Development of the broadband market in Belgium & the role of the BIPT

Axel Desmedt
Member of the BIPT Council

27 February 2014

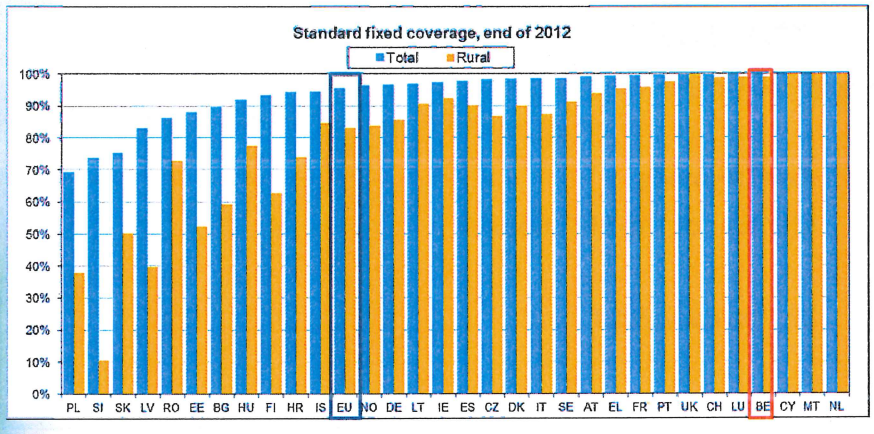
Fixed Broadband

Basic broadband for all by 2013

European Commission

Standard fixed broadband* availability

adding wireless, EU coverage is 99.97%

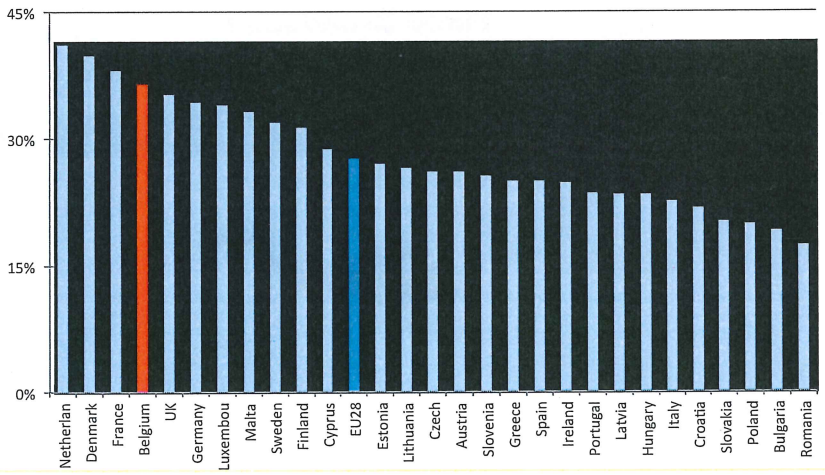


*xDSL, Cable, FTTP and WiMax; Source: Point Topic

3

BIPT

Belgium: 4th highest broadband penetration (population - July 2013)

