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Over two billion people live in countries with unaffordable internet

- New report from the Alliance for Affordable Internet shows that as little as 1GB of mobile data is too expensive for billions
- Internet affordability has barely improved over the past year as countries fail to prioritise needed ICT policy reforms
 - Island nations face some of the highest costs to connect

23 October 2018. New research released today by the Alliance for Affordable Internet (A4AI) shows that more than 2.3 billion people live in countries where just 1GB of mobile data is not affordable. The 2018 Affordability Report warns that this high cost to connect is keeping billions offline and pushing the global goal of universal internet access further out of reach.

The report assesses the policy frameworks designed to advance affordable internet access across 61 low- and middle-income countries and finds:

- Over 60% of countries have unaffordable internet. Of the 61 countries studied, just 24 had affordable internet, where 1GB of mobile data costs less than 2% of average income. Across the countries analysed, just <u>1GB of data costs over 5% of average monthly income</u>; this price skyrockets to around and upwards of 20% of average income in a handful of countries.
- **Growth in people using the internet has slowed**. The UN originally estimated that we would achieve 50% global internet penetration by the end of 2017; a downturn in the growth of internet access and use means that we now don't expect to reach that milestone until mid-2019.
- **Policies have barely changed**. The pace of policy change to drive internet prices down marked its slowest improvement to date. Measures of the policy frameworks in place to enable greater affordability increased by just 1% on last year, despite growing recognition of the critical relationship between online access and economic growth.
- Island archipelago nations face the highest costs to connect. One-of-a-kind analysis on the industry costs incurred in the provision of internet service shows that the cost to provide one subscriber with mobile broadband data for a year in an island archipelago nation, like the Philippines, is nearly five times the cost to do the same in a coastal nation like Nigeria.





Commenting on the report findings, A4AI Executive Director Sonia Jorge said:

"While we have seen a few bright spots of the policy leadership needed to advance affordable internet access, we are deeply concerned to see that policy progress has largely stagnated. Failure to prioritise needed broadband policy reforms has left billions of people offline, and has contributed to a significant slowing in the rate of people coming online. Every moment that these billions are unable to participate in digital development is a lost opportunity for economic, social, and political growth. Policymakers, the private sector, and civil society must come together to take immediate action to develop and implement the policies needed to connect everyone and accelerate internet growth."

The report finds that policies to expand infrastructure to underserved locations and populations have particularly faltered, resulting in stubbornly high costs for internet providers and consumers alike. Recommendations call on policymakers to prioritise the time and resources needed to support the development of infrastructure critical to reducing internet costs.

Dr Omobola Johnson, Honorary Chair of A4AI and former Communications Minister of Nigeria, noted:

"Internet access is a critical driver of economic growth. Good, stable infrastructure is, quite literally, the backbone of internet access. As it is today, many of the policies in place conspire to make the building and upkeep of internet infrastructure more difficult and expensive than it should be. Policymakers must focus on implementing policy frameworks that work to support the smart, coordinated development of infrastructure needed to ensure high-quality, affordable connectivity for all people – no matter whether they are in the city, a rural village, or a remote island community."

The 2018 edition of the Affordability Report is available at <u>a4ai.org/affordability-report</u>, along with all supporting data and an interactive data explorer.

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Notes to editors:

1. The 2018 Affordability Report will be released October 23, 2018 at <u>a4ai.org/affordability-report</u>.





2. Interviews with the report authors and other spokespeople are available on request. To schedule an interview or learn more, please contact Lauran Potter, Communications Manager, at press@webfoundation.org.

3. About the Affordability Report:

The Affordability Report is an annual report produced by the Alliance for Affordable Internet. It represents an ongoing effort to understand why some countries have succeeded in making internet access more affordable, accessible, and universal, and what others can do to catch up quickly. The report provides analysis of relevant issues to understand key barriers to affordability, and develops actionable recommendations focused on how best to reduce prices and progress toward universal access.

To do this, A4AI conducts annual policy surveys and collects secondary data on indicators proven to lead to lower internet prices. The 2018 Affordability Report examines these policies across 61 low- and middle-income countries, and produces an Affordability Drivers Index (ADI), which ranks each of these countries on a scale of 0-100 based on an in-depth analysis of communications infrastructure and access and affordability indicators. To allow for a fair comparison, country scores in the report are disaggregated by income group.

4. About the Alliance for Affordable Internet (A4AI):

The Alliance for Affordable Internet (A4AI) is the world's broadest technology sector coalition – comprising over 80 member organisations from across the private, public, and not-for-profit sectors in developing and developed nations – working to drive down the cost of internet access through policy and regulatory reform. The World Wide Web Foundation, founded by Web inventor Sir Tim Berners-Lee, initiated the Alliance in 2013. A4AI global sponsors include Google and Sida.

For more, please visit: <u>www.a4ai.org</u>.