



# STRENGTHENING THE MEXICAN ECONOMY THROUGH CONNECTIVITY

Forum: Insights of the telecommunication and broadcasting sector in Mexico and their role in re-activating the economy in the “new normal”

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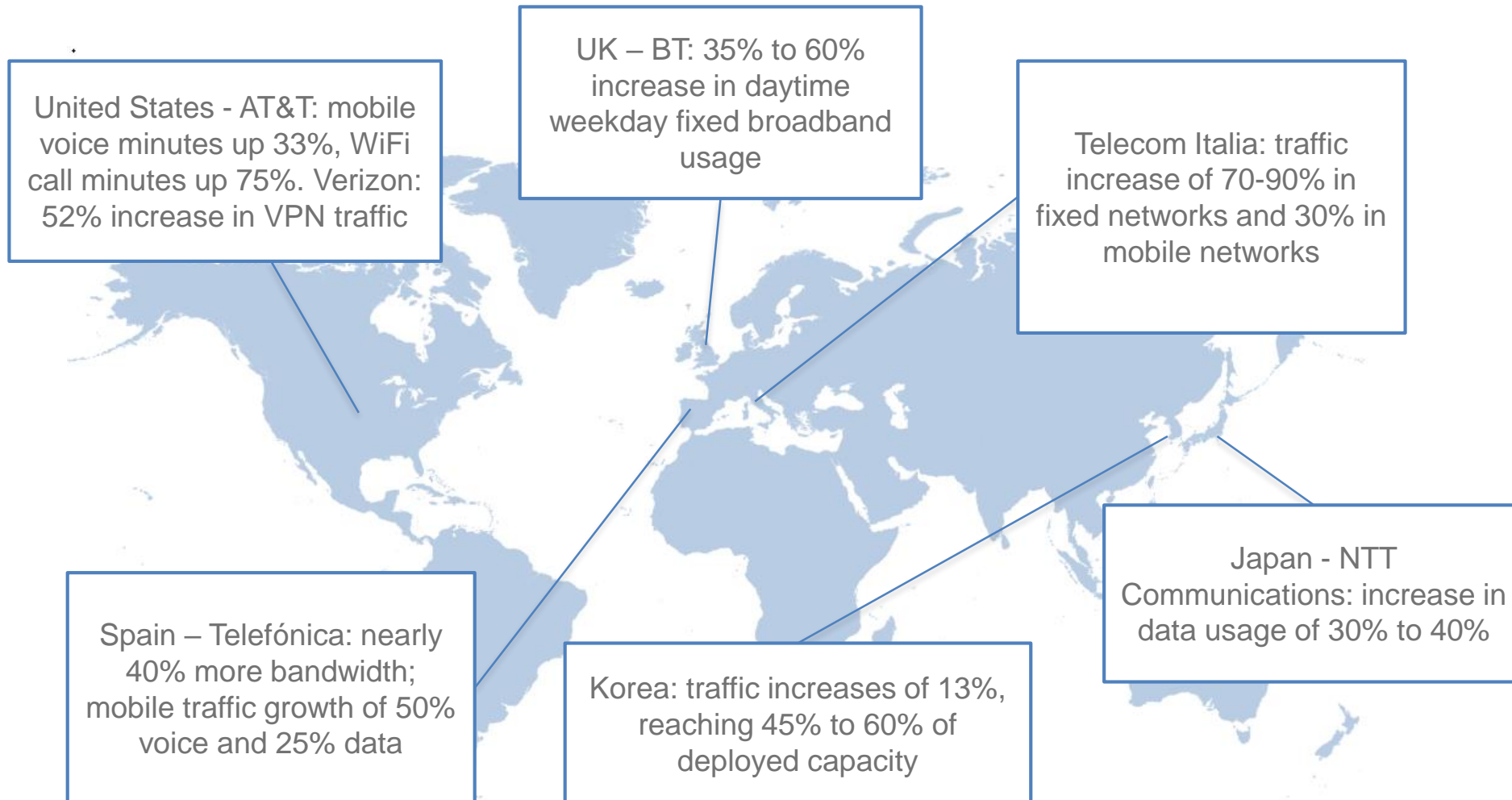
# Connectivity for an inclusive digital transformation



**Connectivity**, more than ever, is **essential** to ensure that **economic activities** can continue in a **remote manner**...



