

Measuring the  
present to  
transform the  
digital future of  
Latin America and  
the Caribbean



## Digital Development Observatory



# Why the Observatory? Data for Policy

## What does the observatory do?

1. Produce comparable indicators – global and regional benchmarks
2. Monitor digital development over the time
3. Generate evidence on specific topics
4. Improve digital measurement through technical assistance
5. Disseminate good practices

## What for?

- 1 **Support the formulation of digitalization policies** to promote productive, sustainable, and inclusive development.
- 2 **Fulfill the role of technical secretariat of eLAC** in charge of monitoring the progress of the Regional Digital Agenda.

## THEMATIC COVERAGE



**Digital infrastructure and meaningful connectivity:** connectivity, network deployment, IXPs, computing capacity.



**Digital transformation for productive development:** Startups in: agrotech, fintech, edutech, and AI. Relative weight of the digital economy. E-commerce flows.



**Digital transformation of the state:** Online provision of government services. Digital citizen participation.



**Digital governance and security:** number and type of incidents.



**Innovation and Emerging Technologies:** AI Adoption by Technology-Based Startups, Companies in Traditional Sectors, and Individuals.



**Digital inclusion:** gender, socioeconomic, and urban-rural digital divide

## PRODUCTS

### 85 Indicators:

regularly updated time series.

### 16 Thematic Sheets:

Statistics and analysis on a specific digital topic.

### Digital Policy Portal:

Quantitative indicator that compares the level of development of digital policies across countries based on thematic coverage and depth (quantitative goals, timelines, and budget allocation).

### Digital Policy Directory:

institutions that coordinates and implements this policy. Link to the original document.

### LACME:

LAC marketplace explorer that characterizes regional demand and supply.

## TECHNIQUES

**Harmonization of National Household Surveys (BADEHOG):** information on Internet access and use by individuals.

### Database analysis:.

Bloomberg, ITU, Similarweb, Crunchbase, GSMA, LACNIC

### Webscrapping.

Document review:

- National digital agendas.
- National sector strategies.
- National AI strategies.
- National cybersecurity regulations.
- National data governance regulations..

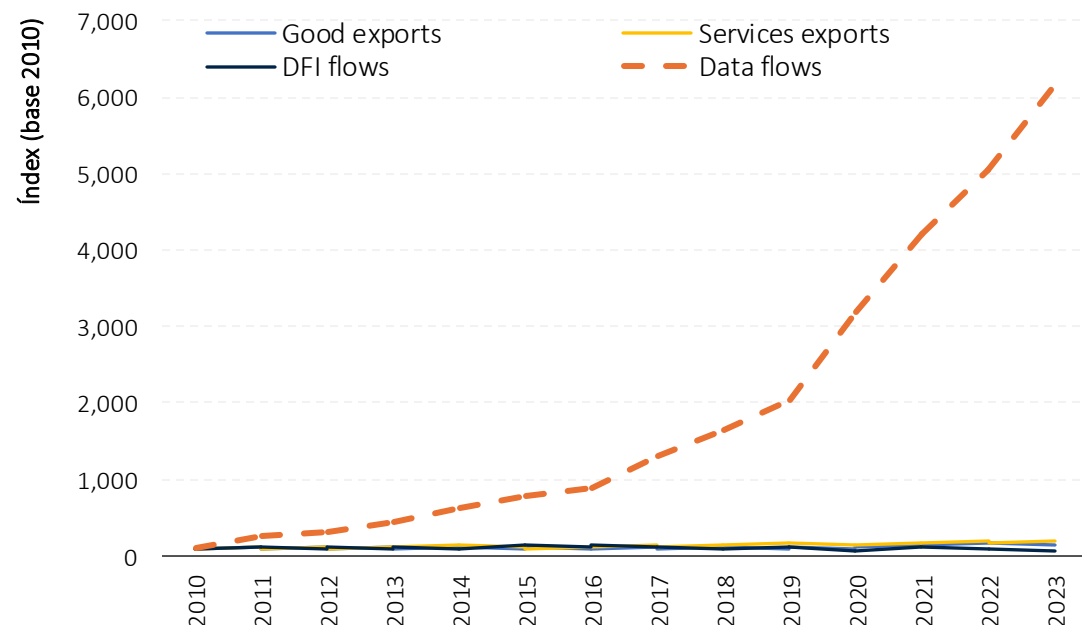
# Data and analysis (examples)



