



**Press Release**

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**Pages:** 3

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## **Global Internet inclusion could lift 500m out of poverty, and add over \$6trn to global GDP**

*Internet growth has slowed because of barriers to online access and usage in the telecom, content and retail markets*

Global inclusion in the Internet could bring seven percent of the world's population – 500 million people - above absolute poverty levels, and add US\$6.7 trillion to global economic output, according to a new study by Strategy&, PwC's strategy consulting business.

The study, for Facebook, encompassed 120 countries over a 10-year. It examines how barriers to accessing the internet could be removed, and how the internet could change as more people from developing markets get online.

Despite the ongoing digital revolution, the number of new Internet subscribers, most of whom are in developing nations, has slowed in recent years, only growing in single digits since 2013. This leaves 4.1 billion people disconnected from a modern economy that would benefit by over US\$6 trillion with their participation.

According to the report "*Connecting the World*", global Internet inclusion would mean that there could be five Internet users in developing markets for every one user in developed markets, compared to the current ratio of two to one.

Bringing the whole world online would create huge benefits for developing countries and for businesses over the coming five years, including:

- Social and economic improvement for over 4 billion people
- An additional global economic output of US\$6.7 trillion
- A \$400 billion growth opportunity for telecom operators
- A \$200 billion opportunity for content providers

"Enabling universal access to the Internet is one of the fundamental development challenges of our era," says [Bahjat El-Darwiche](#), co-author of the Strategy& study and a partner with PwC Middle East. "To allow people in the developing world to participate fully in the modern economy and benefit from the Internet's

transformative impact, we need to make Internet access easier and cheaper, provide people with compelling reasons to go online, and support people as they discover the Internet and use it for the first time.”

Progress has been slow due to barriers including the cost of coverage, existing infrastructure speed and capacity, and the need to implement new infrastructure where it does not exist. The study finds that with retail Internet prices needing to fall nearly 70 percent to make the Internet affordable to 80 percent of the population, action is required across key areas of connectivity, content and the retail service to bring more people online:

- Replacing current 2G networks with 3G or 4GLTE could bring a 60-70% reduction in the cost per MB to serve developing markets, making it profitable for operators to provide internet services, and opening up the internet to over 2bn people.
- Providing content through a series of local high speed networks, would make it affordable for a further 300m people.
- Offline distribution of content, including through national and regional data exchanges would improve access and affordability for a further 170m people
- Governments offering content focused on education, social services or business opportunities could create an incentive for a further 200m to go online
- Brand or subscriber subsidized access, for example learning centers, could bring another 500 million online globally

“The inclusive Internet of the future will be different from today’s Internet,” says [Mathias Herzog](#), Strategy& report co-author and principal with PwC US. “It will be linguistically, culturally, and economically more adapted to the needs of the previously unconnected, and it will be the primary channel for the provision of critical services to those most marginalized in today’s physical economy. The reasons for going online will tilt towards productivity, micro enterprise, and education, and there will be growth in e-commerce that sources from and sells to the poorest consumers.”

Reaching the world’s remotest and poorest inhabitants will require using innovative and disruptive technologies. “We need to find new approaches in the markets for connectivity, content, and retail if we are to harness the power of the Internet for development and poverty reduction,” says Andrew Bocking, Product Manager for Internet.org at Facebook.

## End Notes

About the *Connecting the World* report: The report, “*Connecting the world: Ten mechanisms for global inclusion*” was prepared by Strategy&, part of the PwC network for Facebook Inc. to assess the barriers to Internet adoption and consider mechanisms that could accelerate Internet penetration in support of Facebook’s Internet.org initiative.

The Strategy& Digital Prosperity Project brings together leading experts to provide thought leadership at the intersection of technology and economics. The project has developed measures of digitization and digital maturity to better inform policymakers and business leaders on how to use digitization to further economic and social progress.

To learn more about *Connecting the World: Ten mechanisms for global inclusion*, visit [www.strategyand.pwc.com/ctw](http://www.strategyand.pwc.com/ctw) or watch a summary video [here](#).



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