Regional Preparatory Meeting for the ITU World Telecommunication Development Conference 2010 (WTDC-10)

Information Society Statistical Profiles 2009

Arab States

Damascus, Syria
17-19 January 2010

Telecommunication Development Bureau

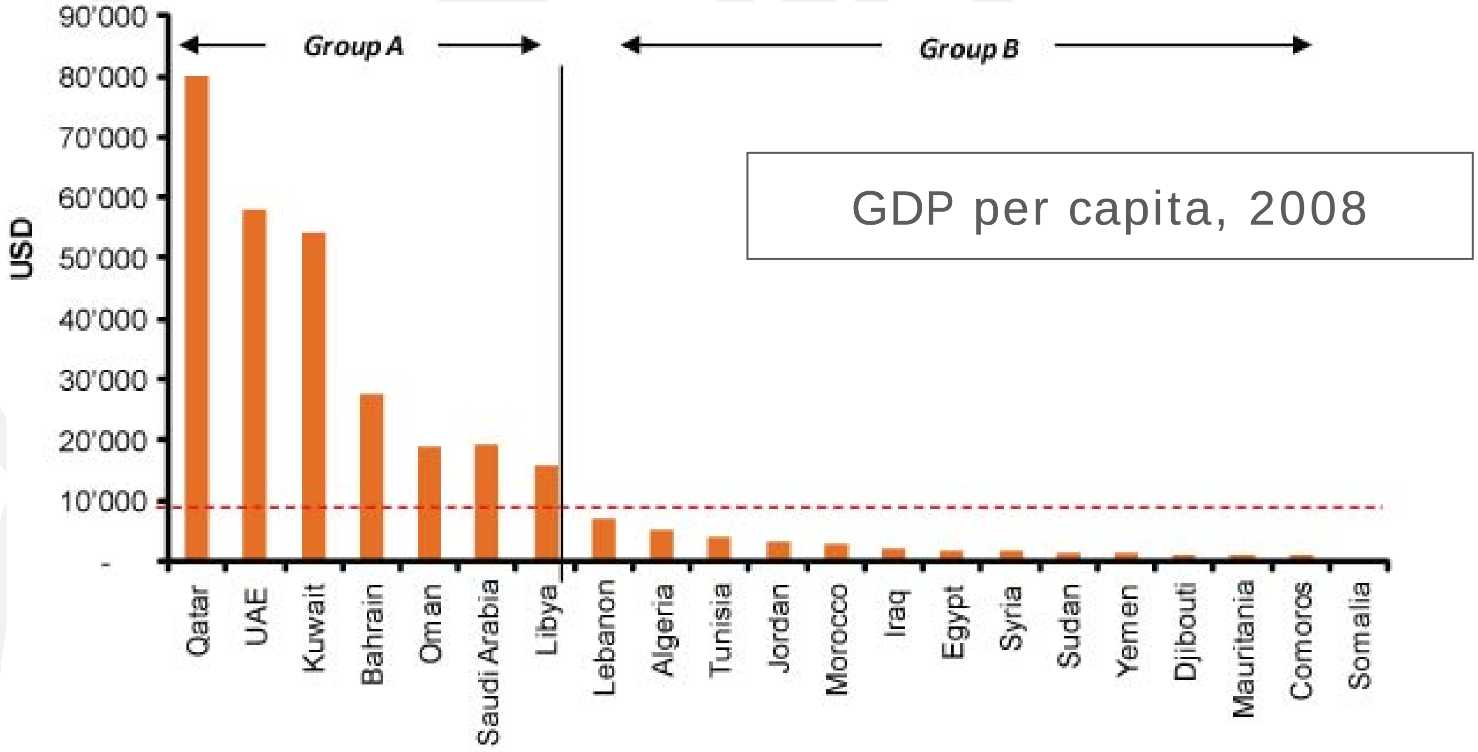
Agenda

- ICT Recent Trends
- Towards Digital Inclusion in the Arab States
- Benchmarking the Information Society

Agenda

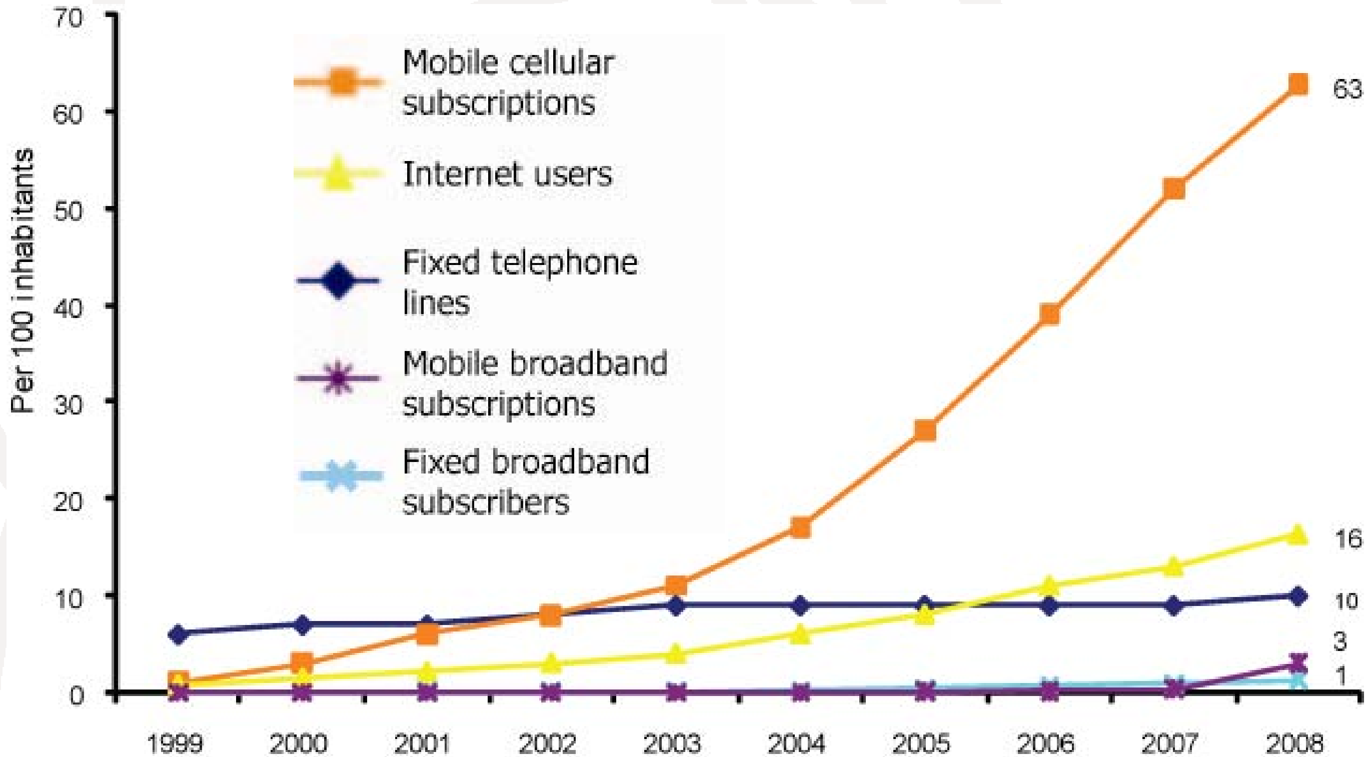
- ICT Recent Trends
  - Overview
  - Mobile telephony
  - Internet and broadband

Significant income differences among the Arab States



Source: ITU, based on IMF

ICT Developments in the Arab States



Source: ITU

Strong annual growth in all ICT services

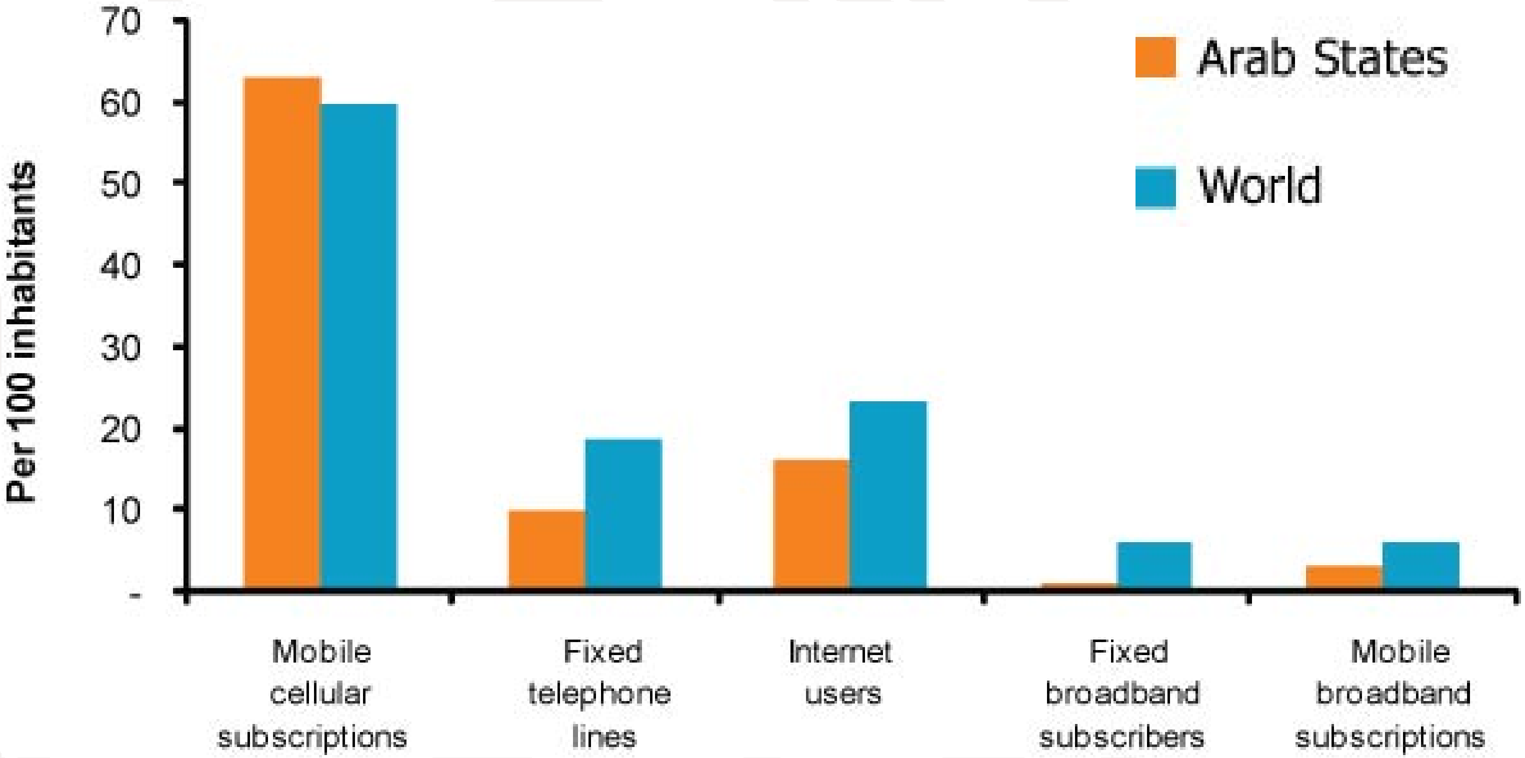
By the end of 2008:

- 215 million mobile cellular subscriptions
- 55 million Internet users
- 35 million fixed telephone lines
- 4.3 million fixed broadband subscribers and 11.4 million mobile broadband subscriptions

Annual ICT Growth (CAGR) 2003-2008	Mobile cellular subscriptions	Internet users	Fixed telephone lines
Arab States	44%	37%	6%
World	23%	17%	2.5%

Source: ITU

ICT uptake in the Arab States and the world, 2008



Source: ITU

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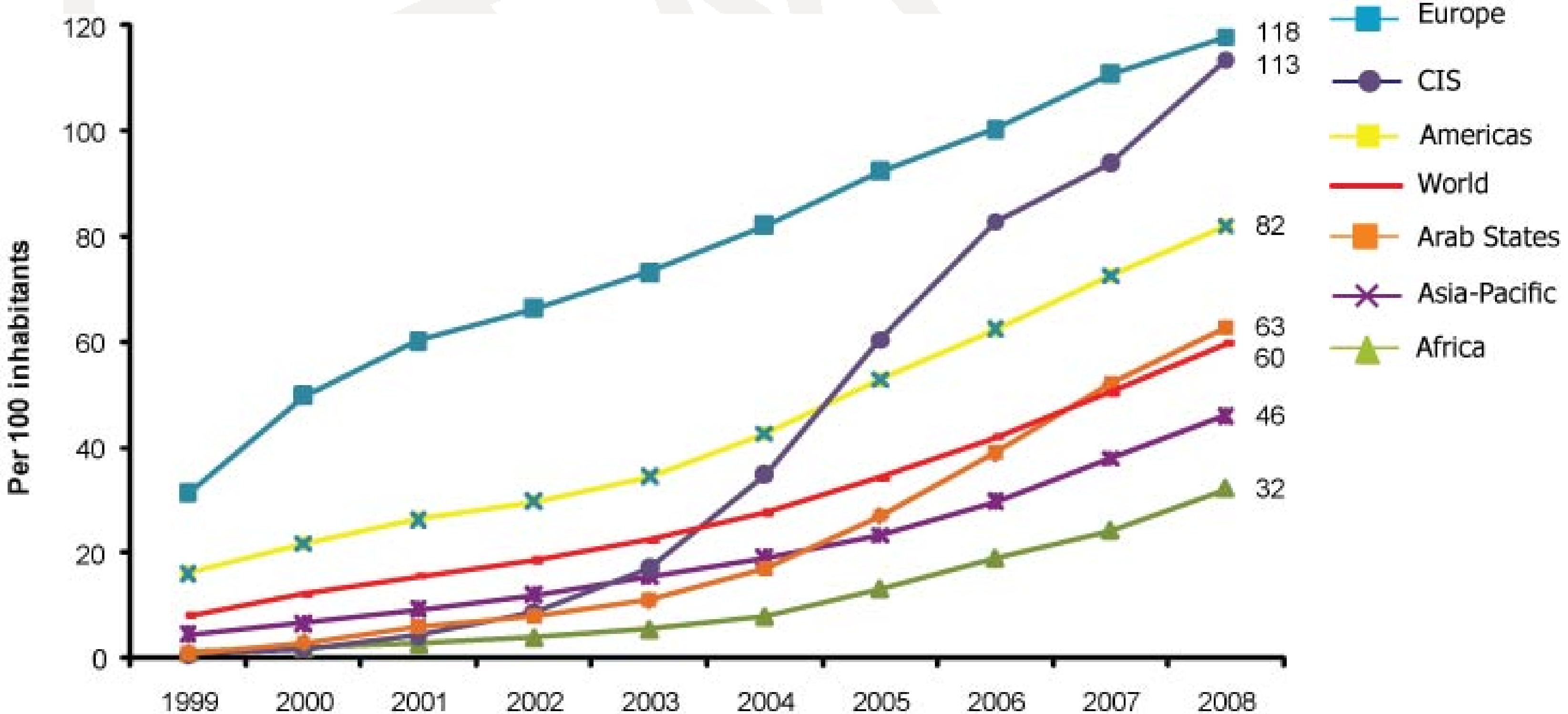
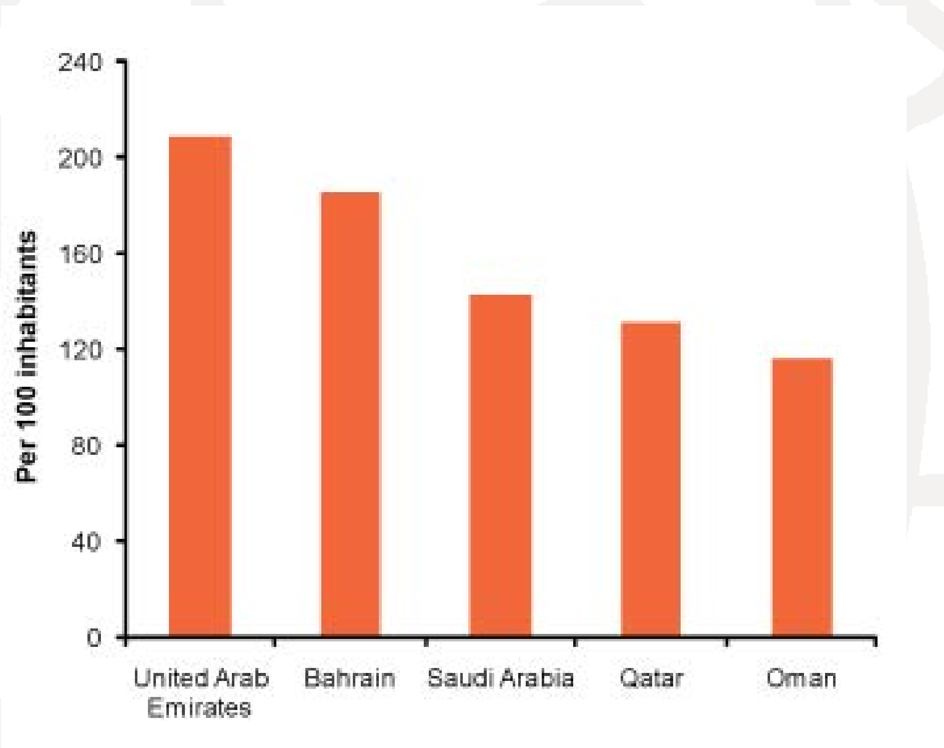
Mobile cellular penetration by region

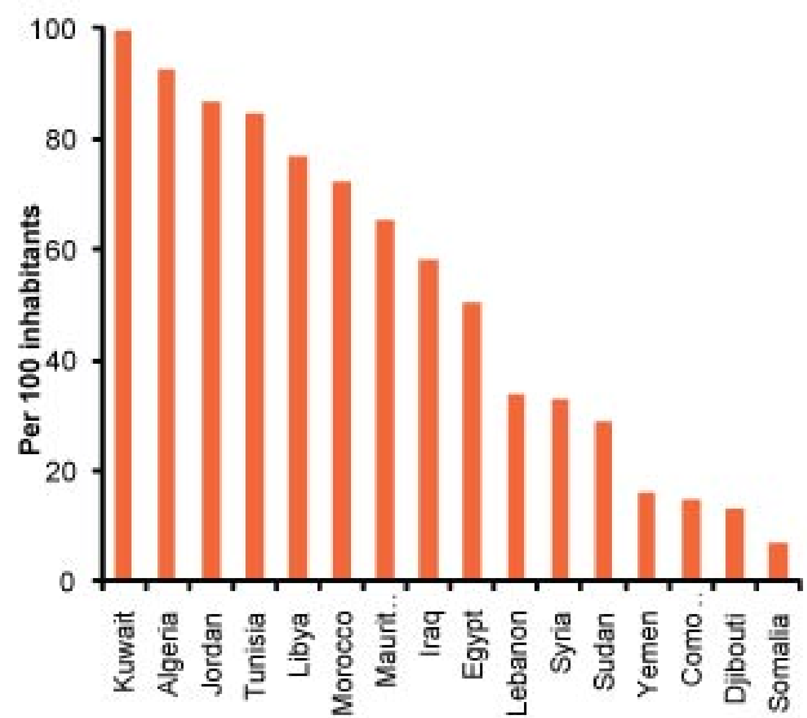


Source: ITU

Arab States with mobile cellular penetration rates above (left) and below (right) 100 per cent, 2008

