

Digital Economy Report Pacific Edition 2024

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Main Findings

Digital Economy Report Pacific Edition 2024



Enhancing Connectivity for Digital Trade and Entrepreneurship

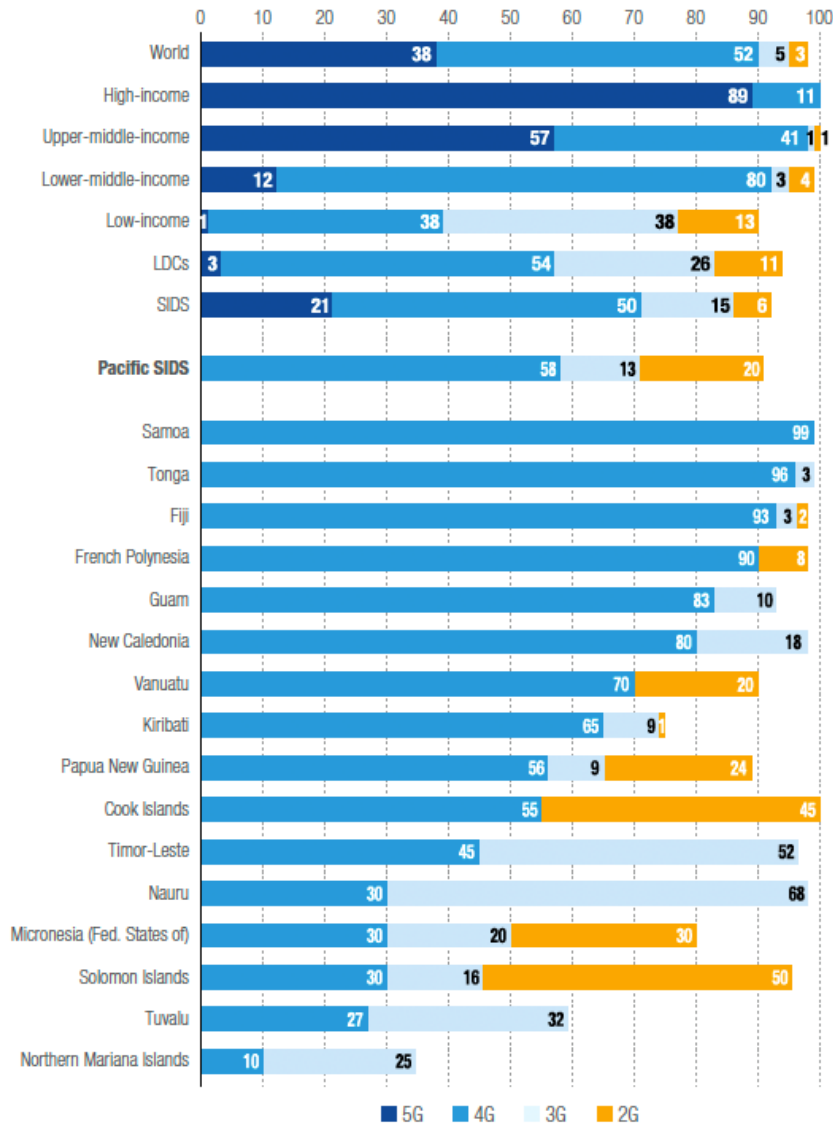
➤ Submarine cables

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 Fakaofu (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

