

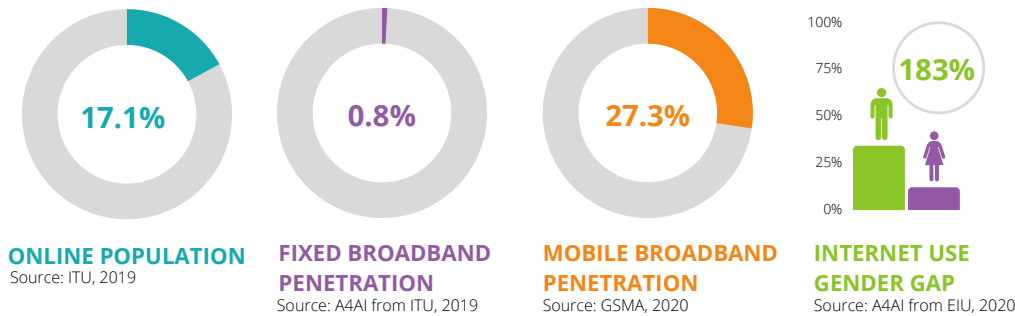


PAKISTAN DIGITAL CONNECTIVITY BRIEF

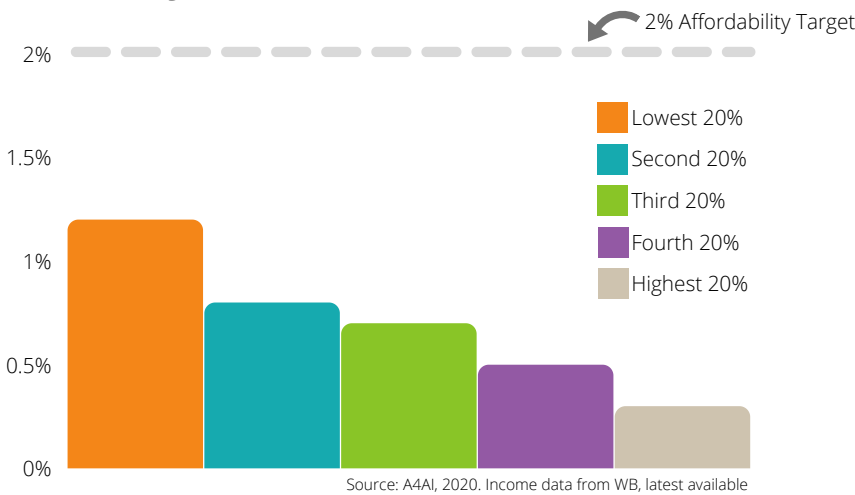


Country overview

Only about 17% of the population in Pakistan is online. The penetration of mobile internet is 14.7%, and fixed broadband penetration is only 0.8%. The gender gap in internet use is extremely high at 183%, which is higher than countries in the region, such as India, Bangladesh and Nepal. Despite some progress, especially on the affordability front, the country has a long road ahead to meet the 2030 target of universal access to the internet.

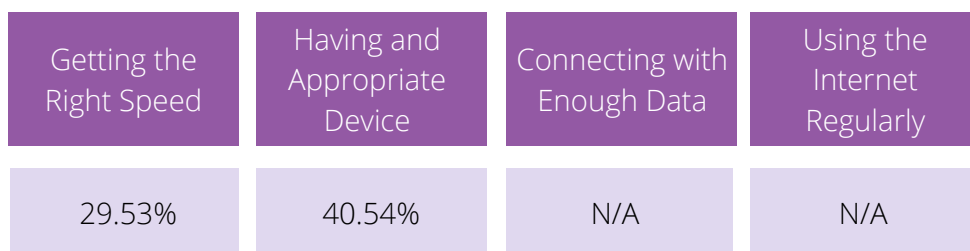


Affordability Quintiles



Not only does Pakistan meet the target set by the UN Broadband Commission, but in fact, 1GB of data costs less than 2% of the monthly gross national income per capita for the population in all income quintiles. From an affordability perspective, Pakistan is doing better than most countries covered in our research, where the population in the lowest income quintiles cannot afford access to the internet.