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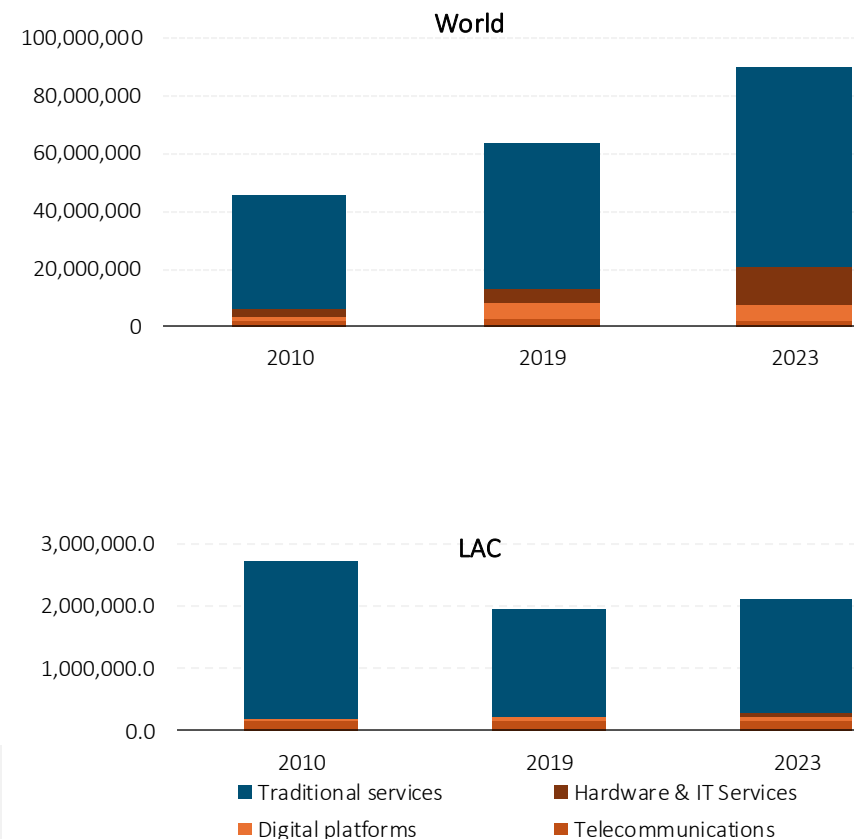
# Digitalization is becoming a central force in the economy

Trade Flow of Goods and Services, Foreign Direct Investment, and Data Flows, 1990–2023  
(Index base 100, 2010)



Global data flows have grown **40** times faster than traditional trade and financial flows.

Value of the Digital Technology Industry and Traditional Industry, by Segment, 2010-2023  
(Millions USD)



**Worldwide:** **23%** of the world's most valuable companies belong to the **digital industry**.

**Latin America:** The **digital sector** represents **10%** of the region's corporate market value.

**The digitalization is reshaping development paths, trade flows, and geopolitical influence**

# Connectivity and digital inclusion

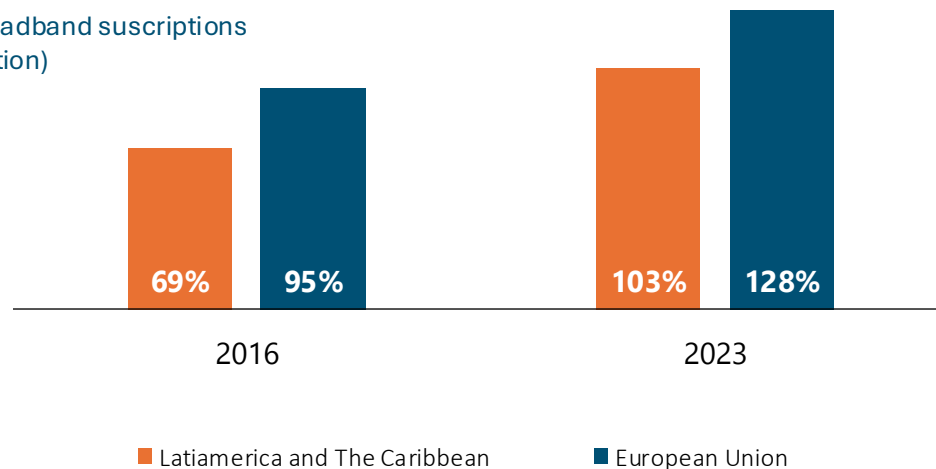
## Bridging Gaps, Advancing in Meaningful Connectivity

