Global ICT Index

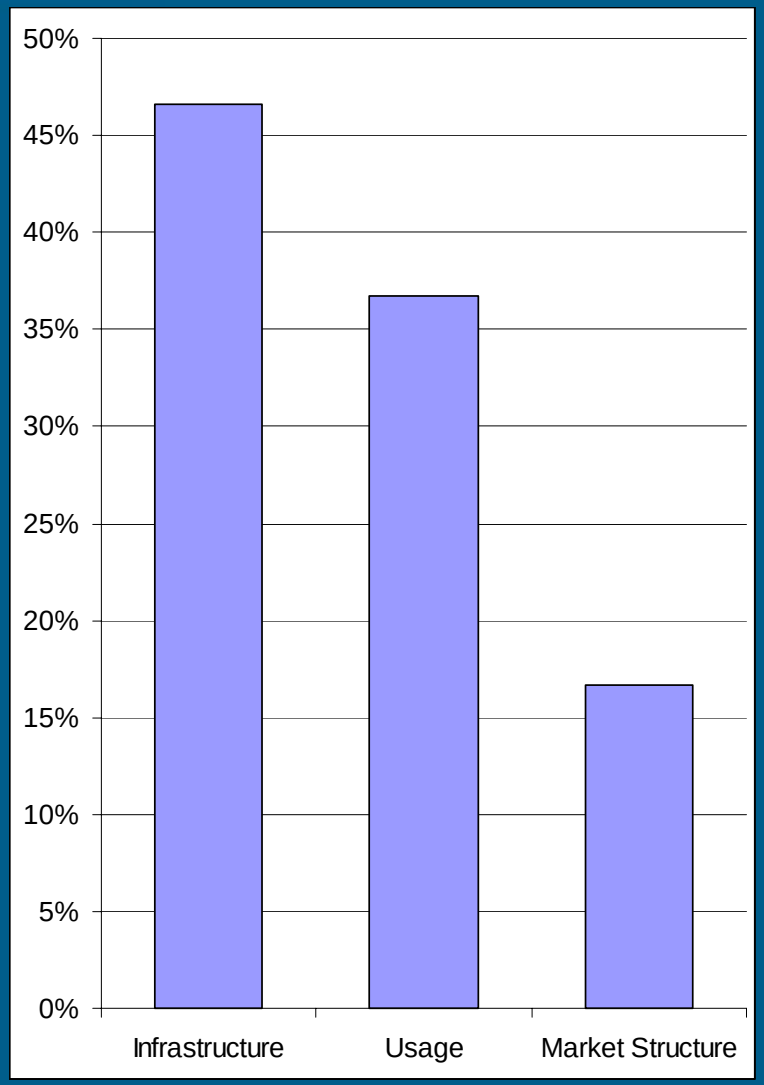
Which economies are best poised to take advantage of ICTs?

What is E-readiness?

- A measure of current information and communication technologies (ICT) development
- A measure of an economy's ability to take advantage of ICTs in the future

E-Readiness Components

- Infrastructure 46%
- Usage 37%
- Market Structure 17%



Infrastructure

- Main lines
- Cellular subscribers
- Estimated Internet users
- Personal computers
- International Internet bandwidth (Mbps)
- Broadband subscribers

- Included if three of the six variables are present

Network Usage

- Total national telephone traffic
- International outgoing telephone traffic
- International incoming telephone traffic
- Telecom revenue
- Settlement rates per minute with US
- Cost of three minute local call

- Included if three of the six variables are present

Market Structure

- Privatized incumbent?
- Years incumbent has been private
- Separate regulator?
- Years regulator has been separate
- Market structure for local services
- Market structure for long distance
- Market structure for international calls
- Market structure for mobile
- Market structure for leased lines
- Market structure for Internet service providers

- Included if five of the ten variables are present

ICT Index Top 15

Country	Index	Rank	GDP
Hong Kong, China	63.56	1	$20,832
Sweden	61.79	2	$23,161
Norway	58.30	3	$28,623
Luxembourg	57.11	4	$45,950
Denmark	55.92	5	$26,241
Iceland	55.83	6	$28,781
Switzerland	54.93	7	$27,522
Netherlands	54.73	8	$24,977
United States	54.44	9	$32,633
Bermuda	53.93	10	na
Canada	51.64	11	$26,910
United Kingdom	49.95	12	$22,502
Korea, Rep.	48.69	13	$15,444
Singapore	47.87	14	$20,495
Finland	47.50	15	$24,101

ICT Index Bottom 15

Country	Index	Rank	GDP
Guinea-Bissau	1.94	208	$519
Korea, Dem. Rep.	2.82	207	na
Iraq	2.85	206	na
Comoros	3.11	205	$1'379
Samoa	3.95	204	$4'067
Benin	4.02	203	$946
Djibouti	4.05	202	na
Myanmar	4.23	201	na
Chad	4.93	200	$859
Liberia	5.33	199	na
Tonga	5.78	198	na
Rwanda	5.87	197	$926
Gambia, The	5.97	196	$1'611
Swaziland	5.98	195	$3'942
Vanuatu	6.09	194	$3'078

World Highlights

	Overall	Infrastructure	Usage	Market Structure
Hong Kong, China	**1**	7	2	4
Sweden	2	**1**	6	19
Cayman Islands	19	32	**1**	88
Philippines	67	115	126	**1**
US	9	12	9	**1**

- Hong Kong, China has the number one position in the world
- Cayman Islands top usage with tourism
- US and Philippines top market structure but have very different overall rankings

Methodology: Variables

- All individual variables are normalized to one so they can be combined into a composite variable.

