

# Trade Hot Topics



A Special Focus on COVID-19 and the Commonwealth | ISSUE 162

## Leveraging Digital Connectivity for Post-COVID Competitiveness and Recovery

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### 1. Introduction

Digitisation is integral to more than 15 per cent of global GDP and rising dramatically year-on-year (UNCTAD, 2019). By 2022/2023, it is estimated this could be more than 50 per cent.<sup>1</sup> Even before the COVID-19 pandemic struck, the internet was transforming the world economy. However, various studies consistently show that the majority of digitisation's benefits flow to traditional businesses, reinforcing the importance for traditional 'brick and mortar' companies to embrace digitisation to improve competitiveness and build recovery and resilience.

Even if these projections are only half correct, that still means a quarter of the world economy, and a larger proportion with each year that passes, will be increasingly inaccessible to companies of all sizes without affordable connectivity and a skilled workforce. As the proportion of digitisation-dependent economic activity grows, the 29 Commonwealth member countries with less than half their citizens online (see Annex) become correspondingly more disadvantaged.

Given the accelerating adoption of digitisation throughout many economies and industrial sectors – both as a reaction to the pandemic and as an attempt to mitigate its effects – this reality presents an almost existential public policy challenge to most of the Commonwealth.

With connectivity now a prerequisite for national competitiveness in a digitalised world economy, how can the Commonwealth's less connected members substantially improve access to affordable connectivity at the same time as they divert resources to deal with a major economic and health crisis?

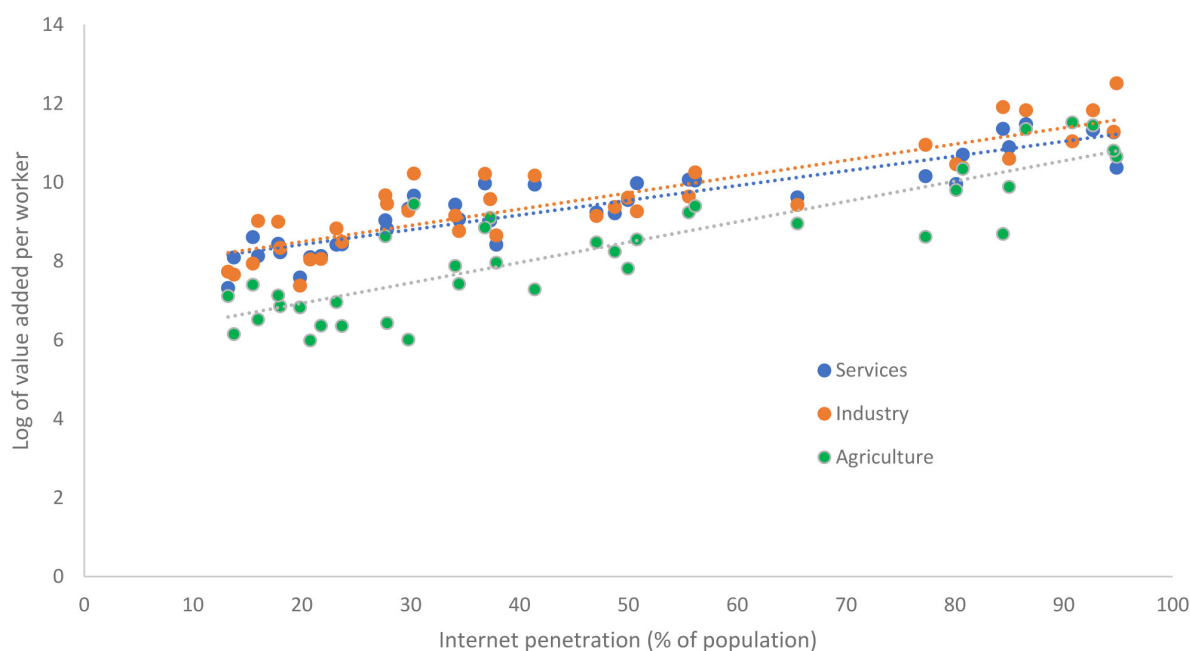
This is not to say that the better-connected Commonwealth members are out of the woods. They just face a different existential challenge: how to muster the political will and internal and external resources to dramatically increase their digital competitiveness while they, too, confront the greatest socio-economic crisis of modern times. These challenges raise several fundamental questions, all of which are highlighted in this *Trade Hot Topic*, such as:

- How can all Commonwealth countries seize the benefits of digitisation while mitigating the effects of rapid technological change and the pandemic?
- If the traditional path to development – production of goods using low-skilled labour and exporting to the developed world – becomes less viable, how can development objectives be met?
- How can developing Commonwealth members leverage technology to provide more opportunities for their micro, small and medium enterprises

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<sup>1</sup> As examples, WEF (2019) projects 60 per cent by 2022 and IDC (2018) projects over 60 per cent by 2023.

