

# Digital Inclusion

Latin America M4D Seminar  
David Taverner – Senior Director

Restricted - Confidential Information

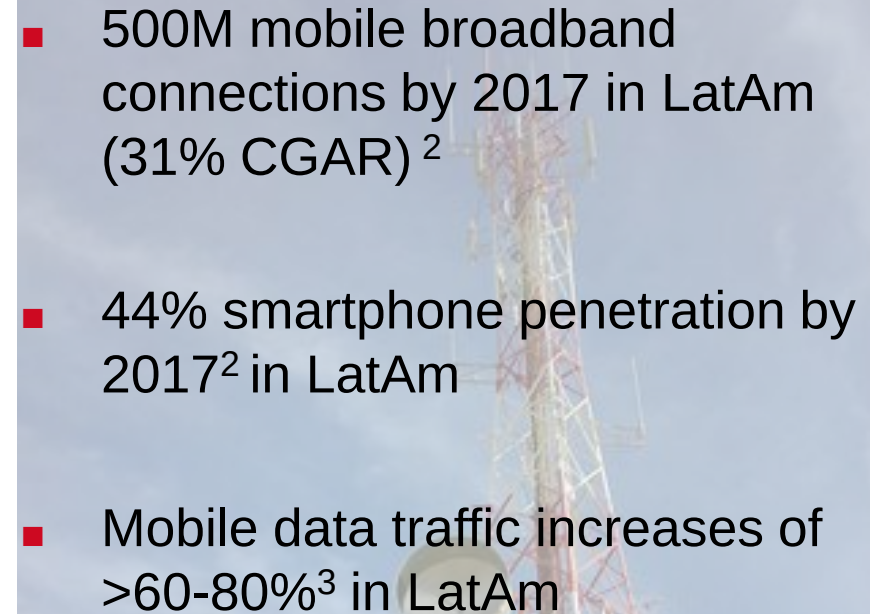
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# Mobile internet is a win-win for society and industry



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- A blurred background image of a woman in a crowd looking at her smartphone.
- Personal communication, information and e-commerce
  - Business efficiency, new markets and global customers
  - 10% increase in broadband penetration equals 3.19% increase in GDP<sup>1</sup> in LatAm
  - Millennium Development Goal eight is 'Access to New Technologies'
  - US\$350B contribution from mobile to LatAm by 2020<sup>2</sup>

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- A background image of a tall mobile communication tower with multiple antennas, situated on a hillside under a clear sky.
- 500M mobile broadband connections by 2017 in LatAm (31% CGAR)<sup>2</sup>
  - 44% smartphone penetration by 2017<sup>2</sup> in LatAm
  - Mobile data traffic increases of >60-80%<sup>3</sup> in LatAm

1 – IADB

2 – GSMA

3 – Telefonica & Telecom Italia

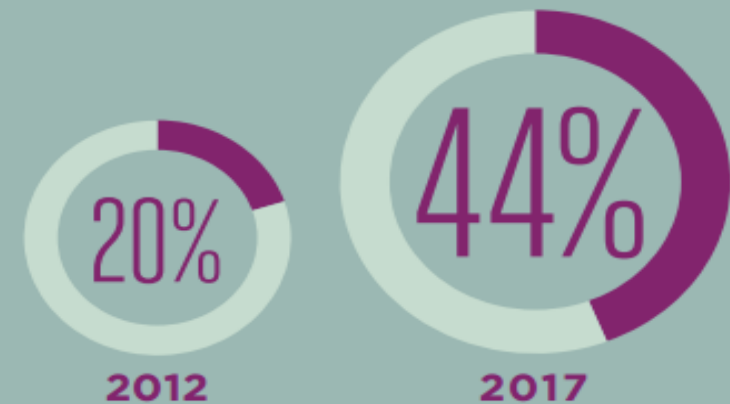
# Mobile internet is growing rapidly in Latin America



