

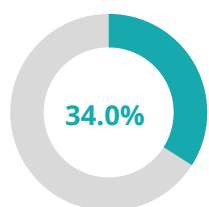


SRI LANKA DIGITAL CONNECTIVITY BRIEF

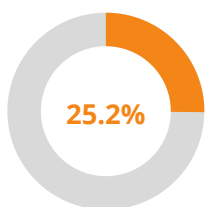


Country overview

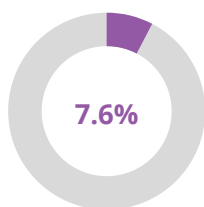
While one third of the population in Sri Lanka are internet users, mobile internet penetration is only at 25.2%, and fixed broadband penetration stands at 7.6%. The gender gap in internet use is 14%, which is lower compared to neighbouring countries.



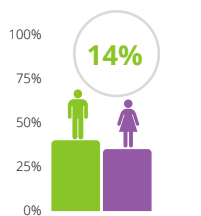
ONLINE POPULATION
Source: ITU, 2017



MOBILE BROADBAND PENETRATION
Source: GSMA, 2020

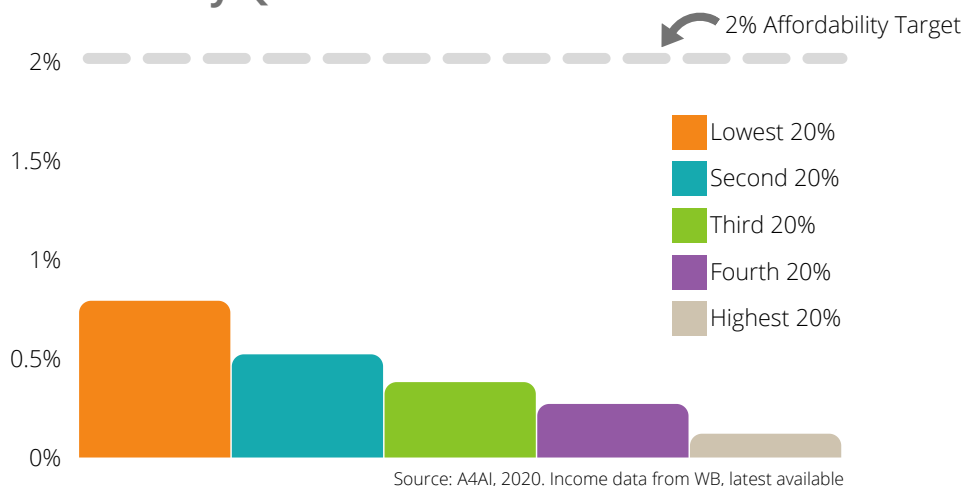


FIXED BROADBAND PENETRATION
Source: A4AI from ITU, 2019



INTERNET USE GENDER GAP
Source: A4AI from EIU, 2020

Affordability Quintiles



Source: A4AI, 2020. Income data from WB, latest available

The average affordability of mobile broadband in Sri Lanka meets the target set by the UN Broadband Commission - 1GB of data must cost less than 2% of the monthly national income per capita - and most importantly, this is the case across all income quintiles.

Dimensions of Meaningful Connectivity

Getting the Right Speed	Having and Appropriate Device	Connecting with Enough Data	Using the Internet Regularly
26.72%	87.72%	N/A	N/A

Source: GSMA, 2020

Meaningful connectivity to the internet implies having access to an appropriate device, enough data and speeds, and using the internet every day. Around one-fourth of the population in Sri Lanka (26.72%) has access to 4G compatible speeds, and 87.22% has access to smartphones, which are considered to be appropriate devices.

ICT Affordability

AS A % OF GNI P.C.

MOBILE

1GB = 0.28%

2GB = 0.35%

5GB = 0.75%

Source: A4AI, 2020

FIXED

5GB = 0.90%

Source: A4AI & ITU, 2020

DEVICE

SMARTPHONE
11%

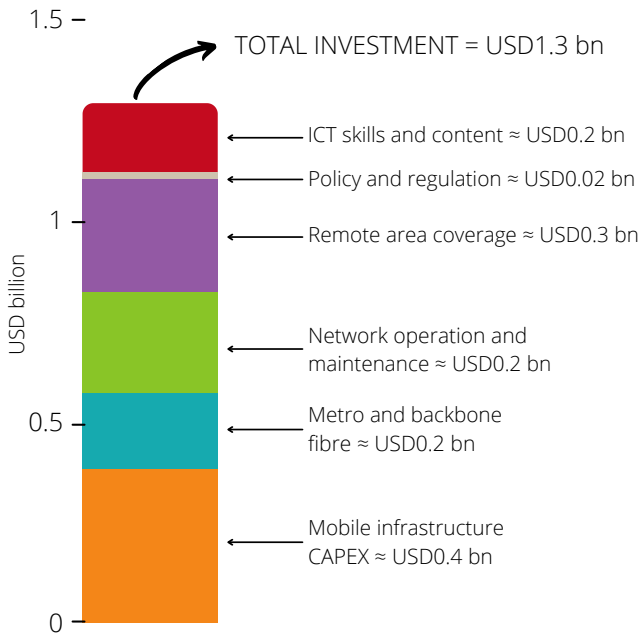
Source: A4AI, 2020

Sri Lanka meets the affordability target established by the United Nations Broadband Commission, as 1GB costs users 0.28% of their monthly average income. Indeed, even 5GB is within the target, at 0.75%, and even fixed 5GB is below the 2% threshold, at 0.90%. Smartphone affordability is at 11%. The country ranks 47th (out of 72 countries surveyed) on A4AI's ADI.

