



INCLUSIVE DIGITALIZATION FOR SUSTAINABLE REACTIVATION

April 27th, 2022

Content

1

What digital challenges has the Covid-19 pandemic revealed?

2

How are we prepared in LAC?

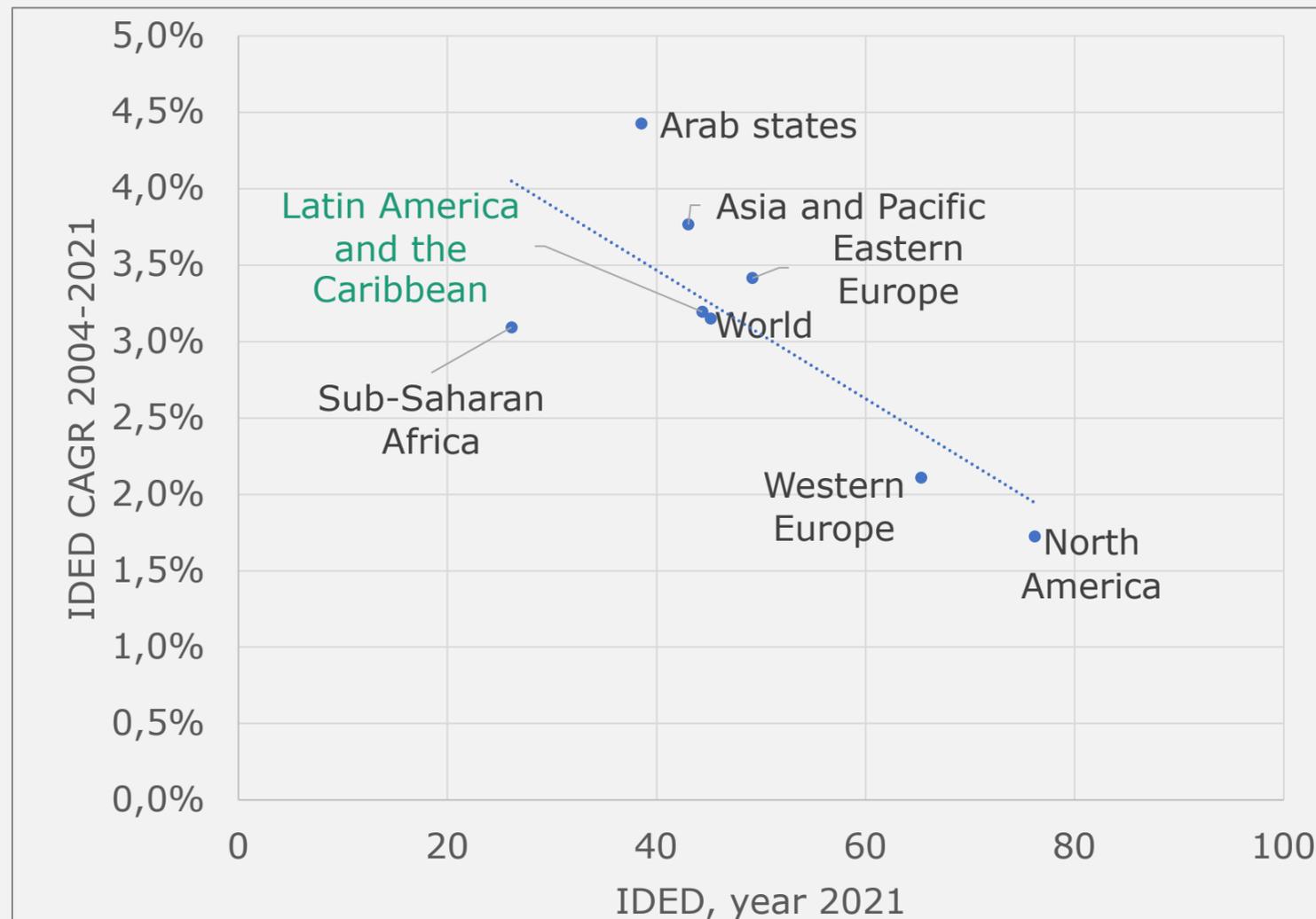
3

What are the future opportunities?

