



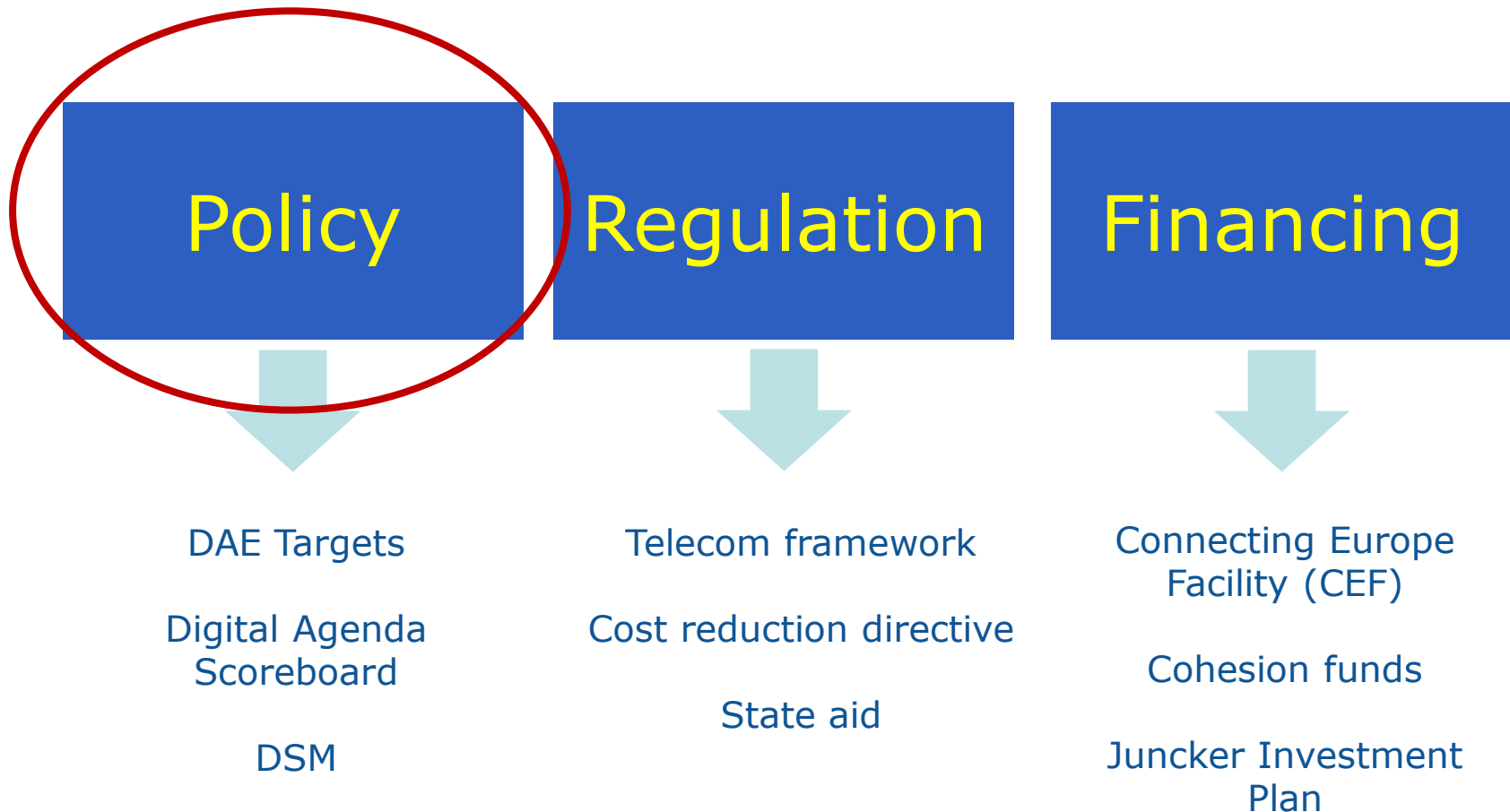
# I benefici socio-economici della banda ultra-larga e il Piano Juncker

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# Una politica europea di banda larga



## An average Sunday in Aalst-Waalre:

*5 laptops*

*2 ipads*

*1 Apple TV*

*5+ mobile phones*



...and nothing is working properly.

