News Release

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Global Information Technology Report highlights lack of progress in bridging the new digital divide

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- Global Information Technology Report 2013 finds most developing economies are still failing to create the conditions necessary to close the ICT-related competitiveness gap with advanced economies
- Finland, Singapore, Sweden lead the Networked Readiness Index. The US, ranked 9th, benefits from strong ICT infrastructure and innovation but is hindered by its political and regulatory environment.
- BRICS economies must address weaknesses in their digital and innovation ecosystems to ensure sustained productivity gains and future growth
- Read the full report, watch a video, view the rankings or visit www.weforum.org/gitr

New York, USA, 10 April 2013 – Despite efforts in the past decade to improve information and communications technologies (ICT) infrastructure in developing economies, there remains a new digital divide in how countries harness ICT to deliver competitiveness and well-being, according to the 12th edition of The Global Information Technology Report, released today by the World Economic Forum.

Published under the theme, Growth and Jobs in a Hyperconnected World, the Report suggests that national policies in some developing economies are failing to translate ICT investment into tangible benefits in terms of competitiveness, development and employment. This is in addition to the profound digital divide that already exists between advanced and developing economies in access to digital infrastructure and content.

The Report ’s Networked Readiness Index (NRI), which measures the capacity of 144 economies to leverage ICT for growth and well-being, finds Finland (1st), Singapore (2nd) and Sweden (3rd) take the top three places. The Netherlands (4th), Norway (5th), Switzerland (6th), the United Kingdom (7th), Denmark (8th), the United States (9th), and Taiwan, China (10th) complete the top 10.

The BRICS ' economies, and notably China (58th, down seven), continue to lag behind in the rankings. The sustained rapid economic growth of past years in some of these countries may be in jeopardy unless the right investments are made in ICT, skills and innovation.

With a record coverage of 144 economies, the report remains one of the most comprehensive and authoritative assessments of the impact of ICT on competitiveness of nations and the well-being of their citizens. To measure this, the NRI assesses the preparedness of an economy to fully leverage ICT in terms of:

1) ICT infrastructure, cost of access and the presence of the necessary skills to ensure an optimal use.

(2) Uptake and use of ICT among governments, business and individuals.

(3) Business and innovation environment, and the political and regulatory framework.

(4) Economic and social impacts accruing from ICT.

" This analysis shows how matching investments in ICT with investment in skills and innovation can help economies cross a ' magic threshold ', beyond which return on investment increases significantly, " said Bruno Lanvin, Executive Director, e-Lab, INSEAD and co-editor of the report. " Individual countries need to identify what separates them from reaching that threshold if they have not reached it yet in order to fulfil long-term growth, competitiveness and innovation targets " he added.

" ICT ' s role in supporting economic growth and the creation of high-quality jobs has never come under such scrutiny. Despite initial concerns that ICT would hasten the deployment of resources towards developing countries, the benefits of ICT are now widely recognized as an important way for companies and economies to optimize productivity, free up resources and boost innovation and job creation " said Beñat Bilbao-Osorio, Senior Economist, Global Competitiveness and Benchmarking Network, World Economic Forum, and co-editor of the report.

Against this backdrop, " countries need tools to measure and track progress and the report has become the most comprehensive and respected international assessment, providing policy-makers, business leaders and civil society at large with a useful tool for designing national strategies for increased networked readiness and for benchmarking their country ' s performance against other relevant comparators " said Soumitra Dutta, Anne and Elmer Lindseth Dean at the Samuel Curtis Johnson Graduate School of Management at Cornell University and co-editor of the report.

" Digitization created 6 million jobs and added US$ 193 billion to the global economy in 2011. Although in aggregate positive, the impact of digitization is not uniform across sectors and economies – it creates and destroys jobs " said Bahjat El-Darwiche, Partner, Booz & Company and sponsor of the Report. He added that " policymakers wishing to accentuate the positive impact of digitization need to understand these different effects if they wish to act as digital market makers in their economies. "

" This report demonstrates that economies that fail to implement comprehensive national broadband strategies risk losing ground in global competitiveness and may fall behind in the delivery of societal benefits from ICTs. Plans that incorporate both supply and demand-side measures offer countries the best opportunity to advance broadband adoption," said Dr. Robert Pepper, Vice President for Global Technology Policy, Cisco and sponsor of the report.

The Global Information Technology Report is the result of a long-standing partnership between the World Economic Forum and INSEAD.

The NRI 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 167 leading research institutes and business organizations. This Survey of more than 15,000 executives provides insight into areas critical for networked readiness.

The editors of the report are Beñat Bilbao-Osorio, Associate Director and Senior Economist, Global Competitiveness and Benchmarking Network, World Economic Forum; Soumitra Dutta, Anne and Elmer Lindseth Dean, Samuel Curtis Johnson Graduate School of Management at Cornell University; and Bruno Lanvin, Executive Director at E-Lab, INSEAD.

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