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Creating a brighter future

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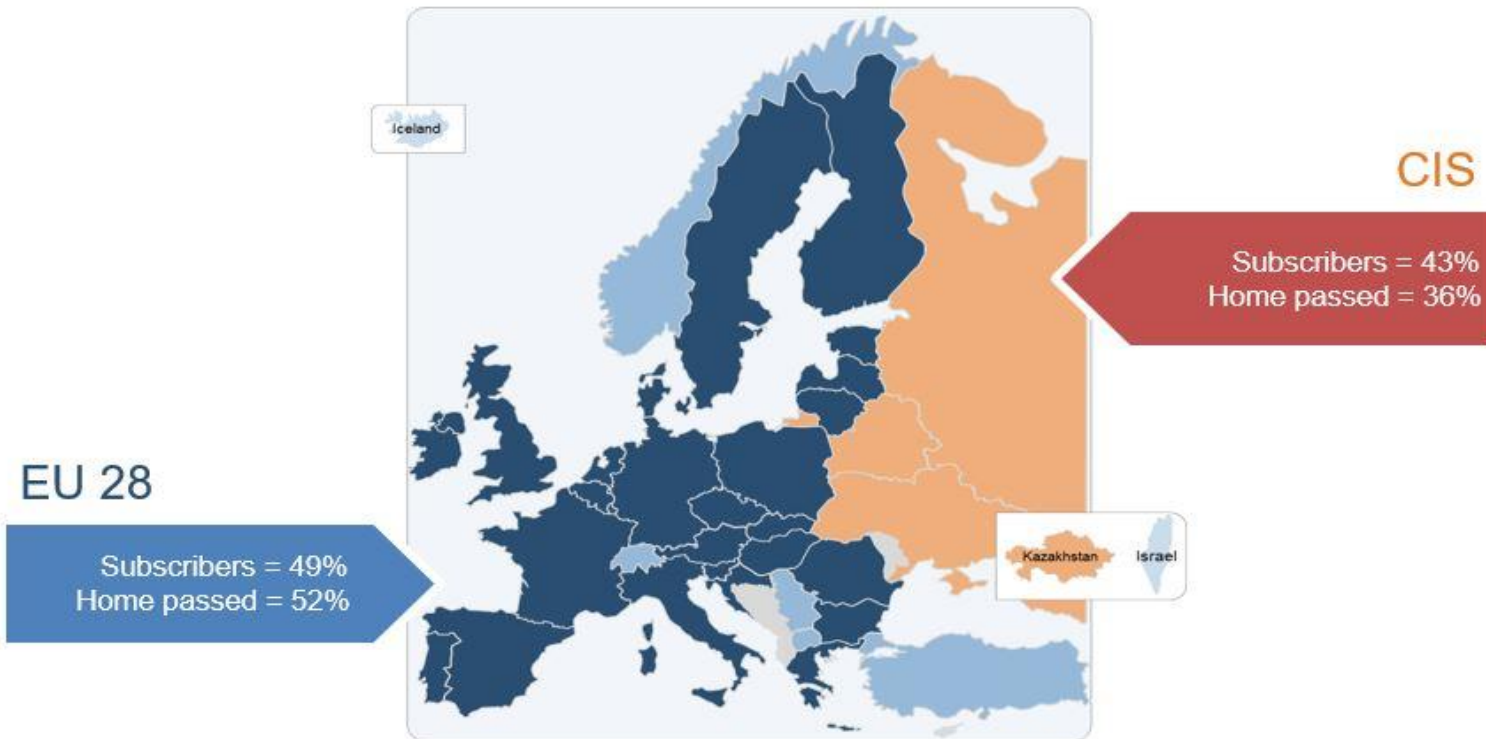
“A Time of Transition – the Telecoms Landscape”
ComReg 2017 Conference, Dublin, Ireland

Overview

- The State of Fibre: Global/European Ranking
- Cost for full fibre coverage in EU28
- Driving Fibre Investment: Policy & Regulation
- Socioeconomic Benefits of Fibre
- Concluding remarks