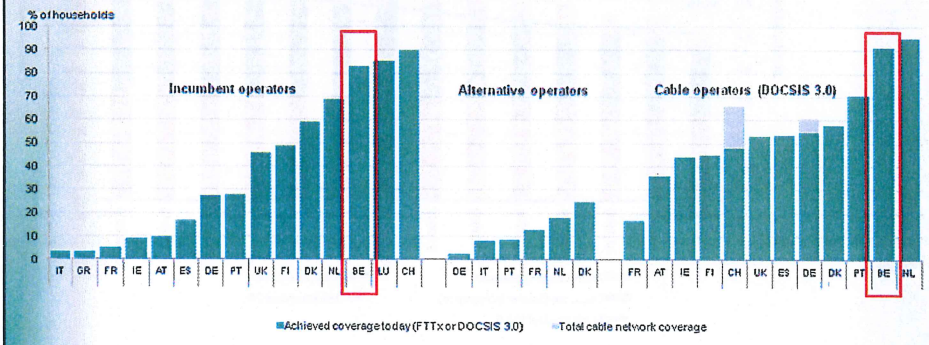


Source: Analysys for Comreg quarterly report, Q3 2013, 18 December 2013

4

NGA in Belgium

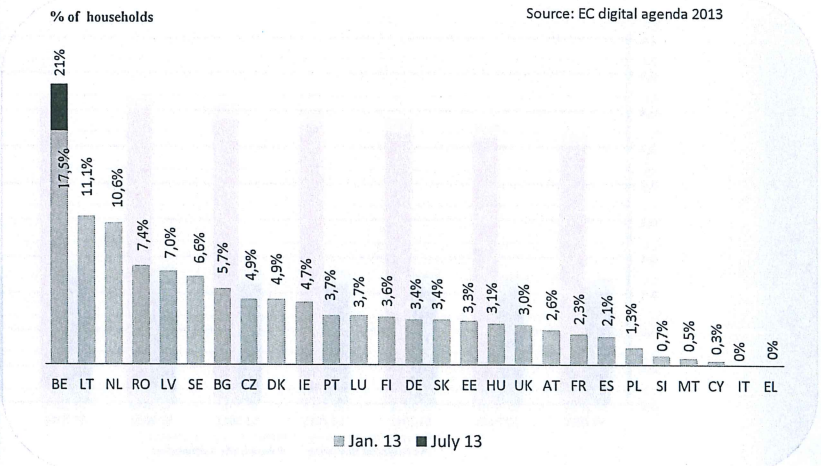
Belgium has one of the largest coverages of NGA networks in EU:
- > 87% VDSL2 end of 2013
- 90% VDSL2 planned by end March 2014 (launch of long reach profiles)
- 90% Eurodocsis 3.0



Source: Cullen, February 2013

5

Belgium is best in class for uptake of very high speed broadband (< 30 Mbps)

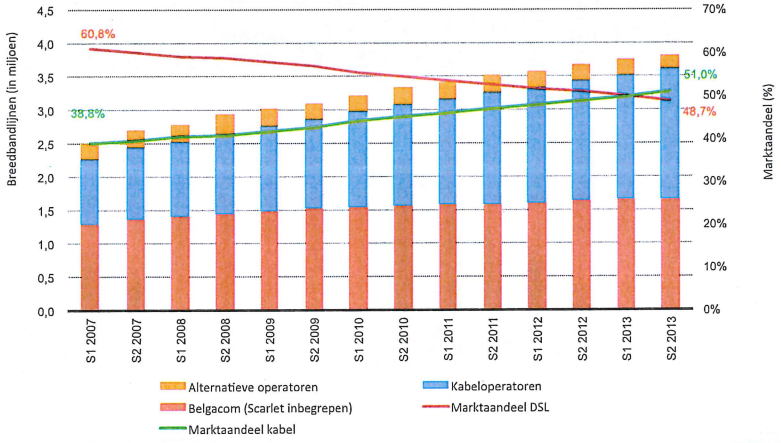


Source: BIPT

6

BIPT

Retail fixed broadband market: cable holds higher market share

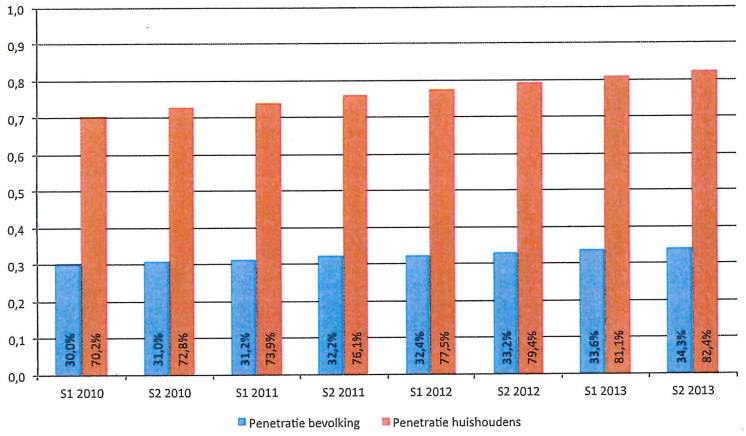


Source: BIPT

7

BIPT

Retail fixed broadband penetration (households)



