

ITU Measuring the Information Society 2012 Report

Main findings

Overview

The Measuring the Information Society (MIS) Report 2012 is the fourth edition in a series of reports published annually since 2009. The Report features two key benchmarking tools that track information society developments:

- **The ICT Development Index (IDI):** Combines 11 indicators into one single measure to track progress made in ICT access, use and skills, and includes such indicators as the number of fixed- and mobile-broadband Internet subscriptions, households with a computer, and literacy rates. The IDI measures the level of ICT developments in 155 economies worldwide, presents country rankings, and compares progress made between 2010 and 2011.
- **The ICT Price Basket (IPB):** Combines fixed-telephone, mobile-cellular and fixed-broadband Internet tariffs for 165 economies into one measure and ranks countries based on the 2011 tariffs, and in relation to income levels (measured as a % of GNI per capita). It also compares tariffs over the 4-year period 2008 to 2011.

The report also features new data and analyses on revenue and investment in the ICT sector.

Key findings

- ICT uptake continues to grow: The **number of mobile-cellular subscriptions** increased by more than 600 million (almost all of them in the developing world), to a **total of around 6 billion**, or 86 per 100 inhabitants, globally by the end of 2011.
- By end 2011, more than **one-third of the population (i.e. 2.3 billion people) worldwide was online**.
- By end 2011, the number of **fixed (wired)-broadband subscriptions had climbed to almost 600 million, corresponding to a global penetration rate of 8.5 per cent**. This compares with around 530 million, and 7.7 per cent penetration, a year earlier.
- At the end of 2011, there were **almost twice as many active mobile-broadband as fixed-broadband subscriptions**.
- While in many high-income, developed economies the majority of fixed (wired)-broadband subscriptions deliver very high speeds, **many subscriptions in developing countries are limited to speeds below 2 Mbit/s**. This restricts the type and quality of applications and services that users can access.
- Between 2010 and 2011, **almost all 155 countries included in the IDI improved their IDI values** but **huge differences among countries** persist. The IDI value range of countries has increased slightly between 2010 and 2011, indicating a **widening of the gap between the country at the top and the country at the bottom** of the index.
- The **Republic of Korea tops the IDI 2011**, followed by Sweden, for the second consecutive year. The other top ten countries (in order) are Denmark, Iceland, Finland, the Netherlands, Luxembourg, Japan, the United Kingdom and Switzerland (for the complete ranking, see Table 2.2 on page 21 of the report).

- The **most dynamic performers** (i.e. those with above-average changes in IDI value or ranking between 2010 and 2011) **are primarily from the developing world**, and include countries from all regions. The IDI confirms a **strong link between income and IDI levels**.
- The low IDI group, which comprises the lowest quartile (or lowest ranked 39 countries) of the 155 countries included in the 2011 IDI, can be termed the world's "**least connected countries**" (**LCCs**).
- The price of ICT services has **dropped on average by 30 per cent** between 2008 and 2011. Over this period, the fixed-telephone sub basket dropped by **19 per cent**, the mobile-cellular sub basket dropped by **37 per cent**, and the fixed-broadband sub-basket dropped by **75 per cent**.
- The steepest price drops were registered between 2008 and 2009, when fixed-broadband prices in developing countries fell by close to 50 per cent and mobile prices in developed countries dropped by over 40 per cent.
- By 2011, ICT prices in developed countries had stabilized, due to a high degree of competition and liberalization. In developing countries, both **mobile-cellular and fixed-broadband prices continue to fall at double digit rates**.
- By 2011, mobile-cellular is the sub-basket for which the difference in affordability between developed and developing countries is least pronounced. The fixed broadband sub-basket shows the greatest difference in affordability between developed and developing countries.
- **In developing countries mobile-broadband is more affordable than fixed broadband**, holding the potential to bring more people online. In developed countries, mobile- and fixed-broadband prices are similar and relatively affordable (less than 2% of monthly GNI p.c.).
- **Global revenues from telecommunication services reached USD 1.5 trillion in 2010**, recovering moderately since the 2008 downturn. Revenues from **developing economies represented 35 per cent**.
- While **in developed economies telecommunication revenues stagnated**, **in developing countries they grew by 22 per cent between 2007 and 2010**, driven by the expansion in subscriptions.
- In **developed economies telecommunication revenues are under pressure** owing to the highly competitive nature of their markets and near saturation achieved in the mobile segment. Even though subscriptions continued to grow, telecommunication spending per subscription declined.
- In **developed countries, mobile represented 47 per cent of total telecommunication revenues**, with mobile data being the most important driver.
- Globally **average revenue per subscription declined** between 2007 and 2010, mirroring the evolution of mobile-cellular prices. Mobile revenues per subscription are higher in developed than in developing countries.
- **Mobile-cellular services represent almost two-thirds (62 per cent) of total telecommunication revenues**. They are the **prime source of revenue in developing countries**, where they registered a **30 per cent growth rate** between 2007 and 2010, due to continued growth in subscription rates.
- In terms of revenues, **9 out of the top 20 telecommunication markets are developing countries**.
- In 2010, **global revenues from telecommunication services represent 2.4 per cent of the world GDP**.
- Between 2007 and 2010 **developed countries remained the primary source of FDI in telecommunications**, but **developing country investors had an increasingly important role to play**.