

FOR IMMEDIATE RELEASE

Germany needs fibre to support new entertainment and home services, says the FTTH Council Europe

BRUSSELS, 6 September 2010 – High-definition 3D-TV and TV sets with built-in video conferencing are some of the latest technology gadgets on display at the IFA 2010 consumer electronics show in Berlin this week. But Germany's broadband infrastructure is not ready to cope with these new internet-connected devices and services, warns the FTTH Council Europe.

The limitations of existing broadband services are becoming apparent. "Consumers already understand and have started to complain about the 'up to' offerings available in Germany today, which cannot provide the speed advertised," said Hartwig Tauber, Director General of the FTTH Council Europe. "Furthermore, the limits on uploading data to the Internet are real bottlenecks for consumers who want to upload and share videos or work from home."

Faster broadband using fibre will be necessary for Germans to experience many of the new devices and services on display at IFA 2010. However, Germany is lagging behind other European nations in terms of FTTH deployment. Only 140,000 subscribers can receive broadband through a direct fibre connection (June 2010 figures) – less than 0.40 percent of the country's 40 million homes.

Germany's position stands in contrast to leading FTTH nations in Europe like Sweden or Norway, which have already connected more than 10% of their households to fibre. And although other major European economies like France and Italy also feature in the FTTH Global Ranking¹, Germany is still a long way below the 1% threshold needed to join.

Until recently, FTTH was mainly deployed by municipal authorities, utility companies and private investors. The three largest FTTH networks in Germany are NetCologne in the Cologne and Bonn regions, Wilhelm.tel in Hamburg, and M-Net in Munich and Augsburg.

The situation changed earlier this year when Deutsche Telekom announced plans to cover 4 million households in the largest 50 cities with FTTH by the end of 2012. The FTTH Council Europe welcomes this development, but points out that there is still a long way to go.

¹ The FTTH Global Ranking is published twice a year by the three global FTTH Council organisations. It includes all global economies that have connected at least 1% of their households to FTTH/B.

The concentration on big cities also means big challenges for rural areas and small- to medium-size towns. "Our studies show the positive socio-economic impact of FTTH, and that rural areas benefit most from high-speed fibre connections," said Chris Holden, President of the FTTH-Council Europe. "It is important that the majority of households in Germany can be connected to FTTH, not just those in urban areas. Intelligent actions from policy makers will be necessary to make sure this happens."

Operators have already started to roll out Long Term Evolution (LTE) mobile broadband to small rural communities in Germany, but the Council doesn't believe this will meet future bandwidth needs. "Mobile broadband is complementary to fixed-line broadband, because it meets the need for mobility, but it is no substitute for FTTH in terms of high speed, low latency or reliability," Holden said.

The message from the FTTH Council Europe is simple: Germany needs more fibre and needs to start additional deployments straight away, especially if it is to meet the Federal Government's target to bring broadband at speeds of at least 50Mbps to 75% of the country by 2014. "It is necessary to start the deployment now to make sure the end customers have the connection available in a reasonable timeframe," Tauber concluded.

-ends-

About the FTTH Council Europe:

The FTTH Council Europe is an industry organisation with a mission to accelerate the availability of fibre-based, ultra-high-speed access networks to consumers and businesses. The Council promotes this technology because it will deliver a flow of new services that enhance the quality of life, contribute to a better environment and increase economic competitiveness. The FTTH Council Europe consists of more than 140 member companies. www.ftthcouncil.eu

Media Contact:

Nadia Babaali

Communications Director

FTTH Council Europe

+33 (0) 6 20 88 72 38

nadia.babaali@ftthcouncil.eu