Source: BIPT

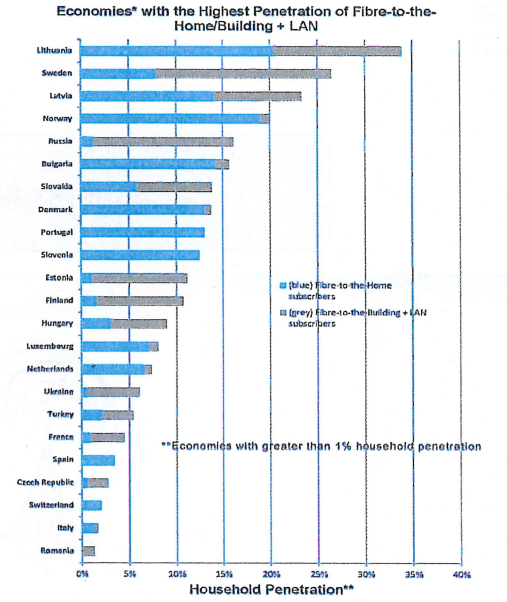
8

BIPT

FTTH

- Limited FTTH in Belgium (only greenfields)
- Need for regulatory framework that gives investment incentives and stimulates competition

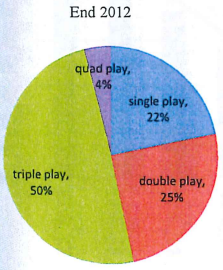
Source: FTTH Council, Idate, Dec 2013

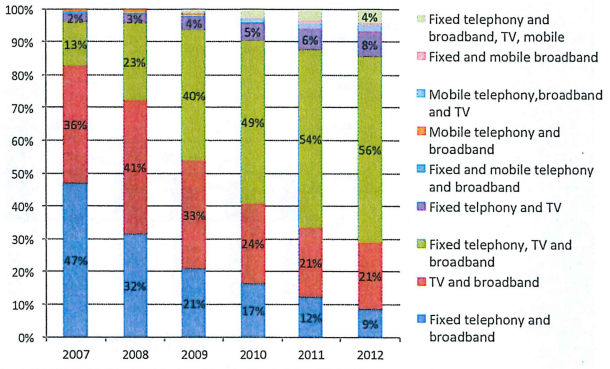


BIPT

Stand-alone broadband versus bundles

- 78% of broadband subscribers have a bundle
- Fixed telephony is present in 77% of the bundles
- 59% of the digital TV subscribers have a bundle