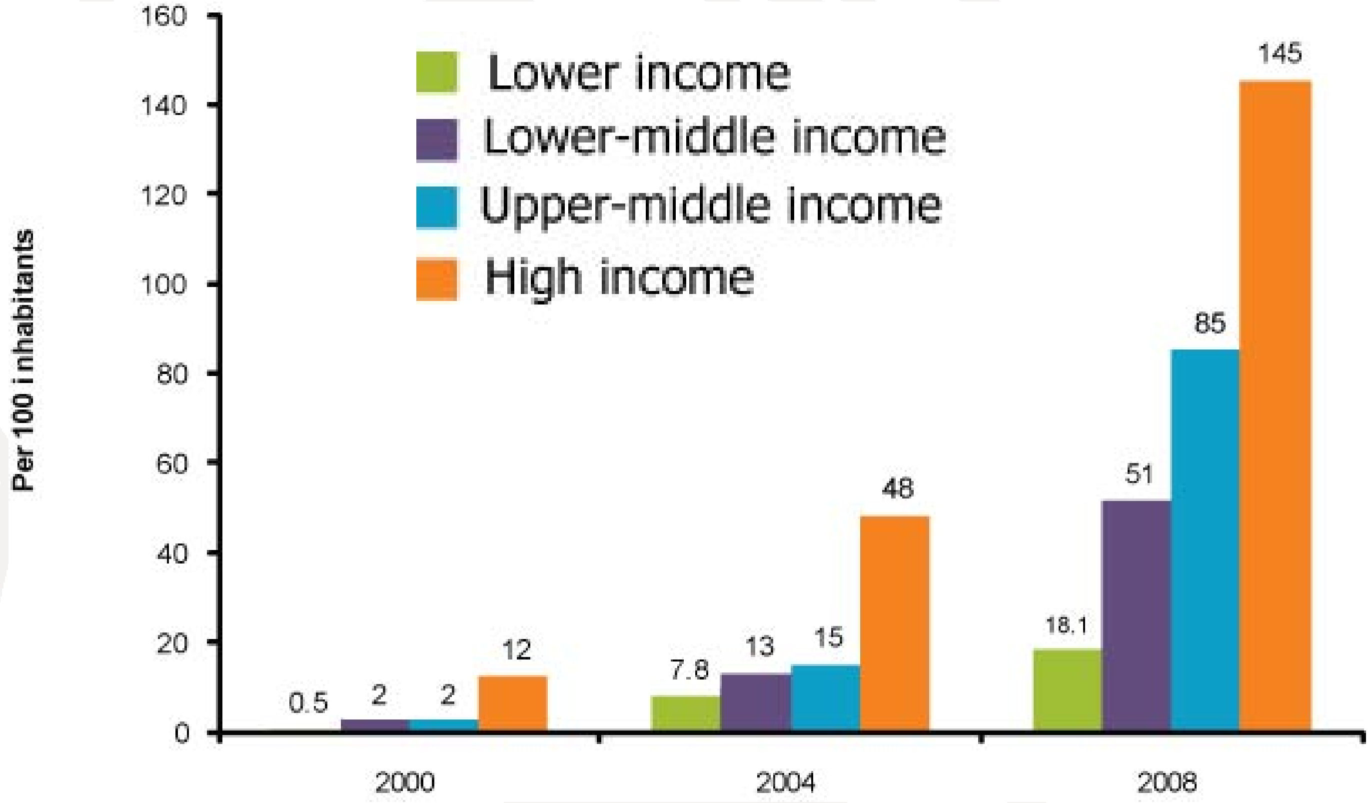


Source: ITU



Source: ITU

Mobile cellular subscriptions in the Arab States by income grouping, 2000-2008



Source: ITU

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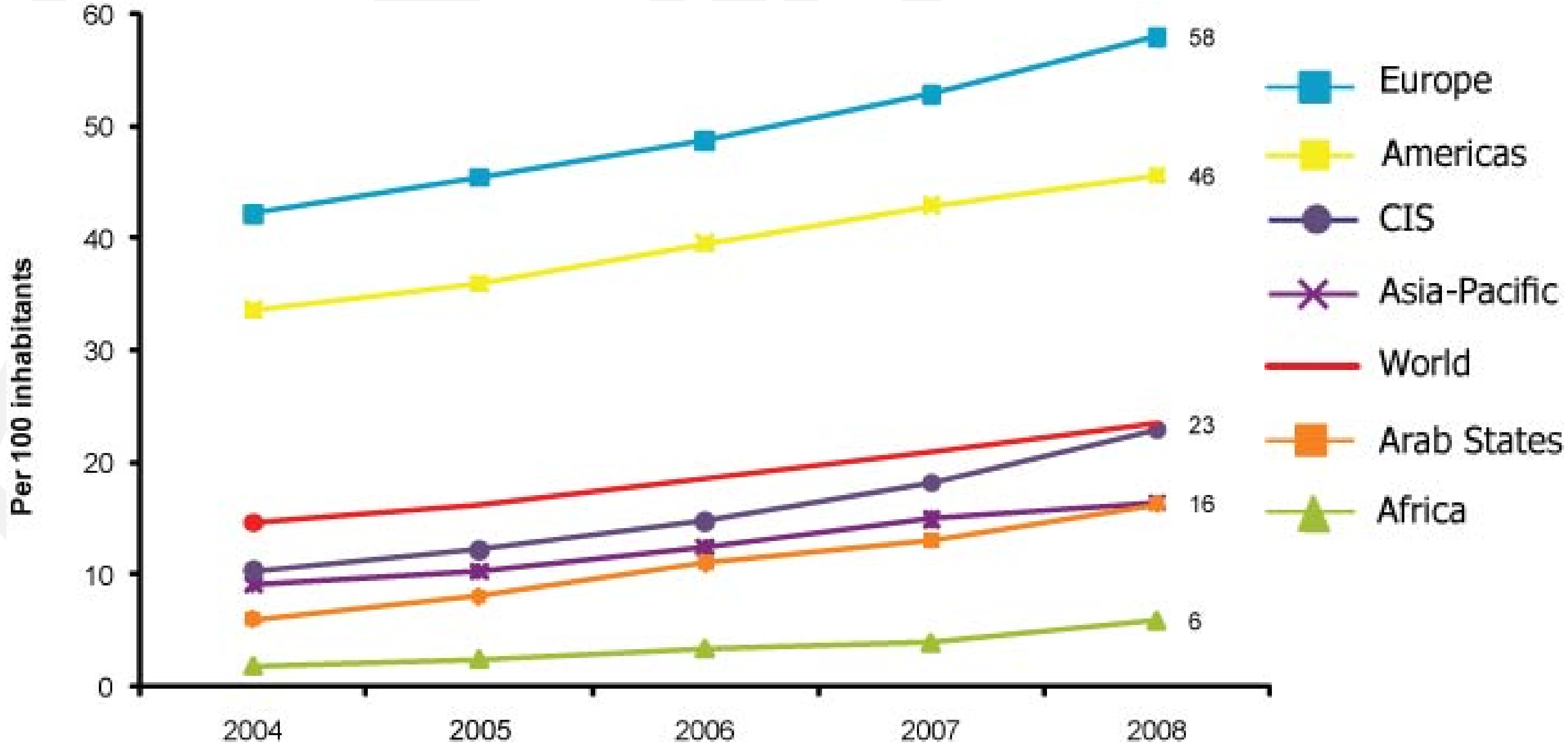
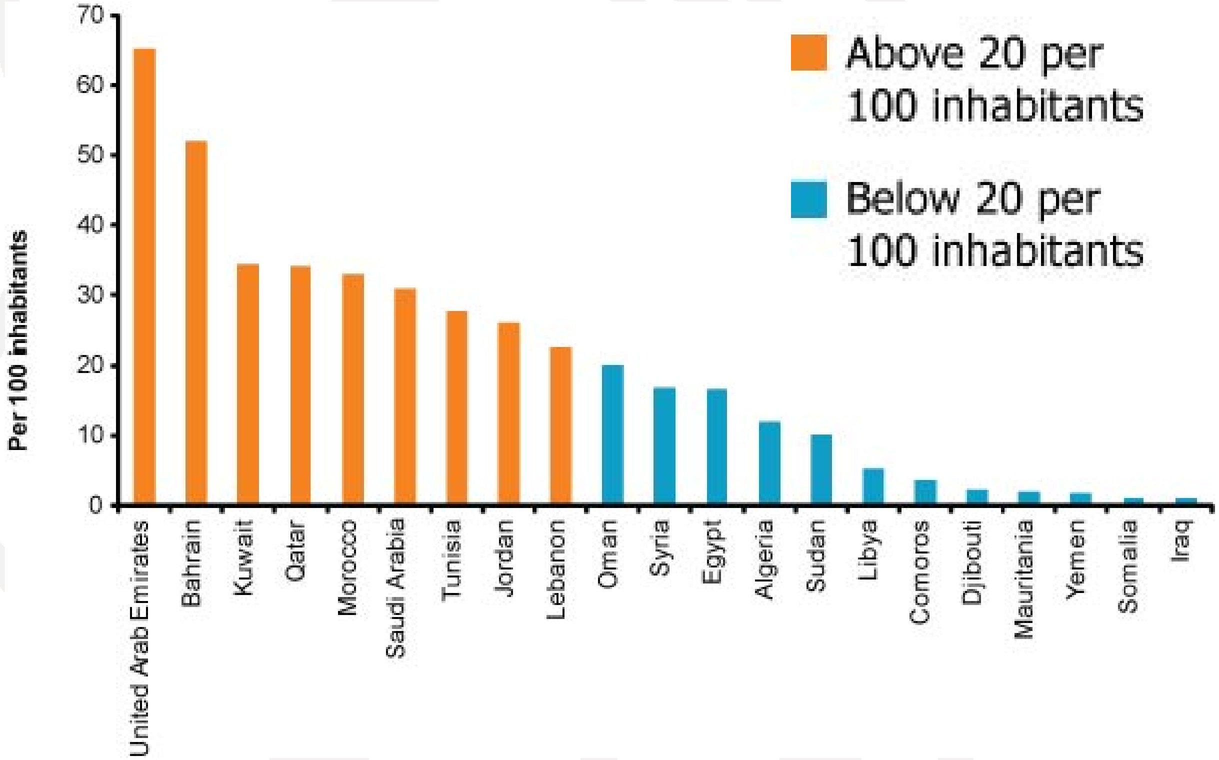
Internet users penetration rates by region



