GLOBAL ICT REGULATORY TRENDS

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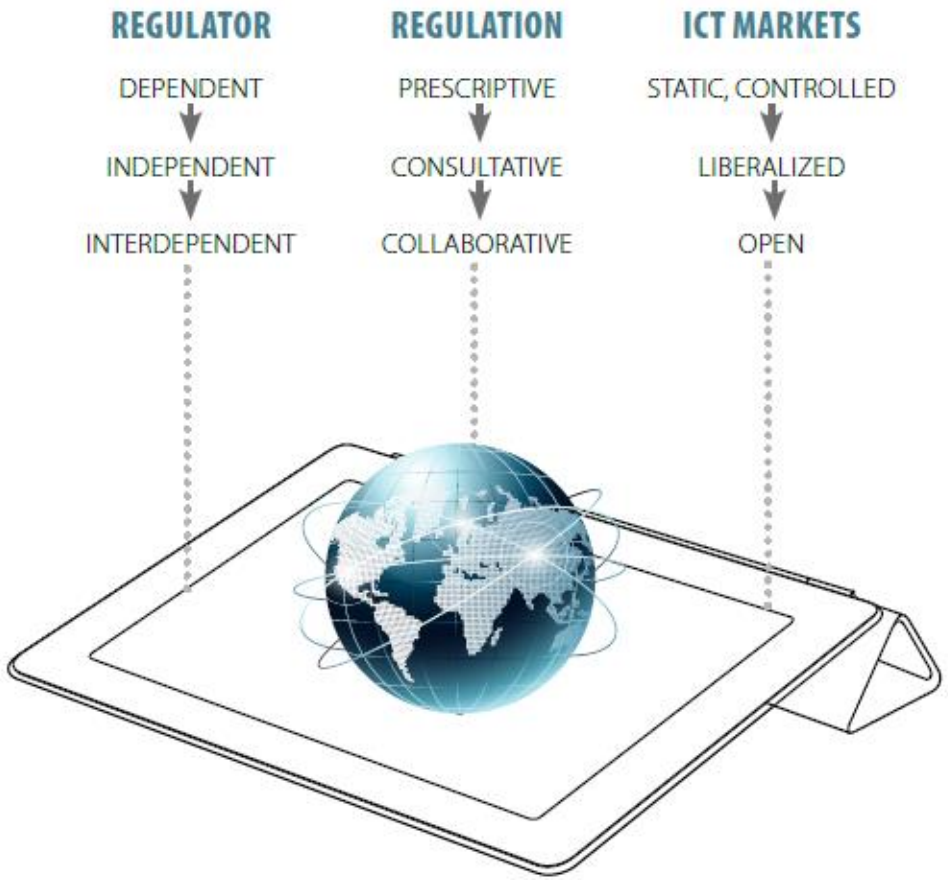
Regulation for the digital economy

- Digital economy comes of age
- Regulation serves as the interface between governments, investors, service and content providers, and consumers
- New market realities call for new regulatory approaches and tools
- Challenges and opportunities go hand-in-hand and ICT regulators are under pressure to make the most of it

CHANGING PATHS OF THE ICT REGULATOR, REGULATION AND MARKETS

Source: ITU.



