



Worldwide Internet Population: Asia

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With an estimated Internet population of 27 million people, the Asia/Pacific Rim region ranks third in Internet population while also containing some of the most highly populated areas in the world.

A large number of the countries in Asia and the Pacific Rim are thought of as being huge potential markets for electronic commerce and electronic devices in the next century. For the most part, this is true. There are a lot of people in Asia, but only a small fraction of them are online. However, the real question is not precisely how many of these people are online at the present time, but rather how to increase computer and Internet penetration in these areas.

Almost 1 billion people live in India at the present time, and about 1.2 billion people in China. However, both of these countries have a relatively low number of people online, 500,000 and 1.5 million respectively. These numbers represent only .49 percent of the population of India, and .1 percent of the population of China. The potential for large growth clearly exists in both of these countries.

Most of the countries in this area suffer from the same problems, ranging from the relatively high cost of PCs and Internet access to the lack of a comprehensive telecom infrastructure that can support widespread Internet access. Additionally, some of these countries have relatively poor economies that cannot support Internet usage and expansion. Also many residents of these countries simply lack a good reason to use the Internet.

Some countries are not represented in the following list, because no data is available from these countries. Either no one is online in these countries, or the government does not let this information out of the country.

Australia: 4.2 million adults (32% of the adult population)

In November of 1998 the Australian Bureau of Statistics found that there were 4.2 million adults online in Australia. This represents 32% of the adult population, easily putting Internet penetration in Australia on par with the U.S. and Canada. However, it is unclear what “adult” means in this context.

China: 1.5 million users (0.1% of the population)

With a population of 1.2 billion people, China has a very large number of people that could potentially use the Internet. However, while 1.5 million users (Xinhua News Agency, December 1998) is a large number, it is a very small percentage of the overall population.

There are a number of factors holding back mass usage of the Internet in China. These factors range from government policy that limits public access, to poor telecom infrastructure, to a lack of computers owned by citizens, as well as the overall cost of going online. However, a recent survey by Beijing-based Sinclair Company found that 71.2% of non-Internet users were interested in becoming Internet users. How soon these users will be able to go online is unknown. While China is making great strides towards upgrading its telecommunications infrastructure and getting more people online, a great amount of ground must be covered before the Internet becomes truly ubiquitous.

Bangladesh: 7000 users (.005% of the population)

From September of 1997, the Internet population most likely has risen. However, the growth rate is unknown.

Hong Kong: 850,000 users (13.4% of the population)

AC Nielsen reported in April of 1998 that there were 850,000 users in Hong Kong, with 1 million users expected by June of 1998. This survey was conducted through random sample of 2000 residents between the ages of 15 and 54.

Additional findings were that over half of the households in Hong Kong now have a computer, and 25% of homes subscribe to an Internet account.

India: 800,000 users (.08% of the population)

A recent NASSCOM Survey has reported that the user base in India is about 800,000 people. India has a high potential for growth if infrastructure problems can be worked out. The government has made the first steps in solving these problems by opening up the ISP market to competition.

While the opening of the ISP market should expand popular access to a certain degree, a major barrier to the expansion of the Internet user base in India is the lack of telephone lines: 19.1 million phone lines for 1 billion people. However, there are 25 million homes with cable TV. The use of cable modems could potentially provide connectivity solutions for parts of the country.

Indonesia: 80,000 users (.04% of the population)

In May of 1998 Web demographics were released that indicated that there were 80,000 Internet users in Indonesia. While the growth rate is uncertain, we can assume that the number of users has risen.

Japan: 14 million users (13.4% of the population)

Nikkei Market Access conducted this survey in September 1998. The findings were that 14 million people (13.4% of the population) were users of online services of some kind. Users of Web and email services numbered 11.5 million, or 11% of the population.

The results of this survey indicated that use of the Web is expanding slower than use of online services. Barriers to the widespread use of the Web in Japan include the need for richer content and the high telecommunications cost for Web access from the home.

