UNCTAD's lens: supporting SIDS in building new development models

Harnessing the Digital Economy and E-Commerce to Overcome Structural Constraints

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Digitalization impacts all SDGs







New policies are needed to build inclusive digital economies

Digital technologies create both:



Opportunities



Challenges

Policymakers need to make choices that can help reverse...



...the trend towards widening inequalities and power **imbalances**





Why e-commerce and digital trade matter?







- ▶ A new engine of economic growth and diversification: they drive productivity, unlocks innovation, and fuels cross-border commerce, especially in services.
- ▶ A platform for inclusion: they provide business opportunities for women, youth, and small businesses of developing countries.
- ▶ A catalyst for structural change: For many LDCs and SIDS, this offers a leapfrog opportunity to diversify their economies and move up value chains.
- ▶ A call for smart regulation: We must shape e-commerce and digital trade with rules that serve people, protect privacy, foster trust.
- ▶ A path for resilience: In times of crisis, digital channels keep trade flowing and services accessible. This is not optional, it is essential.
- ▶ A matter of global solidarity: connectivity without capacity only deepens digital divides. We must invest not only in the cables and clouds that carry data, but in the people who will shape the digital future, through education, entrepreneurship, and empowerment.



Entry-point challenges for SIDS in e-commerce and digital trade





Limited connectivity

Affordability issues

Infrastructure deficits

Low digital literacy

Financing barriers

- Low internet penetration
- High infrastructure costs
- Internet costs
- High data and device costs
- Poor logistics and digital ID coverage
- Submarine cable vulnerabilities in SIDS
- Skills gaps, especially in rural areas
- Unequal access to digital education
- Scarce early-stage capital
- High collateral requirements and risk aversion

ITU Facts and Figures: Focus on Small Island Development States, March 2024

> Mobile-broadband penetration rate of 63 subscriptions per 100 (world average of 87)

Price of the data-only mobile broadband is almost twice the world's median

Range in Internet use (from 27 to 96%) reflects diverse digital landscapes

Source: UNCTAD 4th eT Ready Implementation Review (forthcoming)



...compounded by structural and external factors







Fragmented payment ecosystems

- Low interoperability
- ▶ High-cross border transaction costs

Weak institutional and legal capacity constraints

- Under-resources agencies
- Difficulty enforcing or updating laws

Exposure to external shocks

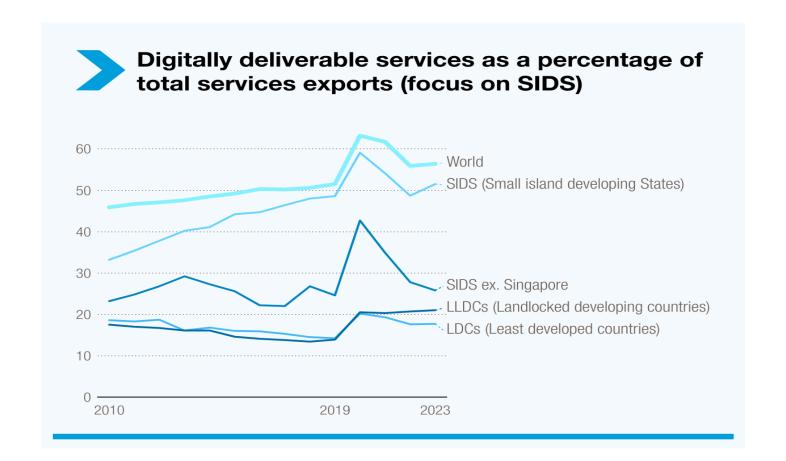
- Natural disasters disrupt SIDS networks
- Inflation and geopolitical risks



Persistent gaps in SIDS trade







- SIDS are highly heterogeneous, with vast differences in digital trade capacity and export profiles. Singapore accounts for >90% of sales of digitally deliverable services by SIDS (and 82% of SIDS services exports in general).
- The 2020 spike reflects a drop in travel, transport services, not a surge in digitally deliverable exports.

Addressing two major challenges to harness digital: the ECDE programme







Limited readiness

of developing countries to engage in and benefit from e-commerce and the digital economy



Limited effectiveness and scale of international support to address issues of the digital economy



UNCTAD's integrated approach







ECDE Programme



Research & analysis



Digital Economy Report



Policy briefs and technical notes



Statistics on ecommerce and the digital economy

...to harness e-commerce and the digital economy for inclusive and sustainable development



Technical assistance



E-commerce and law reform



eTrade readiness assessments

Implementation

support



E-commerce strategies



Measuring ecommerce and the digital economy



eTrade for Women



Consensus building and dialogue



IGE on Ecommerce and the **Digital Economy**



WG on Measuring F-commerce and the **Digital Economy**



eWeeks

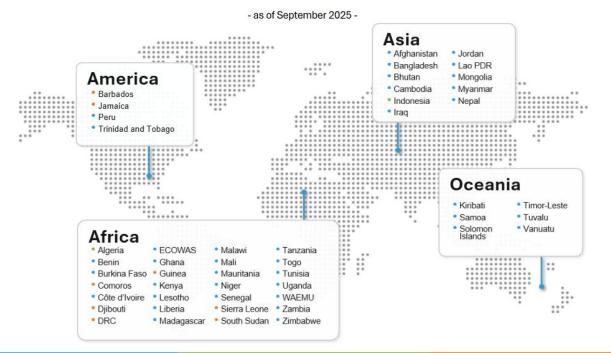


eTrade for all



Assessing the status quo – eTrade Readiness Assessments

UNCTAD eTrade Readiness Assessment Status



40 Finalized 1 In Progress

8 Requested

40 assessments by Sept. 2025











Context: The net impact of digital transformations depends greatly on the readiness of countries to engage effectively in the digital economy.

