

## Mobile phone subscriptions to top 5 bln this year

(Reuters) - Mobile phone subscriptions will buck the economic crisis and top five billion this year, but the high speed Internet remains a "digital divide" between rich and developing countries, a U.N. agency said on Tuesday.

By the end of 2009 there were 4.6 billion mobile subscriptions globally, corresponding to a penetration rate of 67 percent, the ITU's annual report on developments in the information and communication technologies (ICT) sector showed.

In developing countries the penetration rate reached 57 percent, more than double its 2005 level of 23 percent, while in developed countries it averages more than 100 percent -- more than one subscription per head.

"Demand for mobile telephony is fairly resilient with consumers willing to spend their disposable income on mobile services even at times of financial constraints," statistician Esperanza Magpantay told a news briefing at the launch of the ITU's 2010 report on Measuring the Information Society.

Nor is the crisis likely to hit investments in the longer term as operators take account of the shift in revenue from voice to data and of the increasing importance of broadband, ITU official Vanessa Gray said.

"They will be trying to increase their revenues by investing in such technologies as broadband and if they think it's a viable solution then also mobile broadband," she said.

"We don't necessarily expect a negative impact even in the coming years of the crisis on ICTs."

The ITU estimated that 26 percent of the world's population or 1.7 billion people were using the Internet, although only one in five people in developing countries are online against nearly two-thirds in rich nations.

### BROADBAND COSTS

Growth in developing country penetration of mobile telecoms and the Internet was driven in particular by expansion in India and China, with China alone accounting for one third of Internet users in the developing world.

The most marked gap between countries is broadband Internet connection -- crucial for boosting economic productivity as well as providing access to a range of services in areas such as health and government.

A high-speed Internet connection costs 500 percent of average monthly national

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income per head in Africa, putting fixed broadband out of reach of most people, against less than two percent for Europe, the ITU said.

One element in bringing down broadband prices is market liberalization that ensures all Internet service providers have access to affordable international bandwidth, Gray said.

The 10 most advanced countries in telecoms and the Internet terms were Sweden, Luxembourg, Denmark, Netherlands, Iceland, Switzerland, Norway and Britain in Europe and South Korea and Japan in Asia, according to an ITU index measuring access, use and skills in 2008, the latest year with available data.

The most dynamic developing countries include Nigeria, Vietnam and Cap Verde, it said.

The countries with the lowest ICT prices relative to national income per head are Macau, Hong Kong, Singapore, Kuwait, Luxembourg, the United States, Denmark, Norway, Britain and Iceland, it said.

And around the world mobile is now on average cheaper than fixed-line telephony, it said.

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