

Mobile Data Affordability:

Trends and Key Considerations

Workshop on Cost models for data services and International Internet Connectivity

4 October 2023

THE GSMA
WAS FOUNDED IN
1987

Intelligently Connecting Everyone and Everything to a #BetterFuture



The mobile industry is the first to formally commit to the UN Sustainable Development Goals

GSMA
Intelligence



Serves
800
organisations



40,000
users worldwide

Representing the interests of



750+
MOBILE OPERATORS



NEARLY
400
COMPANIES
IN THE BROADER
MOBILE ECOSYSTEM

The GSMA works to deliver a regulatory environment that creates value for consumers by engaging regularly with



MINISTRIES
OF TELECOMS



TELECOMS
REGULATORY
AUTHORITIES



INTERNATIONAL &
NON-GOVERNMENTAL
ORGANISATIONS



14 Offices
worldwide



Hosting the world's leading mobile industry events, MWC Barcelona, MWC Shanghai, MWC Los Angeles and the Mobile 360 Series attract

230,000

people from across the globe

Data



1,400
Mobile operators



80
Operators groups



5,000
Networks



30M
Data points updated daily

Research



130+
Reports annually



1M
Report downloads in 2019



4
Research areas: Mobile Operators & Networks, IoT & Enterprise, Digital Consumer, Fixed, TV & Convergence



8.7 bn+
MOBILE CONNECTIONS
WORLDWIDE



InfoCentre²
Member-only platform connects
23,000+ Industry experts

100+ TECHNICAL
WORKING
GROUPS

Promote industry best practice, harmonise operational frameworks and standards



Pinpoint
accuracy

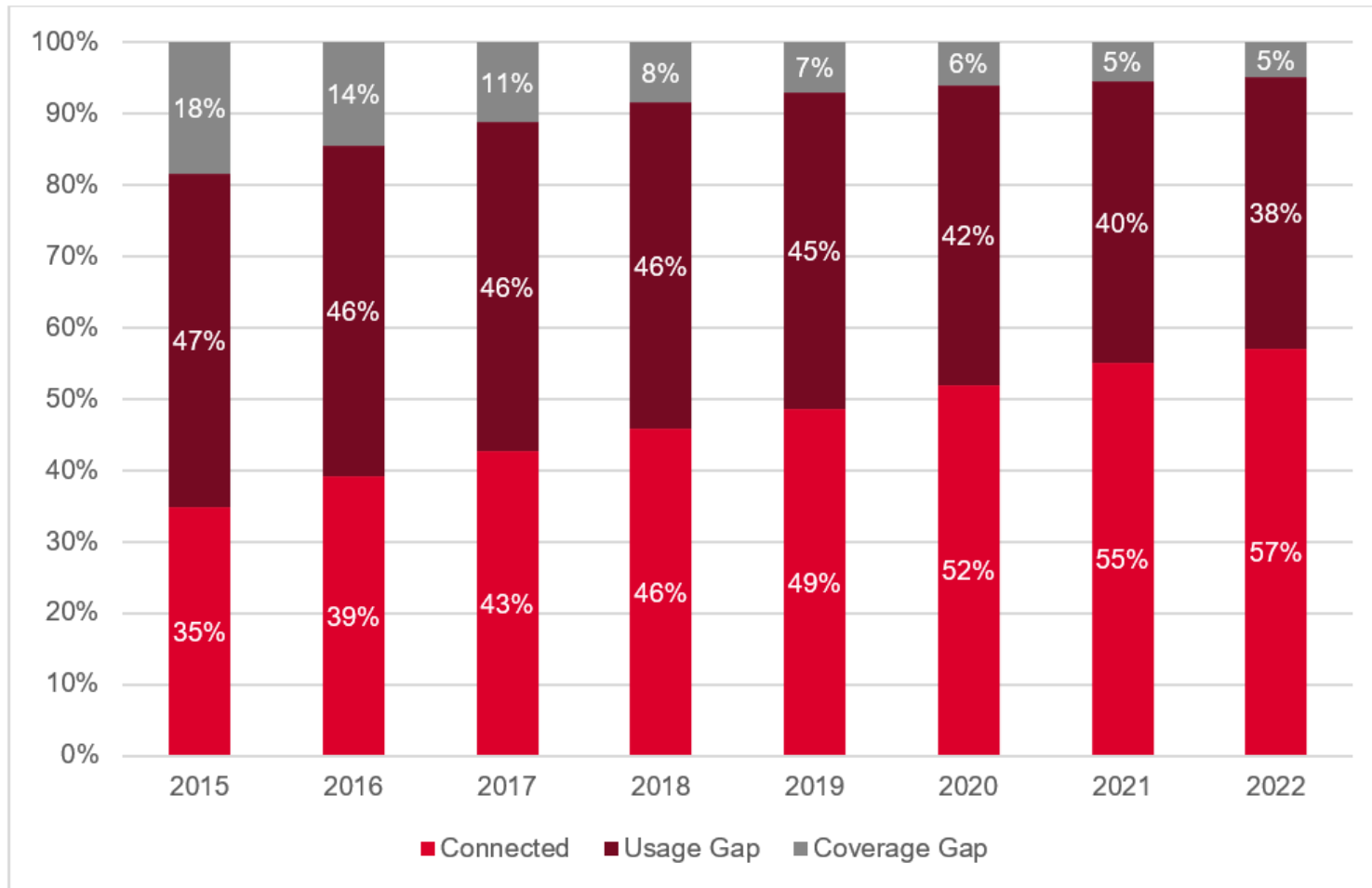
Five-year forecast consistently accurate within +/- 2.5% of reported data, updated quarterly