# Demand for broadband communication services has soared, with operators experiencing traffic growth of up to 60%





# Demand for broadband communication services also increased in the LAC region

**Colombia – Internet traffic increased 38.6% from February to March. In April, traffic increased a further 11.5% compared to the March level**

**Argentina and Brazil saw traffic increases between February and the end of April of 30% to 50%.**





Policies that further expand connectivity will increasingly become important

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## Focus on three areas today:

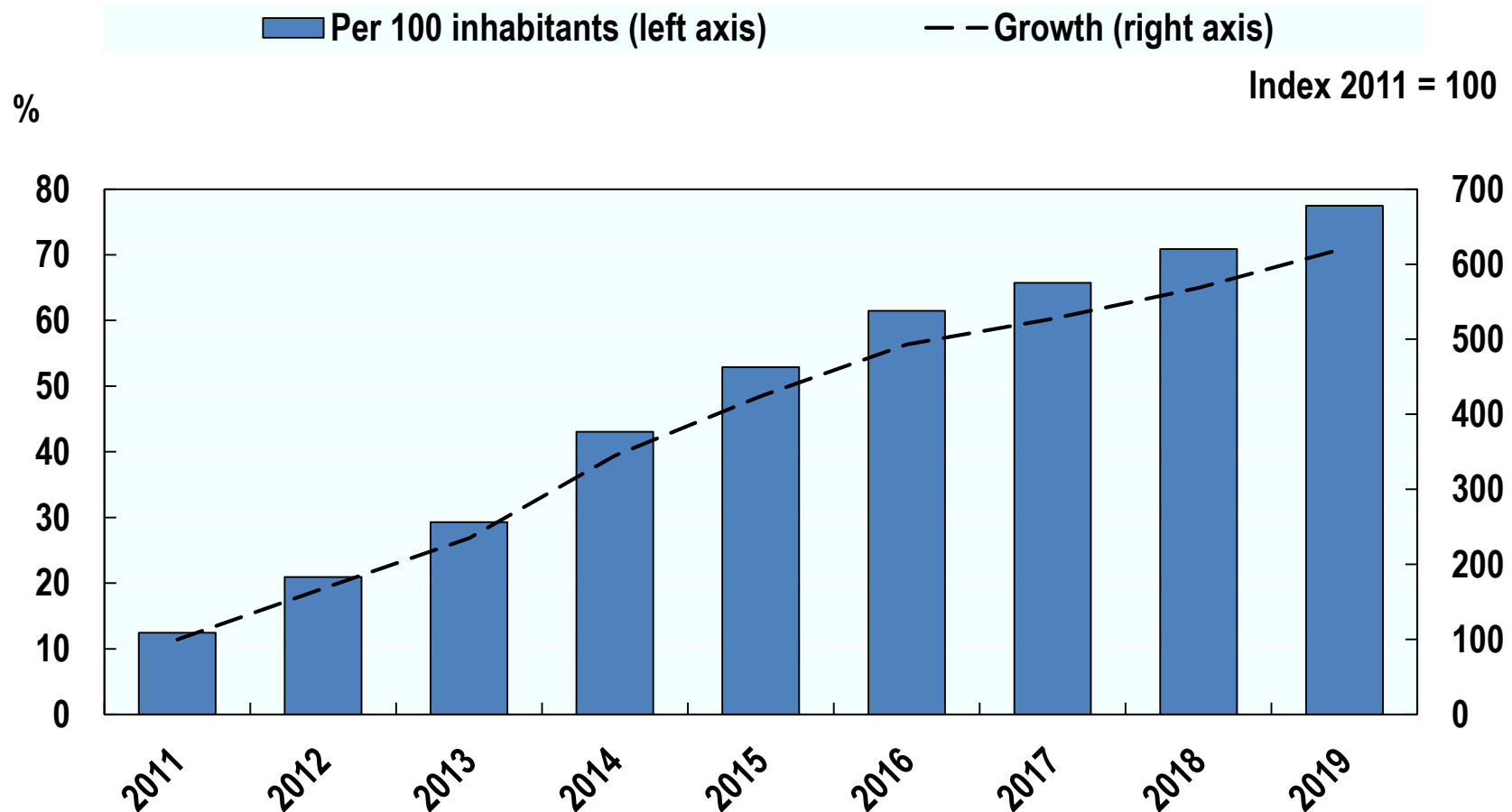
- I. Fostering **competition** to expand connectivity
- II. Leveraging existing **connectivity initiatives** to take advantage of **synergies**
- III. The importance of a **sound institutional framework**



# I. Fostering competition to expand connectivity

Since the 2013 reform, competition increased in the Mexican market with a sharp raise in mobile broadband...