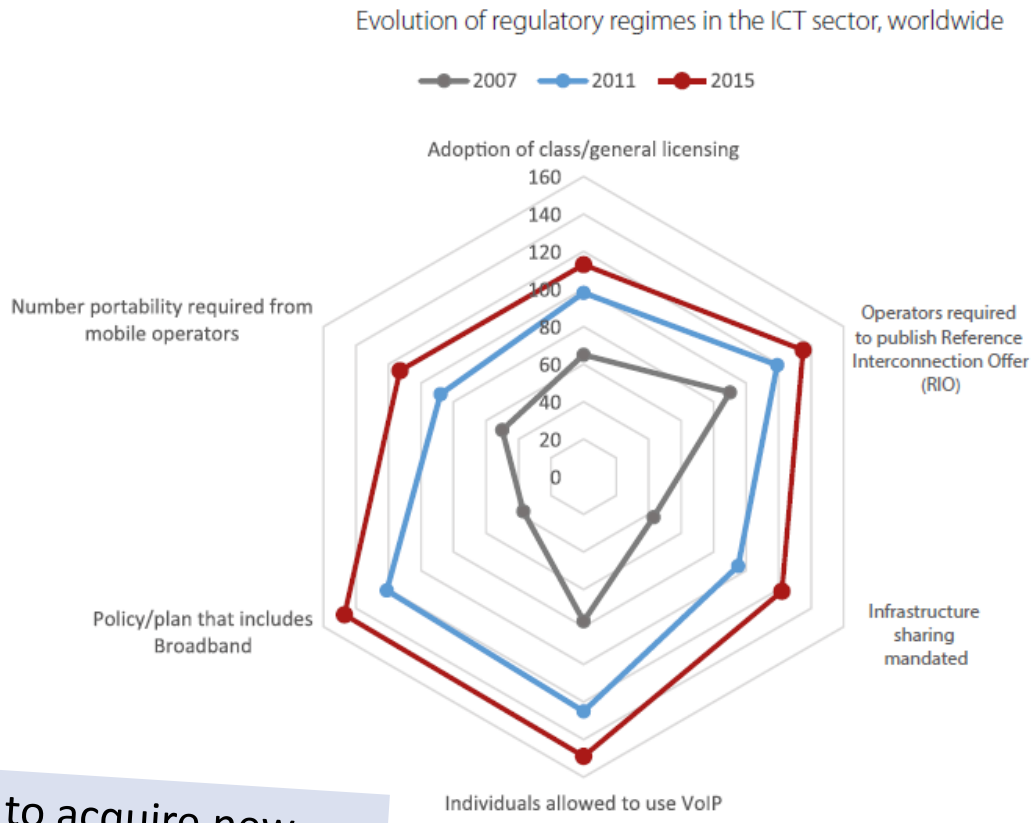
1 - Holistic regulation to support market transformation

- Focus of ICT regulation widens
- Convergence blurs boundaries
- Pace of ICT markets accelerates
- Technology and business innovation drives transformation across the board

Source: ITU.

2 - Pace and volume of regulation are increasing

- Core regulatory areas still require attention
- New challenges queuing up to accelerate market movement and pace of regulation
- Compromises and trade-offs along the way
- Seeking consensus about most appropriate regulation… or no regulation at all
- Hands-on vs hands-off

