Bridging the digital divide in the Asia Pacific

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Mobile technology is transforming lives

Tonema’s story from Bangladesh
Mobile internet has the biggest impact in LMICs

Growth impact of an increase of 10% in mobile broadband penetration
(in percentage of GDP)

“The economic impact of mobile broadband is largest in developing countries. Such countries should therefore maximize mobile internet adoption.”

ITU, 2020

Source: ITU (2020) How broadband, digitization and ICT regulation impact the global economy

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The world is more connected than ever before

Mobile broadband coverage in Asia
(in percentage of the population)

Source: GSMA intelligence
## APAC has leading 5G markets

### Projected 5G adoption by 2025
*(in percentage of total connections)*

<table>
<thead>
<tr>
<th>Leading 5G markets</th>
<th>Percentage</th>
<th>Number of Connections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed Asia Pacific*</td>
<td>67%</td>
<td>198m</td>
</tr>
<tr>
<td>North America</td>
<td>64%</td>
<td>278m</td>
</tr>
<tr>
<td>Greater China</td>
<td>59%</td>
<td>1,030m</td>
</tr>
<tr>
<td>GCC Arab States</td>
<td>50%</td>
<td>41m</td>
</tr>
<tr>
<td>Europe</td>
<td>44%</td>
<td>311m</td>
</tr>
<tr>
<td>Rest of MENA</td>
<td>12%</td>
<td>75m</td>
</tr>
<tr>
<td>Latin America</td>
<td>11%</td>
<td>85m</td>
</tr>
<tr>
<td>Rest of Asia Pacific</td>
<td>9%</td>
<td>231m</td>
</tr>
<tr>
<td>Russia &amp; CIS</td>
<td>7%</td>
<td>30m</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>4%</td>
<td>41m</td>
</tr>
</tbody>
</table>

* Australia, New Zealand, Singapore and South Korea

Source: GSMA (2022) Mobile Economy Report Asia Pacific 2022
Mobile internet use is expected to grow rapidly

**New mobile internet subscribers 2020-2025**
(Asia Pacific, in millions)

India: 166
Pakistan: 40
Indonesia: 32
Bangladesh: 19
Philippines: 19
Vietnam: 15
Others: 42
Total: 333

**Mobile data consumption 2020-2026**
(in GB per smartphone, per month)

2020: 12 GB
2026: 37 GB

Source: GSMA (2021) Mobile Economy Report Asia Pacific 2021

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Billions of people remain unconnected

Global population

Mobile broadband coverage

Unique mobile internet subscribers

Source: GSMA (2022) The State of Mobile Internet Connectivity Report 2022
A lack of adoption is the biggest challenge

State of mobile internet connectivity by region
(in percentage of the total population)

North America: 1% Coverage Gap, 83% Connected, 16% Usage Gap
Europe & Central Asia: 2% Coverage Gap, 79% Connected, 19% Usage Gap
Latin America & Caribbean: 3% Coverage Gap, 60% Connected, 37% Usage Gap
Middle East & North Africa: 6% Coverage Gap, 45% Connected, 49% Usage Gap
Asia Pacific: 4% Coverage Gap, 44% Connected, 52% Usage Gap
Sub-Saharan Africa: 17% Coverage Gap, 22% Connected, 61% Usage Gap

Source: GSMA (2022) The State of Mobile Internet Connectivity Report 2022
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Who are the unconnected?

**Women**
Women are 16% less likely than men to use mobile Internet across LMICs

**Poor**
The poorest 20% in terms of income are 49% less likely to access the internet than the richest 20% across LMICs

**Rural**
People in rural areas are 33% less likely to use mobile than those living in urban areas across LMICs

Source: GSMA (2022) The State of Mobile Internet Connectivity Report 2022
## Key barriers to mobile internet adoption

