

**9th World Telecommunication/ICT Indicators
Meeting (WTIM-11)
Mauritius, 7 - 9 December 2011**



Contribution to WTIM-11 session

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TITLE: Measuring ICT household expenditures

**9th World Telecommunication/ICT Indicators Meeting,
Mauritius, 7-9 December 2011**

Measuring ICT household expenditures

Session 9: Household ICT surveys

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Content

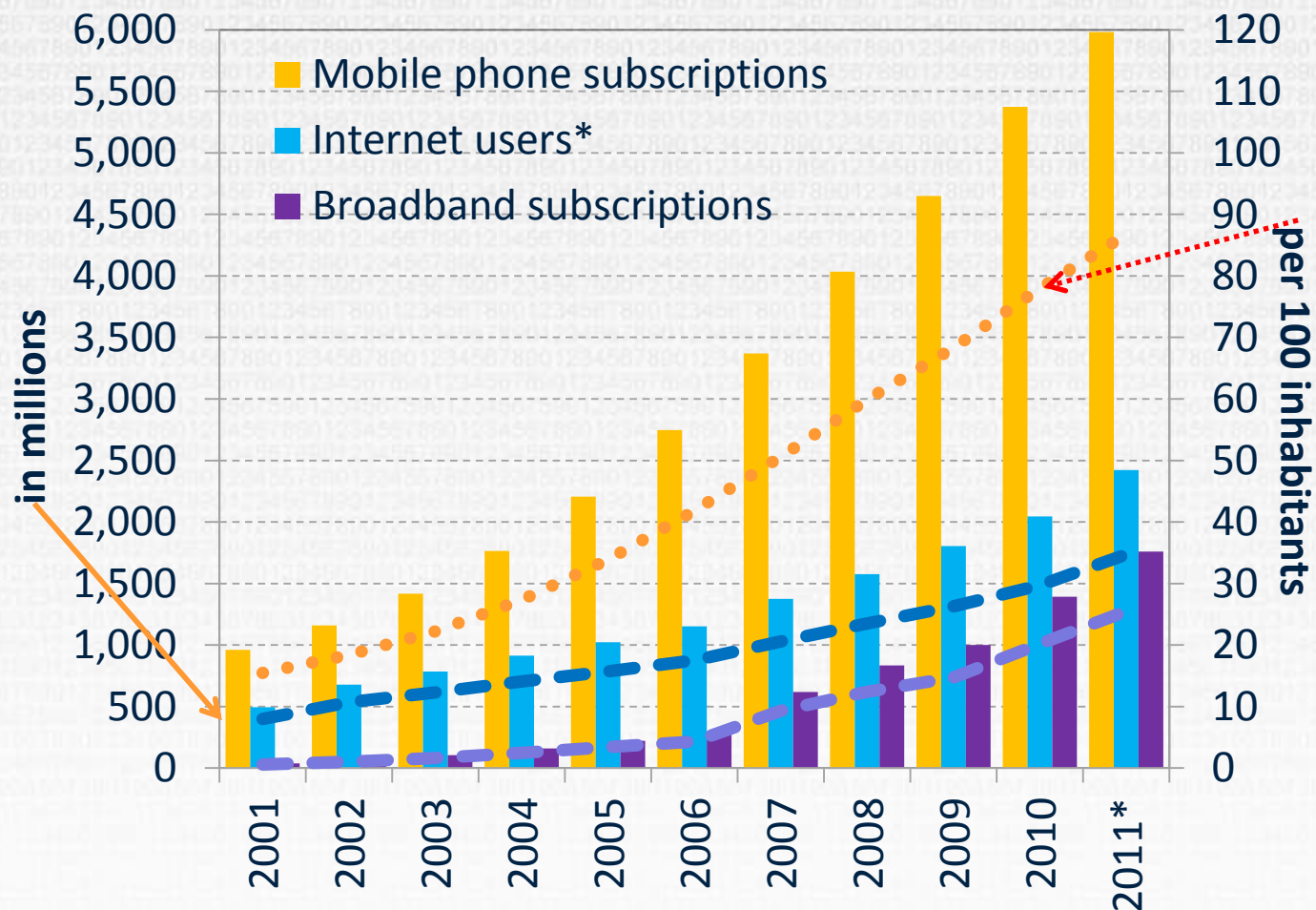
1. Why to measure ICT household expenditures?
2. How to measure ICT household expenditures?
3. Results - What are the ICT household expenditures?

Why to measure ICT household expenditures?

- As ICTs are more and more an increasing part of our everyday life
- As ICTs have also increasing impact on our economic performance and social well-being
- And as „Digital divide“ based mainly on education and income is continuing (digital exclusion)

Conclusion: *We need to measure ICT household expenditure incl. the related digital divide (together with other ICT statistics) for international and regional benchmarking so policy makers can better design, evaluate or reformulate their ICT policies and related decisions*

