
Improving CAREC Countries Connectivity: The Role of Information and Communication Technology

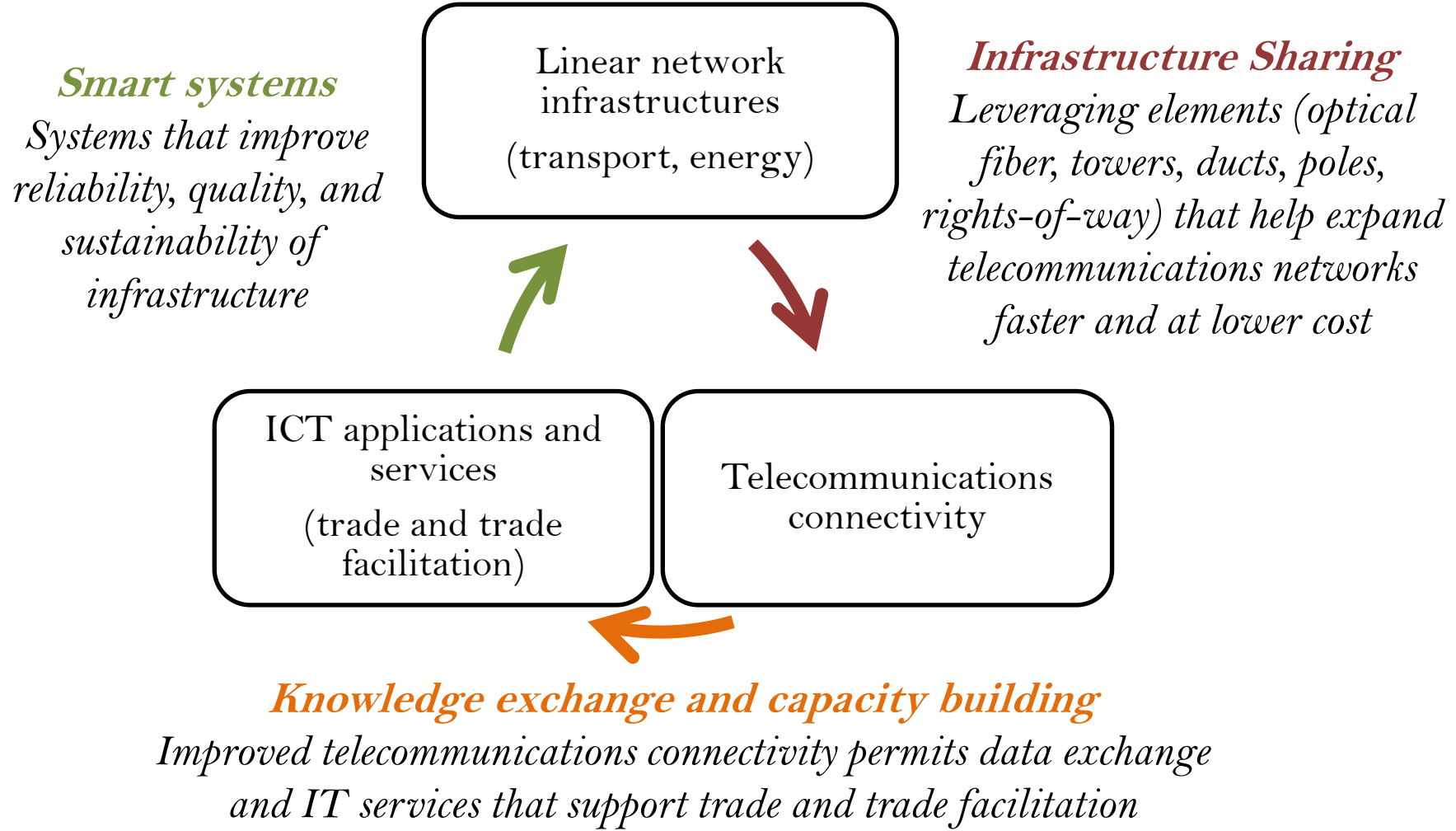
Siddhartha Raja

World Bank

CAREC TSCC: May 2014, Bishkek



A virtuous circle



ICT supports the CAREC Program

Supports trade expansion & improved competitiveness

