

Mobile broadband penetration in Latin America could create 6.5 million jobs and lift GDP per capita by 1.7%

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The role of the digital economy in the economic recovery of Latin America and the Caribbean



LUXEMBOURG, August 25, 2022 – According to an independent study conducted by [Telecom Advisory Services](#), commissioned by [Millicom \(Tigo\)](#), a 10% increase in mobile broadband penetration in Latin America could create more than 6.5 million jobs and increase GDP per capita by 1.7%. The study “The Role of the Digital Economy in the Economic Recovery of Latin America and the Caribbean” was authored by Raul Katz, Ph.D., Juan Jung, Ph.D., and Fernando Callorda, MA, from Telecom Advisory Services.

The findings show a significant opportunity for a region that is still struggling to recover from the economic impact of the COVID-19 pandemic. The analysis identifies high spectrum costs – a common regional issue – as the biggest hurdle to digitalization. The report focuses on the Latin America and Caribbean region, in addition to individual studies for each of the nine countries where Millicom (Tigo) operates.

“The conclusions of this study are clear: to accelerate the development of the telecommunications industry and the digital economy, governments in the region must modernize their regulatory frameworks to attract investment in the sector. Above all, the reduction of spectrum prices and of

regulatory and tax charges would produce the greatest stimulus for investment,” said Millicom (Tigo) EVP, Chief External Affairs Officer, [Karim Lesina](#).

Unlike member countries of the Organization for Economic Co-operation and Development (OECD), many governments in Latin America continue to view spectrum as a source of income rather than as a lever to spur faster digital adoption, economic growth, and job creation. As a result, the cost of spectrum in Latin America is 1.7 times greater on average than in Europe.

According to Dr. Katz, President of Telecom Advisory Services and co-author of the study, every country in the region should develop a digitalization and connectivity plan that focuses less on income generation and more on connectivity expansion. The report also highlights that digital highways are just as important to economic growth as physical infrastructure such as airports, roads, and bridges.

“This study empirically demonstrates that, beyond the contribution of digitalization within the context of a pandemic, digitalization is essential for the future economic recovery of Latin America,” said Dr. Katz. “Nevertheless, the acceleration of development in the telecommunications industry and the digital economy, as key requirements for economic recovery, will only result from a significant increase in sustainable investments in the sector, an acceleration in the pace of innovation, and greater human capital development. All of which requires an adequate public policy framework to facilitate such advances, and follow-through to ensure these are put into practice.”

Access the findings of the report [in English here](#) and [in Spanish here](#).

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About Millicom

Millicom (NASDAQ U.S.: TIGO, Nasdaq Stockholm: TIGO_SDB) is a leading provider of fixed and mobile telecommunications services in Latin America. Through our TIGO® and Tigo Business® brands, we provide a wide range of digital services and products, including TIGO Money for mobile financial services, TIGO Sports for local entertainment, TIGO ONEtv for pay TV, high-speed data, voice, and business-to-business solutions such as cloud and security. As of June 30, 2022, Millicom employed approximately 20,000 people and provided mobile and fiber-cable services through its digital highways to around 50 million customers, with a fiber-cable footprint of close to 13 million homes passed. Founded in 1990, Millicom International Cellular S.A. is headquartered in Luxembourg. For more

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