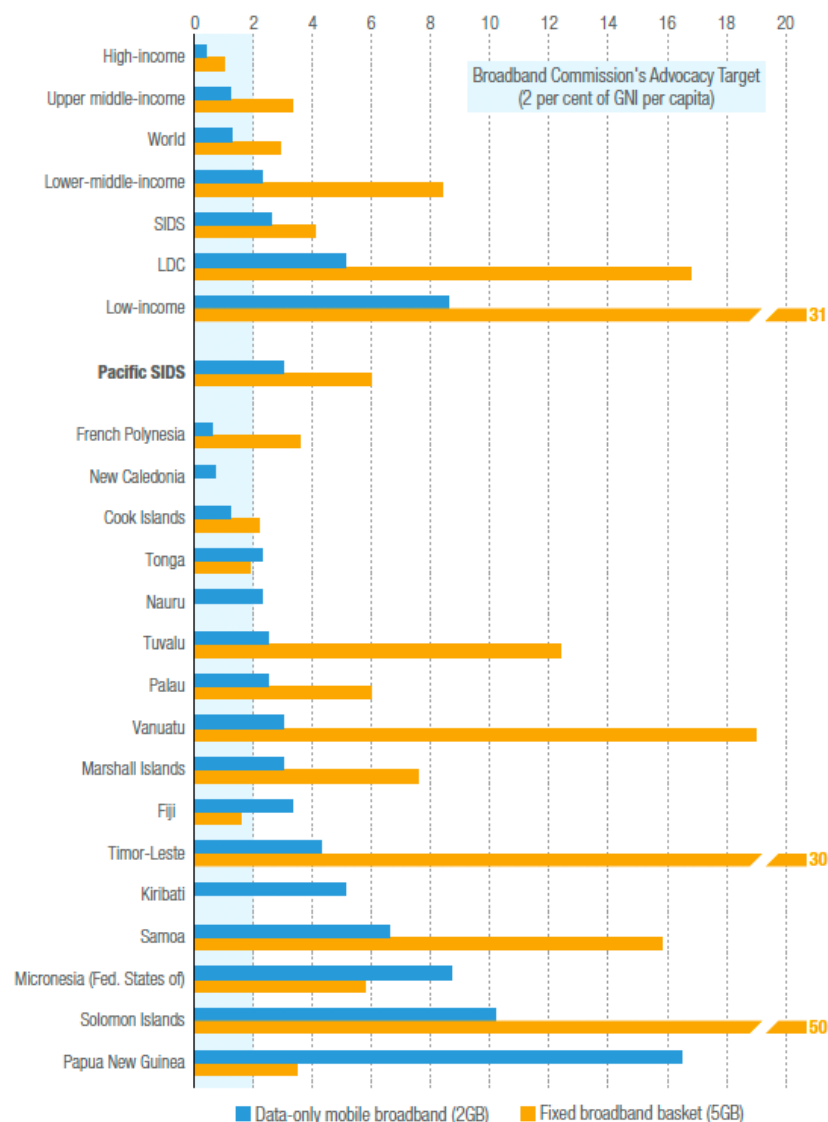


Population coverage of mobile network technology (2G, 3G, 4G, 5G)

(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



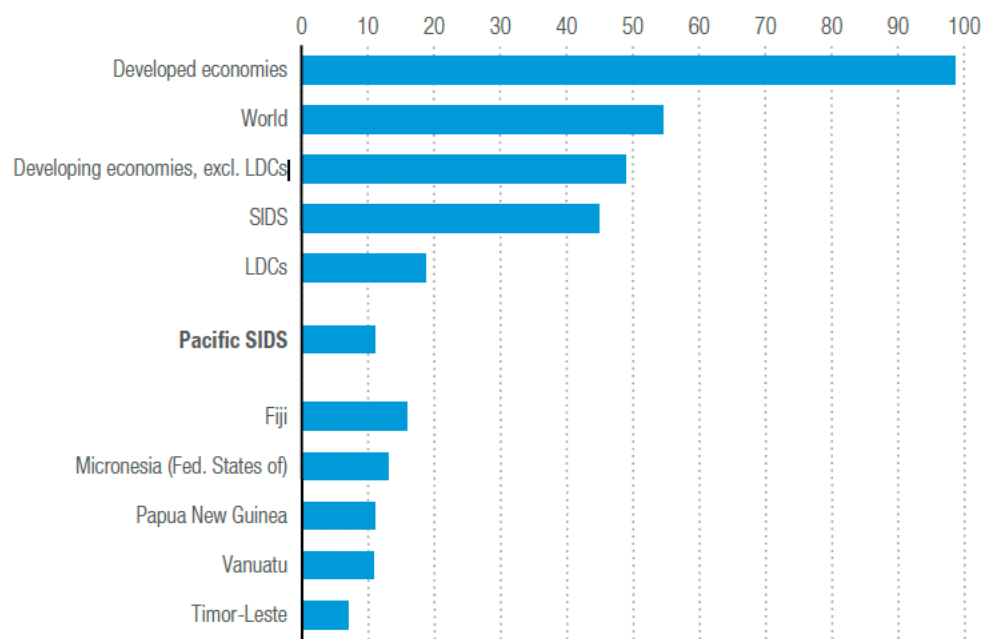
Price of broadband subscriptions as a share of monthly GNI per capita, 2023 (Per cent)