40+ Analysts
& industry experts

Supporting the business strategy of our subscribers and the wider ecosystem

State of Mobile Internet Connectivity 2023

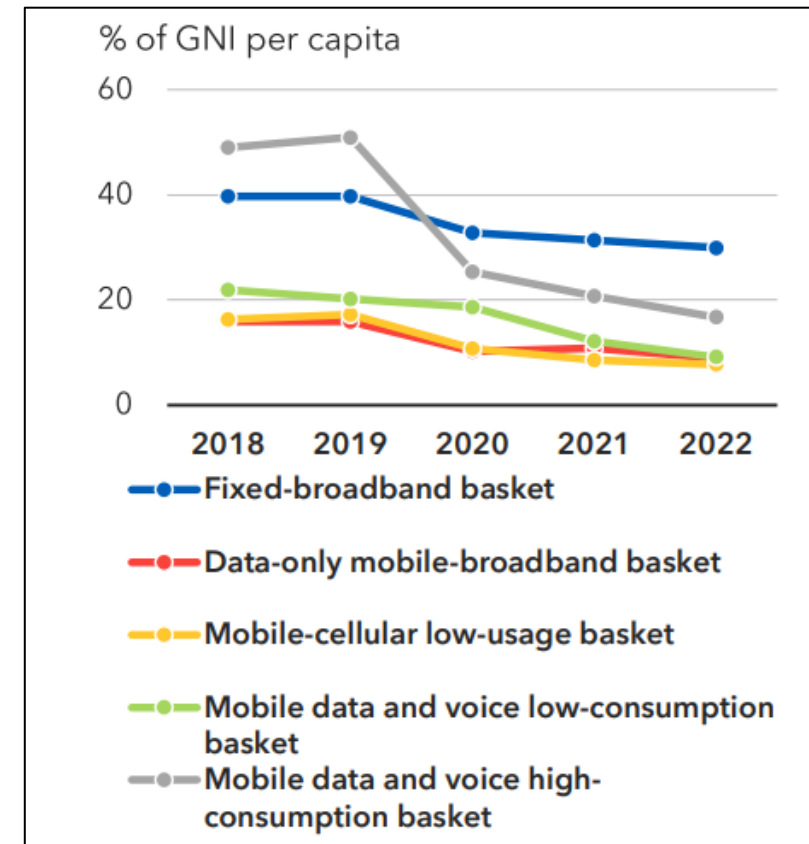


- Growth rate at which people are adopting mobile internet slowed in 2022
- Figures vary by region - Sub-Saharan Africa has the largest coverage and usage gaps (15% and 59% respectively)
- In LDCs, 25% of the population is now using mobile internet compared to 57% in LMICs excluding LDCs
- Affordability and literacy/digital skills remain the two greatest barriers to mobile internet adoption and use

