

*"By providing the infrastructure and services necessary for businesses, we believe that the mobile communications sector contributes to improving the international competitiveness of our markets, such as Bangladesh, Malaysia, Pakistan, Thailand, Serbia and Ukraine", says Jon Fredrik Baksaas, President and CEO of the Telenor Group. "Investment in telecommunications helps to increase investor confidence in other areas of the economy and is therefore instrumental in attracting FDI\*."*

*Jon Fredrik Baksaas, President and CEO of the Telenor Group*

## Mobile Industry Powers Emerging Economies

**A study conducted by Deloitte for Telenor shows that the mobile communications industry contributes to between 3.7 per cent and 6.2 per cent of GDP\*\* in the Telenor markets in Bangladesh, Malaysia, Pakistan, Thailand, Serbia and Ukraine.\*\*\* That makes the mobile industry fundamental to the economic growth of developing nations. The industry also has the potential to change people's lives.**

### Mobile communications increase social and economic impact

- The mobile industry plays a key role in the economic development of all six countries by creating employment, as a core source of FDI, by contributing to GDP, and by creating an infrastructure that allows the economy to develop further.
- An increase of 10 per cent in mobile penetration will boost the annual economic growth rate of a developing country by 1.2 per cent.
- If the proportion of people with a mobile phone in a country whose economic growth rate is 4 per cent a year rises from 10 per cent to 20 per cent, it would boost the economic growth rate of that country to 5.2 per cent a year.

### Findings from the six markets show that the mobile industry contributes an economic value equal to

- 3.7 per cent of GDP in Malaysia
- 6.2 per cent of GDP in Bangladesh
- 5.2 per cent of GDP in Pakistan
- 4.7 per cent of GDP in Thailand
- 4.1 per cent of GDP in Serbia
- 5.9 per cent of GDP in Ukraine

\* FDI: Foreign Direct Investment  
\*\*GDP: Gross Domestic Product  
\*\*\*All numbers are based on a study undertaken by Deloitte for the Telenor Group in 2008.

### The industry is also a significant source of employment, directly and indirectly employing

- 34,000 full-time employees in Serbia
- 120,000 in Ukraine
- 51,000 in Malaysia
- 150,000 in Thailand
- 111,000 in Bangladesh
- 244,000 in Pakistan

### Mobile communications contribute to improving efficiency:

- In all the six markets, access to mobile communications can improve information flows, increase work flexibility, and promote business in previously underserved rural areas. The Deloitte study found that the annual productivity increase in the six countries ranged from 6 per cent to 10 per cent. It was also found that the lower the

fixed line penetration, the higher the productivity impact of mobile communications. This was noted quite visibly in countries such as Ukraine, Pakistan and Bangladesh, where mobile communications increased productivity on average by between 9 per cent and 10 per cent annually.

- The mobile communications sector also makes an important contribution to economic and social welfare, for instance through connecting people in remote areas to basic utilities such as banking and health care, and by making it easier for people to communicate with friends and family in distant locations.

## **Further information about the study**

The whole study: [Mobile Industry Powers Emerging Economies](#)

The brochure: [Economic Contribution of Mobile Communications](#)

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### **Telenor Group:**

The Telenor Group is an international provider of high quality tele, data and media communication services with mobile operations in 13 markets across the Nordic region, Central and Eastern Europe and in Asia. Headquartered in Norway, the Telenor Group is among the largest mobile operators in the world with over 160 million mobile subscriptions, revenues in 2008 of NOK 110 billion, and a workforce of more than 40,000 (all numbers include Kyivstar).

Growth comes from truly understanding the needs of people to drive relevant change.