

Connectivity Scorecard 2011

Finland



Finland
6.78

	Score	Weight
Consumer Infrastructure	0.62 (0.95)*	0.12
Consumer Usage and Skills	0.64 (0.79)*	0.12
Business Infrastructure	0.72 (0.86)*	0.50
Business Usage and Skills	0.77 (0.83)*	0.14
Public sector Infrastructure	0.43 (0.79)*	0.09
Public sector Usage and Skills	0.68 (0.79)*	0.02

*The score of the leading performer for this component

Table 1: Component Scores & Weights 2011

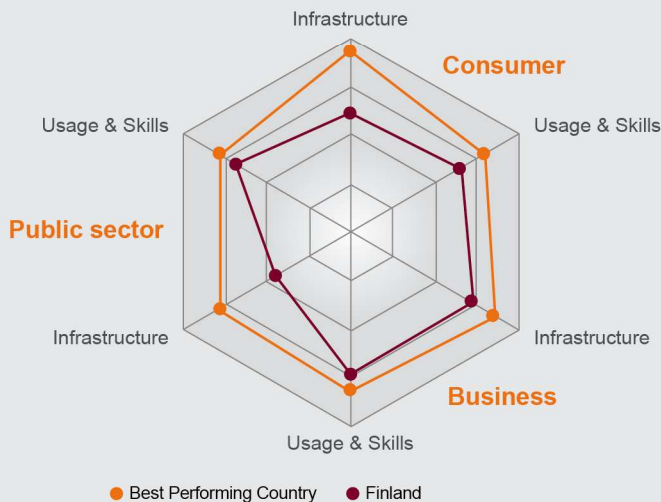


Fig 1: Component Scores 2011

Overview

Finland scores 6.78 and falls three places to rank 9th among the Innovation-driven¹ economies on the Connectivity Scorecard 2011 index.

Finland is a consistent ICT performer, albeit slightly behind its Nordic peers but edged out this year by better relative performances from the UK, Canada and Australia. These countries along with Finland may continue swapping places in future versions of the Connectivity Scorecard, as their underlying performance is reasonably similar.

Fixed-mobile substitution in Finland is very advanced, promoted to some extent by the availability of naked DSL. As a result, the country has become a strong performer on most mobile-related usage metrics, while the prevalence of fixed lines and fixed line usage has decreased considerably.

Strengths

From a consumer infrastructure perspective, Finland's clear strength lies in its wireless telephone penetration of just under 100%. Fixed-mobile substitution is very advanced in Finland and this is reflected in its low fixed-line penetration. The availability of naked DSL (i.e. DSL without the requirement that consumers also pay for a voice line) has helped promote this shift. Finland is a very strong performer in terms of consumer usage. More than 80% of the population are internet users and the adoption rates for online services such as internet banking and shopping are amongst the highest in Europe. Mobile voice usage is another area in which Finland performs extremely well, although this is again partly

¹ As defined by The World Economic Forum www.weforum.org

driven by the advanced state of fixed-mobile substitution in the country.

Finland scores well in several business infrastructure measures. Finnish businesses invest heavily in ICT per capita and business uptake of broadband and mobile data are amongst the highest in Europe. The country also performs well on measures relating to enterprise telephony. Finland is a similarly strong performer in terms of business usage and skills. The country ranks in the top 10 on measures taken in the area of IT services and corporate data spending and the proportion of businesses with websites. Finland also produces and employs large number of professionals, on a per capita basis, in technical and scientific fields.

Within the government and public sectors, per capita spending on IT hardware and software is above average although behind other Nordic countries, while government and public sector IT services spending in Finland is the highest in Europe. Finland is the best performing innovation-driven economy as far as use of e-government services by the general population is concerned and also scores well on measures taken in the area of enterprise usage of e-governance.

Weaknesses

Finland's only real "weaknesses" occur in the consumer infrastructure component. Fixed broadband penetration and 3G coverage rates are a bit below the levels observed throughout much of the Nordic region and in Western Europe. Fixed penetration and fixed voice usage are also low, but this is somewhat misleading given Finland's well-developed mobile penetration. An area where Finland lags behind not just the Far East, but also countries in Northern Europe and North America is in average broadband speeds. The country lacks cable infrastructure, which helps boost the average speeds of countries such as Belgium, Netherlands, Canada and even the USA. Furthermore, it also does not have quite the same level of telecom fibre deployment of not just the Far East, but also Sweden and Denmark.

