

## **Contribution from NTRA, Egypt to the GSR15 consultation**

### **“Mind the Digital Gap: Regulatory Incentives to Achieve Digital Opportunities”**

#### **Introduction**

- Although the growing adoption of broadband which has made access to the digital society more ubiquitous and pervasive, Apps and m-services are empowering citizens to engage in all aspects of modern life regardless of time, distance and location, aiming to bridge the digital gap, however there is a problem of “Digital Divide” in both developed and developing countries.
- Over 2 billion people across the globe now use the internet, improving access to discussion, conversation and information online. Although the number of online users in developing countries doubled in the last ten years there is still a huge divide in access to the Internet.
- However the digital divide is a serious issue in developed countries too — where 30 per cent of people are not online.
- This means that even though improved and cheaper technology will definitely help diminish the Digital Gap, States should take steps towards to bridge the Digital Gap, by providing regulatory incentives to achieve digital opportunities and to help their citizens to get online.
- In this regard, Egypt represented in the National Telecom Regulatory Authority (NTRA) highlighted the importance of the development of broadband in Egypt and the establishment of what is called the Digital Economy in order to bridge the Gap especially with a population of over 85 million scattered over a million km<sup>2</sup> of land, 27 governorates with diversity of socio-economic conditions.

#### **NTRA’s innovation ways and efforts to bridge the Gap:**

##### **1-The Digital economy initiative:**

- The Digital gap is not only about technology as it is a symptom of much deeper social issues. It is a manifestation of economic and educational gaps that have existed in the country long before the microchip and the Internet were invented. The "Digital gap" has simply made these social and economic issues more pronounced.

- NTRA - Egypt believes that participation in the Digital Economy is, for an increasing number of businesses, becoming a matter of economic necessity. Most businesses now realize that to remain competitive and to conduct business efficiently, they must adopt electronic means for business processes.
- The benefits and opportunities of a Digital Economy do not materialize overnight and will take time to evolve and mature. With the involvement from the community, businesses, and government, the Digital Economy can bring the Opportunities for Business, Improved Quality of Life and Enhanced Education.
- ICT sector's growth rate in Egypt reached 10% with contribution to the GDP by 58.3 billion pounds, an equivalent to 3.8% during the fiscal year 2013/2014 and Egypt's target is to double this contribution through enabling Digital Economy.
- Reducing or eliminating source of e-friction can grease the wheels of digital economy. The infrastructures related friction considered as the most significant source for e-friction.
- The sources of the infrastructure friction include those that prevent users from readily accessing the internet, such as fixed- and mobile- broadband connections, bandwidth speeds, and pricing, as well as factors related to architecture, such as the number of networks, internet service providers (ISPs), and internet exchange points (IXPs) – the data centres where networks connect and exchange traffic.

## 2- NTRA's National Broadband plan:

- Clearly ICTs – and in particular broadband networks – offer an extraordinary opportunity to make rapid and profound advances in global social and economic development as well as an integral part of the future sustainable development framework.
- And this, why Broadband and investment in infrastructure was chosen as main pillars of our plan for development of the Egyptian ICT market.
- The development of many sectors of the society mainly depends on powerful broadband infrastructure with appropriate applications, enabling the implementation of new national projects and initiatives, such as: e-education, e-health, e-government, ICT in business, e-commerce and e-content.
- To see the ways that broadband can accelerate the achievement of the development in the Egyptian economy, Egypt launched the National Broadband initiatives eMsir for Digital Development in Nov. 2011, which was endorsed by the Egyptian Cabinet as a National Project in Nov. 2013, targeting bridging the Digital Gap in internationally and locally by

enriching the development's objectives in various sectors such as Health, education, financial and Youth.

- The implementation of this initiative is expected to have a positive impact on the Egyptian economy as increasing broadband penetration by 10% results in GDP growth by 1.38% and doubling broadband speeds is associated with an additional 0.3% GDP growth. Other impacts include providing direct and indirect job opportunities of around 120,000 jobs throughout the initiative implementation. The Broadband initiative effects are not restricted to the economic side only; the initiative also has social impacts like improved education level through feature-rich e-learning experience and improved citizen welfare through e-health and e-government applications and contributing in mitigating chronic problems like traffic congestion and providing new means for energy saving and pollution level reduction.
- The key strategic objectives of the Broadband initiative aim to develop ubiquitous top notch telecom infrastructure. By 2021 it is envisaged to increase households fixed Broadband coverage to 90% and increase fixed Broadband penetration to ~40% of the households. Moreover it is targeted to reach 90% population mobile coverage through 4G and a population penetration of 15% for mobile Broadband services, last but not least connecting 100% of Egyptian communities (Governmental entities like Schools, hospitals, youth clubs, etc...)
- To achieve these objectives, the national Broadband initiative will focus on fostering both supply and demand sides. Supply side shall be encouraged through the focus on the rollout of up-to-date broadband networks; Regulatory intervention will be the catalyst for speeding up the networks rollout. This regulatory intervention will be in the form of developing licensing regime allowing the operators to provide all telecommunications services to users (Fixed/mobile/data).