While **connectivity is expanding** thanks to mobile networks, a significant gap persists compared to more developed countries

Fixed broadband suscriptions  
(% Population)



Mobile broadband suscriptions  
(% Population)



72% of households are connected to fixed or mobile Internet  
But, in 2023, still remain unconnected...

Quintile 5: highest  
income level

14%

Urban

22%

Quintile 1: lowest  
income level

46%

Rural

57%

...and far fewer enjoy **meaningful connectivity**—  
that is, reliable, fast, and regular access with a device  
that enables real participation in the digital world.

Inhabitants with  
internet

Inhabitants with meaningful  
connectivity

Chile

97%

36%

Brazil

88%

22%

Dominican Rep.

43%

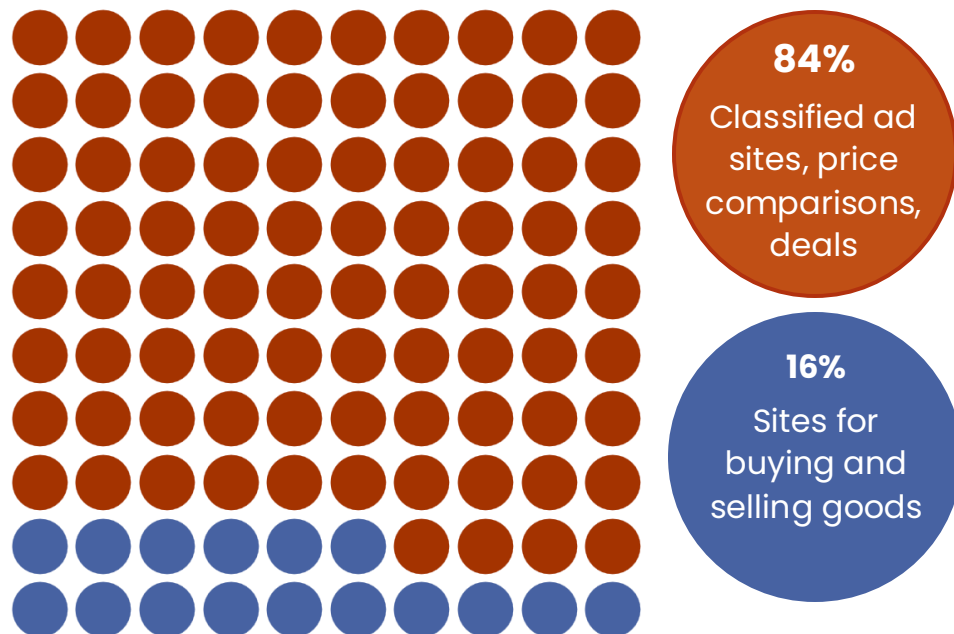
21%

# e-Commerce: Mapping supply and demand in LAC

## LAC Marketplaces Explorer (LACME)

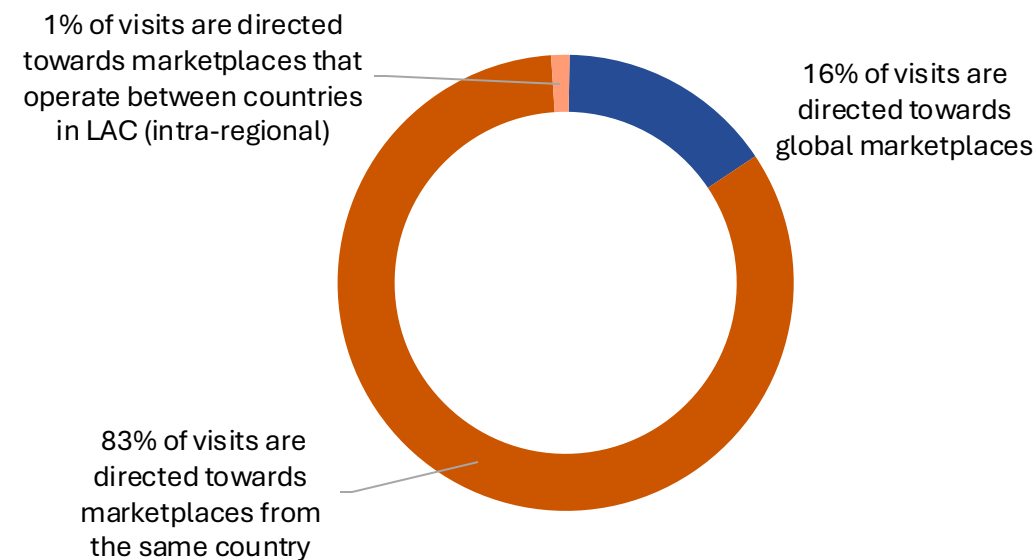
**An Immature Market:** a regional opportunity to seize

Types of Digital Commerce Platforms in LAC, 2024 (e-commerce sites, classified ads, price comparison, and auctions)



