

Broadband Performance Index

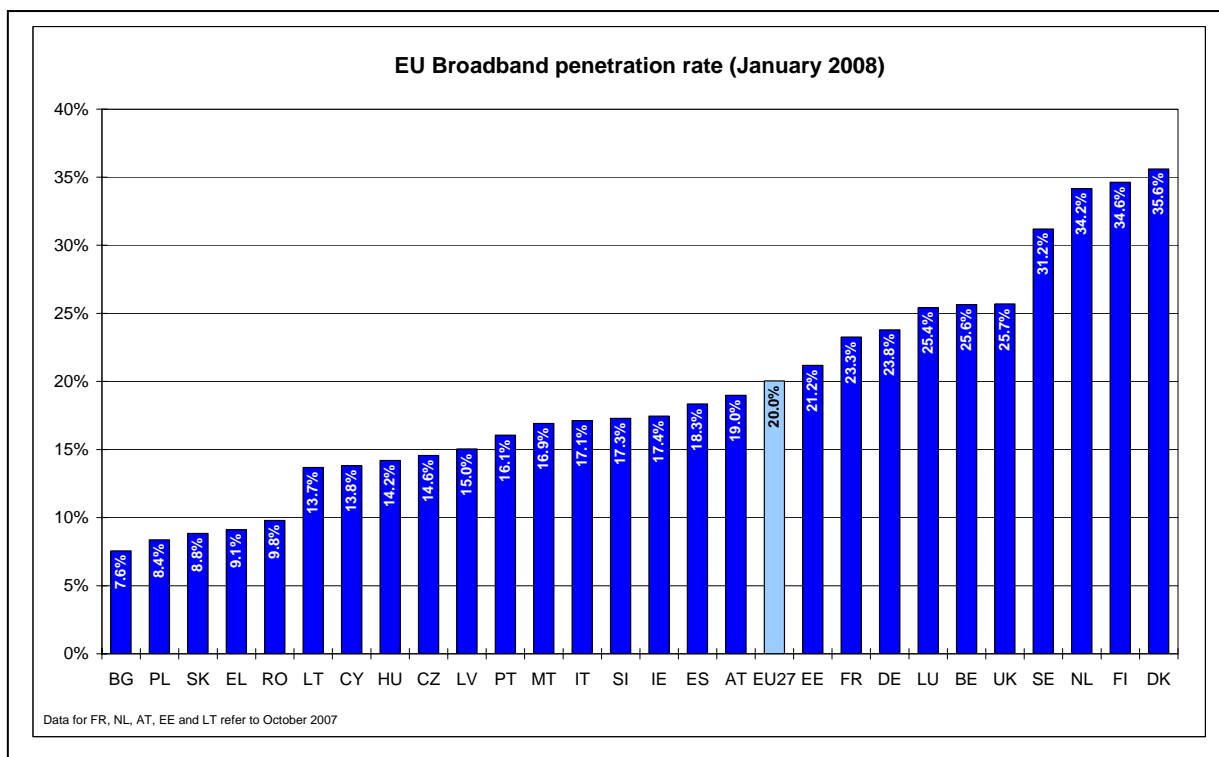
Monitoring high-speed Internet access in the EU



In a short space of time, high-speed internet (broadband) has become fundamental to modern economies. It has changed the way we access the internet and how we use it. The European broadband market is developing rapidly and some European countries are world leaders. As the market grows, there is a need to assess the EU's readiness to further the development of broadband access. The new *Broadband Performance Index (BPI)* benchmarks the overall performance of the Member States on a range of factors, which include speeds, rural coverage, affordability, innovation and other socio-economic dimensions.

Broadband penetration has been so far the main benchmark for setting broadband objectives. It indicates the number of broadband lines divided by the national population. However, this indicator does not provide any information on the kind of broadband access to which users subscribe.

Different factors may have an impact on the take-up of broadband services and result in increasing gaps between Member States. Differences are visible not only in terms of penetration rates but also in coverage, connection speeds, prices and level of usage.



The overall patterns of broadband development in the European Union are increasingly fragmented. Close monitoring of broadband markets, taking into account all relevant factors, is crucial to provide a fair, reliable picture of how the broadband market evolves in each Member State and in the European Union.