Evolution of global mobile internet connectivity 2015-2022 (Source: GSMA Intelligence)

Trends in Mobile Data Affordability

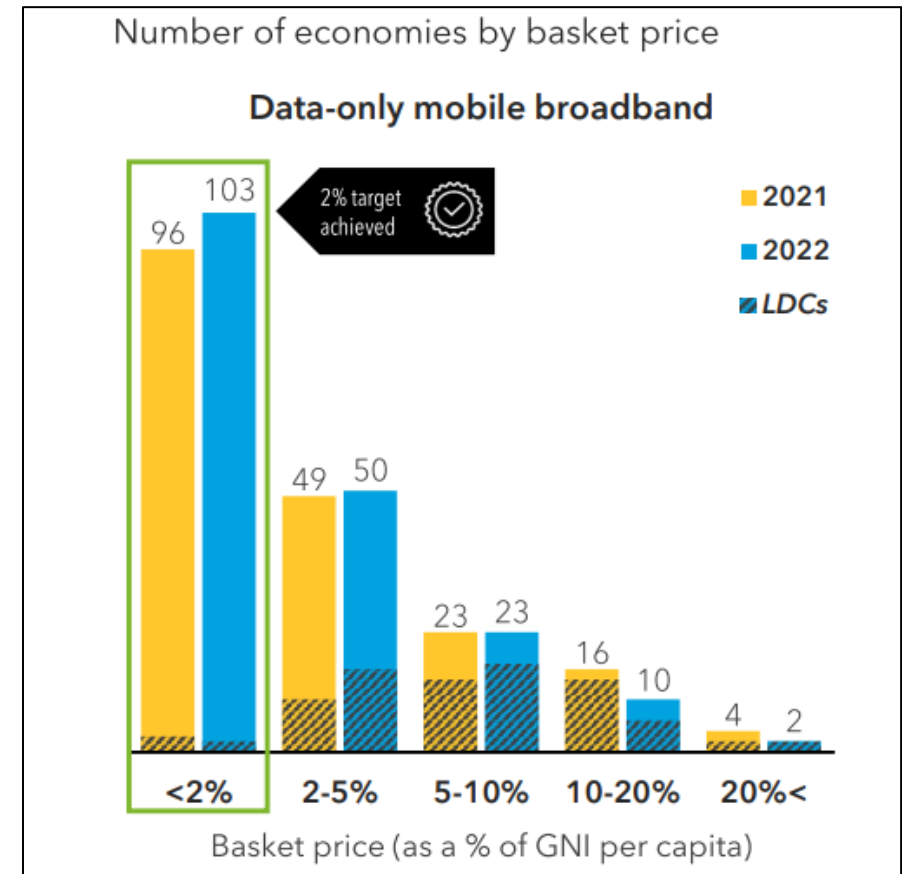
- Average mobile data prices reached all time low in 2022: 1.5% of GNI per capita (2 GB monthly allowance)
- Annual average price decline ~7% between 2018 and 2022
- In the 2018-2022 period, the affordability gap between the poorest and richest economies reduced
- In countries where data costs over 20% of GNI in 2021, GNI per capita prices dropped by an average 36%



Source: ITU, 2023

Challenges Remain in LDCs...

