

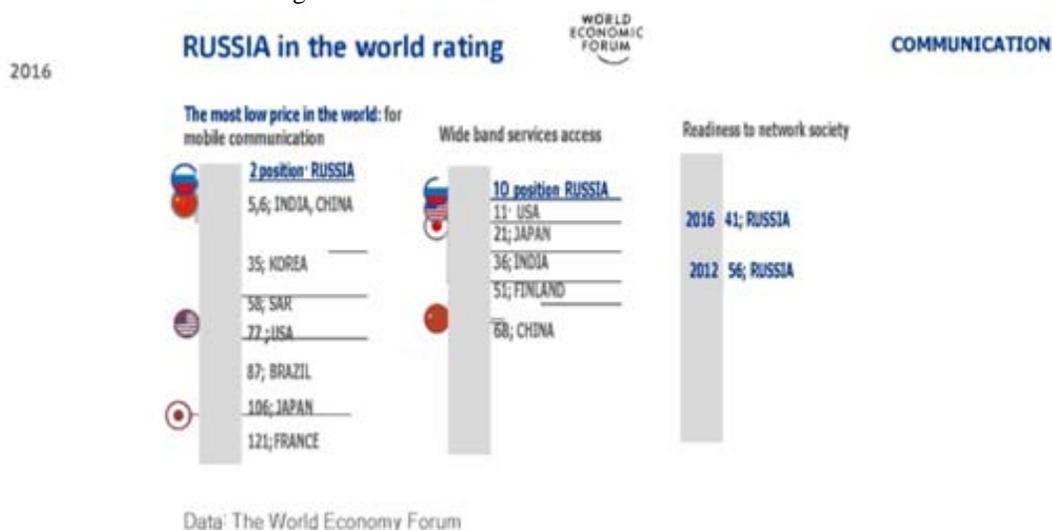
16. Country Report of Russia¹

16.1 Current Status of the ICT Sector of Russia

Modern communication technology LTE allows to have access to the modern services more than 70% of Russian citizens². According to the plans this figure will be increased to 97% to 2024.

The fast spread of the modern communication services in Russia is remarkable both from the accessibility as well as from the low price level perspective. According to the investigation of the World Economic Forum, Russia takes the 2nd place in the rating of economies with the cheapest mobile Internet and Communication. Russia also takes the 10th place in terms of price on wide band services access.

Figure 1. Russia in the World Rating



According to Indicator of Readiness to digital society, Russia also demonstrates the positive dynamics. For the period from Y2012 to Y2016 it went up on 15 places and now Russia is the 41st in the rating.³ It built 35 Kkm of fiber-optical lines.

¹ This report was written by Irina Saltikova, Technical Director of ANO APE, Ericsson Training Center, and Veronika Peshkova, General Director, IExpert, Russia.

² Ministry of Communication and Informatics of Russian Federation- <http://minsvyaz.ru/ru/events/36827>

³ Investigation of the World Economic Forum

Figure 2. Digital Services Penetration



The volume of Russian Internet-users in Y2017 increased on 2.7 million people (3.1%) to 87.7 million people⁴. At the same time the part of mobile devices is higher than the stationary one (PSTN devices). The volume of mobile and digital economy amounts to 4.35 trillion RUB in Y2017 which is 5.06 % of GDP. 1/10 part of mobile economy is formed by SMEs. E-commerce increased on 21%⁵. Digital content production (video, music, games and e-books) increased on 12%, and digital economy infrastructure including software increased on 32%.

Russian market of media on-line services increased on 22% where 70% is the part of online cinemas. For this moment the number of legal online cinema's users in Russia is 39.6 million. For last 4 years it increased on 82.9%. In Y2013 it was 21.7 million people.

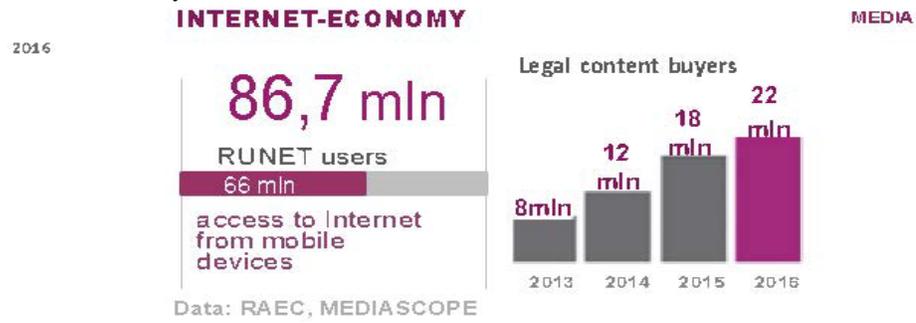
The number of legal content buyers in the Internet increased to 25 million people (on 13%).⁴ Currently 2.3 million people are employed by Internet economy sector in Russia. Unfortunately, there is no growth in the number of working places in the sector during recent years. However, the labour productivity in the sector increased on 15.2% from 1.58 trillion RUB to 1.82 trillion RUB in Y2017. Thus, Internet dependent sectors increased their share in GDP from 19% to 24% during the recent years.

The number of mobile Internet users has also witness an increase. The last year growth is 9% and currently 66 million people use mobile internet on a regular basis. That represents 75% of the total number of Internet users in Russia. The number of smartphone users increased on 15% and achieved the level of 46% of Internet users. The mobile traffic increased on 90%. The cost of mobile traffic in Russia is 10 times cheaper than one in USA, 3 times cheaper than in Germany, and twice as cheap as in South Africa.

⁴ Report of Ministry of Communication and Informatics of the Russian Federation "Final results of Y2017 in the field of media and Internet"

⁵ Report of Ministry of Communication and Informatics of the Russian Federation "Final results of Y2017 in the field of media and Internet", GENDER DIVERSITY 2017, HAYS Recruiting experts worldwide, March 2017

Figure 3. Internet-Economy



The perspectives of digital technology development and mobile services penetration of all economic spheres forced the demand for additional training to adopt people to new conditions. For Y2017, an index of digital literacy in Russia grew up on 5,7% to 59,9% of the population.