



# Connectivity Scorecard 2009

Mexico – consumer segment leads the way

## Overview

Mexico features among the top five performers within its peer group of 25 resource and efficiency-driven<sup>1</sup> economies on Connectivity Scorecard 2009. With a score of 5.39, it ranks 5<sup>th</sup>, ahead of the vast majority of Asian and African nations, and within a group of very high-performing Latin American peers, in which it leads Argentina, Brazil and Colombia which follow at the 7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> positions respectively but trails third-placed Chile.

With a relatively strong consumer segment, Mexico’s standing on the Scorecard is generally in line with GDP per capita and human development indicators, which rank Mexico at the upper end of what might still be termed “emerging economies.”

	Score	Weight
<b>Consumer</b> Infrastructure	0.64 (0.81)*	0.17
<b>Consumer</b> Usage & Skills	0.79 (0.84)*	0.17
<b>Business</b> Infrastructure	0.37 (0.73)*	0.21
<b>Business</b> Usage & Skills	0.47 (0.74)*	0.41
<b>Government</b> Infrastructure	0.55 (0.93)*	0.02
<b>Government</b> Usage & Skills	0.58 (0.92)*	0.04

\* The score of the leading performer for this component

## Strengths and weaknesses

In common with a great many countries in the group of resource and efficiency-driven economies, Mexico has made more progress with consumer-facing Information and Communications Technology than it has in the other two areas considered by the Connectivity Scorecard, government and business.

Its highest scores in the six sub-categories<sup>2</sup> come in that consumer space, where it scores a relatively high 0.64 for infrastructure and 0.79 for usage and skills. These scores are underpinned by the country’s household broadband penetration levels, which are 20% and therefore comparable to Argentina and China, and far ahead of Brazil. In addition, there is a close to 100% coverage of mobile services in Mexico, and a high literacy rate which indicates the availability of basic skills to use IT.

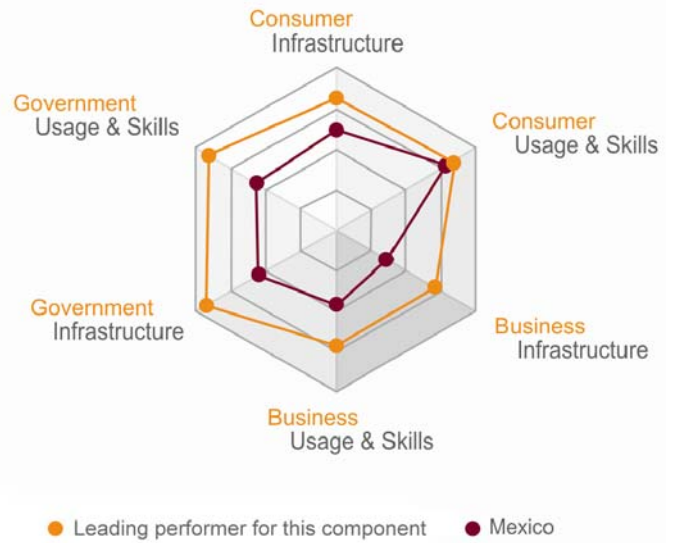
<sup>1</sup> As defined by the World Economic Forum

<sup>2</sup> The three major components – government, business and consumer – are divided into six sub-categories which are used to measure connectivity: consumer infrastructure, consumer usage and skills, business infrastructure, business usage and skills, government infrastructure and government usage and skills.



However, fixed-line penetration and actual mobile usage (as opposed to coverage) are moderate. Also, despite a relatively high broadband penetration rate, Internet usage is only average. This discrepancy is common among the list of resource and efficiency-driven economies included in the Scorecard, reflecting differences between data sources (National Regulators for broadband and the ITU for Internet users per 100 population), and also reaffirming that in many nations public access has a great impact on Internet usage.

Mexico also performs reasonably in the government segment. With a score of 0.91, it secures a very favorable ranking on Brookings's e-government index, and also ranks among the top countries for the proportion of government services available online. However, government spending on computer services, hardware and software is not especially high. Consequently the country scores 0.55 and 0.58 on government infrastructure and usage and skills compared to the highest scores of 0.93 and 0.92 respectively.



