



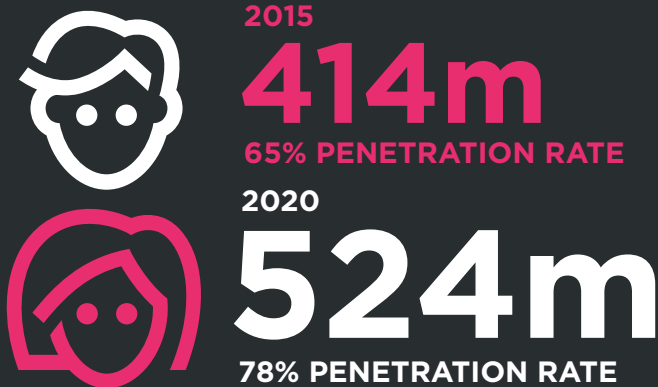
THE MOBILE ECONOMY LATIN AMERICA 2016



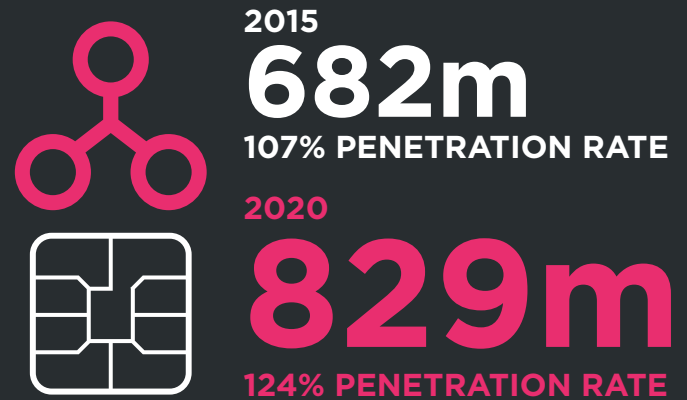
Expanding mobile ecosystem is creating new opportunities for growth and innovation

Latin America and the Caribbean is one of the fastest growing regions globally, with mobile creating new opportunities throughout the region

Unique subscribers



Total SIM connections (excl M2M)



Jobs directly supported by mobile ecosystem



Contribution to GDP



Operator capex



In 2015, spectrum auctions in Ecuador, Brazil, Panama and Paraguay generated revenues of almost \$450 million. Mobile operators have spent \$12.8 billion on 4G spectrum since 2009.

Key drivers for improving users' access and stimulating further mobile investment

Lack of digital skills and locally relevant content are significant barriers to adoption:

Addressing these barriers will require collaboration and action from players across the mobile ecosystem, with important roles for both operators and governments. Mobile is the primary technology for accessing the internet in the region, highlighting the central role of mobile networks in improving digital inclusion.

A consistent approach to quality of service:

Regulation can also play a major role in quality of service, but should be applied carefully. In some cases, it can create further restrictions, which can affect the cost of the service, its quality and even competition.

Removing barriers for infrastructure deployment:

A thorough modernisation of the framework that governs the mobile industry should take into account the global, digital and highly competitive nature of the markets. Policymakers should take a fresh look at their approach and discard unnecessary legacy regulations, creating a level playing field for all players.

Challenges around affordability often compounded by taxation of mobile services:

Partly due to taxation, the cost of mobile ownership for the poorest 40% of the population is on average 17% of income, compared to 2% for the top 20% of the population.

Smartphone adoption



Mobile internet

- Mobile data traffic in the region will grow at a 50% annual rate from 2015 to 2020, slightly below the 53% global rate but more strongly than mature regions such as Western Europe and North America in the low 40s.
- Smartphone adoption has been rapid in Latin America, growing from under 10% of connections at the end of 2012 to a majority in Q1 2016. The strong growth is set to continue, with the adoption rate reaching nearly three-quarters in 2020.
- Mobile broadband connections reached 373 million in 2015.
- In 2015, 2G still accounted for 45% of connections but by 2020 will represent only 21%.
- 3G connections rose from 21% at the end of 2012 to 47% by the end of 2015. This is higher than the global (32%) and developing market (29%) average. Including 4G, mobile broadband represented 55% of connections in 2015, versus 47% globally and 36% in developing markets.
- 4G connections are expected to grow by 42% per annum in five years to 2020, reaching 35% of the total.

Operators, civil society and the public sector working together for a better future



**WE
CARE**

The goal of We Care is to promote active and voluntary collaboration in the mobile operator community in Latin American countries, working with local authorities to enable all citizens to enjoy the enormous benefits of mobile in a protected and trusted environment. The campaign started in 2013 in Brazil and has already reached 10 countries in Latin America. It is a unique example of self-regulation

from mobile operators willing to set aside competition and a vehicle for the regional mobile industry to launch joint initiatives that enable them to contribute to the UN Sustainable Development Goals.