- ▶ 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

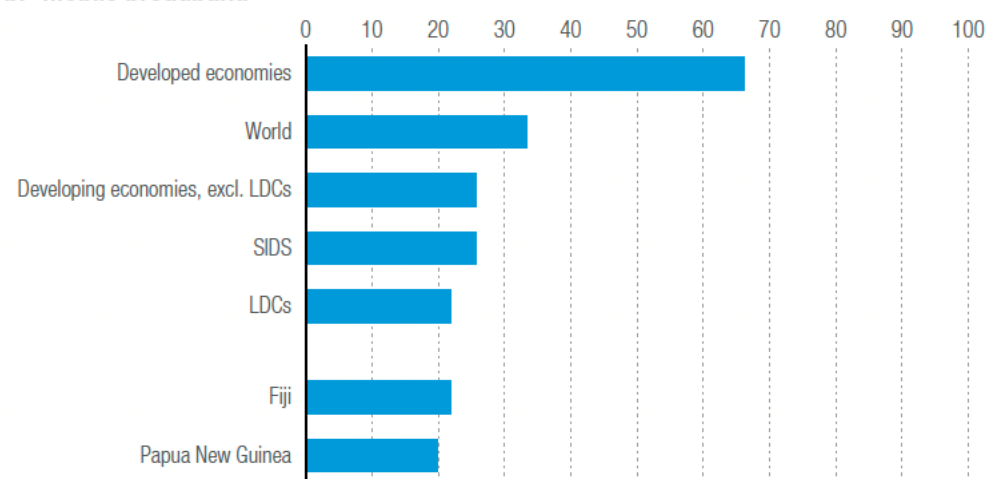
Internet performance

Internet connection speed, by type of broadband, 2023

a. Fixed-line broadband



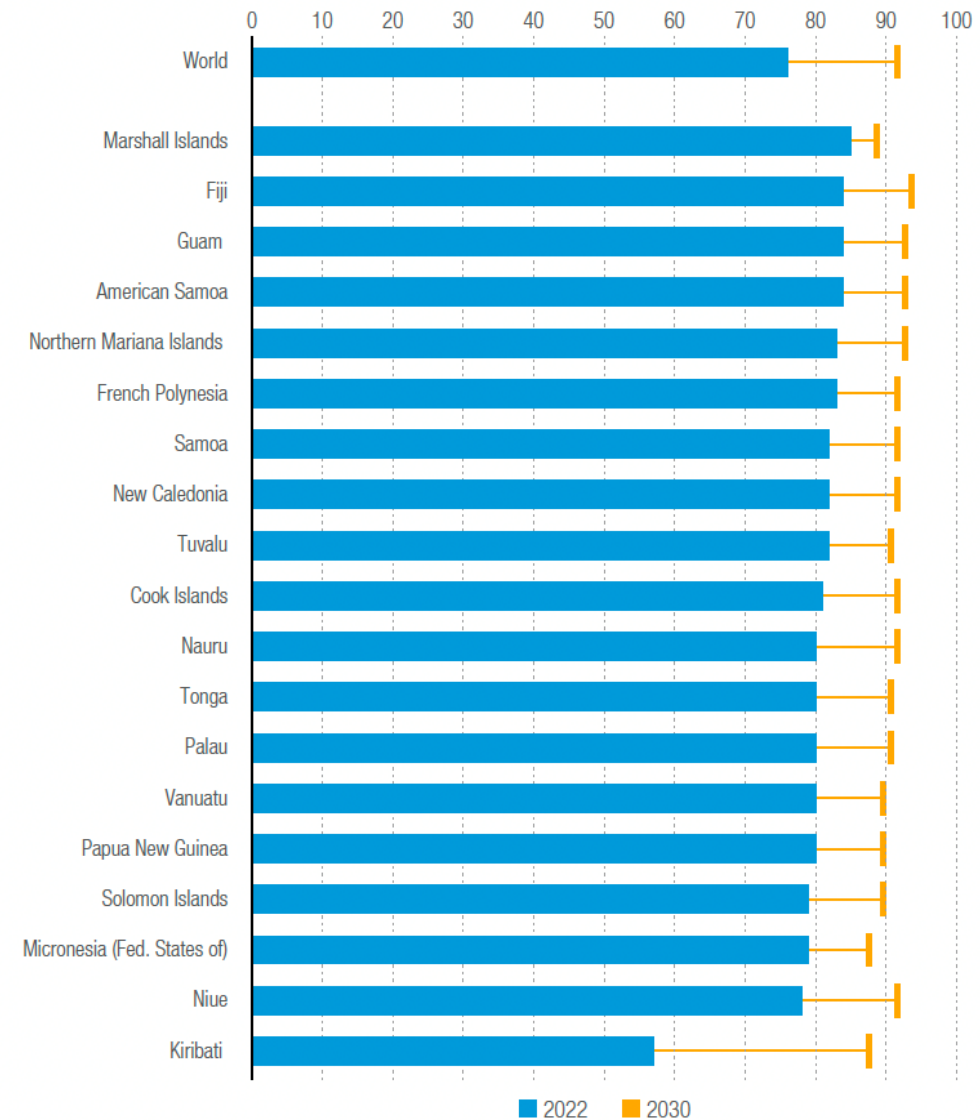
b. Mobile broadband



Smartphone adoption

Smartphone adoption, global and Pacific SIDS (Per cent)

- ▶ Smartphones are critical for e-commerce 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 device cost and rising use of social media platforms





