

CHILE



# Information and Communication Technologies Opportunities in Chile

Program of APEC Telecenter Training Camp

Taipei, Taiwan

January 2005

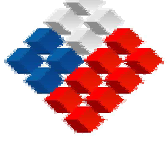
Marcel Silva

Undersecretariat of Telecommunications

Luis Pérez

Institute of Youth

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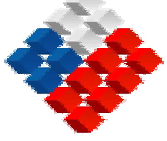


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## Situating Chile in the Map



On the western side of the south american continent,  
facing the Pacific Ocean.

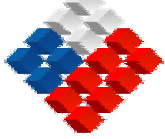


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# GENERAL FACTS

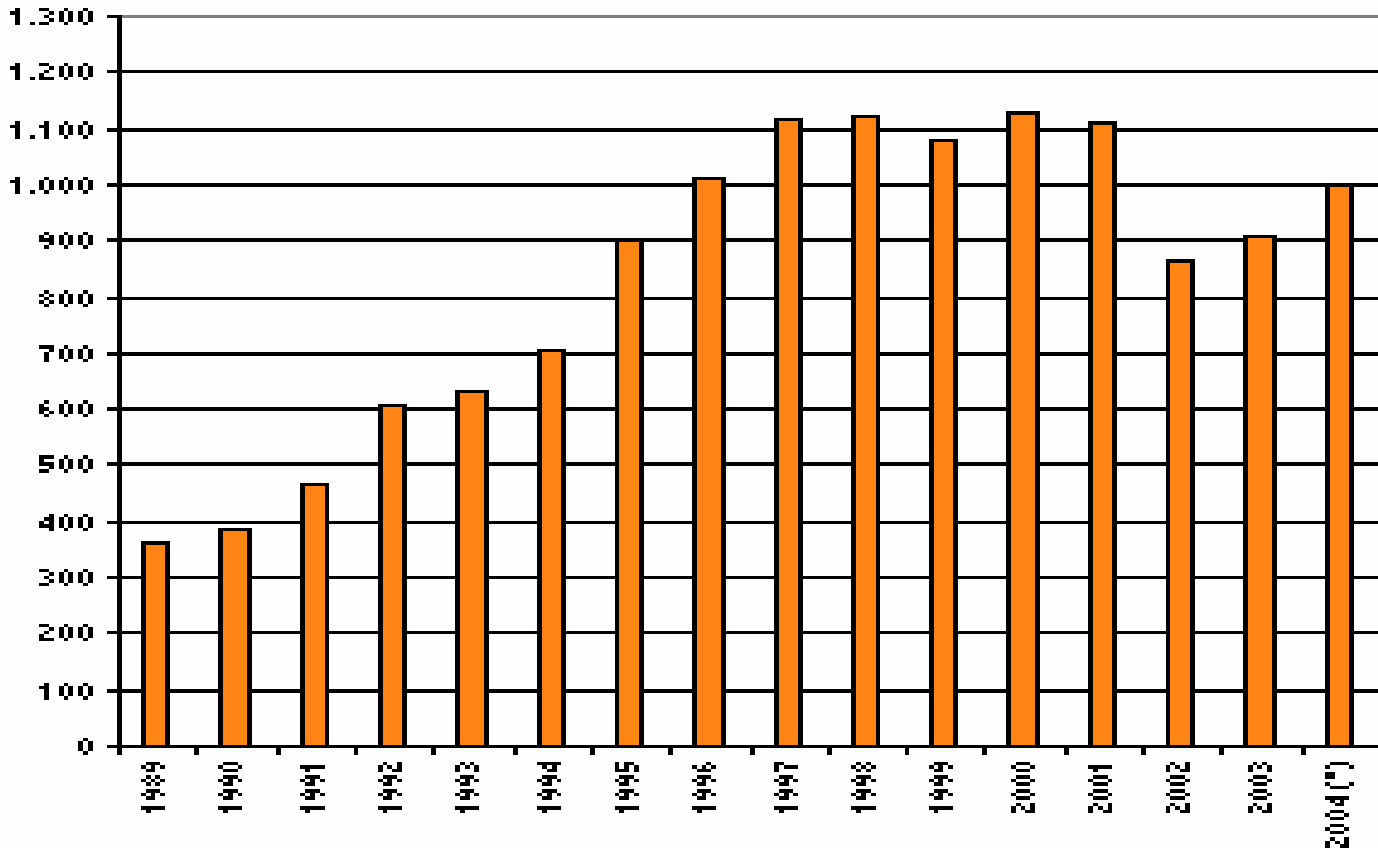


- Spanning more than 4,000 kilometers of coast from North to South.
- 15 million inhabitants
- Spanish Speaking Population
- Strong Macroeconomic Fundamentals
- Economy open to International Trade
- Strongly taking steps into becoming a port for ICT in Latin America.

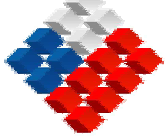


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# Private Investment in Telecommunications

