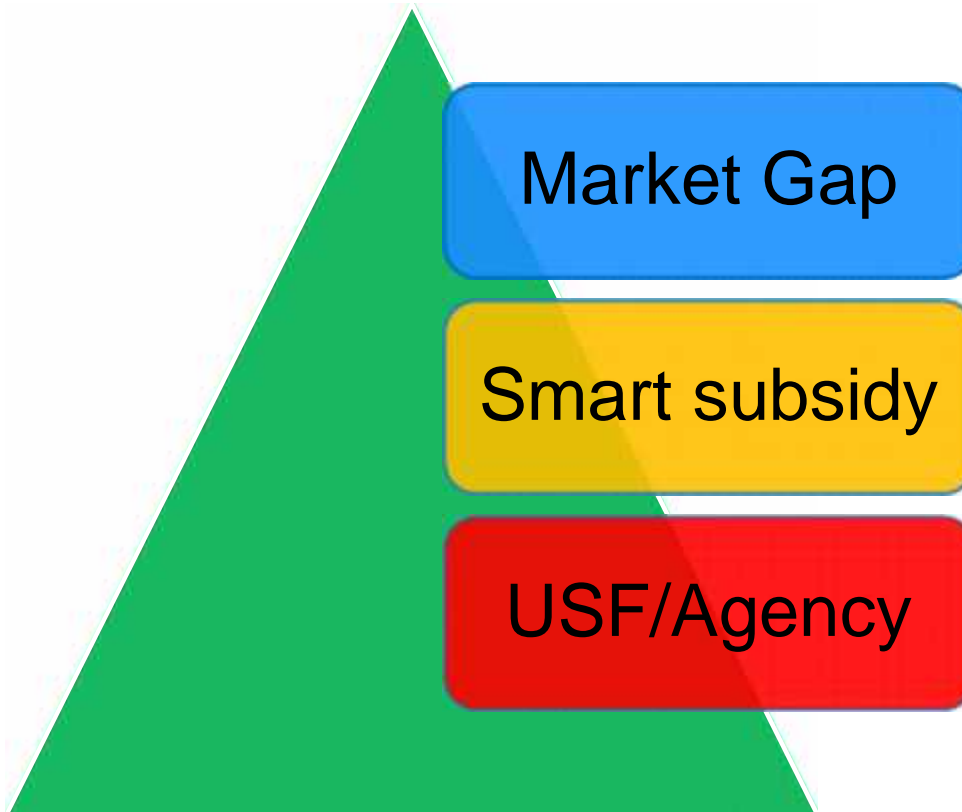
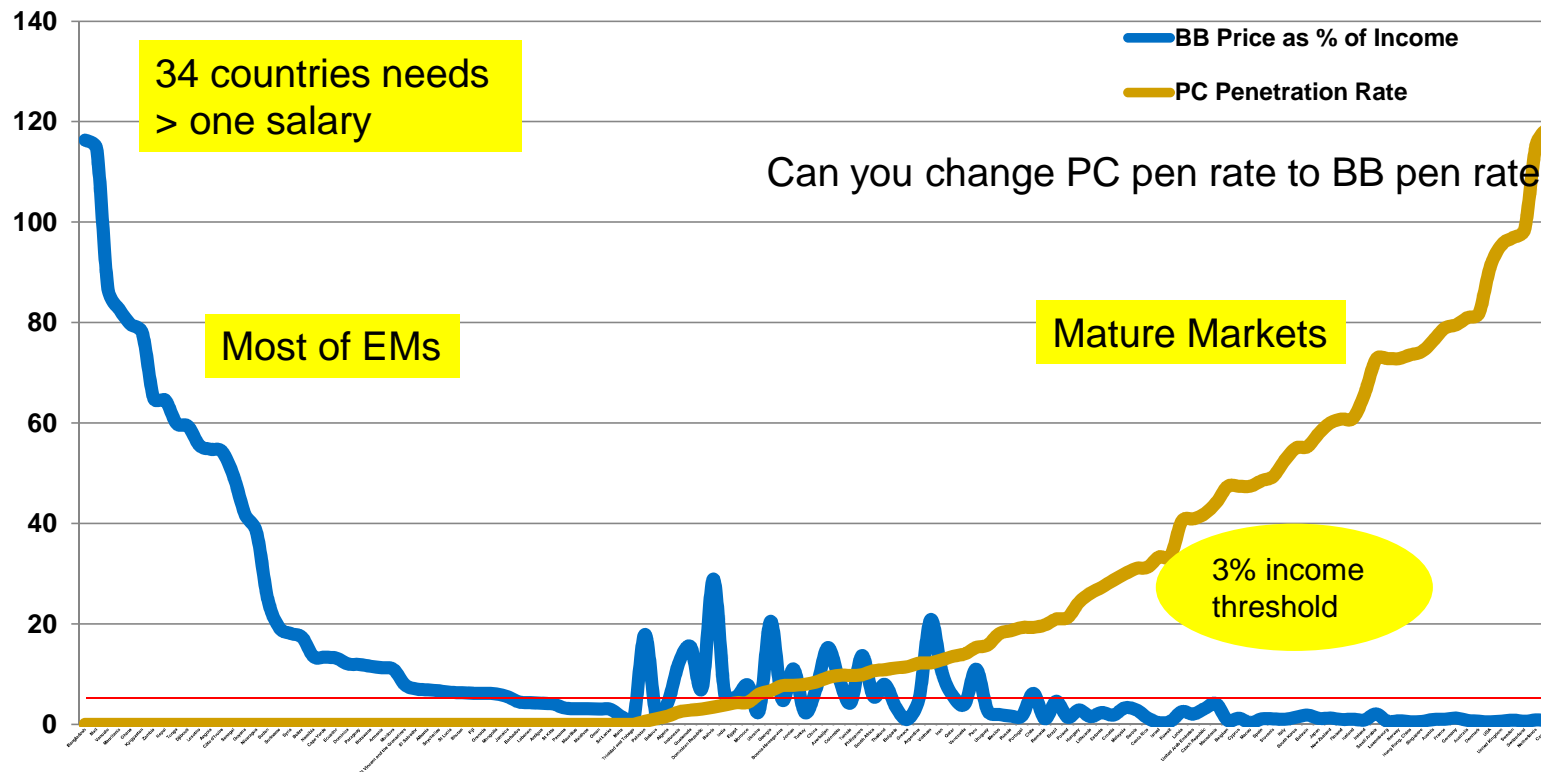