# Lo sviluppo socio-economico e la banda larga

- 1. Benefici che possono essere monetizzati ed internalizzati*
- 2. Benefici che possono essere monetizzati, ma non internalizzati*
- 3. Benefici che non possono essere monetizzati, ne internalizzati*

# Il ritorno sugli investimenti per gli operatori privati

Private operators are driven by Return On Investment (ROI).

Focus on Internal Rate of Return (IRR)

=> Net Present Value (NPV) is **negative**.

But: positive externalities for society are not taken into account (Social Return on Investment, SROI) Look at Economic Rate of Return (ERR)

=> Economic NPV (ENPV) is **positive**.

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# Il ritorno sociale sugli investimenti: la logica dell'intervento pubblico

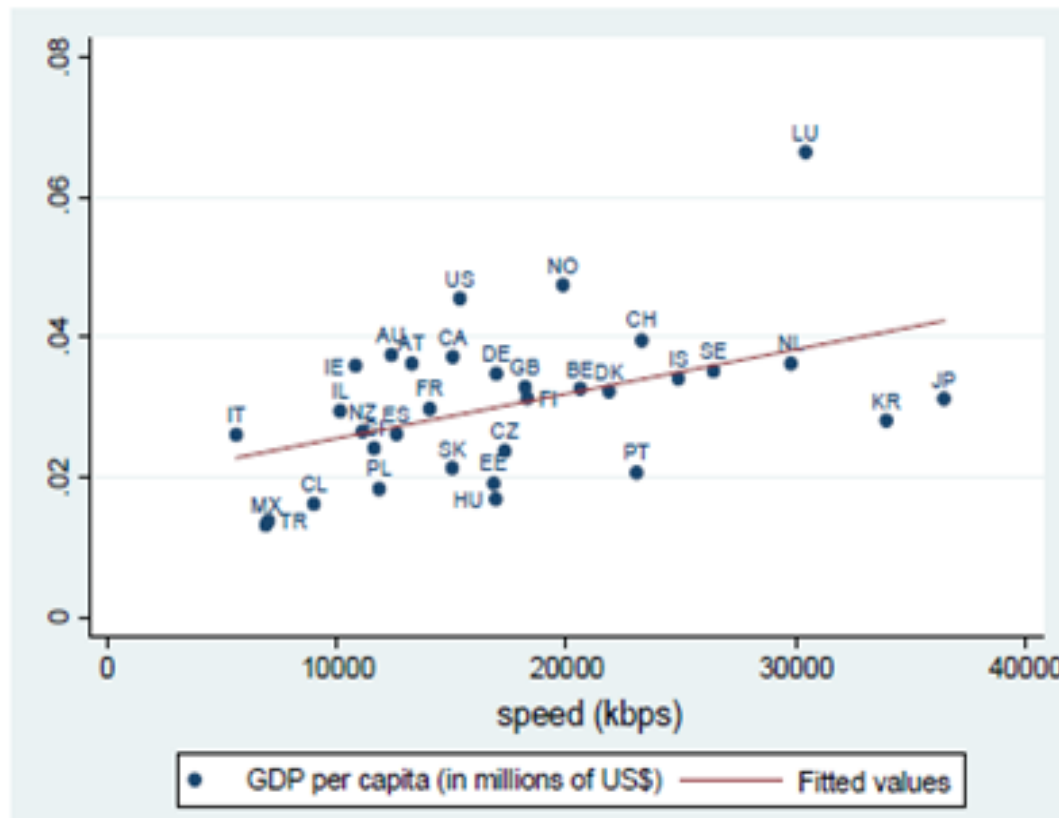
*"method for measuring extra-financial value  
relative to resources invested"*

## **Methods:**

1. Input-Output Analysis
  2. Regression Analysis
  3. Consumer Surplus Studies
- + bottom-up instead of top-down

*Availability of data!*

# Velocità e crescita economica





# Effetti sull'occupazione

EUR 1bn deployment → **9,320 jobs**

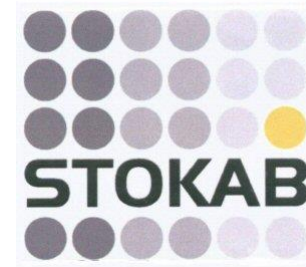
**1 direct job** results in:

**1.38 – 1.83 jobs** from direct and indirect linkages,  
and

**1.92 – 3.60 jobs** from direct, indirect and induced  
linkages.

*! There is an inverted U-curve relationship between  
broadband and job creation*

## Stokab - Sweden



Invested in open, neutral-fibre network for all

Socio-economic return: **1.7 bn. EUR**

Entrepreneurship – 10% relates to **13 extra companies** per 100,000 inhabitants.