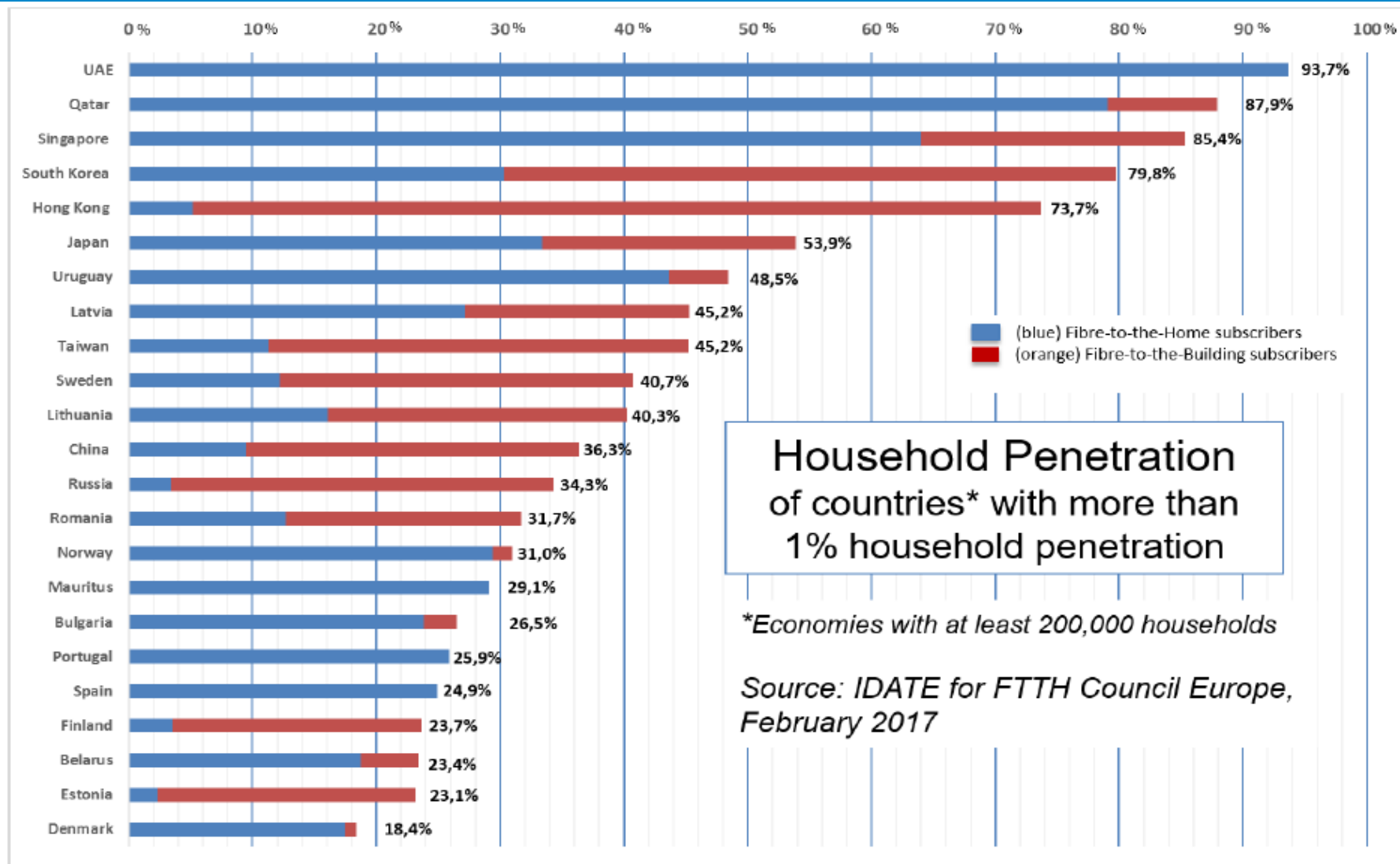
FTTH/B figures – September 2016

FTTH/B Figures, September 2016 - More than 44.3 million FTTH/B subscribers and nearly 148 million FTTH/B Homes Passed in EU39

