



Press Release

Luxembourg, 5 June 2018

Progress made, but take-up of ultra-fast broadband still significantly behind target, say EU Auditors

Although broadband coverage has generally been improving across the EU, not all targets set for 2020 will be met, according to a new report from the European Court of Auditors. The EU's goal of ensuring that half of European households have ultra-fast broadband connections by 2020 is significantly behind target, say the auditors. Rural areas, in particular, remain less well connected than cities.

While nearly all Member States achieved the target for basic broadband coverage, this will most likely not be the case for the 2020 targets for fast (over 30 Megabits per second - Mbps) and ultra-fast (over 100 Mbps) broadband. Rural areas remain problematic in most Member States; 14 out of all 28 Member States had less than 50% fast broadband coverage in rural areas. Moreover, only 15% of all households had subscribed to ultra-fast broadband by mid-2017.

"For Europe to remain competitive in the global economy, and for the benefit of citizens and government, the good levels of internet speed and access provided by broadband are essential," said Iliana Ivanova, the Member of the European Court of Auditors responsible for the report. "It is important that the EU sets itself challenging and realistic targets for broadband in the future - and meets them. We make recommendations in the areas of strategic planning, the regulatory environment and fostering competition."

The auditors visited five Member States - Ireland, Germany, Hungary, Poland and Italy - as well as consulting national regulatory authorities, business and telecommunications associations, consumer associations and trade unions.

The following are some of the most important issues raised by the report:

Broadband strategies are key. All the Member States visited had prepared such strategies, but some were finalised late and targets were not always consistent with those set at EU level.

Competition between providers is important for developing broadband infrastructure, but not all the Member States visited had put in place an appropriate legal and regulatory environment. Some areas, however, particularly away from cities, are not attractive to the private sector;

The purpose of this press release is to convey the main messages of the European Court of Auditors' special report. The full report is available on www.eca.europa.eu.

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without public support, there is a risk that these areas will continue to fall behind in terms of broadband access.

Financing needs for broadband infrastructure in rural and suburban areas were not always properly addressed and European Investment Bank support did not focus on areas of greatest need. According to the European Commission, up to €250 billion will be required to achieve the Europe 2020 targets for broadband across all Member States. About half of this amount may be needed for rural areas.

Despite these problems, Hungary, Ireland and Italy (i.e. three of the five Member States visited) may be in a good position to achieve the European Commission's objectives for 2025 if they implement plans as intended, say the auditors. That would include all households with access to ultra-fast broadband, upgradable to 1 Gigabit per second.

The auditors make a number of recommendations, including:

- Member States should develop new plans for the period after 2020;
- the European Commission should clarify the application of State Aid guidelines and support Member States' efforts to foster more competition in broadband;
- the European Investment Bank should focus its support on small- and medium-size projects in areas where public sector support is most needed.

Notes to Editors

The auditors examined action taken by the European Commission and the Member States to achieve the Europe 2020 broadband objectives: to bring basic broadband (up to 30 Mbps) to all Europeans by 2013, to provide all Europeans with fast broadband (over 30 Mbps) by 2020, and to ensure that at least 50% of European households take up ultra-fast broadband (over 100 Mbps) by the same date.

The EU is providing some €15 billion during the 2014-2020 period, including €5.6 billion in loans from the European Investment Bank, to support these objectives.

The ECA presents its special reports to the European Parliament and Council of the EU, as well as to other interested parties such as national parliaments, industry stakeholders and representatives of civil society. The vast majority of the recommendations we make in our reports are put into practice. This underlines the benefit of our work to EU citizens.

Special report 12/2018 "Broadband in the EU Member States: despite progress, not all the Europe 2020 targets will be met" is available on the ECA website (eca.europa.eu) in 23 EU languages.