

MEDIA RELEASE

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New Zealand’s global ICT ranking up but more focus needed as world transforms

New Zealand’s rank has climbed to 18th out of 138 economies in the World Economic Forum-INSEAD Global Information Technology Report 2010-2011, up one place from last year and just behind Australia’s rank of 17th.

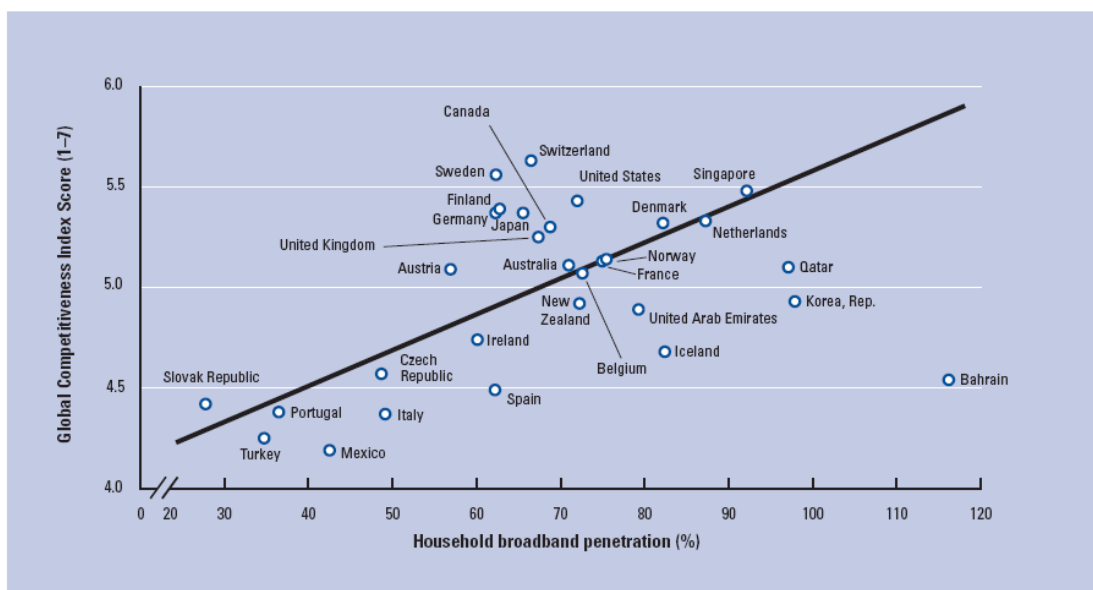
The Network Readiness Index (NRI) ranks countries on their readiness and capacity to fully benefit from information and communication technologies that enhance their competitiveness and the daily lives of citizens. New Zealand’s index score went up to 5.03 from 4.94 last year.

The New Zealand Institute Director Dr Rick Boven says a strong commitment to developing ICT and innovation is important because they are crucial for building a high-performing, competitive, and resilient economy.

“Establishing high quality networks is a foundation for using ICT to build new businesses, improve productivity and gain social benefits. As low cost, high quality networks become ubiquitous it will become even more important to integrate ICT into other important national strategies such as education, health and transport.”

Countries that embrace the need for affordable and ubiquitous national digital networks are more competitive in the global arena, as suggested by the high correlation between broadband penetration and the World Economic Forum’s Global Competitiveness Index (see figure below from the *Report*, p50).

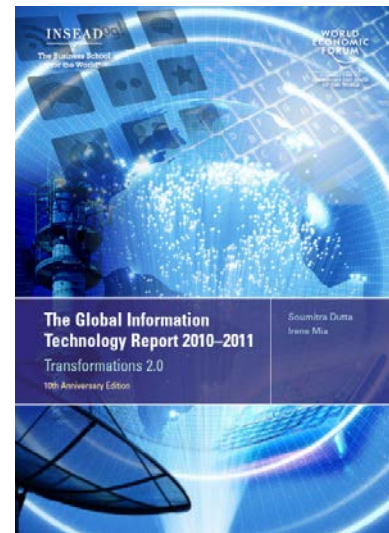
Figure 3: Competitiveness vs. broadband penetration, 2010



Sources: World Economic Forum, 2010; ITU, 2010; Booz & Company analysis.
 Note: *Competitiveness* is defined by the World Economic Forum as the set of institutions, policies, and factors that determine the level of productivity of a country.

Sweden and Singapore continue to top the NRI rankings, confirming the leadership of the Nordic countries and Asian Tiger economies in adopting and implementing ICT advances for increased growth and development. Finland jumps to third place, while Switzerland and the United States are steady in fourth and fifth place respectively.