Driven distances – 10% relates to **130,000km less** per capita.

Yearly net savings home care – **4m to 68m EUR**

Jobs – 10% relates to **3% higher employment**



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# Gli effetti sull'economia digitale

## Video Services

Continual development of the quality and nature of video services with the adoption of 4K and possibly 8K services.

- High capacity
- Reliability
- Fast

## Cloud Services, Applications and Resources

Increased use of large groups of networked, remote servers centralising data storage and online access to services and resources.

- Symmetry
- High capacity

## Education Services

Increased use of cloud technology by multiple users demanding business quality connections to a fibre network.

- Symmetry
- High capacity
- Low latency

## Smart Cities

Infrastructure, local skills, community institutions, and digital technologies brought together to fuel sustainable, economic development and provide an attractive environment.

- Ubiquity
- Resilience

## Big Data

New methods and tools to use and manipulate vast quantities of data, often in real time.

- High capacity
- Reliability
- Security

## Internet of Things and machine to machine (M2M) communications

170-530 million M2M devices connected in the UK by 2022.

- Reliability
- Ubiquity
- Security

## Health Services

Increasing reliance on M2M technology and applications providing remote healthcare and working.

- Reliability
- Ubiquity
- Low latency

## Electricity Networks

Smart grids enabling dynamic real time flows of information and interaction between consumers and suppliers and between parts of the supply chain.

- Ubiquity
- Resilience

# Lo sviluppo socio-economico e la banda larga

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# Gli "*intangible assets*"

*How to transform an intangible asset into a financial value or asset?*

**Value network analysis** – mapping value creation with the amount of impact each value input has. How to create, extend and leverage value.

**Real options theory** – we need to take into account the value of future options that can result from empowering citizens and businesses.

# La banda ultra larga come bene pubblico?

Public goods may be supplied by the private sector  
**non-excludable** and **non-rival**  
cost of provision = high  
value to society exceeds costs  
targets & net neutrality: nobody should be excluded

## **Balance competition & public good aspects**

only way to capture well-being, quality of life and  
value of future real options of growth.