Figure 1: Digitisation and sectoral productivity in the Commonwealth, 2017



Source: Commonwealth Secretariat (2020)

(MSMEs) to participate in global value chains (GVCs), given that GVCs represent about 80 per cent of world trade?

Leveraging international partnerships and external resources to 'build back better' in response to the pandemic is an essential question for all countries, but this is especially critical for the Commonwealth's most capacity-constrained members, including small states, least developed countries (LDCs) and countries in sub-Saharan Africa. The international community is in the throes of a step-change in supporting these countries to minimise the economic loss. This creates a once-in-a-generation opportunity to design pandemic responses that include measures to increase digital competitiveness.

This issue of *Trade Hot Topics* gives a short overview of how the COVID-19 pandemic may accelerate the digitisation of economic activity. It highlights several challenges that hinder greater digital connectivity in the Commonwealth. It concludes with some recommendations on how Commonwealth countries can integrate digital connectivity into their plans to 'build back better' post-COVID.

## 2. COVID-19: an accelerant to digitisation of economic activity

The pandemic has accelerated existing trends for the digitisation of economic activity. In some sectors, it has allowed digitally enabled firms to continue trading while others are shuttered. These

trends are likely to continue, albeit at different intensities depending upon the sector. This should be especially true in services, but also for goods where services inputs or bundled services – which can be delivered remotely – form a key part of the value addition (Thomas et al., 2020).<sup>2</sup>

These shifts will create challenges for all Commonwealth countries, but especially for those where the fundamentals underpinning digital economic activities are not affordable – in the case of connectivity or ICT infrastructure necessary to exploit them – or where legal and other regulatory functions that support digitisation are lacking.

A large share of many Commonwealth developing countries' exports are either raw materials or goods produced by leveraging inexpensive labour. Policy-makers in those environments may ask themselves why prioritising digitisation is worthwhile. There are multiple answers, starting with the fact that the benefits of digitisation flow mostly to traditional 'brick and mortar' businesses (McKinsey Global Institute, 2019).

Moreover, digitisation is positively correlated with labour productivity (Figure 1). This is an important factor to consider when looking at methods and policies to reduce poverty and to create enough new jobs for large and growing numbers of younger workers entering the workforce, in an era when automation of production will increasingly impact

<sup>2</sup> According to a recent PwC survey, 25 per cent of chief financial officers in the USA are considering reducing office space (Thomas et al., 2020)

on employment. This is especially true for goods production premised on employing large numbers of largely unskilled labourers. The COVID-19 pandemic could further exacerbate these effects.

There are two reasons why these factors are important in the context of COVID-19 recovery:

- They demonstrate that jobs that leverage digitisation generate more productivity and that these are the very same jobs that can much more readily be performed remotely – essential due to the pandemic;
- They show that integrating digitisation in all elements of the economy is beneficial to productivity, important given the well-known links between increasing productivity on the one hand and higher earnings and welfare standards on the other.

There are several other macro-level dimensions to consider:

**An increasing premium on automation in manufacturing.** In a pandemic like COVID-19, an automated factory is more likely to continue operating while a factory which requires most or all functions to be performed by workers will be shuttered if those workers cannot work safely (Paul, 2020). The obvious conclusion is that, in competitive situations, firms that employ automation will generally be more resilient.

**Servicification will accelerate.** Services account for at least 50 per cent of GDP in over half of the world's countries and about 65 per cent of the world's total GDP. In particular, the last decade has seen a large increase in the share of services in most developing countries. It is well understood that advances in telecommunications and ICT more broadly have made this possible by facilitating production, sales and delivery at distance. Services firms are generally more knowledge intensive and more likely to leverage digital technologies<sup>3</sup> (after all, how else to source services inputs and sell products, which are often intangibles even where associated with goods). There is strong evidence that firms that begin trading in services are more profitable and grow more quickly than those that do not – and that digitisation amplifies these effects (Martin-Peña et al., 2019). Once again, the need for affordable connectivity, and for a majority of the population to be using it, is fundamental.