Dimensions of Meaningful Connectivity



Source: GSMA, 2020

A meaningful connectivity to the internet implies having access to an appropriate device, enough data and speeds, and using the internet every day. Less than one third the population in Pakistan (29.53%) has access to 4G compatible speeds, and 40.54% has access to smartphones, which are considered to be appropriate devices.

ICT Affordability

AS A % OF GNI P.C.

MOBILE

1GB = 0.51%

2GB = 0.51%

5GB = 1.54%

Source: A4AI, 2020

FIXED

5GB = 11.2%

Source: A4AI & ITU, 2020

DEVICE

SMARTPHONE

53%

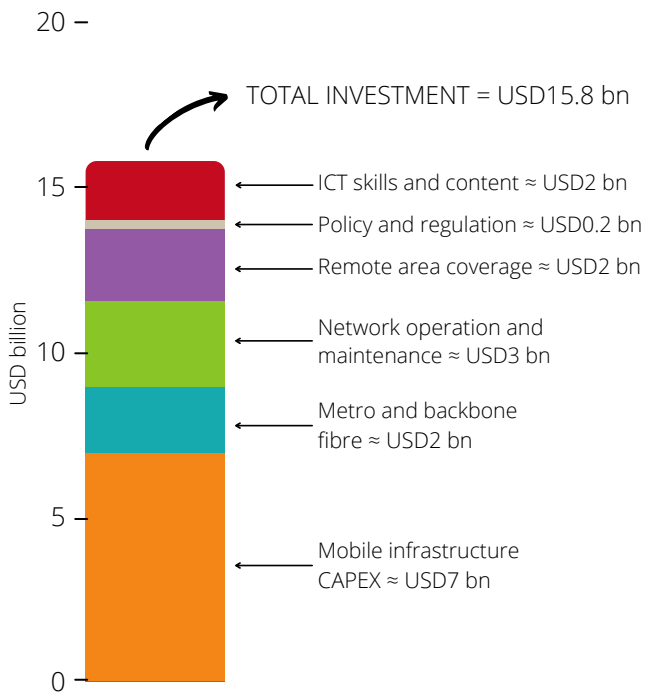
Source: A4AI, 2020

Pakistan meets the affordability target established by the United Nations Broadband Commission, as 1GB costs about 0.51% of the monthly average income in the country. Indeed, even 5GB is within the target, at 1.54%. Fixed 5GB is above the 2% threshold, at 11.2%. Smartphone affordability is at 53%. The country ranks 18th (out of 72 countries surveyed) on A4AI's ADI.

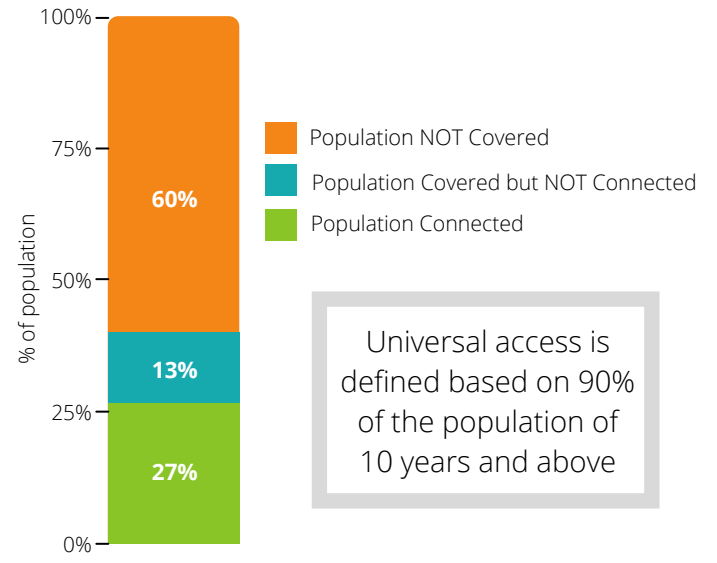
THE ADI AFFORDABILITY DRIVERS INDEX

Is a tool developed by A4AI to assess how well a country's policy, regulatory, and overall supply-side environment is positioned to lower industry costs and ultimately create more affordable broadband. It scores countries across two main policy groups: Infrastructure and Access