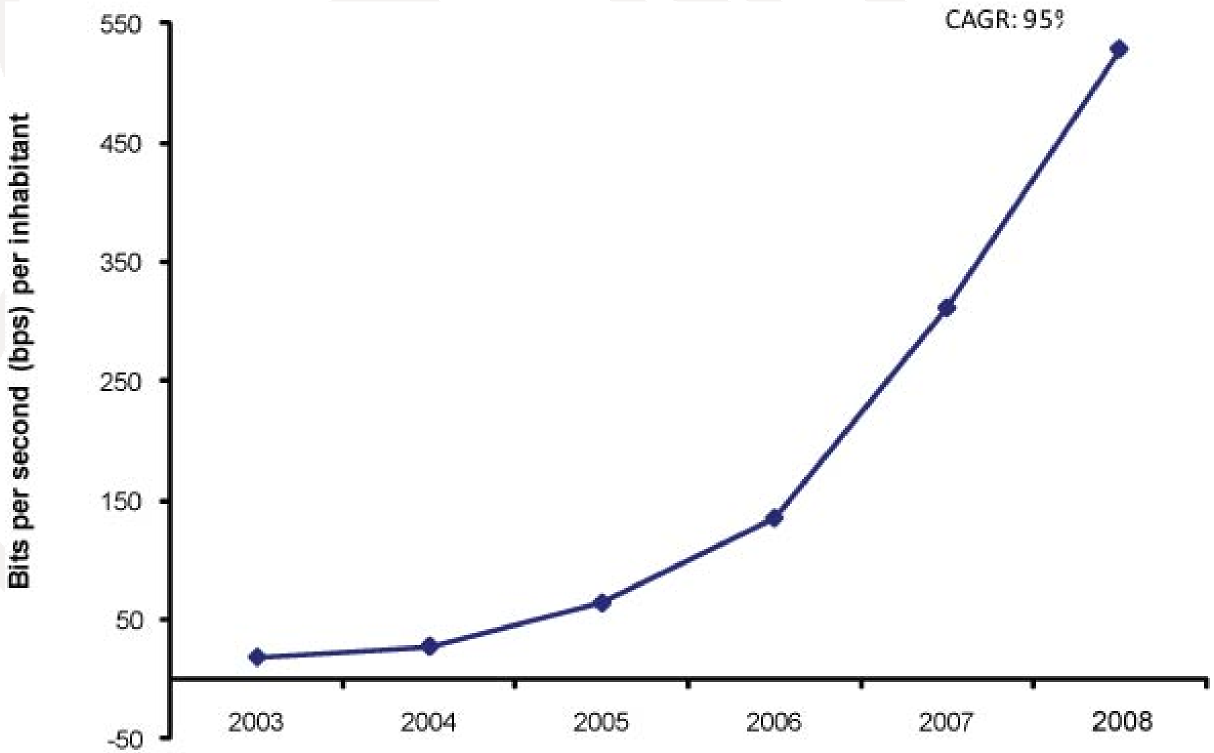
Source: ITU

Internet user penetration: significant differences among the Arab States



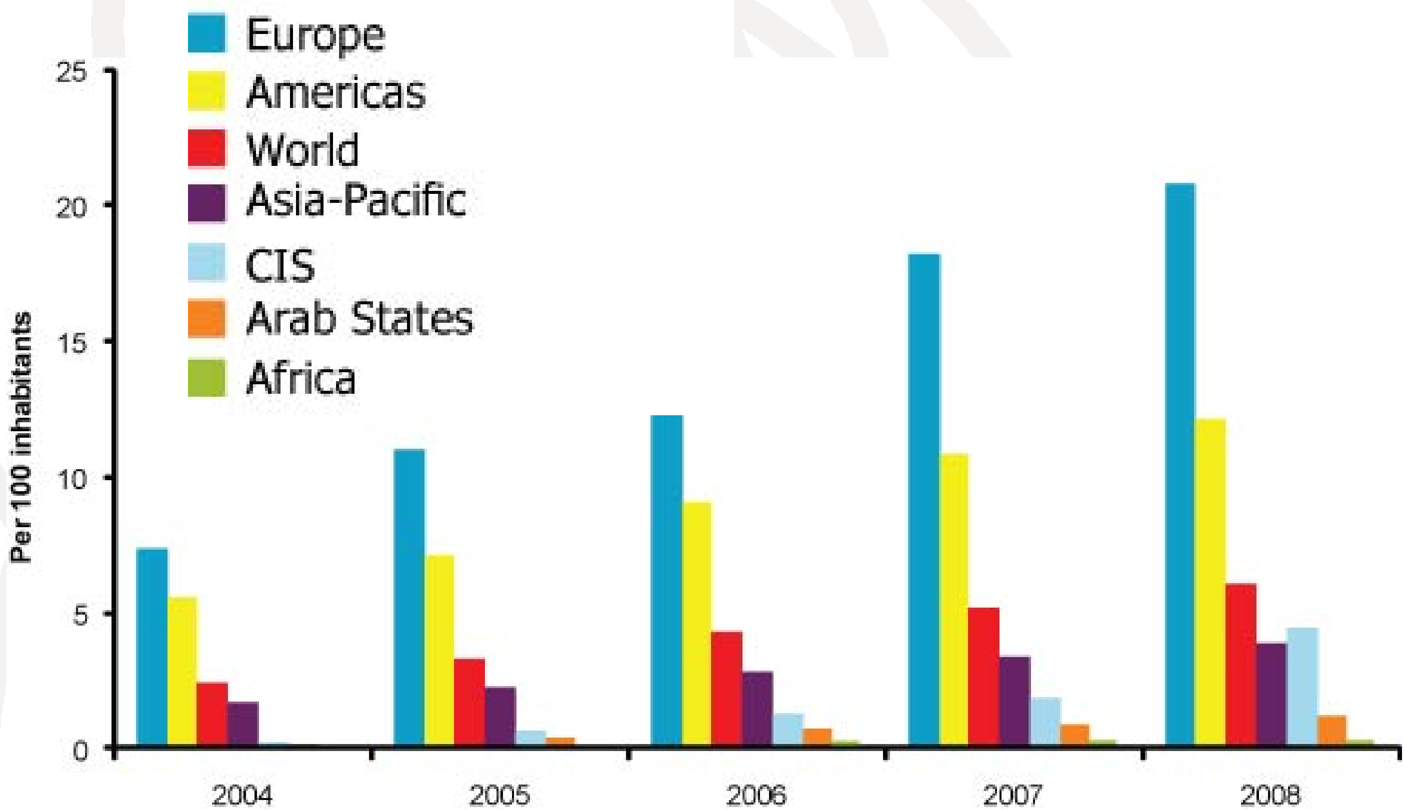
Source: ITU

Average international Internet bandwidth per inhabitant, Arab States



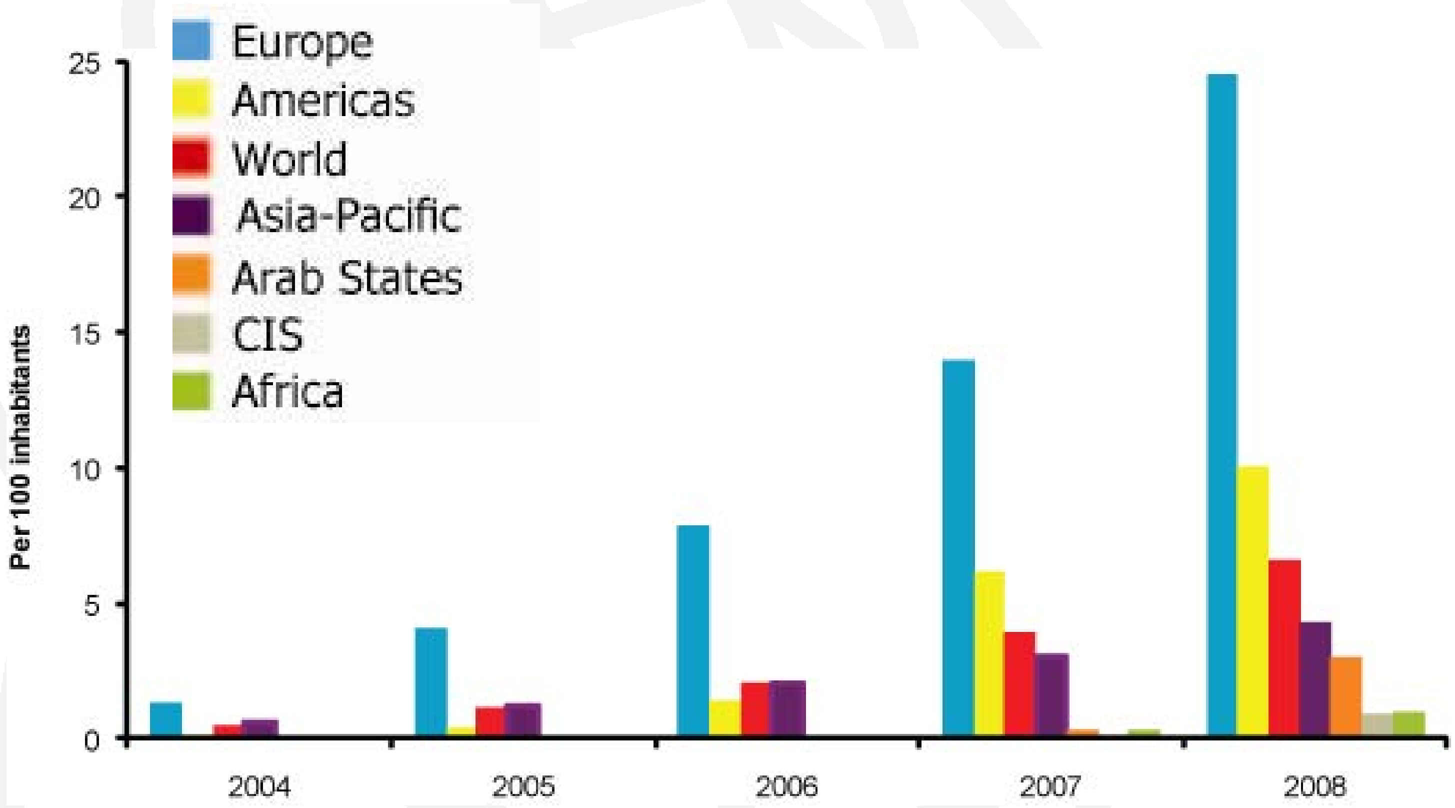
Source: ITU

Fixed broadband penetration by region



Source: ITU

Mobile broadband penetration by region



Source: ITU

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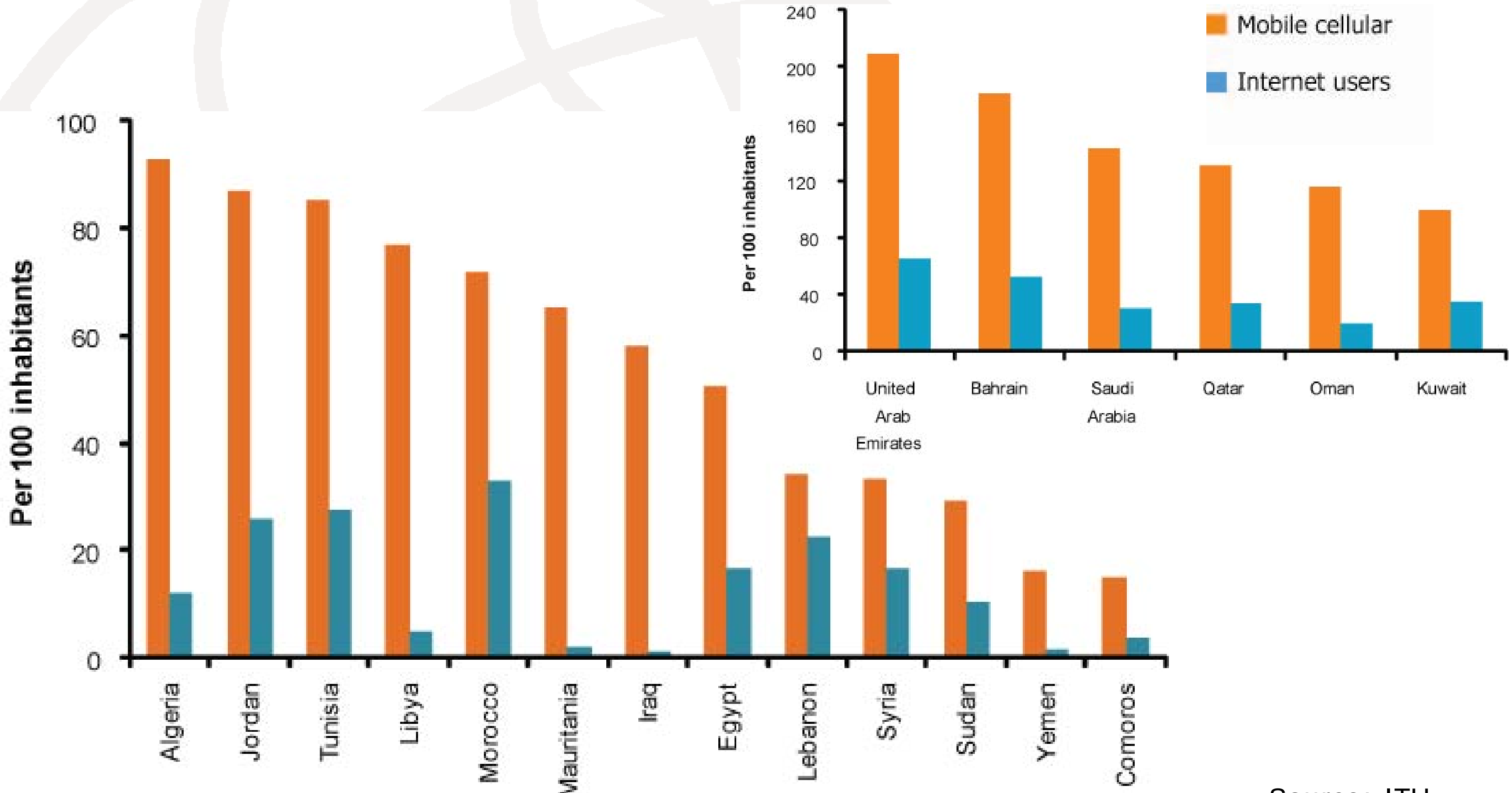
  - Internet Sector Development
  - Role of Policy Makers and Regulators

