

E-readiness rankings 2007

Countries' digital development in global context

The Economist Intelligence Unit

Prepared for The State of Telecom at Columbia University

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About the rankings

Published annually since 2000



- Produced in co-operation with the IBM Institute for Business Value
- Based on a ranking model developed by the EIU with inputs from IBM
- 69 countries in all regions
- Country scores generated by the EIU's team of regional and country analysts

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About the rankings

How we define e-readiness:

The "state of play" of a country's information and communications technology (ICT) infrastructure, and the ability of its consumers, businesses and governments to use ICT to their benefit

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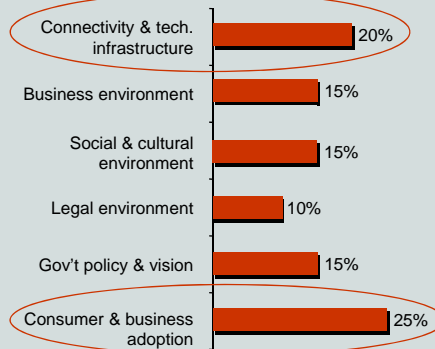
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About the rankings

The rankings model

- ❑ 100 quantitative and qualitative indicators, grouped in six categories
- ❑ A balance of “hard” and “soft” factors
- ❑ Weighted according to their estimated importance as influencing factors
- ❑ Scores are on a 1-10 scale, with specific criteria for assigning scores
- ❑ Data sources include EIU, Pyramid Research, ITU, World Bank

E-readiness criteria categories and weights



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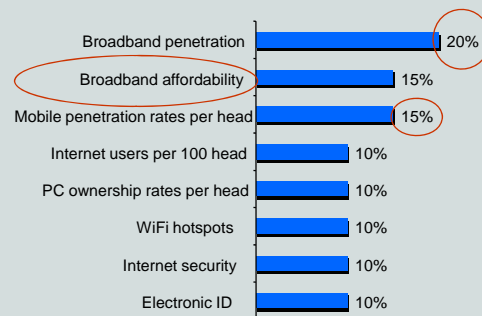
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About the rankings

Connectivity and technology infrastructure

- ❑ Physical access to telephony services, computers and the internet
- ❑ Quality, reliability and security of access
- ❑ Affordability of services

E-readiness criteria categories and weights



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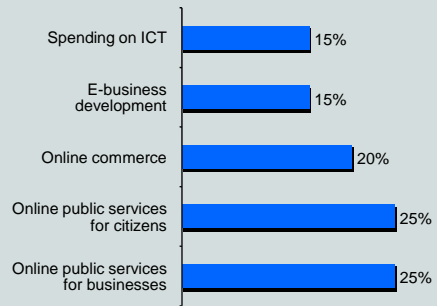
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About the rankings

Consumer and business adoption

- ❑ Overall spending on ICT by homes, businesses and government, and on online services by homes
- ❑ Use of Internet by organisations to automate business processes
- ❑ Availability and use of online public services

E-readiness criteria categories and weights



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2007 results

Asian countries advance strongly in the top 20

2007 e-readiness top 20

1. Denmark (1)	11. Austria (14)
2. US (2)	12. Norway (11)
3. Sweden (4)	13. Canada (9)
4. Hong Kong (10)	14. New Zealand (14)
5. Switzerland (3)	15. Bermuda (20)
6. Singapore (13)	16. South Korea (18)
7. UK (5)	17. Taiwan (23)
8. Netherlands (6)	18. Japan (21)
9. Australia (8)	19. Germany (12)
10. Finland (7)	20. Belgium (17)

- US rank second in the world for a third straight year
- Asian progress mainly due to vision and commitment shown by governments in pushing digital development

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2007 results

Connectivity and tech infrastructure

<u>Rank</u>		<u>Score</u>
1	Switzerland	9.60
2	Sweden	8.60
3	Hong Kong	8.50
4	Denmark	8.40
5	UK	8.30
6	Netherlands	8.30
7	US	8.10
8	Singapore	8.10
9	Australia	8.10
10	Taiwan	8.00
11	Israel	8.00
12	Belgium	8.00
13	Canada	7.90
14	Austria	7.90
15	Finland	7.80

Scores are on a scale of 1 to 10

Among leaders:

- Broadband penetration is reaching mass-market levels in many countries
- Broadband is also affordable, and not just in developed countries
- Asian countries excel in wireless broadband
- In lower tiers, rapid mobile growth partly compensates for fixed weakness

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2007 results

Consumer and business adoption

Rank		Score
1	US	9.50
2	Hong Kong	9.50
3	Singapore	9.45
4	Sweden	9.35
5	UK	9.25
6	Denmark	9.15
7	Austria	9.10
8	Finland	8.90
9	Norway	8.90
10	S. Korea	8.85
11	Bermuda	8.80
12	Netherlands	8.65
13	Canada	8.60
14	NZ	8.50
15	Germany	8.45

Scores are on a scale of 1 to 10

Among leaders:

- The US dwarfs other countries in its scale of individual and business Internet use
- Online activity in US and other markets creates knock-on effects elsewhere
- Consumers and business now regularly access public services online
- In lower tier countries, mobile use spurring e-business in innovative ways

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Historical trends

Is the US "ahead" or "behind" other countries?

	2000	2001	2002	2003	2004	2005	2006	2007
E-readiness	1	1	3	6	6	2	2	2
Consumer and business adoption	-	5	5	8	8	1	1	1
Connectivity	1	6	9	9	10	6	7	7
Broadband affordability	-	-	-	-	-	-	-	1
Broadband penetration	-	4 *	12 *	12 *	15	7	13	17

* Fixed line penetration included narrowband

Ranking may reflect ties

- US consistently among world leaders in e-readiness
- US is a leader in broadband affordability
- US lag leaders in broadband penetration

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Conclusion

There are many roads to e-readiness

- ✓ **Broadband affordability and penetration are important but have limited effect on overall e-readiness.**
- ✓ **Improving technology infrastructure is critical, but “soft” factors count as much as “hard” factors.**
- ✓ **End-users will ultimately determine what combination of applications and services are most efficient in communicating or transacting business online.**

Thank you

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