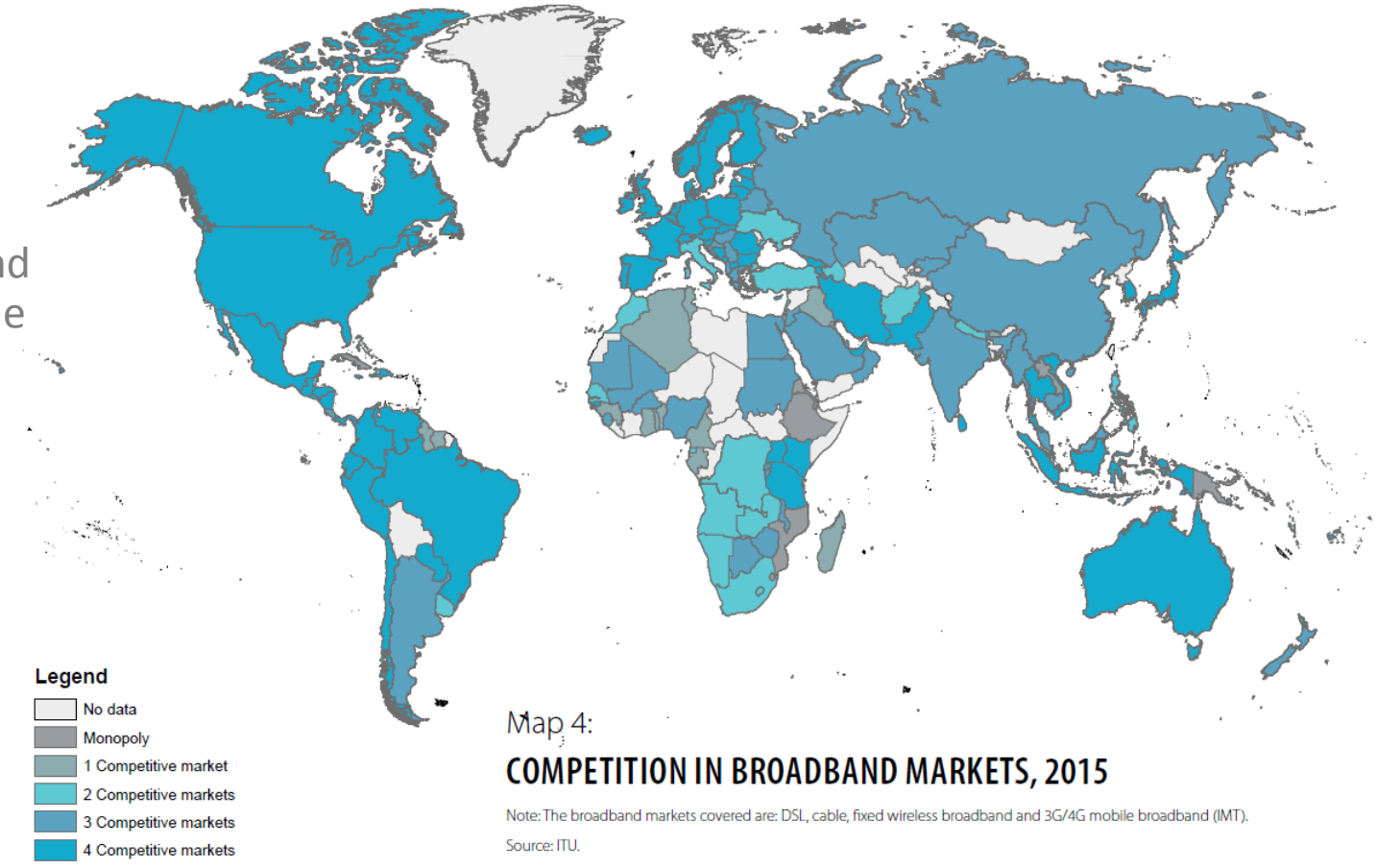


Source: ITU.

Not enough for ICT regulators to 'go with the flow'. They have to acquire new skills in new areas as newer technologies emerge

3 - Regulation as an equalizer

- Competition policy and regulatory frameworks helped drive innovation and growth – regulators have at hand a wide array of investment incentives
- Countries that opened up broadband markets saw more rapid service penetration
- Clear and open regulatory frameworks facilitate the adoption and take-up of new services and applications



Map 4:

COMPETITION IN BROADBAND MARKETS, 2015

Note: The broadband markets covered are: DSL, cable, fixed wireless broadband and 3G/4G mobile broadband (IMT).

Source: ITU.

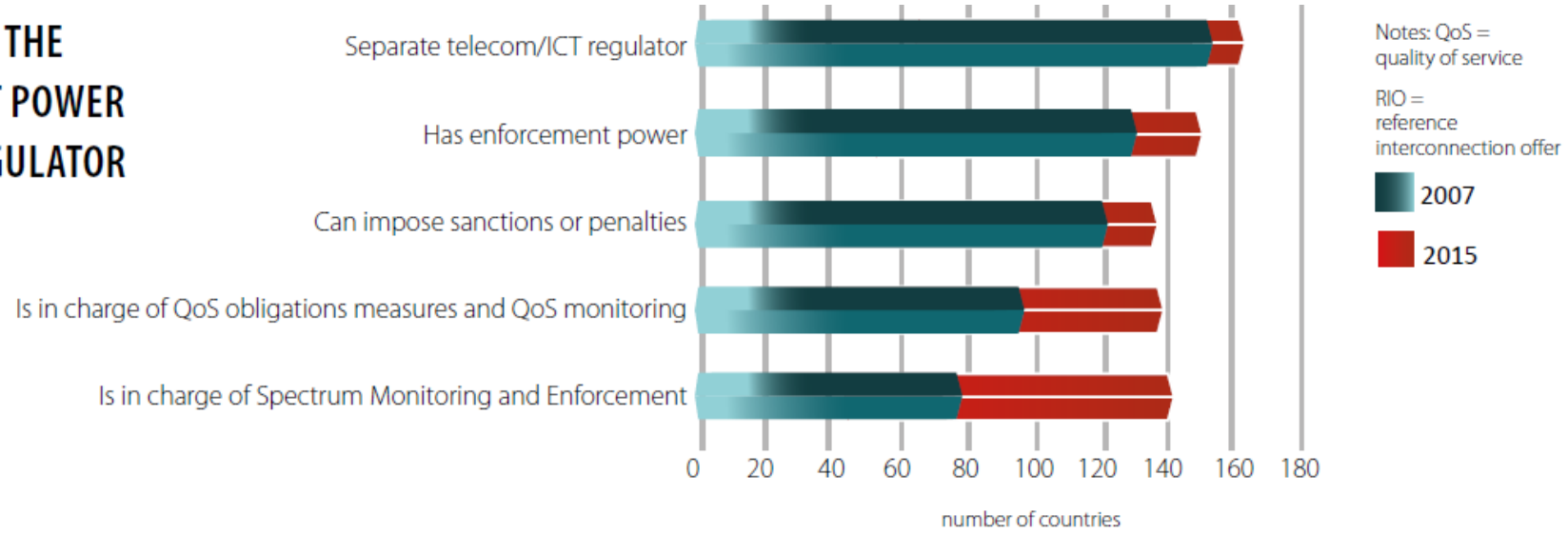
Regulation creates more vibrant ICT markets.
The more opened up the broadband market, the more consumers are connected and more rapidly.

