



Telecom

The heart of the digital society

Report | Telecom, society and economy in Belgium | 2018

Embracing technology
Embracing ambition

.AGORIA

Telecom : the heart of the digital society

- **Telecom usage by citizens, industry & governments**
- **Contribution of telecom to the digital society**
- **Towards a new deal**



Telecom usage by citizens, industry & governments

Usage by citizens continues to grow exponentially

DEVICE OWNERSHIP BY HOUSEHOLDS, 2017



78%

HAS A SMARTPHONE
Twice as many as in
2012



60%

HAS A TABLET
Twice as many
as in 2012



32%

HAS GAME CONSOLE
15% owns a handheld
game console



83%

HAS DIGITAL TV
31% has PayTV



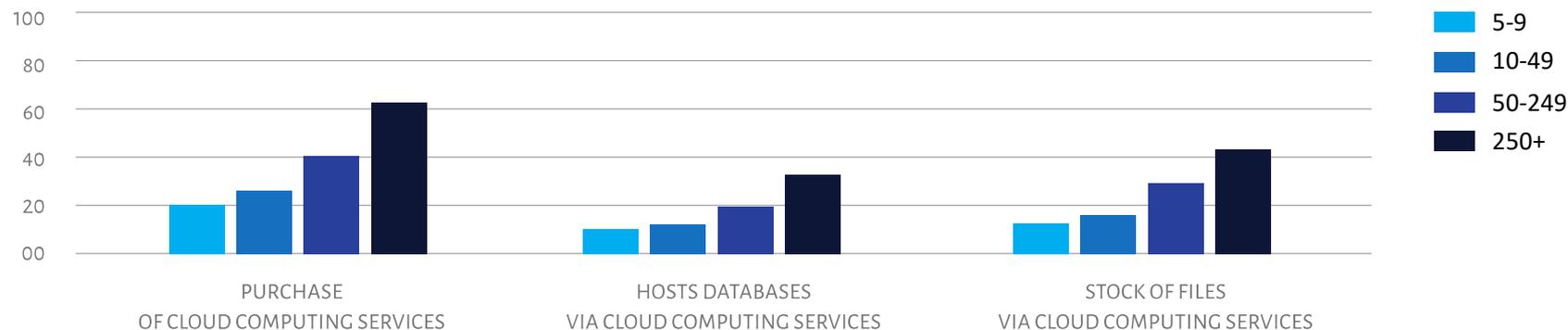
19%

WEARABLES
Increased from
7% in 2015

- **1 IN 3 FAMILIES HAS AT LEAST 4 SMART DEVICES**
- **MOBILE DATA DOUBLES ALMOST EVERY 12 MONTHS**
- **WEARABLES IS A NEW TREND DRIVEN BY SPORTS & FITNESS APPLICATIONS**

The cloud gets mainstream in larger companies

CLOUD COMPUTING SERVICES (% OF ENTERPRISES) PER SIZE CLASS—2016



- **THE BELGIUM INDUSTRY HAS MANY SMEs, FOR WHICH DIGITIZATION REMAINS OFTEN A CHALLENGE**
- **TRUST IN DIGITAL AND BUSINESS PARTNERSHIPS CAN HELP SMEs TO ACCELERATE**

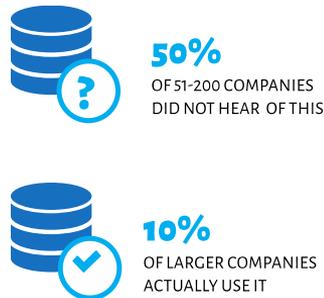
New technologies enable many new applications