Objective: Since 2017, UNCTAD assesses the eTrade readiness of countries, in <u>7 policy areas</u>: strategies, ICT infrastructure, trade logistics and facilitation, payment solutions, legal framework, e-commerce skills development and access to financing.

An action matrix: Targeted recommendations that prioritize and guide strategic efforts for e-commerce reforms

40 country or regional assessments finalized:

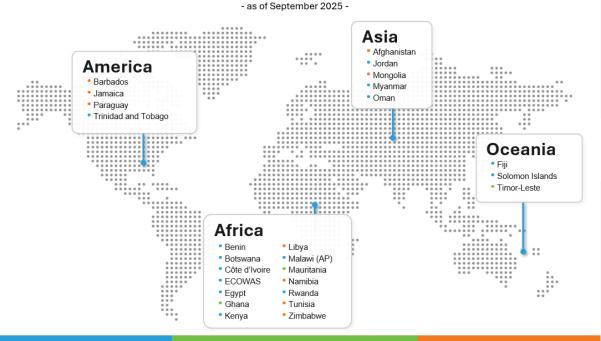
Afghanistan, Algeria, Bangladesh, Benin, Bhutan, Burkina Faso, Cambodia, Côte d'Ivoire, Ghana, Iraq, Jordan, Kenya, Kiribati, Lao PDR, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mongolia, Myanmar, Nepal, Niger, Peru, Samoa, Senegal, Solomon Islands, Tanzania, Timor-Leste, Togo, Trinidad and Tobago, Tunisia, Tuvalu, Uganda, Vanuatu, Zambia, the ECOWAS and the WAEMU, Zimbabwe.

Next in line: Indonesia



Tailored policy support: E-commerce Strategies and Action Plans

UNCTAD E-commerce Action Plans and Strategies



15 Finalized 3 In Progress 9 Requested

15 Strategies & Action Plans by Sept. 2025





Objective: Moving from assessment to action – Providing support to countries seeking to formulate a national e-commerce strategy or action plan with:

- Common vision
- Prioritization of reforms
- Whole-of-government approach
- Public-private dialogue
- Strong governance framework
- Detailed implementation plan

Activities carried out:

- Strategies and actions plans developed with UNCTAD support in Benin, Botswana, Côte d'Ivoire, ECOWAS, Egypt, Fiji, Jordan, Kenya, Malawi AP, Myanmar, Oman, Rwanda, Solomon Islands, Trinidad and Tobago, Tunisia AP.
- Pacific Regional E-commerce Strategy and Roadmap under the leadership of the Pacific Islands Forum Secretariat was informed by the UNCTAD methodology.

In progress: Ghana, Mauritania, Timor-Leste Additional requests



Addressing challenges in implementing reforms: Implementation support







- ▶ Uneven progress: policies and strategies exist, but implementation lags
- ▶ **Limited resources**: human, technical, and financial constraints slow momentum
- Weak coordination: low institutional capacity and limited political prioritization
- ▶ Governance gaps: committees and platforms exist but remain under-resourced
- Low inclusivity: private sector engagement and women's participation often sporadic



Since 2020, UNCTAD's eTrade Implementation Support Mechanism provides a platform for experience sharing, south-south learning and networking, finding solutions to address implementation challenges in cooperation with partners





eTrade Reform Tracker







A web-based tool supporting the implementation process rolled out in Solomon Islands, Samoa, Fiji, and planned for Trinidad and Tobago





▶ Support the E-commerce or eT Ready Committee (or help to build one) to lead the coordination on the Tracker



Operationalize and sustain effective implementation of e-commerce policies and initiatives



Strengthen MONITORING

Monitor policy implementation, through a results-based mechanism and related indicators

Pacific Digital Economy Programme (PDEP)







- Joint programme between **UNCDF**, **UNDP** and **UN Trade & Development (UNCTAD)**.
- Unique partnership builds on UNCDF's long-term work on digital finance in the Pacific region and UNCTAD's extensive work in the area of e-commerce and the digital economy and is implemented with the administrative support from **UNDP**.
- Programme duration 2021 2025
- Countries included: Fiji, Tonga, Vanuatu, Samoa, Solomon Islands, Papua New Guinea, Timor-Leste, Kiribati, Federated States of Micronesia, and the Marshall Islands.
- Supported by the Australian/New Zealand Governments & the European Union.