4 - Focus moves to monitoring and enforcement

- Regulatory monitoring over ICT networks reinforced in interconnection, infrastructure sharing, QoS
- OTTs, OSPs have become enforcement priority – without clear rules or specific tools for enforcement
- Issues like taxation of global players and quality of information on social media have given rise to passionate global debate

EVOLUTION OF THE ENFORCEMENT POWER OF THE ICT REGULATOR WORLDWIDE

Source: ITU.



5 - Convergence, divergence

TOPICAL ISSUES AT STAKE AND REGULATORY INTERVENTION

Note: This list is indicative and not exhaustive.

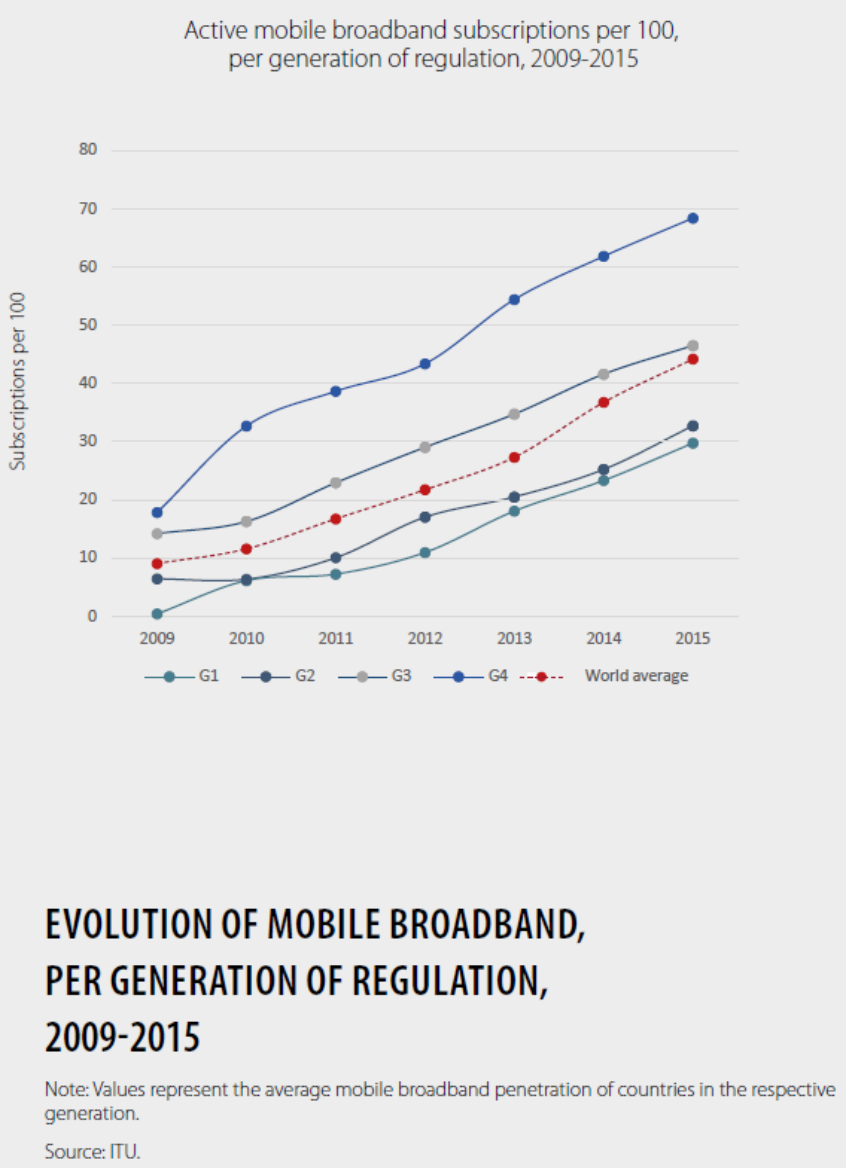
Source: ITU.

