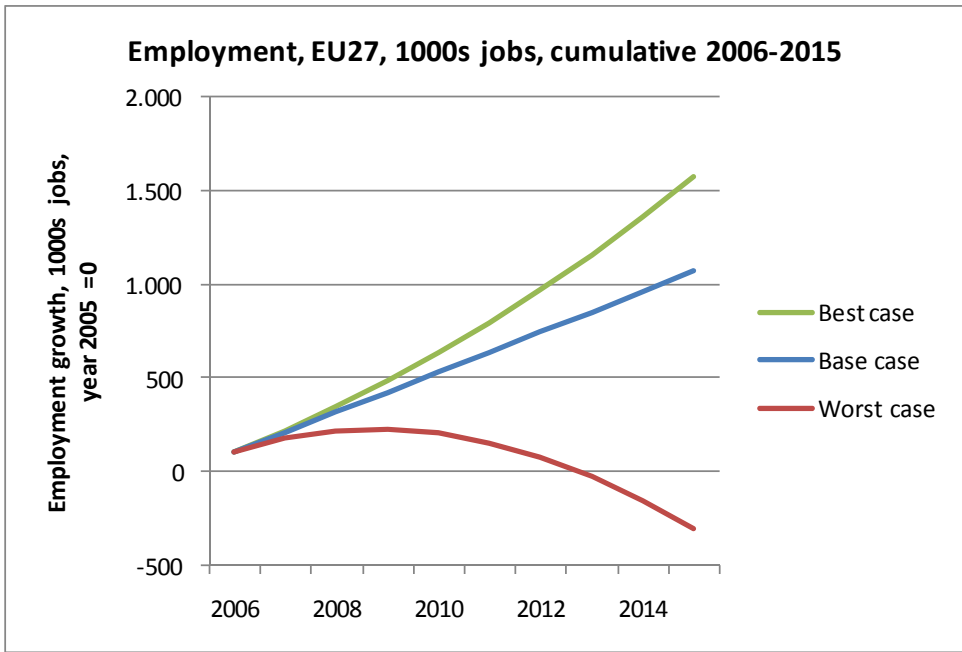
**A very slow process, independently from investments in new infrastructures**



Even worse in SMBs and less developed countries: the digital divide is still growing.

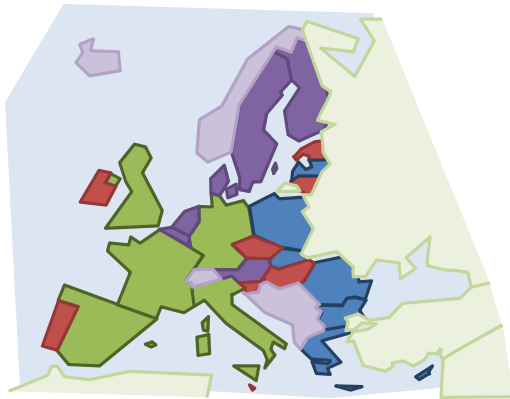
# Scenarios: best case, base case and worst case

## More than 1.5 billion jobs can be created until 2015



Four main strategic lines apply in all cases:

1. **Develop the broadband infrastructure.**
2. **Rely strongly on education for a long-term development of the knowledge society.**
3. **Use adequate drivers to foster the use of online applications in companies and by individuals.**
4. **Promote innovation.**



**But: No “one suit fits all”.**  
Distinguish adequate strategies  
for each level of development.



Tank you for your attention

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