## MBB Connections Latin America

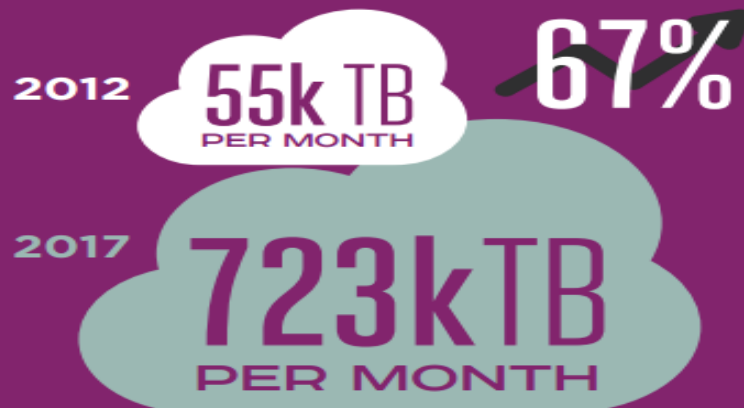


## Smartphone Penetration



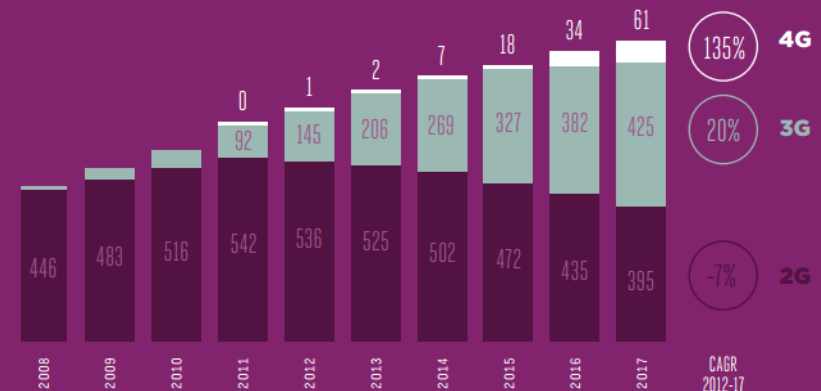
## Mobile Data Volume

Substantial increase for Latin America



## SIM CONNECTIONS BY TECHNOLOGY (LATAM)

(M)



Source: GSMA Intelligence

# Digital Inclusion: *“Enables conditions to connect an additional one billion people to the mobile internet by 2020”*



**Objective:** Expand connectivity by reducing the barriers to mobile internet adoption

## Network Infrastructure & Policy

Address the technological & regulatory factors which make mobile internet uneconomical in many areas

## Taxation

Address government taxes and fees to reduce total cost of ownership, increasing the take up and use of services

## Consumer Barriers

Reduce consumer barriers to adoption such as awareness & literacy

## Locally Relevant Content

Prompt locally relevant content to attract people to use the mobile Internet

*Address the technological & regulatory factors which make mobile internet uneconomical in many areas*

| Barriers to Address                 |                                                                                  | Programme Activities           |                                                                                              |
|-------------------------------------|----------------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------------------------------|
| <b>Spectrum</b>                     | Timely and affordable spectrum that is optimal for rural coverage (700 & 800MHz) | <b>GSMA Spectrum Programme</b> | Barrier addressed by GSMA Spectrum programme                                                 |
| <b>Policy Environment</b>           | Transparent, predictable, regulatory framework for network coverage              | <b>Policy Positions</b>        | Positions on best practice policies for network coverage including single wholesale networks |
| <b>Network Infrastructure Costs</b> | Difficult business case for investing in rural networks                          | <b>Technical Toolkit</b>       | Online library of best practice resources and guides for network infrastructure              |
| <b>Backhaul</b>                     | High costs of national and international backhaul for remote cell towers         | <b>Technical Toolkit</b>       | Online library of best practice resources and guides for network backhaul                    |

## *Address government taxes and fees to reduce total cost of ownership*

| Barriers to Address     |                                                                                                                      | Programme Activities                   |                                                             |
|-------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------------|
| Operator Taxes and Fees | Operators face a wide range of taxes and fees including spectrum licenses, universal service funds & regulatory fees | Market Campaigns                       | Campaigns in 10 countries to reduce taxation burden         |
| Consumer Taxes and Fees | As a major component of total cost of ownership, sector specific consumer taxes and fees reduce affordability        | Operator Education                     | Provide a toolkit, evidence base and workshops to operators |
|                         |                                                                                                                      | Advocacy to International Institutions | Engage with international institutions on tax policy        |

*Reduce consumer barriers to adoption such as awareness and literacy*

| Barriers to Address |                                                                                                    | Programme Activities   |                                                                                                             |
|---------------------|----------------------------------------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------|
| Internet Awareness  | Future growth will come from infrequent or new internet users                                      | Best Practice Research | Collation of case studies and best practice of industry and government methods to address consumer barriers |
| Literacy            | Many new internet users are illiterate and also have language and internet use literacy challenges | Advisory               | Advisory/technical assistance from GSMA to support operators to address consumer barriers                   |
|                     |                                                                                                    | Grant Fund (TBC)       | Grants available for operators to trial solutions to address consumer barriers                              |

*Promoting locally relevant content to attract people to use the mobile internet*

## Barriers to Address

### Lack of Locally Relevant Content

There is a lack of locally relevant content to attract people to regularly use mobile internet

## Programme Activities

### Best Practice Research

Collation of case studies and best practice globally of industry and government methods to promote locally relevant content

### Advisory

A series of advisory/technical assistance projects with governments to promote digital & e-government services

- David Taverner: Senior Director Digital Inclusion - [dtaverner@gsma.com](mailto:dtaverner@gsma.com)
- [Mobile Broadband at the Bottom of the Pyramid In Latin America](#)
- [Mobile Economy Latin America 2013](#)
- [Brazil Mobile Observatory 2012](#)
- [Mobile telephony and taxation in Latin America](#)
- [Economic Benefits of the Digital Dividend for Latin America](#)
- [Mobile taxes and fees: A toolkit of principles and evidence](#)