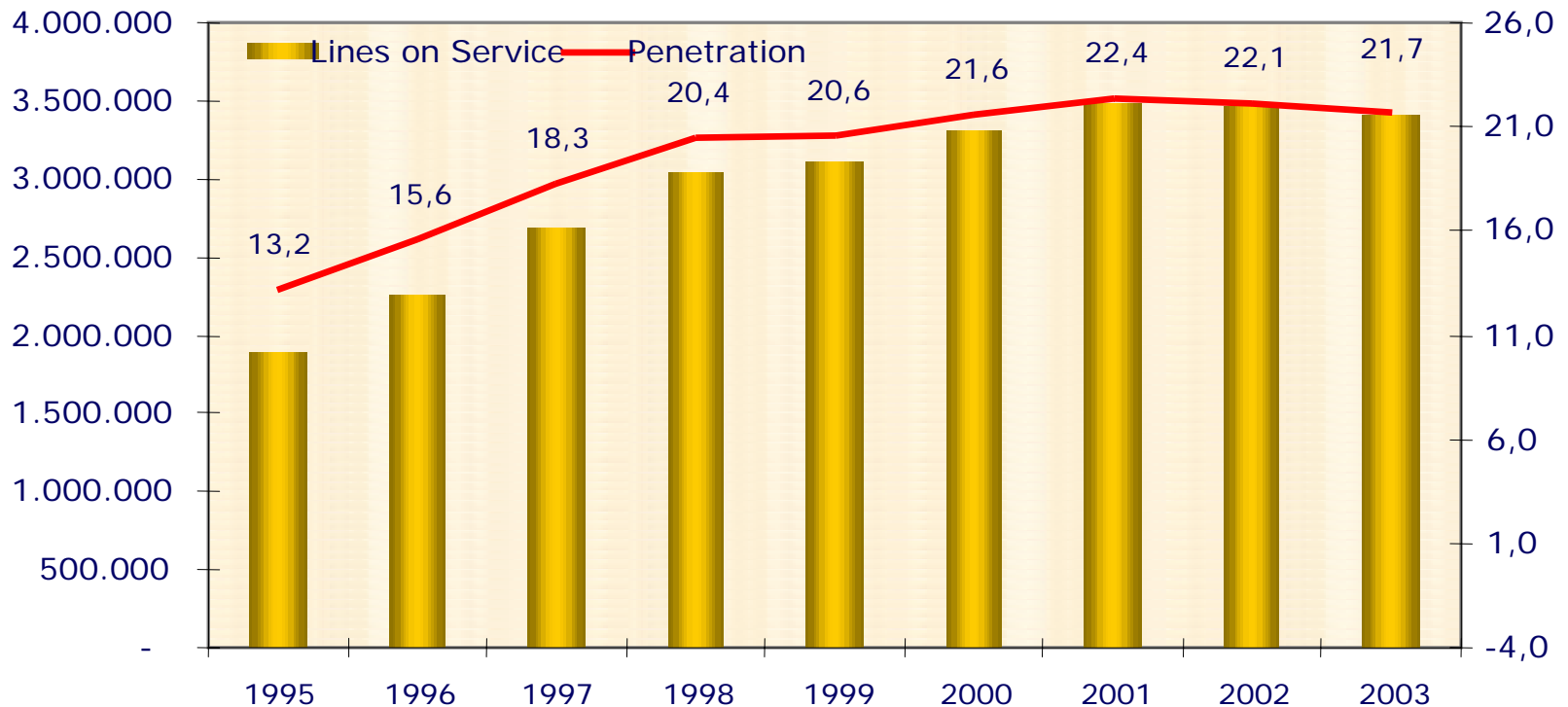


**An average of nearly US\$ 1 Billion from 1996 to date**

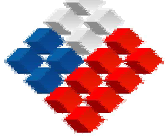


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# Fixed Telephone Lines

