

Global broadband prices revealed

Broadband users in 30 of the world's most developed countries are getting greatly differing speeds and prices, according to a report.

The Organisation for Economic Co-operation and Development (OECD) report says 60% of its member countries net users are now on broadband.

The report said countries that had switched to fibre networks had the best speeds at the lowest prices.

In Japan net users have 100Mbps lines, 10 times higher than the OECD average.

Japan's price for broadband per megabit per second is the lowest in the OECD at \$0.22 (0.11p), said the report. The most expensive is Turkey at \$81.13 (£40.56).

In the US, the cheapest megabit per second broadband connection is \$3.18 (£1.59) while in the UK it is \$3.62 (£1.81).

CHEAPEST ENTRY LEVEL BROADBAND PER MONTH*

Sweden \$10.79

Denmark \$11.11

Switzerland \$12.53

US \$15.93

France \$16.36

Netherlands \$16.85

New Zealand \$16.86

Italy \$17.63

Ireland \$18.18

Finland \$19.49

**Source: OECD. Figures for October 2006*

Subscribers to Japan's fibre networks can also upload at the same speed they can download, which is not possible with ADSL (broadband over a telephone line) and most cable subscriptions.

Sweden, Korea and Finland also offer 100Mbps net connections, as all four countries have switched to fibre optic networks.

The OECD represents 30 of the leading democratic economics, from Australia to the US, France to Japan.

"Broadband is very quickly becoming the basic medium for service delivery on both fixed and wireless networks," said the report.

JupiterResearch telecoms analyst Ian Fogg said: "It's very hard to draw comparisons across 30 countries globally because there are different trends happening in each of them.

However, he said the entry price for broadband was an incredibly important criteria to compare.

"Because the market is very fragmented consumers care about cheap prices."

According to the report, broadband prices for DSL connections across the 30 countries have fallen by 19% and increased in speed by 29% in the year to October 2006. Cable prices and speeds followed a similar trend.

BT (in the UK) has been very slow to switch across (to ADSL2+).

Ian Fogg, JupiterResearch

The least expensive monthly subscription for always-on broadband was in Sweden, where \$10.79 (£5.40) per month bought a 256kbps connection. The country with the most expensive entry point for broadband access was Mexico, where it cost \$52.36 (£26.18) per month for 1mbps.

Mr Fogg said: "In many of the OECD countries those people without broadband and making the transition are feeling their way and are very conscious of price. They haven't seen the need to go to broadband historically."

The entry-level price points do not take into account bundled deals, such as incorporating free broadband with a TV contract, which are becoming increasingly important to the market.

Mr Fogg said many countries had seen a jump in broadband speeds over the last few years as many ISPs utilising existing telephone lines had started to push ADSL2+.

ADSL2+ is a technology which doubles the frequency band of a typical ADSL connection over a phone line, in effect doubling the amount of data which can be sent downstream to a user.

The theoretical maximum speed of an ADSL2+ line is 24Mbps, still much slower than speeds over fibre optic networks.

"ADSL2+ hasn't happened everywhere and it's happened at different times in different countries," explained Mr Fogg.

"France was the first country in the western world to use the technology, about two or three years ago.

"BT (in the UK) has been very slow to switch across. The only option for UK customers has been to get it from competitors, notably Be, which is owned by O2, and Sky."

Story from BBC NEWS:
<http://news.bbc.co.uk/go/pr/fr/-/2/hi/technology/6900697.stm>

Published: 2007/07/16 13:01:58 GMT

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