**Only 1% of e-commerce demand in LAC is intraregional—** held back by limited payment interoperability, regulatory fragmentation, and logistical challenges.

Distribution of visits to the top marketplaces in LAC, 2024



# AI adoption: entrepreneurship and innovation

## Tech-based MSMEs drive AI-powered innovation:

### Tech-based companies with AI:

- **34%** → fewer than 10 employees.
- **51%** → between 11 and 50 employees.

### Geographic distribution:

- **91%** (<10 emp.) → 5 countries
- **94%** (11–50 emp.) → 5 countries

Number of AI companies, LAC countries, 2024

	Total	Micro	Small	Medium	Large
Brazil	1312	406	569	119	164
Mexico	286	95	142	13	31
Colombia	198	77	82	8	21
Chile	189	78	86	14	8
Argentina	135	45	58	13	14
Peru	42	16	21	1	4
Uruguay	30	12	10	2	5
Ecuador	19	10	4		3
Panama	14	6	6	1	
Costa Rica	9	1	6		1
Guatemala	9	3	3	2	1
Dominican Rep.	9	3	5	1	
El Salvador	7	4	3		
Venezuela	6	2	2		2
Paraguay	5	4			
Bolivia	4	3			1
Belize	2	2			
Guyana	1		1		
Total	2277	767	998	174	255

Source: DDO based on Crunchbase.