Connections between UNCTAD's three pillars and PDEP







UNCTAD's three pillars	ECDE programme	PDEP		
Research and analysis	Digital Economy Report – Pacific Edition	Pacific Digital Economy Report (2022) and (2024)		
	Statistics on ECDE	Statistics on ECDE (collaboration with SPC, PIFS) - Workshop Production of Statistics on the Digital Economy (2023), Workshop on Measuring Digital Trade for Pacific Island Development States (2025)		
	Technical notes and thematic studies	Gap Analysis of Cyberlaws in Pacific Small Island Developing States (2024)		
Technical cooperation	eT Readies	Samoa (2017), Solomon Islands (2018), Vanuatu (2018), Kiribati (2019), Tuvalu (2019), Timor-Leste (2024) (+6 PIFS reports)		
	E-Commerce Strategies and Policies	Solomon Islands (2023), Fiji (2024), Timor-Leste (2025), Samoa E-commerce Policy (2025) (+6 PIFS and other partners reports)		
	Implementation Support Mechanism	All eTready/ECS countries in Pacific		
	eTrade Reform Tracker (eTRT)	Solomon Islands, Samoa, and Fiji		

Connections between UNCTAD's three pillars and PDEP (continued)







UNCTAD's three pillars	ECDE programme	PDEP		
Technical cooperation (continued)				
	E-commerce and Law Reform	Regional capacity-building in Pacific (2023-2025); Effective Legal Frameworks for Building the Digital Economy (2023), Legal Aspects of E-commerce (2023), Solomon Islands (Data protection Legislation ((2025)		
	Measuring the Digital Economy	Regional capacity-building in Pacific (2023-2025); Fiji –International Workshop on Cross Border Digital Trade and High-Level Seminar (2024), Fiji -Strengthening its capacity for e-commerce data collection analysis (2025)		
	eTrade for Women	Pacific women e-commerce enterprises participating in SE Asia and Pacific Masterclass (5 Participants – Malaysia 2023) and (7 participants – Philippines 2025)		
Consensus building and partnerships	IGE on ECDE, WG on Measuring ECDE, eWeeks	Participants from Pacific participated in the eWeeks, IGE and eTrade capacity-building workshop (2023-2024)		
	eTrade for all / PIFS led e- commerce committees	PIFS (Pacific E-commerce Private Sector Sub-Committee, Pacific E-commerce Committee, Pacific E-commerce Development Partners Sub-Committee, Pacific E-commerce Alliance (PacifEcom)) eTrade for all partners - UNCDF, UNESCAP, Commonwealth		



Lessons learnt from technical assistance







- Long-term consistent vision
- Inclusive governance
- Support to innovation and community-driven initiatives
- Articulated implementation structure involving the private sector
- Dedicated team with M&E capacities
- ▶ Resource mobilization and partners' support
- Regional cooperation acts as powerful driver to accelerate implementation of national e-commerce enabling reforms

Pacific Edition 2024

Digital Economy Report

Promoting Digital Entrepreneurship and Trade



& development











Recently completed and planned undersea cables projects in the Pacific region

- Improvements in infrastructure since 2022 report with several new cables underway or planned
- Seven out of 20 Pacific SIDS rely on a single submarine cable connection
- First time connections Nauru,
 Tuvalu and Timor-Leste

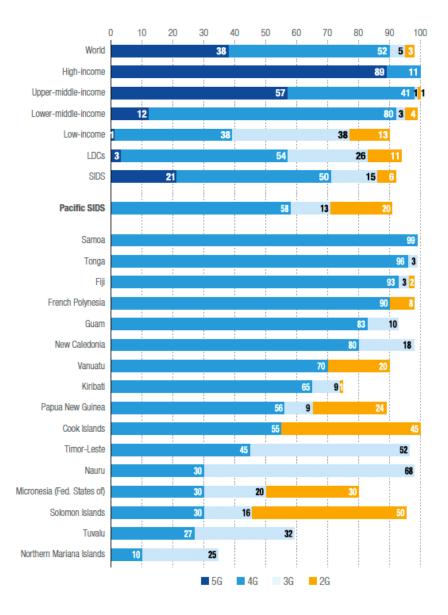
Year for completion	Cable name and length	Details
2023	Natitua Sud (820km)	Connecting Tubuai and Rurutu to Hitia'a (French Polynesia)
2023	Tokelau Submarine Cable (250km)	Connecting Atafu to Fakaofo (Tokelau)
2024	Timor-Leste South Submarine Cable (600km)	Connecting Dili (Timor-Leste) to the North-West Cable System in the Timor Sea
2025	East Micronesia Cable System (2,250km)	Connecting Bairiki (Kiribati), Yaren (Nauru) and Tofol (Federated States of Micronesia) to the HANTRU1 Cable System originating in Alupang (Guam)
2025	Echo (17,184km)	Connecting Agat and Piti (Guam), Tanjung Pakis (Indonesia), Ngeremlengui (Palau), Changi North (Singapore) and Eureka (United States)
2026	TAMTAM cable (375km)	Connecting Wé (New Caledonia) to Port Vila (Vanuatu)
2026	South Pacific Connect Interlink (length to be determined (TBD))	Connecting Fiji to French Polynesia, ports TBD
2026	Honomoana (length TBD)	Connecting Australia (Sydney and Melbourne), French Polynesia (TBD), New Zealand (Auckland) and the United States (TBD)
2026	Tabua (length TBD)	Connecting Fiji (TBD), Australia (Sydney) and the United States (TBD)
2026	Bulikula (length TBD)	Connecting Fiji (TBD), Tuvalu (Funafuti), Papua New Guinea (TBD) and Guam (TBD)



Mobile networks







Population coverage of mobile network technology (2G, 3G, 4G, 5G)