Many ICT regulators have addressed	Some regulators have addressed	Some ICT regulators are looking into	Issues on ICT regulators' horizon
• Competition	• Privacy & data protection	• OTTs/OSPs	• Autonomous driving car
• Licensing	• Net neutrality	• e/m-applications	• Blockchain
• Price regulation	• Spectrum trading	• Digital financial services	• Electronic currencies (e.g., bitcoin)
• Interconnection	• Structural separation	• Internet of Things	• Automated Electronic Trading
• Number portability	• ICT accessibility	• Cloud computing	• Counterfeiting

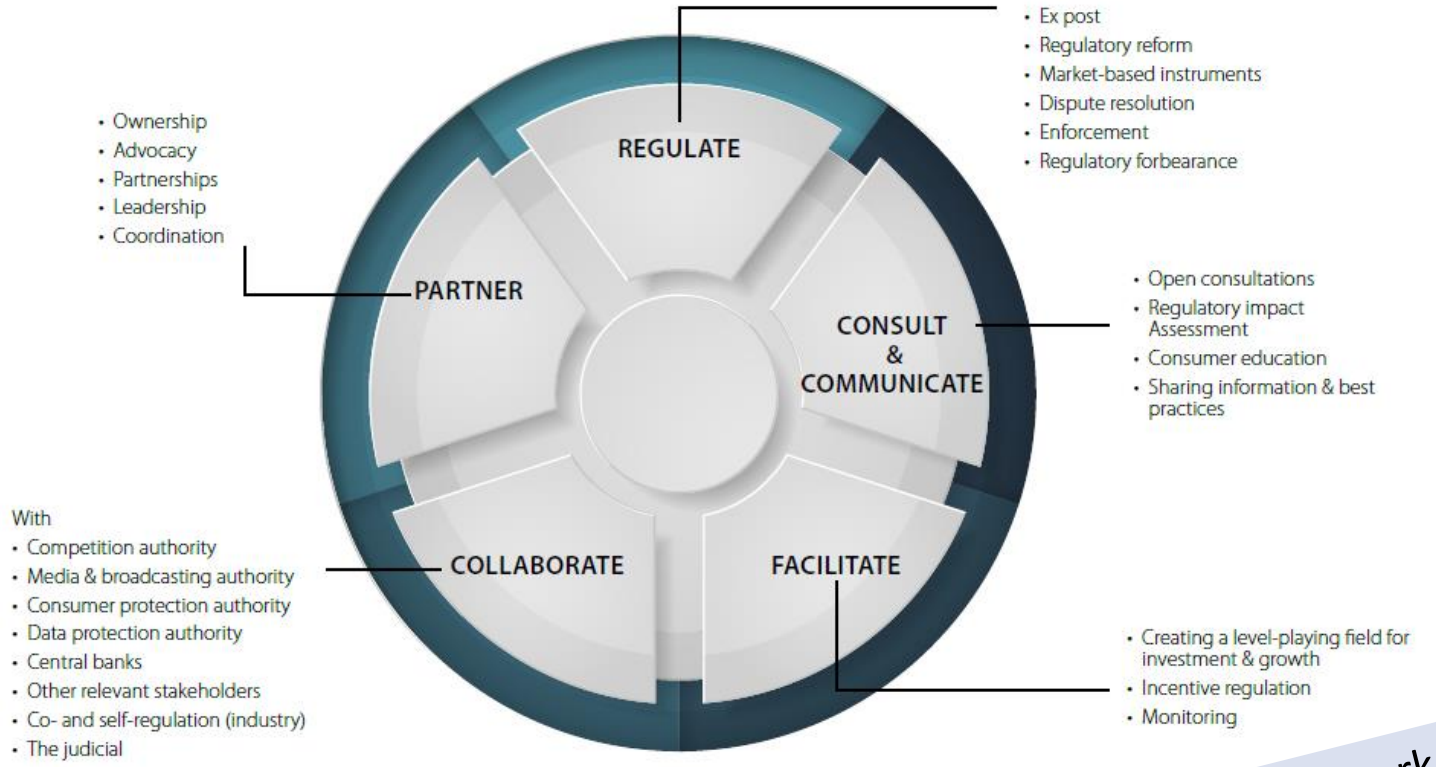
- Established regulatory practices in competition, licensing, interconnection etc. converge
- Existing regulation challenged – no clear, single regulatory pattern to follow
- New issues constantly emerging
- Regulation in disrupted areas will likely lead regulators off beaten path
- To regulate or not to regulate - and how?
- Global issues needing action from international community

