

ATUG Opinion – 28 November 2007

OECD Broadband Statistics Portal

<http://www.oecd.org/sti/ict/broadband>

The release of the June 2007 data on OECD broadband subscribers coincides with the launch of a broadband statistics portal which will contain additional indicators from November 2007. These include: broadband prices; advertised broadband speeds; household broadband usage, the number of households with a home computer; and the number of businesses with broadband connections and company websites.

The Press Release has been annotated by ATUG with Australia's results in this weeks' ATUG Opinion.

http://www.oecd.org/document/54/0,3343,en_2649_33703_39575670_1_1_1_1,00.html

OECD broadband statistics (June 2007)

Over the past year, the number of broadband subscribers in the OECD increased 24% from 178 million in June 2006 to 221 million subscribers in June 2007. This growth increased broadband penetration rates in the OECD from 15.1 in June 2006 to 18.8 subscriptions per 100 inhabitants one year later.

The OECD definition of broadband is offers which are capable of download speeds of at least 256kbit/s. (Graph 1b)

* Denmark, the Netherlands, Switzerland, Korea and Norway and Iceland lead the OECD in broadband penetration, each with over 29 subscribers per 100 inhabitants.

Australia has 22.7 subscribers per 100 inhabitants, 12th highest number (Graph 1d)

* The strongest per-capita subscriber growth over the year was in Ireland, Germany, Sweden, Australia, Norway, Denmark and Luxembourg. Each country added more than 5 subscribers per 100 inhabitants during the past year.

Australia grew penetration by 5.7%, 4th highest rate (Graph 1f)

* Operators in several countries continue upgrading subscriber lines to fibre. Fibre-to-the-home (FTTH) and Fibre-to-the-building (FTTB) subscriptions now comprise 8% of all broadband connections in the OECD, up from 7% a year ago, and the percentage is growing. Fiber connections account for 36% of all Japanese broadband subscriptions and 31% in Korea.

Australia is recorded as 0% fibre connections (Graph 1l)

* The United States is the largest broadband market in the OECD with 66.2 million subscribers. US broadband subscribers represent 30% of all broadband connections in the OECD.

Australia has 4.7 million broadband subscribers, the 12th highest number by country in the OECD (Graph 1c)

OECD broadband pricing (October 2007) – all given in USD using purchasing power parities (PPP).

(Graph 4b for Pricing Criteria)

ATUG members interested in the pricing data should read the OECD graphs and tables directly as gradations between countries can be very fine – cents per month.

- The average price of a month broadband subscription in the OECD is USD 49. On average, fibre to the home/building is the most expensive (USD 51) and fixed wireless the cheapest (USD 33)

Australia's prices for monthly subscription range from USD 21.66 to 108.45; Canada 21.98 to 97.63; US 14.99 to 199.99 ([Graph 4c](#))

Australia has the 12th highest average monthly subscription price, October 2007 ([Graph 4e](#))

- The average price per advertised Mbit/s of connectivity in the OECD is USD 18. Japan, France, Sweden, Korea and Finland have the least expensive offers per Mbit/s
 - o Japan: USD 0.13
 - o France : USD 0.33
 - o Sweden: USD 0.35
 - o Korea: USD 0.38
 - o Finland: USD 0.42

Australia's broadband prices per Mbit/s in October 2007 range from USD .94 to 198.16; Canada USD 3.81 to 131.08; US 2.83 to 38.41 ([Graph 4d](#))

Australia has 8th highest average broadband price per advertised Mbit/s ([Graph 4f](#))

Australia has the second lowest average data cap among 7 countries pricing this way ([Graph 4g](#)) and the highest average price per additional MB after reaching the cap ([Graph 4g](#))

- Fibre connections are nearly 5 times less expensive per Mbit/s than DSL, cable or wireless. (
 - o DSL: USD 19.21
 - o Cable: USD 18.96
 - o Fiber to the home/building: 3.75
 - o Wireless: USD 18.69

This data is interesting given Australia's discussion about wholesale access price (\$85 per month) for FTTN. OECD records fibre to the premises and fibre to the building subscribers, but not Fibre to the Node in any country.

OECD broadband speeds

- The average advertised download speed in the OECD is 13.7 Mbit/s.

The OECD makes the point that advertised speeds are typically the theoretical speeds, saying users commonly have lower speeds. ([Graph 5a](#))

- The fastest average advertised download speeds are in Japan (93 Mbit/s), France (44 Mbit/s), Korea (43 Mbit/s) and Sweden (21 Mbit/s)

Australia is recorded at 12.130Mbit/s ([Graph 5a](#))

- Japan has the fastest residential download speed available in the OECD at 1 Gbit/s (1 Gbit/s = 1000 Mbit/s)

Australia's fastest speeds advertised are

- Incumbent – 20.48 Mbit/s ([Graph 5d](#))
- DSL operators – 24.576Mbit/s ([Graph 5e](#))
- Cable operators – 30.720 Mbit/s([Graph 5f](#)) – among highest in OECD
- Fibre – 0 ([Graph 5g](#))
- All operators – 30.720Mbit/s ([Graph 5h](#))

- Fibre-to-the-home advertised download speeds in the OECD average 77.1 Mbit/s, much higher than DSL (9.0 Mbit/s), cable (8.6 Mbit/s) or fixed wireless (1.8 Mbit/s). ([Graph 5b](#))

- Advertised upload speeds on fibre connections are more than 36 times faster than average advertised

upload speeds on DSL, cable or wireless networks.

- o Fibre-to-the-home/building: 58.6 Mbit/s
- o DSL: 1.6 Mbit/s
- o Cable: 0.7 Mbit/s
- o Fixed wireless: 0.7 Mbit/s

(Graph 5b)

OECD broadband bit/data caps

- Explicit bit/data caps are imposed on broadband connections in 20 of the 30 OECD countries.

Australia is one of 4 OECD countries which apply explicit bit/data caps to all surveyed offers (Graph 5j)

- There were no bitcaps among surveyed firms in Finland, France, Germany, Italy, Japan, Korea, the Netherlands, Norway, Sweden and the United States

- All surveyed offers had bitcaps in Australia (48), Belgium (10), Canada (13) and New Zealand (33)

- The average bit cap size across offers with caps is 21 gigabytes (GB) of traffic per month

Australia has an average bit/data cap of 14.754 Mbit/s (Graph 4g)

- Once a user reaches the monthly bit cap, the ISP reduces download speeds in 29% of the offers to an average speed of 82 kbit/s.

- In the remaining 71% of offers, once a user reaches the monthly bit cap they pay an average of USD 0.03 per additional MB (USD 34 per additional GB) until the end of the month