- Only 2 out of 46 LDCs met the 2% target in 2022
 - In the majority of LDCs, mobile-broadband Internet costs more than 5%
 - Despite a 10% drop in mobile data costs in 2022, Africa remains the region with the least affordable ICT service prices
 - Most of the variation in affordability across countries depends on income levels
- Action on the demand side is required

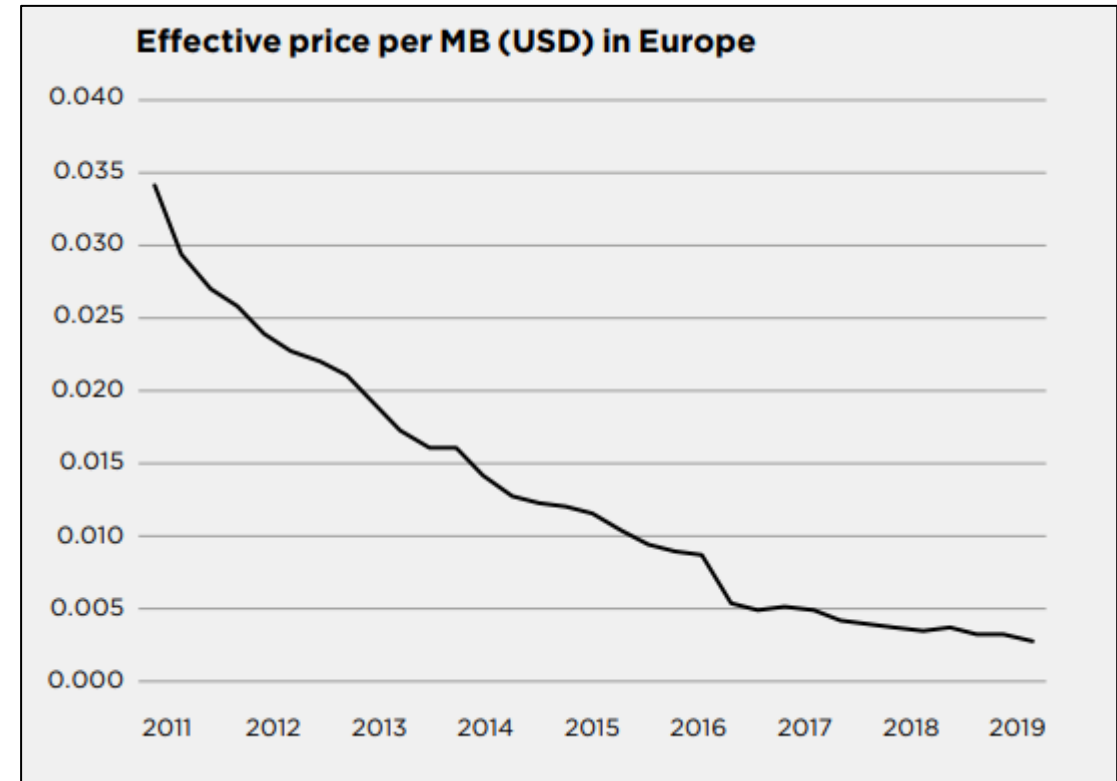


Source: ITU, 2023

Supply-side Accelerators

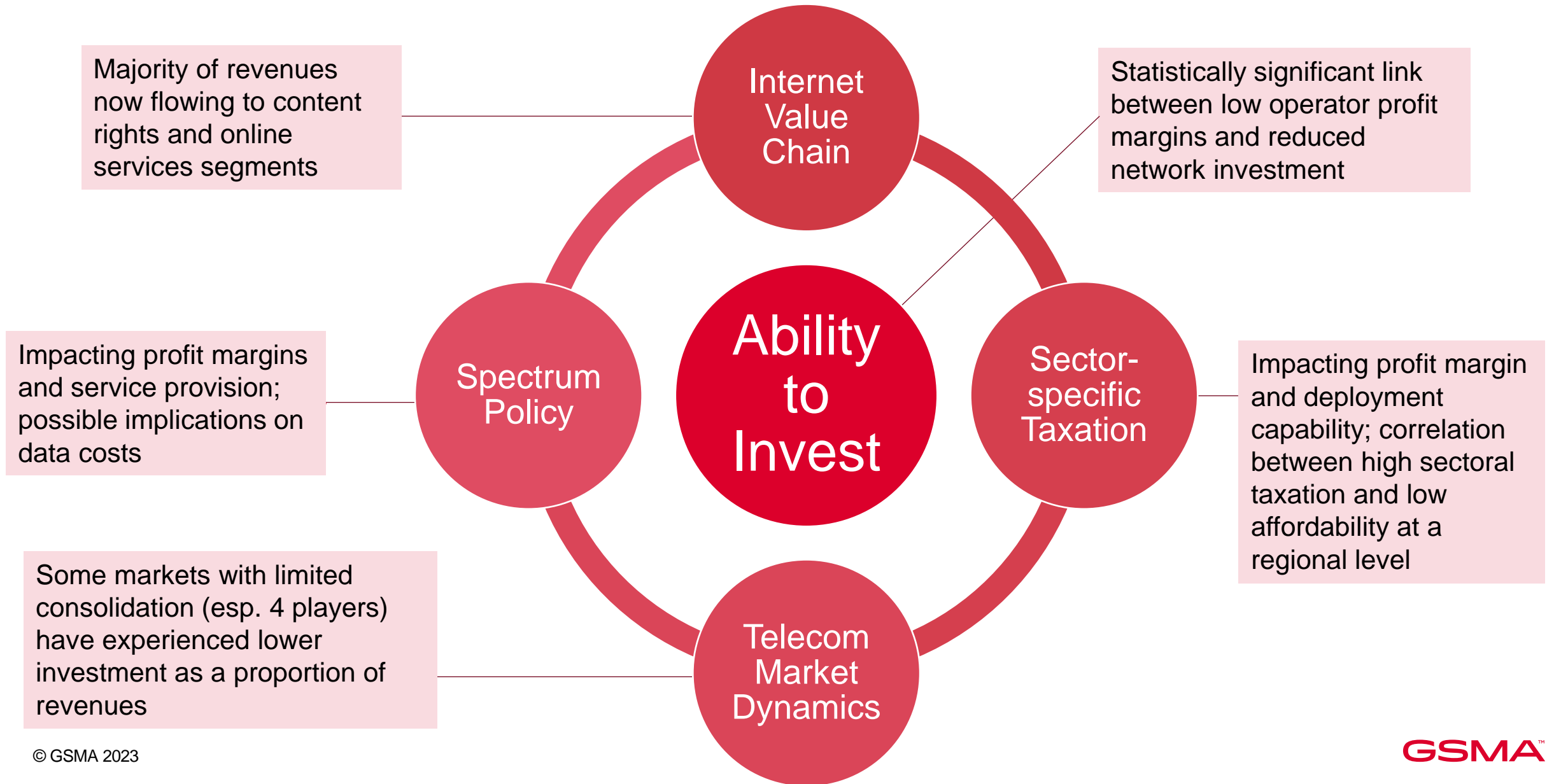
Investment in broadband networks enables operational efficiencies:

- Newer technologies allow to transmit larger data volumes while not increasing costs for connectivity providers
- Research shows a steady decrease in data price per MB parallel to network innovation



