

Mexico president says state will cover internet gaps, others should 'stand aside'

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MEXICO CITY (Reuters) - Mexican President Andres Manuel Lopez Obrador said on Saturday the government would bring internet to remote areas of the country and that current concession holders should “stand aside” if they cannot do the job.

FILE PHOTO: Mexico's President Andres Manuel Lopez Obrador speaks to the media during a news conference at the National Palace in Mexico City, Mexico May 1, 2019. Press Office Andres Manuel Lopez Obrador/Handout via REUTERS

In a campaign-style speech to hundreds of supporters in El Nayar, a municipality in the western state of Nayarit, the veteran leftist said companies were not bringing internet to the remotest areas because they were only interested in profits.

“With all due respect, what are we going to say to the companies who have had the concessions and who haven’t connected the country? Stand aside, because the government will have its company to connect all Mexicans with internet,” he said.

Lopez Obrador, who has pledged to ensure the whole country has internet, did not elaborate further, and a spokesman for the presidency could not immediately be reached for comment.

Since taking office in December, Lopez Obrador has sought to give a bigger role to the state in the economy, causing nervousness among influential sections of the business community.

America Movil, the company controlled by business tycoon Carlos Slim, has long dominated the telephone and internet market in Mexico. The company’s principal competitors in telecoms are Spain’s Telefonica and U.S. firm AT&T Inc.

Last year, the administration of Lopez Obrador’s predecessor as president launched a wholesale national mobile network that it said would cut the costs of developing infrastructure for carriers, particularly in rural areas with poor coverage.

A spokesman for America Movil did not immediately reply to a request for comment.

According to Mexico’s national statistics agency, as of 2018 74.3 million people in Mexico above the age of six used the internet in Mexico, or 65.8% of that portion of the population.

Around 18.3 million homes, or 52.9% of the total, had fixed or mobile internet access, the agency said.

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