

Connectivity Scorecard 2011

Mexico



	Score	Weight
Consumer Infrastructure	0.60 (0.88)*	0.15
Consumer Usage and Skills	0.65 (0.70)*	0.15
Business Infrastructure	0.36 (0.64)*	0.42
Business Usage and Skills	0.55 (0.71)*	0.23
Public sector Infrastructure	0.52 (0.83)*	0.03
Public sector Usage and Skills	0.52 (0.68)*	0.02

*The score of the leading performer for this component

Table 1: Component Scores & Weights 2011

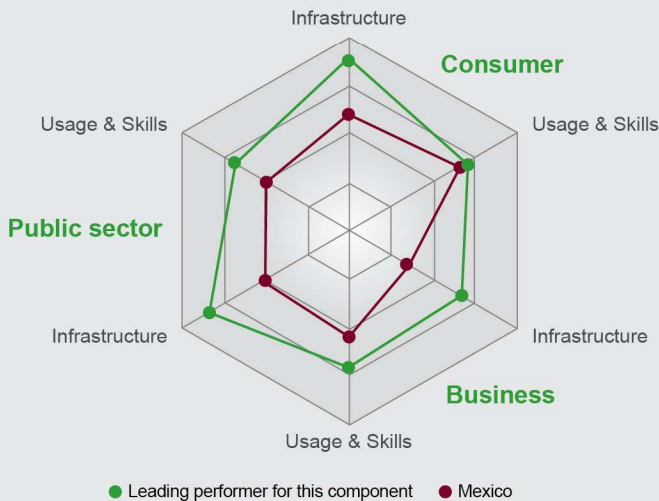


Fig 1: Component Scores 2011

Overview

Mexico scores 4.87 and climbs one place to finish in 7th place among resource and efficiency-driven¹ economies on the Connectivity Scorecard 2011. However it continues to trail Latin American leader Chile and also lags behind regional neighbors Argentina and Brazil like last year.

Mexico delivers a good performance in the consumer components and achieves respectable scores on the public sector related metrics. However, its weak performance in the business infrastructure component indicates a large scope for improvement.

The Mexican government is undertaking various initiatives to further boost the development of Information and Communications Technology (ICT) infrastructure. However, the country requires a well-rounded approach, including higher ICT investments by Mexican businesses, to truly achieve its promise.

Strengths

Mexico delivers its strongest performance in the consumer infrastructure component, where it boasts 100% mobile telephony coverage and a moderate fixed-line penetration. Household broadband penetration levels at over 35% are comparable to its peers in the group of resource and efficiency-driven economies. The country also reports a relatively high personal computer (PC) penetration in the business infrastructure component.

In the public sector infrastructure component, Mexico performs well on the UN e-government online service index, indicating wide availability of e-government services. The country's strong scores of 0.52 in both public sector components are backed up by high levels

¹ As defined by The World Economic Forum www.weforum.org

of ICT spending on software, hardware and services in healthcare and education.

Weaknesses

Mexico's performance on the consumer usage and skills component is not on par with its relatively strong consumer infrastructure. Both mobile services adoption and internet usage are moderate, though the high literacy rate provides some hope for the future.

Key weaknesses in the business infrastructure component include low availability of international internet bandwidth and below-par penetration of secure internet servers. In addition, Mexican businesses are not big spenders on ICT hardware and software.

Similarly, Mexico is an average performer in the business usage and skills component on account of weak IT services spending, low international traffic levels and a modest rate of secondary school enrolment.

Conclusions

Mexico exhibits great potential with its continued focus on bolstering its ICT infrastructure. The government is holding auctions for wireless spectrum and for government-owned fiber optic network to encourage competition and boost growth in the domestic market. While it continues to make progress in the consumer segment, Mexico needs more ICT investments from its businesses to catch up with its more technology-savvy peers in Latin America. The global economic crisis dampened business investments across the world and Mexico was no exception. The resurgence of global financial markets is expected to provide further impetus to the enterprise sector in the country to commit greater investments in improving its productivity and efficiency with ICT.

Mobile broadband market has taken off with penetration per 100 inhabitants being over 5%. Upcoming LTE deployments will help Mexico in productivity and socio-economic growth.