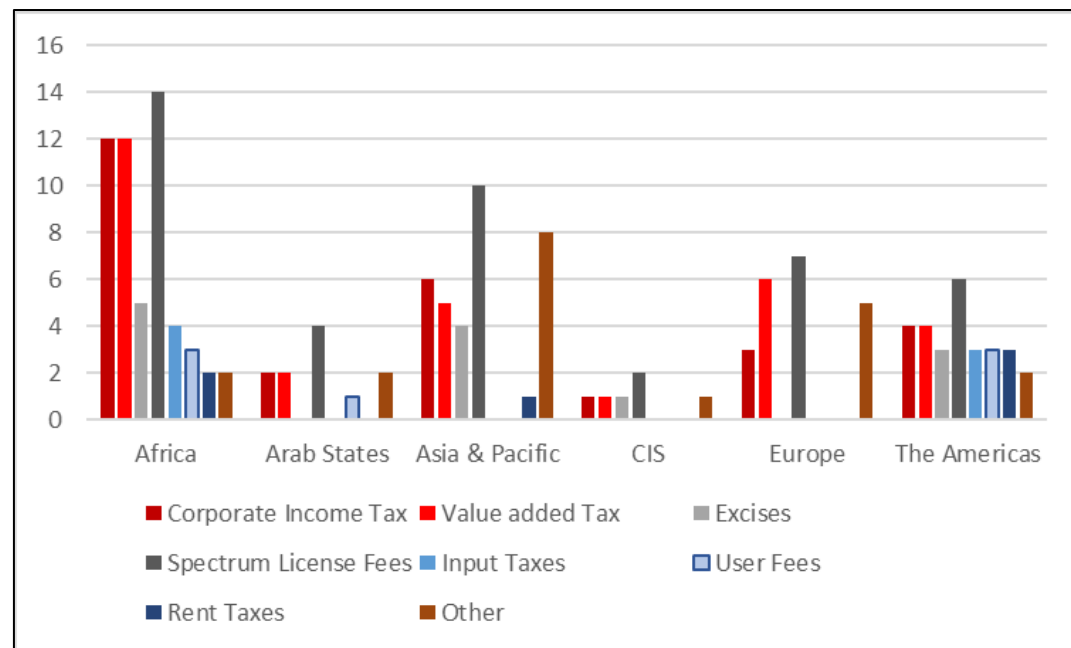
Source: GSMA, ITU, 2022

Barriers to Network Investment by Mobile Operators



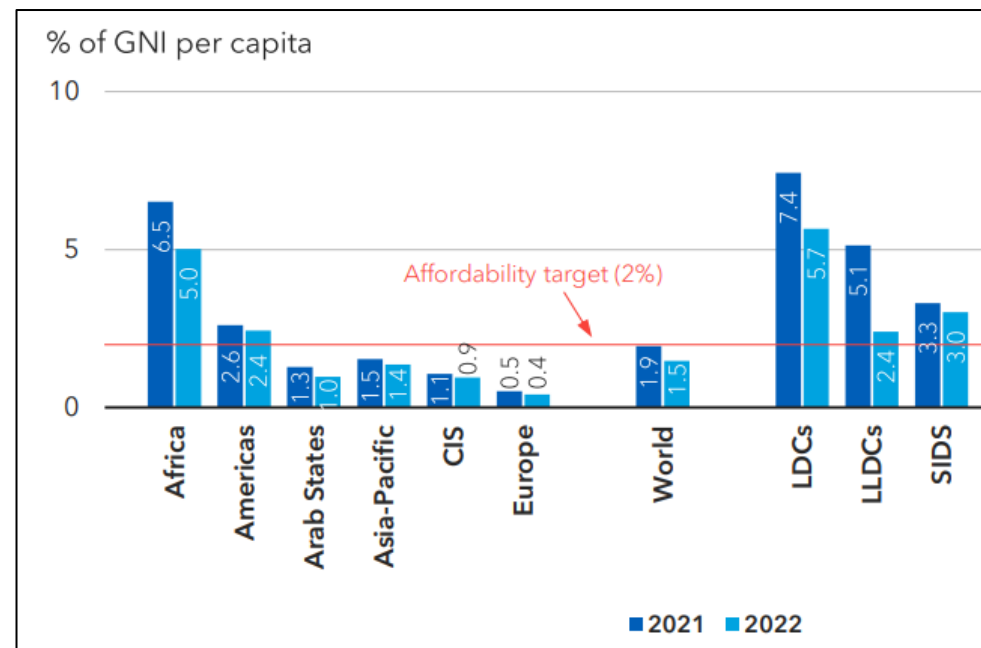
Impacts of Sector-specific Taxation

Number of countries that apply taxes specific to the ICT sector, by type of tax



Source, ITU, data for 2022

Data-only mobile-broadband basket prices