STARTING POINT: state of digital transformation in LAC

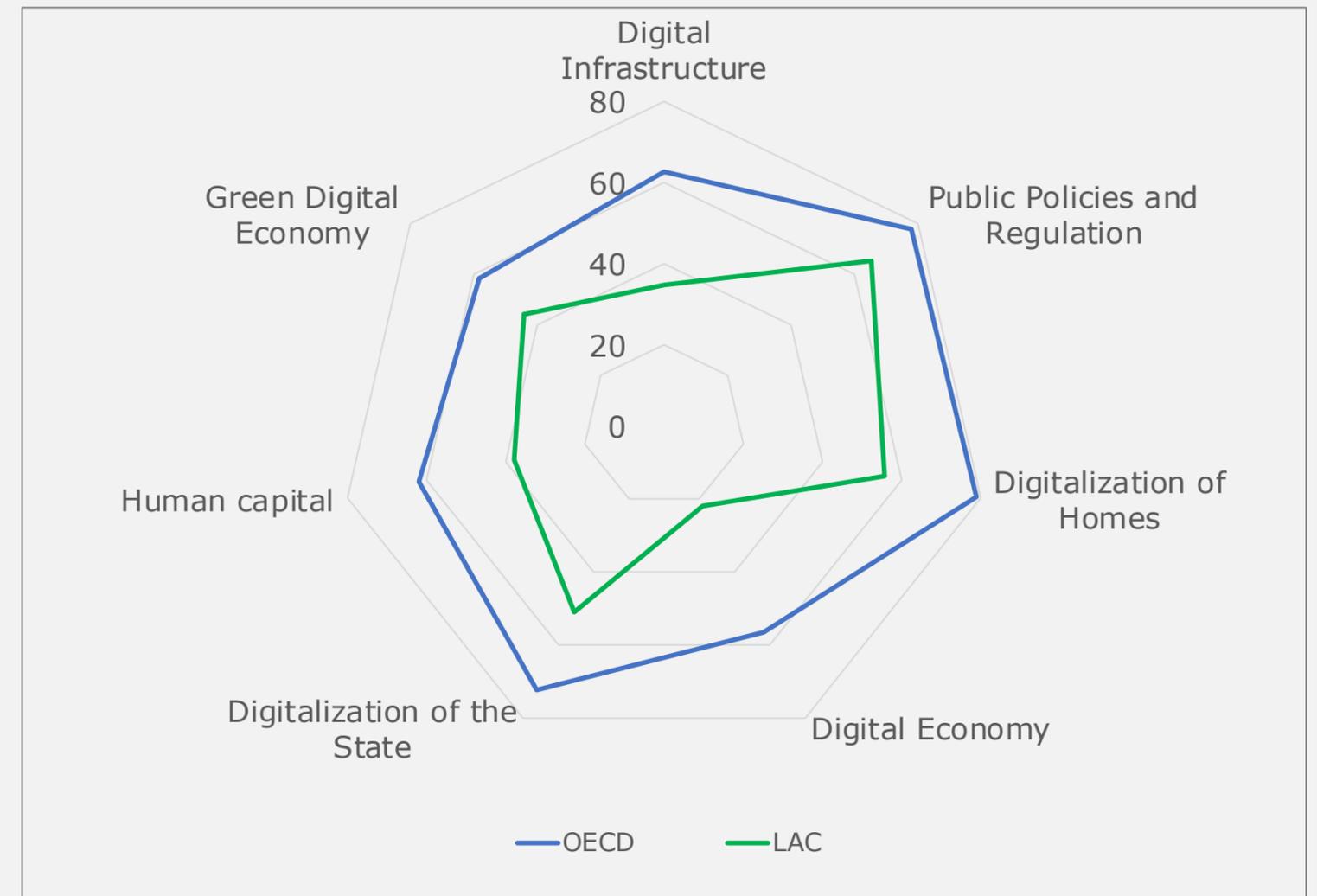
LAC presents an intermediate development of the digital ecosystem...

