

GLOBAL INFORMATION TECHNOLOGY REPORT

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INTRODUCTION

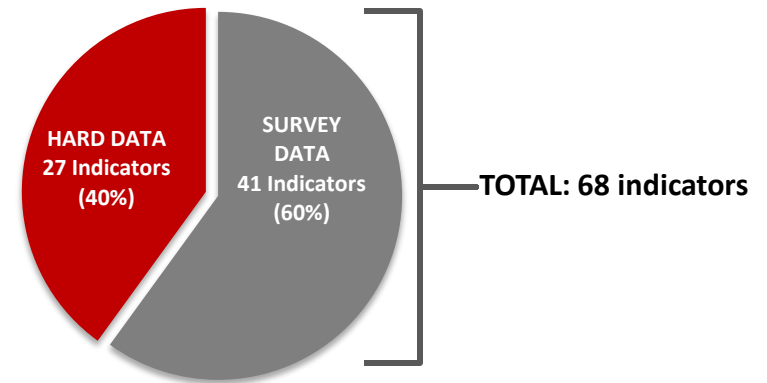
Global Information Technology Report (GITR)

- Assesses the **preparedness (comparative strengths and weaknesses)** of the countries to capture the benefits of the Information and Communication Technologies (ICT).
- Sources of data - “hard data” (statistics, international rankings) and “soft data” (survey data from the Executive Opinion Survey).
- The Executive Opinion Survey records the perspectives of business leaders around the world; Survey data is indispensable, particularly for variables where no reliable hard data sources exist.
- The sample of respondents is carefully selected by the Partner Institute of the WEF in a given country to reflect the structure of a country’s business environment (i.e. the composition of the sample (in percentage terms)). It is also preferable that the respondent company has international experience.
- The Economy and Values Research Center being a partner institute of the World Economic Forum (WEF) carries out the executive opinion survey in Armenia and disseminates the results of GITR.

Network Readiness Index (NRI)

- The Networked Readiness Index (NRI) is defined as a nation’s degree of preparation *to participate in and benefit from* information and communication technology (ICT) developments.
- The NRI allows a nation to *benchmark its ICT performance and to determine the effectiveness of the policy.*

Figure 1. Hard and survey data comparison of the NRI



According to the Global Information Technology Report Armenia ranks 114th with its Network Readiness Index among 134 countries registering a drop by 7 places over the previous year.

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❑ **NETWORK READINESS INDEX**

DETERMINANTS OF COMPETITIVENESS RANKING

Environmental Component 109

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- 2 Political and regulatory environment – 116
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Readiness Component 111

- 4 Individual readiness – 109
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Usage Component 120

- 7 Individual usage – 108
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ENVIRONMENTAL COMPONENT – 109 (↘ -9)

MARKET ENVIRONMENT – 120 (↘ -18)

	Estonia	Russian Federation	Azerbaijan	Georgia	Armenia	Change
1.01 Venture capital availability	15	64	60	88	130	-10
1.02 Financial market sophistication	25	89	77	94	107	2
1.03 Availability of latest technologies	21	98	56	89	116	-6
1.04 State of cluster development	75	96	107	91	130	-16
1.05 Utility patents*	30	41	68	44	65	-13
1.06 High-tech exports*	32	69	111	47	88	-7
1.07 Burden of government regulation	10	118	15	6	71	5
1.08 Extent and effect of taxation	13	94	38	24	84	-14
1.09 Total tax rate*	86	88	64	57	52	-15
1.10 Time required to start a business*	15	81	45	3	54	-16
1.11 No. of procedures required to start a business*	16	60	26	4	75	-17
1.12 Intensity of local competition	22	108	96	114	132	-10
1.13 Freedom of the press	28	113	108	97	130	-13
1.14 Accessibility of digital content	2	49	58	85	101	3

Note: *Hard (statistical) data

ENVIRONMENTAL COMPONENT – 109 (↘ -9)

POLITICAL AND REGULATORY ENVIRONMENT – 116 (↘ -9)

	Estonia	Russian Federation	Azerbaijan	Georgia	Armenia	Change
2.01 Effectiveness of law-making bodies	39	82	47	65	95	-3
2.02 Laws relating to ICT	4	79	45	94	105	-12
2.03 Judicial independence	27	109	84	112	123	-7
2.04 Intellectual property protection	32	98	69	106	108	-2
2.05 Efficiency of legal framework	31	107	64	100	97	4
2.06 Property rights	28	122	80	109	69	-1
2.07 Quality of competition in the ISP sector	1	63	60	111	127	-6
2.08 Number of procedures to enforce a contract*	55	63	78	55	123	-6
2.09 Time to enforce a contract*	41	12	9	13	13	1

Note: *Hard (statistical) data

ENVIRONMENTAL COMPONENT – 109 (↘ -9)

