



5 November 2013

ETNO 44th General Assembly

OSLO, Norway – Gathering for their 44th General Assembly hosted by Telenor, senior representatives from ETNO members adopted ETNO's key priorities for 2014 and underlined the need to boost the competitiveness of the European electronic communications sector in order for the EU to tap the full potential of its digital economy.

“It is with pleasure that Telenor welcome delegates from all major European telecommunication operators and the industry for this yearly ETNO General Assembly. It is a great opportunity to meet and exchange views and to discuss how together we can join forces to reach the ambitious goals for the future of electronic communication. The voice and the view of the industry will be noticed and emphasised when we communicate with one common voice. This gathering is an excellent chance to reach a consensus on several important issues the industry is facing.” Harald Krohg, Vice-President Wholesale and Regulatory Telenor.

The October 2013 European Council has recognised that *“a strong digital economy is vital for growth and European competitiveness in a globalised world”*, and that *“there is an urgent need for an integrated single digital and telecoms market, benefiting consumers and companies”*. EU Member States have also affirmed that, in order to fully exploit the potential of the digital economy, Europe needs to put in place the right regulatory framework to boost investments in the roll-out of fixed and mobile broadband infrastructures.

On the occasion of its 44th General Assembly, held in Oslo, Norway, and hosted by Telenor, ETNO welcomes this message as a signal that the future of telecoms is high on the political agenda for Europe. To turn these objectives into concrete policy actions, ETNO now urges EU institutions to address the underlying reasons as to why Europe lags behind in the roll-out of new networks.

The comparison with North American and Asian countries shows that European telecoms markets continue to suffer from structural weaknesses. Across Europe, revenues of telecoms services have totaled €273.8 billion in 2012. This level is 1.8% lower than in 2011 and the fourth consecutive decline of aggregated service revenues in the region. The US market, by contrast, has grown by 2.5% between 2011 and 2012. Even though ETNO members continue to invest in rolling out next generation fixed and mobile networks, shrinking revenues ultimately impact infrastructure investments in the EU.

However, as demonstrated within a recent report by the Boston Consulting Group for ETNO, this negative trend can be reversed, provided that the right policy choices are made^[1]. Decisive reform of the current patchwork system of regulations governing telecommunications in the European Union could increase telecom operators' cash flows by a cumulative total of €105 billion to €165 billion by 2020. The study reckons that a significant portion of these funds would be available for additional investment in next-

^[1] The Boston Consulting Group, *Reforming Europe's Telecoms Regulation to Enable the Digital Single Market*, July 2013. Available at:

http://www.etno.be/datas/publications/studies/BCG_ETNO_REPORT_2013.pdf.





generation networks. The positive impact of such reforms would be felt across the EU economy as a whole, with €750 billion in GDP growth and 5.5 million additional jobs by 2020.

In order for this potential to be realised and for the sector to fully play its role in driving jobs and growth, ETNO members call for a bold strategy for the growth of our sector to be adopted and implemented by EU institutions. It is ETNO's belief that a winning strategy, generating long-term benefits for both consumers and operators, should be built upon the following foundations:

1. Establish a clear and reliable deregulatory agenda for the sector in order to support the required costly investments in new high-capacity infrastructures, given the high degree of competition already achieved in the EU;
2. Build an open European Internet model which guarantees the maximum level of innovation and choice for European consumers including portability of content and data among platforms. This should be done by ensuring top-class levels of privacy and security and by avoiding gatekeepers working across the value chain. For this reason, it is paramount to establish a real level playing field, especially between OTT services and telecom services, which will ensure that nobody enjoys unfair competitive advantages and that consumers can enjoy the same rights when using comparable services;
3. Allow operators to reap the full benefit of European scale by allowing the flexibility needed in order to achieve an efficient market structure, taking into account the medium and long term benefits for consumers in terms of innovation and investments in new and improved infrastructures;
4. Support EU innovation, building a sound policy framework to encourage entrepreneurship, including European financial measures and the participation of venture capital for the promotion of digital talent, projects and start-ups in the digital field.

Luigi Gambardella, ETNO Executive Board Chair says *"ETNO has been working very actively with EU institutions to have the right rules in place in order for the European telecom market to begin a new phase of growth. Some good steps have been done in the direction of more regulatory certainty, notably in terms of long term stability of wholesale access prices. However, more needs to be done for the creation of a level playing field for all actors in the ICT value chain and to meet the need for further deregulation of the sector as markets become competitive. ETNO is committed to keep bringing the voice of the European telecom industry to policy makers in the months to come in order to reach policy decisions that are conducive of more investments and growth"*.

Other main highlights from the General Assembly:

Antonio Robalo de Almeida, Portugal Telecom; Carlos Cocina, Telefonica; Philipp Wolfram, Telekom Austria; and Phillip Malloch, TeliaSonera, have been re-elected as members of the Executive Board by the General Assembly.

The General Assembly of ETNO also re-elected Luigi Gambardella, Telecom Italia, as the ETNO





Executive Board Chair for 2014.

The 2014 General Assembly will be hosted by TeliaSonera.

About ETNO

ETNO has been the voice of Europe's telecommunications network operators since 1992 and has become the principal policy group for European electronic communications network operators. Its 49 members and observers in 35 countries collectively account for a turnover of more than € 600 billion and employ over 1.6 million people. ETNO companies are the main drivers of broadband and are committed to its continual growth in Europe. ETNO closely contributes to shaping the best regulatory and commercial environment for its members to continue rolling out innovative and high quality services and platforms for the benefit of European consumers and businesses.

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