M2M INCREASE INDICATES GROW OF BUSINESS IoT



Source: BIPT 2017

BIG DATA STILL NEEDS TO START

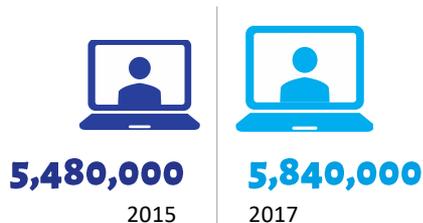


Source: Beltug2017

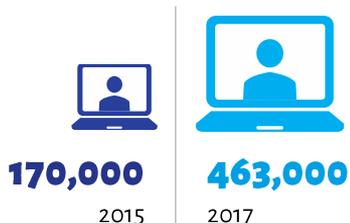
- **MANY NEW TECHNOLOGIES ARE ABOUT TO BREAK THROUGH : IoT, BIG DATA, BLOCKCHAIN, AI, AR/VR...**
- **MANY NEW APPLICATIONS ARE CREATED IN SMART CITIES, LOGISTICS, INDUSTRY 4.0, FINANCE, HEALTHCARE**

Tax applications show potential for eGov services

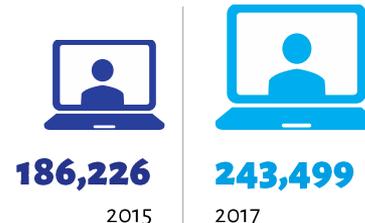
TAX-ON-WEB



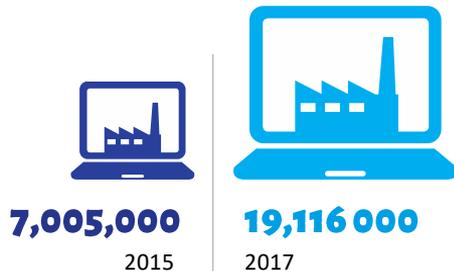
MY.BELGIUM



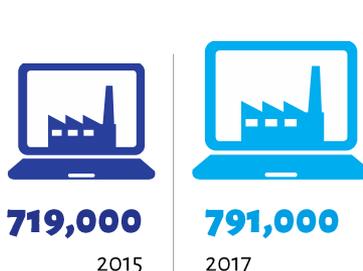
E-BIRTH



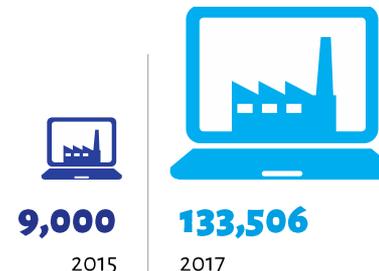
BIZ-TAX



MY.ENTERPRISE



E-INVOICE



Telecom usage –take aways

- Usage by **citizens** continues to grow **exponentially** in terms of data volume, diversity of services and number of connected devices.
- The **Industrial Internet** will enable many new high value solutions and **digital ecosystems** in smart cities, industry 4.0, logistics, finance, healthcare and many more.
- Tax applications show the mass potential for **digitizing government institutions**. This will bring more **openness** and **efficiency** for citizens and industries.

We are developing a dynamic competitive service offer to the benefit of all our customers