**Increased automation, and increasing intensity of services – both as value-addition services for goods as well as in their own right – will put less digitally enabled economies under additional pressure.** These two elements are key to why the traditional path to development – via low-cost manufacturing of exports to foreign markets – is changing. The difference in incomes between goods production and knowledge-intensive activities remains profound and the latter are particularly (though not always accurately) associated with services. While a detailed analysis of this is beyond the scope of this *Trade Hot Topic*, it is a critical challenge for policy-makers (Buckley et al., 2020).

**Supply chains will change dramatically, as a much greater premium will be put on resilience, on top of an already considerable premium placed on ICT enablement.** Competitive advantages in automation, which were less pronounced before the pandemic, have already been mentioned. However, verification of the robustness of suppliers' operations under strain of external shocks, by firms controlling or operating the supply chain, will be a much greater determinant in winning business, especially as long as there is no effective treatment or vaccine for COVID-19. While there will be calls to 'onshore' suppliers, in the end efficiencies will be a key criterion in purchasing decisions just as they are today – provided offshore suppliers can provide the necessary guarantees about robustness and reliability that supply chain decision-makers will demand, of course (Jensen, 2020). Even before the COVID-19 outbreak there was substantial evidence that internet access is a prerequisite for joining many global value chains and that the level of ICT usage and sophistication in a firm is a key element assessed by MNCs when considering an MSME as a supplier (APEC, 2014; ADB, 2015). There is a strong upside in participation in GVCs, though, and this is especially true for developing countries – but to seize it, the fundamentals supporting digitisation across the economy are critical (WTO et al., 2019).

It is a reasonable conclusion that the recovery from COVID-19 is likely to result in accelerated adoption of automation, increasing servicification, piling further pressure on firms and countries unable to enjoy digitisation's benefits (Box 1).

That could have a considerable knock-on effect on employment – especially for Commonwealth members that have fundamental weaknesses in the

3 See National Science Board, National Science Foundation, 2020 for discussion of knowledge intensity and its application in several sectors including agriculture.

### Box 1: COVID-19 and digitisation in sub-Saharan Africa

As the COVID-19 health crisis has spread globally, it has underscored the importance of digital connectivity. Technology has allowed the retention of some economic activity, thereby protecting livelihoods.

In sub-Saharan Africa (SSA), gains have been particularly apparent in the financial sector: mobile money transactions account for an average of nearly 25 per cent share of the GDP, compared to 5 per cent in the rest of the world. During the pandemic, Kenyan and Rwandese central banks relaxed regulations, and telecom operators eased terms of service to promote use of mobile money and safe retail transactions. Teleworking, although more challenging in SSA, also increased, with greater usage of Kenya's eCitizenship portal for civil and vehicle registration, and videoconferencing in court proceedings in Rwanda. Public health has also benefitted, with anti-epidemic robots monitoring patients, and delivering food and medication in Rwanda, and social media generally keeping communities informed.

Going forward, several considerations are necessary to support and multiply gains from digitisation. While digitisation does potentially engender loss of traditional jobs, it encourages a resilient economy and offers opportunities for economic growth, including by creating new employment opportunities. Mobile technology, rather than fixed line broadband, is currently the region's primary option for internet access, but its connection speed is poor – the average mobile download speed is 7.4 Mbps, three times slower than the rest of the world. Costs to upgrade infrastructure that ICTs rely on are substantial – approximately US\$35–50 billion annually for near full electrification by 2025, for example – yet such investments support optimum connectivity, would create and revitalise industries, thus generating more jobs. Robust and complementary public policy is also essential to mitigate transition costs, and create the enabling legal and other supporting infrastructure to support online trust: cybersecurity, data protection and privacy, and online consumer protection regimes, in particular.

*Source: Commonwealth Secretariat adapted from IMF sources*

level of internet use across society, which will impair workers' ability to gain the skills necessary to compete for more ICT-enabled knowledge economy jobs, even where there is a natural progression otherwise to leverage their existing skills. The challenge for developing countries will be particularly acute as there is already a squeeze on their traditional points of entry in supply chains (Coulibaly and Foda, 2020).

### 3. The connectivity challenge

An essential prerequisite for participation in the increasingly digital global economy is affordable telecommunications services. This is necessary to get a critical mass of the population online and acquiring digital skills, which in turn creates the potential for increasing adoption of digitisation in the economy as well as technology-enabled innovation.

