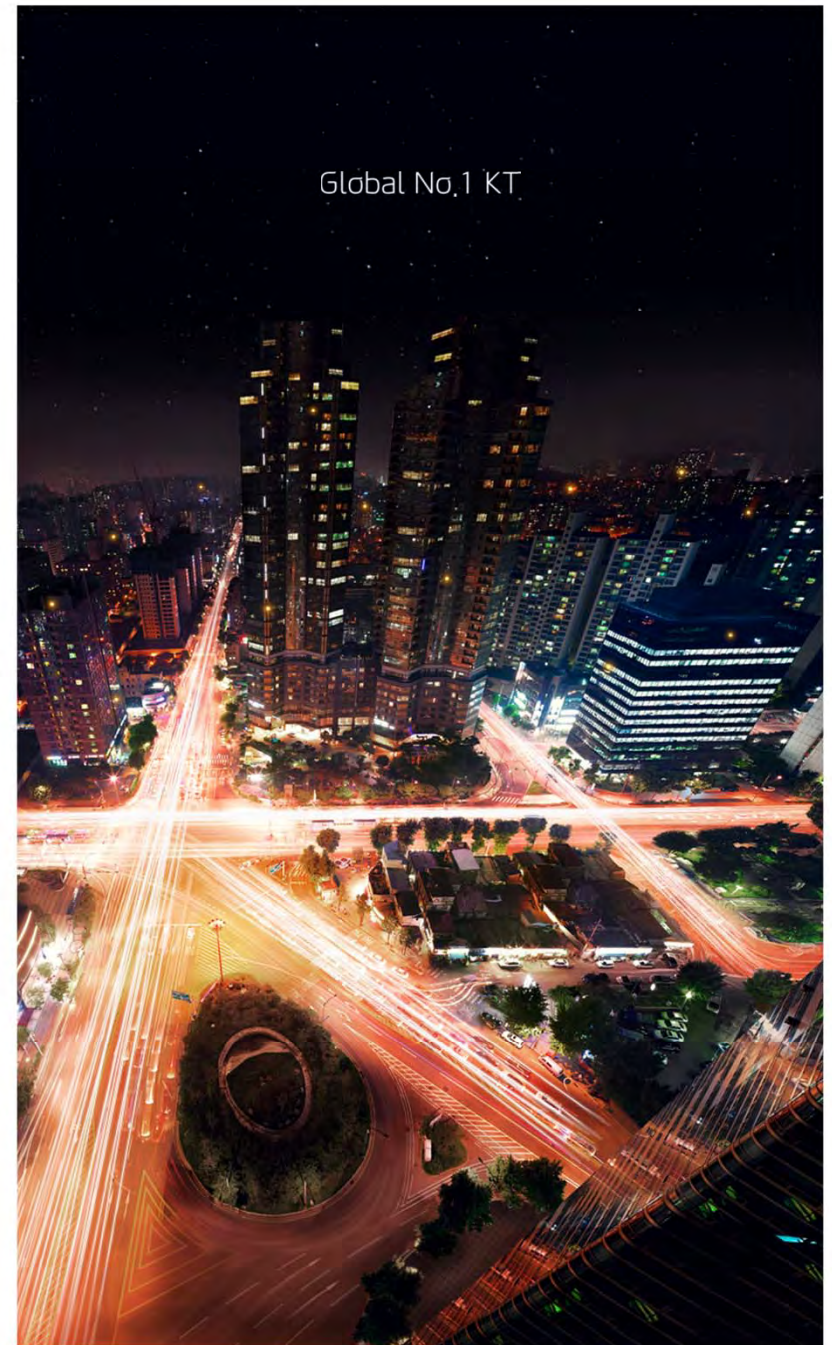


# National Broadband Policies

to meet the requirements of developing countries

Kiyong KO | 2015. 8. 22



## Key ICT4D Issues

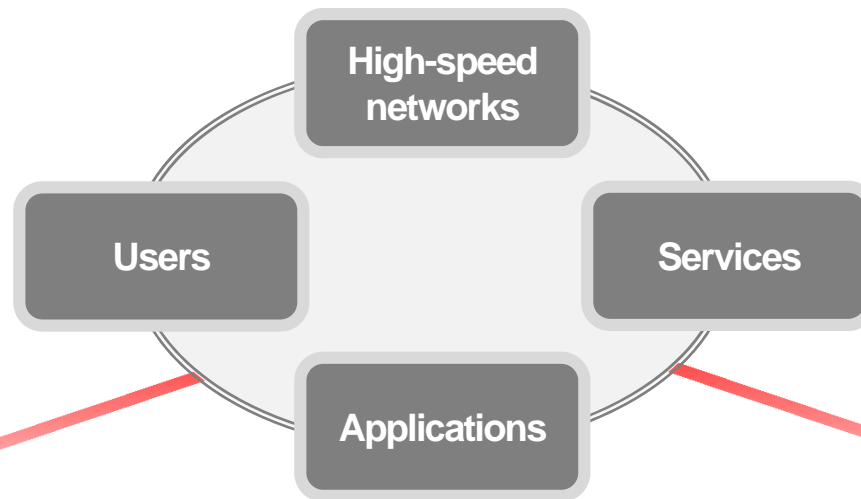
- ① Access and infrastructure
- ② Capacity building and education
- ③ E-governance and e-government
- ④ Environment and agriculture
- ⑤ Free and open source software
- ⑥ Gender and ICT
- ⑦ Health and medicine
- ⑧ Policy and social analyses
- ⑨ Technical innovation for development

# Barriers to Digital Inclusion

- ① **Accessibility**
- ② **Affordability**
- ③ **Digital literacy and skills**
- ④ Awareness
- ⑤ Government support

# Ecosystem for Broadband Expansion & Huddles

The goal of the national broadband strategy is building ecosystem.



## Accessibility

- Poor infrastructure
- Limited governmental financial support
- High initial CAPEX