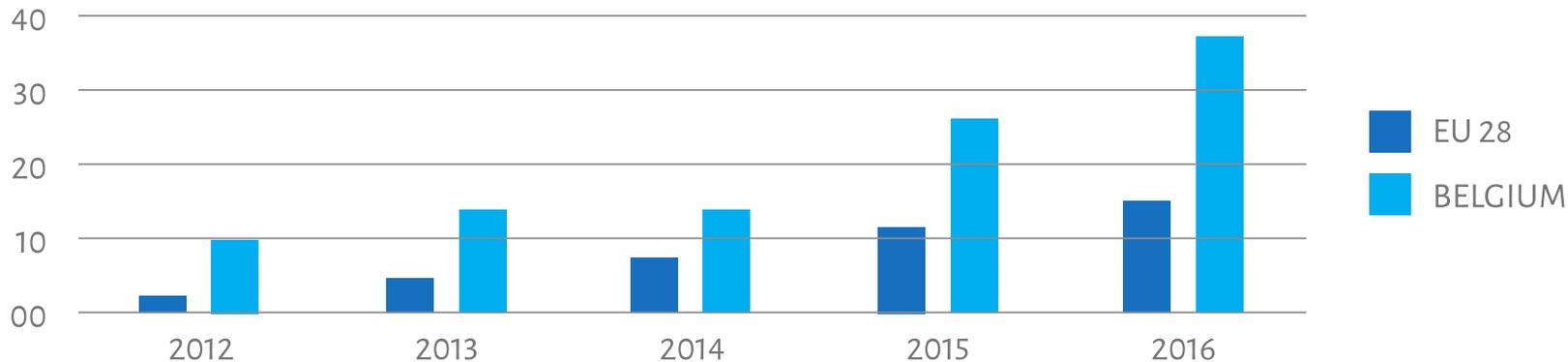


Contribution of telecom to the digital society

Belgium is undisputed leader in fixed broadband

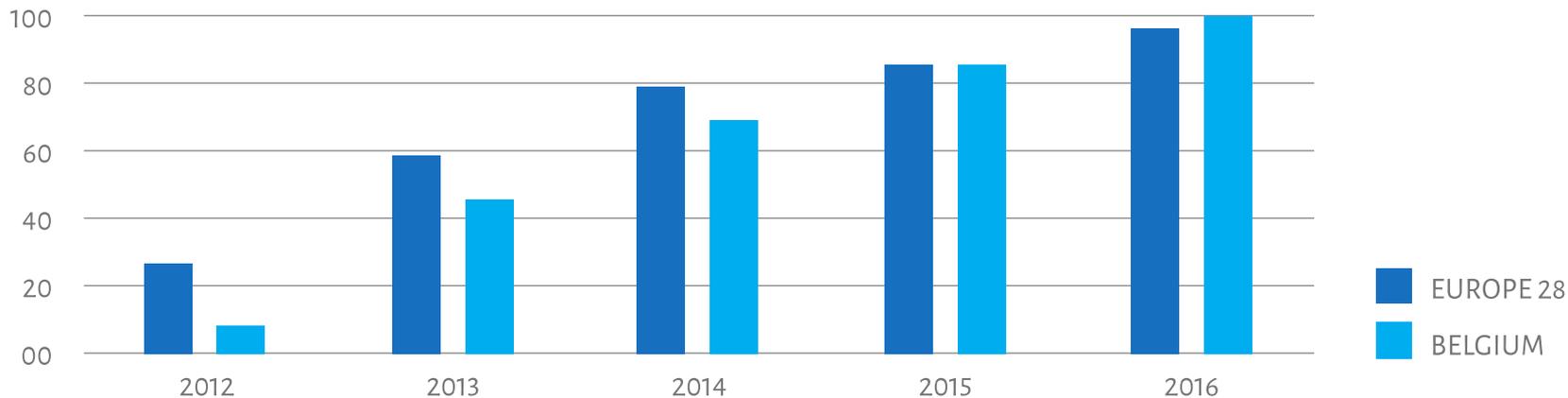
SHARE OF FIXED BROADBAND SUBSCRIPTIONS ≥ 100 MBPS

(% of total numbers of fixed BB subscriptions)