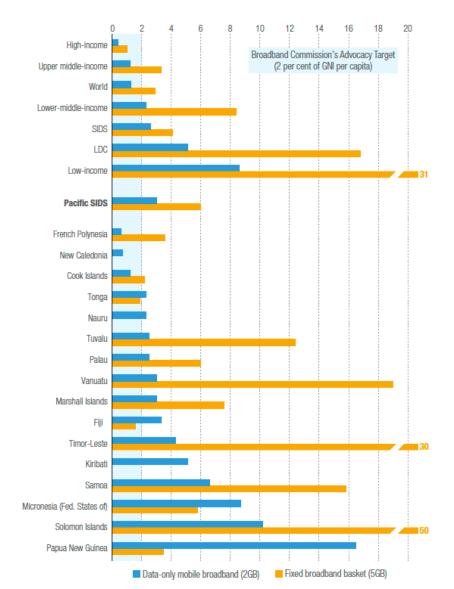
(Per cent)

- Mobile network is the primary access point to the internet in the Pacific
- Since the last report coverage has improved
- ▶ 4G reached 58% of region although access remains uneven
- By 2030 5G connections expected to reach 1.5 million (17 % of total mobile connections) in the Pacific



Broadband affordability





Price of broadband subscriptions as a share of monthly GNI per capita, 2023 (Per cent)

- High cost of broadband continues to hamper uptake of ICT and digital engagement
- Fixed line broadband cost almost 50% more in Pacific SIDS compared to all SIDS
- Still unaffordable in many countries

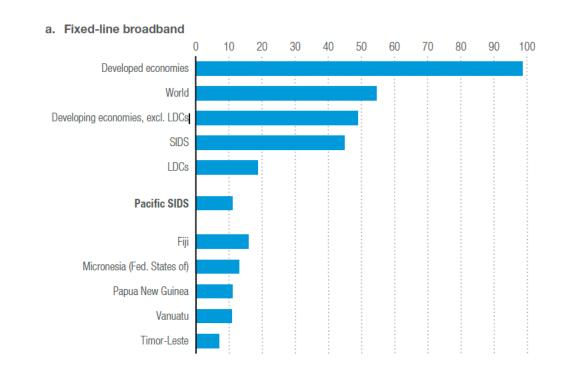


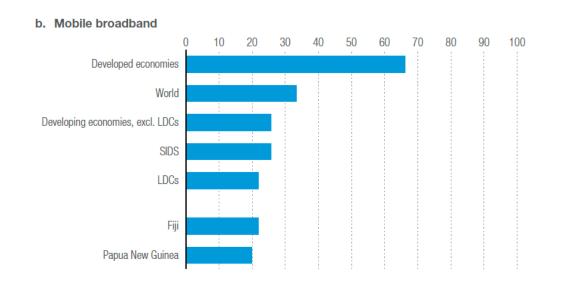






Internet connection speed, by type of broadband, 2023







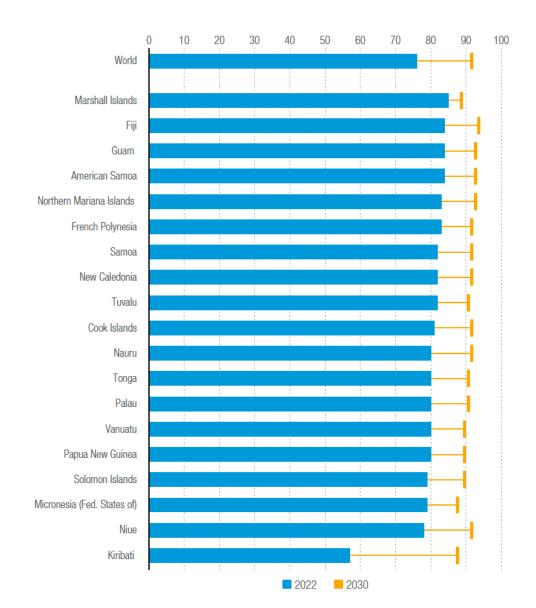
Smartphone adoption





Smartphone adoption, global and Pacific SIDS (Per cent)

- Smartphones are critical for ecommerce although they have their **limitations**
- Smartphone adoption has had rapid growth - 80% adoption (except Kiribati 57%)
- By 2030 adoption expected to reach 90%
- Driven by improved mobile coverage, reduced devise cost and rising use of social media platforms







Promoting Digital Entrepreneurship and Inclusion in the Pacific

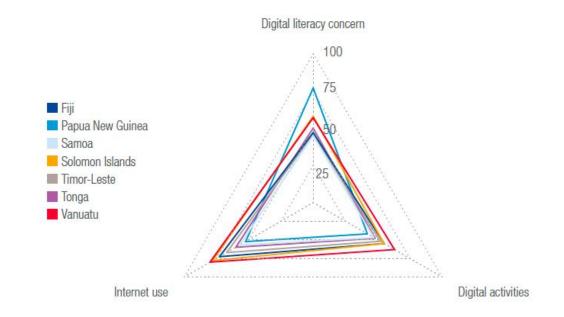




- Skills range from utilizing digital tools, analytical skills (data collection, interpretation)
- Fiji, 32% of people report basic ICT competencies, 4.4% completed an advanced ICT task
- Digital engagement in selected Pacific SIDS is low to moderate
- Many surveyed feel left behind by technology

