

Brussels, 29 September 2008

Commission consults on how to put Europe into the lead of the transition to Web 3.0

Europe could take the lead in the next generation of the Internet. The European Commission today outlined the main steps that Europe has to take to respond to the next wave of the Information Revolution that will intensify in the coming years due to trends such as social networking, the decisive shift to on-line business services, nomadic services based on GPS and mobile TV and the growth of smart tags. The report shows that Europe is well placed to exploit these trends because of its policies to support open and pro-competitive telecom networks as well as privacy and security. A public consultation has been launched today by the Commission on the policy and private sector responses to these opportunities. The Commission report also unveils a new Broadband Performance Index (BPI) that compares national performance on key measures such as broadband speed, price, competition and coverage. Sweden and the Netherlands top this European broadband league, which complements the more traditional broadband penetration index used so far by telecoms regulators.

"The Internet of the future will radically change our society," said Viviane Reding, Commissioner for Information Society and Media. "Web 3.0 means seamless 'anytime, anywhere' business, entertainment and social networking over fast reliable and secure networks. It means the end of the divide between mobile and fixed lines. It signals a tenfold quantum leap in the scale of the digital universe by 2015. Europe has the know-how and the network capacity to lead this transformation. We must make sure that Web 3.0 is made and used in Europe."

European Internet users are increasingly accessing faster and better value Internet: half of them had access to broadband at more than 2 megabits per second (MBps) at the end of 2007, a speed which is twice as fast as one year ago and supports TV over the Internet. Broadband covers 70% of rural population of the 27 EU Member States, closing the gap with total coverage (93%). In the last year, broadband rural coverage in the EU-25 has risen 8 percentage points.

This means that a **new generation of Internet use** is already on its way, and the potential for Europe's economy is clear. While a quarter of Europeans used web 2.0 sites in 2007, business applications of social networking are on their way. Internet based enterprise software is also expected to grow by 15% from 2006-2011 worldwide.

New technology applications will need ubiquitous Internet coverage. The Internet of Things means that wireless interaction between machines, vehicles, appliances, sensors and many other devices will take place using the Internet. It already makes electronic travel cards possible, and will allow mobile devices to exchange information to pay for things or get information from billboards. It is predicted that such technology will be in more than one billion phones by 2015.

These will be major opportunities for EU businesses as long as there is enough investment in high-speed broadband access and support for innovation and research. The Commission Communication adopted today said that the EU should stimulate investment in next generation broadband access, for example strengthening the involvement of local authorities who may facilitate the access to ducts (or digging of new ones) for faster broadband fibre cables during civil works, keep the Internet open to competition, prevent unfair restrictions in consumers' choice, safeguard consumer confidence in using the Internet and fund research in the Internet of the future.

The Communication is accompanied by a new **Broadband Performance Index** that compares competition, coverage, speed and quality of Internet access across Europe (see Annex). It shows that the EU is already well placed to exploit these broadband opportunities, thanks to an open and competitive environment for investments. The index ranks EU countries' achievements in high speed Internet by the main factors affecting the development of faster broadband to highlight priorities for improvement.

The index shows that Sweden and the Netherlands are clear leaders in the EU, thanks to a competition-friendly environment and skilled citizens and businesses that can use advanced services. On the other hand, poor competition may hold back investment in advanced technologies and result in high prices. Social factors such as the lack of digital skills, limited PC penetration and a poor spending in ICT also appear to be important barriers to further developments.

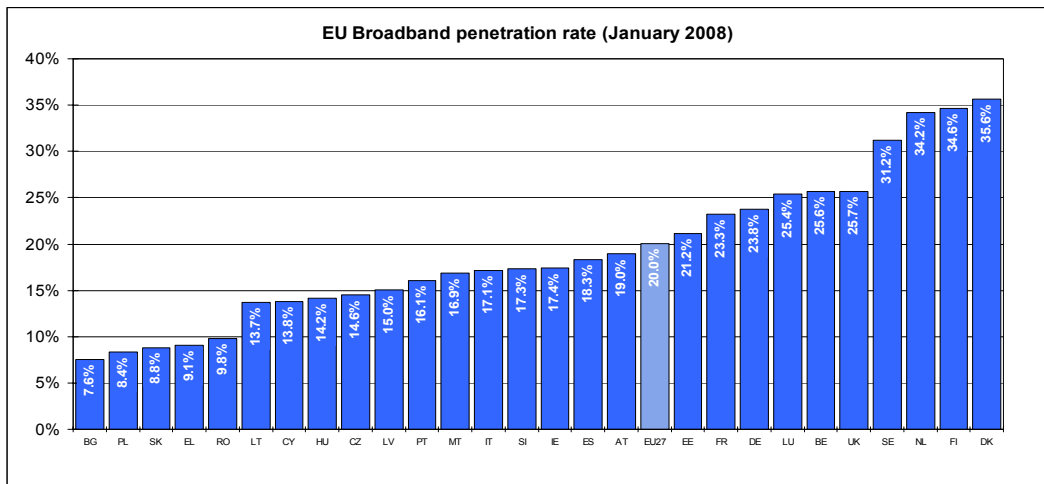
The **Commission Communication on Future networks and the Internet** is available at:

http://ec.europa.eu/information_society/eeurope/i2010/index_en.htm

The **public consultation** on the Internet of Things is available at:

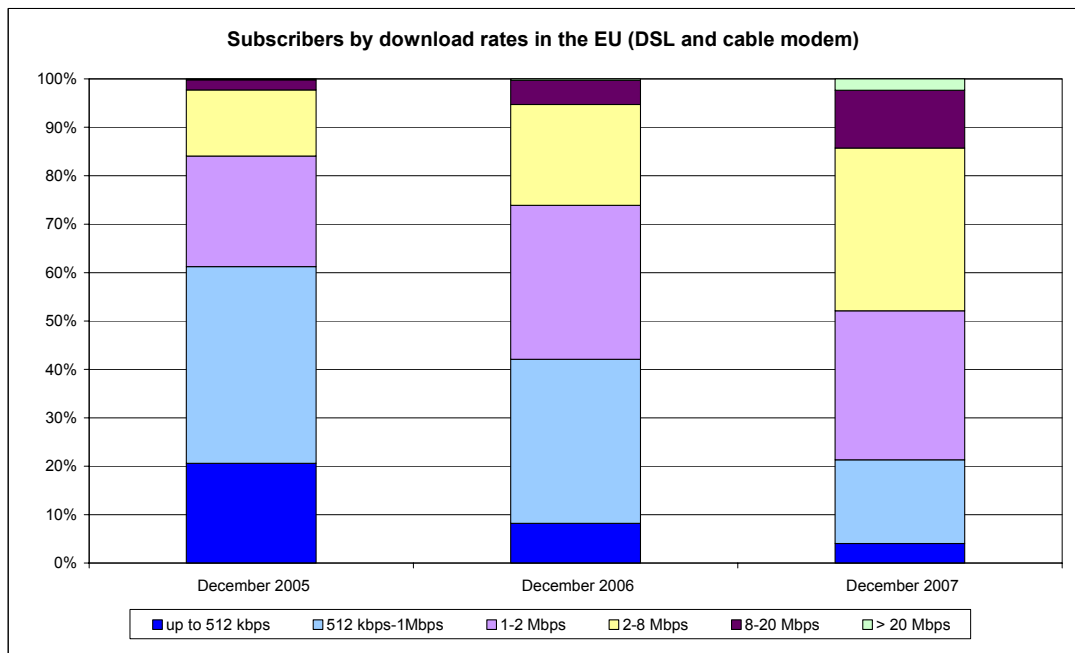
<http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=IoTconsultation>

