ICDL GCC Foundation urges regional governments and Internet Service Providers to reduce DSL access fees

Internet penetration relatively low in the GCC due to the high cost of entry level DSL services says Ezzo

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ICDL GCC Foundation, the governing body and certification authority of the International Computer Driving License (ICDL) programme in the Gulf region, has urged governments and Internet Service Providers [ISPs] in the six GCC states to strengthen efforts in order to reduce Digital Subscriber Line [DSL] access fees and promoting the development of a digital knowledge based society.

Quoting a recent report update published by Dubai-based Madar Research, Jamil Ezzo, Director General, ICDL GCC Foundation said: "DSL services in the GCC are extremely expensive when compared to global standards, in terms of absolute price, connection speeds and the levels of services provided. This negatively impacts the level of IT and internet penetration and hinders the wider adoption of e-government initiatives and the establishment of knowledge society based on open access to information."

The Madar Research study states that the number of broadband Internet users in GCC countries has surged from an estimated 0.513 million in June 2003 to 1.8 million two years later in June 2005, registering growth in excess of 250 per cent within two years.

This has resulted in the GCC countries achieving an average broadband connection penetration rate of 5.24 per cent of its total population as of June 2005, with Bahrain and the UAE leading the Gulf States with penetration rates of 12.94 per cent and 12.90 per cent respectively, against their total populations. However, these penetration rates compared poorly and were barely half of the penetration level achieved by the world's broadband leader, South Korea, which had a rate of 25.58 per cent as of June 2005.

Similarly, the study showed that the average monthly subscription fee for DSL with download speeds of up to 256 Kbps for residents in the GCC had decreased by an average of 30 per cent over the past two years, falling to USD76 per month at end of 2005 from about USD 108 per month in June 2003.

However, this was 271 per cent higher than the actual cost of an entry-level DSL service for the rest of the world, which according to UK-based market research company, Point Topic stood at around USD 28 per month towards the end of 2005. The world average subscription price at the end of 2003 was a little over USD 32 per month.

"The GCC region has been exerting efforts to move toward multiple ISP's, but the process in some countries has been somewhat slow. In such a scenario, it is important for governments to step-up their measures to increase the number of subscribers in the region by driving down broadband service pricing. Intervention of the concerned authorities, creating price competition and the establishment of independent telecom regulatory boards to help in determining the actual cost of providing the service, will enhance the general availability of higher bandwidth capacity in the GCC," Ezzo pointed out.

"Development of a knowledge-based society depends on free access to information, which is furthered by higher penetration of Internet services. Providing affordable access to such services across a wide spectrum of society forms a crucial element in any government strategy for implementing a system of e-governance and introducing online practices in line with international ways of government management. It is the responsibility of the concerned authorities to come together and formulate policies to increase broadband penetration levels across the region," he said.

"The authorities in the GCC have also been moving in the right direction by strenghtening public-private sector partnerships and launching initiatives aimed at making computers more affordable and reducing internet service prices. This would increase the penetration of internet and IT in the region and would lead to wider adoption of the online public services. We have also been working closely with various government bodies in the region to raise IT awareness and spread computer literacy, which are the most sustainable approaches in readying the GCC region for widespread adoption of e-government services. This in turn has helped to reduce public expenditure on administrative infrastructures and has ensured higher Return on IT Investment of government departments," Ezzo concluded.