

Global Information Technology Report Highlights Emergence of a New Digital Divide

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- The 11th edition of *The Global Information Technology Report 2012: Living in a Hyperconnected World* was launched today with a special focus on the transformational impacts of ICT on the economy and society.
- The report's evolved framework introduces a new set of impact-oriented metrics to measure networked readiness on country competitiveness.
- Sweden ranks first among 142 economies, followed by Singapore and Finland; the Nordic countries lead the ICT revolution.
- The United States, ranked 8th, benefits from strong ICT infrastructure, but weaknesses in the political and regulatory environment hinder its overall performance.
- Despite recent improvements in overall competitiveness rankings, the BRICS, led by China at 51st, lag behind more advanced economies.
- Read the full report, watch interviews, access data and other materials at www.weforum.org/gitr.

New York, USA, 4 April 2012 – Despite efforts over the past decade to develop information and communications technologies (ICT) infrastructure in developing economies, a new digital divide in terms of ICT impacts persists, according to the latest rankings of *The Global Information Technology Report 2012: Living in a Hyperconnected World*, released today by the World Economic Forum.

Sweden (1st) and Singapore (2nd) top the rankings in this year's report in leveraging information and communications technologies to boost country competitiveness. Switzerland (5th), the Netherlands (6th), the United States (8th), Canada (9th) and the United Kingdom (10th) also show strong performances in the top 10.

However, ICT readiness in sub-Saharan Africa is still low, with most countries showing significant lags in connectivity due to insufficient development of ICT infrastructure, which remains too costly, and displaying poor skill levels that do not allow for an efficient use of the available technology. Even in those countries where ICT infrastructure has been improved, ICT-driven impacts on competitiveness and well-being trail behind, resulting in a new digital divide.

Despite improvements in many drivers of competitiveness, the BRICS countries – led by China (51st) – still face important challenges to more fully adopt and leverage ICT. An insufficient skills base and institutional weaknesses, especially in the business environment, present a number of shortcomings that stifle entrepreneurship and innovation.

With a record coverage of 142 economies worldwide, the report remains the most comprehensive and authoritative international assessment of the impact of ICT on competitiveness and the well-being of nations. After a two-year review process, the Networked Readiness Index (NRI) featured

in the report has evolved to ensure that it captures the main drivers of a rapidly changing ICT industry and remains relevant for public- and private-sector decision-makers.

The NRI has increased its focus on the impacts of ICT to better align with areas of public policy. It has added new, relevant indicators such as mobile broadband subscriptions, and dropped other outdated indicators.

“The Networked Readiness Index (NRI) has been adopted by several governments as a valuable tool for assessing and leveraging technology for competitiveness and development. The success of the NRI emphasizes the importance of continuing to evolve its framework with the changing landscape of technology and the new opportunities it creates,” said **Soumitra Dutta**, Roland Berger Professor of Business and Technology at INSEAD, a co-editor of the report. “To measure this impact effectively, we have introduced a new set of impact-oriented metrics this year that assess not just the availability of technology, but also the ways in which economies put that technology to greater use. Considering how ICT has become omnipresent, the focus has moved from access to making the best use of ICT in order to improve business innovation, governance, citizens’ political participation and social cohesion,” added Dutta.

Under the theme *Living in a Hyperconnected World*, the report explores the causes and consequences of living in an environment where the Internet is accessible and immediate; people and businesses can communicate instantly; and machines are interconnected. The exponential growth of mobile devices, big data and social media is a driver of this process of hyperconnectivity and, consequently, fundamental transformations in all areas of society are being witnessed. This year’s report tracks how societies leverage ICT to derive important competitive advantages and increase social well-being.

“Hyperconnectivity is redefining relationships between individuals, consumers and enterprises, citizens and state, and we are beginning to see fundamental transformations in all areas of the economy and society,” said **Robert Greenhill**, Chief Business Officer, World Economic Forum. “Traditional organizations and industry infrastructures are facing challenges as industries converge. This will inevitably have consequences for policy and regulation as regulators will have to mediate the blurring lines between sectors and industries and will be obligated to oversee more facets in a pervasive way,” he added.

“We believe that in an emerging era of hyperconnectivity, ICT will enable a bold new chapter that is entwined with the sustained growth of the global economy,” said **Sun Yafang**, Chairwoman of the Board, Huawei Technologies. “The importance of ICT goes beyond its role as a driver of future economic growth as smart devices and cloud services continue to become a greater part of our daily lives. By strategically integrating ICT as part of overall economic growth plans, countries are in a better position to capitalize on the hyperconnected global economy and increase competitiveness on a global scale.”

“Digital applications offer unprecedented potential for economic, social and political development,” said **Karim Sabbagh**, Senior Partner and Global Head of Communication, Media and Technology Practice at Booz & Company. “Policy-makers need to be aware of both growth and transformational opportunities, and how they can craft policies that promote ubiquitous digitization in a timely manner. They must facilitate the creation of new models enabled by digitization at a faster pace than the old models are breaking down,” he added.

The report is the result of a long-standing partnership between the World Economic Forum and INSEAD, a leading international business school, within the framework of the Forum’s Industry Partnership Programme – particularly its Information Technologies & Telecommunications Industry Team – and the Centre for Global Competitiveness and Performance.

The Networked Readiness Index uses a combination of data from publicly available sources and the results of the Executive Opinion Survey, a comprehensive annual survey conducted by the Forum in collaboration with partner institutes, a network of over 150 leading research institutes and business organizations. This survey of over 15,000 executives provides insight into areas critical for networked readiness.

The presentation of the NRI rankings is followed by contributions by academics and industry experts, exploring the drivers and consequences for individuals, businesses and governments of living in a hyperconnected world, including:

1. Convergence of ICT
2. Issues in a hyperconnected world, with a focus on the role of regulation
3. Network neutrality
4. Increasing importance of mobile broadband to empower individuals
5. Cost of broadband
6. Role of in-memory technology and analytics to harness the power of big data
7. Role of real-time analytics to make sense of big data
8. Value of digital traces for commercial strategy and public policy
9. The promise and perils of hyperconnectivity for organizations and societies
10. Maximizing the impact of digitization
11. Effect of technology in education

In addition, two policy case studies highlighting efforts to develop and spread the positive effects of ICT in Azerbaijan and Mauritius are covered.

The report contains detailed country profiles for the 142 economies featured in the study, providing a snapshot of each economy's level of ICT uptake and economic and social impacts. Also included is an extensive section of data tables for the 53 indicators used in the computation of the index.

The editors of the report are Soumitra Dutta, Roland Berger Professor of Business and Technology, INSEAD, and Beñat Bilbao, Associate Director and Economist, Centre for Global Competitiveness and Performance, World Economic Forum.

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