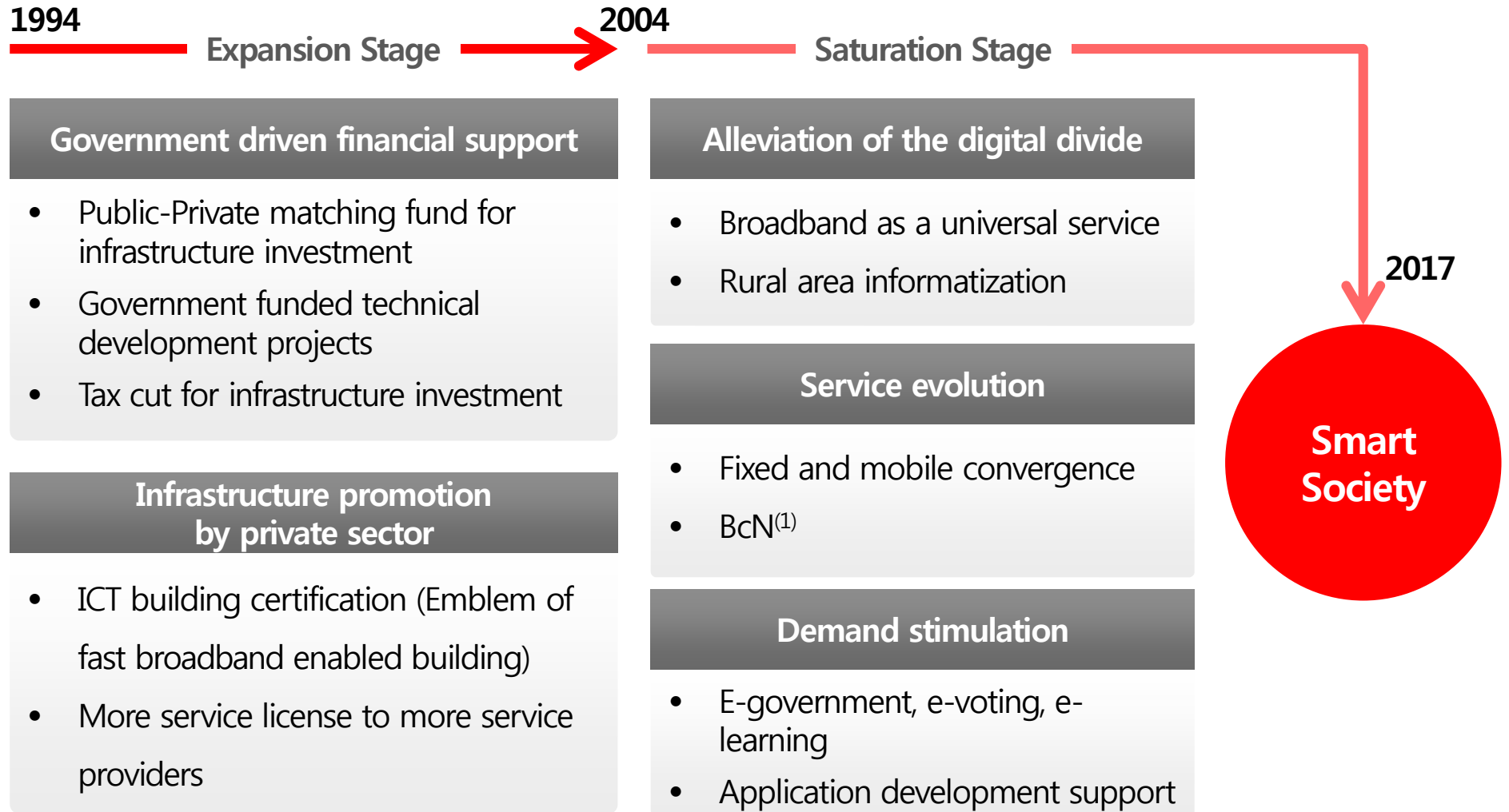
## Affordability

- High tariff (High fixed cost)
- Monopolized telecom. market
- Poor price cap mechanism

## Digital Literacy

- Low device penetration
- Lack of digital skills

# Policies for Accessibility in Korea



(1) Broadband Convergence Network

# Policies for Affordability in Korea

## Subscribers

- ✓ **Financial support**
  - Subsidies for low income households
  - Tax cut and subsidies for SMEs
  - Temporary free offer of broadband service



