

# THE CZECH REPUBLIC

# i2010 Annual Report 2007

The Czech Republic presents a somewhat divided image with above average enterprise connectivity but largely unconnected citizens. However, there are signs that this may be evening out with citizen connectivity growing more rapidly than in comparative countries and enterprise connectivity going down slightly.

## The Czech Republic Today

Broadband penetration in households is among the lowest but rose from last year as connections doubled. Most are non-Digital Subscriber Line (DSL). Growth is largely conversion from narrowband but this is still more than 40% of connections. If this high conversion rate continues, future broadband growth soon will depend on an increase of the low overall base of internet users. Citizens' online use is low except for internet telephony and videoconferencing. Uncertainty over returns on investment seems to be the main obstacle to exploiting and developing audiovisual content online. 3G and digital TV are beginning to be rolled out.

eGovernment services are less widely available than the EU average especially for citizens. Citizens' demand has increased rapidly although it is still in the lower half of the scale. eGovernment enterprise services are a higher priority and availability is higher than for citizens but are still below average. Use of basic public services among enterprises is now well above the average but use of advanced services is low. Despite low broadband connectivity in schools, the use by teachers is good and in the top ten. The ratio of computers to pupils is below average.

ICT expert skills are ranked highly but basic ICT skills are lower than average. Enterprises are significantly more advanced with over half now having broadband. Enterprise use is higher than citizen use and enterprises using eCommerce is only marginally less than the EU average. Use of other eBusiness-tools and integration is, however, low.

## Czech ICT Policy

**Broadband:** Broadband and public internet access points are being set up with the support of EU structural funds. National funding includes 1% of the revenues from the privatisation of Cesky Telecom, the telecom incumbent.

**eTrust:** A National Information Security Strategy was adopted in October 2005 and an implementation Plan was submitted to the government, but is not yet adopted.

**Digital Literacy:** The National Computer Literacy Programme is being implemented: financial grants are offered to citizens to follow courses in using computers; schools and libraries are supplied with appropriate equipment.

**eGovernment:** The Public Administration Portal was upgraded, an eHealth project in the Prague region was launched and the pilot project "Tax Portal", enabling online contacts with tax authorities became operational. Work on the electronic single economic register started. A new Act allowing electronic public procurement came into force. The legislative process on data sharing between governmental entities stalled, delaying the development of a fully enabling legal environment for eGovernment.

<b>Broadband</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>EU25</b>	<b>Rank</b>
Total DSL coverage (as % of total population)			75.0		87.4	22
DSL coverage in rural areas (as % of total population)					65.9	
Broadband penetration (as % of population)		1.7	5.5	9.6	15.7	18
DSL penetration (as % of population)		0.6	2.5	4.3	12.8	21
<b>Predominant download speed</b>						
Households having broadband (as % of those having access to the internet at home)	10.0	23.0	26.6	56.7	62.1	20
% of enterprises with broadband access	20.1	38.0	52.1	69.3	74.5	17
Number of 3G subscribers per 100 inhabitants			0.0		5.0	21
Digital Television in households			5.2		30.6	21
Music: number of single downloads per 100 inhabitants			0.0			15
<b>Internet Usage</b>						
% population who are regular internet users	19.9	24.5	25.7	35.8	46.7	22
<b>Take up of internet services (as % of population)</b>						
Sending emails	22.7	27.0	27.0	37.2	43.8	17
Looking for information about goods and services	15.3	17.3	19.7	31.7	42.9	20
Internet telephoning or videoconferencing	2.4	5.4	5.5	8.8	7.1	11
Playing/downloading games and music	8.6	9.1	8.9	12.5	18.2	23
Listening to the web radio/watching web tv	2.5	3.0	2.8	6.5	11.8	25
Reading online newspapers/magazines	8.9	10.1	11.6	19.0	19.0	17
Internet banking	3.4	4.9	5.2	9.7	22.0	22
<b>Places of access</b>						
% at home	17.0	19.9	19.7	30.9	42.6	19
% at work	12.5	14.2	14.0	19.8	23.0	18
% at educational place	7.1	7.6	6.9	8.6	8.0	15
% at PIAP	4.9	2.8	2.2	3.5	6.8	22
<b>eGovernment Indicators</b>						
% basic public services for citizens fully available online		16.7		8.3	36.8	23
% basic public services for enterprises fully available online		50.0		62.5	67.8	15
% of population using e-Government services		6.7	4.6	17.4	23.8	16
of which for returning filled in forms	0.4	1.4	1.4	3.0	8.1	22
% of enterprises using e-Government services		74.7	78.9	75.6	63.7	12
of which for returning filled in forms	21.8	23.7	31.6	32.4	44.8	22
<b>ICT in schools</b>						
Number of computers connected per 100 pupils				8.2	9.9	16
% of schools with broadband access				63.0	67.0	21
% of teachers having used the computer in class during the last 12 months				78.3	74.3	10
<b>e-Commerce</b>						
E-commerce as % of total turnover of enterprises	5.7	5.9	8.4	7.1	11.7	14
% enterprises receiving internet orders	17.4	13.2	15.4	9.0	13.9	17
% enterprises purchasing on the internet		31.2	37.4	26.9	37.9	13
<b>e-business. % enterprises:</b>						
with integrated internal business processes			18.4	27.5	37.3	18
with integrated external business processes			4.2	10.3	13.5	14
Security: % enterprises using Secure servers					41.0	
% using digital signatures for authentication			1.1	9.8	14.3	18
<b>Employment and Skills</b>						
% employees using computers connected to the Internet	19.3	23.0	26.4	28.6	36.1	18
% of persons employed with ICT user skills.	15.6	16.5	16.9	17.3	18.5	18
% of persons employed with ICT specialist skills	3.8	3.9	3.9	4.0	3.1	5
<b>Indicators on growth of ICT sector and R&amp;D</b>						
ICT sector share of total GDP	9.8				5.5	3
ICT sector share of total employment	4.2				4.0	10
ICT sector growth (constant prices).	-0.2				3.6	17
R&D expenditure in ICT by the business sector, as % of GDP	0.1				0.3	12
=== as % of total R&D expenditure	14.2				25.7	14