**The growing adoption of digital tools
enhances business adaptability,
fostering innovation and resilience.**

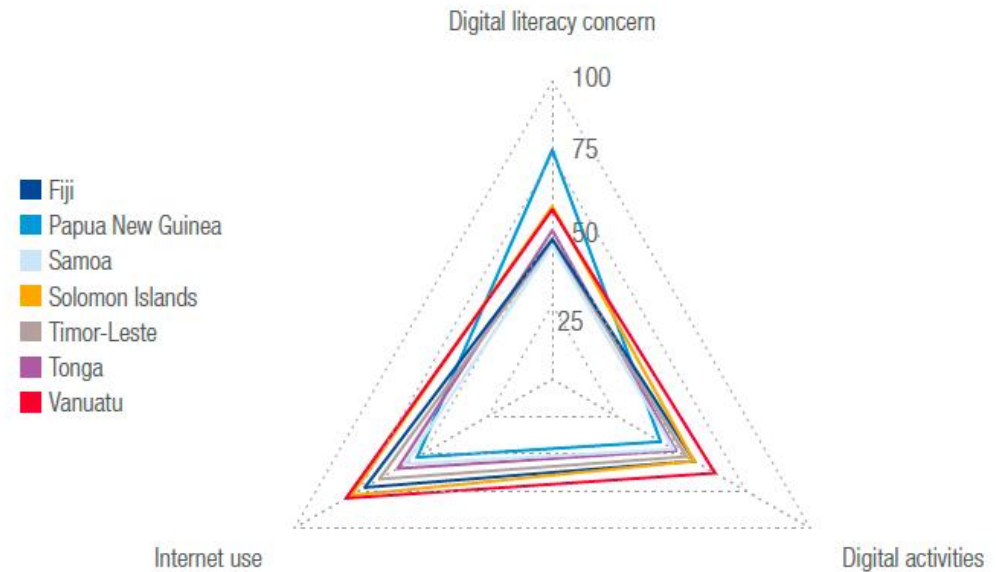
Promoting Digital Entrepreneurship and Inclusion in the Pacific

➤ Digital skills gap

- ▶ Skills range from utilising 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

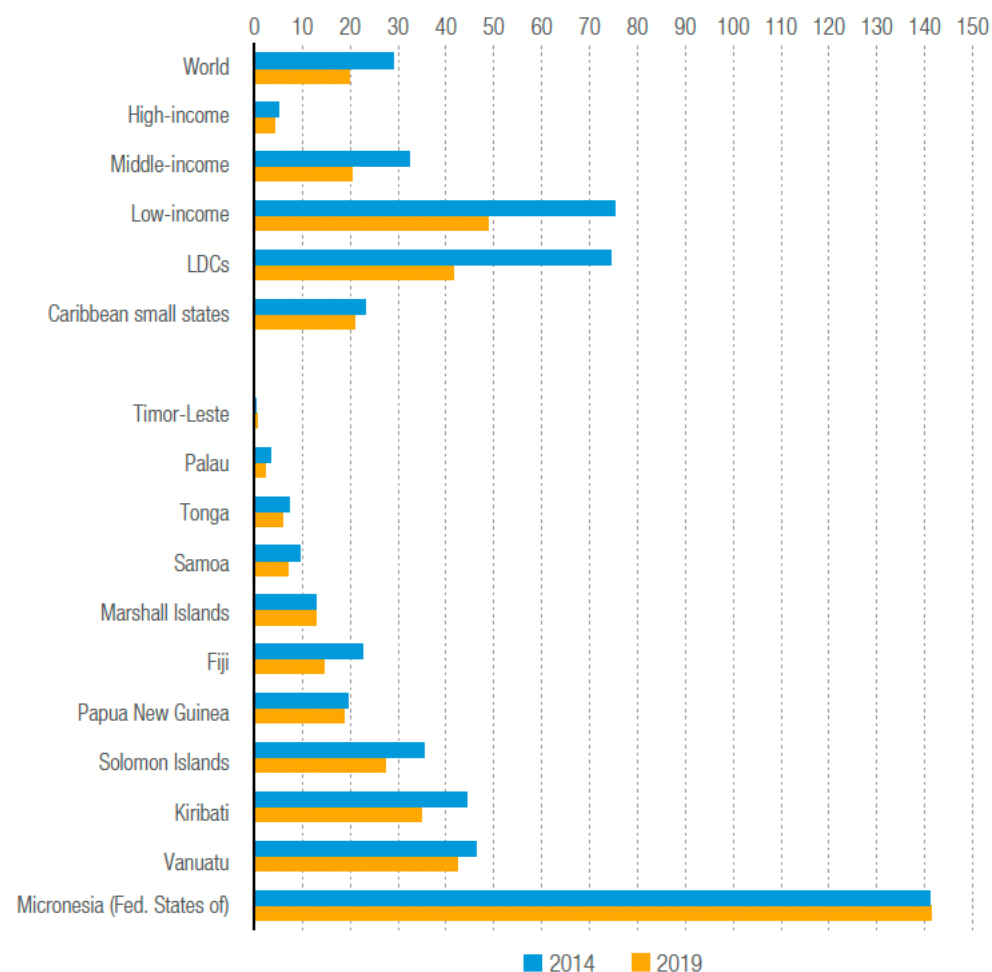
(Per cent of population)



