

Socio-economic return of FTTH investment in Sweden, a prestudy

Almost all residents of Sweden have a computer at work and at home, and most have some kind of internet connection. Capacity and bandwidth needs are constantly increasing and previous solutions are replaced with new infrastructure, resulting in major investments. There is a wide range of broadband initiatives throughout Sweden, and the investments made by both telecom operators and public operators. The benefits of the investments discussed often, especially when the investment is made by the municipality or municipal activities.

There are many indications and testimonies on broadband benefits, most with general starting points. This preliminary study is based on socio-economic impacts on the investment of the fibre, and especially investment impact on housing associations, municipalities and businesses opportunities to work in the community.

Information and knowledge are gathered from the research institute Acreo participates in, various databases (such as PTS, SCB, and the FTTH Council Europe), and from a survey conducted and examples from local authorities and housing associations.

The pilot study clearly shows that there is a connection between the fibre and socioeconomic development. It also shows that there is a correlation between the presence of fibre and economic growth. For example, the City has reduced its communications costs by 45 million per year, thanks to fibre-optic network. Stockholm Municipality Council and Norrbotten reduced their communication costs by 50%. In depopulated areas, the number of firms increased after the fibre is installed.

The issue for the feasibility study was: *Is it possible to calculate how much a dollar invested in fibre giving back to society?* The conclusion is that a more comprehensive statistical data and more calculations to give an exact estimate. The pilot study provide an indication that a dollar invested over four years brings back a minimum of 1.5 SEK in five years time (the information in the model does not estimate the longer term). The feasibility study estimates the need for investment to achieve 100% fibre penetration, identifies and quantifies a number of significant effects of fibre deployment in the community, and then calculates the return on investment, through a model and calculation method are presented in full transparency in this report.

We recommend a more extensive study of the proposed model is refined and expanded with more detailed and updated data. Based on preliminary study results suggest Acreo also a socio-economic development of the ICT Index. An index that continuously monitors the development and clarifies the relationship between fibre supply and economic growth.

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(the Swedish report:

<http://bredbandivarldsklass.se/Global/Dokument/Arbetsgrupp%203%20%20E2%80%93%20Rapport%20%20E2%80%93%20Acreo%20%20E2%80%93%20Samh%C3%A4llsekonomisk%20inverkan%20av%20bredband.pdf>)