Global ICT developments, 2001 – 2011*



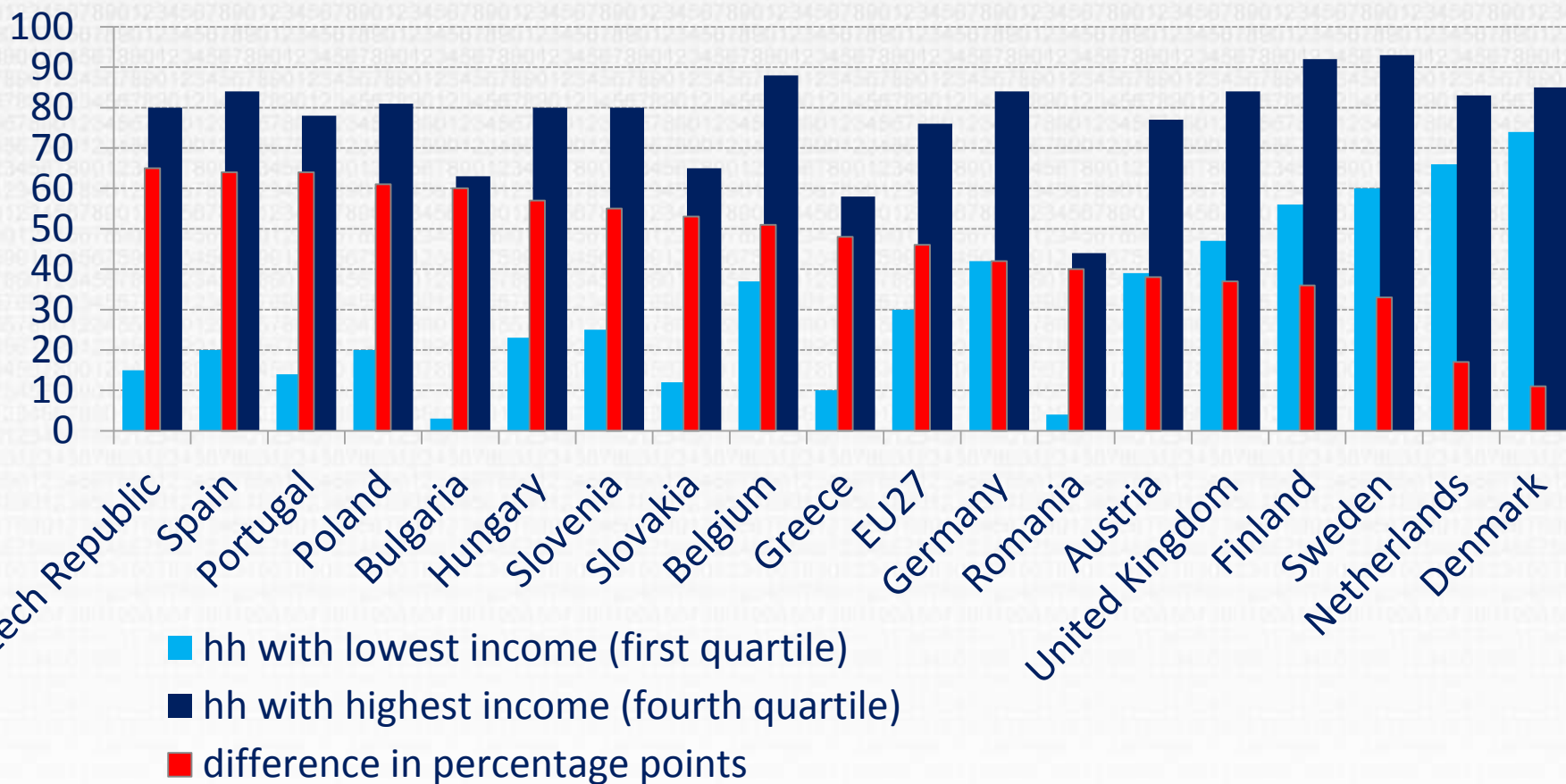
✓ **Mobile phone** has reached high level of diffusion nearly everywhere (ITU, 2011)

✓ One third of the world's population is to be **internet users** (ITU, 2011).

* Estimation; Source: ITU World Telecommunication/ICT Indicators database, November 2011

The Digital divide: households with broadband connection by income in selected EU countries (%), 2009

✓ There is still quite a **large gap** between high and low-income households



How to measure ICT household expenditures?

Using existing data collection tool and international classification

- **Household Budget Survey (HBS):** EU countries , Canada, Japan,...?
 - **Type of survey:** Independent (stand alone) survey
 - **Statistical population:** Individual private households
 - **Time coverage:** 2005 , 2010? at EU level (annually at national level)
 - **Main purpose:** To collect information on consumption expenditure according to the Class. of Individual Consumption by Purpose
 - **Available breakdowns (HH by level of net income per person,...)**

- **Other data sources:** EU- SILC survey; ICT usage surveys (Korea,...),...

Classification of Individual Consumption According to Purpose

COICOP: A nomenclature developed by the United Nations Statistics Division

12 categories at two-digit level used for HH consumption expenditures:

01 Food & non-alcoholic beverages; 02 Alcohol, tobacco & narcotics

03 Clothing and footwear; 04 Housing, water, electricity, gas and other fuels

05 Furnishings, household equipment and routine household maintenance

06 Health; 07 Transport; **08 Communication; 09 Recreation and culture**

10 Education; 11 Restaurants and hotels; 12 Miscellaneous goods and services

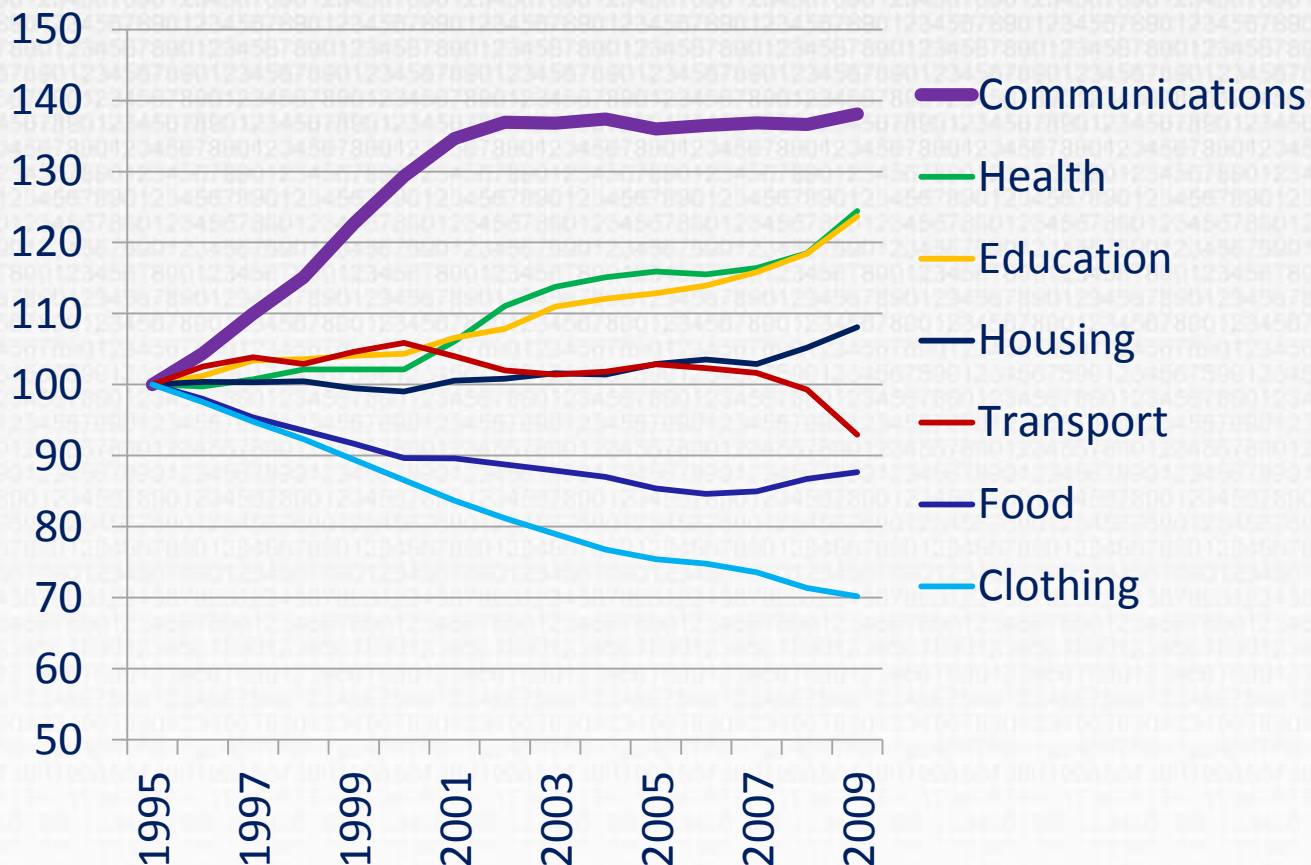
Areas of future revision of COICOP relevant for ICT expenditures:

- **Bundles:** two or more goods or services that serve two or more different purposes as a package deal for a discounted price.
- **Communication equipment and services:** the boundary between Communication and Audio-visual and information processing equipment is now thinner

Households' consumption expenditure in the OECD by selected COICOP categories; 1995-2009 (base 100 in 1995)

✓ The share of communication in total household expenditures in the OECD area has been increasing since the mid 1990s.

✓ This trend reflects the mobile telephony development, later also the Internet and broadband services



Source: OECD Communications Outlook 2011, based on data from the National Accounts Database, March 2010

COICOP items used for ICT expenditures measurement

1. ICT services expenditures (Group: 08.3 - Telephone services):

08.3.0.1 Fixed phone services

08.3.0.2 Mobile phone services

08.3.0.3 Internet connection services

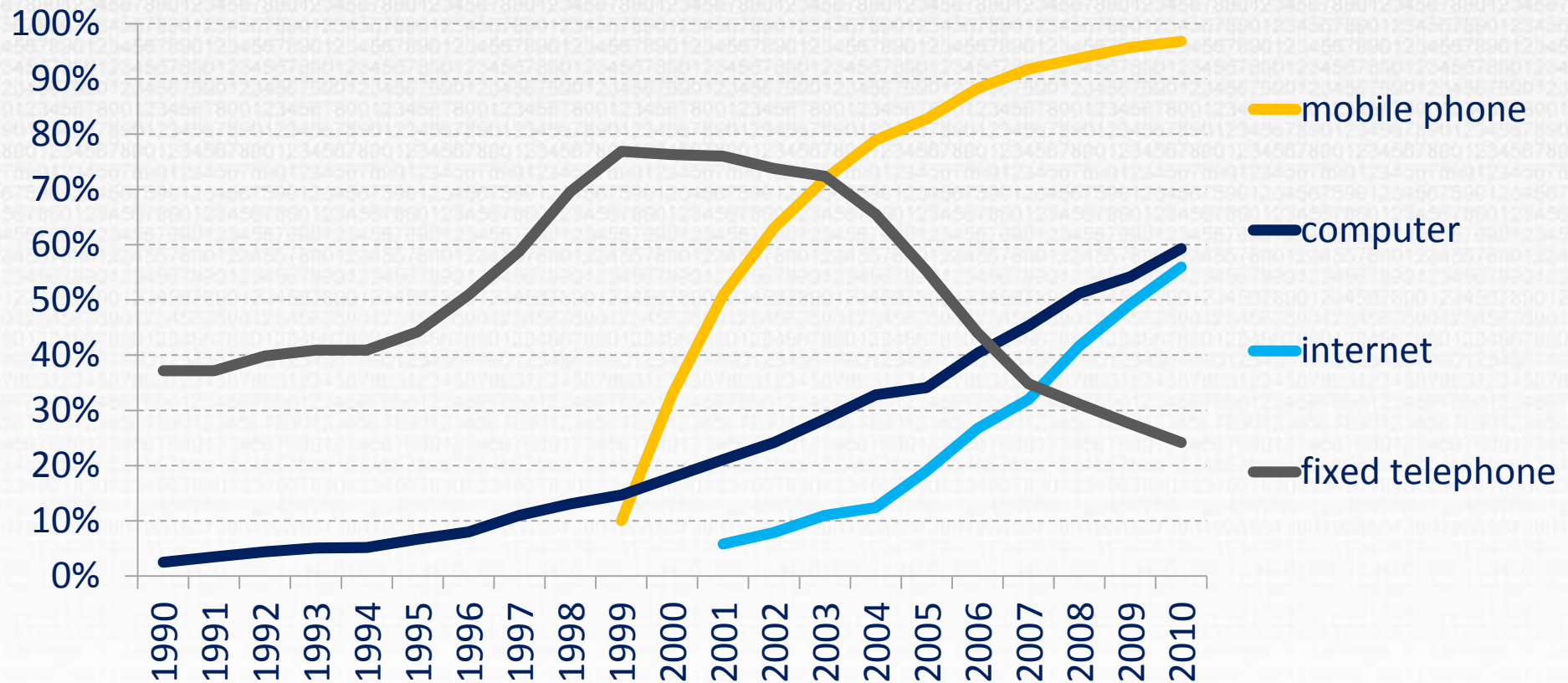
2. ICT equipment expenditures:

Group: 08.2 - Telephone equipment

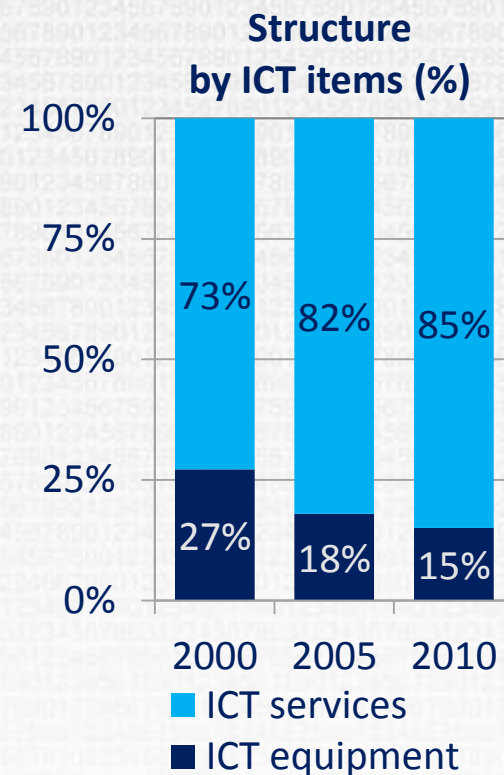
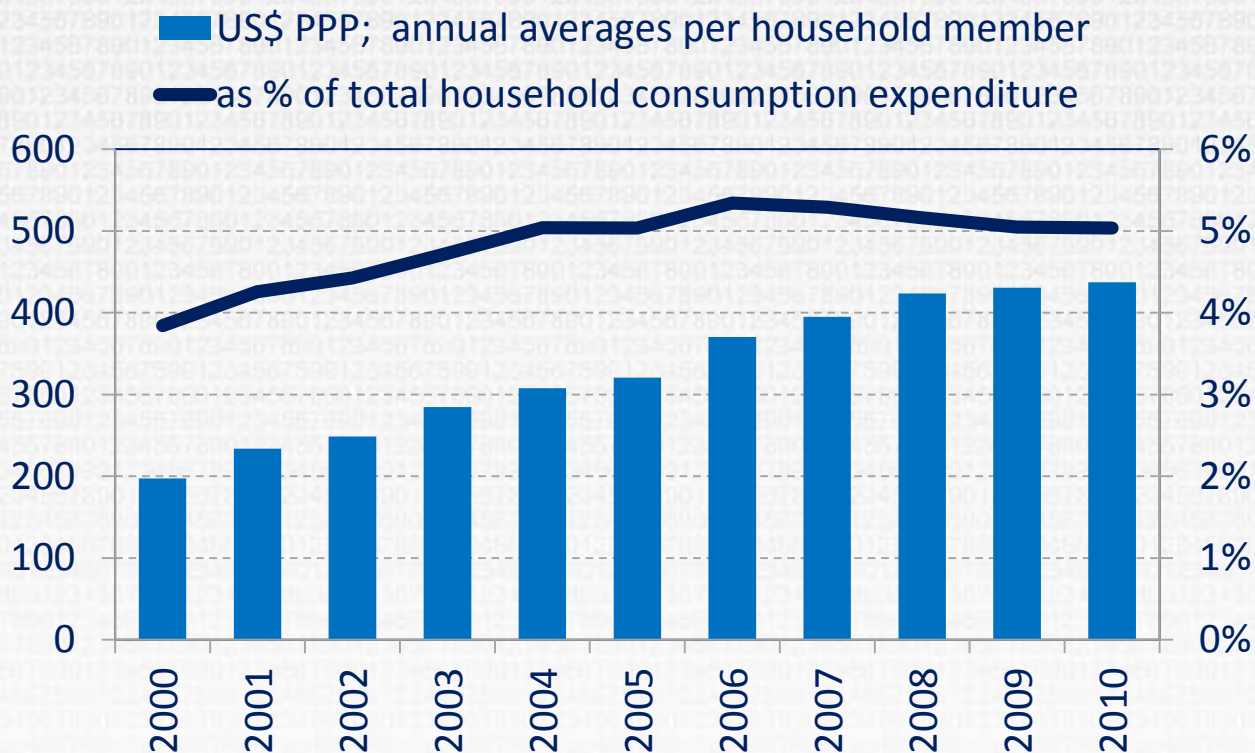
Class: 09.1.3 - Information processing (computer) equipment

ICT developments in Czech households (%), 1990 – 2010

- ✓ While at the end of 2010 only 3% of the Czech households **did not have** a mobile phone, the fixed phone line did not own nearly 75 % households. Ten years ago this ratio was exactly the opposite.