Broadband usage penetration per 100 inhabitants in the EU

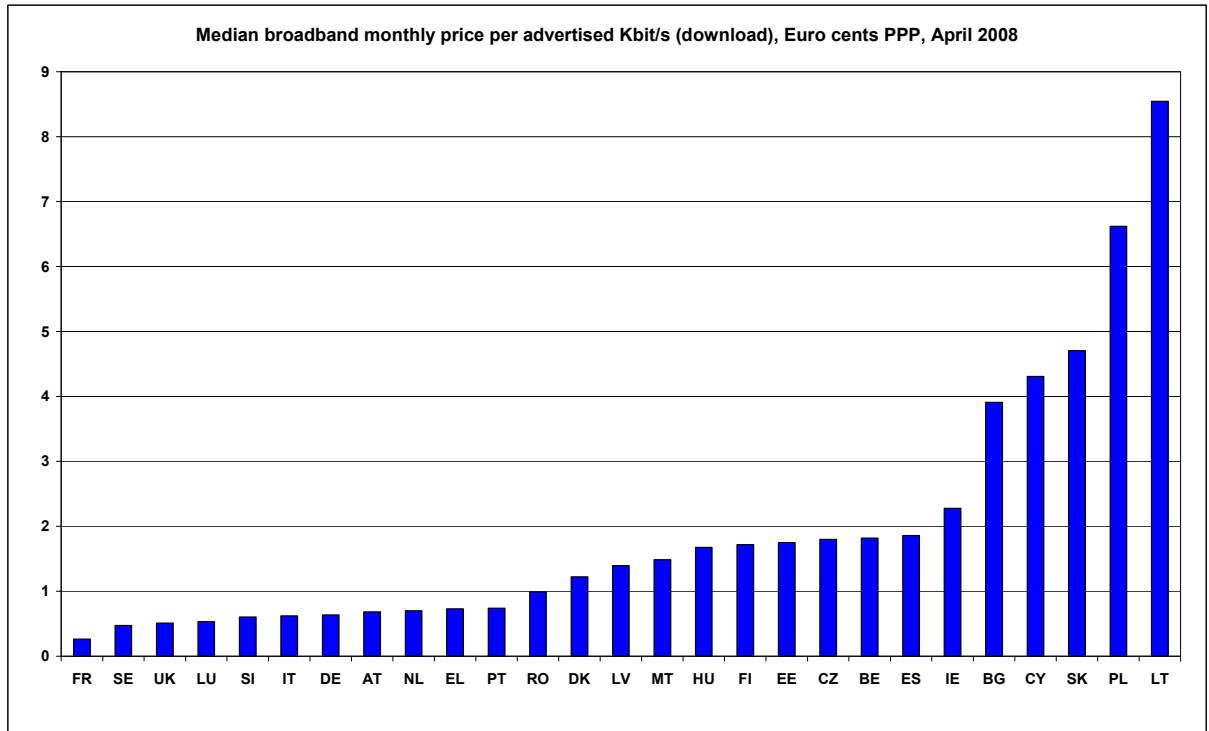


Source: Communications Committee

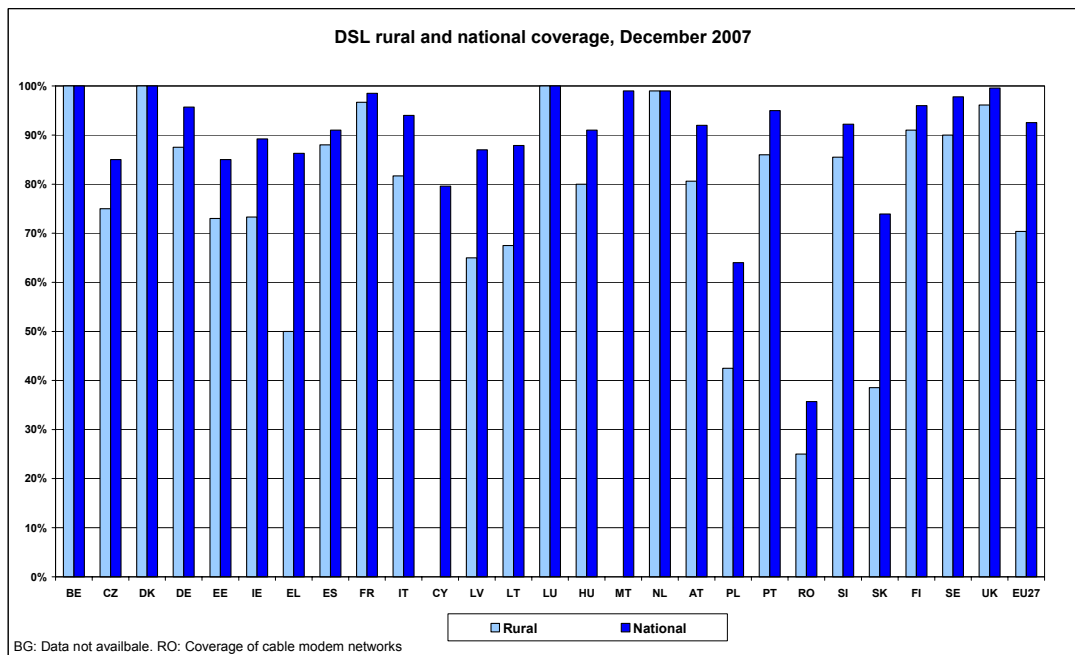
Internet Speeds in the EU (September 2008)



Source: Idate



Source: Van Dijk



Source: Idate

Broadband Performance Index (September 2008)

