



# The Economic Impact of OTTs on National Telecommunication/ICT Markets

ITU

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Need to measure the socio-economic  
impact of OTTs in developing countries

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- ▶ Background
- ▶ Issues
- ▶ Proposals



- ▶ **OTT are evolving to build loyalty and profitability**
- ▶ **Beyond traditional communications, they offer economic and social features like:**
  - ▶ Petition
  - ▶ Ads: No need to be an Expert, Algorithm is yours
  - ▶ Stories or status are now used by Craftsmen or merchants (sometimes with low literacy rates) as showcase
  - ▶ MarketPlace – Gig Economy
    - ▶ Time-to-market is reduced: no need for a physical store
    - ▶ Networks bring to you (very) easily interested prospects
    - ▶ Vs ecommerce: direct multi-canal (voice, message) interaction (downward price negotiation) with the seller



- ▶ **Many direct and indirect impacts**
  - ▶ **Interest for data and smartphone is growing**
  - ▶ In Côte D'ivoire: More than 80% access OTT using Mobile
  - ▶ OTT opens up an alternative for reducing unemployment
  - ▶ Young people by waiting decent jobs offers good and services
  - ▶ New trade axis has been made. Observation of increase in products from Togo, Morocco, Turkey, Dubai and China sold using OTT. Barriers of expensive communications prices are broken using data.

***An entire ecosystem, revealing the true digital economy, is taking shape around OTTs.***



- ▶ Direct competition between informal Vendors on OTT and physical retailers (who maintains stores and pay municipal taxes)
- ▶ Loss of tax/income
- ▶ No income for Government about these new digital economy activities
- ▶ Are algorithms or community moderation sufficient to approve the advertisements that circulate there, without the approval of a physical authority?



- ▶ **Beyond assumptions about infrastructure, investment and telecommunications, OTTs raise many other questions.**
- ▶ In accordance with Resolution 206 (Dubai, 2018) on the need to consider the policy issues and economic implications of OTTs, the following recommendations are made:
  - ▶ Complete the MIS questionnaire in order to take into account socio-economic indicators related to the use of OTT or;
  - ▶ Think about a new report for measuring impact of OTT;
  - ▶ Invite countries to develop surveys on the use of OTTs and assess their socio-economic impact.

# Thank you!

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