	Mobile Users/100	**Score/Max**	**Mobile Ratio**
Hong Kong	64.14	64.14 / 64.14 = 1	1
Finland	63.37	63.37 / 64.14 = 0.988	0.988

Methodology: Groups

- The variables in each group are aggregated to form the three index components

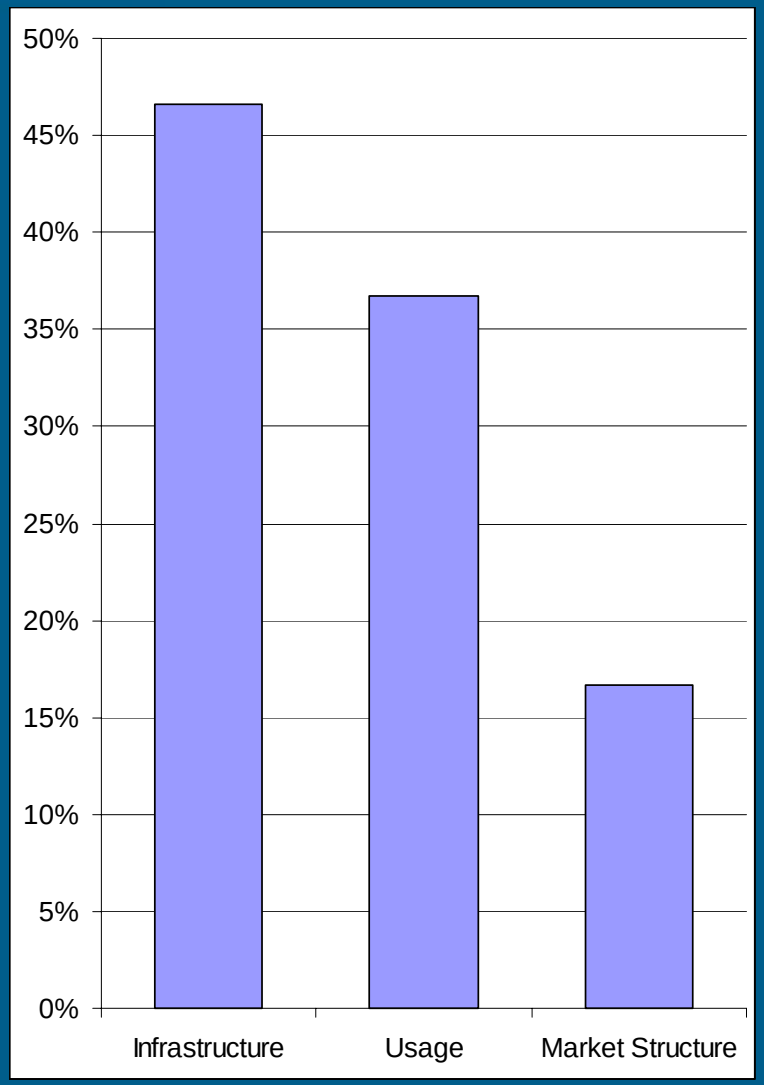
Infrastructure	
# of Variables	**Weight**
6 of 6	1/6
5 of 6	1/5
4 of 6	1/4
3 of 6	1/3
Less than 3	Dropped

Usage	
# of Variables	**Weight**
6 of 6	1/6
5 of 6	1/5
4 of 6	1/4
3 of 6	1/3
Less than 3	Dropped

Market Structure	
# of Variables	**Weight**
10 of 10	1/10
9 of 10	1/9
8 of 10	1/8
7 of 10	1/7
6 of 10	1/6
5 of 10	1/5
Less than 5	Dropped

Methodology: Weighting

- Factor analysis on 3 composite variables.
- 177 Economies
- Year 2000 Data



Methodology: Index

- Factor analysis assigns a weight to each of the categories (line 1)
- If a category is missing, the weight shifts proportionately to the remaining categories
- Any economy missing the infrastructure category is dropped

Infrastructure	Usage	Market	Total
46.62%	36.69%	16.69%	100.00%
55.96%	44.04%		100.00%
73.64%		26.36%	100.00%
100.00%			100.00%
	68.73%	31.27%	dropped

Thank You