#### 3.1 Affordability and access to broadband

The Commonwealth in general, with the notable exception of a few high income countries (HICs), still faces considerable challenges in both affordability and access: Commonwealth countries, on average, have lower access to digital infrastructure than non-

Commonwealth countries, and Commonwealth LDCs fare even worse. A few statistics highlight the stark nature of the challenge specifically for low income countries (LICs)<sup>4</sup>:

- 45 per cent of the Commonwealth had internet access in 2017 – 10 per cent lower than the world average – but in Commonwealth LICs only 16 per cent of the population are online;
- 41 per cent of the Commonwealth have internet access at home – also more than 10 per cent below the world average – but in LICs only 6 per cent have home access;
- The average cost of installing a home broadband connection worldwide is US\$39; it is about the same on average in the Commonwealth. For LICs, though, it is almost double, at \$66.<sup>5</sup>

The most stark illustration is to look at what proportion of average monthly income (using GNI per person) a 1GB-per-month mobile broadband connection costs (Table 1).

The poorest Commonwealth members have broadband that costs almost eleven times as high

4 Seven Commonwealth LDCs are LICs: The Gambia, Malawi, Mozambique, Rwanda, Sierra Leone, Tanzania and Uganda.

5 For further details see [https://thecommonwealth.org/sites/default/files/inline/Digital%20Connectivity%20Report\\_low%20res\\_.pdf](https://thecommonwealth.org/sites/default/files/inline/Digital%20Connectivity%20Report_low%20res_.pdf)

**Table 1: Average monthly cost of 1GB mobile broadband**

Group	% of GNI, PP	Avg. tax %
Commonwealth LDCs	10.14	19.40
Commonwealth Small States	3.46	12.69
Commonwealth	4.34	15.61
Commonwealth HICs	1.02	13.05
World	5.16	N/A
World Developed Countries	1.00	N/A

Source: Author's calculations using data from Alliance for Affordable Internet (A4Ai). See Annex for further details.

**Table 2: Indicators of average internet cost, access and regulation**

Group	1GB/month mobile internet, % of GNI, PP	% Using internet	ITU ICT Regulatory Index (Avg. score)
Commonwealth LDCs	10.88	20.66	64.08
Commonwealth Small States	3.46	52.17	65.50
Commonwealth	4.34	48.53	71.10
Commonwealth HICs	1.02	83.12	77.18

Source: Author's calculations using data from ITU, 2018 and A4A1 data.

as in developed economies, and more than double the Commonwealth average. The cost is made worse by high taxes<sup>6</sup> – in some cases over 30 per cent – which are highest in the countries where connectivity is already the most expensive.

For Commonwealth member countries with less than 50 per cent of their citizens online – 29 of the total – making connectivity affordable is a key and pressing challenge. Fundamental to making that happen is to adopt regulatory approaches to telecommunications which have proven to result in greater affordability. One yardstick by which to measure this is the International Telecommunications Union's ICT Regulatory Tracker (ITU, 2018).

The tracker is based on a total of 50 indicators grouped into four clusters, with a perfect score being 100:

1. Regulatory authority (focusing on the functioning of the separate regulator)
2. Regulatory mandates (who regulates what)
3. Regulatory regime (what regulation exists in major areas)
4. Competition framework for the ICT sector (level of competition in the main market segments) (ITU, 2018)

When examining the average scores of different

groups of Commonwealth member countries, a clear link emerges between the level of development of the regulatory infrastructure, the cost of broadband, and the percentage of the population using the internet (Table 2).

The Commonwealth has some member countries that are seen as world leaders in transforming themselves from high broadband costs and low levels of internet access to the opposite in a short span of time. Among these is Rwanda.

According to the Alliance for Affordable Internet (2017), Rwanda's monthly cost for a gigabit of mobile bandwidth in terms of per-person gross national income has dropped from 20.16 per cent in 2015 to 7.71 per cent in 2018. While the percentage of people using the internet remains low at 21 per cent, it has doubled in the same period of time, and it is still relatively high considering the connectivity levels of other LDCs and the fact that it remains quite expensive at seven times the developed world average (ITU, 2019).