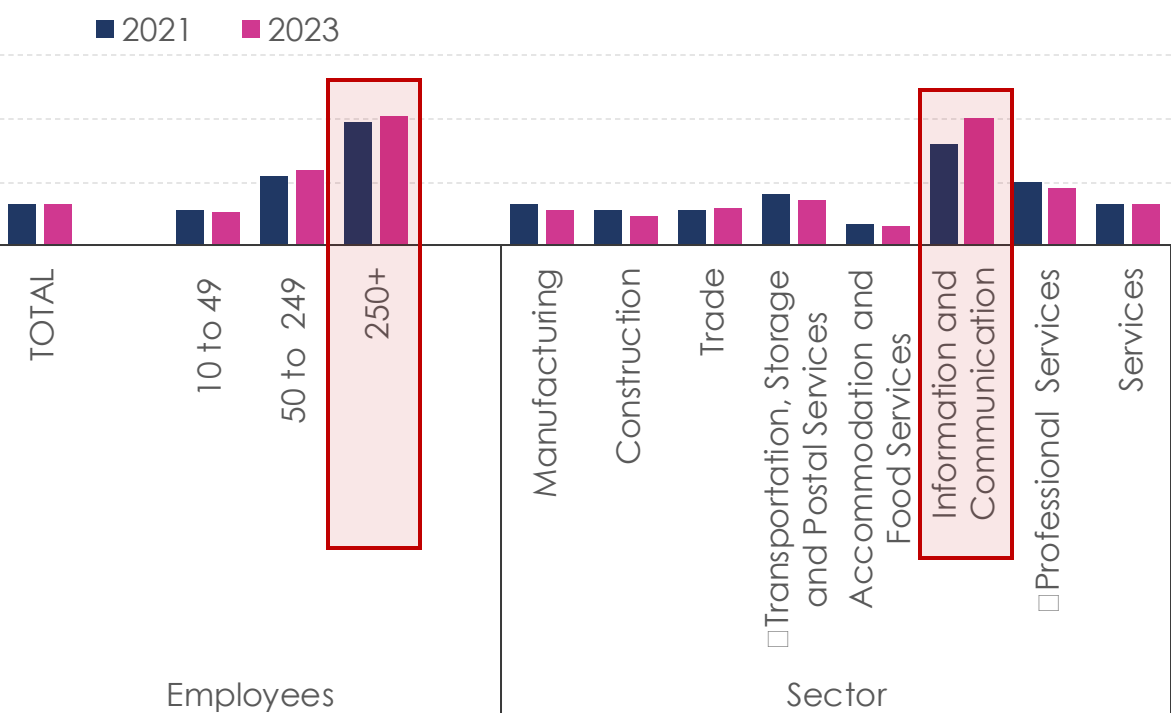


# Productive digital transformation

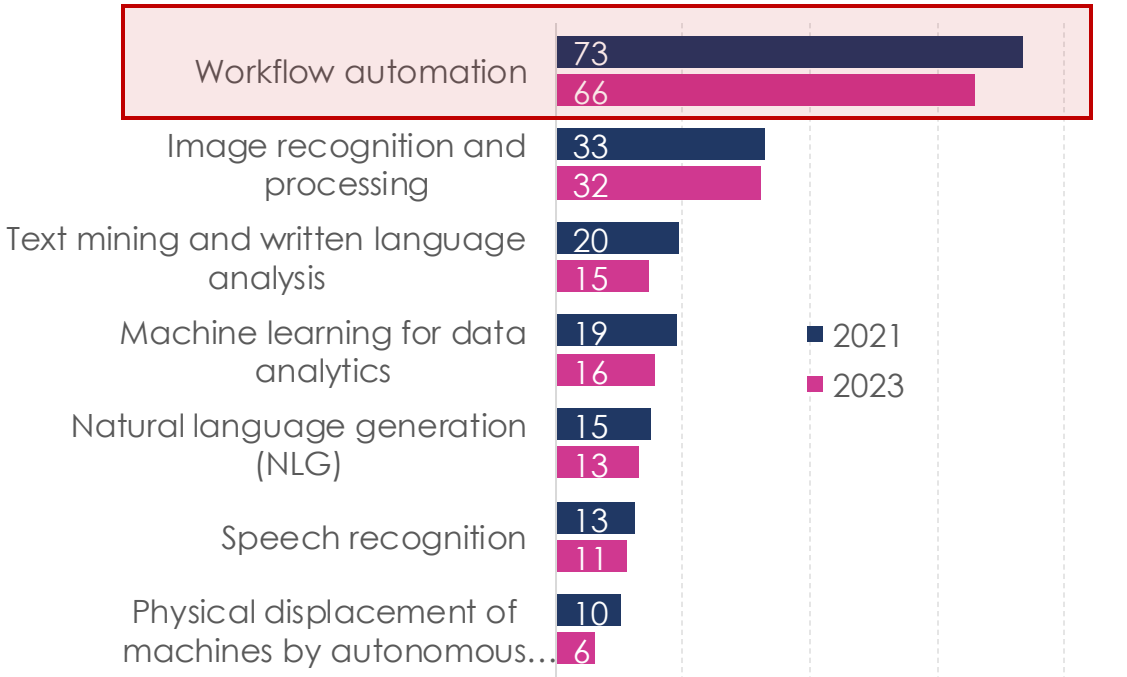
## AI adoption in traditional sectors remains limited and concentrated

**Brazil:** It is estimated that 13% of businesses use AI applications. Adoption is mainly occurring in large companies within the ICT sector, focused on workflow automation.