CAF Digitalization Index, 2021 (1)
(0-100)



... with critical challenges at the digital frontier

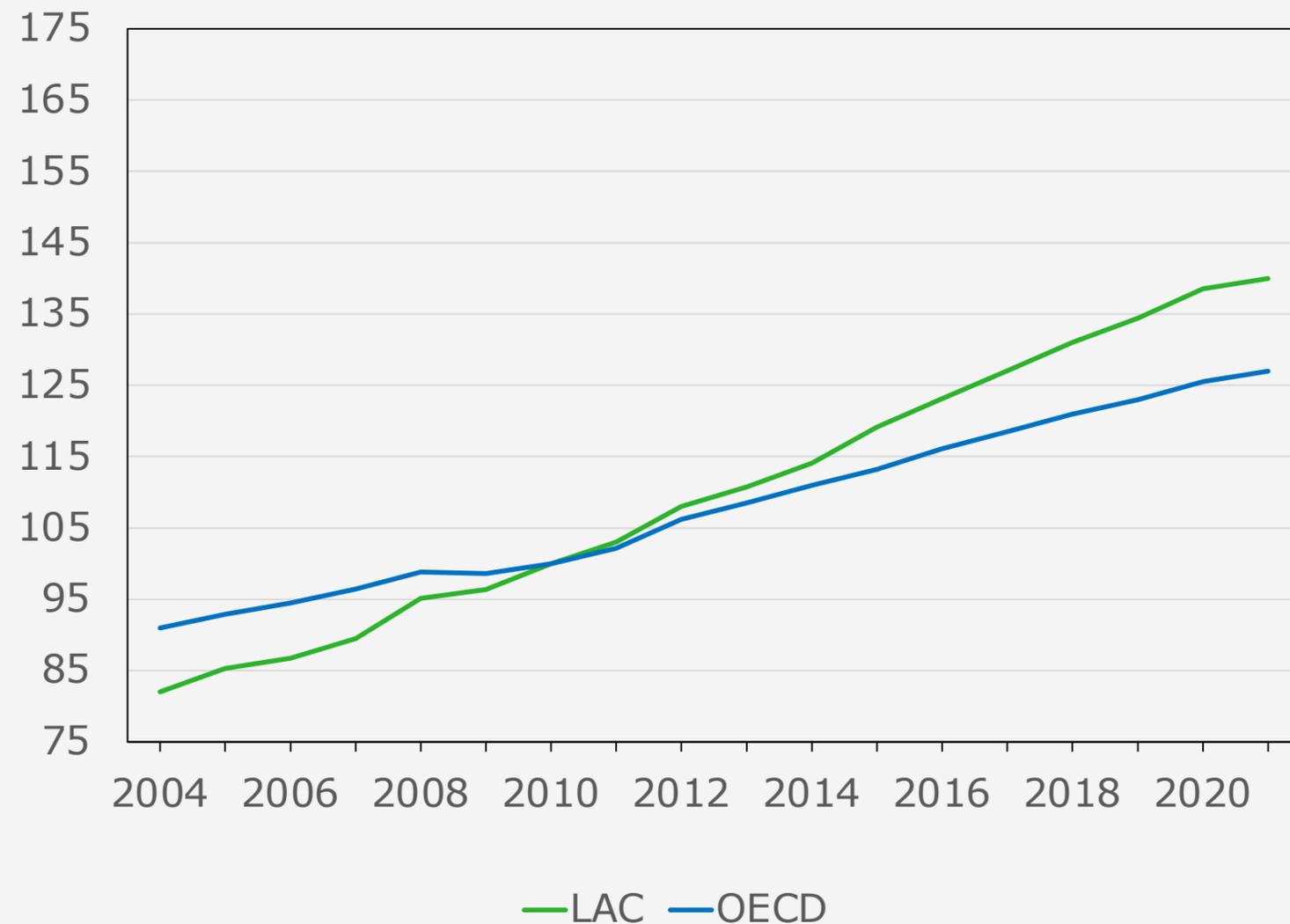
CAF Digitalization Index, 2021 (1)
(0-100)