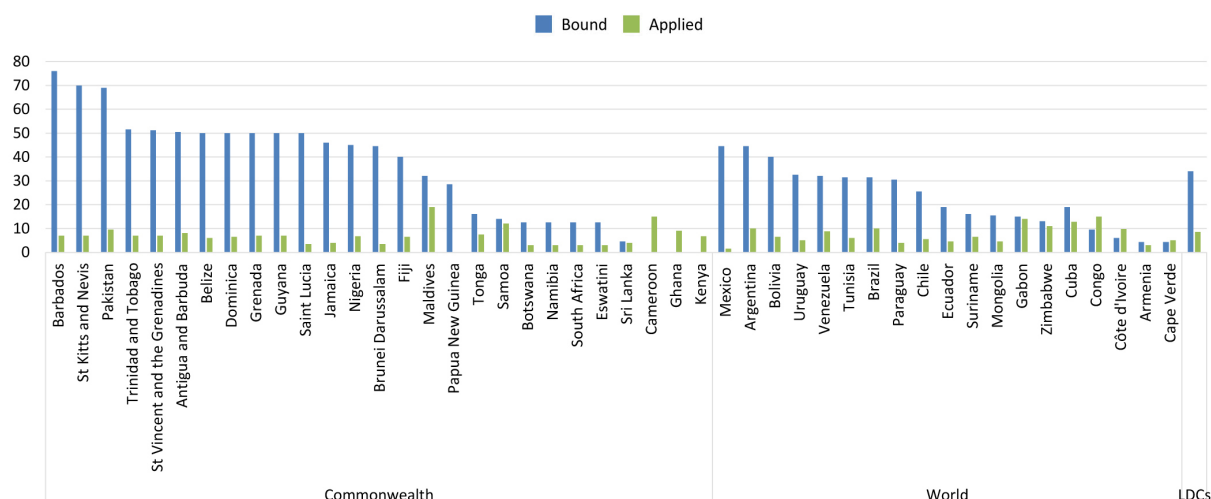
### 3.2 Tariffs on ICT goods

Affordable broadband is only part of the picture: countries also need affordable ICT hardware and services, and in the former case, tariffs on laptops and other ICT hardware in developing countries can exceed 35 per cent of the cost of the device

<sup>6</sup> These taxes can take various forms, from VAT on broadband service to surcharges of various kinds levied by various levels of government.



**Figure 2: Bound and latest applied tariffs of selected non-ITA participants (%)**



Source: Adapted from WTO (2017)

itself.<sup>7</sup> For the 11 Commonwealth members<sup>8</sup> that have also ascribed to the WTO's Information Technology Agreement (ITA), tariffs like these will already be zero on the vast majority of these products. Although non-ITA participants have high bound tariffs on ICT goods, the applied rates are significantly lower (Figure 2).

The combination of a high monthly cost of broadband and high tariffs on the hardware needed to use it – and in some cases, to develop and implement broadband networks – creates a double barrier to digitisation.

### 3.3. Regulation

Commonwealth member countries with over 50 per cent of their population online face slightly different challenges. Getting to developed world levels of broadband use is part of the picture, but there is more to enabling the a flourishing digital economy than just connectivity.

Beyond telecommunications regulation, several areas of legislation underpin consumer confidence and the business environment, especially to develop a viable e-commerce ecosystem. Key among these are:

1. Legislation supporting electronic transactions – accepting digital signatures as equivalent to ink-signed equivalents, for example, which supports consumers purchasing goods online, as well as business-to-business online transactions, and

accepting the terms and conditions electronically, among other examples.

2. Consumer protection legislation – key to facilitating the trust of consumers in online transactions.
3. Data protection legislation – this is key to consumers' trust in how their personal information will be used, but it is also fundamentally important to facilitating business-to-business trade online, especially the participation of businesses in global value chains where the processing of personal information is even incidentally an element of the data. This is because the operators of value chains in developed economies face sanctions from their data protection authorities if any of their suppliers do not sufficiently protect personal information.
4. Cybercrime legislation – identifies standards of acceptable behaviour for information and communication technology (ICT) users; establishes socio-legal sanctions for cybercrime; protects ICT users in general; and mitigates and/or prevents harm to people, data, systems, services and infrastructure.<sup>9</sup>

There are several others – such as a regulatory environment which supports the use of digital financial services from non-bank financial intermediaries which is key to increasing financial inclusion, a key driver for poverty reduction and SME growth.

7 WTO, "E-commerce, Trade and the Covid-19 Pandemic," 2020, at [https://www.wto.org/english/tratop\\_e/covid19\\_e/ecommerce\\_report\\_e.pdf](https://www.wto.org/english/tratop_e/covid19_e/ecommerce_report_e.pdf)

8 These eleven countries are Australia, Canada, Cyprus (EU Member), India, Malaysia, Malta (EU Member), Mauritius, New Zealand, Seychelles, Singapore and the UK. The UK has communicated that as an EU member until 31 January 2020, the instrument of acceptance of the EU for the ITA also covers participation by the UK whilst it was an EU member, and will continue to do so during the transition period afforded under the Withdrawal Agreement.