Source: BIPT

10

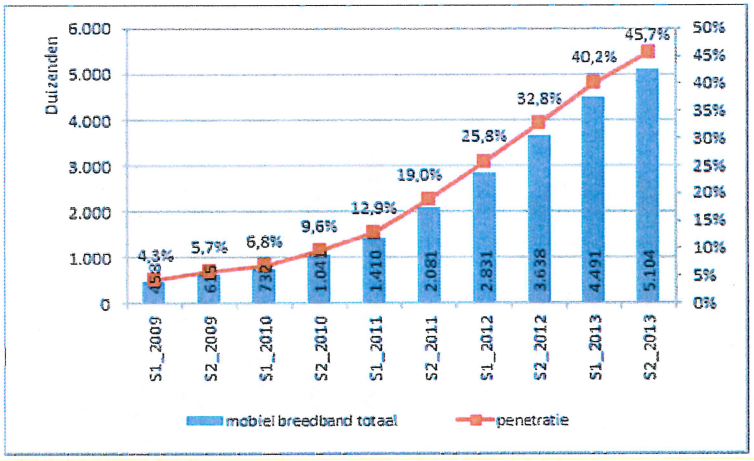
BIPT

Mobile broadband

11

BIPT

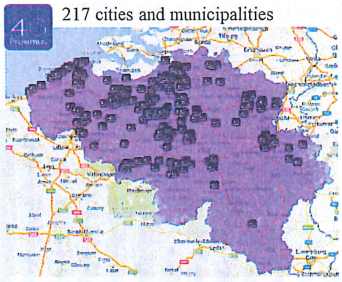
Strong mobile broadband growth in 2013

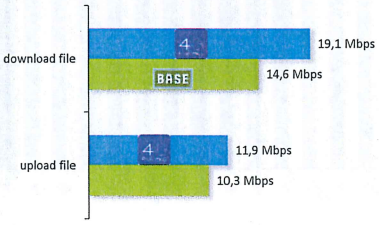


Source: BIPT

12

Current 4G coverage and speed



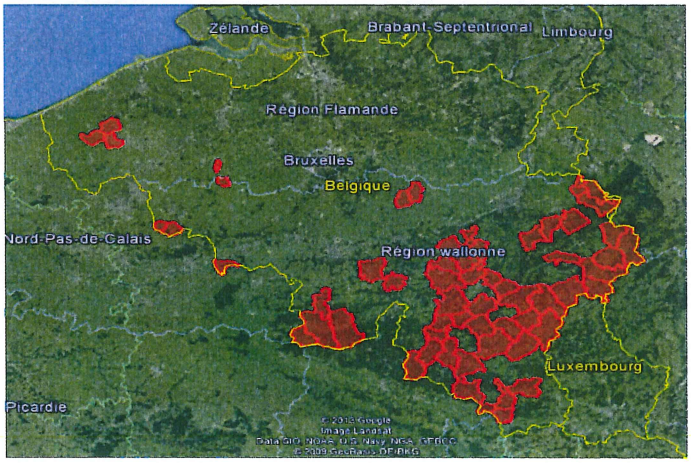


Source: CommSquare, quaterly drive test, Q4 2013

13

White spaces for mobile broadband: covered within 3 years with mobile broadband

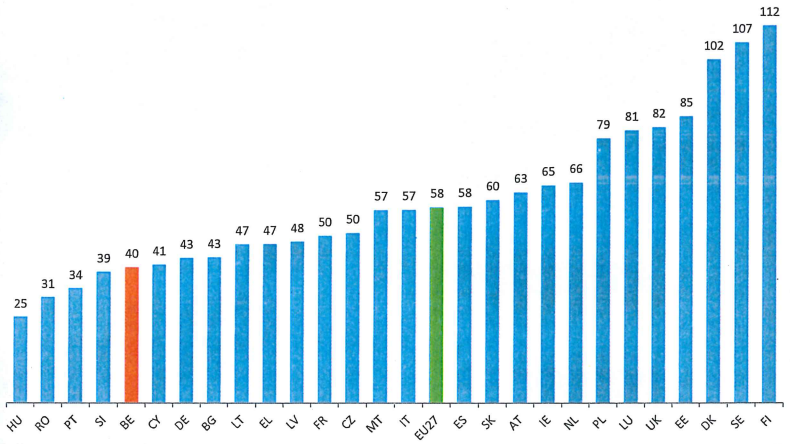
- One of the three 800 MHz licences contains obligation to cover municipalities with white spaces in mobile broadband



14

But still far below 58% EU27 average

Mobile Broadband penetration (in %) – all active users, July 2013



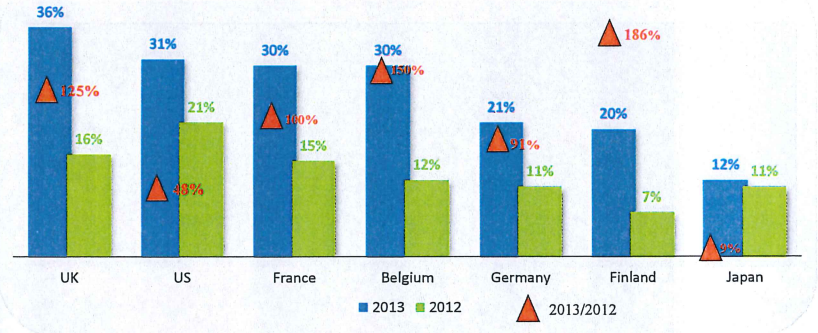
Source: Digital Agenda Scorecard 2013, June 2013

15

Belgium in top league in tablet ownership

Tablet penetration rate

Source: Deloitte, Belgium joins top league in table ownership, 5/11/2013



22% plan to buy next year, so penetration in Belgium could rise to 50% in 2014

16

BIPT

BIPT vision

"Wij, het BIPT, dragen bij tot de ontwikkeling van de regelgevende omgeving waarbij enerzijds de consumenten en ondernemingen toegang kunnen krijgen tot kwalitatief hoogstaande diensten tegen concurrerende prijzen en anderzijds de innovatie en investeringen worden gestimuleerd via een permanente dialoog met alle belanghebbenden."