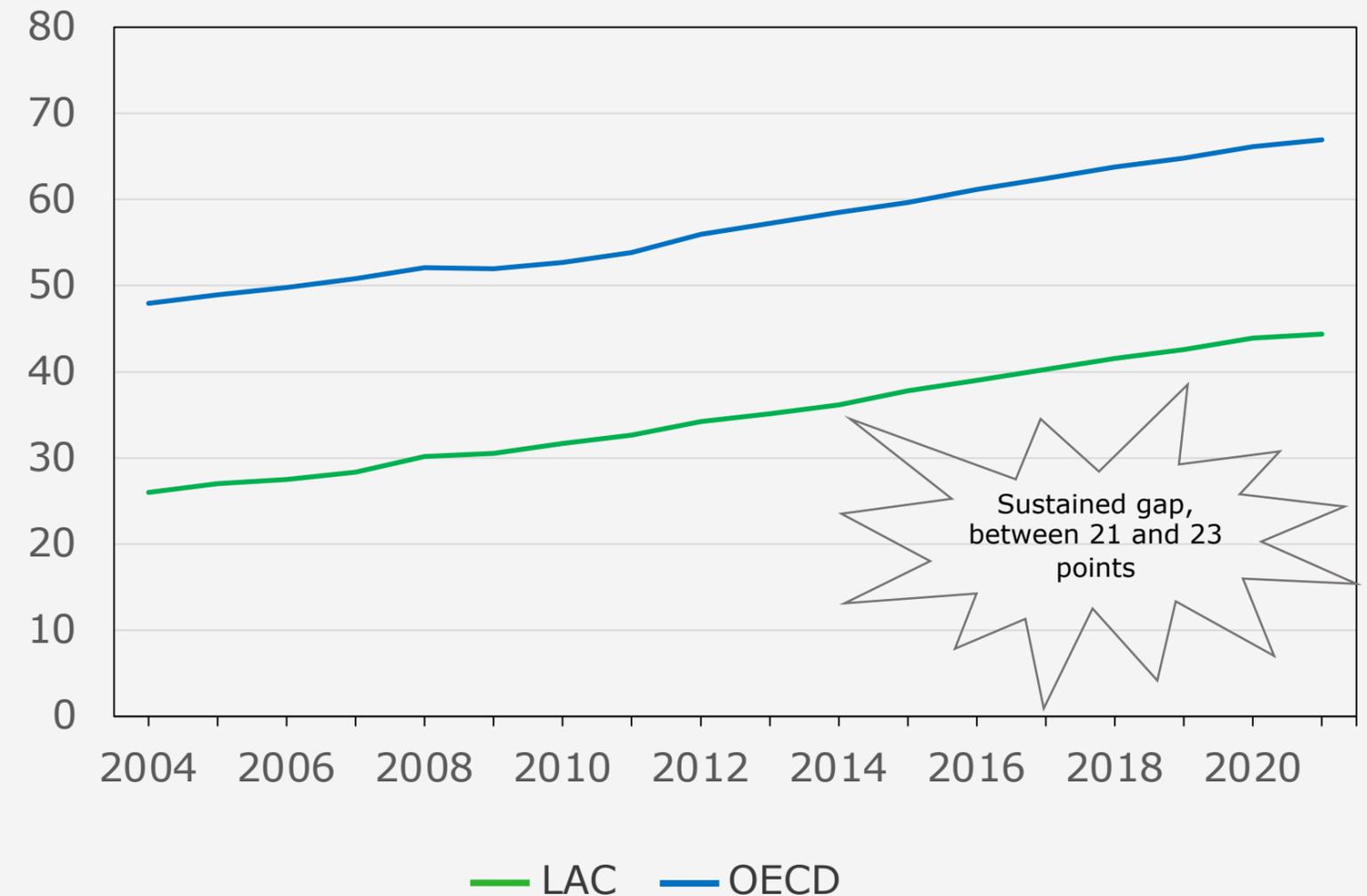
(1) Source: Observatory of the Digital Ecosystem; COST AND FREIGHT; CAF Digital Ecosystem Development Index. Its value varies in a range from 0 to 100 where this last value represents the most advanced digitization level.