9 For more on this subject see the UN Office on Drugs and Crime University Module 3, at <https://www.unodc.org/e4j/en/cybercrime/module-3/key-issues/the-role-of-cybercrime-law.html>

**Table 3: Commonwealth countries with data protection regulation in force (average)**

Group	Data Protection legislation in force
Commonwealth LDCs	17%
Commonwealth Small States	35%
Commonwealth	40%
Commonwealth HICs	79%
World	66%

Source: Author's calculations using data from UNCTAD Global Cyberlaw Tracker

Many Commonwealth members do not have legislation in one or more of these areas, according to the UNCTAD Global Cyberlaw Tracker (UNCTAD, 2020). While two-thirds of the world's countries have data protection legislation, for example, the average across the Commonwealth is 40 per cent – and for small states and LDCs, much lower still (Table 3).

The challenge of affordable connectivity is clearly considerable on multiple levels. Each country that has met that challenge has found the opportunity is much greater still. The question is, how to meet the challenge?

#### 4. Way forward

Given the unprecedented economic and social dislocations underway, all Commonwealth members will be stretched to respond: not just to the crisis as it unfolds, but also to begin to reconstruct their economies once the crisis comes under control. The costs of connecting large numbers of people are considerable but in comparison to the benefits of doing so, it is a very good investment for a future where everyone benefits.

Below is a selection of options for policy-makers to consider in addressing the challenges previously enumerated. The basic presumption is this: although COVID-19 is a crisis with many dimensions, multilateral organisations, international financial institutions and regional development banks, among others, are facilitating access to funds to address the near-term challenges, and also for the longer term. The question for national policy-makers is how to implement substantial changes to economic policy in response to the pandemic while also 'building back better'.

If one starting place is the assumption that each country wants to leave the crisis more competitive and better able to participate in the global economy, then a few priorities regarding digital development suggest themselves. Substantially reducing the digital divide is undoubtedly expensive, but the right policy environment means that the private sector will have the incentive to make the investments to get much of the way there; for the rest, there are other policy levers that can help.

The 30 Commonwealth members with less than 50 per cent of their population online should make it a national imperative to get to 50 per cent much more rapidly than they were planning to do pre-COVID. The rest of the Commonwealth that are under 75 per cent connected should set a goal of 80+ per cent.

For both groups, a major consideration should be the affordability of connectivity. Reducing costs to developed world levels is clearly key. Developing countries can draw on the advice and technical assistance from a range of organisations.

The Commonwealth Connectivity Agenda's Digital Cluster aims to support the development of national digital economies by improving regulatory frameworks and sharing best practice on digital infrastructure in order to enable all Commonwealth member countries to take advantage of the opportunities presented by digital trade.<sup>10</sup>

The International Telecommunications Union's Development Sector provides developing countries with capacity-building, training and other assistance to review their telecommunications and related ICT regulatory environments and help them adopt tailored best practices that are proven to work.

The World Bank, and regional development banks, all have programmes to fund digital infrastructure development. For African countries there is a 'Digital Moonshot' (World Bank, 2019) initiative led by the bank that seeks to deploy US\$100 billion to accelerate digital connectivity to reach the SDG goals on connectivity by 2030.

GSMA, the association of the world's mobile phone operators, provides extensive technical assistance in various areas of connectivity through their Mobile for Development programme (GSMA, 2020). Their activities range from facilitating investment in mobile broadband through regulatory reform to facilitating mobile money services.

10 [https://thecommonwealth.org/sites/default/files/inline/D16991\\_TRD\\_Connectivity\\_Action\\_Plan\\_All.pdf](https://thecommonwealth.org/sites/default/files/inline/D16991_TRD_Connectivity_Action_Plan_All.pdf)