Digital activities and literacy concerns, 2022

(Per cent of population)





Access to finance

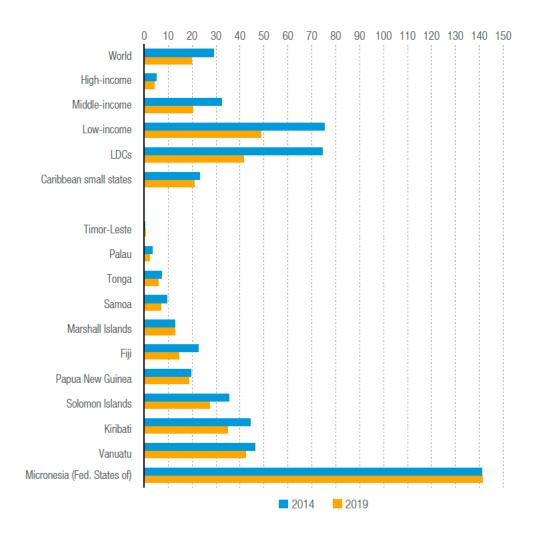






Cost of business start-up procedures

(Per cent of GNI per capita)



- Traditional lending does not meet the needs of digital ventures
- Lack of tailored products for digital enterprises
- Starting a business can be one-third and half of per capita income (Kiribati, Solomon Islands, Vanuatu)
- Digital payments in most Pacific SIDS remain nascent



Labour force participation



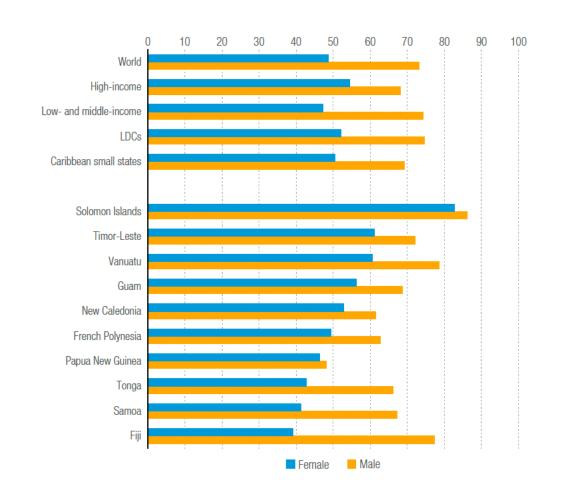




Labour-force participation rates, 2023

(Per cent of population aged 15+)

- Expanding women's access to the digital economy can play a crucial role in closing the gender gap
- Participation rates are lower for women then men
- Widest gaps in Fiji, Samoa, Tonga and Vanuatu
- Digital entrepreneurship offer expanded economic opportunities - domestically and globally









Women, Business and the Law Index scores, 2024

Economy	Assets	Entrepreneurship	ntrepreneurship Parenthood		Workplace
High income	91.5	92.4	77.3	83.5	88.6
Upper middle income	86.7	83.3	57.6	73.0	79.9
Lower middle income	71.1	84.3	43.0	63.0	79.2
Low income	68.0	78.0	45.6	59.0	77.0
Australia	100.0	100.0	100.0	100.0	100.0
New Zealand	100.0	100.0	80.0	100.0	100.0
Fiji	100.0	75.0	60.0	50.0	100.0
Kiribati	40.0	75.0	20.0	100.0	100.0
Marshall Islands	0.0	100.0	0.0	100.0	50.0
Micronesia (Fed. States of)	40.0	75.0	0.0	75.0	25.0
Palau	0.0	75.0	0.0	75.0	25.0
Papua New Guinea	80.0	75.0	0.0	25.0	50.0
Samoa	60.0	75.0	40.0	75.0	100.0
Solomon Islands	80.0	75.0	0.0	25.0	25.0
Timor-Leste	100.0	75.0	60.0	100.0	75.0
Tonga	20.0	75.0	0.0	75.0	25.0
Vanuatu	40.0	100.0	0.0	50.0	25.0

Assets: assess gender differences in property and inheritance laws

Entrepreneurship: evaluates constraints on women starting and running a businesses

Parenthood: focuses on laws impacting women work during and after pregnancy

Pay indicator: measures legal factors effecting occupational segregation and wage gaps

Workplace: examines laws influencing women's ability to enter the labour market, legal capacity to work and protections against discrimination and harassment.