Despite important advances, the gaps have not been significantly closed

LAC vs. OECD:
Evolution of the digital ecosystem
 CAF Digitalization Index, 2004-2021 ⁽¹⁾
 (2010 base year=100)



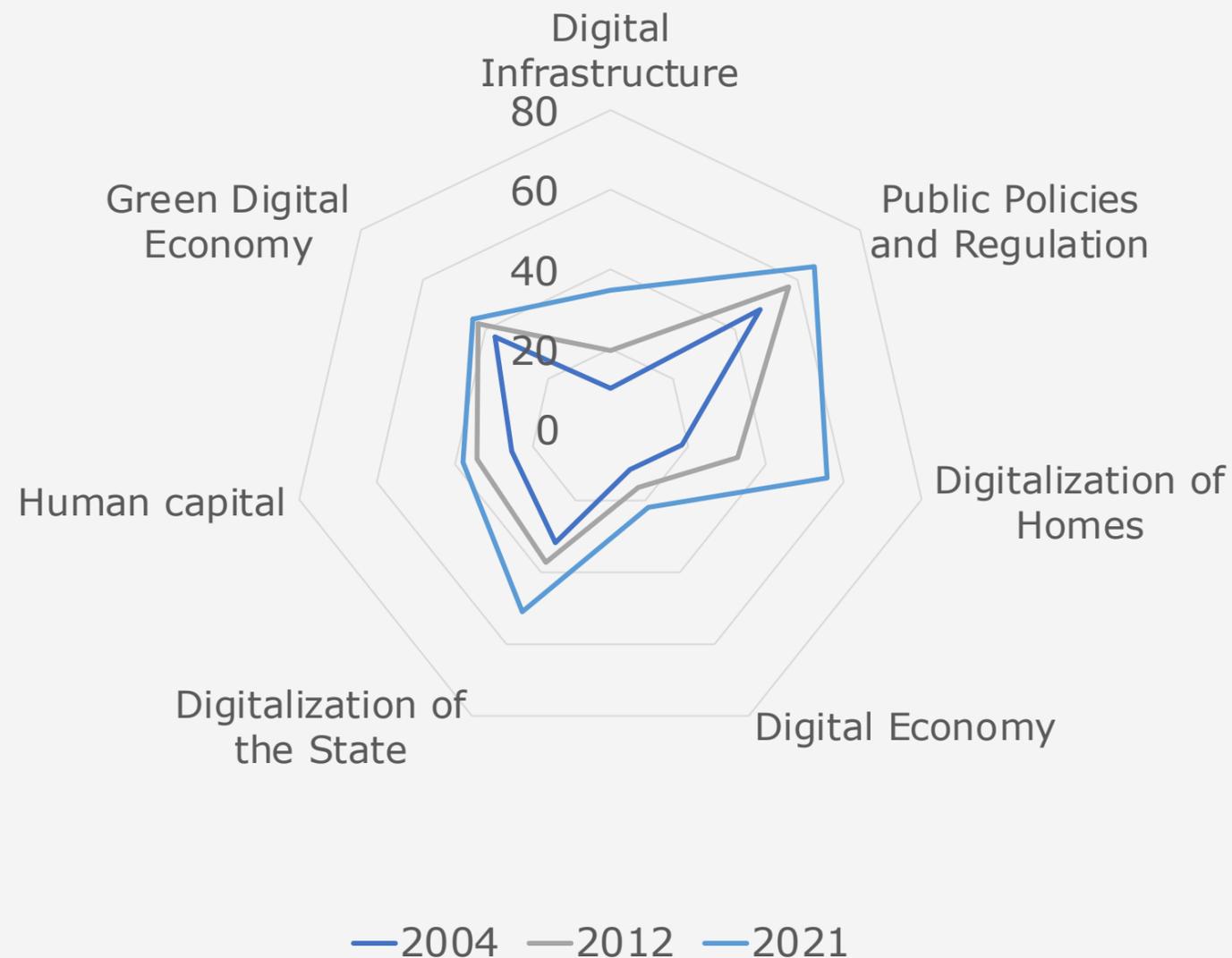
LAC vs. OECD:
Evolution of the digital ecosystem
 CAF Digitalization Index, 2004-2021 ⁽¹⁾



⁽¹⁾ Source: Observatory of the Digital Ecosystem; COST AND FREIGHT; CAF Digital Ecosystem Development Index. Its value varies in a range from 0 to 100 where this last value represents the most advanced digitization level.

