

# Pattern of Adoption of Internet in Jamaica

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# Policy Initiatives

- Agreement with incumbent for liberalization – September 1999
- Liberalization of Information Communications Technology (ICT) sector on a phased basis.
- Strategic Five Year ICT Policy
- Implications for Internet Access
  - Facilities based competition in fixed (wired & wireless) and Cellular for domestic and international voice and data
  - Competition in equipment supply (single & multi-lines) including internet devices, modems, Personal Computers, etc.

# Cont'd

- STV operators received licenses permitting them to provide internet access over facilities.
- expand access to voice and data services is an objective of government. Carriers' responsibility is restricted to the Network Termination Point (NTP). It is therefore no longer the case that approval of the carrier must be sought before CPE can be connected to the network.
- Fiscal incentive - removal of General Consumption Tax/Import Duty on PCs
- Agreement (1999) with incumbent to install 200 kiosks at strategic locations, 60 of which should be situated in post offices
- Liberal licensing regime

# Policy Outcomes for Voice

- Competition in cellular – 3 operators, fixed is still dominated by incumbent despite the granting of several licenses.
- Mobile competition has led to massive growth in access to voice.
- Substitution of mobile for fixed, fixed access dropped to 450,000 from 500,000 in 2001
- High penetration rate in voice without any Universal Service funding support.
- Entry is highly profitable and good growth prospects

# Entry in Internet Market

- Low start-up rate for new licensees
- Not one STV operator is offering internet access using STV facilities
- Merger and consolidation – 9 operators compared with about 14 prior to liberalization.
- ISPs still rely on incumbent's facilities for internet service provision

# Cont'd

- Dial-up access is the principal means of connection. ADSL available but take up (mostly business) is very low.
- 70,000 dial-up subscribers, app. 2.69 per 100 inhabitants.
- 47% of dial-up subscribers is connected to incumbent's network
- After three years only 28 of the 200 internet kiosks installed in post offices (Dec. 2002)

# Internet Access in Schools

- Number of Schools 945 (population of 532,526)
- 36.3% in urban and 63.7% in rural areas
- 96.6% with electricity and 57.1% for telephones.
- 91 schools or 9.6% of total with internet service –20 primary and 57 high schools

# Internet Access in Libraries

- 132 libraries
- access to electricity is 97%
- Telephone Service – 57.6%
- Internet Service - 33.3%



# Internet Access in Post Offices

- 310 post offices
- data unavailable for access to electricity
- Telephone service 21.6%
- Internet service - 9%

# Pattern of Adoption of Internet (Non-Business)

How Used	Percent
Send & Receive e-mails	75
Obtain information	71
Chat	31
Purchase items	17
Play games	14
Sell items	6
Make bill payments	6
Entertainment	2

# Pattern of Adoption of Internet (Business)

How Used	Percent
Send & receive e-mail	96
Obtain information	82
Order & pay for goods/service/supplies	42
Advertise/promote	24
selling	14
Travel arrangements	11
Banking	8
Bill payments	6

# Constraints to Internet Use

- Lack of US credit cards which is essential for online shopping
- Poor financial resources
- Underdevelopment of e-commerce locally for those who want to use local currency
- Insecurity is hampering the use of the internet for shopping purposes
- Affordability -cost of service- mobile as well as fixed
- Speed of connection

# Cont'd

- Reliability of access
- Technical support
- Advanced technology
- Unavailability of computer – re-imposition of GCT/import duty on PCs
- Insecurity

# Policy Implications

- Jamaica is at the early stage of internet absorption
- Internet is at the embryonic stage of the life cycle – market is underdeveloped
- Diffusion in internet is constrained by structural factors (e.g. connectivity and computing infrastructure).
- State support is needed to rapid expand the use of the internet.