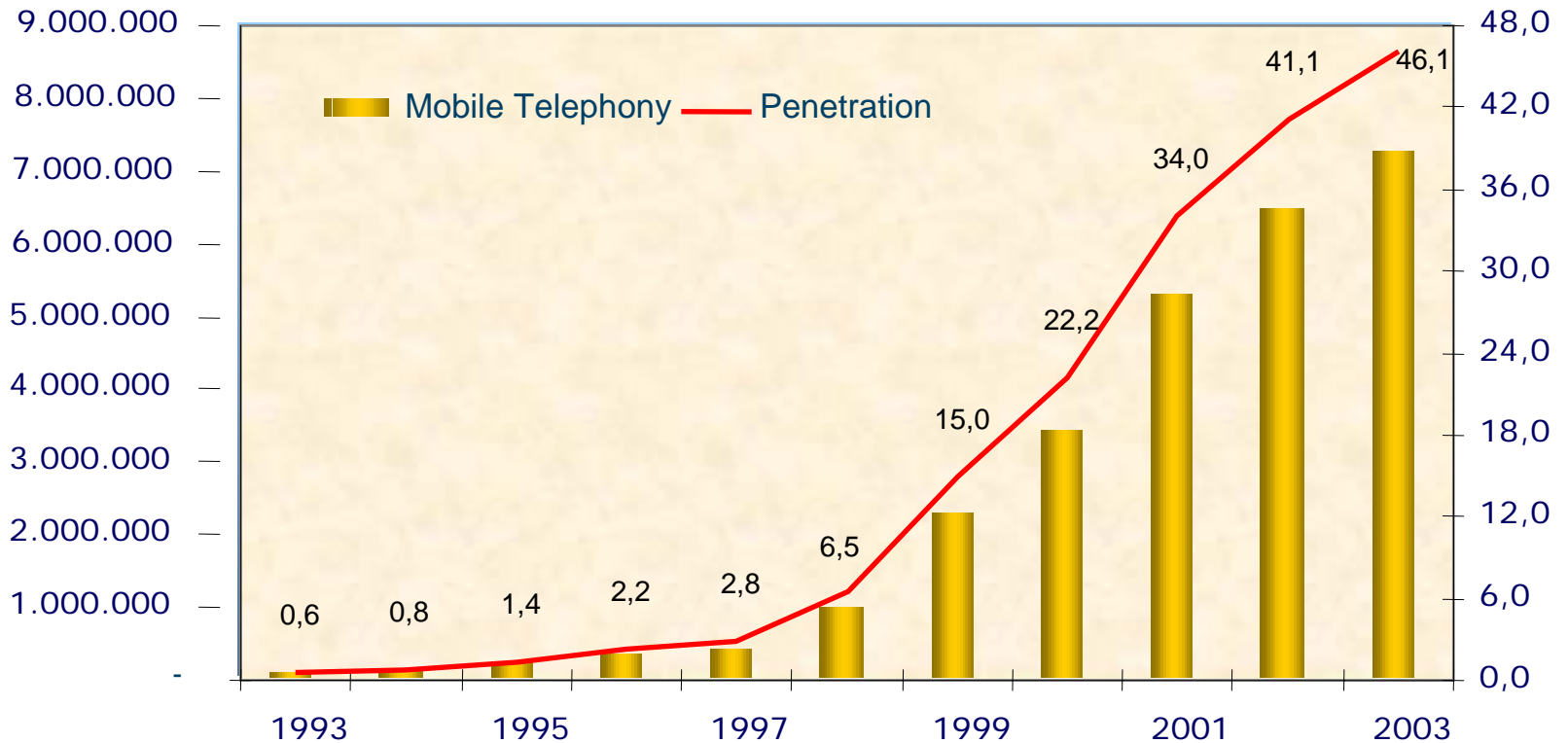


**3.266.588 lines, (March/2004)**



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# Mobile Telephony

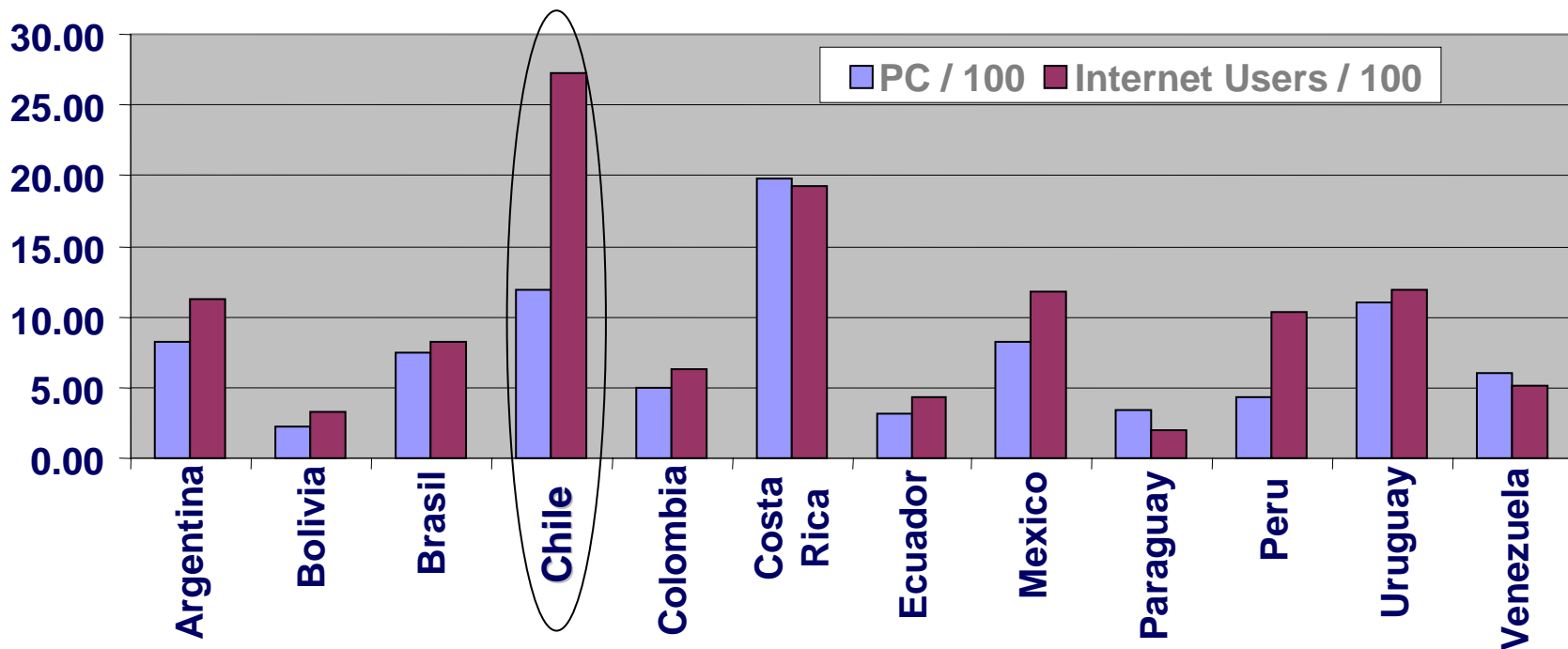


**7.929.860 cellphones, more than 50% penetration (March/2004)**



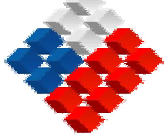
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# Internet and Computers