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Annex											
Country	Group			Data Protection legislation	ITU/ICT Regulatory Tracker	% Using internet	% of GNI, PP	Cost of broadband connection		Avg. tax (%)	
	HICs	Small States	LDCs					US\$	PPP\$		
Antigua and Barbuda	Y	Y		1	40.83	76.00	2.55	30.12	37.17	15	
Australia	Y			1	94.50	86.55	0.54	22.99	18.71	10	
The Bahamas	Y	Y		1	88.83	85.00	0.77	18.79	16.46	7.5	
Bangladesh			Y	0	74.67	15.00	1.39	1.71	4.31	21	
Barbados	Y	Y		1	68.50	81.76	2.64	34.15	27.84	17.7	
Belize		Y		0	62.83	47.08	7.56	27.68	48.57	12.5	
Botswana		Y		0	85.00	47.00	1.61	9.13	18.04	12	
Brunei Darussalam	Y	Y		0	61.33	94.87	0.36	9	15.69	0	
Cameroon				0	64.00	23.20	12.02	13.62	33.21	19.25	
Canada	Y			1	85.50	91.00	0.74	26.39	25.27	13	
Cyprus	Y	Y		1	85.67	80.74	0.35	6.91	8.72	19	
Dominica		Y		0	72.50	69.62	3.99	23.24	31.87	15	
Eswatini				0	59.33	47.00	N/A	N/A	N/A		
Fiji		Y		0	63.00	49.97	4.25	17.61	28.34	9	
The Gambia		Y	Y	1	73.67	19.84	N/A	N/A	N/A		
Ghana				1	88.00	39.00	2.03	2.51	7.79	23.5	
Grenada		Y		0	74.00	59.07	2.96	23.77	31.94	15	
Guyana		Y		0	62.00	37.33	3.6	13.38	21.07	14	
India				1	75.50	34.45	1.24	1.88	6.12	18	
Jamaica		Y		1	78.50	55.07	1.56	6.16	9.88	25	
Kenya				1	87.50	17.83	2.11	2.53	5.62	26	
Kiribati		Y	Y	0	47.50	14.58	6.96	16.12	N/A	N/A	
Lesotho		Y	Y	1	67.83	29.00	7.81	8.33	23.76	5	
Malawi			Y	0	87.00	13.78	27.39	7.3	25.74	16.5	
Malaysia				1	87.00	80.14	0.7	5.63	14.59	6	
Maldives		Y		0	53.33	63.19	0.71	5.67	7.3	6	

Malta	Y	Y		1	95.00	81.01	0.83	16.55	22.47	18
Mauritius		Y		1	80.83	55.40	0.61	5.13	9.1	15
Mozambique			Y		57.67	10.00	8.32	2.91	9.53	17
Namibia		Y		0	70.67	51.00	1.28	4.9	10.35	15
Nauru		Y		0	50.50	57.00	2.43	20.71	N/A	15
New Zealand	Y			1	80.50	90.81	0.55	17.95	15.41	15
Nigeria				1	78.33	42.00	4.87	8.45	20.9	5
Pakistan				0	88.00	15.51	2.19	2.88	9.46	32
Papua New Guinea		Y		0	58.50	11.21	10.65	21.39	26.08	10
Rwanda			Y	0	82.33	21.77	7.71	4.62	12.65	28
Saint Lucia		Y		1	85.00	50.82	3.77	27.56	35.35	15
Samoa		Y		0	66.33	33.61	3.14	10.74	14.62	15
Seychelles	Y	Y		0	62.00	58.77	1.09	12.94	20.45	15
Sierra Leone			Y	0	56.00	9.00	15.14	6.43	20.6	15
Singapore	Y			1	91.50	84.45	0.17	7.92	9.32	7
Solomon Islands		Y	Y	0	34.67	11.92	8.92	14.26	14.35	10
South Africa				0	71.33	56.17	1.84	8.33	17.68	14
Sri Lanka				0	62.33	34.11	0.3	0.94	2.84	49.67
St Kitts and Nevis	Y	Y		1	46.00	80.71	1.88	25.1	32.85	
St Vincent and the Grenadines		Y		0	80.00	22.00	4.73	27.54	38.26	2
Tanzania			Y	0	85.00	25.00	15.89	11.99	33.01	32.5
Tonga		Y		0	49.67	41.25	2.81	9.39	12.72	15
Trinidad and Tobago	Y	Y		0	85.33	77.33	1.29	16.46	19.68	12.5
Tuvalu		Y	Y	0	9.50	49.32	N/A	N/A	N/A	N/A
Uganda			Y	0	86.00	23.71	10.96	5.48	16.39	18
United Kingdom	Y			1	95.00	94.62	0.46	15.44	14.96	20
Vanuatu		Y	Y	0	71.17	25.72	9.19	22.35	20.46	12.5
Zambia			Y	1	71.67	27.85	7.04	7.63	19.38	33.5

Source: Author's calculations using data from A441, ITU (2018) and UNCTAD Global Cyberlaw Tracker

# International Trade Policy Section at the Commonwealth Secretariat

This Trade Hot Topic is brought out by the International Trade Policy (ITP) Section of the Trade Division of the Commonwealth Secretariat, which is the main intergovernmental agency of the Commonwealth – an association of 54 independent countries, comprising large and small, developed and developing, landlocked and island economies – facilitating consultation and co-operation among member governments and countries in the common interest of their peoples and in the promotion of international consensus-building.