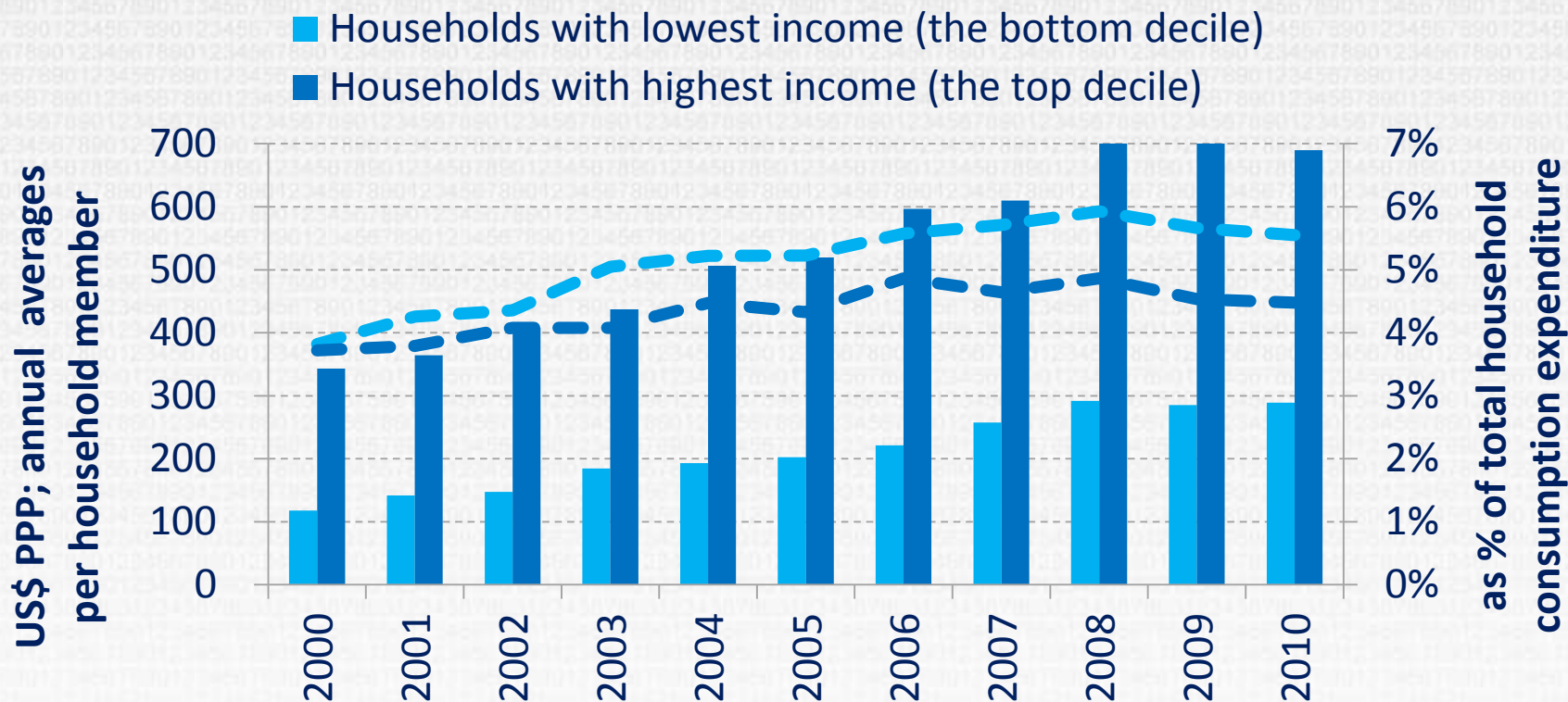


Total ICT household expenditures in the Czech Republic



- ✓ Expenditures on ICTs more than doubled over the past 10 years in Czech households and, as a share of total household income, they increased by 1 percentage point during the same period.
- ✓ Household spending on ICT equipment was only 15% in 2010 as compared to nearly 30% in 2000.

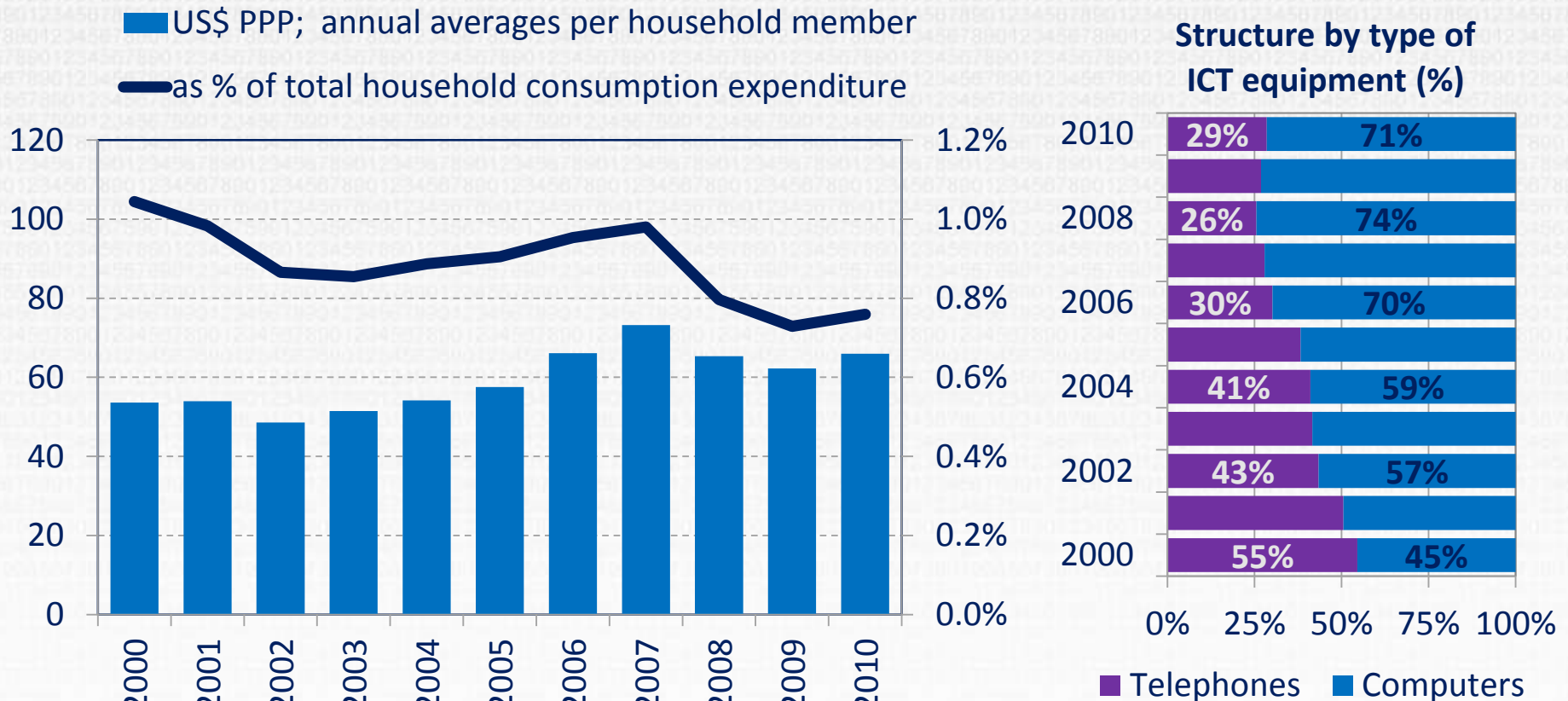
ICT expenditures by household income in the Czech Republic



✓ Even if households with highest income spend 2,5 x more per household member than households with lowest income on ICT goods and services, the share of these expenditures relative to their total spending was lower by 1 percentage point compared to households with lowest income in 2010

Households' ICT equipment expenditures in the Czech Republic

- ✓ While in 2000 expenditure on telephone equipment (mainly mobile phones) exceeded those of computers ten years later the situation was opposite.