Conclusions

As with the other Nordic states, Finland is a relatively consistent performer. Finland scores well on most measures of consumer and business usage particularly with regard to mobile telephones and internet usage. Finland invests heavily in ICT and has a skilled workforce

Rank [~]	Country	Connectivity Score
1 [1]	Sweden	7.84
2 [2]	United States	7.82
3 [4]	Denmark	7.47
4 [5]	Netherlands	7.45
5 [3]	Norway	7.09
6 [8]	United Kingdom	7.06
7 [7]	Australia	6.93
8 [9]	Canada	6.88
9 [6]	Finland	6.78
10 [11]	Singapore	6.40
11 [15]	Belgium	6.31
12 [n/a]	Austria	6.27
13 [17]	Germany	6.27
14 [12]	Ireland	6.08
15 [18]	France	6.06
16 [10]	Japan	5.89
17 [16]	New Zealand	5.84
18 [13]	Korea	5.80
19 [20]	Spain	5.09
20 [19]	Czech Republic	4.93
21 [21]	Portugal	4.80
22 [22]	Italy	4.79
23 [23]	Hungary	4.50
24 [24]	Poland	4.26
25 [25]	Greece	4.22

*last year's rank in parenthesis

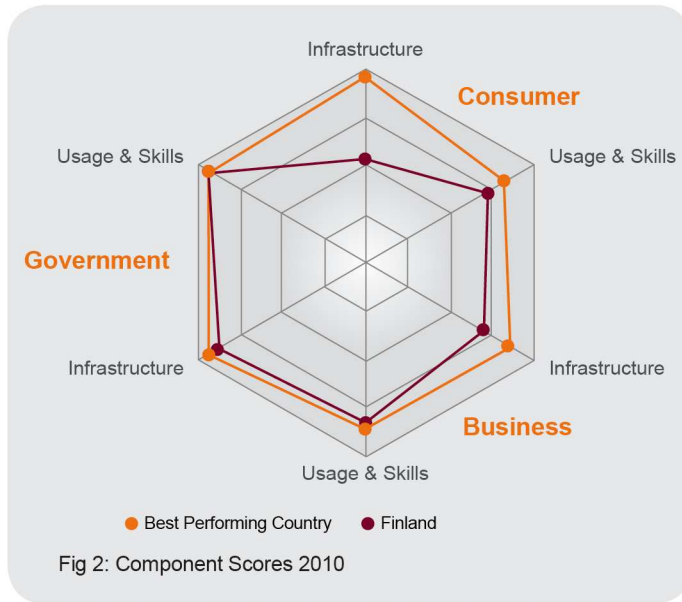
Table 2: Connectivity Scorecard 2011 Results – Innovation-driven Economies

that is able to harness that technology in order to drive productivity gains and economic growth. The country's only real weakness relate to consumer infrastructure and further focus on this area will ensure Finland remains a top ICT performer.

2011 vs. 2010

Finland scored 6.78 and ranked 9th in 2011 compared to 7.26 and 6th rank in 2010. Although this appears like a significant decline, the fact is that due to the change in weights this year², only a small proportion of scores have actually changed. Had we used last year's weights, Finland's total score would have been 6.90 and the country would have climbed one place to 8th on the Connectivity Scorecard.

² For more information download the Connectivity Scorecard 2011 Report from www.connectivityscorecard.org



Of more significance is the change in scorecard component scores, most notably a decrease in Finland’s government and public sector infrastructure and usage and skills scores. The decrease in many countries’ government sector scores is due to the inclusion of additional metrics³ on public sector or quasi-public-sector investments in IT hardware, software and IT services. These new metrics had the effect of creating additional dispersion in country scores, with some country scores on the “public” or “government” subcategories falling substantially as a result of the inclusion of these metrics. The U.S. and some other countries did not experience this decline, whereas many countries like Finland experienced some decline. Finland’s performance on most of these new government measures is still strong compared to most nations, but suffers in comparison to the handful of high-spending nations at the top of the list.

The Connectivity Scorecard is based on comparative scores between countries, and, therefore, each country’s performance is measured in relation to the best performing nation in each component 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.

³ For more information download the Connectivity Scorecard 2011 Report from www.connectivityscorecard.org

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, not only on the deployment of ICT infrastructure but also to measure the extent to which consumers, businesses and the public sector “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 by the consulting firms Berkeley Research Group and Communicea.

For more information on the Connectivity Scorecard, visit www.connectivityscorecard.org

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