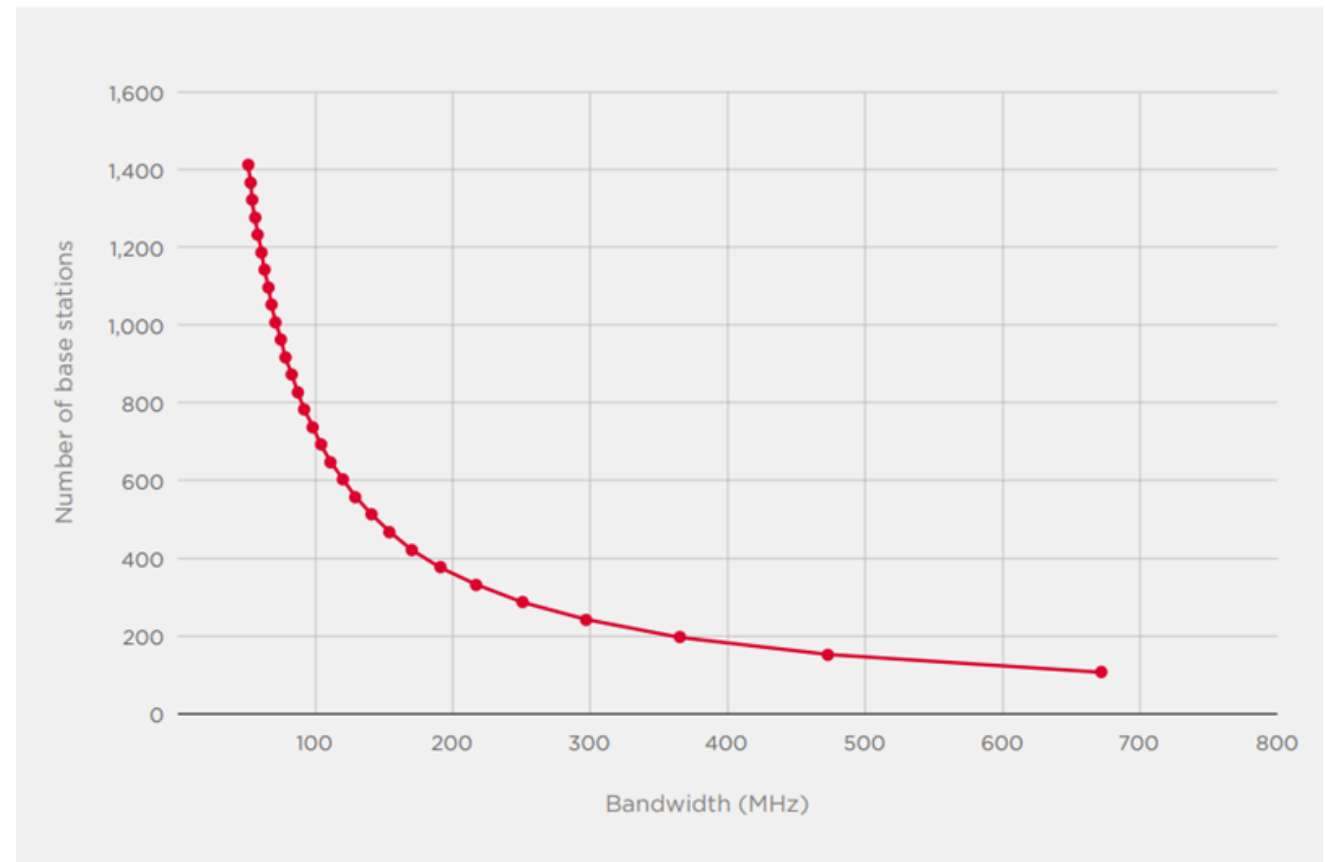


Source, ITU, 2023

Impacts of Spectrum Management

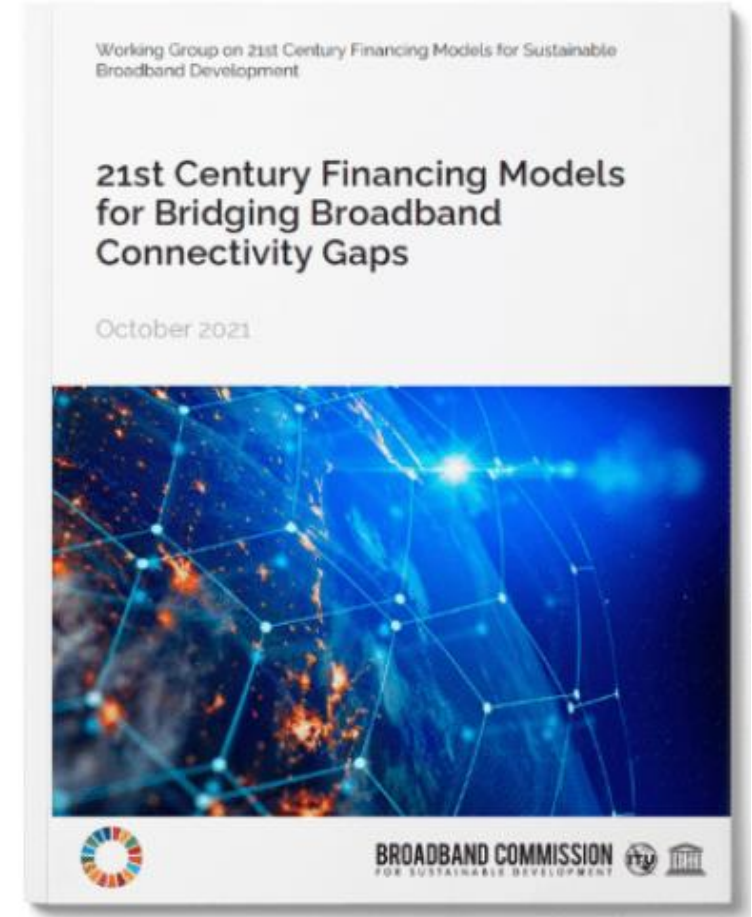
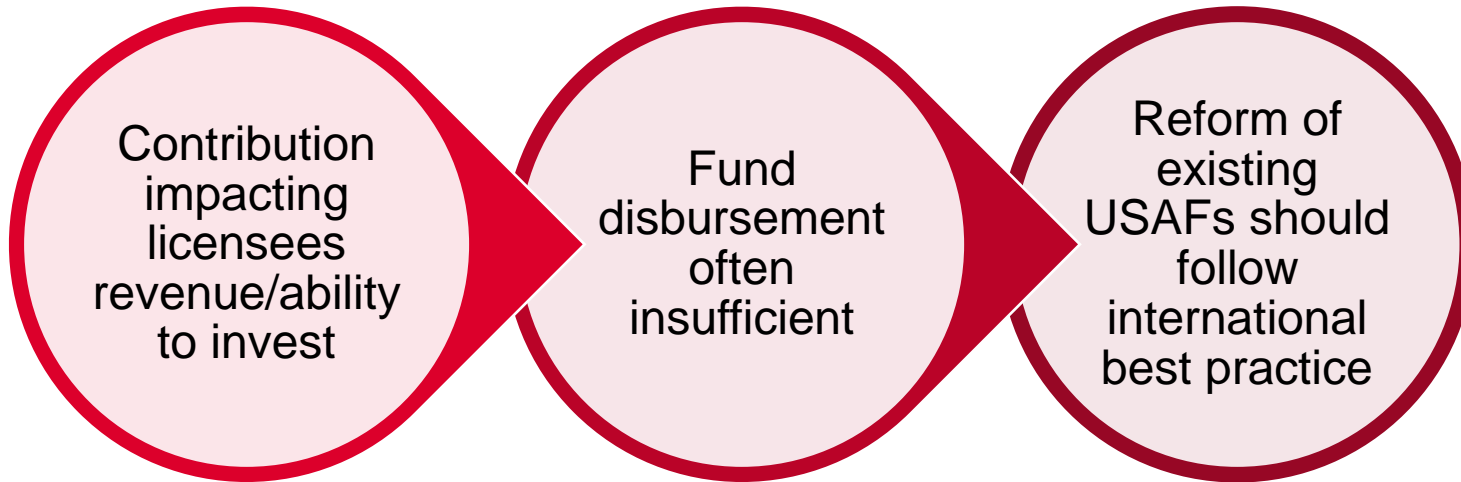
- Suboptimal assignment drives slow deployment and poorer network quality
- Greater spectrum availability:
 - Can reduce the number of required base stations
 - Helps making the case for greater network investment

Amount of assigned spectrum versus number of base stations required



Source: GSMA, 2023

Reforming Universal Service Funds



References

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Thank you!

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