

Connectivity Scorecard 2011

Netherlands



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7.45

	Score	Weight
Consumer Infrastructure	0.74 (0.95)*	0.09
Consumer Usage and Skills	0.64 (0.79)*	0.09
Business Infrastructure	0.79 (0.86)*	0.45
Business Usage and Skills	0.75 (0.83)*	0.26
Public sector Infrastructure	0.61 (0.79)*	0.07
Public sector Usage and Skills	0.69 (0.79)*	0.04

*The score of the leading performer for this component

Table 1: Component Scores & Weights 2011

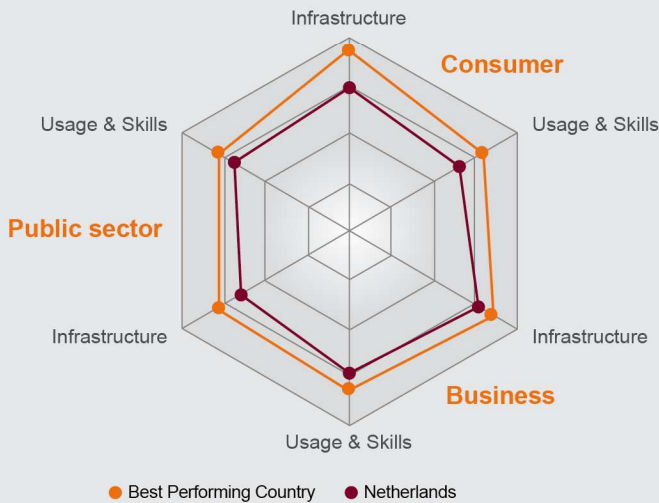


Fig 1: Component Scores 2011

Overview

Netherlands scores 7.45 and climbs one place to rank 4th amongst the Innovation-driven¹ economies on the Connectivity Scorecard 2011 index.

The Netherlands is a strong all round performer with good scores in all six components of the Scorecard. The country performs well on almost all measures and is particularly strong in terms of internet usage and business infrastructure. The only area in which the country falls behind the European leaders is in terms of 3G mobile adoption and usage.

Strengths

The Netherlands is one of the strongest performers among the innovation-driven economies in terms of consumer infrastructure. Fixed broadband penetration, average internet connection speeds, and percentage of IP addresses over 5 Mbps are amongst the highest in Europe. Also, 3G coverage is virtually universal.

The Netherlands also receives several very high scores on the consumer usage metrics, but scores poorly on mobile usage measures. As a result, the country's ranking on the consumer usage component is slightly lower than the other components. Consumer internet usage is another area where Netherlands is very strong. In fact, the proportion of the population using the internet in general, and online services such as banking and shopping in particular, is among the highest of all the innovation-driven economies. Also, fixed voice usage is well above average.

From a business perspective, the Netherlands does very well in terms of both infrastructure, and usage and skills measures. The country leads the way as far as secure internet servers per capita are concerned and also

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

performs well on measures of personal computer penetration, ICT investment per capita, enterprise telephony and the use of new data protocols. Within the business usage and skills component, the Netherlands scores highly on measures of IT services spending, and cloud computing revenue. Well over 80% of the country's businesses have websites and employment in science and technology-related field is among the highest in Europe.

The Netherlands is also a consistently strong performer in the government and public sector. The country ranks in the top 10 on all but one of the measures considered and is particularly strong in the areas of government spending on hardware, software, communications and services. Additionally, over 50% of the population and 80% of businesses make use of e-government services – both figures comfortably above average for the innovation-driven economies.

Weaknesses

The Netherlands has no conspicuous weaknesses, although its performance on many mobile-related measures of adoption and usage lags behind its otherwise consistently strong performances. On the infrastructure side, the 3G penetration rate is comparatively low, despite the fact that there is 3G coverage virtually everywhere in the Netherlands. When 3G penetration is measured relative to all subscriptions, the penetration in Japan and Korea (the global leaders) is currently three times higher than in the rate in the Netherlands.