Malaysia: 600,000 users (3% of the population)

These January 1998 figures are from Jaring Network in Malaysia. IDC estimates that Malaysia will have 1.34 million users by 2002.

Construction of the Multimedia Super Corridor is currently a year ahead of schedule, according to a report on CNET dated September 1998. At that time, 244 company applications had been received, and 174 approved. In this same article, Prime Minister Mahathir Mohamad is quoted as saying, "There will be no censorship of the Internet in the Multimedia Super Corridor."

New Zealand: 561,000 users (15.8% of the population)

IDC reported in November 1998 that by the end of the year there would be 561,000 Internet users in New Zealand. ECommerce was expected to generate \$9.9 million dollars in revenue by the end of 1998, rising to \$564 million by 2002.

Philippines: 200,000 - 320,000 users (.3% - .4% of the population)

An article in AsiaBizTech from January 1999 estimates that there 200,000 Internet users in the Philippines, rising to 900,000 by 2002. Nua cites figures from Yu Ming Chin Asia Online, Philippines that put the number of Internet users at 320,000. This estimate is from September 1998.

The article from AsiaBizTech suggests that the Philippines will need a user base of at least 500,000 people in order to maintain a viable eCommerce economy.

Singapore: 510,000 users (17% of the population)

An article in Techserver in November 1998 stated that about 17% of the population of Singapore is online, with 50% penetration expected by the end of 1999. With a population of around 3 million people, the Internet population in Singapore is about 510,000.

Singapore plans to use the Internet and call-center technologies to conduct its 2000 census.

South Korea: 3.5 million users (7.8% of the population)

In an article on *Internet News* dated April 8, 1999, the CEO of Inet Inc. was quoted as stating that there were about 3.5 million users in South Korea. Of these users, about 1.5 million access the Internet regularly.

The article states that the economic crisis in Korea of 1997 and early 1998 saw many businesses and consumers canceling Internet accounts. However, the introduction of Online Gamers Association (OGA) helped boost Internet usage. In the last 6 months, 3000 OGA shops have opened.

The Internet industry appears to be stabilizing in other areas as well. Online trading is on the rise; a legal framework to govern electronic transactions is expected in July 1999; Internet banking is planned to debut in July; Korea cybermall sales increased 30% last quarter; and finally, AOL is expected to expand service to Korea early next year. Additionally, the Korean Ministry of Finance & Economy announced that it is studying ways to establish an Internet-based stock exchange.

Sri Lanka: 14,000 users (.07% of the population)

An article from Reuters dated September 1998 stated that there were 14,000 Internet users in Sri Lanka. This number is expected to grow to 50,000 users by 2000. While both of these estimates represent a small fraction of the estimated 19 million people in Sri Lanka, the potential for growth does exist. The deregulation of the telecom sector three years ago has prompted rapid installation of phone lines. Additionally, computers are available at cheaper prices since import duties were removed last year. The article also reports that most computer vendors are throwing in a free Internet connection with every purchase.

Taiwan: 3.01 million users (14.3% of the population)

In January 1999 the Institute for Information Industry reported that there were 3.01 million Internet users in Taiwan. These figures put online usage there on par with the other online leaders in Asia, and within the top 15 countries in the world.

Thailand: 131,000 users (.2% of the population)

In January 1998 IDC reported that there were around 131,000 Internet users in Thailand. The number of Internet users undoubtedly has increased in the past year, but the growth rate is unknown.

Vietnam: 11,000 users (.014% of the population)

AsiaBiztech reported in January of 1999 that there were about 11,000 users in Vietnam. While this number does only represent a small fraction of the total population of around 77 million, the number of Internet users is expected to double in the next year.

Vietnam is moving ahead in Internet access and availability. It was only in 1997 that the first ISP licenses were granted. At this time, the existing infrastructure consisted of two low-speed lines connecting Hanoi and Ho Chi Minh City to the outside world with a capacity of around 12 people. January 1999 saw the slashing of Internet access charges by about 50%, an important development in a country where the relative cost of Internet access is one of the highest in the world.

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