➤ 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



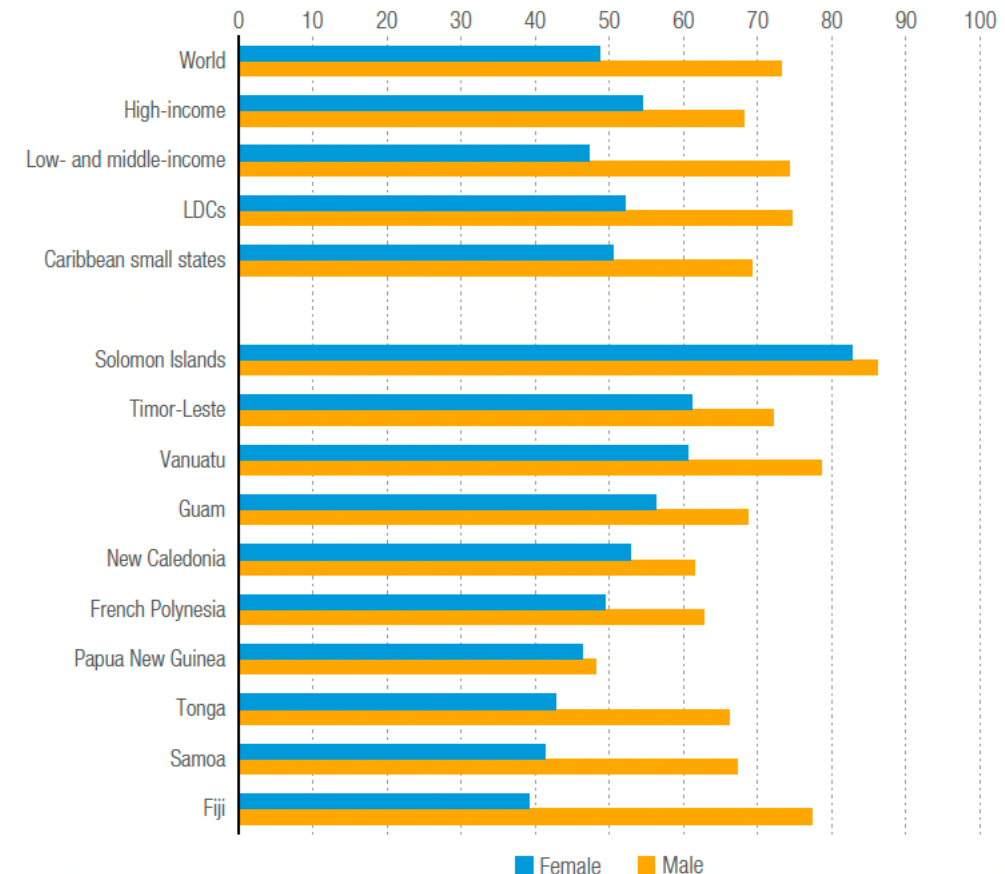
Developing business models that align with Pacific cultural values can help to enhance the feasibility and sustainability of businesses.

➤ 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 than men
- ▶ Widest gaps in Fiji, Samoa, Tonga and Vanuatu
- ▶ Digital entrepreneurship offer expanded economic opportunities – domestically and globally





Women-owned MSMEs are more likely to primarily employ women.

➤ Legal framework

Women, Business and the Law Index scores, 2024

Economy	Assets	Entrepreneurship	Parenthood	Pay	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

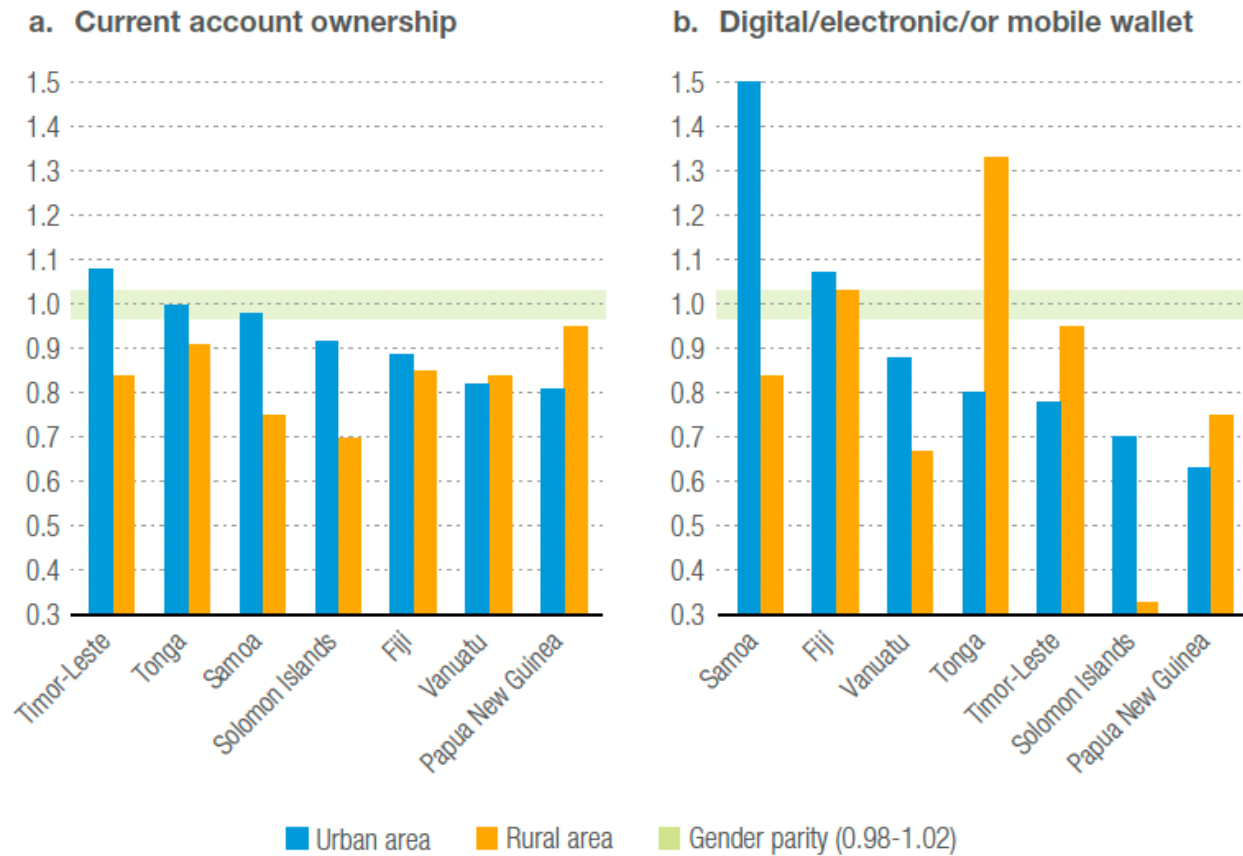
Parenthood: focuses on laws impacting women work during and after pregnancy