Companies using AI by size and sector, 2021 and 2023  
(Percentage of total companies)



Companies using AI, by type of use, 2021 and 2023  
(Percentage of total companies using AI in Brazil)



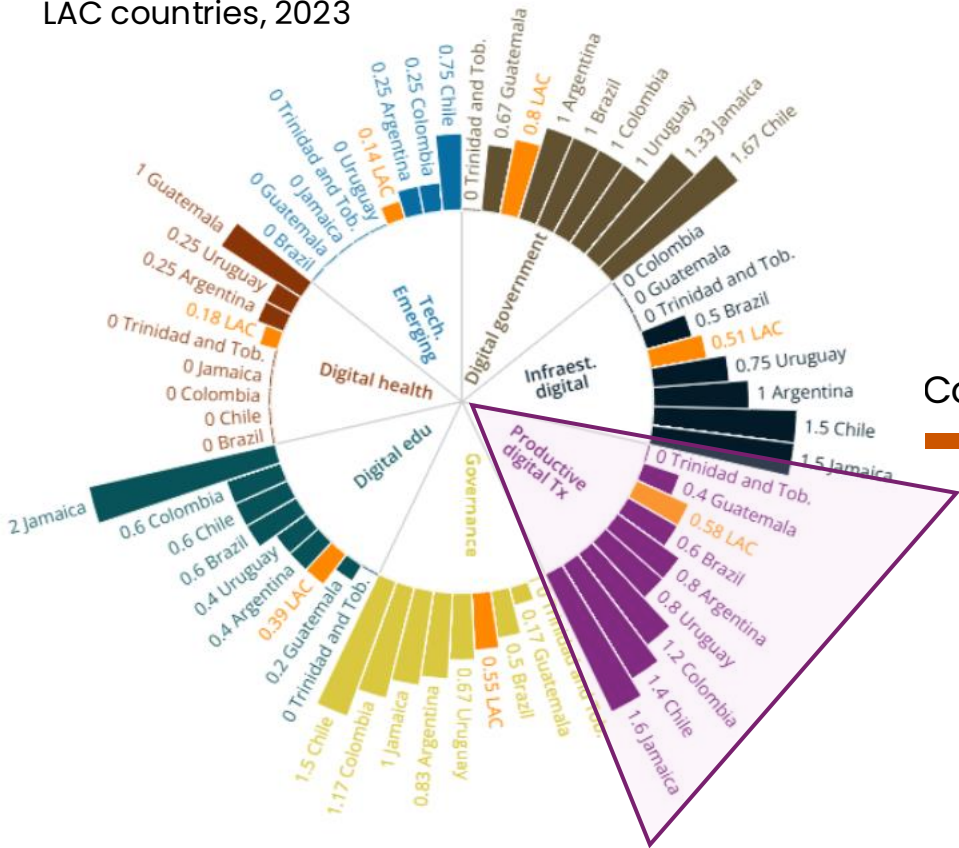
Source: CETIC.br

# Policy Portal: digital policy topics and depth of coverage

(quantitative targets, defined deadlines, evaluation methods, budget allocation)