Mobile cellular and Internet user penetration: GCC (top) compared to non-GCC (bottom) countries



Source: ITU

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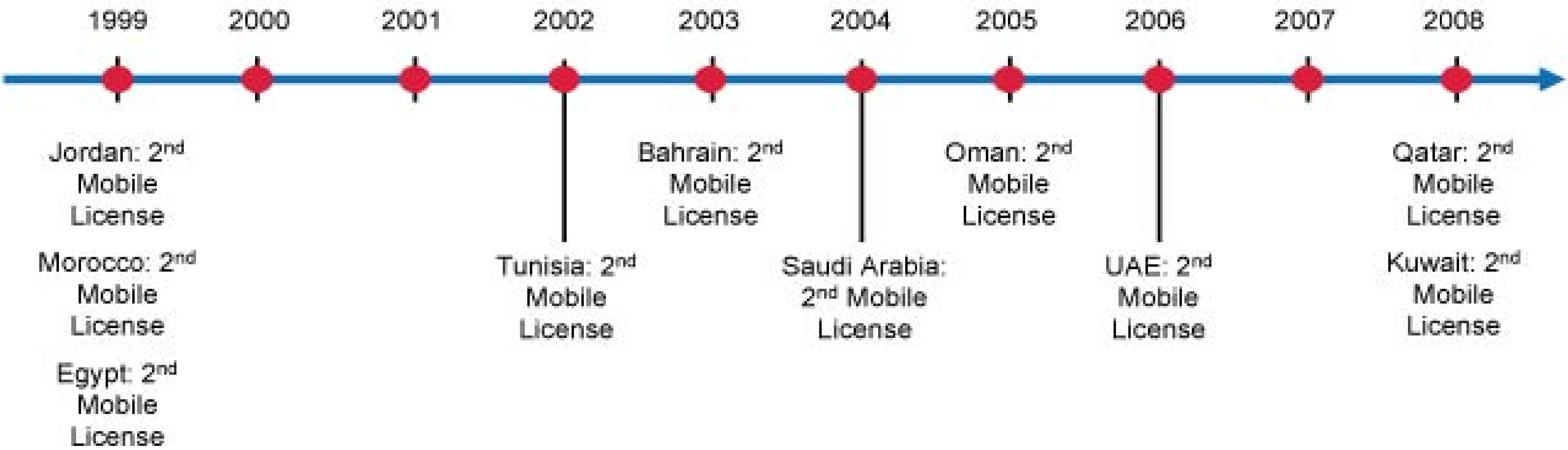
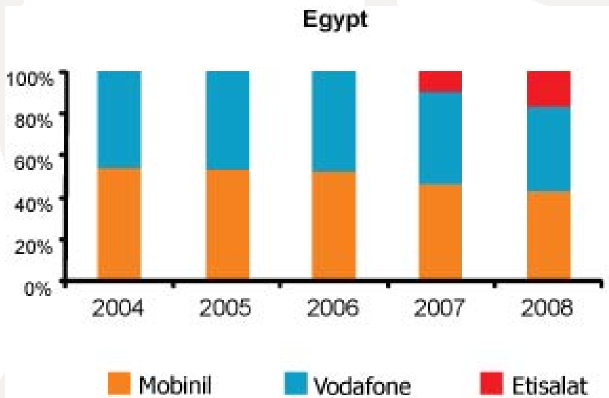
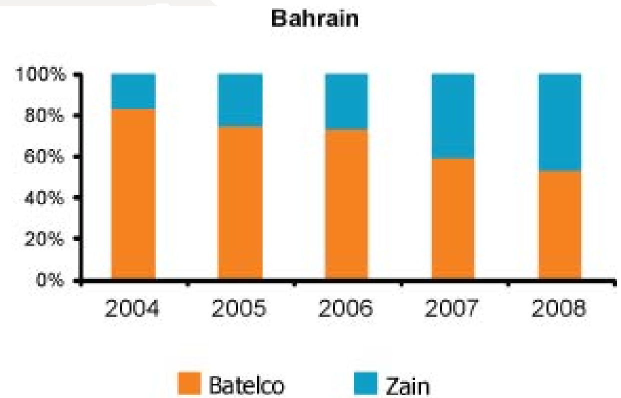
Mobile sector liberalization