**More subscribers**

## Service Providers

- ✓ **Price regulation**
  - Price cap regulation
  - Government controlled service tariff
- ✓ **Encourage market competition**
  - Mandate local loop unbundling
  - Technology competition encouragement (between cable operator and Telco.)
  - Low entrance barrier to telecom industry



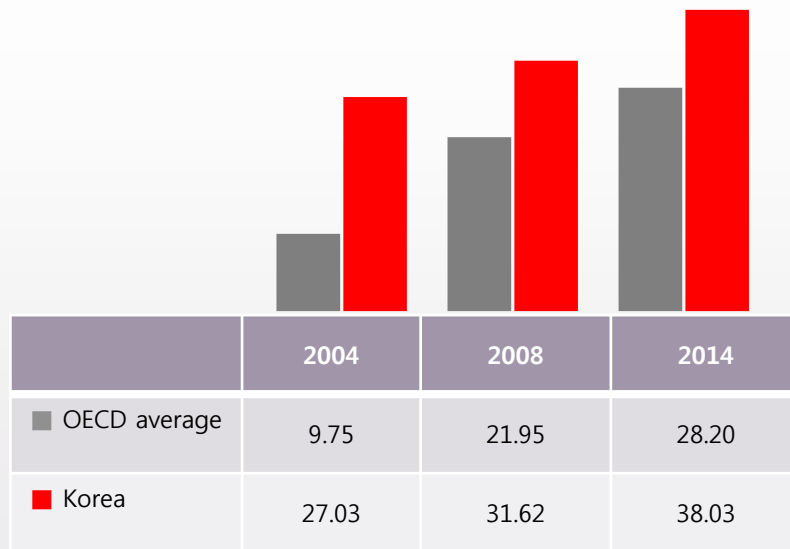
**Lower price**

# Achievement of policies

Policy-led broadband proliferation is the reason of global leading ICT index of KOREA