# Con quali conseguenze?

**Universal Service Obligation** – redefining role and financial commitment of public authorities.

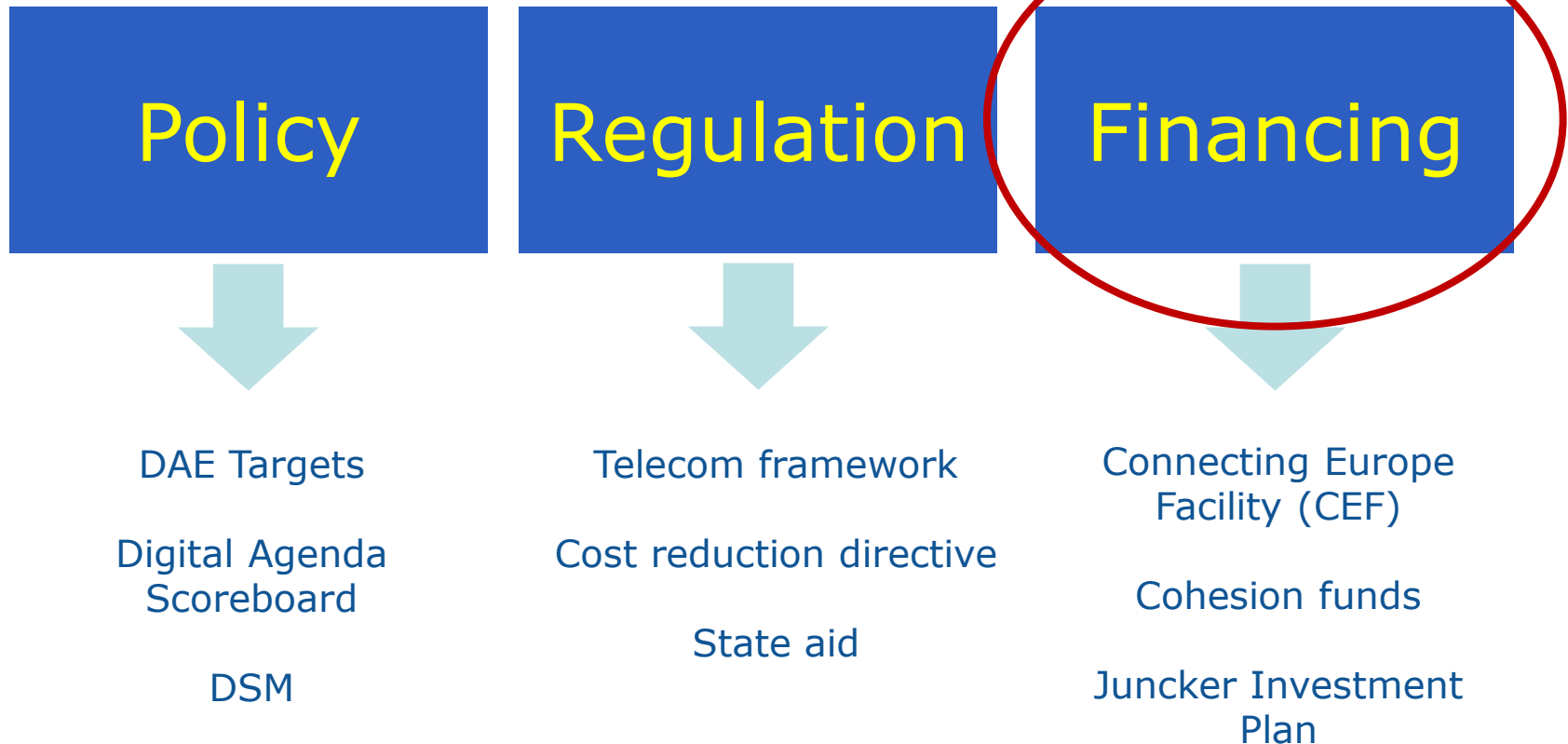
**National Broadband Plan**

**Regulatory framework** – investment friendly

**Funding** – equity and debt support

*European Commission needs to launch a clear message!*

# Una politica europea per la banda ultra larga





# I tre assi principali del piano Juncker

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## ① MOBILISING FINANCE FOR INVESTMENT

- Strong boost to strategic investments
- Better access to investment finance for SMEs and mid-cap companies
- Strategic use of EU budget
- Better use of the European Structural and Investment Funds

EFSI

## ② MAKING FINANCE REACH THE REAL ECONOMY

- Project pipeline preparation and selection
- Technical assistance at all levels
- Strong cooperation between National Promotional Banks and the EIB
- Follow-up at global, EU, national and regional level, including outreach activities