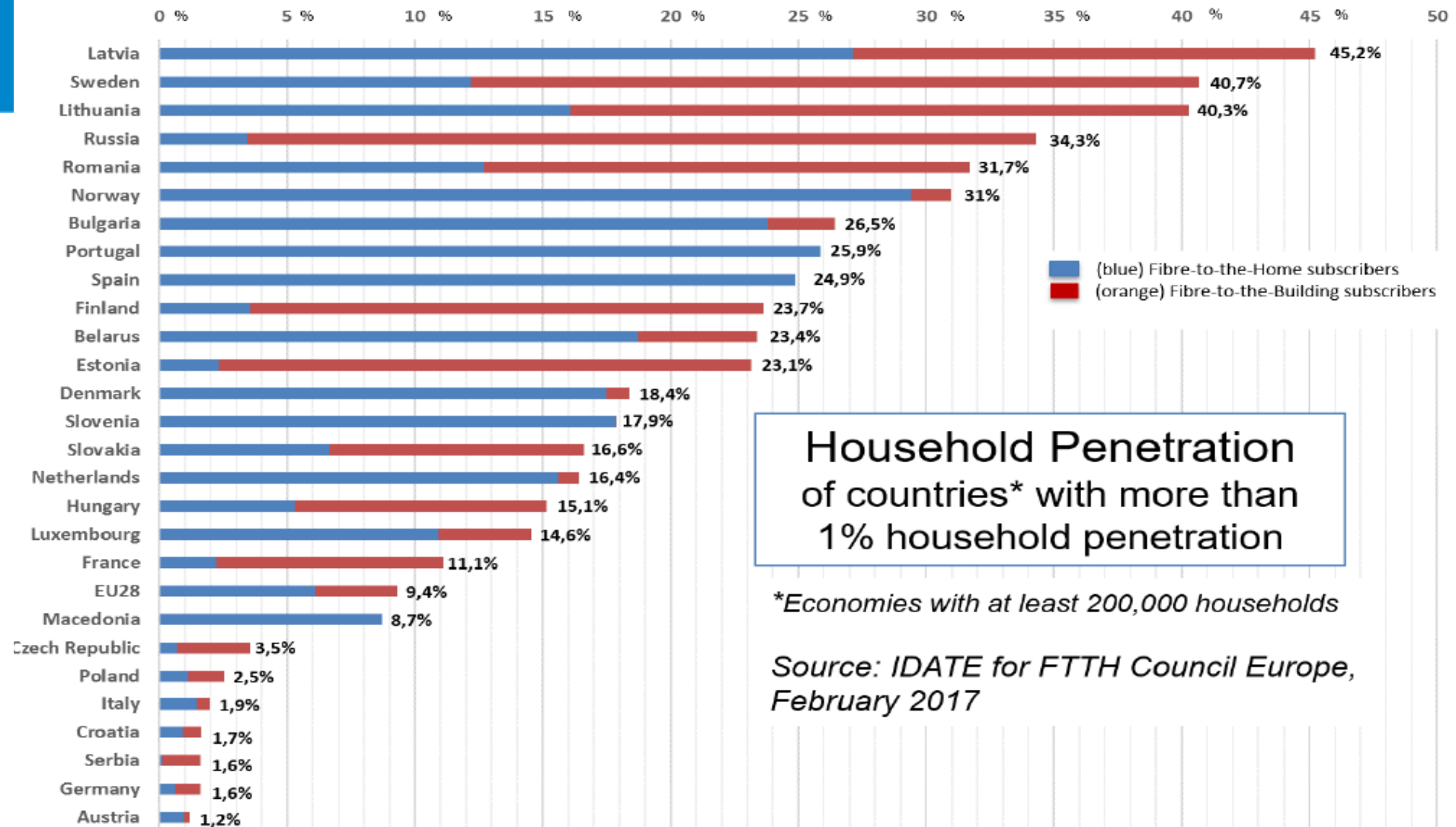


Source: IDATE for FTTH Council Europe

FTTH/B Global Ranking – September 2016



FTTH/B European Ranking – September 2016



Household Penetration of countries* with more than 1% household penetration

*Economies with at least 200,000 households

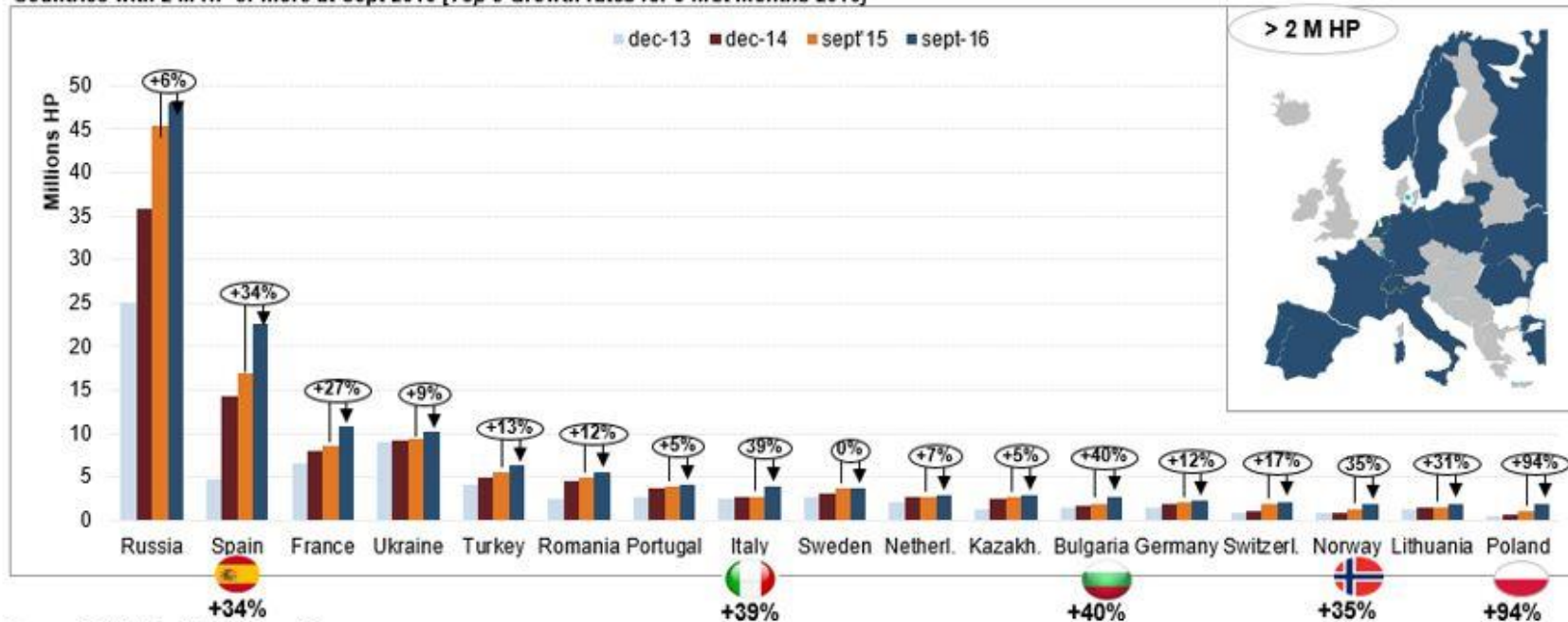
Source: IDATE for FTTH Council Europe, February 2017

General ranking: FTTH/B Homes Passed

General ranking: FTTH/B Homes passed

- 17 countries with 2 M HP or more in EU39 (10 countries in EU28, in blue on the map)
- Most significant growth rates do not necessarily concern the largest market but this confirms that, even in countries where FTTH/B is not the leading NGA solution, the interest is growing (e.g. Bulgaria: +40%)

Countries with 2 M HP or more at Sept 2016 [Top 5 Growth rates for 9 first months 2016]