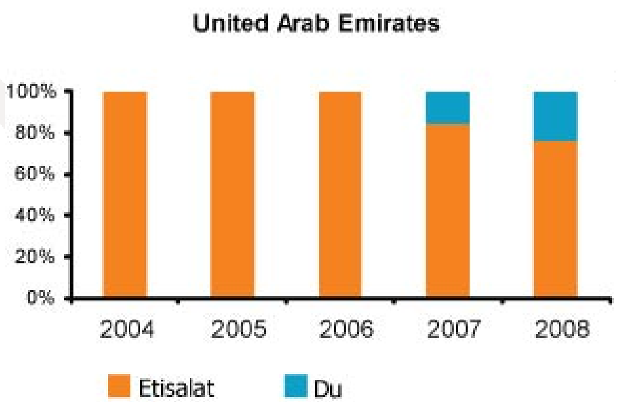


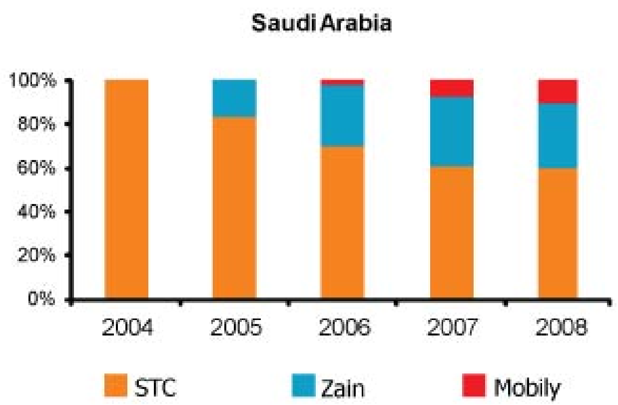
Source: ITU

Mobile operators' market shares in selected Arab States



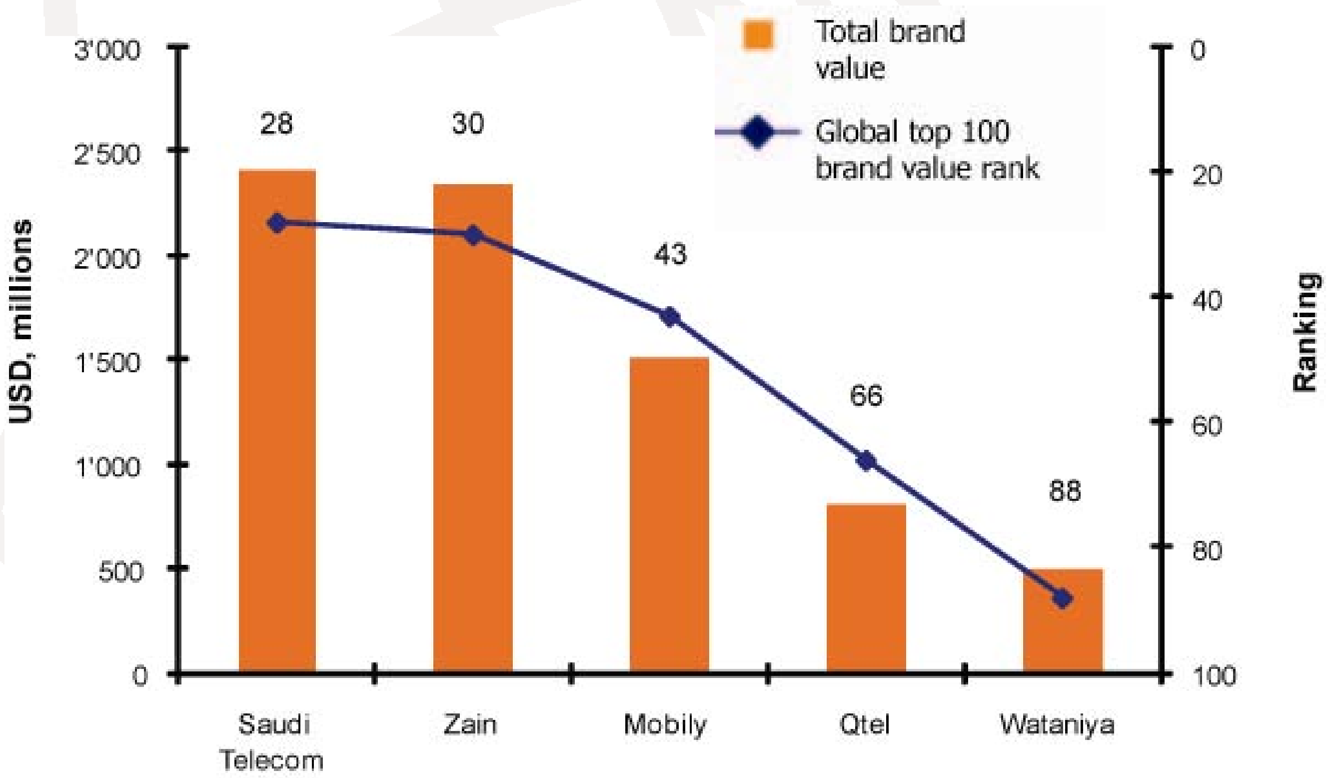






Source: ITU

Arab States operators are currently among the top most valuable brands



Source: Intangible Business

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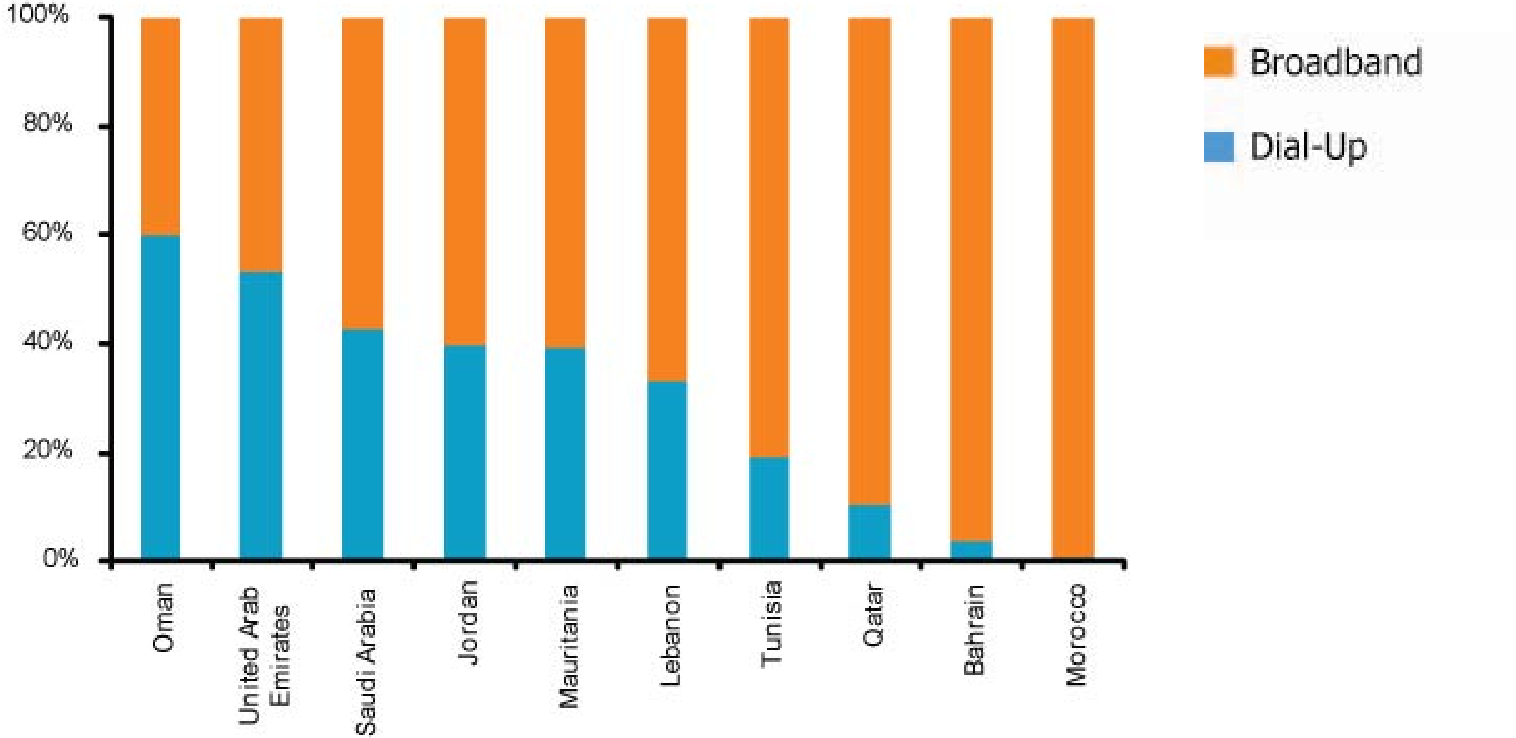
Dial-up and fixed broadband shares of total Internet subscribers in the Arab States, 2008



Source: ITU

Lack of Arabic online content is a bottleneck

- A key factor hindering Internet uptake in the Arab States is the reported lack of available on-line Arabic content
- According to the World Bank, there are currently 320 million Arabic speakers around the globe (around 6 % of total population), yet less than 1 % of online content is available in Arabic
- More than half of Arabic-speaking Internet users do not speak English
- A number of online content and portals exists (e.g. Maktoob.com, Jeeran.com, Nassej.com); however, their contribution to the overall available Arabic content on the Internet is rather small

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Policy makers have launched national ICT plans

- In most Arab States, policy makers have launched a set of national plans for ICT development
  - Saudi Arabia's Ministry of Communications and Information Technology (MCIT) in 2005 published its plan for ICT sector development
  - Egypt's Ministry of Communications has launched a set of initiatives targeting to enhance digital inclusion and increase PC and Internet penetration
  - Jordan's Ministry of ICT and IT industry players devised a 5-years plan, REACH, to develop a solid, export-oriented IT services sector
- Monitoring and measurement mechanisms are needed to track progress and identify shortcomings

The role of national regulatory authorities

- In almost all the Arab States, an independent Telecommunication National Regulatory Authority has been established
- Effectiveness and timely intervention depend on their overall administrative and financial independence
- Key challenges for market liberalization include high government stakes in incumbent operators and restrictions in foreign ownership
- Recent developments, including open consultation processes, indicate countries' commitments to liberalize the sector and issue new licenses

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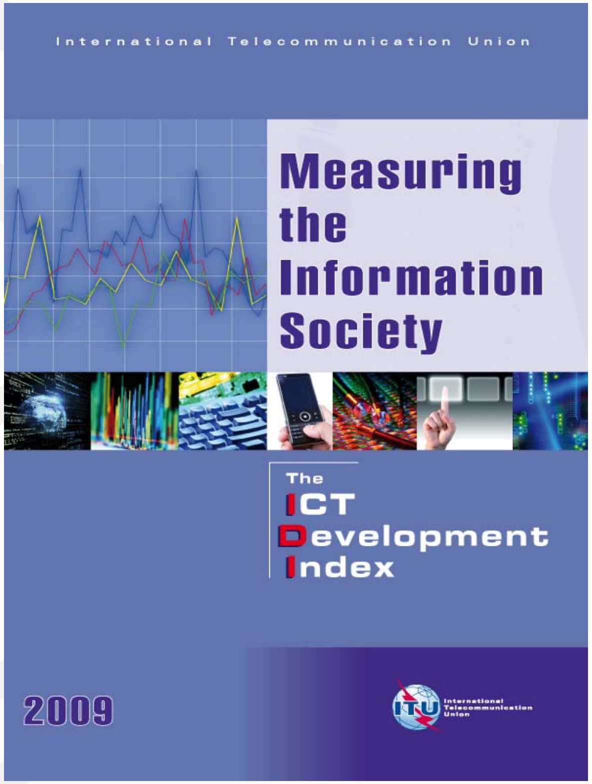
Benchmarking the information society

- ICT Development Index
- ICT Price Basket



Available at www.itu.int/ict

ICT Development Index (IDI)

- Track ICT progress *over time*
- Address all countries – *global* index
- Measure *digital divide*
- Capture ICT *development potential*
- 11 indicators
- Two years: 2002 and 2007

Update of IDI (2008 data) will be available in early 2010

IDI – Weighting of indicators

ICT access	Ref. Value	(%)
1. Fixed telephone lines per 100 inhabitants	60	20
2. Mobile cellular telephone subscriptions per 100 inhabitants	150	20
3. International Internet bandwidth (bit/s) per Internet user	100'000*	20
4. Proportion of households with a computer	100	20
5. Proportion of households with Internet access at home	100	20

40

ICT use	Ref. Value	(%)
6. Internet users per 100 inhabitants	100	33
7. Fixed broadband Internet subscribers per 100 inhabitants	60	33
8. Mobile broadband subscribers per 100 inhabitants	100	33

40

ICT skills	Ref. Value	(%)
9. Adult literacy rate	100	33
10. Secondary gross enrolment ratio	100	33
11. Tertiary gross enrolment ratio	100	33

20

ICT Development Index

Source: ITU

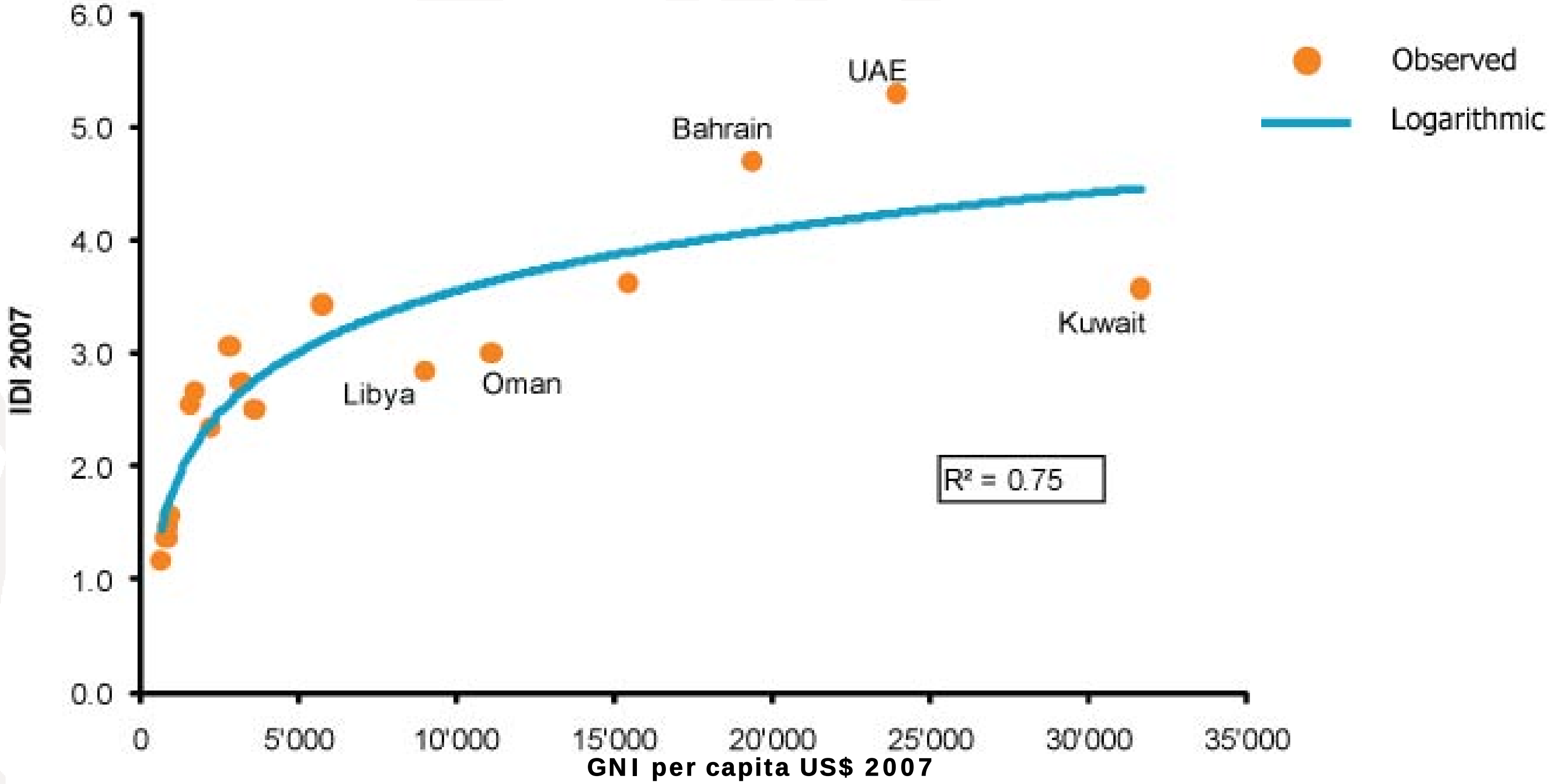
Regional IDI results

ICT Development Index (IDI), 2002 and 2007, Arab States

Country	Rank 2007	IDI 2007	Rank 2002	IDI 2002	Rank change 2002-2007	IDI change 2002-2007
United Arab Emirates	1	5.29	2	3.27	1	2.02
Bahrain	2	4.69	1	3.30	-1	1.40
Qatar	3	4.44	3	2.84	0	1.61
Saudi Arabia	4	3.62	7	2.13	3	1.48
Kuwait	5	3.57	4	2.77	-1	0.80
Lebanon	6	3.43	5	2.53	-1	0.90
Jordan	7	3.06	6	2.36	-1	0.70
Oman	8	3.00	8	2.12	0	0.88
Libya	9	2.84	9	2.08	0	0.77
Tunisia	10	2.73	10	1.86	0	0.88
Syria	11	2.66	12	1.69	1	0.98
Egypt	12	2.54	11	1.81	-1	0.72
Algeria	13	2.51	13	1.61	0	0.90
Morocco	14	2.34	14	1.37	0	0.97
Sudan	15	1.56	16	1.03	1	0.53
Yemen	16	1.47	15	1.04	-1	0.42
Mauritania	17	1.36	17	1.00	0	0.36
Comoros	18	1.17	18	0.91	0	0.26