Mexico's scores in the sub-categories that comprise the business segment are less impressive. The Connectivity Scorecard has a unique weighting system that applies weights to each of the six sub-categories in accordance to their overall importance to the wider economy and productivity. In Mexico's case the business components account for 62% of the total, and its modest scores therefore exert a negative influence over the total. Mexico scores 0.37 on business infrastructure. This is because although PC penetration is relatively high (0.6 on a 0 to 1 scale), international bandwidth availability and penetration of secure Internet servers are low, and so is business spending on hardware and software. Also, while Mexico has a respectable rate of secondary school enrolment, it falls behind nations such as Russia, Malaysia, Sri Lanka and Ukraine. Finally, computer services spending by businesses and international traffic levels are far behind the best in class. As a result, the country scores 0.47 in terms of business usage and skills.

## Analysis

Although Mexico's performance on consumer infrastructure and usage is strong, its performance on government and business infrastructure is weaker than expected.

According to the ITU, Mexico has full competition in most telecommunications markets, and thus has already liberalized and opened up its markets in line with OECD standards. The only exception to this is DSL services, which it classifies as "competitive." The country also has an independent and sector-specific telecoms regulator.

For Mexico to move to the next level of both connectivity and economic development, however, the focus of policy needs to go beyond the ICT sector, to human capital issues that are so essential to its development. The country needs to strengthen adult literacy and increase primary, secondary and tertiary enrolment and completion rates.

These areas fall outside the traditional remit of an ICT policy, but should be relevant to any policy agenda that aims to maximize the economic benefits from ICT. In this case, Mexico could perhaps take a cue from Russia which follows in the 6<sup>th</sup> position, and has a human capital base roughly similar to that of an OECD nation.

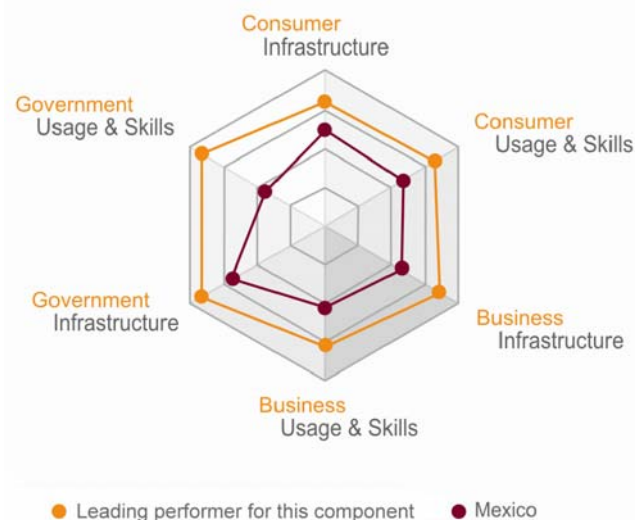


## APPENDICES

### 2009 compared to 2008

We have repeatedly stressed the fact that the Connectivity Scorecard is designed to provide a comparison of how countries rank in relation to each other at a given point in time. As with other indices of relative rankings, it is hard to interpret absolute scores, and it is hard to make comparisons of absolute scores over time.

In addition, we substantially expanded and revamped the information base for the current version of the Scorecard and we also expanded greatly the list of countries that we included for consideration in 2009. These factors mean that it is not possible to generate very direct comparisons between absolute scores over time and to easily interpret these as “improvements” or “deteriorations.”



Nevertheless we offer some comment on Mexico's ranking and score in 2009 compared to 2008. (For Mexico's 2008 performance see also the comparative star diagram on this page.) Again, as is the case for many other resource and efficiency-driven economies, there has been some affect on the Mexico score and ranking as a result of the revisions of data sources and metrics that was necessitated by our desire to substantially expand the Scorecard. Mexico's fairly strong performance on the consumer-related sub-categories is also evident in this year's Scorecard, despite the changes in the metrics used for assessment.

However, there is a notable fall-off in Mexico's business infrastructure score, and this appears to be driven mostly by the inclusion of 16 additional countries, many of whom score more highly than Mexico on measures such as business spending on computer services, hardware and software and availability of international bandwidth.

## About Connectivity Scorecard

Connectivity Scorecard is a global ICT index, which measures the extent to which governments, businesses and consumers make use of connectivity technologies to enhance social and economic prosperity. Unlike other research available, Connectivity Scorecard also measures “usage and skills,” such as literacy, the use of enterprise software and the accessibility of women to ICT.

Nokia Siemens Networks has commissioned the study, which is the first of its kind to rank countries not only on their deployment of ICT infrastructure but also on the extent to which people, governments and businesses put this infrastructure to economically productive use.

The study is created by Leonard Waverman, Fellow of the London Business School and Dean and Professor at the Haskayne School of Business at the University of Calgary, and conducted under his direction by international economic consulting firm LECG.

For more information on Nokia Siemens Networks’ Connectivity Scorecard, visit [www.connectivityscorecard.org](http://www.connectivityscorecard.org)

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