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





Tailored products could include low-interest loans, flexible repayments, digital payments and no collateral.

Enabling Digital Trade in the Pacific

Digital Platforms

- ▶ Digital marketplaces or digital intermediary platform can provide businesses, with new opportunities
- ▶ Enables business to expand overseas with our physical presence, overcoming geographic barriers



Table IV.1

Types of global and local or regional platforms operating in one or more Pacific SIDS

Digital platforms	Category	Examples of global platforms	Examples of national or regional platforms
Goods e-commerce platforms	Business-to-business (B2B) and business-to-consumer (B2C) marketplaces	Alibaba.com, Amazon, Shopify	BulkShop (Solomon Islands), Bzzmart (Papua New Guinea), Jungle (Papua New Guinea), Klikpei (Solomon Islands), MarkertMeri (Papua New Guinea), Maua (Samoa and Vanuatu), PACIFIKart (New Zealand), Shop Vanuatu, VitiKart (Fiji)
	Social sellers (social media and messaging)	Facebook, Facebook Messenger, Instagram, LinkedIn, TikTok, Viber, WeChat, WhatsApp, X	
Services e-commerce platforms	Tourism	Agoda, Airbnb, Booking.com, Expedia, Skyscanner	
	Information reviews	Facebook Reviews, Google Reviews, TripAdvisor	
	Business services and hires	Clickworker, Fiverr, Freelancer, Matchboard, Outsource Accelerator, Upwork	
	Delivery	DHL, FedEx	
	Food Delivery	Menulog, Uber Eats,	Seki Eats (Samoa), Takeaway (Tonga), Talofa Eats (American Samoa)
	Entertainment	Amazon Prime Video, Disney+, iTunes, Netflix, Spotify, YouTube	TicketMax (Fiji)
	Education	Coursera, Udacity, Udemy	mVuli Academy (Fiji)
	Search	Baidu, Bing, Google, Yahoo	
	Advertising	Google Ads, Facebook Ads	
	Apps and software	Apple App Store, Google Play	
Digital payment platforms	Mobile wallet	Alipay (Fiji), PayPal, WeChat Pay (Fiji)	Cell Moni (Papua New Guinea), EziPei (Solomon Islands), iumiCash (Samoa), M-PAiSA (Fiji), MiCash (Papua New Guinea), MyCash (Fiji)
	Bank and credit cards	Mastercard, UnionPay, Visa	
	Mobile banking	ANZ Banking Group, Westpac, Bred Bank	Bank South Pacific (Cook Islands, Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga, Vanuatu), Kina Bank (Papua New Guinea), Pan Oceanic Bank (Solomon Islands)
	Remittances	Remittly, Ria Money Transfer, Western Union, WorldRemit	Ave Pa'anga Pau (from New Zealand to Tonga), KlickEx Pacific (from Australia or New Zealand to Cook Islands, Fiji, Papua New Guinea, Samoa, Tonga and Vanuatu), Rocket Remit (from Australia to Cook Islands, Fiji, Papua New Guinea, Samoa, Tonga and Vanuatu)

