

COVID-19: Challenges and opportunities for ICT in the Americas

Remarks

Doreen Bogdan-Martin

Director, ITU Telecommunication Development Bureau

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Ladies and gentlemen, good morning to you. It is indeed a great pleasure to open this ITU Policy and Economic Colloquium for the Americas region.

I think that if we ever needed a reminder of the importance of digital connectivity to our lives, the COVID-19 pandemic that continues to sweep the world has served that purpose – and very powerfully.

In recent months, access to meaningful connectivity has become crucial to our ability to continue working, studying, shopping, keeping in touch with our families and friends, keeping ourselves entertained – and, of course, keeping us informed about the evolving health measures we need to observe to stay safe.

Digital networks have been a vital element in our short-term ability to adapt and survive.

But in the medium term, digital connectivity will also be a key determinant of how quickly and easily we are able to recover from this dual health crisis and economic crisis, and to reshape our world into some kind of ‘new normal’.

Leading digital economy experts, recently brought together by ITU, noted that countries with world-class connectivity infrastructure could potentially mitigate up to half the negative economic impact of

this crisis. That constitutes a huge advantage – yet, right now, it is an advantage enjoyed by just a handful of economies.

Moreover, I think you will agree with me when I note that we should not have needed a crisis like this one in order to fully appreciate the enormous value of digital connectivity to our economies, and to our lives.

It is now 35 years since Sir Donald Maitland's *Missing Link* report made a compelling case for universal connectivity as the essential foundation of economic and social prosperity.

The work of the Broadband Commission for Sustainable Development, founded over a decade ago, has also repeatedly reinforced this message, backed up with solid data from the Commission's many Working Groups.

And of course the ITU's 2019 Econometric modelling for the Americas report where we looked at "The economic contribution of broadband, digitization and ICT regulation:"

This report suggested that an increase of 10% in fixed broadband penetration would yield an increase in 1.9% in GDP per capita. That same report also indicated that a 10% increase in mobile penetration would yield a 1.2% increase in per capita GDP.

Yet despite the vital and proven importance of connectivity, far too much of humanity is still excluded from its benefits. In the Americas, ITU figures indicate that 270 million individuals remain totally unconnected.

In the wake of COVID, and to build the social and economic resilience we need to face future emergencies, we need to work as hard and

fast as we can to bring the benefits of digital technologies to everyone.

But how?

First, we clearly need a huge injection of investment dollars. ITU's recent Connecting Humanity study estimates that around US\$428 billion will be needed to connect the remaining half of the world by 2030. Focusing just on the Americas region, that figure would come in at just over US\$50 billion.

The COVID-19 pandemic will not make the task of securing this vital investment easy.

Although less badly affected than some other sectors, the telecoms sector will not escape, will not escape the current global economic downturn unscathed. Leading analyst IDC predicts a 1.4% year-on-year decrease in sector revenues in 2020, and a decrease of 0.5% for the Americas region.

Second, this crisis and the associated pressures on telecommunications networks have forced market players to reconsider their investment priorities.

ITU's economic experts point to an increase in traffic, which has resulted in an acceleration of capital expenditure related to the expansion of capacity.

We are seeing spending that is not directly related to measures to increase capacity – for example, investment in network modernization, and expansion to underserved areas – is being postponed, especially in emerging and developing economies.

But encouragingly, I would say we are also beginning to see evidence that international financial institutions and national governments are recognizing the vital importance of broadband to economic recovery plans, with billions of dollars starting to be allocated to digital infrastructure investments. The amounts may not yet be sufficient, but this is at least a promising sign.

Looking ahead to what we need to achieve in the fastest possible timeframe, it will be important to ensure that investments always deliver the maximum benefit.

Getting the policy and regulation right has never mattered more, and will be an essential prerequisite for effective ongoing sector development.

To cite just one concrete example for the Americas from our own work an increase of 10% in ITU's ICT Regulatory Tracker index could yield a positive increase in our Digital Ecosystem Development Index of 0.37% for the region overall.

In line with the UN Secretary's new Roadmap, we are going to need to face the considerable challenges ahead in a new spirit of cooperation, with decisive actions from policy makers and regulators supported by broad collaboration involving stakeholders right across the entire ICT ecosystem.

Experience over recent months demonstrates what can be done, when there is the will.

We saw that Despite huge demand spikes, the world's telecommunications networks have largely coped well under unprecedented pressure, ensuring people have continued to benefit

from the telecommunications services on which they have now become so critically dependent.

This has not happened by accident: it is testament to an extraordinary spirit of camaraderie, and I want to take a moment to recognize and applaud this achievement by the ICT community.

Through our REG4COVID platform, we have been able to showcase and share hundreds of effective decisions and actions by regulators and industry, so that all of us have the chance to learn from each other's experiences.

For example, here in the Americas, governments and the private sector worked together to secure emergency spectrum assignments, introduce emergency tariffs, provide payment relief to consumers, increase data allowances, and set up new WiFi hotspots.

We need this kind of leadership and collaboration to continue beyond our immediate COVID response, in order to address the more fundamental and longer-term challenge of finding a way to ensure everyone, everywhere, benefits from the power of digital connectivity.

At ITU, we will continue working with our 193 Member States and 900 sector and academia members to achieve this goal, through a comprehensive portfolio of initiatives.

One of these is Giga – a joint initiative between ITU, UNICEF and others to connect every school to the internet, and every young person to information, opportunity, and choice. Another is our new Connect2Recover initiative, which we launched with the generous support of Japan and the Kingdom of Saudi Arabia, and which aims to help reinforce the provision of affordable and reliable connectivity in

beneficiary countries, as they adjust to the ‘new normal’. We invite you to partner with us in these and other efforts, so that, together, we can help the whole world ‘build back better with broadband’.

Ladies and gentlemen,

Our recently-convened UN75 Partnership Dialogue for Connectivity noted that many of the challenges we will face in accelerating digital connectivity, especially in the wake of this global health pandemic, will be new. That Dialogue urged “innovative thinking, the willingness to experiment, an openness to learning, broad collaboration and a strong vision” as we work to confront and surmount these challenges.

That is why coming together in events like today’s ITU Policy and Economic Colloquium, and sharing our experiences and insights, is such a crucial step in devising and implementing solutions that meet the needs of the region, and its many diverse communities.

Thank you for your time, and I wish you all very productive and powerful discussions.