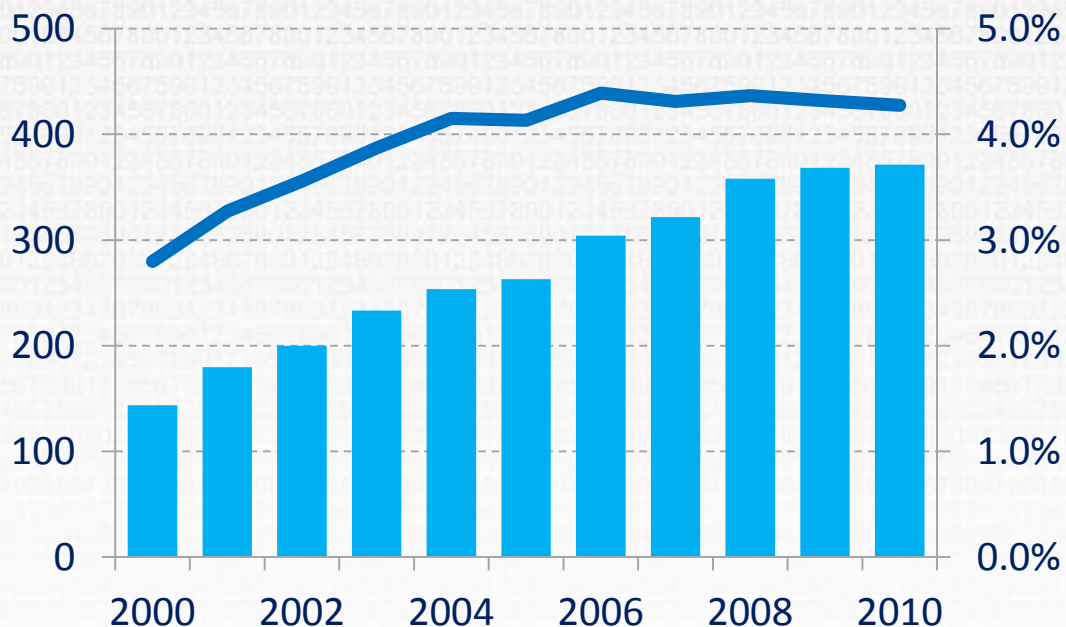


Households' ICT services expenditures in the Czech Republic

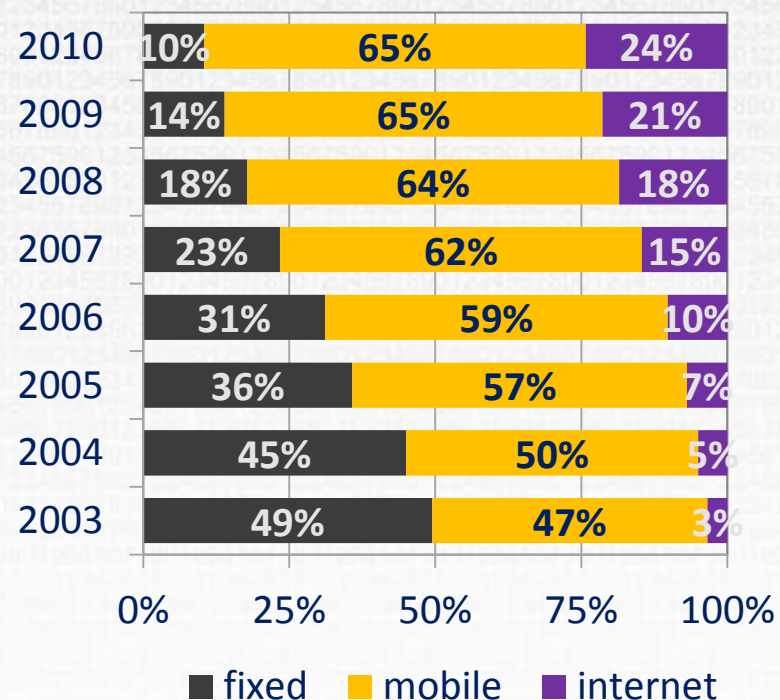
✓ Despite price declines in telecommunication services and an economic crisis, the relative household expenditures on ICT services remains unchanged and absolute; even increasing over the last 3 years.