**Mobile broadband subscriptions per 100 inhabitants in Mexico**



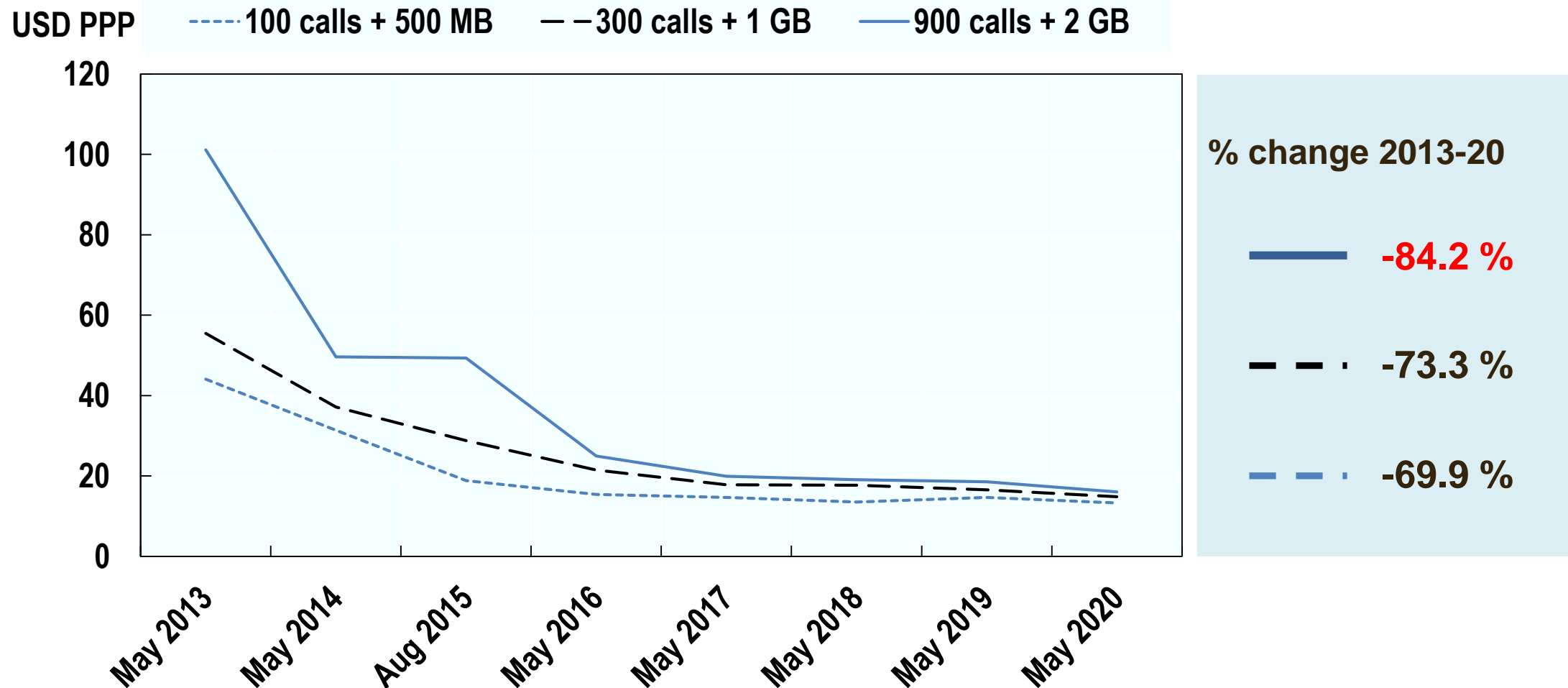




# I. Fostering competition to expand connectivity (cont.)

And large mobile broadband price reductions...

