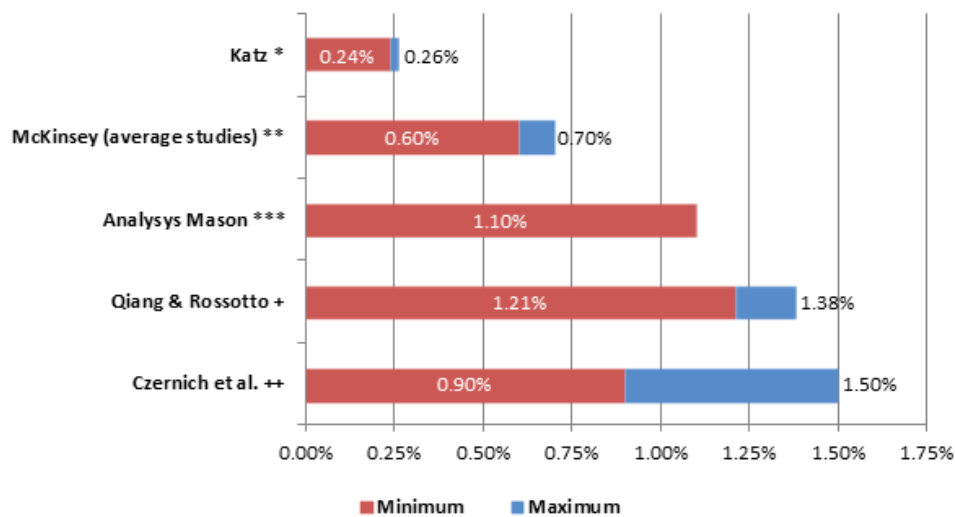


## Economic Growth

Numerous studies have found a positive impact on economic growth, although the estimate of its actual magnitude varies. For example, a 10% increase in broadband penetration has been found to increase economic growth from a low of 0.24% to a high of 1.50% (see Figure below).

**Figure 1: Impact on GDP of an increase of 10% in broadband penetration**



Broadband networks may even pay for themselves, due to savings made in delivering services. In Australia, for example, it has been estimated that cost savings in healthcare alone could pay for the country's National Broadband Network twice over. For developing countries, the solution is likely to be found in mobile broadband — using a mobile phone, of which there are now some five billion worldwide, to connect to the information society. By improving education, medical services, trade and more, broadband Internet access can make a tremendous difference. High-speed networks can lead to high-speed growth.

In the same way that the construction of electricity grids and transport links spurred innovation far beyond the dreams of their builders, high-speed broadband networks stimulate greater efficiency and the creation of new businesses. For society as a whole, they represent a platform for progress, and the Broadband Commission encourages government and industry leaders to take action to deploy broadband for all.

**Sources:** World Bank Broadband Strategies Toolkit, citing various sources – R.Katz, S.Vaterlaus, P. Zenhäusern & S.Suter (2010), The Impact of Broadband on Jobs and the German Economy, Intereconomics: Review of European Economic Policy. Vol. 45, Issue 1, p. 2 (Jan. 2010); Analysys Mason, Assessment of Economic Impact of Wireless Broadband in India (2010); McKinsey (2010), Fostering Economic and Social Benefits of ICT, The Global Information Technology Report 2009-2010, World Economic Forum; Qiang & Rossotto (2009) Economic Impacts of Broadband, 2009 Information and Communications for Development, World Bank (2009); Czernich et al. (2009) Broadband Infrastructure and Economic Growth (2009).

**Notes:** \* Only includes Germany; \*\* Average of five country studies, including United Kingdom, Australia, New Zealand, Malaysia and a Middle Eastern country, from various sources 2003 and 2004, and Qiang and Rossotto 2009 study; \*\*\* Limited to mobile broadband impact in India; + Various countries, upper range applies to developing countries and lower range to developed countries; ++ Sample of 20 OECD countries