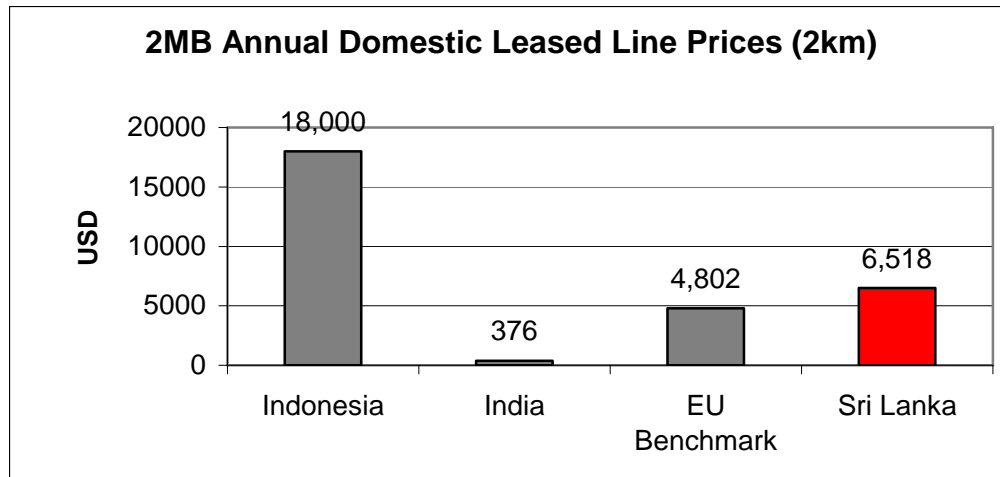For immediate release
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News Release
Full benefits of WiFi yet to be realized in Sri Lanka

Unlike most developed and many developing countries, Sri Lanka has yet to unlicense the 2.4 and 5 GHz bands, making it technically illegal for most Internet Service Providers (ISP) and community organizations to use wireless technology to reach far-flung villages that lack adequate local access and backbone networks. Because the WiFi bands in Sri Lanka are licensed to a few operators, they tend to cater to the high-paying customers at trendy "hotspots" rather than the hard to reach villages in Moneragala, for example. The current situation is that accessing the Internet with wireless technology like WiFi has remained the exclusive privilege of those shopping at Odel, lunching at the Cricket Club or waiting to catch their flights at the airport thanks to obsolete regulation.

WiFi technology can cover distances up to 15 kms leap-frogging difficult terrain to provide cost-effective connectivity to farmers, traders, and fishermen who live outside of urban centers. Not only are WiFi networks significantly cheaper than wired networks, but wireless technology obviates the hassle of obtaining permits and digging land for laying cables. The main reasons for WiFi being cheap are that the equipment was designed for unlicensed bands and that the enormous popularity enjoyed by WiFi has brought unit costs down dramatically.

Indonesia, which recently unlicensed the 2.4 GHz band, is at the forefront of WiFi revolution among developing countries. "WiFi deployment in Indonesia is extensive and covers more than 40 towns and cities in a number of different islands," said LIRNE*asia*'s lead researcher on the WiFi project, Divakar Goswami. In a recent study conducted by Goswami and Onno Purbo in Indonesia, it was found that WiFi was being used to bring connectivity to the vicinity of less affluent neighborhoods whose residents would then share the connection among individual households using cheap overhead cables.

"In Indonesia, WiFi is not only used as an access network by Internet service providers (ISPs) to reach customers' houses, but also as a low-bandwidth backhaul network to carry Internet traffic over large distances," Goswami added. WiFi offers a significant cost advantage to ISPs because leased line prices in Indonesia are even higher than in Sri Lanka.

2MB Annual Domestic Leased Line Prices (2km)

A bar chart showing USD prices:
- Indonesia: 18,000
- India: 376
- EU Benchmark: 4,802
- Sri Lanka: 6,518

Typically, leased lines connect ISPs to high capacity backbone networks that haul Internet traffic over great distances. In Indonesia, where\leased line prices are high, ISPs have used WiFi as a substitute.

Some lessons learnt from the Indonesian study could also be applied to Sri Lanka. "Sri Lanka's inadequate fiber based backbone infrastructure in the North, East and the deep South means that high-cost alternatives like satellite links have to be used," said Rohan Samarajiva, former Director General of the Telecommunication Regulatory Commission of Sri Lanka and the Executive Director of LIRNE*asia*. "Once completed, the *e*-Sri Lanka project will remedy the shortage of backbone infrastructure," he added. But in the meantime, according to Mr. Goswami, "By reducing leased line prices to Indian levels and unlicensing the 2.4 and 5 GHz bands, the Sri Lankan government will provide Sri Lankan ISPs the ability to quickly deploy broadband networks and services using WiFi and WiMax to areas that are currently unserved." WiMax, the "big brother" of WiFi, will allow Internet connectivity up to 50kms away at broadband speeds. The standards for WiMax have been recently finalised and the technology is being currently tested in Sri Lanka by SLT and Intel.

Bhutan, a small, land-locked, least-developed country in the South Asian region, has deployed WiFi technology to connect remote mountain villages. India has recently unlicensed the WiFi frequencies that is spawning thousands of wireless networks all over the country. The rollout of WiFi networks is led by the major telecom operators like Bharti, BSNL, MTNL and Tata along with smaller ISPs.

In the face of these changes that are revolutionising communication by slashing costs and enhancing access, the Sri Lankan government's failure to unlicense the WiFi bands, despite an early consultation paper on the regulatory website (http://www.trc.gov.lk/wifi.htm) is exacerbating the current digital divide that separates the connected from the unconnected, Mr Goswami said.

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