6 - Good regulation has impact

- Good regulation was proven to have positive impact on mobile cellular, mobile-broadband and fixed broadband penetration
- Analysis demonstrates just how crucial the role of good regulatory frameworks is:
- The most advanced countries in terms of ICT regulation, those in the 4th generation of regulation, outperform everyone else by far – with almost 70 per cent mobile broadband penetration in 2015 compared to a world average of 44 per cent
- Countries with less sound regulatory frameworks, those in the 1st and 2nd generation, are falling further behind the world average



7 - Collaborative regulation fast-track for digital economy



THE WHEEL OF COLLABORATIVE REGULATION

Source: ITU.

Tapping the network of regulators from different sectors will be the catalyst to chart the way ahead

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GLOBAL ICT REGULATORY OUTLOOK 2017

itu.int/go/outlook17

ICT Regulatory Tracker 2015

ITUdata

Tracker by Country | Country Card | Tracker by Region | Comparison | Map | Generations of Regulation | Abo

Select an option

ICT Regulatory Tracker 2015

Cluster	C1: Regulatory Authority	C2. Regulatory Mandate	C3. Regulatory Regime	C4. Competition Framework	Overall Score
Max Score:	20	22	30	28	100
Country					
Afghanistan	13.00	20.00	22.00	16.67	71.67
Albania	18.00	17.00	26.00	21.00	82.00
Algeria	18.00	17.00	18.00	11.00	64.00
Andorra	4.00	9.00	10.00	0.00	23.00
Angola	17.00	20.00	18.00	10.67	65.67
Antigua & Barbuda	8.00	11.50	10.00	15.33	44.83
Argentina	18.00	20.00	23.00	28.00	89.00
Armenia	19.00	16.50	15.00	28.00	78.50
Australia	18.00	19.50	28.00	27.00	92.50
Austria	18.00	16.50	28.00	27.00	89.50

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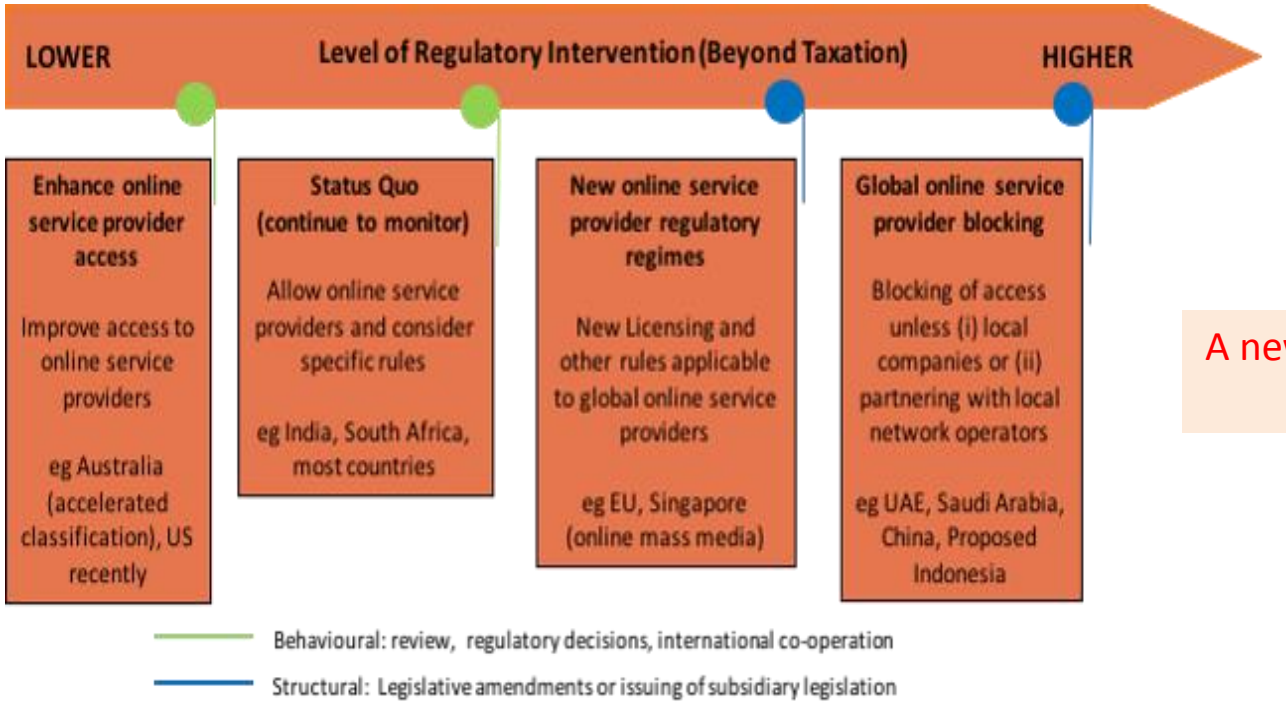
Digital Economy