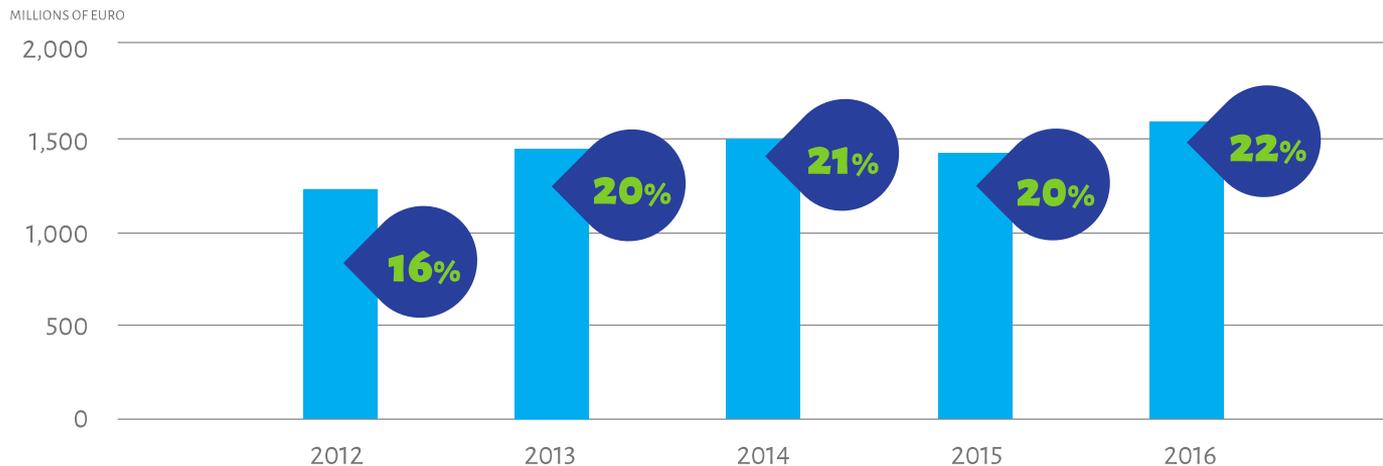
Belgium has now full 4G mobile coverage

4G MOBILE BROADBAND COVERAGE (AS A % OF HOUSEHOLDS)



Our investment rate is amongst the highest

TANGIBLE AND INTANGIBLE INVESTMENT (EXCL. LICENSE FEES) ■
INVESTMENT AS PERCENTAGE OF TELECOM REVENUE ■



We are committed to be a trusted partner in many new ecosystems & digital solutions