The Nordic countries lead the way in leveraging ICT. With Denmark 7th and Norway in 9th place, all are in the top 10, except for Iceland, which is 16th. Led by Singapore in second place, the other Asian Tiger economies continue to make progress, with Taiwan/China and Korea improving five places to 6th and 10th respectively, and Hong Kong SAR following closely at 12th.



China (36th) and India (48th) continue to lead BRIC economies despite India losing ground. Brazil is up five places at 56, closing the gap on India.

Network Readiness Index

Economy	2010-11 rank out of (138)	2009-10 (133)	2008-09 (134)	2007-08 (127)
Sweden	1	1	2	2
Singapore	2	2	4	5
Finland	3	6	6	6
Switzerland	4	4	5	3
United States	5	5	3	4
Taiwan, China	6	11	13	17
Denmark	7	3	1	1
Canada	8	7	10	13
Norway	9	10	8	10
Korea, Rep.	10	15	11	9
Australia	17	16	14	14
New Zealand	18	19	22	22

Three dimensions determine a country's overall readiness: the general business, regulatory and infrastructure *environment* for ICT; the *readiness* of the three key societal actors (individuals, businesses and governments) to use and benefit from ICT; and their actual *usage* of available ICT. These dimensions divide into 9 pillars and 71 indicator variables (55% from survey data, 45% from hard data sources).

New Zealand continues to enjoy an extremely effective political and regulatory environment (3rd in the world) along with a good market environment (16th in the world), but a relatively weaker infrastructure environment (19th in the world). Compared with last year, the *usage* dimension has climbed to 18th from 24th in the world due to improved individual and business usage. New Zealand's *readiness* component is relatively weaker, ranking 23rd in the world, although that has improved from last year's 29th ranking, with improved individual readiness the main contributor to the change.

“While New Zealand has improved its overall performance compared to past years, and performs well relative to other countries on many indicators, the Index identifies there is room for improvement in specific areas already much debated such as mobile, internet and broadband coverage, and tariffs,” says Dr Boven.

Evolving technology trends are pointing to greater transformation of our lives over the coming decade as the world moves to *SLIM ICT (Report, p29)*:

S for Social: ICT is becoming more intricately linked to people’s behaviours and social networks.

L for local: Geography and local context are becoming more important and ICT provides an effective medium for differentiation across local contexts and provision of tailored services.

I for intelligent: ICT enables the collation, analysis and use of people’s behaviours and individual preferences for intelligent insights for action.

M for mobile: Widespread adoption of the mobile phone has already brought ICT to the masses. Advances in hardware and communications will continue to make computing more mobile and accessible.

Dr Boven says, “To remain competitive in an on-going ICT race, and mindful of the rapid advance being made by many developing nations, New Zealand must continue to implement technological innovations at pace.”

The full report, new data sharing platform and more, are available at <http://www.weforum.org/gitr>

The New Zealand Institute is a Partner Institute with the World Economic Forum.

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Notes to Editors – About the Global Information Technology Report

The Global Information Technology Report remains the world's most comprehensive and authoritative international assessment of the impact of information and communication technologies (ICT) on the development process and the competitiveness of nations.

Now in its 10th edition, the *Report* series is the result of a long-standing partnership between the World Economic Forum and INSEAD, The Business School for the World, within the framework of the World Economic Forum's Global Competitiveness Network and Industry Partnership Programme for Information Technology and Telecommunications Industries. It aims to raise awareness about the importance of ICT diffusion and leveraging for increased development, growth, and better living conditions.

The *Report* is composed of four thematic parts. Part 1 relates the findings of the Networked Readiness Index 2010-11 (NRI) and features selected expert contributions on the general theme of transformations 2.0. Part 2 includes a number of case studies showing best practices in networked readiness in Costa Rica, Saudi Arabia, the United States, and the European Union. Part 3 comprises detailed profiles for the 138 countries covered in this year's *Report*, providing a thorough picture of each economy's current networked readiness landscape and allowing for international and historical comparisons on specific variables or components of the NRI. Part 4 includes data tables for each of the 71 variables composing the NRI this year, with rankings for the economies covered as well as technical notes and sources for the quantitative variables used.

The NRI uses a combination of quantitative data from publicly available sources, as well as the results of the qualitative Executive Opinion Survey, a comprehensive annual survey conducted by the World Economic Forum with its network of partner institutes (leading research institutes and business organisations) in the countries included in the report.

The editors of the report are Soumitra Dutta, Roland Berger Professor of business and Technology, INSEAD, France, and Irene Mia, Director and Senior Economist, Centre for Global Competitiveness and Performance, World Economic Forum.