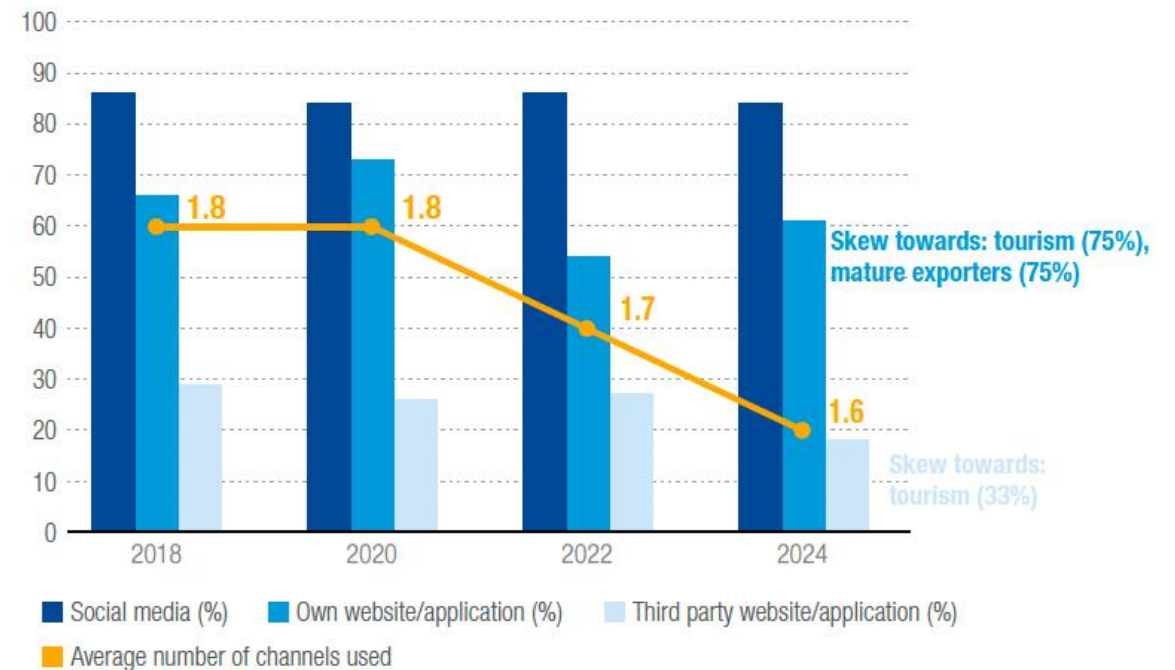
Source: UNCTAD, updated from UNCTAD (2023).

Note: WeChat and Alipay are available to customers that already have accounts from China.

➤ Digital platforms - Goods

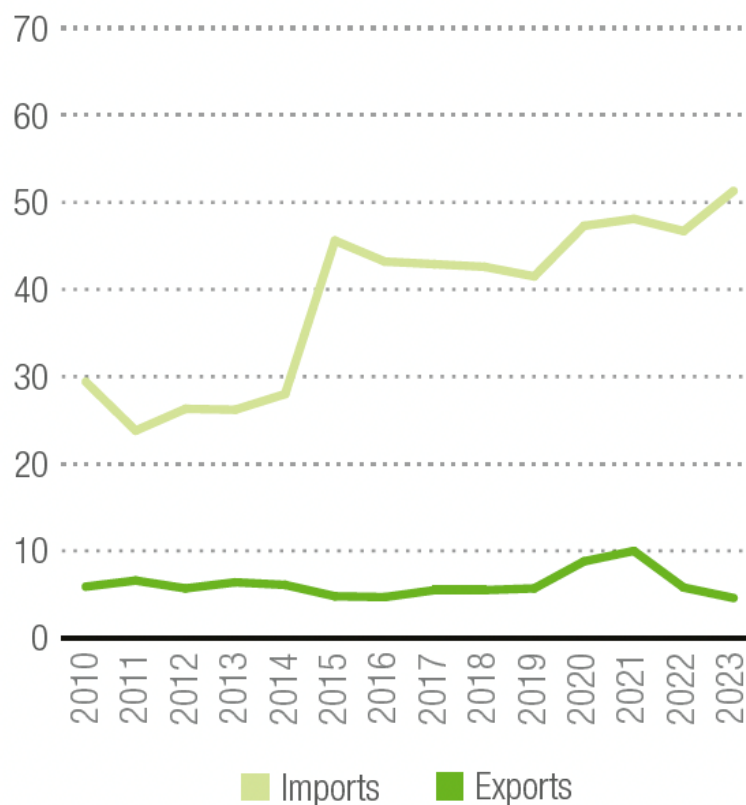
- ▶ E-commerce platforms at early stages
- ▶ Local platforms include: Maua (Samoa), VitiKart (Fiji), PACIFIKart (Solomon Islands)
- ▶ Most local platforms only serve the domestic market
- ▶ Facebook dominates informal e-commerce platforms for MSME
- ▶ Global platforms like Amazon, often inaccessible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