Source: ITU

Correlation of ICT levels and income levels

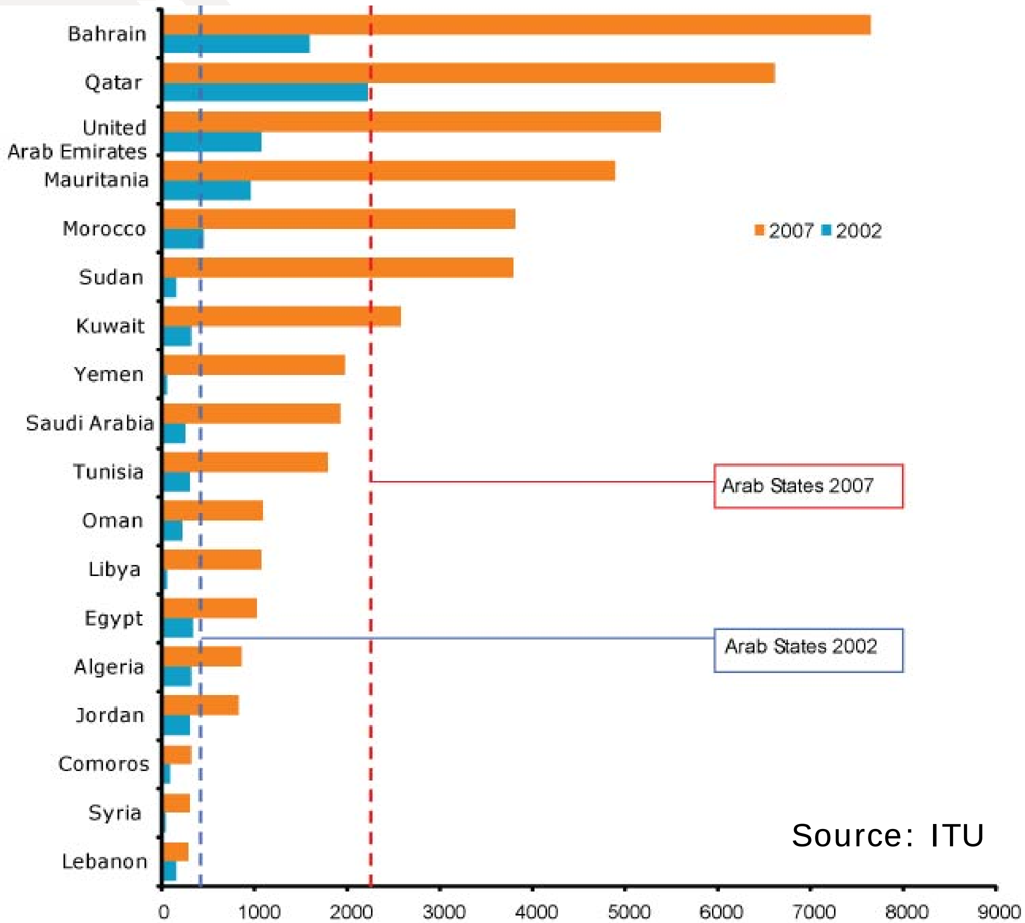


Source: ITU and IMF

Main factors of IDI growth in the Arab States

- **Mobile cellular penetration**: from 8 per cent in 2002 to 52 per cent in 2007
- Increase in international connectivity (see chart)

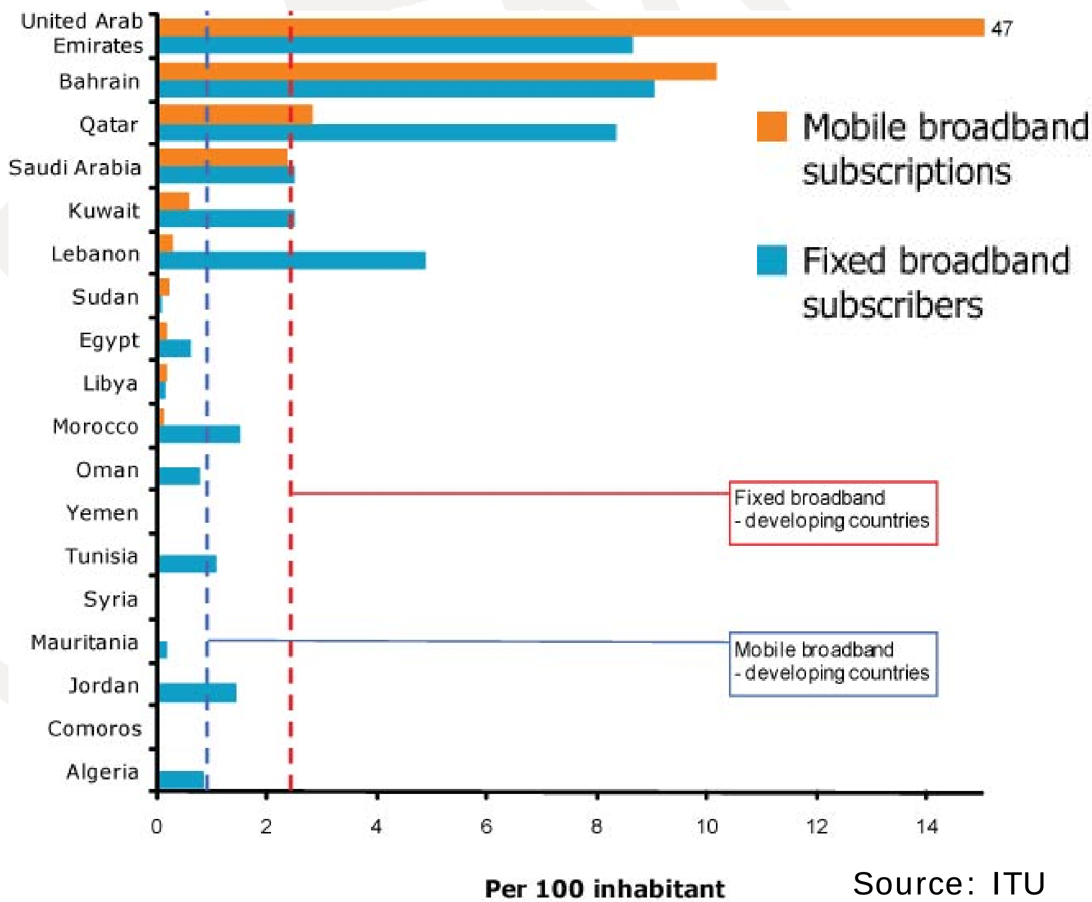
International Internet bandwidth per Internet user



Bits / s / user

Source: ITU

Low ICT use growth in the Arab States: broadband uptake



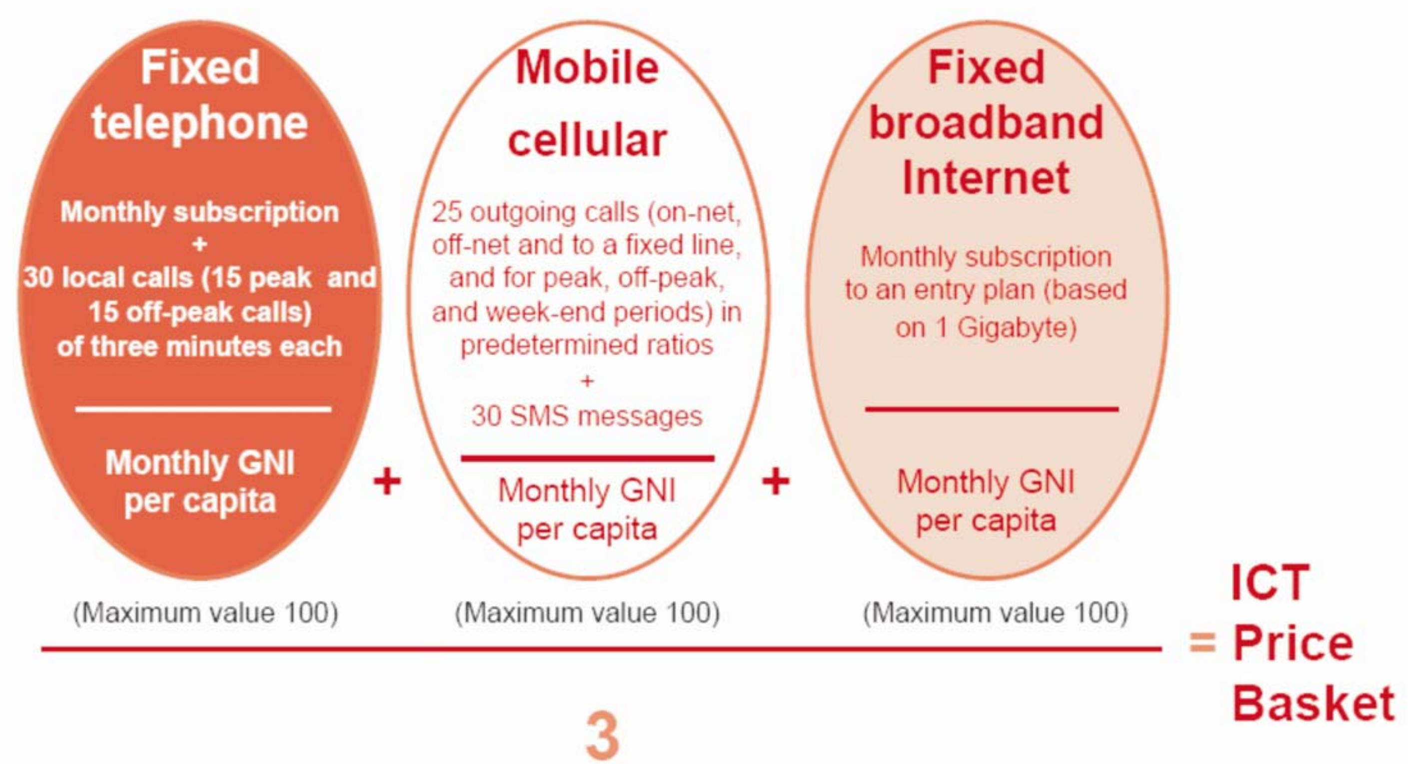
Source: ITU

2008 ICT Price Basket

- Fixed telephone
- Mobile cellular
- Fixed broadband Internet
- US$, PPP$, % of monthly GNI per capita