Main advances in the digitalization of LAC

Latin America and the Caribbean: comparative development of the digital ecosystem



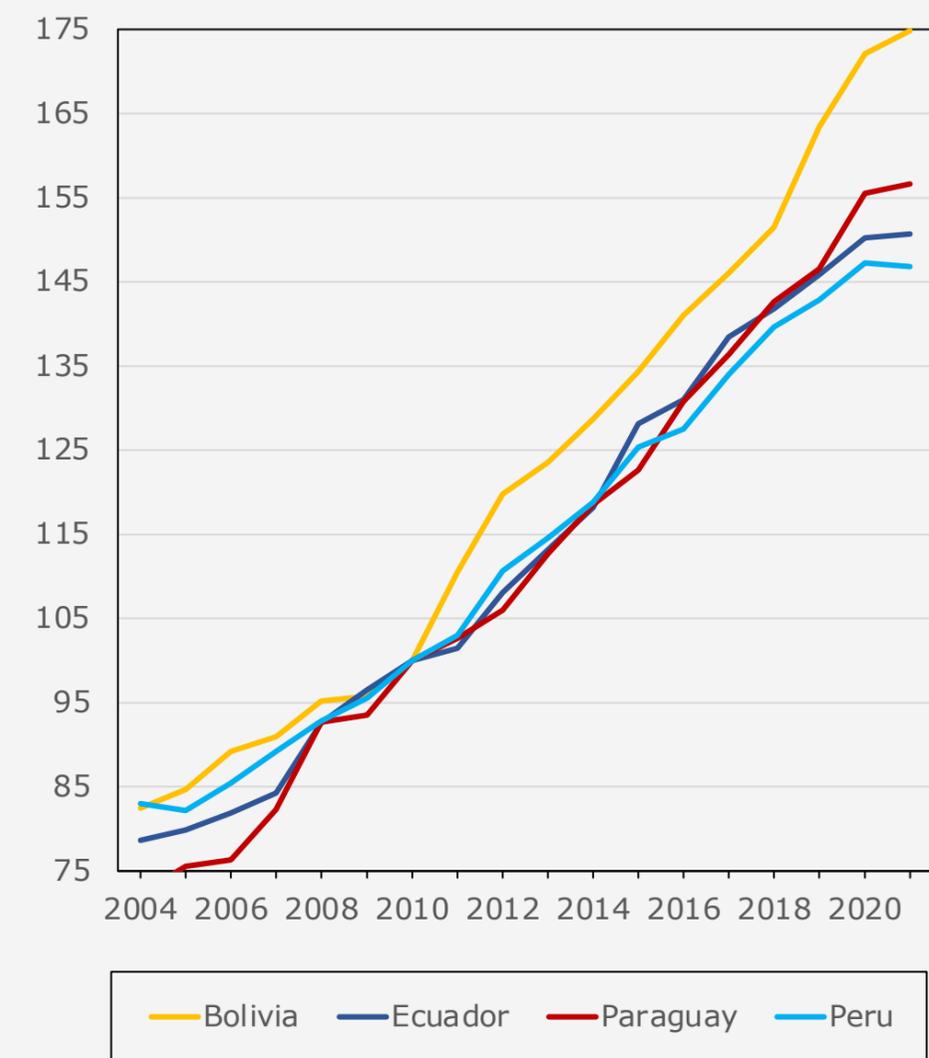
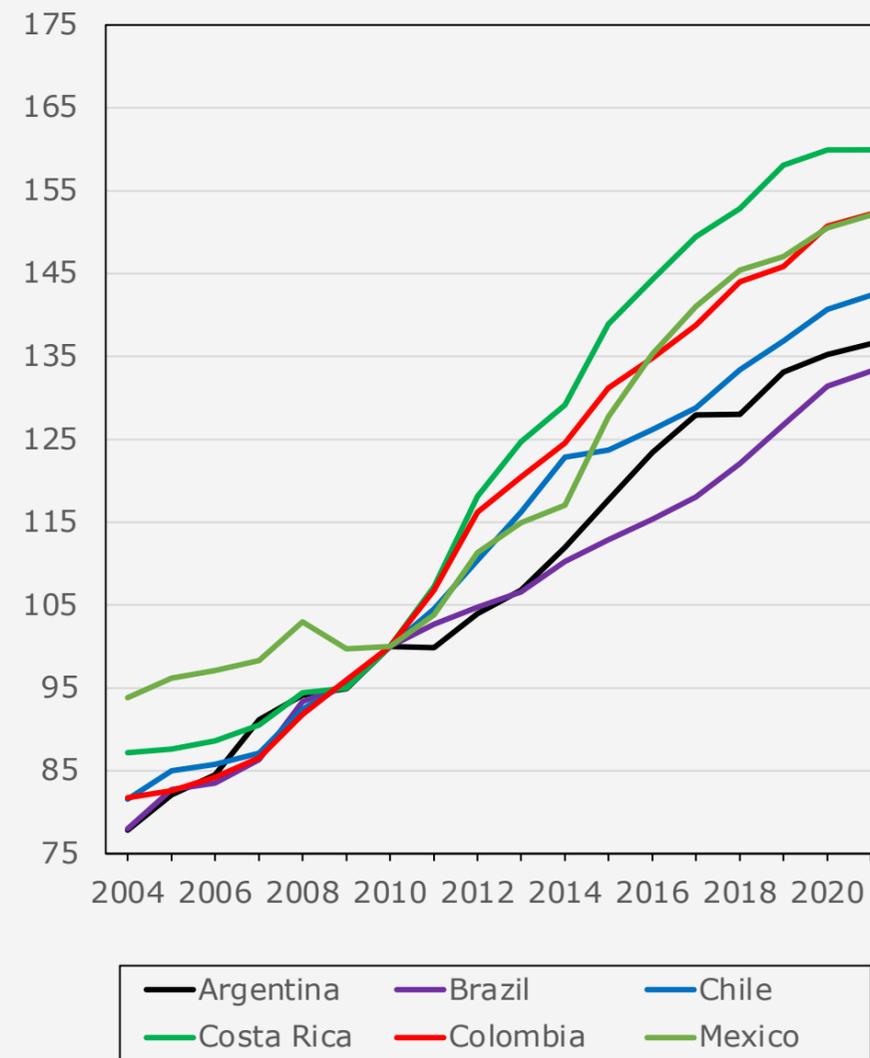
- Advances in penetration of digital services and platforms
- Limited progress in the digital economy due to lags in innovation, limited development of digital industries and digital transformation of the productive sectors
- Digitization of the State supported by greater government transparency and digital government services
- Advance in digital infrastructure in the face of marked progress in 4G deployment, the marked increase in speed and coverage
- The regulatory framework and public policies have increased due to improvements in competition levels
- Human capital reveals divergent trends: shortcomings in the supply of basic education, improvement in the production of STEM graduates and limitations in the digitalization of the workforce
- In the green digital economy, the region historically has low levels of CO2 emissions and has not produced substantial improvements in its circular economy