Infrastructure for competitiveness

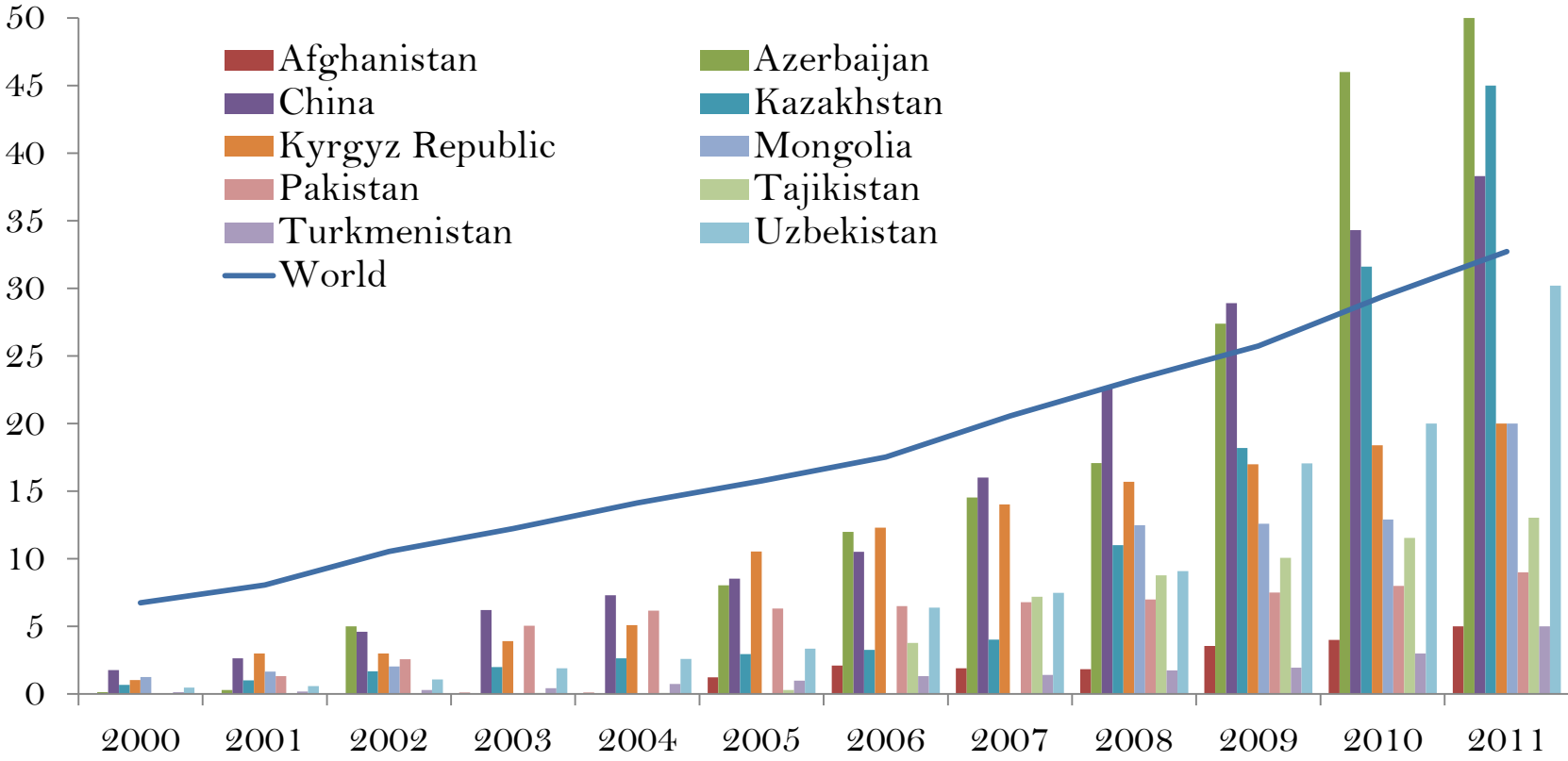
- Regional ICT networks will carry “virtual” traffic, enable economic growth
- Could position CAREC as a key transit way on the Internet
- Major opportunity to use existing transport & energy networks to accelerate fiber optic deployment