## Regional comparison

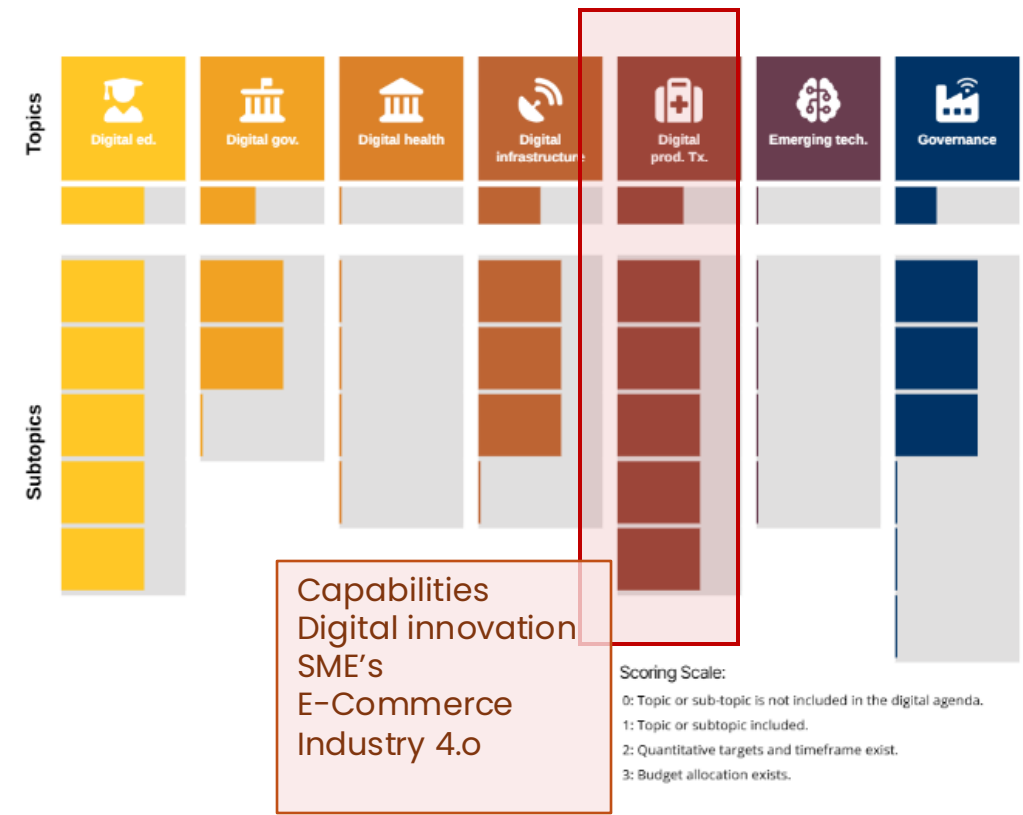
Topics covered and depth of coverage in national digital agendas, LAC countries, 2023



Country specifics

## Country analysis

Jamaica: level of development of digitalization policies in its digital agenda, May 2023



Scoring Scale:  
0: Topic or sub-topic is not included in the digital agenda.  
1: Topic or subtopic included.  
2: Quantitative targets and timeframe exist.  
3: Budget allocation exists.

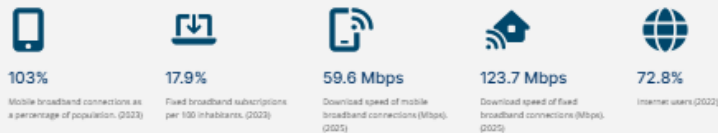
## Digitalization for sustainable development

The digital development, understood as the one that leverages digital technologies in various aspects of social and economic life to contribute to the productive, inclusive, and sustainable development of countries, has the potential to increase the well-being of individuals, the productivity of businesses, the efficiency and effectiveness of states, and environmental sustainability. This is the result of the synergy of the three dimensions that compose it.



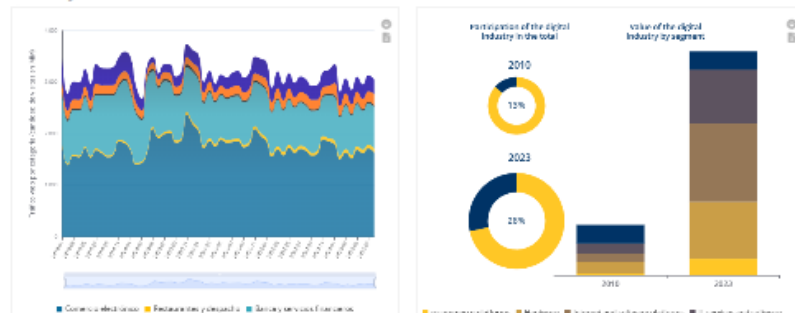
About Digitalization for Development

## Principales indicadores de conectividad América Latina y el Caribe



Ver todos los indicadores

## Datos y Hechos Destacados



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