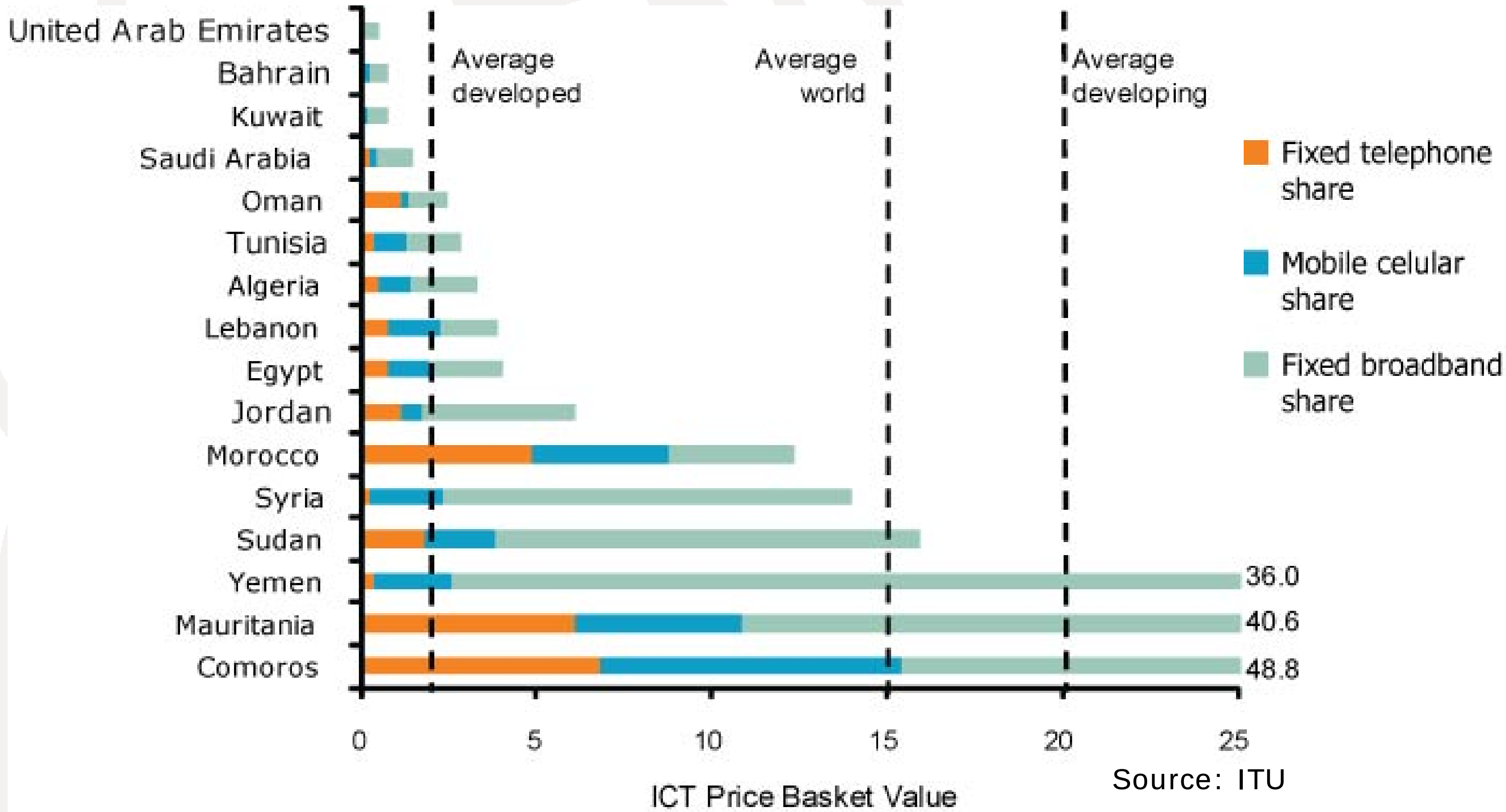
Updated ICT Price Basket (2009) available in early 2010

ICT Price Basket methodology



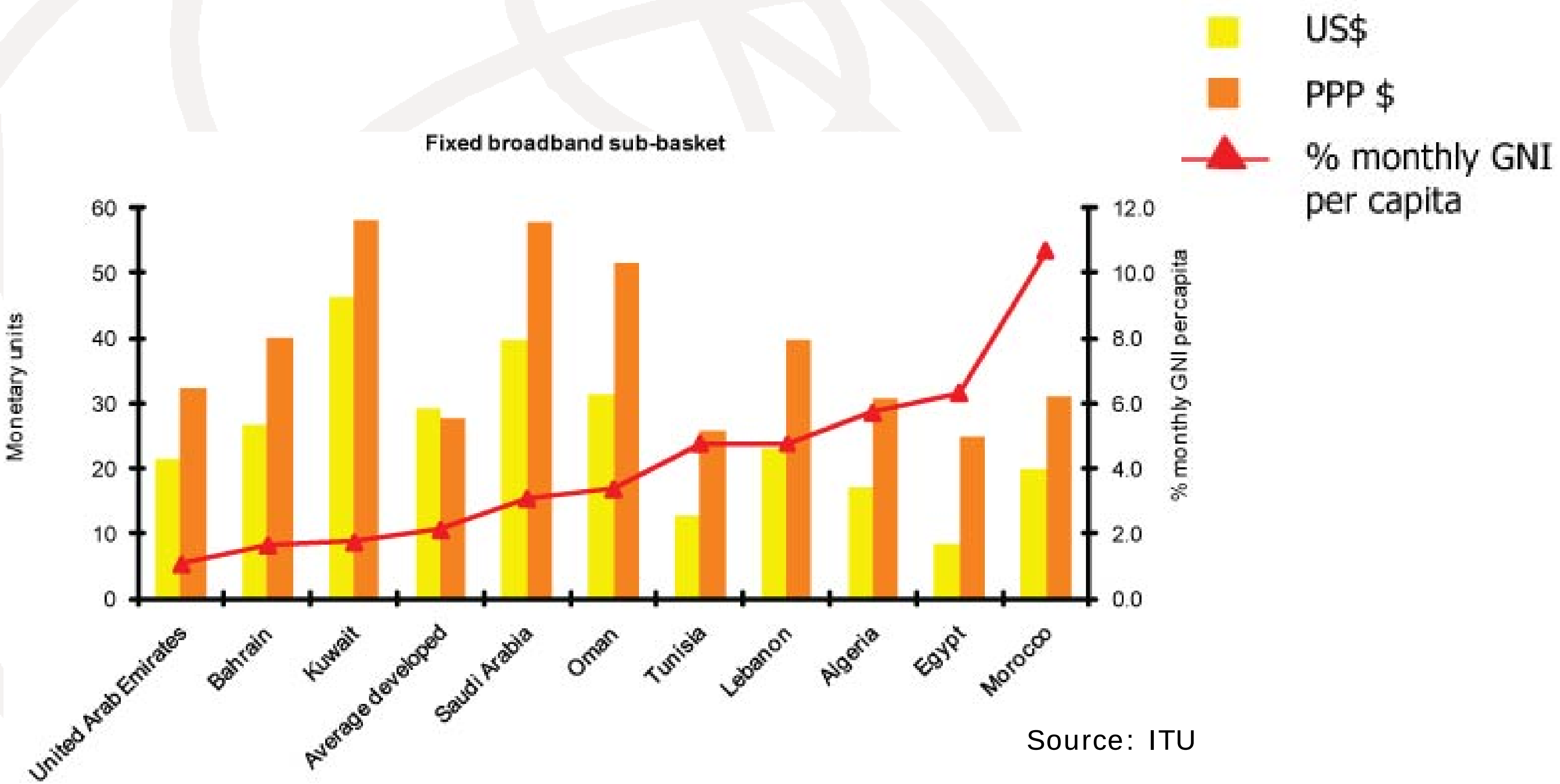
Source: ITU

Regional ICT Price Basket by country



Source: ITU

Top ten economies with the least costly fixed broadband Internet sub-basket in the Arab States



Source: ITU

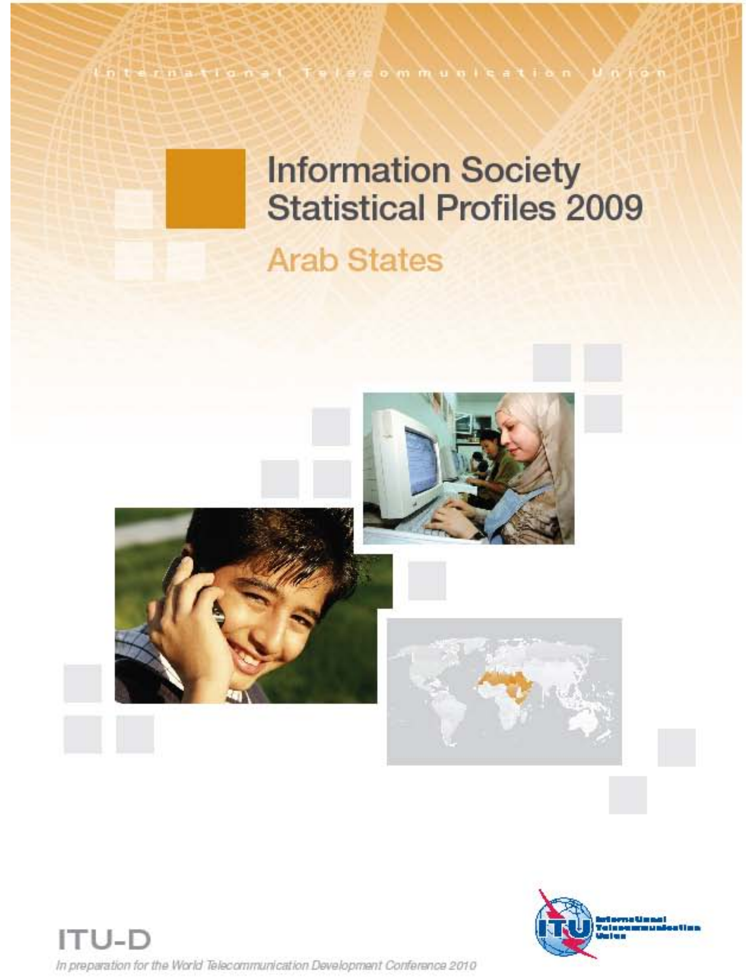
Conclusions

- The Arab States are characterized by significant discrepancies in income levels and by generally low population density
- Most countries in the region liberalized their telecommunication markets relatively late
- GCC countries present higher penetration rates in all ICT services, due to higher income levels and a high number of foreigners
- While in terms of mobile penetration the region is doing well in international comparisons, it is lagging behind the world average in all other ICT services
- Key regulatory challenges:
  - ensuring that all citizens are equipped with necessary ICT skills and have access to high-speed broadband networks
  - ensuring that countries are advancing towards the next-generation telecommunication era

Recommendations

- Implement national ICT development policies and enforce monitoring and measurement mechanisms to assess progress to date
- Enable timely and effective market liberalization with special focus on broadband access markets
- Ensure high-speed broadband access network deployment and provide nationwide coverage through different access platforms
- Enhance digital literacy, by ensuring that all citizens acquire the necessary ICT skills
- Develop a framework to enable the migration to the next-generation ICT environment; review regulatory strategies and applied regulations in light of underlying telecommunication and media sectors convergence

For further information



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