



Press Release

Expansion of Gigabit connections has a billion-dollar effect for German economy

- Study by IW Consult GmbH on behalf of the Vodafone Institute
- In an international comparison, Germany performs only mediocre at transmission speeds
- An increase in gigabit lines of just one percent per year would raise the gross domestic product by 1.5 billion euros
- Economist Dr. Karl Lichtblau: "Upgrade from cable to cable glass fibre makes sense economically "

Cologne/Berlin, 28 May 2018: The expansion of high-performance Internet connections holds enormous potential for the German economy. This is the result of the study "On the way to the Gigabit Society" by IW Consult on behalf of the Vodafone Institute. According to this regression analysis, an increase in gigabit connections (optical fibre or coaxial cables upgraded with optical fibre) of one percent per year would increase the gross domestic product (GDP) in Germany by around 1.5 billion euros.

An increase in the average transmission speed by 1 Mbit/s would even increase GDP by 11.8 billion euros. Economist Dr. Karl Lichtblau (IW Consult) said: "Economically, it makes absolutely sense to invest in gigabit networks - especially in upgrading cables to cable glass fiber. This is faster and cheaper to achieve economic effects than relying solely on glass fibre".

Regression analyses showed that 11.2 percent of the economic growth of the past five years in Germany is due to the spread of gigabit connections. This corresponds to an amount of around 43 billion euros.

Experts predict an increase in global data volume to over 100,000 GB/s by 2021 (source: Cisco Systems), which would be four times higher than in 2016.

According to the OECD, the share of pure fiber optic connections in Germany is 2.1 percent. In Japan (76.2 percent), South Korea (75.6 percent), Latvia (62.3 percent) and Sweden (58.0 percent), for example, the technology is much more widespread.

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The institute is Vodafone's European think-tank. We analyze the potential of digital technologies and their responsible use for innovation, growth and sustainable social impact. With the help of studies and events, we offer a platform for dialogue between thought leaders from science, business and politics. Our goal is to provide better access to technology for all sections of society. That is why we develop and support projects to strengthen women in the digital economy. The Vodafone Institute sees itself as an interdisciplinary platform and benefits from the expertise of its international advisory board.

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