<table>
<thead>
<tr>
<th>Affordability</th>
<th>Knowledge and digital skills</th>
<th>Relevance</th>
<th>Safety and security</th>
<th>Access</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inability to afford internet-enabled devices, suitable data bundles or other fees</td>
<td>Lack of digital skills and literacy, and lack of awareness and understanding of mobile internet and its benefits.</td>
<td>Lack of content, services and products that meet user needs and capabilities</td>
<td>Concerns about the negative aspects and risks of the internet, such as harassment, theft, fraud and online security.</td>
<td>Lack of access to networks and enablers such as electricity and formal IDs, or devices and services are not accessible enough</td>
</tr>
</tbody>
</table>
Taking a strategic approach to expand coverage

Population coverage by commercial potential

Type of intervention

1. **Market-led connectivity**: let the market invest in connectivity
2. **Market innovation**: incentivize innovation to improve coverage
3. **Connectivity with policy changes**: adopt investment-friendly policies to further help improve coverage
4. **Connectivity with public intervention**: consider options for co-investment and subsidies
5. **Unattainable population with mobile networks**: facilitate alternative technologies and business models
Policy recommendations to help expand coverage

1. Provide non-discriminatory and timely access to public infrastructure while simplifying and streamlining the planning approval process for new base stations.

2. Assign sufficient amounts of mobile spectrum to operators in a timely manner and do not inflate spectrum prices.

3. Adopt license terms and conditions that encourage network investments and innovation.

4. Allow infrastructure sharing on a voluntary basis.

5. Adopt competition policy that supports investment in high quality mobile networks.

6. Remove mobile sector-specific taxes and fees that impede infrastructure rollout and harm affordability of data.
Example: spectrum policies

– In Sweden, operators have been able to claim back part of the amount they bid at spectrum auctions in order to pay for base stations in rural areas defined by the regulator.

– French and Portuguese operators have been granted very low-cost spectrum licence renewals in return for covering defined rural and remote areas.

– Operators in the UK are set to build a shared rural network in areas where there is currently no coverage – the industry proposal was for funding to be 50 per cent from operators and 50 per cent from government that would be paid for using spectrum fees.

– Policymakers in the US and Turkey have adopted reverse auctions of government subsidies to build networks to cover pre-defined rural areas.

  – In Turkey, the winning bidder built a shared mobile network covering 1796 communities with less than 500 inhabitants;

– Tech neutrality licences that allow spectrum refarming is becoming the norm to support connectivity.
It is critical to address the usage gap

Policies that address a lack of access to quality networks and enablers such as inclusive registration processes, electricity, and accessible products and services

Policies that help to improve the affordability of internet-enabled handsets and suitable data bundles

Policies that help to address the lack of knowledge of mobile internet and its benefits and improve the necessary skills to use it

Policies that help to expand local digital ecosystems and accelerate the digitalization of public services

Policies that help to address (online) safety and security concerns such as harassment, privacy and theft
Examples of collaboration on policy in APAC

- ESCAP-GSMA collaboration
- Pakistan PTA-GSMA MOU
- DICT-USAID-GSMA dialogue
GSMA support to help bridge the digital divide

Data
- Mobile Connectivity Index
- Consumer survey
- GSMAi database (paid)

Policy Expertise
- Capacity building courses
- Policy best practices
  - Coverage gap
  - Usage gap
  - Gender gap

Dialogue
- Technical assistance
- Industry-government workshops
- GSMA events

Implementation
- Mobile Internet Skills Training Toolkit
- Handset subsidy toolkit*

* Upcoming
Thank you

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Lack of coverage can still be a challenge

Geographical spread of countries with a coverage gap of 20% or greater

In 26 countries, at least 20% of the population are still uncovered (mostly low-income countries).

The remaining uncovered communities – which are predominantly rural, poor and sparsely populated – are the most challenging to reach in a financially sustainable manner.

Source: GSMA (2022) The State of Mobile Internet Connectivity Report 2022
Handset affordability remains a challenge

Mobile connections by device type
(by region, 2021), 2021

© GSMA 2022
Source: GSMA Intelligence
Partnering with the private sector: GSMA’s MISTT

The Mobile Internet Skills Training Toolkit:
- Toolkit for first-time mobile internet users
- 12 modules for train-the-trainer programmes available in multiple languages
- Wide range of delivery options; including face-to-face, IVR and video

50 million people have so far benefitted from MISTT in 27 countries