Market Gap and Smart Subsidy Demand Creation Programs that Transform



Price of broadband impacts ICT adoption:

3% is the maximum BB purchasing power



- ✓ “The main barrier to get access to ICT is the cost of Broadband”.
- ✓ Meanwhile the cost of Broadband in developed countries is less than 3% of GNI per capita, the average cost in developing economies is close to 10%.
- ✓ There are 34 countries where the cost is higher than the monthly income

Source: ITU Measuring of ICT development. Feb 2010

Mixed Alternatives

- Public hotspots financed with advertising
- Hotspots with social network and another network paid/closed (normally to help mobile network)
- HotSpots with specific usages: Skype, banks.

Market Gap



0€
TARIFA GRATIS

¡24 horas gratis!

- ✓ 512 kbps
- ✓ No caduca
- ✓ Sin compromiso de permanencia

Elige tu país [Regístrate WiFi GRATIS](#)

[Condiciones generales del servicio WiFi](#)



8€/mes
IVA incluido
TARIFA PLANA

- ✓ 6 Mbps
- ✓ 365 días sin límite
- ✓ Caduca en 1 año
- ✓ Contrato anual

[Regístrate Tarifa Plana](#)

[Condiciones generales del servicio WiFi](#)



5€
IVA incluido
TARIFA 24 HORAS

- ✓ 3 Mbps
- ✓ 24 horas y repártelas como quieras
- ✓ Caduca en 1 mes
- ✓ Sin compromiso de permanencia

[Regístrate Tarifa 24 Horas](#)



10€
IVA incluido
TARIFA MES

- ✓ 3 Mbps
- ✓ 24 horas al día durante 1 mes
- ✓ Sin compromiso de permanencia

[Regístrate Tarifa Mes](#)



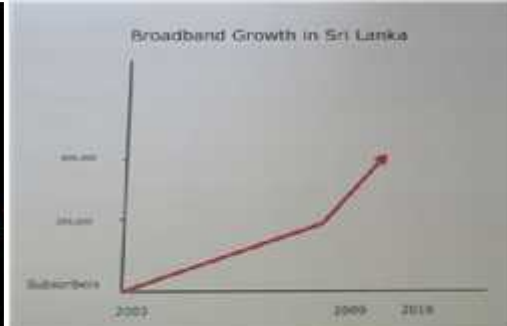
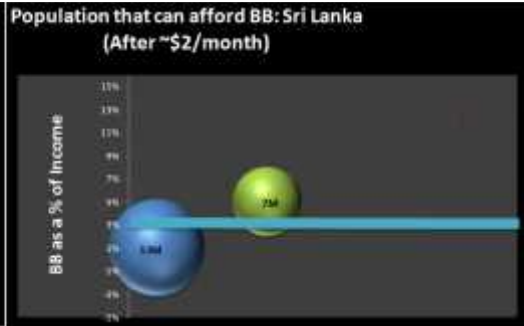
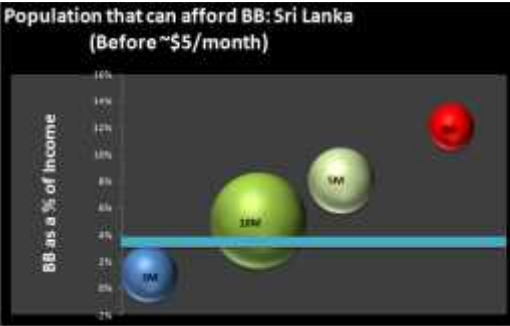
Will lowering BB packages accelerate BB subs?