Application to trade

- ICT supports trade facilitation efforts
- ICT is a driver for trade in services, enabling economic diversification, development of competitive industries, and access to global knowledge markets

ICT in CAREC member states: A diverse story

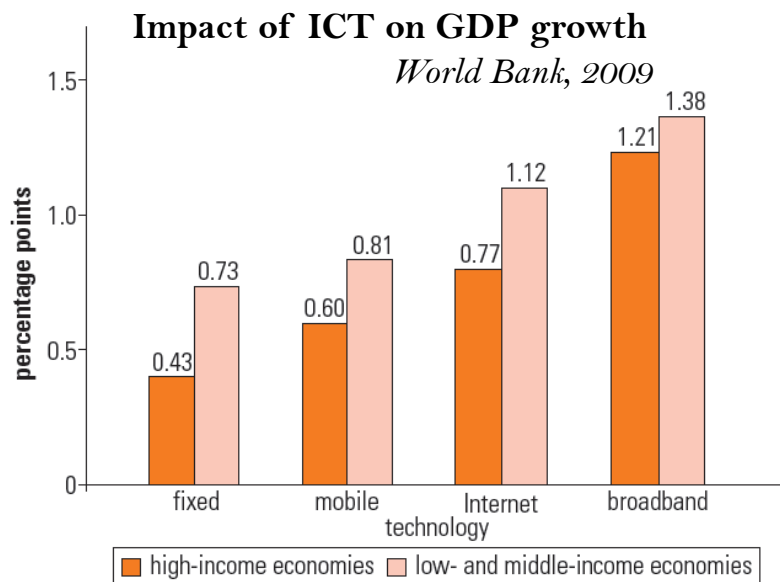
Internet users per 100 population – CAREC member countries



ICT in CAREC member states: Economic possibilities

- With open markets and private investment, CAREC can become an Internet transit route
- ICT supports trade, especially in services
- If CAREC broadband access gets to 50% by 2020, **GDP increase could be up to \$500B**

- ICT creates employment opportunities: industry creates ICT jobs; tool connects workers and work
- ICT jobs are 5 percent of the workforce; but generate 3x-5x indirect jobs, higher wages
- More widespread impact of ICT connecting workers anywhere to work online—such platforms connected over 12 million people to online work in 2012, often with higher than average wages



Proposed approach

- Improve regional connectivity
 - Leverage existing regional corridors e.g. energy & transport, to help reduce costs of fiber optic network rollout
- Attract private investment
 - Develop policy & regulatory frameworks to open markets, enable competition, and attract private investment
 - SOEs can become more competitive & play a supporting role
 - Global models exist: EASSy, Africa Coast to Europe (ACE)
- Promote adoption
 - Evaluate options to increase trade-in-services, support trade & logistics
 - Focus on demand drivers, e.g. extractive industry needs, financial services
 - Foster regional knowledge exchanges

Areas of support from CAREC Program

- Build on CAREC activities to support telecommunications network rollout regionally
 - Identify possible programs synergistic with Economic Corridors and build on existing or planned CAREC corridors
 - Improved telecom connectivity could be a by-product at a very low cost, yet significantly improving trade and other social and economic aspects in CAREC economies
 - Promote the concepts of open and competitive markets to attract private investment
- Analyze the potential for ICT-enabled trade in services in the CAREC region, and what gaps exist to its development
- Foster regional knowledge exchanges and share information through the CAREC Institute

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Siddhartha Raja
World Bank
sraja2@worldbank.org