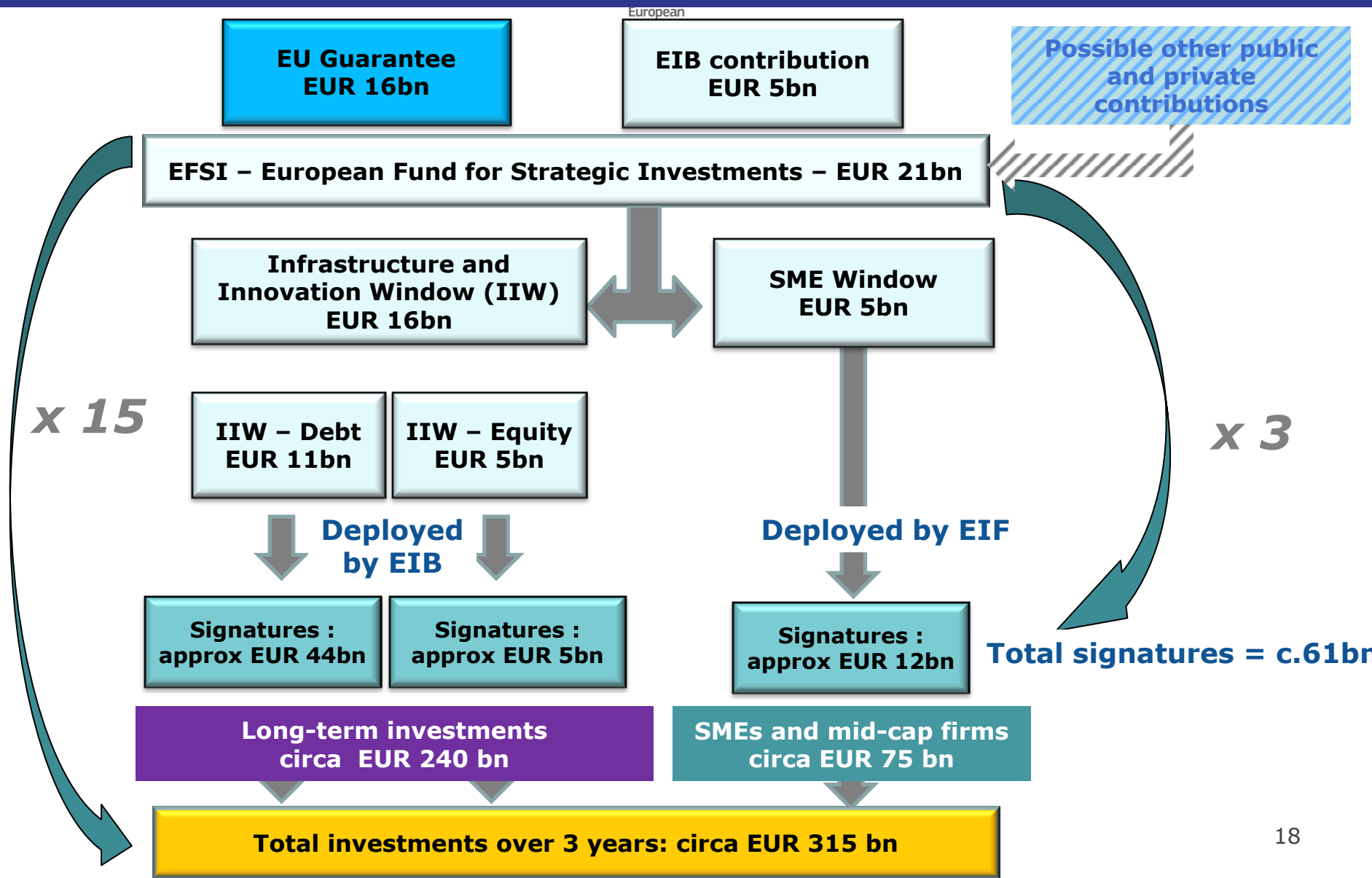
Up to EUR  
410bn GDP

Up to 1.3m  
jobs

## ③ IMPROVED INVESTMENT ENVIRONMENT

- Predictability and quality of regulation
- Quality of national expenditure, tax systems and public administration
- New sources of long-term financing for the economy
- Removing non-financial, regulatory barriers in key sectors within our Single Market

