WTO
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ICT Connectivity for Trade & Development

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A decade of strong growth in ICTs

- Growth in ICT infrastructure, connectivity, access & use deliver development opportunities
- ICTs are key building blocks of the digital economy and facilitate trade and drive e-commerce
- Digital connectivity now intertwines with physical connectivity. Digital networks have rapidly become integral to global trade, and offer opportunities for growth as a market place.

Note: * ITU estimates.
Source: ITU.
Inequalities in ICT access and use

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Source: ITU.
Mobile as the key driver of access

Population covered by mobile networks, world, 2015

- **2G**: 95% covered, 5% not covered
- **3G**: 72% covered, 28% not covered
- **LTE or higher**: 48% covered, 52% not covered

Source: ITU.
Infrastructure remains a barrier

- Fixed infrastructure remains limited, including national backbone and international connectivity
- Mobile vs fixed
- Infrastructure impacts quality of service and speed

![International Internet bandwidth in kbit/s per inhabitant, 2015](image-url)
Paradox of connectivity versus use

- More than 50% of the population in LDCs is covered by a mobile-broadband signal, but:
- Only 15% use the Internet

Internet users per 100 inhabitants, 2016

Source: ITU.
Falling prices, more affordable mobile services

- Average handset based mobile-broadband prices have dropped from USD 26 in 2013 to USD 9 in 2015.
- Number of services and pricing models are increasing, also to adapt to the needs of developing countries.
- The price of the device, in particular smartphones, remains high.

Source: ITU.
Cost of equipment is too high

Top barriers to household Internet access at home

Source: ITU and Eurostat. 2013-2015 data
Barriers to Internet access at home

Households without Internet access, by type of reason (%)

- Cost of service is too high
- Lack of confidence, knowledge or skills to use the Internet
- Cost of the equipment is too high
- Internet service is not available in the area
- Do not need the Internet
- Have access to the Internet elsewhere

Source: ITU and Eurostat. 2013-2015 data
Some regulatory tools

• Develop National ICT/Broadband Plans, set targets and track and monitor implementation
• Liberalization, privatization and inter and intra platform competition
• Creating an enabling environment, removing entry barriers, allow foreign ownership and investment
• PPP, universal service funds & obligations
• Tax incentives
Taxes on digital goods & services

Governments need to consider the trade-offs between revenue generation and potential of longer terms revenues, benefits and opportunities.

Limited taxes

- Increase the level of capital investment for the development of infrastructure
- Positive spill-over contribution on GDP growth
- Make ICT services and goods more affordable & expand demand
- ICTs increase efficiency of production processes, facilitate the circulation of goods, create new businesses
Highlights

• Growth in ICT infrastructure, connectivity, access and use promise great development opportunities

• ICTs are key building blocks of the digital economy, to facilitate trade and drive e-commerce

• Internet divide remains a key barrier to the global information society, particularly for LDCs

• Governments have an important role to play in creating an enabling environment, to make ICTs affordable, and to address key barriers, including through positive tax policies