

KEY FACTS

Countries in the Middle East and North Africa (MENA) region are falling behind in the development of broadband networks, internet access and use, and creation of digital content:

Competition in Internet services

- The MENA region does not have a single, fully competitive market when it comes to telecommunications services
- Only two countries in MENA do not have any restrictions to provide international capacity
- Fixed broadband markets in MENA are largely underdeveloped
- Mobile broadband markets are in the developing phase
- 15 out of 19 MENA countries adopted a specific policy targeting ICT sector development, but only few of them are including specific measures to promote deployment of broadband networks

Access to high-speed Internet

- An investment of at least US\$25 billion is needed to fully develop fixed and wireless Internet access in the Arab world
- At the end of 2012, the fixed broadband penetration rate was no higher than 25 percent in more than half of the MENA countries, in eight countries it exceeded 50 percent
- High speed internet penetration exceeds 70 percent in Bahrain
- Low penetration rate in the Arab world is due to lack of infrastructure, weak or no competition, and high prices for services
- Mobile Internet services will become the primary means for most MENA citizens to access the Internet
- 25 percent of MENA's population access broadband Internet through 3G and WiMAX services
- In all the countries featuring a mix of different Internet access technologies (e.g. WiMax, xDSL, FTTx, 3G, etc.), internet access prices are lower
- Fiber access became dominant over other fixed Internet access technologies only in two MENA countries out of 19

Affordability of high-speed Internet

- High-speed Internet is prohibitively expensive in most MENA countries
- In the MENA region, fixed broadband costs about 3.6 percent of the average monthly income per capita, while mobile broadband costs around 7.7 percent
- In Tunisia, the poorest 40 percent of the population would need to spend over 40 percent of their income to afford high speed internet
- In Morocco, households in the lowest 40 percent income bracket would need to spend about one-third of their income to purchase mobile Internet services

- In Yemen, the poorest 40 percent of the population would need to spend 45 to 50 percent of their income on broadband
- Sixty percent of the people in Algeria, Djibouti, Morocco, Syria, Tunisia, and Yemen, cannot afford fixed and/or mobile broadband services
- In the GCC countries, high speed internet subscription fees are very reasonable and cost less than 5 percent of the average monthly income. In the United Arab Emirates, the cost is less than 2 percent of a monthly income
- High-speed Internet allows for VoIP (voice over Internet protocol) leading to cheaper international calls
- Skypeout rates in MENA are 5 times higher than those in countries with full competition in telecommunications, such as Turkey

Use of Broadband Internet

- In 2020, 20 percent of all jobs will be exclusively contracted on line
- Microwork could have a significant impact on Palestinian employment by creating over 55,000 part time jobs
- YemenSoft, a Yemeni software company provides financial, medical, and educational software products using the eCommerce platform, www.alibaba.com, and has 10,000 customers in seven countries, including in China and South Africa
- Egypt was ranked the fourth most attractive global destination for Business Process Outsourcing (BPO)
- Global Internet content in Arabic amounts to 3 percent only
- Less than 0.2 percent of web pages are hosted in the Arab world
- In the Arab world, spending online will grow from US\$9 billion in 2012 to US\$15 billion by 2015, of which US\$3 billion will be paid for using mobile, from US\$500 million today.