

## Gartner Says One in Five Households Worldwide Will Have a Fixed Broadband Connection by End of 2009

### Broadband Household Penetration in France Expected to Reach 65 Per Cent By 2013

**Stamford, Conn., September 28, 2009** — Despite the global economic downturn, the number of household broadband connections continues to grow robustly, and one in five households worldwide will have a fixed broadband connection in the home by the end of 2009, according to Gartner, Inc.

A total of 422 million households will have a fixed broadband connection in the home in 2009, up from 382 million households in 2008, and the market will steadily grow with nearly 580 million households having a fixed broadband connection by 2013.

In Western Europe, 105 million households will have a fixed broadband connection in the home in 2009, up from 99 million households in 2008 and the market is expected to reach 116 million households by 2013.

*"Consumers may be watching their household expenditure, but dropping their broadband connections is not on the top of their agendas as a way to reduce outgoings," said **Amanda Sabia, principal research analyst at Gartner.** "Multiple motivations are conspiring to keep broadband growth strong, such as PCs being more affordable, migration from dial-up, affordably priced broadband subscriptions, aging populations requiring broadband connectivity, and even as a result of an economic boost from country-specific economic and broadband-specific stimulus plans."*

At the end of 2008, approximately 21 countries had broadband connections in at least 50 per cent of homes (see Table 1). In many countries, the rates are much higher; the highest penetration being in South Korea at 86 per cent and the lowest being Indonesia at less than 1 per cent.

**Table 1**  
**Broadband Household Penetration by Market (Per Cent)**

Country	2008		2013
South Korea	86	South Korea	93
Netherlands	80	Netherlands	88
Denmark	75	Canada	81
Hong Kong	72	Hong Kong	80
Canada	69	Singapore	78
Switzerland	69	Denmark	78
Norway	67	United States	78
New Zealand	65	New Zealand	75
France	63	Japan	73
Singapore	63	Taiwan	72
United Kingdom	63	Norway	72
Finland	62	United Kingdom	71
Taiwan	61	Switzerland	70
United States	60	Australia	69

Belgium	58	Germany	66
Japan	57	France	65
Spain	56	Belgium	63
Germany	55	Ireland	63
Australia	55	Spain	62
Sweden	54	Finland	59
Ireland	54	Austria	54
Austria	48	Sweden	54

Source: Gartner (September 2009)

Although many mature markets will see a slowing down of broadband rates as connectivity reaches saturation, many emerging markets are still in the early stages of broadband deployment and will see rapid growth in adoption rates. Gartner predicts that over the next five years, the emerging markets (China, India, Indonesia, Malaysia, the Philippines, Thailand, Latin American countries, Eastern Europe, the Middle East and Africa) will collectively provide twice as many new consumer broadband connections as mature markets: 135 million vs. 62 million connections, respectively.

Brazil, Russia, India and China (BRIC) will account for 92 million (68 per cent) of the increased 135 million household broadband connections in the emerging markets, meaning that BRIC accounts for almost half (47 per cent) of the total global increase in connections. China takes first place in contributing the greatest number (62 million, or 46 per cent) of the 135 million new broadband connections in emerging markets.

Twenty seven million US households will make up a large share of new broadband connections in mature markets between 2008 and 2013, with Japan accounting for almost 10 million, Germany with 5 million and the UK with slightly over 3 million connections.

However, despite the significant growth in connections in emerging markets, Gartner analysts said that households in emerging markets will continue to outnumber those in mature markets by 4-to-1. Consequently, it is unlikely that broadband household penetration in the emerging markets will catch up with mature markets within the next ten years, and Gartner estimates that the digital divide will remain in the 50 to 54 per cent range for the foreseeable future.

Gartner estimates that the worldwide consumer fixed voice, internet and broadband services market was worth \$372 billion in 2008 and that broadband access services supplied 27 per cent of that total. Broadband services will continue to be the growth engine in revenue, offsetting declining voice revenue and supplying almost 40 per cent of the \$347 billion total revenue in 2013.

*"Broadband services represent the core of all fixed-line household communications services; hence, communications providers will be able to continue their reliance on broadband subscription revenue to offset revenue loss from other services in their portfolio offerings," Ms Sabia said. "Equipment manufacturers (modems, routers and PCs) and providers of carrier infrastructure will benefit by having more connections to supply equipment and services to. Government, medical and educational institutions alike will have alternative access to their customers via the household broadband connection."*

This research refers to broadband as fixed broadband modalities, such as DSL, cable modem, FTTH/FTTP/Ethernet, and other high-speed technologies (mostly static fixed-line replacement technology for the main broadband access into the home, such as multichannel multipoint distribution service [MMDS], LANdesk Management Suite [LDMS], WiMAX, satellite and power lines).

Additional information is available in the Gartner report "Next Phase of Growth in Worldwide Consumer Fixed Broadband." The report is available on Gartner's website at [http://www.gartner.com/DisplayDocument?ref=g\\_search&id=1171912&subref=simplesearch](http://www.gartner.com/DisplayDocument?ref=g_search&id=1171912&subref=simplesearch).

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