2011 vs. 2010

Mexico scores 4.87 and ranks 7th on this year's Connectivity Scorecard 2011 vs a score of 5.00 and 8th rank in 2010. For the resource and efficiency economies, two major differences drive the difference in scores and rankings

Rank [*]	Country	Connectivity Score
1 [1]	Malaysia	6.61
2 [3]	Chile	6.21
3 [5]	Russia	5.68
4 [7]	Turkey	5.51
5 [4]	Argentina	5.46
6 [6]	Brazil	5.14
7 [8]	Mexico	4.87
8 [10]	Ukraine	4.81
9 [2]	South Africa	4.68
10 [9]	Colombia	4.06
11 [12]	Thailand	3.68
12 [13]	Tunisia	2.79
13 [15]	Vietnam	2.73
14 [17]	China	2.72
15 [14]	Iran	2.41
16 [19]	Philippines	2.15
17 [n/a]	Syria	2.11
18 [20]	Indonesia	2.01
19 [16]	Sri Lanka	2.01
20 [18]	Egypt	1.89
21 [21]	India	1.25
22 [25]	Pakistan	1.14
23 [23]	Nigeria	1.09
24 [22]	Kenya	0.95
25 [24]	Bangladesh	0.90

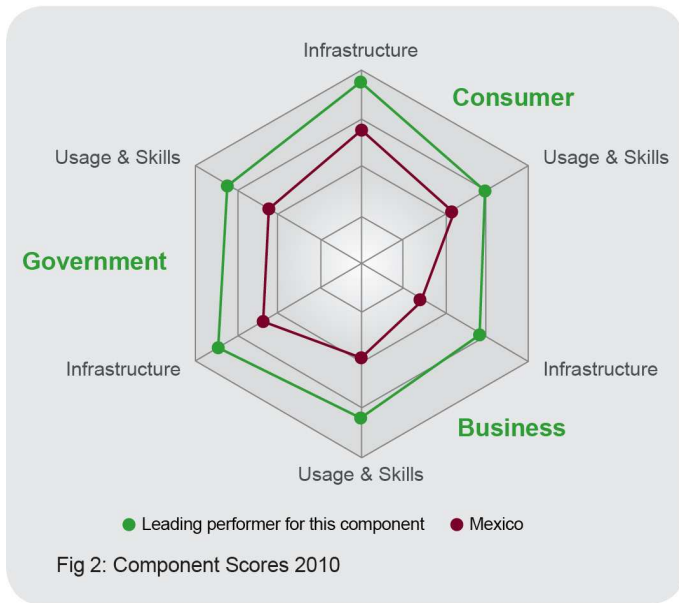
*last year's rank in parenthesis

Table 2: Connectivity Scorecard 2011 Results – Resource & Efficiency-driven Economies

this year². First, there is the use of new weights that have a particular effect on the split between “infrastructure” and “usage and skills” in the business and public sector components of the Scorecard. By using Conference Board data, it is possible to obtain weights specifically for the relative contributions of ICT capital and labour force improvements to economic growth, from which the split between infrastructure (capital) and usage and skills is derived. In general, this change has resulted in more weight put on the “business infrastructure” component than in previous Scorecards. Further, the inclusion of new indicators has made a significant difference to countries' relative performance on the business components of the Scorecard. This has been discussed in detail above.

The Connectivity Scorecard is based on comparative scores between countries, and, therefore, each country's

² For more information download the Connectivity Scorecard 2011 Report from www.connectivityscorecard.org



performance is measured in relation to the best performing nation in each segment at a given point of time. As with other indices of relative rankings, it is difficult to interpret the Scorecard in terms of absolute "improvements" or "deteriorations" and to make comparisons of scores over time.

About Connectivity Scorecard

The Connectivity Scorecard is a global ICT index which, unlike other available research, is the first of its kind to rank countries in terms of "useful connectivity". That is, not only on the deployment of ICT infrastructure but also to measure the extent to which consumers, businesses and the public sector "make use" of connectivity

technologies to enhance social and economic prosperity. This "useful connectivity" is defined as the bundle of infrastructure, complementary skills, software and informed usage that makes ICT the key driver of productivity and economic growth.

Commissioned by Nokia Siemens Networks, the study was created by Professor Leonard Waverman, Dean, Haskayne School of Business, University of Calgary, and Fellow, London Business School. The study was conducted by the consulting firms Berkeley Research Group and Communicea.

For more information on the Connectivity Scorecard, visit www.connectivityscorecard.org

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