

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 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,

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.