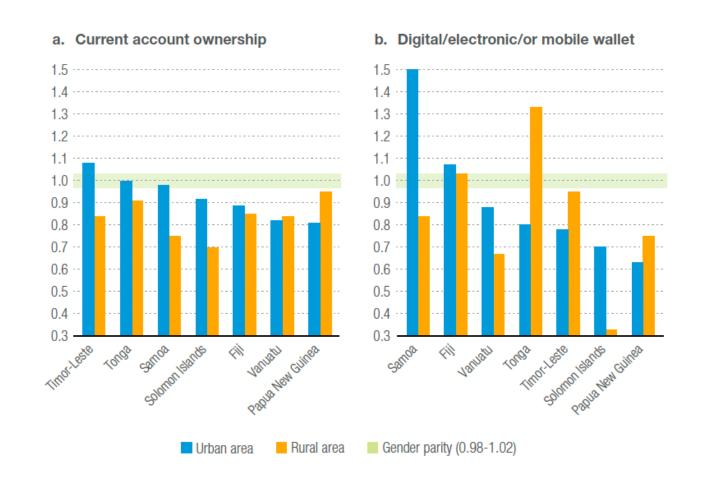
Women access to finance







Gender parity scores in access to finance, 2022









Digital platforms - Goods

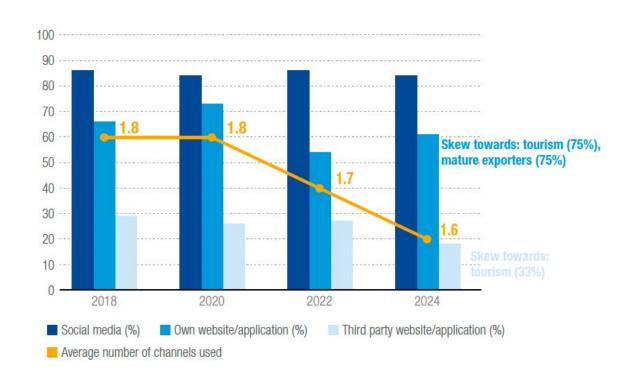






- ▶ E-commerce platforms at early stages
- Local platforms include: Maua (Samoa), VitiKart (Fiji), PACIFIKart (Solomon Islands)
- Most local platforms only serve the domestic market
- Facebook dominates informal ecommerce platforms for MSME
- Global platforms like Amazon, often inaccessible to Pacific companies
- Last mile delivery inefficient, no addressing system or local logistics partner

Use of online channels for export revenue in the Pacific

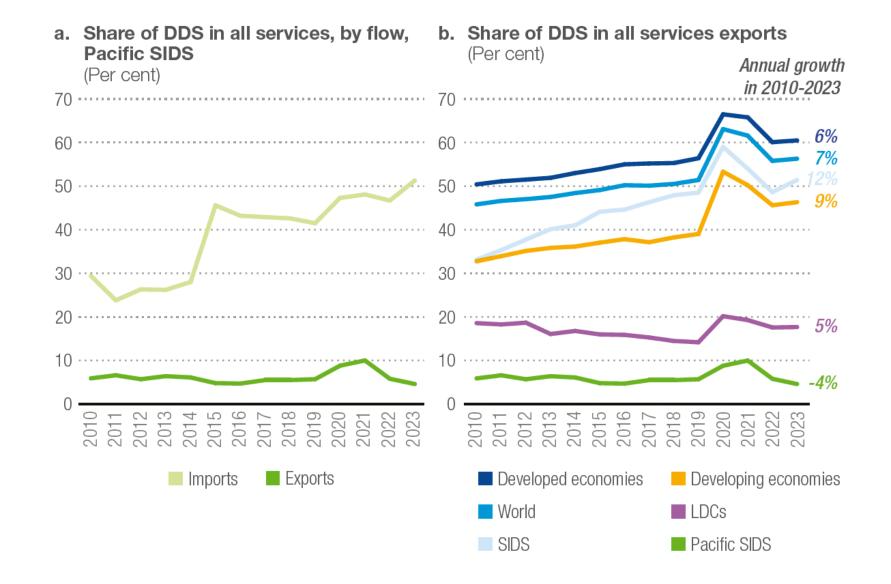


Digital Deliverable Services

















Jurisdiction	E-transactions / E-signatures	Online consumer protection	Data protection and privacy	Cybercrime and cybersecurity	Intellectual property and copyright	Online content regulation	Domain names	Online dispute resolution	Digital identification	E-payments	Taxation
Cook Islands	Limited/none	Partial	Limited/none	Limited/none	Partial	Limited/none	Comprehensive	Limited/none	Limited/none	Limited/none	Comprehensive
Federated States of Micronesia	Limited/none	Partial	Limited/none	Limited/none	Partial	Limited/none	Limited/none	Limited/none	Limited/none	Limited/none	Limited/none
Fiji	Comprehensive	Partial	Limited/none	Comprehensive	Partial	Comprehensive	Limited/none	Limited/none	Limited/none	Partial	Partial
Kiribati	Comprehensive	Partial	Limited/none	Comprehensive	Partial	Limited/none	Limited/none	Limited/none	Limited/none	Limited/none	Partial
Marshall Islands	Limited/none	Partial	Limited/none	Limited/none	Partial	Partial	Limited/none	Limited/none	Limited/none	Partial	Limited/none
Nauru	Limited/none	Comprehensive	Limited/none	Comprehensive	Partial	Partial	Limited/none	Limited/none	Limited/none	Limited/none	Limited/none
Niue	Limited/none	Limited/none	Limited/none	Limited/none	Partial	Limited/none	Partial	Limited/none	Limited/none	Limited/none	Partial
Palau	Limited/none	Partial	Partial	Comprehensive	Partial	Limited/none	Limited/none	Limited/none	Comprehensive	Partial	Partial
Papua New Guinea	Comprehensive	Partial	Limited/none	Comprehensive	Comprehensive	Partial	Partial	Limited/none	Comprehensive	Partial	Comprehensive
Samoa	Comprehensive	Partial	Limited/none	Comprehensive	Partial	Partial	Limited/none	Limited/none	Limited/none	Limited/none	Comprehensive
Solomon Islands	Limited/none	Limited/none	Limited/none	Partial	Partial	Limited/none	Limited/none	Limited/none	Limited/none	Partial	Partial
Timor-Leste	Comprehensive	Partial	Partial	Partial	Partial	Limited/none	Limited/none	Limited/none	Limited/none	Limited/none	Limited/none
Tonga	Limited/none	Partial	Limited/none	Comprehensive	Partial	Comprehensive	Comprehensive	Limited/none	Limited/none	Limited/none	Partial
Tuvalu	Partial	Limited/none	Limited/none	Partial	Partial	Partial	Partial	Limited/none	Limited/none	Limited/none	Partial
Vanuatu	Comprehensive	Limited/none	Limited/none	Comprehensive	Partial	Partial	Limited/none	Limited/none	Limited/none	Limited/none	Partial