Investments needed by 2030



Source: A4AI from ITU, GSMA, A4AI, operator and regulator, 2019

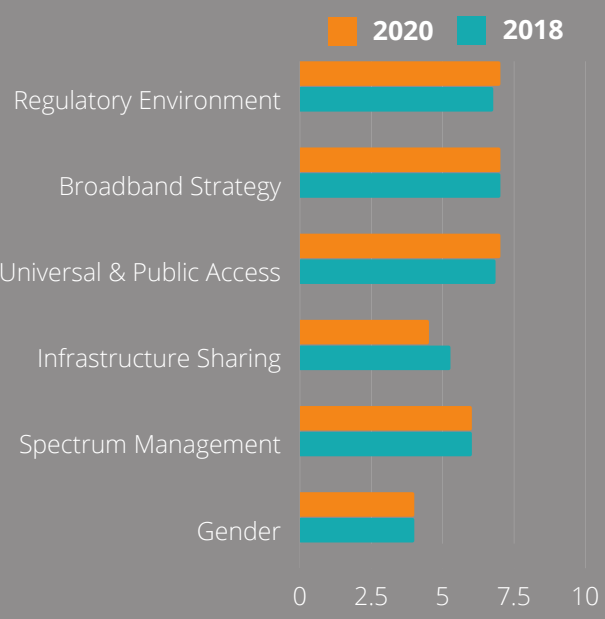


Source: A4AI from GSMA, Xalam and UN population data, 2019

Universal access is defined based on 90% of the population of 10 years and above

As shown in the figure, 60% of the population in Pakistan lives in areas which simply have no coverage, and 13% are covered but not connected. Based on A4AI analysis of investment required to connect humanity by 2030, Pakistan needs to secure close to \$16billion to achieve universal access by 2030. Almost half of the total investment needs relate to mobile infrastructure capital expenditure, which implies that mobile infrastructure deployment is still one of the most pressing issues in the country. Additional investment is also needed to support fiber deployment, network operation and maintenance, remote area coverage, as well as to expand digital skills of the population and relevant content. Costs associated with policy and regulatory updates are also important, even if smaller in scale.

Policy scores



Policy Highlights

- Regulatory Environment** (Green arrow up)

While Pakistan struggles to transition towards a competitive market, the policy and regulatory frameworks are overall well established.
- Universal access** (Green arrow up)

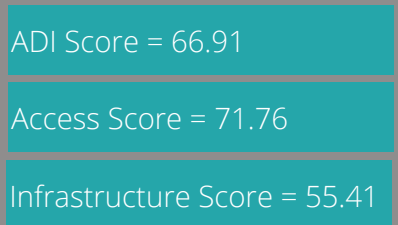
Government spending targeted to addressing universality is done through the universal service and access fund (USAF) of Pakistan. In 2020, several contracts were awarded through the USAF.
- Infrastructure sharing** (Red arrow down)

Some parts of the regulatory framework need to be strengthened. There is no national policy and/or procedure to facilitate public rights of way and tower zoning permissions. Further, operators with significant market power (SMP) are obliged to share passive infrastructure but disputes arise frequently.
- Public access** (Red arrow down)

There are only limited policies and initiatives to promote free or low-cost public internet access.
- Broadband Strategy** (Red arrow down)

A national broadband plan and/or strategy has not been developed. In January 2020, the Ministry of Information Technology and Telecommunication has established an Advisory Committee for 5G Planning, but such initiative is not large in scope as to address all the complexities of Internet connectivity and access.

2020 Affordability Drivers Index (ADI)



Source: A4AI, 2020