■ US\$ PPP; annual averages per household member

— as % of total household consumption expenditure

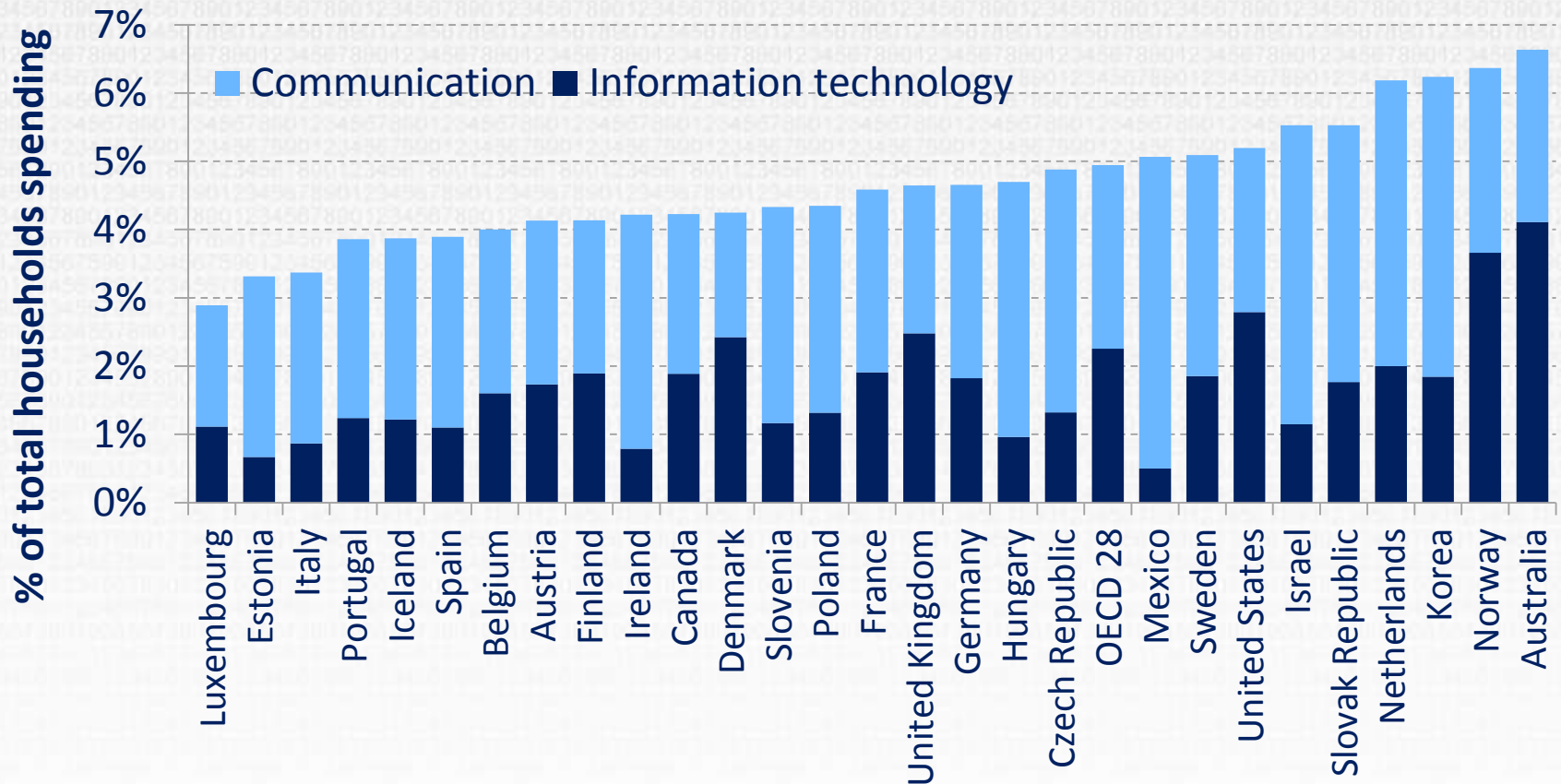


Structure by type of communication expenditures (%)



ICT household expenditures in selected OECD countries, 2009

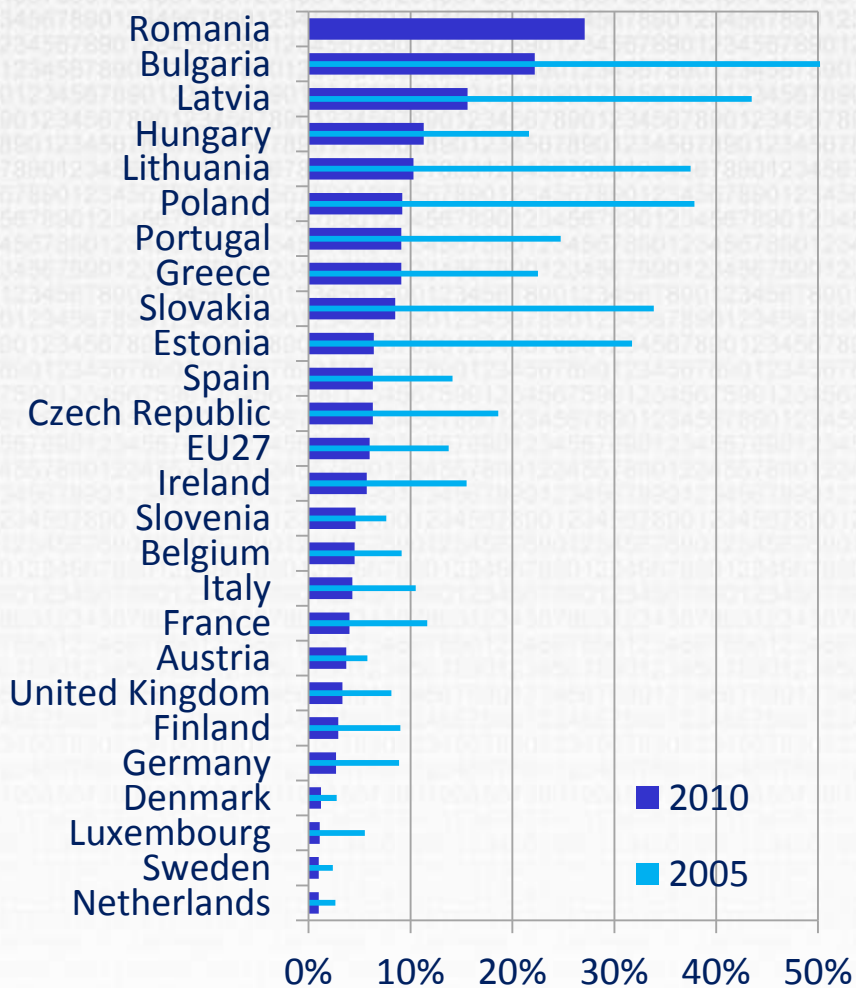
- ✓ In 2009, the amount of household final consumption expenditures devoted to ICT reached around 4.9% of total final consumption expenditures



