

Maya Talapova
O.M. Galushko, research supervisor
V.V. Gubkina, language adviser
SHEI “National Mining University”, Dnipropetrovsk

Future Evolutions of Mobile Internet

The Mobile Internet is entering a critical phase. Since its emergence in the late 1990s, relatively low bandwidth and coverage and the limits imposed by handsets have held back the development of truly innovative applications and hampered consumer adoption. Until recently, it seemed that the potential of Mobile Internet services to create value for individuals and societies would take much longer than expected.

Recent growth rates and penetration indicate that the global Mobile Internet sector is indeed at an inflection point: By 2010, investment in mobile connections will account for nearly one-third of all Internet access spending. Not surprisingly, however, a clear divide persists between industrialized and emerging nations: In the latter, the Mobile Internet is still nascent, with limited availability of 3G networks in many markets. Revenue growth is expected to slow considerably in developed markets, due not only to market saturation, but also to declining prices as competition intensifies. Though the growth potential is dramatic in emerging markets, they too will quickly face price pressures, particularly as operators expand beyond dense urban areas to lower-income rural populations. It is also becoming clear that Mobile Internet adoption will follow a very different path of development and adoption in emerging markets, where access to wired internet connections is much more limited. The primacy of mobile access in these markets may well give rise to new business models and global competitors

But over the last 12 months, several significant developments have contributed to the evolution of Mobile Internet to bring the promise closer. Mobile access has improved dramatically: In April 2008, the number of cellular users worldwide passed the 3 billion mark and reached an estimated 4 billion by end of the year. Growth in third-generation (3G) penetration is accelerating, reaching nearly 7 percent of the global population by the end of 2008. New smartphones with innovative features such as touch screens and larger displays have been released and are closing the gap between the mobile and wired Internet experiences.

Still, the remaining challenges need to be addressed jointly by industry participants, regulators and governments in order to usher the Mobile Internet to its full potential. At this critical point in time, the World Economic Forum initiated the project "Mobile Internet for Growth" to foster dialogue among the key parties on how to address the emerging bottlenecks and collaborate in the future development of the Mobile Internet ecosystem.