Source: ITU

CHILE has a leadership position in Latin America

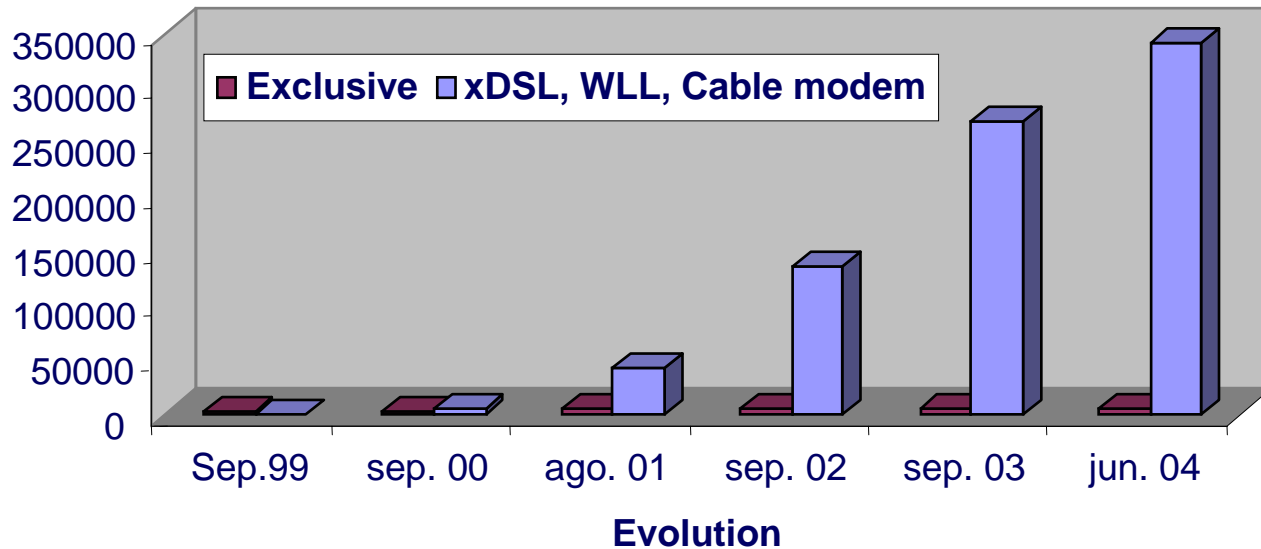


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# ICT STATUS

## BROADBAND

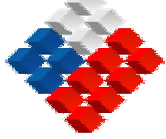
### Broadband



**340.509 Connections (June/2004)**

Broadband connections have increased 40.7% in relation to previous year.

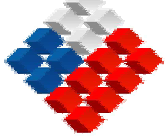




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## Regulatory Framework: encouraging competition in Telecom

- Freedom of enterprise
- All telecoms companies are private
- No restrictions to foreign investment
- Regulatory authorities cannot inhibit private-sector initiatives
  - ↓ regulation applies only under specific market conditions (according to the Telecoms Law);
  - ↓ concessions are granted free of charge (contest instead of auctions);
  - ↓ no limitations to license granting, unless spectrum is limited;
  - ↓ vertical integration is allowed



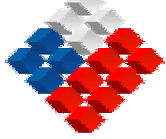
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# Digital Agenda

The Digital Agenda is a Public-Private partnership for the national development through the use of ICTs, in order to enhance democracy and citizens rights, to strengthen equality of opportunities and individual liberties; and to improve government efficiency and transparency.