ITU is working on the App Economy from the point of view of:

- ✓ New Business Models
- ✓ The dynamic perspective of Telecommunicating/ICT regulation in the changing markets and new opportunities
- ✓ Socio-economic impact of the App Economy
- ✓ Region/countries case studies (e.g. Africa)

Continuum of possible regulatory responses on the App Economy



A new ITU APP Economy portal will be available soon

Source: ITU

QoS Regulation Manual

A one stop shop reference manual for regulators and market players

- QoS framework from a technical perspective, drawing from the work done by ITU-T on QoS standardization (ITU-T Study Group 12)
- QoS regulatory framework and the role of National Regulatory Authorities (NRAs) in addressing QoS
- Traffic management , QoS parameters and Key Performance Indicators (KPIs)
- Broadband QoS measurement, examining different measurement tools and platforms. The economic principles for QoS regulation
- Network neutrality and its regulation worldwide
- Consumer protection and privacy aspects
- QoS enforcement
- Good practices
- Country case studies

www.itu.int/treg

To be released in October 2017, free of charge!

Let's roam the world

- BDT Director's Let's Roam the World Initiative;
- ITU-D IMR Portal for research, data and analysis related to IMR
- IMR Strategic guidelines coming soon

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GSR-17

Living in a World of Digital Opportunities

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Regulators were invited to identify innovative and collaborative policy, regulatory and business measures needed to lift the barriers and achieve affordable access to the digital world in the following areas:

- **Infrastructure and connectivity**: innovative measures at the international, national and local levels
- **Consumer access**: to ICT services (subscription, plans, platforms and apps) and devices (smartphones, tablets, computed-based, etc.)
- **Market and business opportunities**: market access, sustainable models, cross-sectoral approaches and economic incentives
- **Funding and financing**: private funding, partnerships, public financing and regulatory incentives to support affordability and sustainability in uneconomic markets.

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Key themes

I. Strengthening the regulatory foundation for affordable access to digital services
II. Further adapting and scoping incentives for delivering digital services
III. Next-generation incentives for affordable digital services

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I. Strengthening the regulatory foundation for affordable access to digital services

Recognizing the transformative power of regulatory instruments for reducing the cost of ICT infrastructure deployment and the adoption of end-user services, we reiterate their relevance and call for strengthening and further streamlining rules and practices. We recall and reconfirm the importance of such measures and incentives, as iterated in the GSR best practice guidelines from previous years.

II. Further adapting and scoping incentives for delivering digital services

Building on the foundation of such widely-recognized practices, we furthermore call for recalibrating current regulatory paradigms for the digital markets of the future keeping in mind that the affordability of digital services depends on multiple factors related to their infrastructure, cost, resale and provision.

Governments and regulators should do more to address the affordability and use of digital services by promoting policies and regulatory measures

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III. Next-generation incentives for affordable digital services

We believe it's important that today's fast-evolving markets – rich in innovative digital technologies, products and services – continue to thrive and grow.

We further reiterate that an open, collaborative approach to regulation can go a long way towards addressing affordability of digital services.

Regulators from all sectors where digital services have become available need to cooperate proactively.

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GSR17 Best Practices Guidelines

Consultation and BPG Available at:

http://www.itu.int/en/ITU-D/Conferences/GSR/Pages/GSR2017/GSR-17-Consultation.aspx

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GSR18

Geneva, Switzerland

ITUWTDC BUENOS AIRES 2017 9-20 October

Theme:

Exploring new regulatory paradigms in a digital economy

Dates: 9-12 July 2018

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