

## **Brazil: the cost of meeting the goals of reducing the digital divide by 2030 soars by 12%**

*The country will need investments of 41 billion USD to meet the decade's goals. The digital divide puts millions of people at a disadvantage. Governments and companies started to discuss demand subsidies as a key tool to alleviate the economic and social consequences. The situation was raised by **REGULATEL and ASIET** authorities in the framework of the MWC, in Barcelona, with the support of Vrio Corp.*

**Barcelona, February 28, 2024.** The investment needs for Brazil to meet the 2030 goals of reducing the digital divide have jumped 12%, already reaching 41 billion USD, which is why authorities and company representatives have begun to discuss the demand subsidy as a possible tool to alleviate the situation that excludes millions of people from the digital economy.

Within the framework of the 2024 Mobile World Congress (MWC), organized by GSMA, there was an intense debate in a hotel in Barcelona between the Latin American Forum of Telecommunications Regulators (Regulatel, by its Spanish acronym) and the Inter-American Association of Telecommunications Companies (ASIET, by its Spanish acronym), with the strategic support of Vrio Corp, parent company of DIRECTV Latin America and SKY Brasil.

The conference was attended by government authorities from Argentina (ENACOM), Bolivia (ATT), Brazil (ANATEL), Chile (SUBTEL), Colombia (MINTIC), Costa Rica (Vice Minister of Communications), Ecuador (Ministry of Telecommunications), Mexico (IFT), Panama (ASEP), Dominican Republic (INDOTEL) and Uruguay (URSEC).

Faced with the enormous challenges in the region, Vrio Corp. presented a study that proposes financial stimulus mechanisms to reduce the digital divide, with examples of successful and scalable programs, and concrete instruments to develop public policies in a scenario in which two out of every three Latin American households have limitations in terms of digital inclusion due to gaps in coverage, usage, quality of service or access to audiovisual content.

In Latin America, 67% of households (71% of the population) have access to significant connectivity, but in rural areas the percentage drops to 23% of households (37% of the population), according to the Inter-American Development Bank (IDB). And barely a third of schools have the necessary bandwidth or sufficient Internet speed to access content, while in OECD countries it reaches 66% of the total.

With a population of more than 210 million inhabitants, it is estimated that around 7.6% of Brazilian households are outside the coverage areas, leaving more than 16 million people digitally excluded, according to the paper presented by Vrio Corp. And the digital divide punishes 74.2 million Brazilians if factors such as usage gap, poor quality of service or lack of access to entertainment and audiovisual educational content are added.

Pedro Bentancourt, Vice President of Economic, External and Regulatory Affairs of Vrio Corp, told the audience: "A comprehensive, sustainable and public-private partnership approach, incorporating demand-side subsidy policies, would make it possible to reduce the digital divide and provide equal opportunities to all people regardless of their geographic location and socioeconomic conditions," he said.

At least 77 million people (23.9 million households) in Latin America and the Caribbean are deprived of access to education, information, journalism, culture and entertainment, according to estimates by the International Telecommunication Union (ITU), said Vrio Corp. in a paper presented by Bentancourt to the authorities. In this scenario, satellite television has an answer: the use of audiovisual content in order to reduce the distance between the educational or digital possibilities available between urban and rural sectors or between rich and poor segments of a society, states the document.

Bentancourt explained that satellite distribution of content stands out as a viable solution to reach those areas where no other type of digital infrastructure reaches up to now. "To alleviate the consequences of the digital divide, edutainment, or educational entertainment, is a powerful tool to stop postponing the educational opportunities of millions of people," he added.

A research by the IDB and the Center for Telecommunications in Latin America (Cet.La) recently reported that in order to reach 99% 4G coverage (including satellite technology), 81% 5G coverage and 65% fiber optic coverage by 2030, investments of [125,462 million dollars](#) are needed, an average 16% more than what was projected at the beginning of the decade.

In this context, investment needs in Brazil to meet the 2030 goals rose to 40.851 billion dollars, 12% more than projected at the beginning of the decade.

ITU data on Latin America and the Caribbean indicate that per capita investment in telecommunications (2021) was 32.39 dollars in Brazil, while in Mexico it was 38.5 dollars; in Chile it reached 97.41 dollars; in Argentina, 52.9 dollars; in Uruguay, 69.83 dollars; in Colombia, 31.81 dollars; in Peru, 23.17 dollars; and in Ecuador, 30.38 dollars, among others.

**Data:**

- Investment needed to achieve the goals of reducing the digital divide in 2030: Argentina, 8,455 million USD; Brazil, 40,851 million USD; Chile, 13,742 million USD; Colombia, 12,091 million USD; Ecuador, 2,747 million USD; Mexico, 30,958 million USD; Peru, 6,432 million USD; Uruguay, 1,525 million USD.