This relative weakness extends to consumer usage also where mobile voice and text usage are both below average European levels. This may to some extent reflect cultural preferences and the relative price of fixed line calls. Fixed line usage in the Netherlands is above the European average, and combined fixed and mobile usage is in line with the levels observed in Germany, France and Belgium. Within the business sector, business usage of mobile data services is slightly below the level observed in most of Europe, although there may be some measurement issues with this metric (which was new to the Scorecard in 2011).²

The Netherlands shows no real weaknesses in the government and public sector.

Conclusions

The Netherlands is a consistently strong performer with good scores across all six components of the Connectivity

² These measurement issues might relate to what is defined as an "enterprise mobile line."

Rank [2010]	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

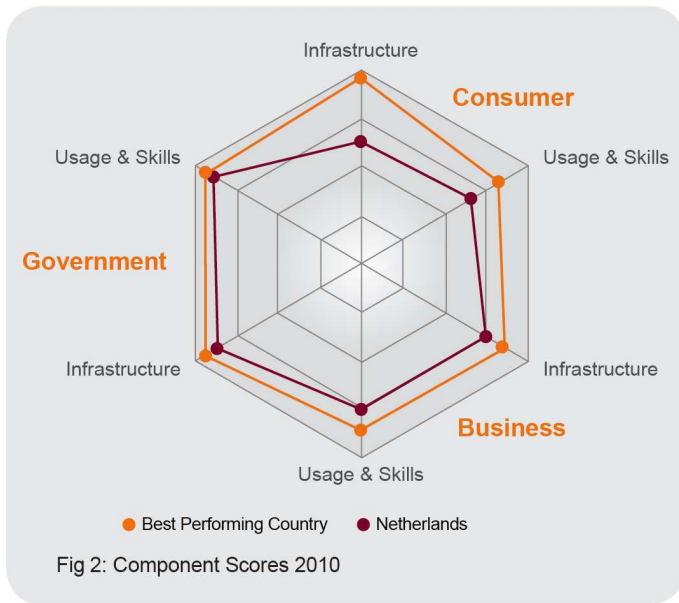
Table 2: Connectivity Scorecard 2011 Results – Innovation-driven Economies

Scorecard. The country's particular strengths are in terms of internet adoption and usage (where the Netherlands achieves several top 5 scores) and business infrastructure. The country also performs well in terms of consumer infrastructure and across all the government metrics.

The only area of slight concern is in terms of 3G mobile penetration and usage, both from a consumer and a business perspective. It is still unclear why this is the case, but it seems that it should be readily corrected in years to come.

2011 vs. 2010

The Netherlands ranks 4th this year with a score of 7.45 as compared to last year's ranking of 5th with a score of 7.52. The small variation in scores is due to the change in weights. However, even if the same weights were used as in 2010, the Netherlands's total score would have been 7.44 and its ranking would have been unaffected. Of more significance is the change in scorecard component



scores, most notably in terms of consumer infrastructure and the government components of the scorecard.

The change in most countries' consumer infrastructure performance this year³ is due to the inclusion of three indicators which equalize the countries' performance. These three indicators are (a) fixed broadband coverage, (b) 3G coverage, and (c) unique user mobile penetration. On the first two indicators, at least 80% to 85% of the population of most "innovation-driven" economies is covered by wireless and fixed-line broadband networks. On the third metric, most nations have at least around 60% of the population that owns a mobile device, but the proportion seldom, if ever, exceeds 95%. Thus this indicator shows only limited variation. If a more conventional but less merited indicator of "SIM cards per 100 population" (which is how many agencies measure mobile penetration) were used, the "mobile penetration" metrics would have shown some more variation. The reason - some countries have SIM card penetration rates of 150 per 100 people or more.

The decrease in many countries' government sector scores is due to the inclusion of additional metrics 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" components falling substantially. The U.S. and some other countries did not experience this decline, whereas many countries including the Netherlands did. The Netherlands' performance on most government measures is still very strong, but not as strong as it was

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

on some of the measures included in the 2010 version. However, it should be noted that the overall effect of all the changes in the Scorecard on the Netherlands' score is very modest.

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 difficult to interpret the Scorecard in terms of absolute "improvements" or "deteriorations" and to make comparisons of scores over time.

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 Communea.

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

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