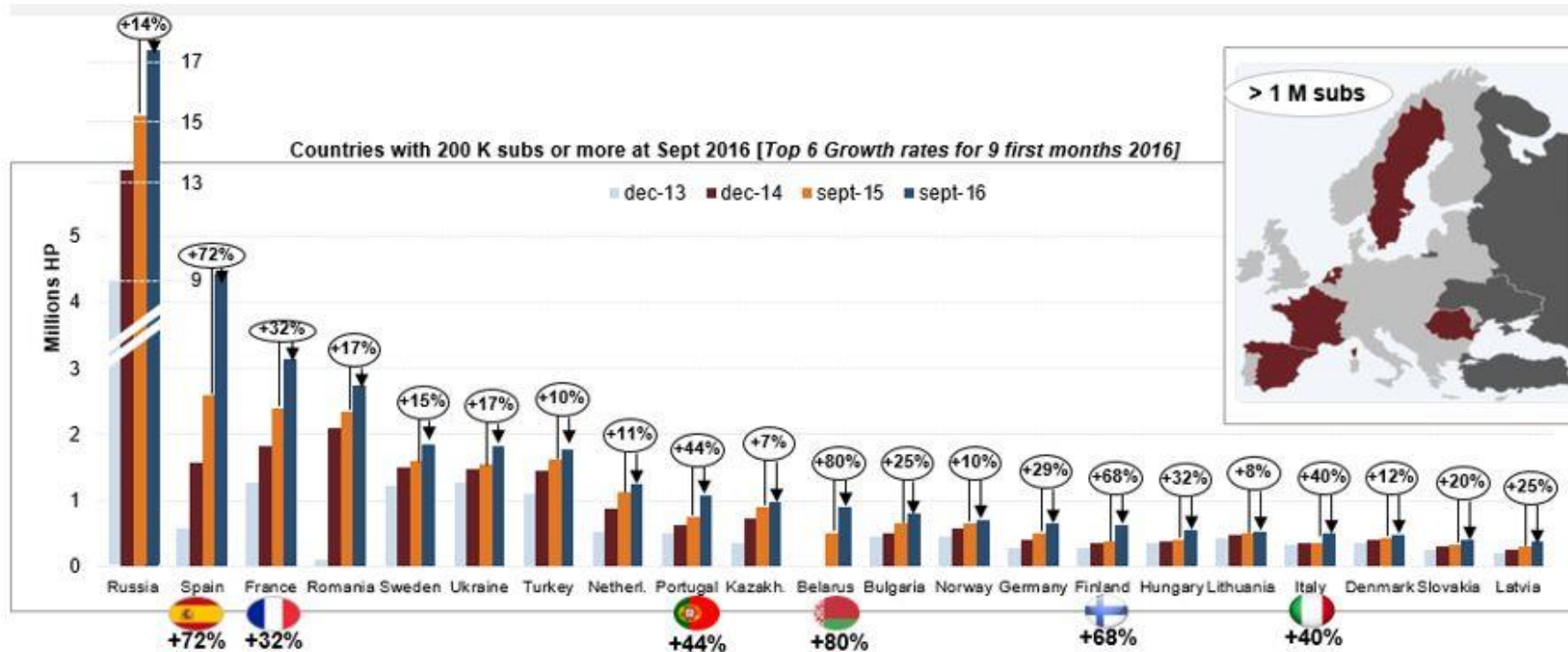


Source: IDATE for FTTH Council Europe

General ranking: FTTH/B Subscribers

FTTH/B Takeup

- 9 countries with 1 M subscribers or more in EU39 (5 countries in EU28, in red on the map)
- Strong growth in Spain, Belarus, Finland and Portugal
- Dynamism to highlight in France and Italy



EU Cost Model – Key Assumptions & Results

Calculates cost of 100% Homes Passed + 50% Homes Connected in EU28 Member States

- **Based on extrapolation:** 213M homes, using Eurostat statistics on NUTS3, Focus on Green Areas Excluding non-populated areas
- **Uses labour index per country**
- **Considers efficient deployment methods for fibre:** assumes a mix between traditional and mini/micro trenching (30%)
- **Extracts already built networks**
- **Includes impact of cost reduction opportunities (12% of total cost)**

Headline Results

- **€ 156B:** Cost estimate for EU28 to reach full FTTH coverage excluding already deployed areas
- **€ 137B:** Cost estimate for EU28 to reach full FTTH coverage with cost reductions applied (aligned with Directive 2014/61/EU)

Driving Fibre Investment: Policy & Regulatory Solutions

Political commitment to new Gigabit Society targets and fibre based infrastructure enabling Europe's digital societies and economies

Access to and take-up of very high capacity connectivity as a regulatory objective alongside the existing ones of promoting competition, contributing to the internal market and promoting the interests of citizens

Definition of Very High-Capacity networks proposed in the EECC, which is ambitious and oriented towards future-proof fibre infrastructure enabling a plethora of new technologies and services

Priorisation of competitive infrastructure deployment for a competitive market structure and access remedies that directly support the development of infrastructure competition

Regulatory certainty and clarity to promote new fibre investments by existing and new players alike

New regulatory framework for co-investment and wholesale-only business models with the aim of facilitating the deployment of VHC networks deeper including by attracting new capital

Socioeconomic benefits of FTTH – Sneak Preview of WIK Study findings

Socioeconomic benefits of FTTH Study 2017 by WIK Consult – Sneak Preview

- Study based on consumer survey conducted in Sweden (approx.) 1k questionnaires to be launched & presented at the FTTH Conference 2018 in Valencia, 13-15 February

Headline Preliminary Results

- FTTH/B users are overall more satisfied with their service;
- Fibre users perform more activities on the Internet and have more devices connected than other users;
- Significant share of respondents switched from other types of BB to fibre. The majority of those respondents notice benefits from switching and increased internet usage;
- Perceived benefits of fibre on eLearning, eHealth and remote working still moderate, but expected to grow with these service advancing from low to high-capacity;
- Majority of FTTH/B users expect benefits from being connected to a 1Gbit/s fibre in the future.

Concluding remarks

Ubiquitous future-proof fibre infrastructure enabling a plethora of new technologies & services requires significant investment but realistically achievable across Europe

Political targets & commitment and a policy & regulatory environment promoting competitive fibre deployment are key prerequisites

End-user demand increasing including expectation of further future benefits from fibre

FTTH Conference 2018

See you next year in Valencia
13-15 February 2018

www.ftthconference.eu

Thank you for your attention!

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Fibre to the Home
Council **Europe**
