



Connectivity Scorecard 2010

Belgium – an above average performance with huge potential

Overview

Belgium moves up two places in the Connectivity Scorecard 2010, finishing in 15th position among the innovation driven economies.¹ The country delivers a respectable performance and shows promise with high broadband penetration in the consumer segment, and good broadband uptake and adoption of advanced enterprise-oriented infrastructure among businesses.

However, Belgium needs to first address weaknesses in consumer usage and skills, and certain aspects of business infrastructure such as a low penetration of personal computers (PCs) and that of secure internet servers for e-commerce transactions. Delivering a stronger performance in the business category, the country needs to improve its showing in the consumer segment to fully capitalize on the potential of Information and Communications Technology (ICT).

	Score	Weight
Consumer Infrastructure	0.53 (0.96)*	0.09
Consumer Usage & Skills	0.48 (0.82)*	0.09
Business Infrastructure	0.62 (0.86)*	0.59
Business Usage & Skills	0.63 (0.87)*	0.16
Government Infrastructure	0.70 (0.93)*	0.06
Government Usage & Skills	0.49 (0.93)*	0.02

* The score of the leading performer for this component

Fig 1: Sub-category Scores and Weights 2010

Strengths

Belgium offers its strongest performance in the business usage and skills sub-category. Here, the country does particularly well in terms of the proportion of graduates and researchers in the workforce and the proportion of businesses with their own websites (although average scores on this measure tend to be high). On other measures, its performance ranges from moderate to good.

Belgium also boasts of an above-average business infrastructure. Although the penetration of PCs and of secure internet servers is surprisingly weak given the relatively high broadband penetration rate, capital investments in ICT are relatively strong. Similarly, the country puts up a strong performance in deployment of advanced infrastructure (Ethernet and IP) in the enterprise sector. Mirroring relatively strong residential-level broadband adoption, business broadband adoption is also strong.

¹ As defined by the World Economic Forum

Belgium also exhibits a good performance in the consumer infrastructure sub-category. Household broadband adoption rates in Belgium are around 60%, fully in line with most other relatively affluent Western European economies. Although well behind the small group of elite countries (Japan, Korea, Sweden and to some extent, the Netherlands and Norway), Belgium's broadband networks are faster than most West European countries, roughly matching the performance of the United States and Canada (with which it shares the trait of having extensive competition between cable and telecom networks).

On the government-related metrics², Belgium gets a reasonable, but not stellar, score on the UN E-government index, and gets decent marks for broadband in schools and for the proportion of businesses that use e-government services.

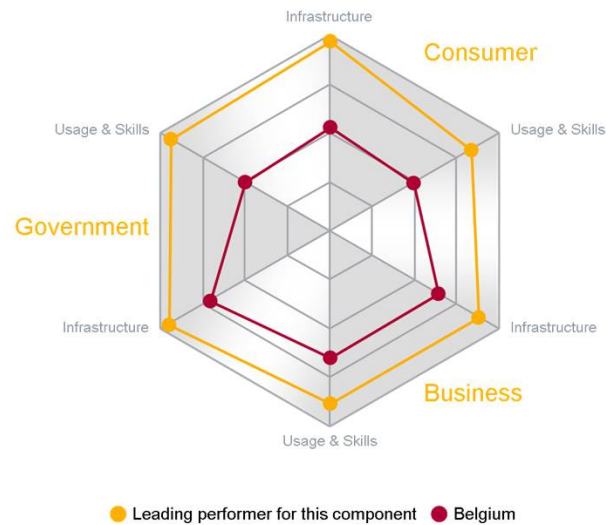


Fig 2: Sub-category Scores 2010

Weaknesses

Belgium's weaknesses come to the fore in the consumer usage and skills sub-category. Although the country scores strongly in terms of the proportion of the population that uses the internet frequently, its scores on other aspects of consumer usage and skills are not in line with its strong broadband penetration and internet usage statistics. For instance, Belgium's scores are surprisingly modest on measures of internet banking and e-commerce.

Another area where Belgium scores below average is the government usage and skills sub-category. This particularly represents huge untapped potential, considering the country scores well on the government infrastructure front.