A Broadband Performance Index (BPI) helps to compare broadband developments in EU countries so that policy making can target the real problems.

A MULTIDIMENSIONAL TOOL

A composite indicator can be a useful tool to summarise issues that have many angles and cannot be captured by a single indicator. It helps to compare broadband adoption among countries in order to provide support for policy makers and to offer insights on the readiness of countries to progress in the development of broadband. The BPI has the following components:

- Broadband coverage, reflecting developments in rural areas;
- Competition by coverage, reflecting a country's innovative capacity, readiness to invest and consumer choice;
- Available connection speeds, reflecting quality developments;
- Prices, reflecting affordability;

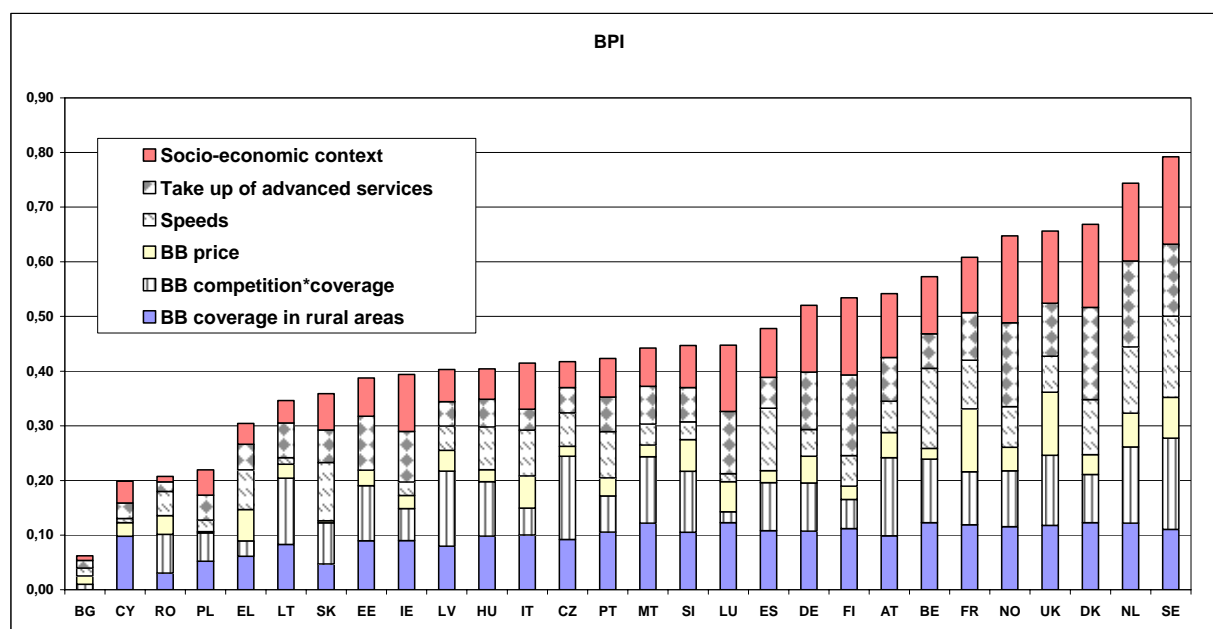
- Use of advanced services, reflecting the willingness of individuals and businesses to take up innovative services and the perception of trust;
- Socio-economic context, reflecting factors that summarise preferences, skills and available capital that influence the preparedness to use advanced communication technologies and services.

RANKING AND RESULTS

The BPI is very useful in illustrating elements that are not immediately apparent from a mere analysis of penetration rates. This is indeed the purpose of the BPI.

Even in some of the leading countries, the results highlight weaknesses (in particular prices and speeds), apparently due to a weak competitive environment. Elsewhere, competition has translated into low prices and high speeds, but users are not so willing to take up advanced services.

In several Member States, the socio-economic context, resulting in low skills and a correspondingly low interest in advanced services, appears to be an important barrier to further development. By showing what is driving broadband take-up and what is holding it back, the index will help Member States and the Commission to design and implement more targeted actions to improve Europe's broadband access.



For further information

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