## fixed broadband penetration rates

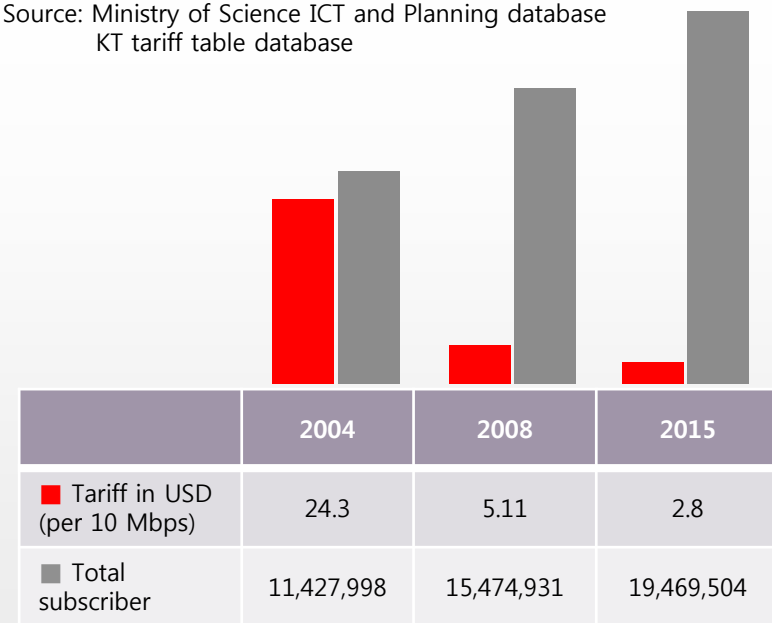
Broadband subscriptions per 100 inhabitants



Source: OECD Key ICT Indicators, Broadband subscriptions per 100 inhabitants in OECD countries- July 2015

## Internet Tariff

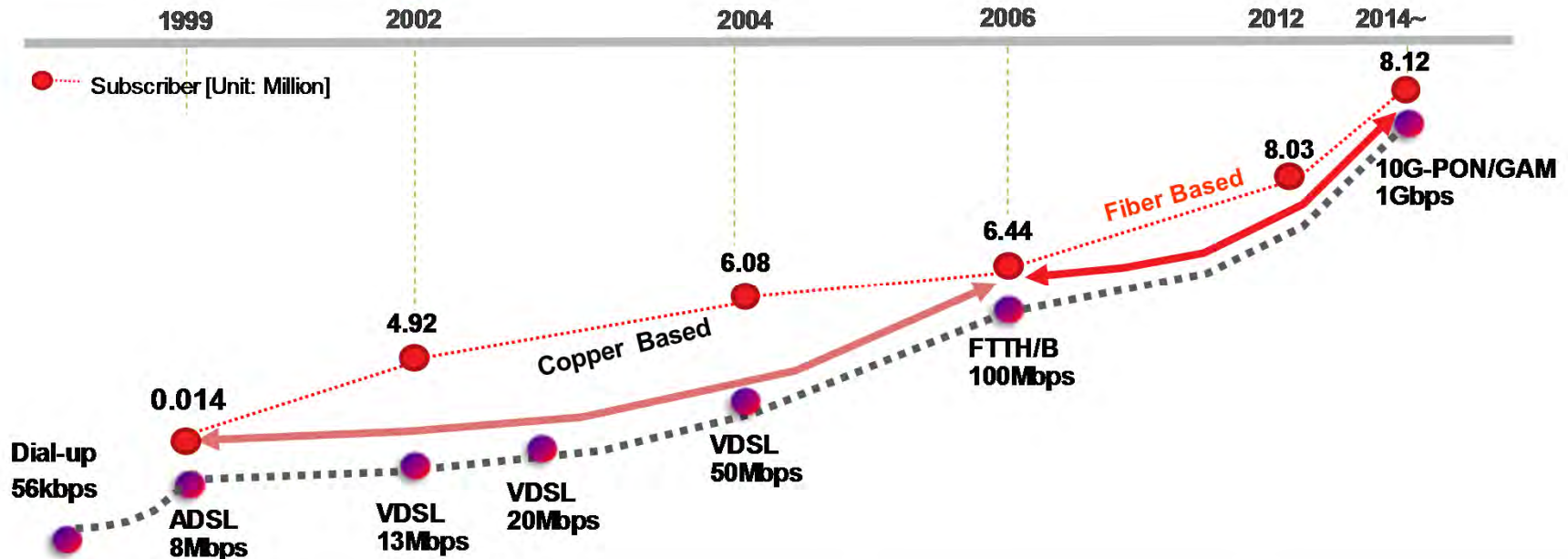
Source: Ministry of Science ICT and Planning database  
KT tariff table database