Use of online channels for export revenue in the Pacific

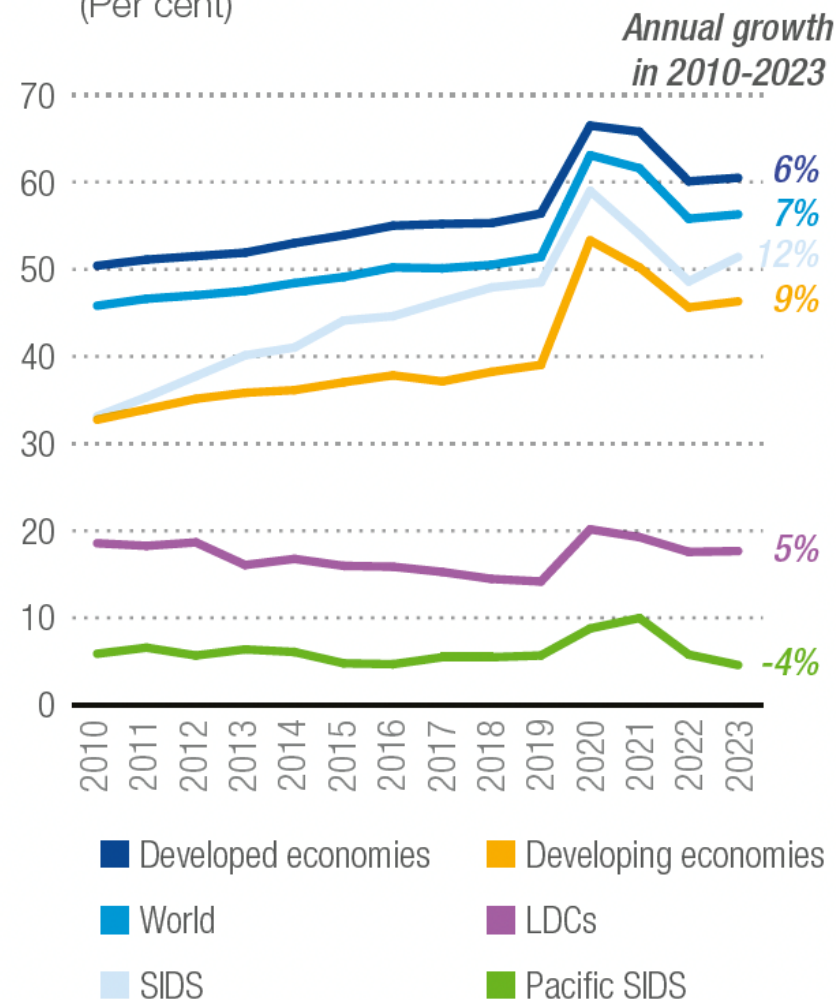


➤ Digital Deliverable Services

a. Share of DDS in all services, by flow, Pacific SIDS
(Per cent)



b. Share of DDS in all services exports
(Per cent)



➤ Digital platforms – Tourism

	Accommodations on Airbnb	Accommodations on Booking.com	Tourist activities on Agoda and Expedia	Number of overseas visitors (thousands), pre-Covid-19 and latest available	
				2019	2022
French Polynesia	1 000	1 001	384	236.6	218.8
Fiji	1 000	391	441	968.9	652.2
Cook Islands	879	199	41	171.7	113.6
New Caledonia	625	84	59	474.4	139.2
Vanuatu	310	119	131	256.0	25.4
Guam	274	44	46	1 666.7	328.4
Northern Mariana Islands	230	41	6	487.0	96.0
Samoa	224	48	8	180.9	50.6
Papua New Guinea	196	31	10	211.0	69.4
Tonga	100	33	37	94.0	..
Solomon Islands	88	21	3	28.9	..
Palau	86	221	5	89.7	9.2
Micronesia (Fed. States of)	30	0	0	18.0	..
Timor-Leste	30	19	4
American Samoa	16	1	0	58.7	..
Marshall Islands	16	1	0	6.1	1.3
Niue	13	3	0	10.2	..
Tuvalu	5	0	0	3.6	0.3
Kiribati	2	0	0	12.0	1.8
Nauru	1	1	0

Number of accommodations and tourist listing on popular travel platforms, 2024

- ▶ Tourism remains most digitally mature trade sector in the region
- ▶ Accounts for 60% of services exports
- ▶ Digitalization increasingly vital to the tourism industry
- ▶ Smaller operators struggle to meet platform requirements: insurance, licensing, payment gateways, skills, reliable access to devices, etc.

Legal frameworks

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



Prioritizing e-commerce in national budgets and creating sustainable funding will strengthen member countries ownership.

Measuring Digital Trade

➤ Handbook on Measuring Digital Trade

- ▶ Provides clarification on the concepts and definitions related to digital trade and the guidelines on how to operationalize them
- ▶ Offers extensive compilation guidance based on recent efforts in both developed and developing economies covering a variety of relevant survey and non survey sources
- ▶ Puts forward a proposed reporting template.



➤ Workshop on Measuring Digital Trade for Pacific Islands States

Objective of workshop:

- ▶ Provide an introduction to the handbook with the aim of imparting knowledge that participants can leverage to develop digital trade statistics in their own countries
- ▶ Raise awareness of the technical assistance available to countries and provide guidance on accessing the support

Expected outcomes:

- ▶ Understanding Digital Trade
Concepts: Participants can explain key concepts of digital trade, their distinctions, interrelationship and relevant for policymaking
- ▶ Measuring Digital Trade: Participants can identify key data sources, assess their strengths and challenges and learn from country practitioners developing digital trade statistics
- ▶ Accessing support: Participants aware of technical assistance offered



Thank You

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