# EFSI nasce con una dotazione di 21 miliardi di EUR provenienti da fonti UE



# Eleggibilità

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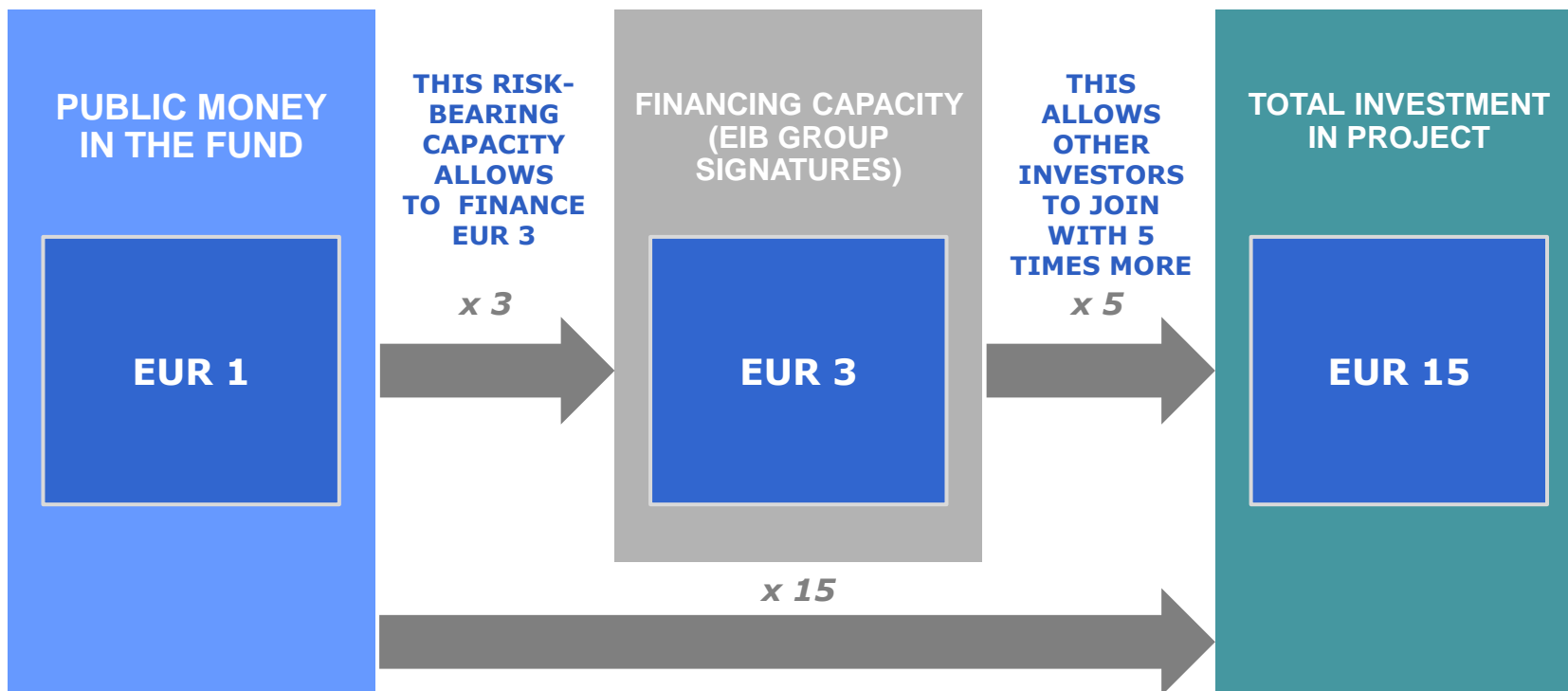
- Commercially sound
- Economically and technically viable
- Consistency with EU policies
- Added value for the EU
- Investments boosting employment and growth
- Bank intermediation is possible
- Wide sectoral eligibility and wide spectrum of counterparts



- **EIB will verify eligibility criteria apply by means of its expertise within its proved appraisal process**
- **Provide risk-bearing capacity to foster the implementation of additional projects and to support the development of SMEs and MidCaps**

