## Lack of competition in broadband markets keeping millions offline

- *New report from Alliance for Affordable Internet (A4AI) points to a lack of competition in broadband markets as a major barrier to affordable internet access.*
- *Consumers in countries with consolidated markets pay USD $3.42 more per GB of data than those in competitive markets.*
- *The cost of basic internet access remains too expensive for billions, keeping them offline.*

**22 October, 2019**. Research published today by the Alliance for Affordable Internet (A4AI), an initiative of the Web Foundation, finds that consolidated broadband markets[1] — for example those with a single broadband provider — are keeping prices high and putting life-changing internet access out of reach for hundreds of millions of people.

Although broadband markets have historically become more competitive, helping to bring down the cost of data, the report suggests this trend is now stalling, with some countries backsliding and markets becoming more consolidated.

People living in countries with consolidated broadband markets pay USD $3.42 more per GB of mobile data than those in similar countries with competitive markets, according to the 2019 Affordability Report. This premium is unaffordable for many people, particularly in low-income countries, keeping them offline.

When people have no option to switch providers, they are likely to pay inflated prices for mobile data. The report estimates that 1GB data in a monopoly mobile market could be as much as USD $7.33 more expensive than if it were a two-operator market. This means that across sub-Saharan Africa, people living in markets with no competition could be paying an additional 5.83% of their monthly income for 1GB, on average. With 260 million people living in areas dominated by just one major mobile network operator, the lack of choice has a huge impact on internet affordability and access.

Around 900 million people currently live in countries where the cost of internet access is kept high by consolidated markets. According to the report, if governments and companies take steps to increase market competition, they can dramatically boost the number of people able to access the internet.

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[1] This report analyses market competition as the number of service providers, their market share and competitive behaviour, and additional external factors, such as regulatory environment.

**Sonia Jorge, Executive Director at Alliance for Affordable Internet, said:**

*"Internet access gives people the tools to earn a living and start a business. It offers them ways to build skills and achieve their ambitions. And it provides them access to information to support their families and be active citizens in their communities. The billions of people still unconnected are missing these opportunities and so are societies where digital exclusion remains the norm.*

*Competitive broadband markets provide the foundation needed to make universal access a reality. Yet, governments must also play their role by pursuing public access policy and investments that build healthy, competitive markets that drive down the cost to connect."*

While internet access is considered a basic good by many, almost half of the world's population remains unable to connect. The primary barrier to internet access is cost. In low and middle-income countries, 1GB data costs 4.7% of average income — more than double the UN threshold for internet affordability. Across Africa, this figure rises to 7.1%, making access unaffordable for millions.

Women, people on low-incomes, and those living in remote and rural areas are disproportionately unable to access the internet — a digital divide that threatens to mirror existing inequalities and further exclude these communities.

In the report, A4AI calls for governments to focus their policies and regulations on building healthy broadband markets that improve competition, bring down prices and expand internet access:

- **Adopt policy and regulation that support market competition**, including fair rules for market entry and incentives to encourage new competitors.
- **Bring down costs for new operators to compete** by supporting affordable access to wholesale internet data, so that competitors aren't locked out by high capital barriers to entry.
- **Invest in public internet access**, such as free public WiFi and telecenters, and support community networks to expand internet coverage to those not served by commercial markets and provide consumers with more choices to get online.

A4AI warns governments that a failure to build and sustain competitive markets will push up broadband prices and undermine efforts to get everyone online — preventing millions of people from accessing the internet's economic, social and creative opportunities.

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**Notes to editors:**

1. The 2019 Affordability Report was published on October 22, 2019, 00:01 BST at a4ai.org/affordability-report.

2. Factsheet for journalists with key statistics.

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

4. **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 biannual policy surveys and annually collects secondary data on indicators proven to lead to lower internet prices. The 2019 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.

5. **About the Alliance for Affordable Internet (A4AI)**:

   The Alliance for Affordable Internet (A4AI), an initiative of the World Wide Web Foundation, is the world's broadest technology sector coalition — comprising over 90 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 Sida and Google.

   For more, please visit: www.a4ai.org.