Assessment and E-commerce Strategies 👽





Assessments and e-commerce strategies concluded in the Pacific, year of completion

	Assessment	Strategy
Regional (PIFS)	2020	2021
American Samoa		
Cook Islands		2023
Federated States of Micronesia	2020	
Fiji	2020	2024
French Polynesia		
Guam		
Kiribati	2019	
Marshall Islands		
Nauru	2021	
New Caledonia		
Niue	2020	
Northern Mariana Islands		
Palau		
Papua New Guinea	2020	2024ª
Samoa	2017	2022
Solomon Islands	2018	2022
Timor-Leste	2024 ^b	2025b
Tonga	2019	2021
Tuvalu	2019	2023ª
Vanuatu	2018	2022



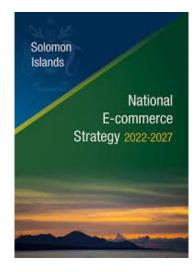








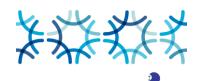






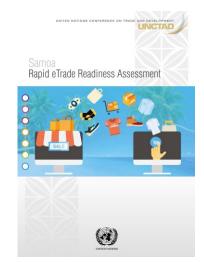


Pacific Regional E-commerce Strategy











Measuring e-commerce and the digital economy



Measuring the digital economy



"Measure what you value or value what you measure?" "If you can't measure it, you can't manage it"

- In 2021, the Bridgetown Covenant said UNCTAD should:
- "Strengthen the work on assisting developing countries to systematically assess their state-of-play and readiness to engage and integrate into the digital economy, thus contributing to the closing of the digital divide; in doing, so it is important to support the strengthening of the collection and processing of available data in order to produce statistics and policy analysis in relation to the opportunities and challenges of digital economy"
- Digital economy policy is better guided and managed by metrics on the use of ICT by enterprises, e-commerce, trade in ICT goods and services, and digital trade



What UNCTAD does on measurement



- Assists NSOs in data collection, analysis, and dissemination, through advisory services and training courses (on demand).
- Gathers experts at the Working Group on Measuring E-commerce and the Digital Economy, to enable exchanges of experiences and discussions of methodological issues. Next one: 4-5 December 2025
- Develops training material, guidelines, and other technical documentation.
 - Revision/expansion of core indicators and 2020 Manual, starting in 2025 with consultation through Working Group
 - Guidelines on measuring e-commerce value by end 2025
- Publishes digital economy tables in the UNCTAD Data Hub (unctadstat.unctad.org).
- Conducts a biennial compilation of the latest available statistics on the digital economy reported by NSOs (ongoing).



Core Indicators on the Digital Economy trade









Business statistics

Core Indicators on the Digital Economy



Use of ICT by businesses (12 indicators)

ICT sector (2 indicators)

Trade in ICT goods (2 indicators)

Trade in ICT services (2 indicators)

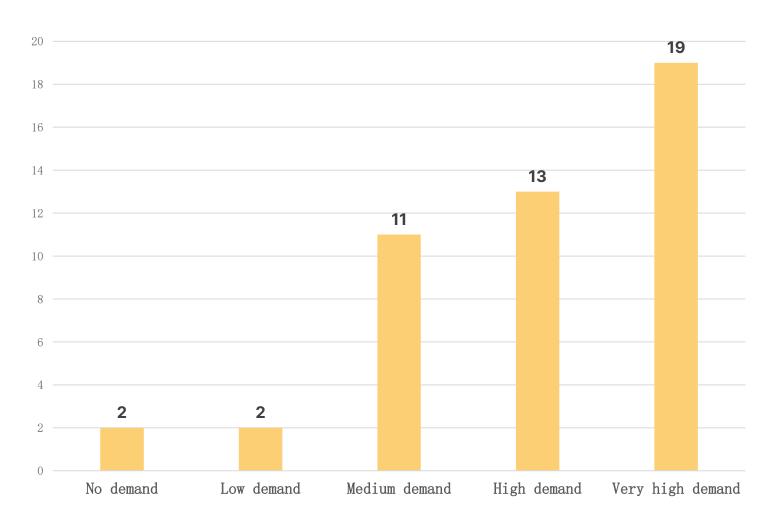
Trade in ICT-enabled services (2 indicators)





Demand of ICT business indicators





- 24.2% responserate (47 out of 194countries)*
- 68% of respondents express high or very high demand