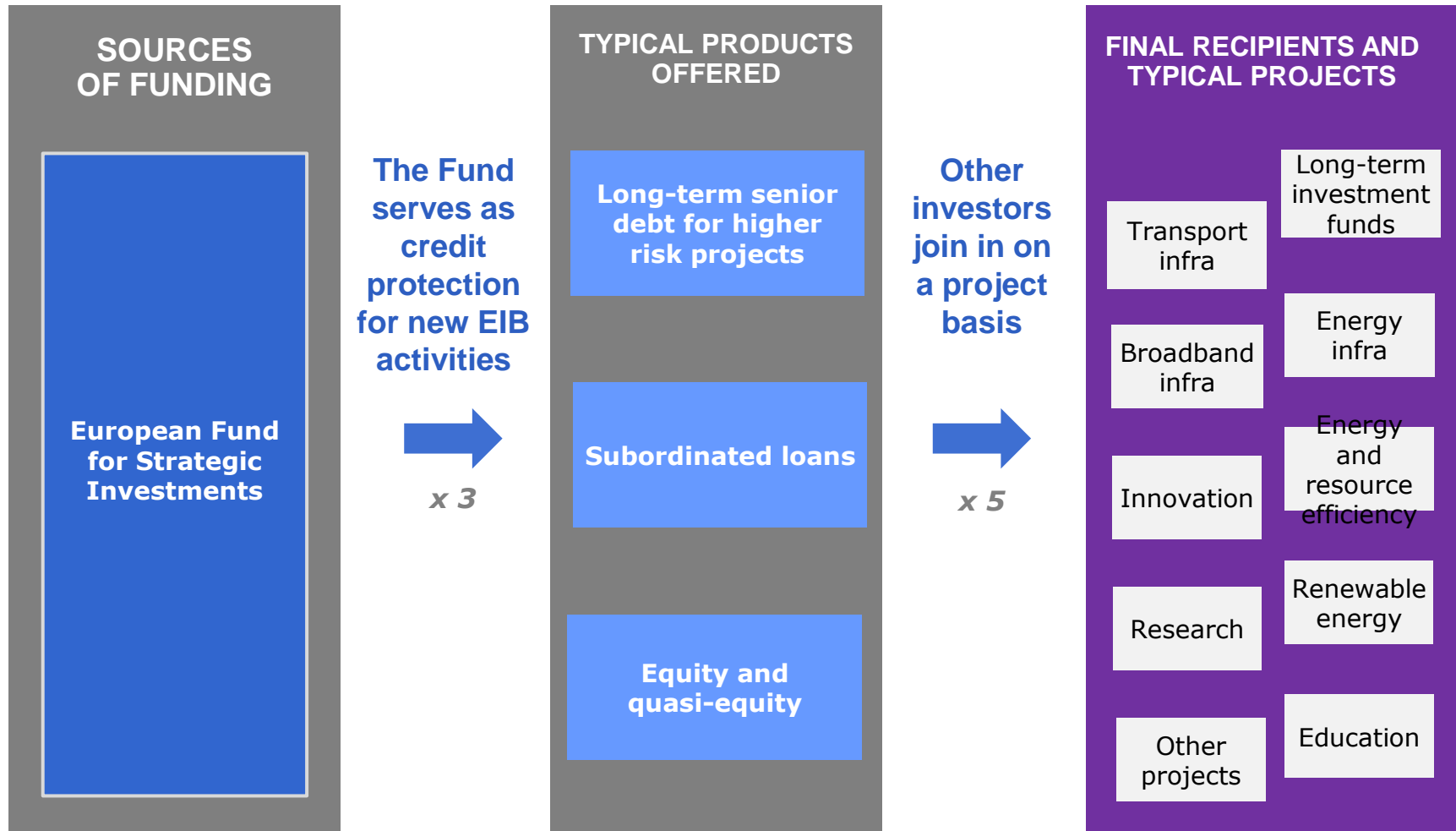
# Effetto moltiplicatore : come funziona

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# Investimenti a lungo termine (infrastrutture e innovazione: i prodotti di tipo debt

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Commission



EUR 1 of public contribution => circa EUR 3 of financing => circa EUR 15 of total investment

# Il piano Juncker e il patto di stabilità

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- ❑ Communication "Making the best use of the flexibility within the existing rules of the Stability and Growth Pact"
- ❑ For financial contributions to EFSI:
  - ❑ They are excluded from the structural balance and in case of non-respect of nominal value considered as "relevant factors"
- ❑ For co-financing by Member States:
  - ❑ National co-financing under certain projects is taken into account under the "Investment Clause"

# Clausola d'investimento (1)

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Commission

- ❑ Applies only to Member States under the preventive arm
- ❑ Builds on the existing framework
  - Structural reform clause already exists in the Regulation 1466/97 (Art 5/9)

*When defining the adjustment path ... and in allowing a temporary deviation ... the Council and the Commission shall take into account the implementation of major structural reforms which have direct long-term positive budgetary effects, including by raising potential sustainable growth, and therefore a verifiable impact on the long-term sustainability of public finances.*

- **Under certain conditions, investments can be considered equivalent to major structural reforms raising potential growth in the long term**

# Clausola d'investimento (2)

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- ❑ Extends to certain EU initiatives:
  - Structural and Cohesion Policy including Youth Employment Initiative
  - Trans-European Networks
  - Connecting Europe Facility
  - EFSI
- ❑ Rationale: projects supported by EU structural funds and the EFSI are subject to objective selection criteria





# Grazie per l'attenzione

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