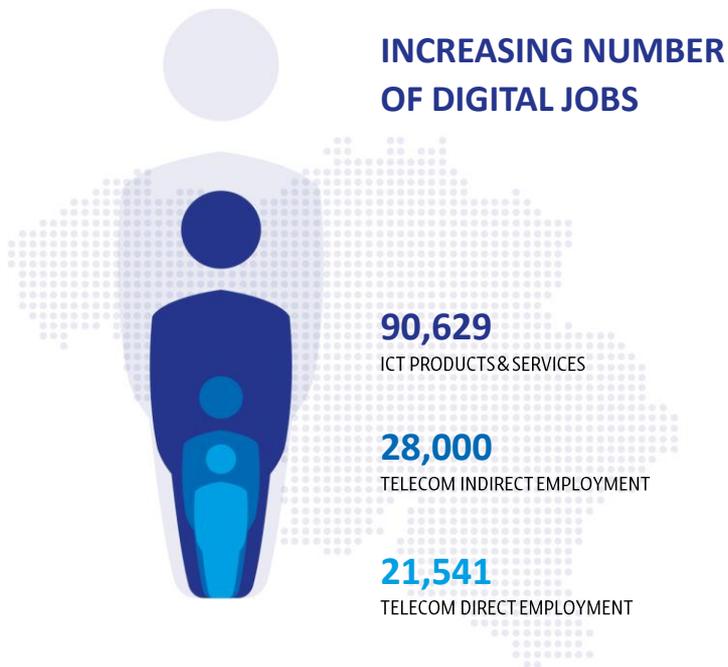
Case | Smart mobility & Smart cities



We bring significant contribution to Belgian economy

1,3 X

every telecom job
creates 1.3 indirect
employments

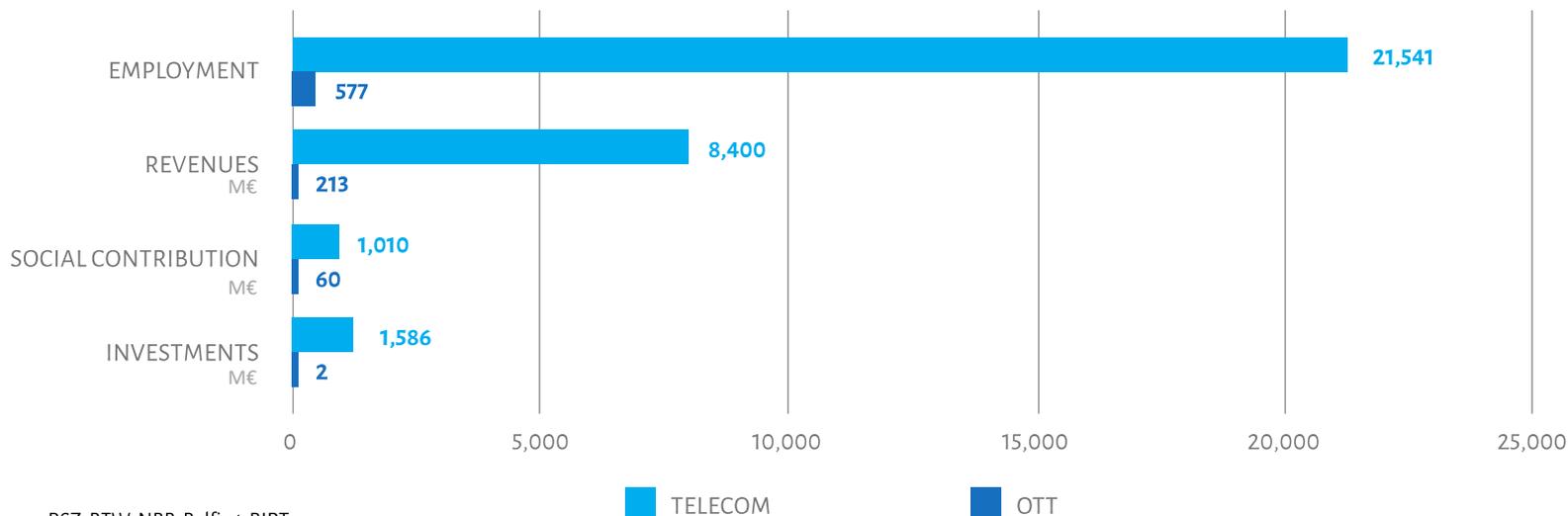
**1 billion**

euro social
contribution^(*)
in 2016

(*) : income taxes + employer's contribution + 46%
of remuneration and direct benefits