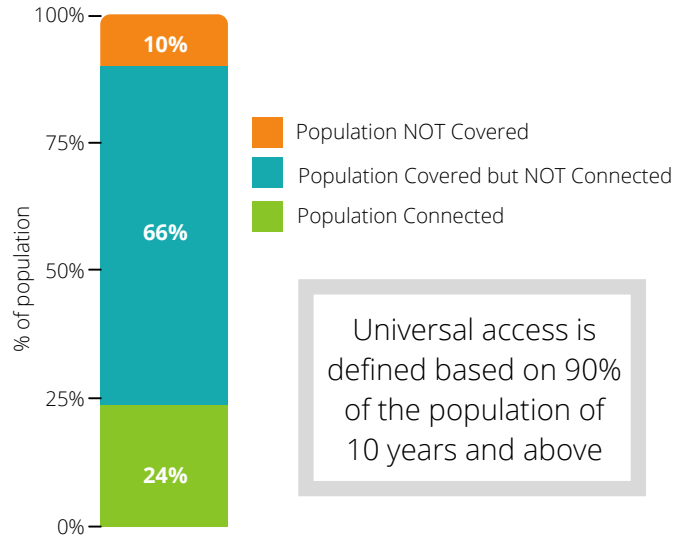
THE ADI AFFORDABILITY DRIVERS INDEX

Is a tool developed by A4AI to assess how well a country's policy, regulatory, and overall supply-side environment is positioned to lower industry costs and ultimately create more affordable broadband. It scores countries across two main policy groups: Infrastructure and Access.

Investments needed by 2030



Source: A4AI from ITU, GSMA, A4AI, operator and regulator, 2019

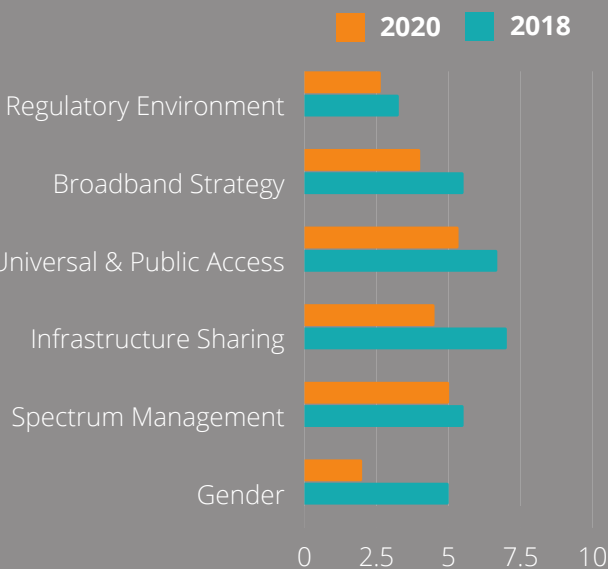


Source: A4AI from GSMA, Xalam and UN population data, 2019

Universal access is defined based on 90% of the population of 10 years and above

As the figures show, 66% of the population in Sri Lanka are covered by 4G based mobile networks but not connected, and 10% are not covered at all. A4AI analysis estimated that Sri Lanka needs a total investment of about \$1.3 billion to achieve universal access in 2030, with close to one-third of that amount for mobile infrastructure alone, followed by a significant need to cover remote areas. Costs associated with fiber deployment, network operation and maintenance, building necessary ICT skills and relevant content, are also critical, as well as ongoing investment in policy and regulatory frameworks updates, revisions and implementation.

Policy scores



2020 Affordability Drivers Index (ADI)

ADI Score = 49.79

Access Score = 53.76

Infrastructure Score = 40.87

Source: A4AI, 2020

Policy Highlights

Universal and public access



There are several Government driven community-based programmes run by the ICT Agency of Sri Lanka. Further, Sri Lanka's 2018 Digital Economy Strategy Blueprint has provisions related to village kiosks.

Regulatory Environment



The regulatory framework and the institutional capacity in Sri Lanka are relatively weak, with low levels of transparency, and lack of independence. One example is the fact that the regulator is currently located under the Ministry of Defense.

Regulatory Environment



Transparency, openness to stakeholders and evidence based decisions are lacking. The last competitive auction was held in 2013.

Broadband Strategy



No broadband policy has been launched yet, although a national digital policy is being developed in partnership with UNDP and "the collaboration will also implement initiatives to bridge the 'Digital Divide' ensuring an inclusive digital transformation that leaves no one behind".