Conclusions

Belgium continues to lag behind most of its northern European peers this year and this is primarily due to deficits in its consumer usage and skills, and business infrastructure. It's interesting to note the contrast between Belgium and the Netherlands, which are neighbors, and that between Belgium and the UK, which have somewhat similar residential broadband penetration rates, but with the UK showing more consistent strength that matches its higher broadband penetration.

² While the "government infrastructure" sub-category of the Scorecard measures a country's performance on provision of e-government infrastructure, the "government usage and skills" sub-category looks at the usage of e-government services per capita.

2010 compared to 2009

The Connectivity Scorecard is based on comparative scores of countries, and, therefore, each country's performance is measured in relation to the best performing nation in each segment at a given point of time. As with other indices of relative rankings, it is therefore hard to interpret the Scorecard in terms of absolute "improvements" or "deteriorations" and to make comparisons of scores over time.

Added to this, a number of changes were made to the indicators in the 2010 version of the Scorecard to reflect the changes in technology and to more precisely capture "real-world" data. The Akamai data³ on actual broadband speed was used this year rather than measures such as "fastest advertised speed by the incumbent" used in the previous edition of the Scorecard. Akamai is a leading provider of cached content with servers located all over the world and its metrics capture not just the 'speed' that is measured in other speed tests, but also additional factors, such as congestion in the network, that affect the user experience.

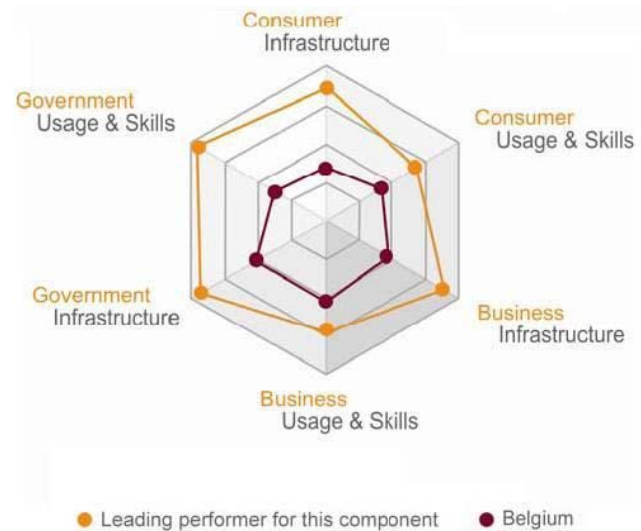


Fig 3: Sub-category Scores 2009

In addition, the UN E-Government Readiness Index was used to measure countries' performance in the government category, rather than the Brookings Institution E-Government measures that was used last year. New metrics were also incorporated from the Economist Intelligence Unit.

The inclusion of new metrics such as data on actual broadband network performance, and on ICT investment and IT services spending, appears to have slightly bolstered Belgium's performance on the Connectivity Scorecard. For instance, data on advertised speeds would put France ahead of Belgium, but Akamai data on actual user experience reflects otherwise. In addition, the 2010 Scorecard utilized measures such as the broadband penetration in the enterprise sector and the proportion of businesses with websites, where Belgium performed quite well, mirroring its strength in residential broadband deployment.

About Connectivity Scorecard

The Connectivity Scorecard is a global ICT index which, unlike other available research, is the first of its kind to rank countries in terms of "useful connectivity". That is, it not only captures the deployment of ICT infrastructure, but also the extent to which governments, businesses and consumers "make use" of connectivity technologies to enhance social and economic prosperity. This "useful connectivity" is defined as the bundle of infrastructure, complementary skills, software and informed usage that makes ICT the key driver of productivity and economic growth.

Commissioned by Nokia Siemens Networks, the study was created by Professor Leonard Waverman, Dean, Haskayne School of Business, University of Calgary, and Fellow, London Business School. The study was conducted under Professor Waverman's direction by international economic consulting firm LECG. For more information on the Connectivity Scorecard, visit www.connectivityscorecard.org

³ Akamai State of the Internet report is available at <http://www.akamai.com/stateoftheinternet/>

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