^{*} Including the Palestinian Central Bureau of Statistics



ICT business indicators availability

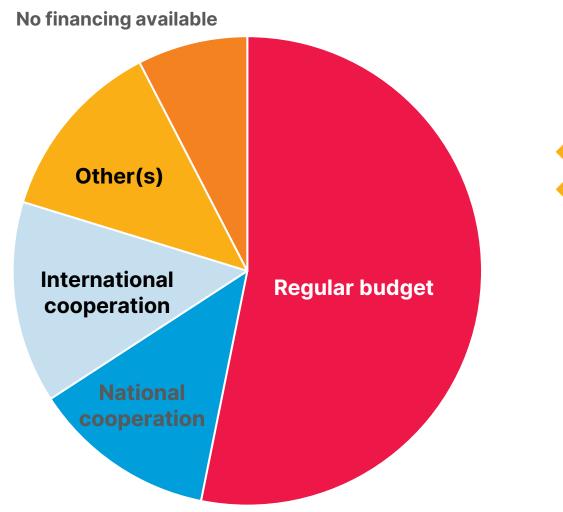


	Yes	No	Blank	Total
Use of the Internet	53%	4%	44%	100%
Presence of web site	51%	5%	44%	100%
Use of the Internet for receiving orders (online sales)	51%	5%	44%	100%
Use of specific technologies for business purposes (3D printing, Artificial Intelligence, cloud computing, etc.)	46%	10%	44%	100%
Employees routinely using the Internet	45%	12%	44%	100%
Value of Internet sales	44%	13%	44%	100%
Destination of Internet sales (domestic, foreign, etc)	41%	15%	44%	100%
Methods of access/bandwidth used for Internet access	40%	15%	45%	100%
Use of the Internet for placing orders (online purchases)	33%	23%	44%	100%
Use of the Internet by type of activity (other than sales/purchases)	28%	27%	45%	100%
Use of computers (PC, Mac, laptop)	26%	29%	45%	100%
Employees routinely using computers	24%	31%	45%	100%
Presence of local network	23%	31%	46%	100%
Value of Internet purchases	17%	38%	45%	100%
Barriers to online sales/purchases (e-commerce)	17%	38%	45%	100%
Investments in ICT for business purposes	15%	40%	45%	100%
Barriers to Internet use	9%	46%	45%	100%
Barriers to Internet use Achievement Challenge	7			



> Financing for business surveys





- Other(s) mostly Eurostat grants
- Partners for national cooperation:
 - Telecommunications authorities and ministries of ICT
 - Ministries of Economy and Finance
 - Agencies for Digital Government



Coming up

trade & development

- Working Group on Measuring E-commerce and the Digital Economy, 4-5 December 2025
- Revision/expansion of core indicators and 2020
 Manual, starting in 2025 with consultation
 through Working Group
- New statistical guidelines on measuring the value of e-commerce
- Continued capacity building on core indicators and on handbook on measuring digital trade
- Extra-budgetary funds are essential to deliver technical assistance (ongoing effort)



> New areas of ECDE measurement



- Tapping data sources not based on surveys: balance of payments, Customs, credit cards, etc.
- Measuring value creation in the digital economy through platformization, AI, big data mining, etc.
- Accounting for digitally-enabled / digitally-delivered services
- Do we have to measure everything? What is...

Feasible

Useful and relevant (including timeliness)

Comparable across countries?



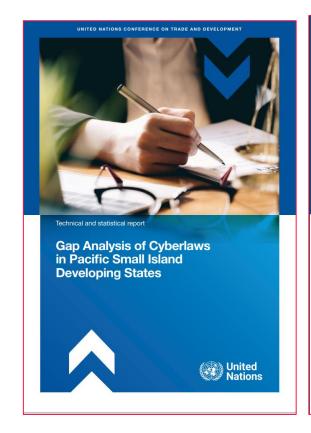


UNCTAD latest insights and capacity building tools

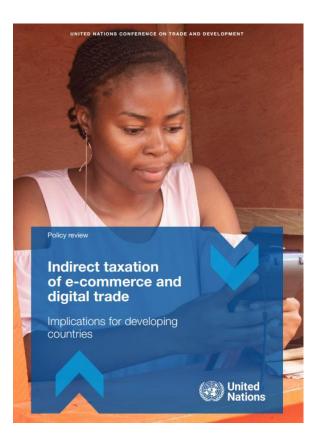


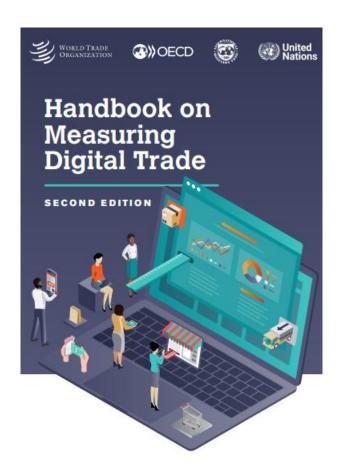








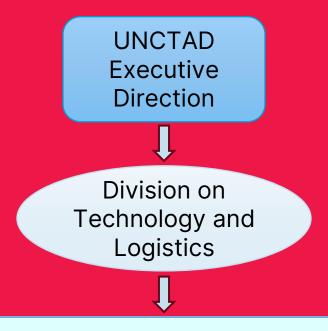












E-commerce and digital economy Branch

https://unctad.org/topic/ecommerce-and-digital-economy

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Thank you