INFRASTRUCTURE ENVIRONMENT – 86 (↘ -5)

	Estonia	Russian Federation	Azerbaijan	Georgia	Armenia	Change
3.01 Number of telephone lines*	34	40	77	84	66	-5
3.02 Secure Internet servers*	26	82	108	66	83	-5
3.03 Electricity production*	25	32	69	84	76	-7
3.04 Availability of scientists and engineers	74	34	28	84	80	-23
3.05 Quality of scientific research institutions	25	45	40	113	101	-20
3.06 Tertiary enrollment*	21	16	96	56	65	5
3.07 Education expenditure*	40	89	103	104	97	-10

Note: *Hard (statistical) data

READINESS COMPONENT - 111 (↘ -8)

INDIVIDUAL READINESS – 109 (↘ -8)

	Estonia	Russian Federation	Azerbaijan	Georgia	Armenia	Change
4.01 Quality of math and science education	14	24	92	75	76	-14
4.02 Quality of the educational system	30	36	78	83	98	-7
4.03 Internet access in schools	2	59	49	61	103	1
4.04 Buyer sophistication	56	74	90	86	88	4
4.05 Residential telephone connection charge*	46	106	109	108	75	1
4.06 Residential monthly telephone subscription*	40	76	28	82	73	-10
4.07 High-speed monthly broadband subscription*	33	78	83	64	107	-5
4.08 Lowest cost of broadband*	42	89	99	72	112	-6
4.09 Cost of mobile telephone call*	17	69	77	94	76	-4

Note: *Hard (statistical) data

READINESS COMPONENT - 111 (↘ -8)

BUSINESS READINESS – 111 (↘ -10)

	Estonia	Russian Federation	Azerbaijan	Georgia	Armenia	Change
5.01 Extent of staff training	35	80	39	73	117	-6
5.02 Local availability of research and training services	21	71	67	117	125	-17
5.03 Quality of management schools	32	72	119	110	124	-6
5.04 Company spending on R&D	40	46	67	121	96	11
5.05 University-industry research collaboration	29	48	47	109	116	-15
5.06 Business telephone connection charge*	42	109	113	103	77	-6
5.07 Business monthly telephone subscription*	36	60	99	93	105	-21
5.08 Local supplier quality	35	100	88	131	111	0
5.09 Local supplier quantity	70	89	84	131	114	-7
5.10 Computer, comm., and other services imports*	46	24	2	113	111	-7

Note: *Hard (statistical) data

READINESS COMPONENT - 111 (⬇️ -8)

GOVERNMENT READINESS – 116 (⬇️ -9)

	Estonia	Russian Federation	Azerbaijan	Georgia	Armenia	Change
6.01 Government prioritization of ICT	4	113	35	69	120	-14
6.02 Gov't procurement of advanced tech products	18	66	23	93	122	-13
6.03 Importance of ICT to government vision of the future	8	105	23	93	116	-9
6.04 E-Government Readiness Index*	13	57	81	82	91	-3

Note: *Hard (statistical) data

USAGE COMPONENT – 120 (⬇️ -8)

INDIVIDUAL USAGE – 118 (⬇️ -2)

	Estonia	Russian Federation	Azerbaijan	Georgia	Armenia	Change
7.01 Mobile telephone subscribers*	3	24	88	98	126	-10
7.02 Personal computers*	22	56	98	83	60	-1
7.03 Broadband Internet subscribers*	22	62	112	81	103	-5
7.04 Internet users*	20	67	85	96	105	-8
7.05 Internet bandwidth*	7	80	46	113	n/a	n/a

Note: *Hard (statistical) data

USAGE COMPONENT – 120 (↘ -8)

BUSINESS USAGE – 111 (↘ -8)

	Estonia	Russian Federation	Azerbaijan	Georgia	Armenia	Change
8.01 Prevalence of foreign technology licensing	52	93	59	99	125	-13
8.02 Firm-level technology absorption	30	105	52	108	109	-29
8.03 Capacity for innovation	40	45	39	97	68	3
8.04 Availability of new telephone lines	23	90	80	94	110	1
8.05 Extent of business Internet use	4	52	68	98	116	-7

Note: *Hard (statistical) data

USAGE COMPONENT – 120 (↘ -8)

GOVERNMENT USAGE – 125 (↘ -14)

	Estonia	Russian Federation	Azerbaijan	Georgia	Armenia	Change
9.01 Government success in ICT promotion	5	111	20	89	119	-10
9.02 Availability of government online services	1	109	44	93	129	-9
9.03 ICT use and government efficiency	2	106	34	76	127	-13
9.04 Presence of ICT in government offices	2	113	28	64	94	-11
9.05 E-Participation Index*	8	83	47	105	105	-5

Note: *Hard (statistical) data