Source: Ministry of Science ICT and Planning database  
KT tariff table database

# Policy aligned kt network strategies

To keep aligned to the service environment and government policies with phased network strategies



'99~'02	'02~'06	'06~'14	'14~
Fast commercialization & expansion	Increase bandwidth, transform to IP based tech.	Improve Quality & Cost competitiveness	Giga Wire Giga Path
ATM base ADSL	VDSL	FTTH (1G E-PON)	10G PON WiFi-LTE conversion
e-Korea Project with Public Funding Program	Emblem system for MDU Price competition initiated	Boom-up of TPS & QPS	Giga Internet policy, New contents(UHDTV)



# Policies for Digital Literacy in Korea

Internet usage  
education

PC, broadband  
propagation

Free offer  
of internet

Cyber Korea 21 plan

2006

e-Korea vision 2006

Internet usage education for ten million  
people

PC propagation program for low income  
households

Local internet centers for free internet &  
education

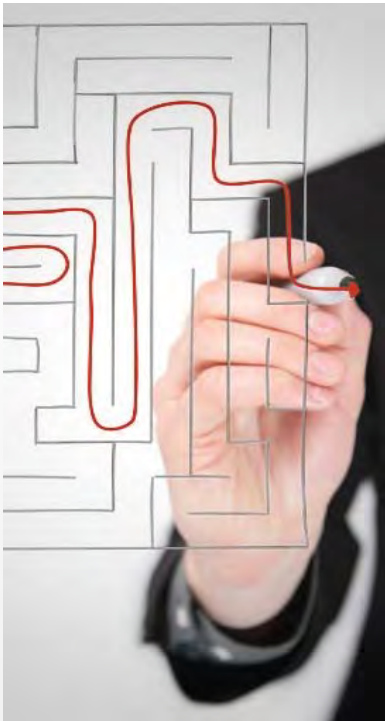
Customized IT education program

Information literacy for women &  
unemployed people

Broadband as universal service

# National Broadband Policies for Developing Countries

Government driven policies are very important to stimulate private sector investment for better **accessibility**.



- ✓ Government led infrastructure deployment to reduce initial investment
- ✓ Open access to government owned infrastructure (e.g. Botswana, Poland)
- ✓ Public funding for private sector
- ✓ Universal service policy enforcement
- ✓ Tax holiday for infrastructure investment
- ✓ Mandate LLU for competition

# National Broadband Policies for Developing Countries

Government subsidies, price control and market competition will lower the service tariff and bring better **affordability** as a result.



- ✓ Tariff guideline under government regulation
- ✓ Market competition stimulation
- ✓ Subsidies for low income households
- ✓ Fair interconnection cost among operators
- ✓ Free or paid public internet zone

Thank you

