

## Pressemeldung

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### **BREKO Market Study 2022: One in four households in Germany has access to fibre networks**

- German fibre coverage at 26% (mid-2022), network operators built approximately 4.4 million new fibre connections since end of 2020
- Demand is increasing, fibre connections on their way to becoming the new standard
- Positive forecast for future deployment, but associated with risks

Bonn, 06. September 2022 **Fibre for all by 2030: The German Federal Government has set high targets for the nationwide deployment of future-proof digital infrastructure in its Gigabit Strategy. Today, the German Broadband Association (BREKO) presents its Market Study 2022, an extensive analysis on the development of fibre deployment in Germany. With a fibre coverage of 26% (as of 30 June 2022) a first milestone has been reached to meet these goals. However, in order to achieve the Federal Government's objective to supply half of German households and businesses with fibre by 2025 further improved conditions for deployment will be necessary.**

The market study 2022, presented by telecommunications expert and economist Prof. Dr. Jens Böcker, is based on data from over 230 network operators represented in BREKO and rollout figures of all relevant businesses deploying fibre in Germany. For the first time, this year's analysis also includes numbers for the first two quarters of 2022.

#### **Fibre coverage increases to 26%**

With 4.4 million new fibre connections since the end of 2020, network operators further increased their deployment speed in 2021 and in the first half of 2022. The fibre coverage is rising continuously – 26%, which means more than a quarter of households are able to access fibre networks by mid-2022. The demand side shows similar developments. Almost every second household with a fibre connection becomes a subscriber. Real fibre networks are becoming the new standard. Germany is catching up when it comes to comparisons to its European counterparts.

From the 12.7 million fibre connections in Germany, 8.8 million connections, or in other words 71% of the fibre connections, have been built by alternative network operators. Germany has the third-highest growth rate in Europe, just behind France and the United Kingdom.

Investments in digital infrastructure in 2021 have again reached record numbers and increased to €11 billion. These are also predominately driven by alternative network operators, who invested €6.5 billion, making up for 59% of the total investment volume.

#### **Further deployment progress is associated with risks**

The outlook for further deployment is generally positive but remains associated with risks. For 2025, the BREKO Market Study forecasts a fibre coverage between 40 and 53%, opposed to the Federal Government's target to connect 50% of households and businesses. The final outcome will depend more than ever on the political framework and future developments in the Russian war in Ukraine, which are currently difficult to assess. BREKO president Norbert Westfal warns: "The current volatile political atmosphere also has an impact on companies involved in fibre deployment. Price increases, bottlenecks

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in supply and a lack of skilled workers do not only affect regular citizens but also leave a noticeable mark on deployment. We have the chance to reach the Federal Government's very ambitious goals until 2025 and 2030. To do so, however, we need political support on European, national and regional level to facilitate and to swiftly remove obstacles for accelerated deployment. As such, public funding that complements economically viable deployment remains a crucial approach. Network operators have proven that they are capable of quickly and efficiently supplying Germany with fibre connectivity. Public funding should therefore only be applied where economically viable deployment is not possible. In this context, we have high expectations for the Federal Government's new gatekeeper instrument ("Potenzialanalyse"). Another top priority will be the acceleration and streamlining of permit granting procedures. We need a digitalization of public administration in Germany without any more fax machines."

### **High competitive pressure – significance of Open Access is increasing**

The BREKO Market Study shows: The significance of Open Access agreements, i.e. deploying companies opening their network under fair conditions for other competitors, is increasing. 81% of the more than 230 BREKO network operators offer Open Access. BREKO Managing Director Dr. Stephan Albers comments: "We are experiencing intense competition for deployment areas – both within the market and within BREKO. Competition stimulates business – on the one hand, this is positive for deployment progress, on the other hand, we have to deploy sustainably, reduce overbuilding and save resources in these tough economic times. Open Access offers an outlet for this. More than 80% of BREKO companies already open their networks for competitors today and more than 23% of BREKO network operators' fibre connections are marketed through Open Access Partners. This development is going to increase strongly within the next years.

### **Demand is rising, fibre connections are becoming the new standard**

Against the backdrop of further increasing data volumes, "real fibre connections" (fibre to the buildings and apartments) are becoming ever more the standard. In comparison to other internet infrastructures, the take-up of fibre connections (Homes Activated) shows an overproportionate growth, while the take-up of cable connections stagnates.

Approximately half of the users that are connected via fibre subscribed to a connection in 2021. This is demonstrated by the so-called Take-up-Rate, the relation between connected users ("Homes Connected") and contracts ("Homes Activated"). Mid-2022 this rate lies at 47%. More than 1.4 million customers already booked connections with bitrates of 1 Gbit/s or more.

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### **About BREKO**

As the leading fibre association with more than 430 member companies, Bundesverband Breitbandkommunikation e.V. (German Broadband Association, BREKO) successfully promotes competition in the broadband market. Its members are committed to future-proof fibre and currently implement 70 percent of alternative network operators' fibre connections to buildings and homes. The more than 230 telecommunications network operators organised in the association supply both urban and rural areas with future-proof fibre connections. In 2021 they invested a total of € 3.2 billion. More information at [brekoverband.de/en](http://brekoverband.de/en).