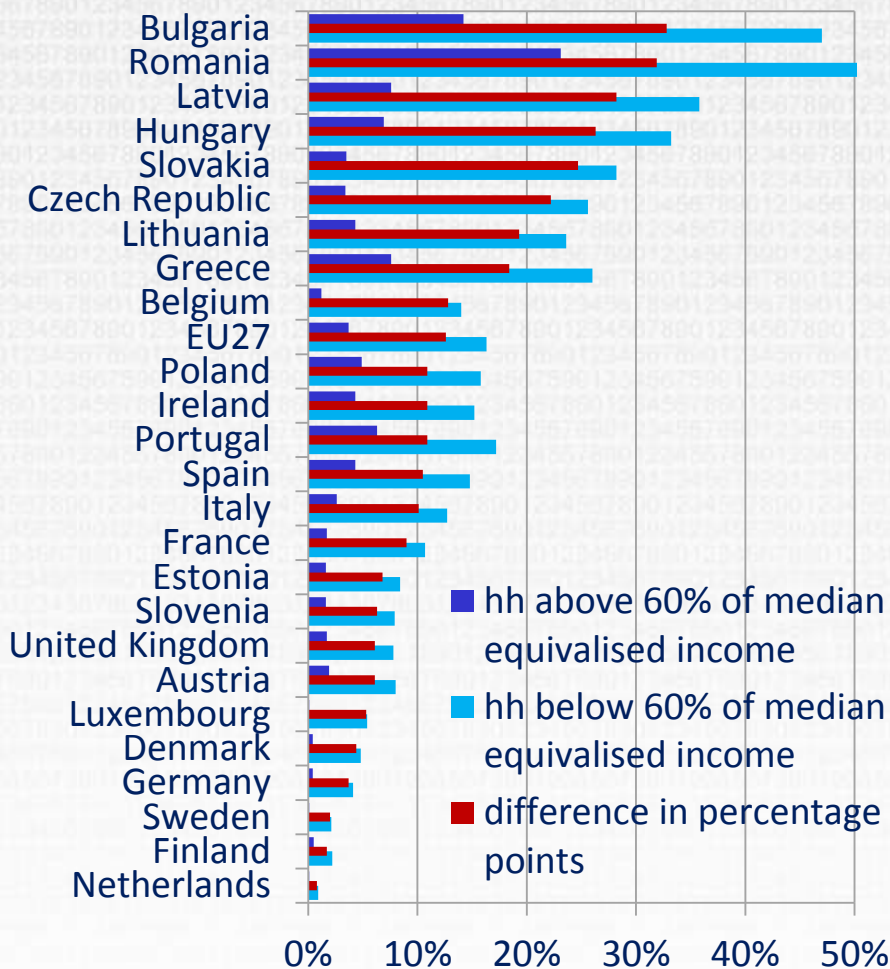
Source: OECD Communications Outlook 2011; Based on data from the National Accounts Database, March 2011

Households in EU would like to but cannot afford to buy a computer (%)

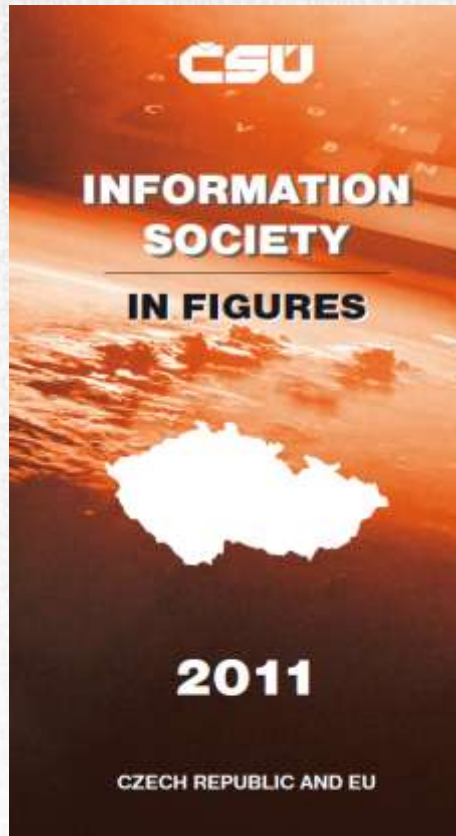
All households



HH with children



Key publication of the Czech Statistical Office in the field of ICT



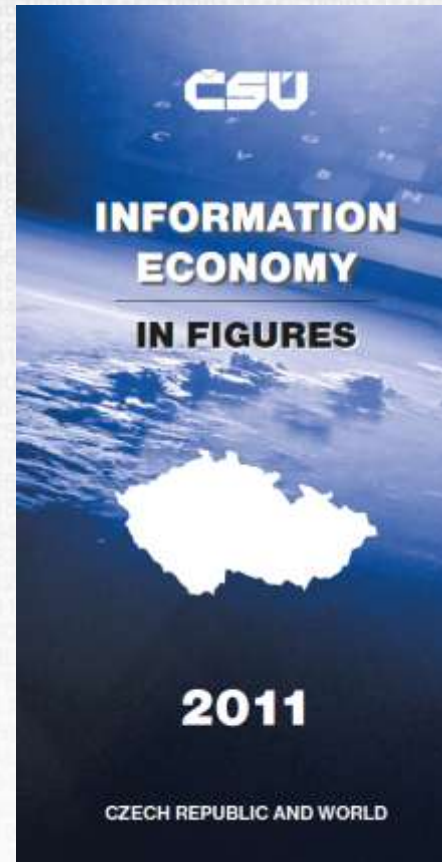
7 chapters:

- ICT infrastructure
- ICT & Households
- ICT & Individuals
- ICT & Enterprises
- ICT & Government
- ICT & Schools
- ICT & Health

Time series

Regional breakdowns

International comparisons



5 chapters:

- ICT Professionals
- ICT Expenditures
- ICT R&D, patents
- ICT International trade
- ICT sector

Time series

Intern. comparisons

The publications in the electronic version are available for download at :

<http://www.czso.cz/csu/2011edicniplan.nsf/engp/9706-11>

<http://www.czso.cz/csu/2011edicniplan.nsf/engpubl/9708-11> (will be released by end of the year 2011)

Any questions?

Thank you for your attention.



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