**Government CIO:**

Carlos Alvarez, Undersecretary of Economy



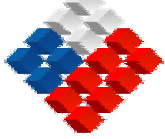
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# Digital Agenda

**Purpose:** contribute towards **Chile's development**, through the use of **ICTs** in order to:

- increase **competitiveness** and **efficiency**,
- increase **equal access to opportunities** y **quality of life**,
- increase **transparency**, **privacy** and **security**,
- increase **cultural development**

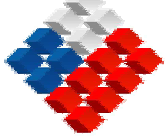
**Objective:** take a 2nd digital leap by the year 2006 and reach a level of digital development comparable with OECD countries, by the Bicentennial (2010)



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## Digital Agenda Goals for 2010

- ▶ 1. A solid and secure Broadband infrastructure.
- ▶ 2. Digitally literate population and a work force with world class standards in the use of ICTs.
- ▶ 3. On-line Government to service citizens.
- ▶ 4. A highly developed e-commerce.
- ▶ 5. To develop a critical mass of ICT businesses, capable of international competition.
- ▶ 6. A modern legal framework to facilitate information society development.



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# Digital Agenda

## 1. Universal Access

2 million households with PCs (44%)

1 million households with Internet access (22%)

150.000 business firms with Internet access

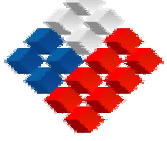
Development of broadband infrastructure

## 2. Education

500.000 digitally literate adults


10% of labor force with one year of ICT training

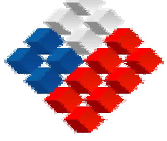
80% of public schools has broadband access



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# On-line Government

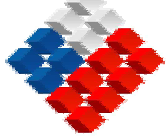
- 300 services on line 
- e-Services platform ([www.tramitefacil.gov.cl](http://www.tramitefacil.gov.cl))
- Health services: medical e-appointment, e-sick leave, biometric information and id, broadband for all primary health care units.
- Training for 341 local governments and digital development for the 100 smaller and more needy municipalities



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## ICT Businesses

- Expanded use of e-Invoice. ▶
- Expansion of e-procurement ([www.chilecompra.cl](http://www.chilecompra.cl))
- 80 business services on - line
- Development of payment media for e-commerce

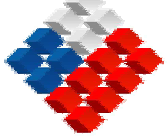


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## Development of the ICT Industry

- ICT Certification of enterprises: 70% of ACTI affiliated businesses certified or in progress (ISO 9000 or CMM)
- 500 ICT professionals certified in the use of english yearly, beginning at 2005
- Promote R&D in the ICT industry
- Facilitate ICT services exports 

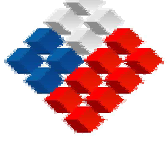




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## Legal Framework

- Promotion of the use of digital signature
- e-Invoice legislation.
- Safeguards for consumer rights in e-commerce.
- Updated copyright protection laws. 



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# Telecommunications Development Fund

## Main Objective

*To promote telecommunications coverage in rural and low income urban areas, especially in distant or geographically isolated locations.*

# FDT (Rural Telephony, First Phase): A Good Example of Leverage



**Phones awarded  
in 6.059 localities**

**2.2 million beneficiaries**

**Public subsidies:  
US\$20 mm**

**Private investment  
in rural telephony:  
US\$150 mm**

**Successful Leverage (1/7)**

**196 projects**

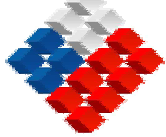


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## **After Rural Telephony... A Law Reform (Law No 19.724)**