Within LAC there are asymmetries in the digital development of the countries



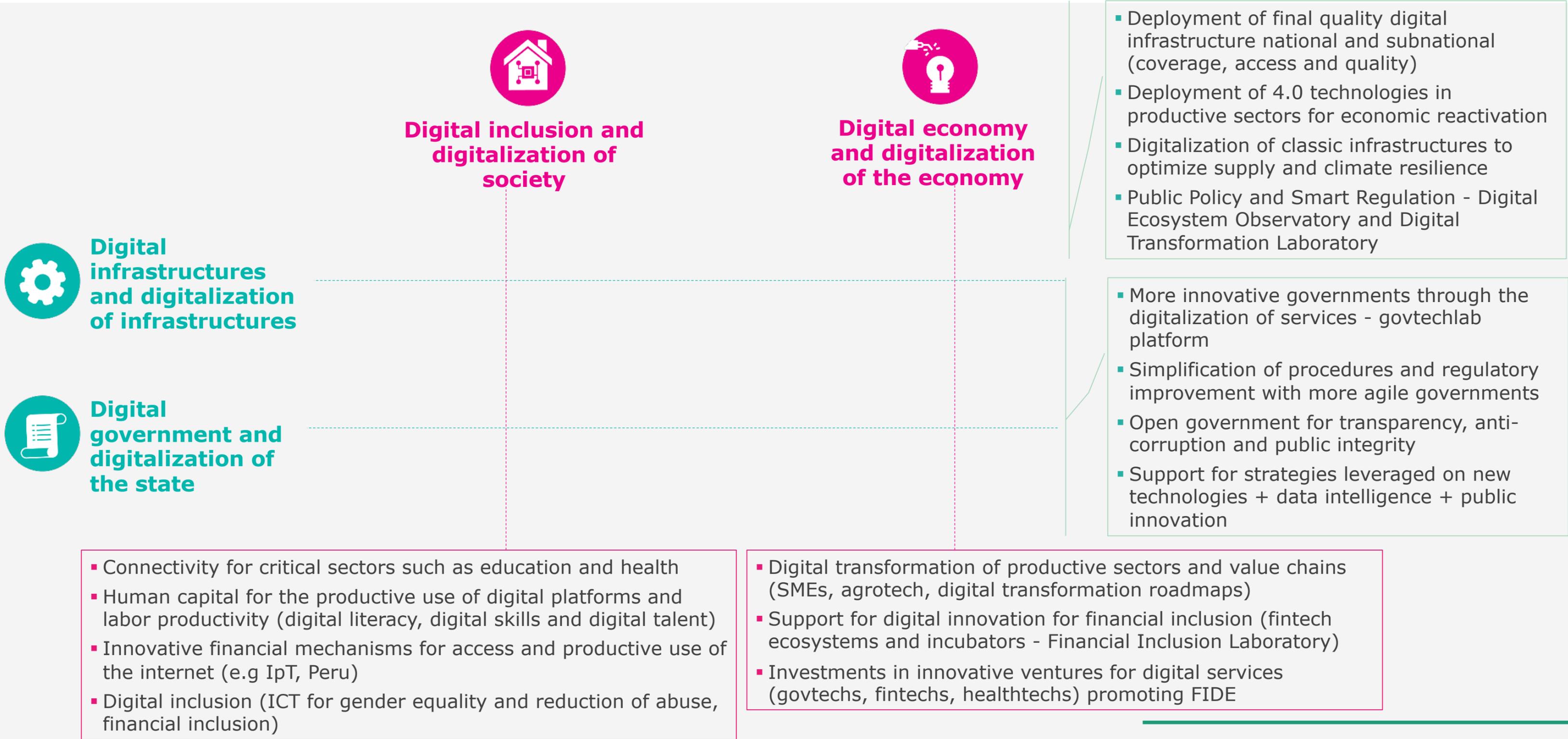
...with divergent trajectories across countries

CAF Digitalization Index, 2004-2021 (1)
(2010 base year=100)



Con tecnología de Bing
© Microsoft, OpenStreetMap, TomTom

Towards an inclusive digitalization for sustainable reactivation



The progress of digitalization in the region is based on seven imperatives

1. Resolve gaps in coverage, access, and affordability barriers through comprehensive digital inclusion initiatives
 2. Increase investment in digital infrastructure to accommodate the growing traffic generated by the use of technologies and to support high-speed networks
 3. Solve the human capital gap both in terms of basic training and the generation of critical mass in researchers and software developers in advanced technologies such as artificial intelligence and virtual reality
 4. Accelerate the rate of innovation by increasing public and mainly private investment in R&D to reach critical mass levels
 5. Promote the digital transformation of production processes, especially in the SME sector
 6. Promote processes of digital transformation of the State taking advantage of the potential of emerging technologies, data and public innovation
 7. Develop the circular economy and positive biodiversity through the use of digital technologies that contribute to CAF's Green Agenda
-

www.caf.com
[@AgendaCAF](https://twitter.com/AgendaCAF)