17

BIPT

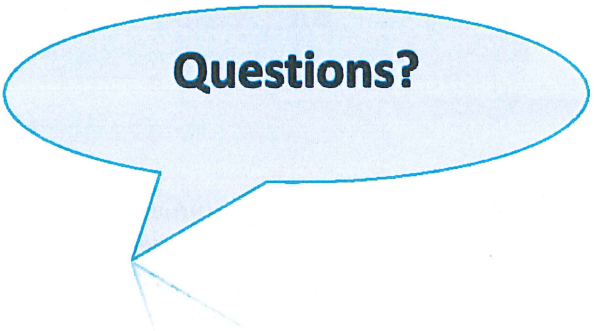
Draft strategic plan 2013-2016 (BIPT)

VERNIEUWING	CONCURRENTIE EN INVESTERINGEN	BETROUWBAARHEID	INFORMATIEVERSTREKKING	INSPRAAK	DIALOOG
SA 1: Ondersteunen van vernieuwende diensten voor de gebruikers	SA 2: Bevorderen van een duurzaam kader voor de concurrentie en de investeringen	SA 3: Zorgen voor een betrouwbare en kwaliteitsvolle digitale omgeving	SA 4: Bijdragen tot de informatieverstrekking aan de consumenten	SA 5: Stimuleren van inspraak en sociale inclusie	SA 6: Organiseren van een permanente dialoog organiseren

STERK PRESTEREN

SA 7: Een aantrekkelijke werkgever en een sterk presterende regulator zijn

BIPT



BIPT

Annexes

Top real speed performer in Europe/MEA region and worldwide

Average connection speed per EMEA country

Country	Q213 Avg. Mbps	QoQ Change	YoY Change
3. Switzerland	11.0	9.1%	31%
6. Netherlands	10.1	6,2%	27%
7. Czech Rep.	9.8	8.7%	36%
9. Sweden	8.4	0,7%	44%
10. UK	8.4	11%	48%
11. Belgium	8.4	11%	29%
13. Finland	8.1	3.5%	24%
14. Austria	8.1	9.8%	28%
15. Denmark	8.1	5.7%	21%
16. Ireland	8.0	11%	29%
19. Romania	7.5	-2.2%	15%

Average peak connection speed per EMEA country

Country	Q213 Avg. Mbps	QoQ Change	YoY Change
4. Romania	47.5	-0.6%	23%
7. Switzerland	41.4	3.9%	38%
8. Israel	40.1	6.4%	53%
9. Belgium	39.9	8.1%	35%
11. Netherlands	38.8	6.4%	39%
12. U. Arab Emir.	38.4	-60%	-63%
14. UK	37.1	5.3%	52%
15. Hungary	36.6	3.4%	30%
17. Czech Rep.	35.4	2.2%	37%
18. Portugal	35.1	4.1%	26%
20. Sweden	33.7	2.1%	43%

Source: Akamai, Q2 2013

21

National broadband plan & upcoming BIPT actions

- Project **Atlas**
  - Detailed geo-location of networks in Belgium
  - Enhance transparency for the customer on network performance
  - Identify white spots and propose solutions
- Review of **market analysis on access to DSL- and cable-networks** in coordination with media regulators via CRC
  - Stimulate competition (at network and service level)
  - Stimulate fibre deployment without foregoing on competitive dynamics
- Monitoring of **4G roll-out obligations** on 800 MHz band
- Analyse **switching problems** on fixed networks and propose measures to facilitate switching process
- Support and implement adoption of EU rules on **cost reduction measures** for **roll-out of broadband**
- Anticipate on new forms market power that could **inhibit broadband development**

22