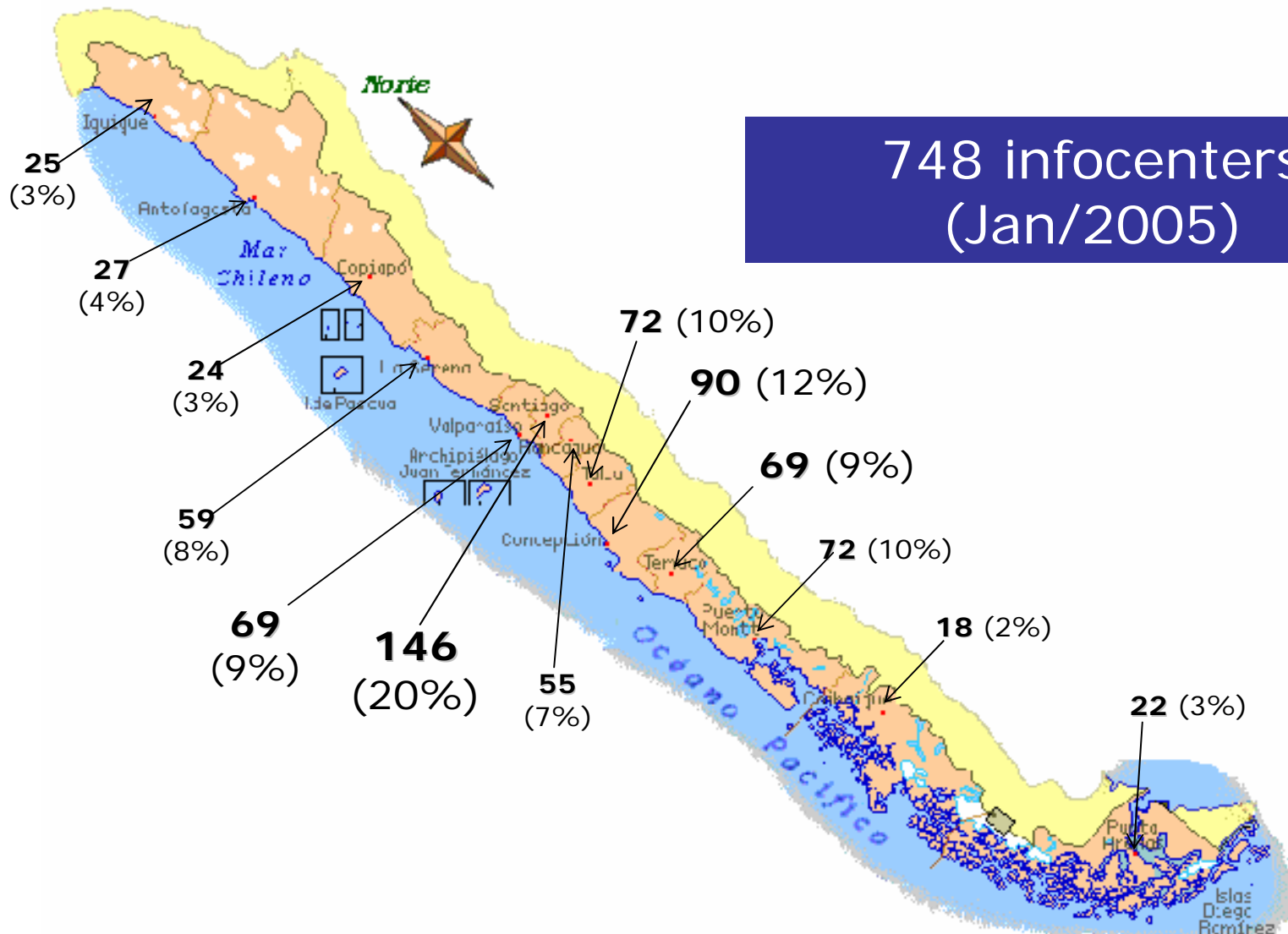
- Extended Fund Operation for another 10 years
- Diversified Eligible Projects to:
  - TeleCenters (“InfoCenters”)
  - Sound and Television Broadcasting, and
  - Other Telecommunication Services
- Incorporated Community participation through City Councils (municipalities)

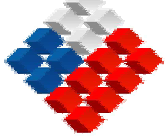




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# Community Access to Internet (Subsidized PC Bangs)

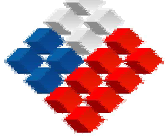




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## Current Status

- Connecting rural school to Internet
  - *667 rural schools will connecting free to Internet for 3 years*
  - *108 thousands students*
  - *Schools into the localities with 0% Internet penetration*
- Connecting Palena province
  - *Transmition Systems to improve the quality and price for the service of telecommunications into the province.*



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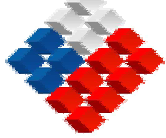
# Transmission System to Hornopirén