Sri Lanka aggressive small Prepaid BB packages

- Telcos launched aggressive pre-paid broadband packages in Q1'10
- Government pushed digital agenda reducing taxes and enabling online services
- BB subs growth went from ~20% (previous 6 years) to 100% in 2010
- PC shipments growth went from single digit to double digit in 2010 and to 35% forecasted growth in 2011



Market Gap



Uruguay: Ibirapitá Program Healthcare for elderly people

- Current situation:
 - Just 24% elderly people has access to a PC
 - High healthcare cost
- Gov will give a tablet to 100% of elderly people:
350K tablets in 2020
 - Free for people with less than US\$900 monthly
 - Low interest rate financing for the others.
 - Training.
 - Internet connection
 - SW to access health services and other benefits



“It will avoid unnecessary transportation and it will save costs and time”
Natalia Pelufo, Agesic.

Smart
subsidy

Uruguay case study: “Work There, Live Here”



3.4M people, 1.7M labor force, ~US\$16K GDP per capita.

In 2000's, high unemployment rate.

Telco company (NetGate) launched a tele-working campaign for micro-entrepreneurs:

- Include, training, coaching, logistic/money transfer, connectivity.
- Use e-commerce sites.

After 3 years:

- ~100K workers, second biggest source of exportation, ~US\$1,000 income per head.
- 43% rural, 63% professionals, 83% middle class.
- 66% says to have more free time.
- US\$500M in exportations (US\$970M beef)

...copied by Chile and other countries.

Smart
subsidy

Financing & Development of SMB's

India



- **Motivation: Improve overall SMB competitiveness**

- SMB's = key contributors to local economy, national GDP
- Improve financing/lending to SMB
- Increase job / employment opportunities

- **Challenge**

- Very fragmented market
- Lack access to finance & capital
- Under-developed financial systems
- Limited knowledge of benefits of ICT

- **Solution: Government + Banks + Channels**

- World Bank \$120M line of credit to Indian Government
- Indian Government, Min of Finance: improve credit systems (information, rating system, scoring, capacity, policy, promotion)
- SIDBI: manage WB fund, loans to SMB & IT channel
- Program scale through SBoI (retail), ICICI (internet) bank
- Broad channels used to drive overall awareness
 - Web site, SMB magazine, business advantage seminars (50+), direct mail (60K)



SIDBI – Small Industries Development Bank of India
SBoI – State Bank of India

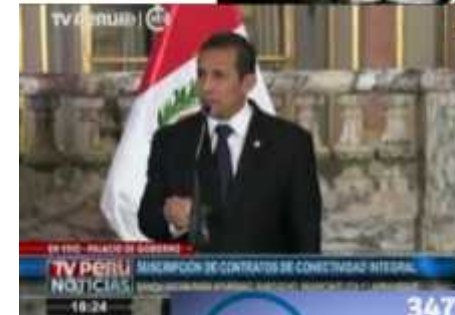
Smart
subsidy

Peru FITEL (USF)

"Conectividad Integral en Banda Ancha para el Desarrollo Social"



- FITEL (Universal Service Fund) depends of Telecommunication Vice Ministry. Pro-Inversion is the procurement system.
- Intel influence started showing BKM's (specially Colombia). They modify their Fiber Optic Program including devices...Now its national asset.
- US\$1.5B in USF, connectivity for 21 provinces (first 4 launched).
- Include devices:
 - PCs (schools, police, municipality, health)
 - Tablets (students)
- Tablets give more evaluation points
- First 4 provinces: ~400K tablets in 10 years
 - Forecast ~2M
- Next step:
 - Support them to have educational tablet specs (anti-theft and ruggedized)
 - Broadband workshop to create more demand creation programs
 - Be speaker at LAR USF event to spread BKM.



USF/Agency



Market Gap and Smart Subsidy Demand Creation Programs that Transform