Our contribution strongly outperforms that of OTT's

TELECOM AND OTT PLAYERS IN BELGIUM, 2016



Source: RSZ, BTW, NBB, Belfirst, BIPT

Contribution of the telecom industry – take aways

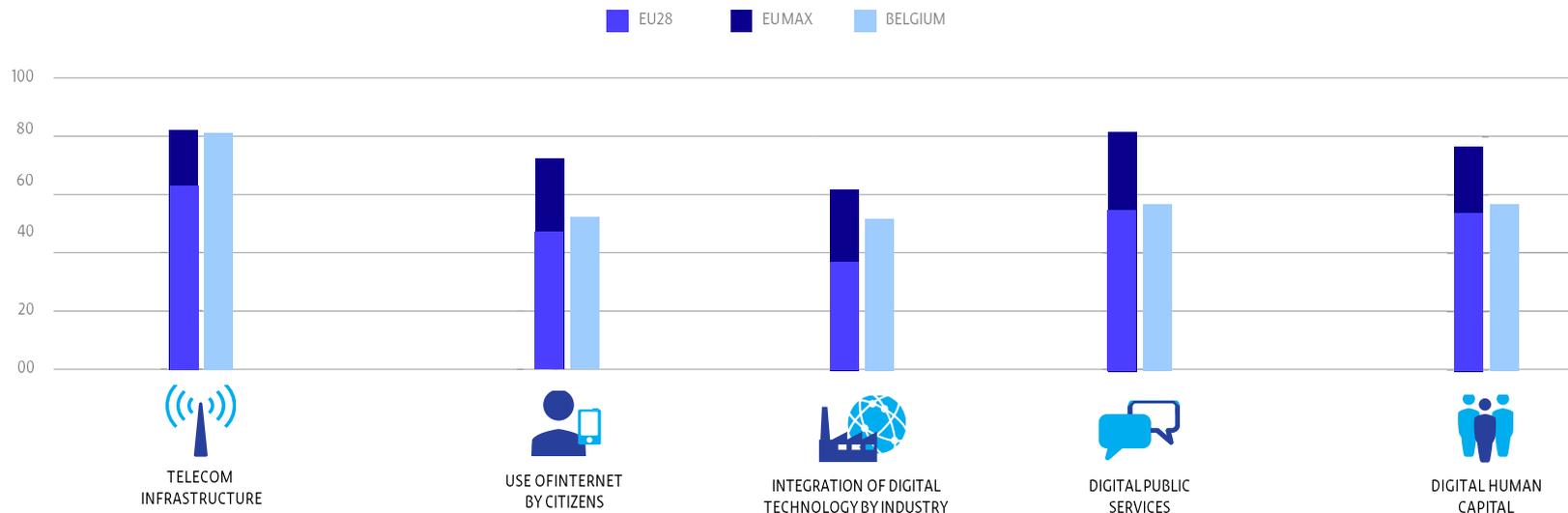
- Increasing demands on volumes, quality and speed require continuous investments. **Telecom is amongst the most investment-intensive industries** in Belgium and Europe.
- In the new digital society, **telecom is the heart of smart solutions** and committed to be a **trusted partner** in new ecosystems and new business platforms.
- Telecom has a significant **multiplier effect on the economy**. The sector has yearly a social contribution of **1 Billion Euro**. Every telecom job creates **1.3 indirect jobs**.

Telecom is the heart of the digital society. Our continued investments are securing the future



Towards a New Deal

Belgium's digital position in Europe



We keep Belgium in the top for telecom infrastructure

- Telecom's commitment
To provide ultra-fast reliable data centers, networks and services keeping Belgium in the EU top 3 for telecom infrastructure

- Telecom's demand
 - ✓ **An investment-friendly socio-economic environment**
 - e.g. 5G proportionate radiation norms & no taxes on telecom networks
 - ✓ **An impact assessment before imposing new legal obligations for telecom services**
 - e.g. an unbalanced demand is the extra layer for the automatization of the tariff simulator
 - ✓ **Fair & predictable regulatory conditions enabling a proper return on investments**
 - e.g. long term vision taking into account long investment cycles

We create a dynamic competitive service offer for all

- Telecom's commitment
To develop a dynamic competitive service offer and to be a trusted business partner for all users

- Telecom's demand
 - ✓ **Providing a fair level playing field**
 - ✓ **Stimulating digital acceleration of all stakeholders**
 - ✓ **Investing in large scale e-government applications**



We fully support all digital human capital initiatives

- Telecom's commitment
To strongly support initiatives in the field of digital skills and digital literacy development

- Telecom's demand
Make the development of human capital & digital skills a top priority in order to capture the full potential of the digital society (STEM, life-time learning...)

A new deal bringing Belgium at the top in digital Europe

- Today Belgium is **at the top in Europe** for **telecom infrastructure**, i.e. fixed & mobile networks, data centers & services. We are ready to meet the demands of the digital society of tomorrow.
- We are the **heart of the digital society** and we are committed to **securing the future** by further investing in infrastructure, services, knowledge and digital skills.
- To achieve this we need an **improved investment-friendly environment**, a **digital acceleration** and a **level playing field**.

We are at an inflection point in history. Time is right for all authorities, at all levels, to accelerate the move towards a comprehensive digital society.



**Together we boost Belgium
in tomorrow's digital society**