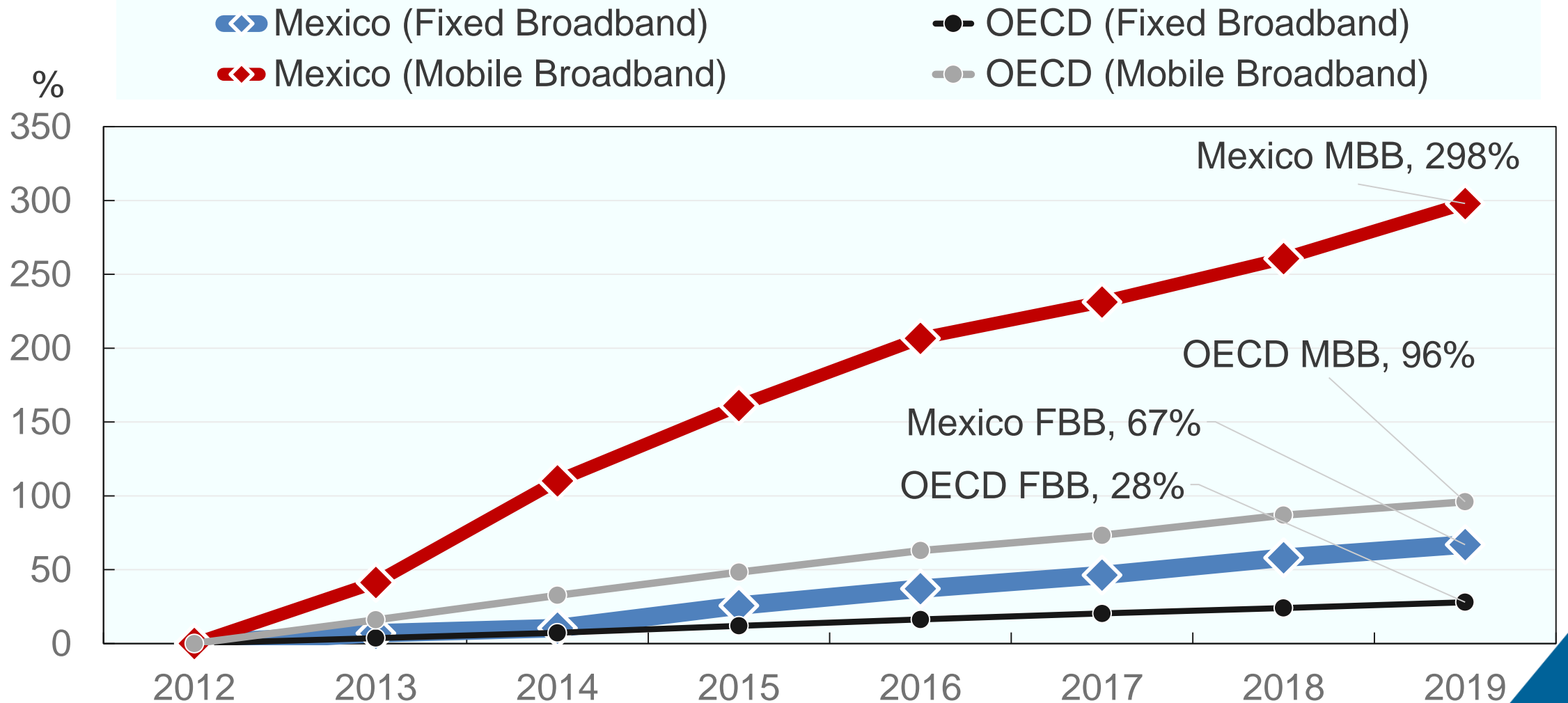
Trends in mobile broadband prices in Mexico, in USD PPP





# I. Fostering competition to expand connectivity (cont.)

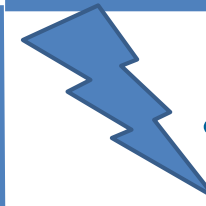
High growth in Mexico's broadband subscriptions since 2012







## II. Leveraging existing **connectivity initiatives** to take advantage of **synergies**



- **Synergies** among existing government initiatives and PPPs
- The importance of fibre **backhaul connectivity**
- **Open access** initiatives have worked well in several OECD countries to extend broadband coverage



### III. The importance of a **sound institutional framework**

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- **The decisive role that a sound institutional framework plays to ensure connectivity for all.**
  - **The 2013 reform** created a **strong, independent, and converged** regulator for telecommunication and broadcasting, the IFT
  - equipped this new communication regulator with the necessary tools to foster competition
  - eliminated foreign direct investment restrictions in the telecommunication sector => entry of new players
- **Mexico should preserve the strong institutional framework it built through the reform as it is crucial to further advance connectivity in the country**

**Connectivity will be the pillar for the recovery of the Mexican economy in the “new normal”.**



For more on the Review or for insights on COVID response related to the digital transformation...

## OECD Telecommunication and Broadcasting Review of Mexico 2017

### OECD Covid Hub

English: <http://www.oecd.org/coronavirus/en/>

Spanish: <http://www.oecd.org/coronavirus/es>

- OECD (2020), [Keeping the Internet up and running in times of crisis \(ESP\)](#)
- OECD LACRP Webinar Series on July 9<sup>th</sup>: Keeping the Internet up and running in times of crisis: Insights for LAC

(Special thanks to SCT and IFT for participating!)

### STI Policy Compass

<https://stip.oecd.org/Covid.html>

### AI Policy Observatory

<https://oecd.ai/https://oecd.ai/>