ITP is entrusted with the responsibilities of undertaking policy-oriented research and advocacy on trade and development issues and providing informed inputs into the related discourses involving Commonwealth members. The ITP approach is to scan the trade and development landscape for areas where orthodox approaches are ineffective or where there are public policy failures or gaps, and to seek heterodox approaches to address those. Its work plan is flexible to enable quick response to emerging issues in the international trading environment that impact particularly on highly vulnerable Commonwealth constituencies – least developed countries (LDCs), small states and sub-Saharan Africa.

## Scope of ITP Work

ITP undertakes activities principally in three broad areas:

- It supports Commonwealth developing members in their negotiation of multilateral and regional trade agreements that promote development friendly outcomes, notably their economic growth through expanded trade.
- It conducts policy research, consultations and advocacy to increase understanding of the changing international trading environment and of policy options for successful adaptation.
- It contributes to the processes involving the multilateral and bilateral trade regimes that advance more beneficial participation of Commonwealth developing country members, particularly, small states and LDCs and sub-Saharan Africa.

## ITP Recent Activities

ITP's most recent activities focus on assisting member states in their negotiations in the World Trade Organization and various regional trading arrangements, undertaking analytical research on a range of trade policy, emerging trade-related development issues, and supporting workshops/ dialogues for facilitating exchange of ideas, disseminating informed inputs, and consensus-building on issues of interest to Commonwealth members.

## Selected Recent Meetings/Workshops Supported by ITP

29 January 2020: Looking to LDC V: A Critical Reflection by the LDV IV Monitor (in partnership with the OECD Development Centre and the Centre for Policy Dialogue, Bangladesh) held at Marlborough House, London, United Kingdom.

28 January 2020: Roundtable Discussion on Trade Shocks in the Commonwealth: Natural Disasters and LDC Graduation (in partnership with the Enhanced Integrated Framework) held at Marlborough House, London, United Kingdom.

11 October 2019: Tapping the Tourism Potential of Small Economies: A Transformative and Inclusive Approach (WTO Public Forum) held in Geneva, Switzerland in collaboration with the WTO and the UNWTO.

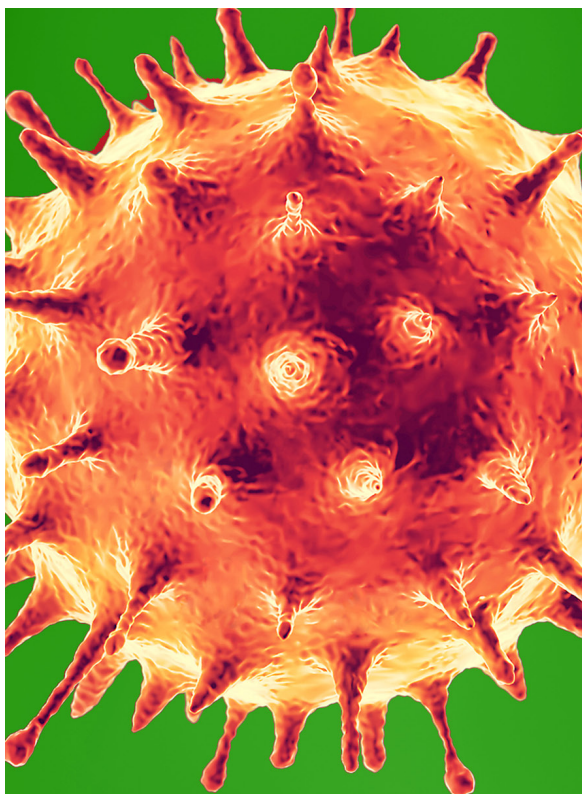
10 October 2019: Commonwealth Trade Ministers Meeting held at Marlborough House, London, United Kingdom.

26–27 September 2019: 12th South Asia Economic Summit XII: Shaping South Asia's Future in the Fourth Industrial Revolution held in Colombo, Sri Lanka in collaboration with The Institute of Policy Studies of Sri Lanka

26 June 2019: Launch of the Commonwealth Publication 'WTO Reform: Reshaping Global Trade Governance for 21st Century Challenges,' held in Geneva, Switzerland.

28–30 May 2019: Harnessing Trade Policy for Global Integration: Commonwealth Consultation for the Asia-Pacific Region held in Singapore in collaboration with the Institute of South Asian Studies, National University of Singapore.

4 April 2019: The Digital Economy: The Case of the Music Industry held in Geneva, Switzerland in collaboration with UNCTAD and the Government of Indonesia.



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