

## National Perspectives on Bridging the Digital Divide

Pakistan has one of the largest markets for the global digital economy and the market is still young with tremendous potential for growth. Pakistan's internet penetration has been growing fast and particularly with the launch of 3G/4G, the number of subscribers with access to mobile internet is growing at phenomenal rate. Smartphone users now constitute 31% of total mobile users in 2016. Pakistan has the lowest cost as a percentage of income for broadband for people living in poverty (at 5.5% for people living at below \$3.1/day). The main barriers to internet penetration (broadband connectivity) in Pakistan are poor infrastructure (low fiber optic penetration); low literacy rate; regulatory hurdles; geographic barriers; and low rates of urbanization.

Pakistan's public sector has embraced the digital economy with a wide range of services now being offered electronically, including social welfare payments, citizen liaison services and automated border control. Some of these services have been exported to other developing and LDC countries. Pakistan's private sector has gone through a disruption of its own with freelancing increasingly becoming a big part of the economy, e-commerce companies targeting the country for its high-skilled labor and innovative payment systems. Pakistan believes that financial services are critical to achieve digital inclusion and is pursuing its Maya Declaration commitments with great urgency through its National Financial Inclusion Strategy.

The road forward for Pakistan includes focusing on its regulatory regime and updates its law to facilitate the digital economy. To that end, Pakistan has created a National Advisory Council and a National Policy Board on e-commerce. Pakistan believes that the international community should focus on supporting digital and LDC countries through greater assistance in the services sector. A recent initiative by UNCTAD, eTrade for All, is an excellent example of a program which aims to improve the ability of developing countries, and particularly benefit LDCs, to use and benefit from the digital economy.