



Connectivity Scorecard 2010

Chile – Maintains its position with a superb business infrastructure

Overview

Chile delivers a good performance to maintain 3rd position among resource and efficiency-driven economies¹ on the Connectivity Scorecard 2010. With a score of 6.06, it continues to outperform Latin American neighbor Mexico (5.0), while Argentina (5.90) seems to be fast catching up.

Chile garners top scores in business infrastructure and also boasts a robust consumer infrastructure. However, its performance in both consumer usage and skills, and business usage and skills sub-categories is not as strong as its infrastructure would suggest. This indicates a strong need for efficient utilization of resources.

	Score	Weight
Consumer Infrastructure	0.78 (0.93)*	0.14
Consumer Usage & Skills	0.52 (0.74)*	0.14
Business Infrastructure	0.72 (0.72)*	0.31
Business Usage & Skills	0.51 (0.79)*	0.36
Government Infrastructure	0.56 (0.85)*	0.03
Government Usage & Skills	0.28 (0.80)*	0.03

* The score of the leading performer for this component

Fig 1: Sub-category Scores and Weights 2010

Strengths

Chile boasts one of the most advanced telecommunications infrastructures in South America. The country's internet and broadband penetration rates are among the highest in the region, and this can be attributed to its relatively high GDP, its receptivity towards new technologies, and high competition in its broadband market. As with most of its peers, mobile phones are more popular than fixed lines. However, the mobile phone penetration is not at a level expected of a country with a strong infrastructure such as Chile.

Chile is a star performer in business infrastructure with the country securing the number one position among resource and efficiency-driven economies in this sub-category. Chilean businesses enjoy high availability of international bandwidth, and a strong penetration of personal computers (PCs). In addition, a high secondary school enrolment rate boosts its score in the business usage and skills sub-category.

¹ As defined by the World Economic Forum

Weaknesses

Chile's performance in the consumer usage and skills sub-category is moderate. Though not a startling weakness, it is certainly an area where the country has a major scope for improvement.

Similarly, Chile has large room for growth in the business usage and skills sub-category. More specifically, it lags the highest scoring nation Malaysia in areas such as business spending on hardware and software as well as in the international communications traffic levels.

Chile also exhibits a modest performance on the government-related metrics.² However, considering their low weighting in the Connectivity Scorecard, they do not have a big influence on its overall score or ranking.

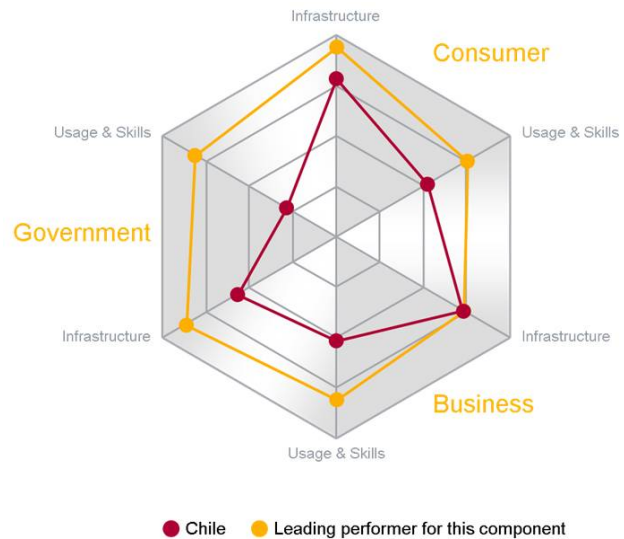


Fig 2: Sub-category Scores 2010

Conclusions

Chile is one of the most mature telecom markets in the region and a pioneer when it comes to new technologies. In fact, Chile was the first country in Latin America to roll out services such as mobile WiMAX, IPTV, wireless VoIP, triple-play services, EDGE, and mobile voice-to-text, among others. It was the second country in the region, after Puerto Rico, to have 3G mobile services. In December 2009, Chile became the first country in Latin America and the fifth in the world after Sweden, Norway, Japan, and the US) to test LTE technology.

Viewed as a role model by the international business community for its competitive telecom market, Chile has all that it takes to be an ICT leader in relative terms. However, an interesting point to note here is that the country has considerable distance to cover before it can move into the league of innovation-driven economies.

² While the "government infrastructure" sub-category of the Scorecard measures a country's performance on provision of e-government infrastructure, the "government usage and skills" sub-category looks at the usage of e-government services per capita.



2010 compared to 2009

The Connectivity Scorecard is based on comparative scores between countries, and, therefore, each country's 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 therefore hard to interpret the Scorecard in terms of absolute "improvements" or "deteriorations" and to make comparisons of scores over time.

Added to this, a number of changes have been made to the indicators in the 2010 version of the Scorecard to reflect the changes in technology and to more precisely capture "real-world" data. The UN E-Government Readiness Index was used to measure countries' performance in the government category, rather than the Brookings Institution E-Government measures used last year. New metrics from the Economist Intelligence Unit have also been incorporated.

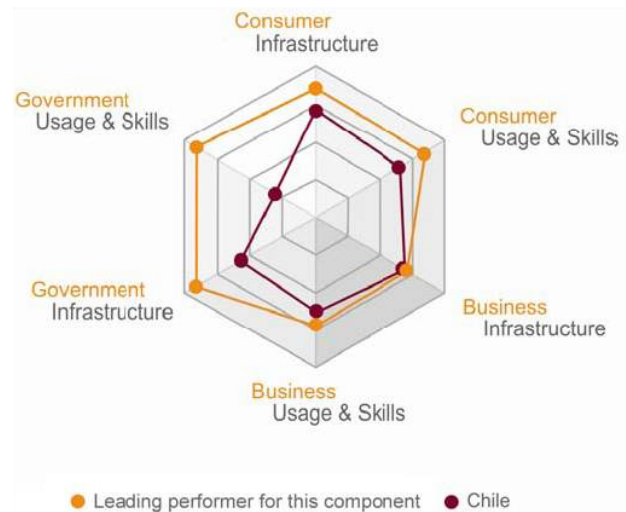


Fig 3: Sub-category Scores 2009

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 governments, businesses and consumers "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 under Professor Waverman's direction by international economic consulting firm LECG.

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

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