Microwaves

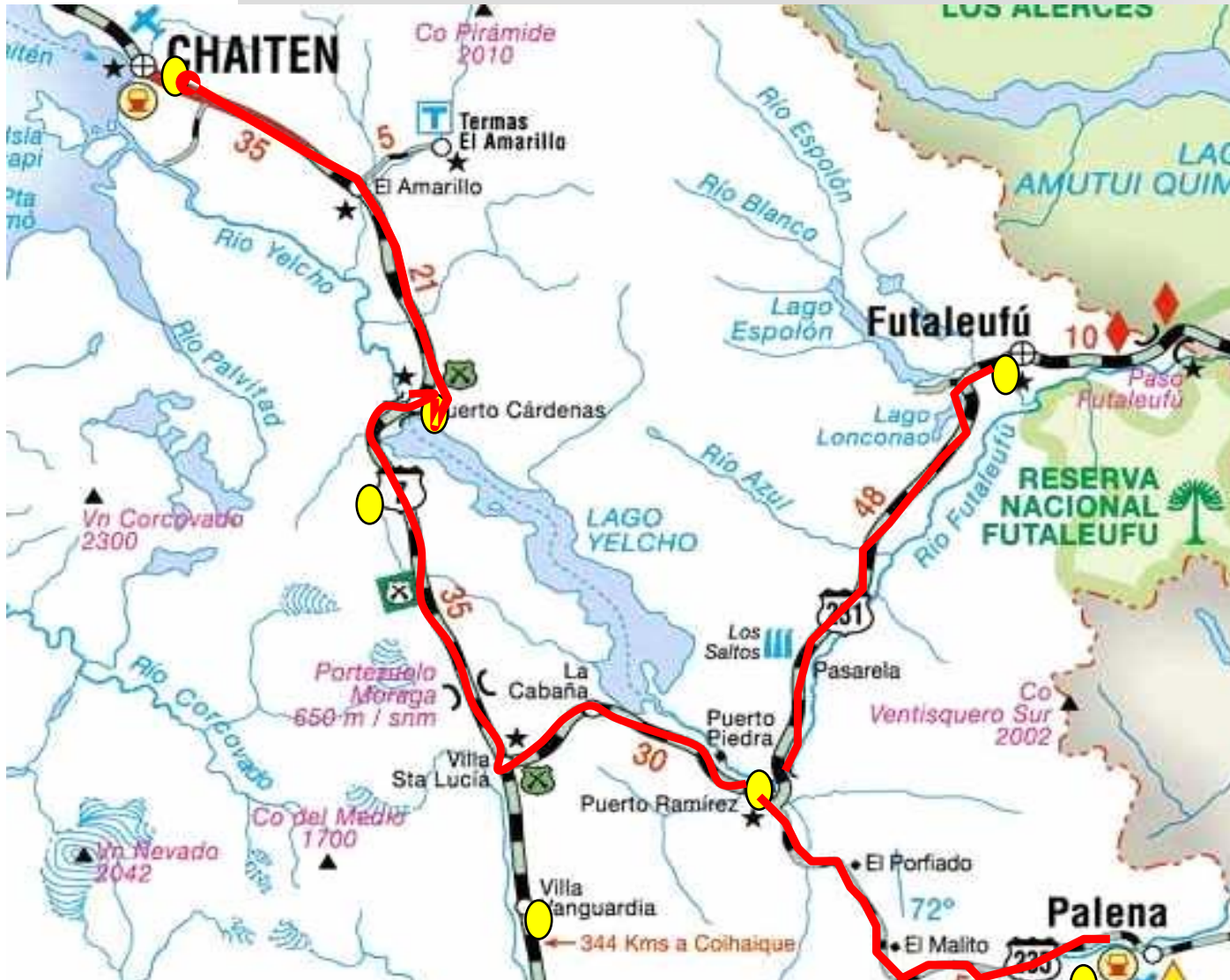
Optic Fibre

RP Lobos



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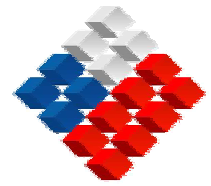
# Transmission System to Futaleufú and Palena



Fibra optica: 8 filamentos







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## Information and Communication Technologies Opportunities in Chile

Thank you for your attention