## Digitally Delivered Services Account for more than Half of Services Exports but Developed Countries Dominate with Poor Countries Lagging Behind

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**<Report>**

Highlight

***Key points***

- **Services account for 71% of global intermediate inputs**, and their share of global exports rose to 27% in 2025.
- **Digitally deliverable services grew 7.1% a year on average over the past decad**e and now account for 56% of global services exports.
- **Least developed countries' share of global services exports fell to 0.6%**, while digitally deliverable services account for just 16% of their services exports.
- **Connectivity, payments and skills gaps** continue to hold back participation in digital trade.
- **Artificial intelligence and fragmented digital trade rules** could deepen existing divides without targeted policy action.

Services have become a driving force in global production and trade, underpinning manufacturing, agriculture and participation in global value chains.

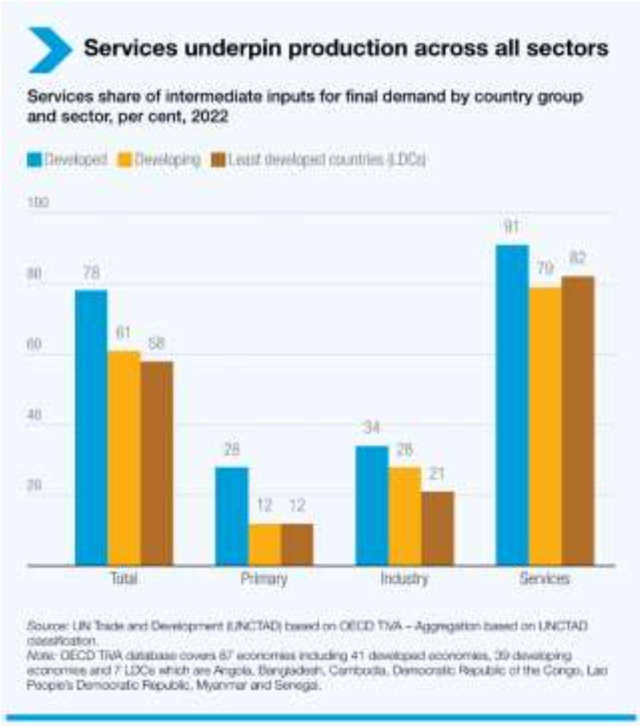
But the benefits aren't being shared evenly. Many developing countries, especially least developed countries (LDCs), face structural barriers that limit their participation in the fast-growing trade in digitally deliverable services – those that can be delivered remotely over computer networks.

**Services increasingly underpin global production**

Services are increasingly embedded in goods production and firms' business models. In 2022, they accounted for **71% of global intermediate inputs** – **78% in developed economies** and **61% in developing economies**.

Services also make up **33% of intermediate inputs in industrial goods exports in developed economies**, compared with **27% in developing economies** and **13% in LDCs**.

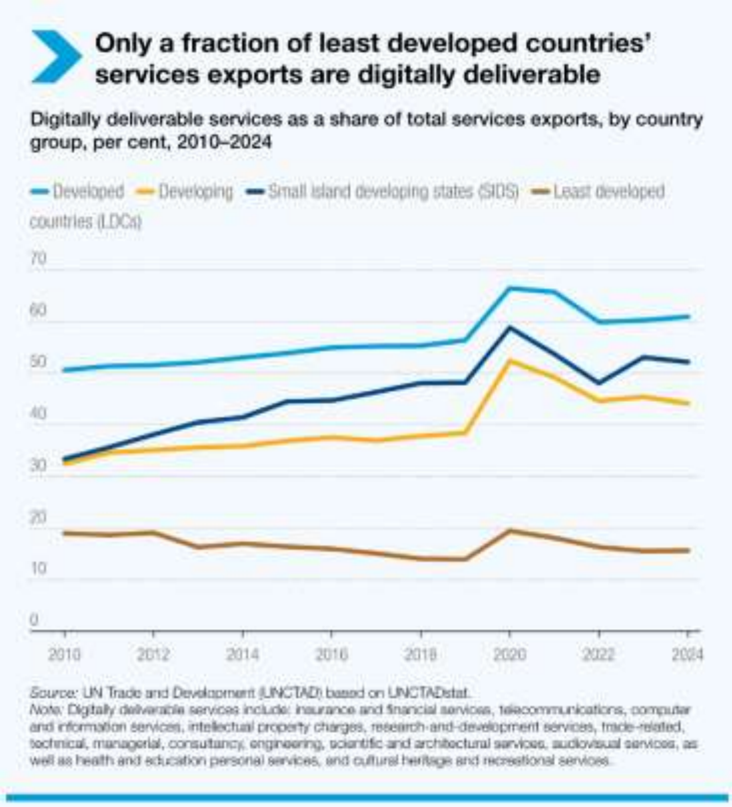
Better measurement of services trade, including services embedded in goods exports, is essential to understand their contribution to competitiveness, diversification and development.




**Digitally deliverable services are growing fast, but LDCs aren't keeping pace**

**World services exports grew by around 6.7% a year** over the past decade and by 8.3% in 2025. **Digitally deliverable services grew even faster**, at an average of **7.1% a year**, and now make up 56% of global services exports.

**LDCs haven't kept pace**. Their services exports grew by only **3% a year**, while **their share of global services exports fell to 0.6%** in 2025. **Digitally deliverable services represent just 16% of LDC services exports**, compared with **61% in developed economies**.




Competing in higher-value services requires stronger digital infrastructure, skills and regulatory capacity.

**Digital divides persist, and AI may widen them**

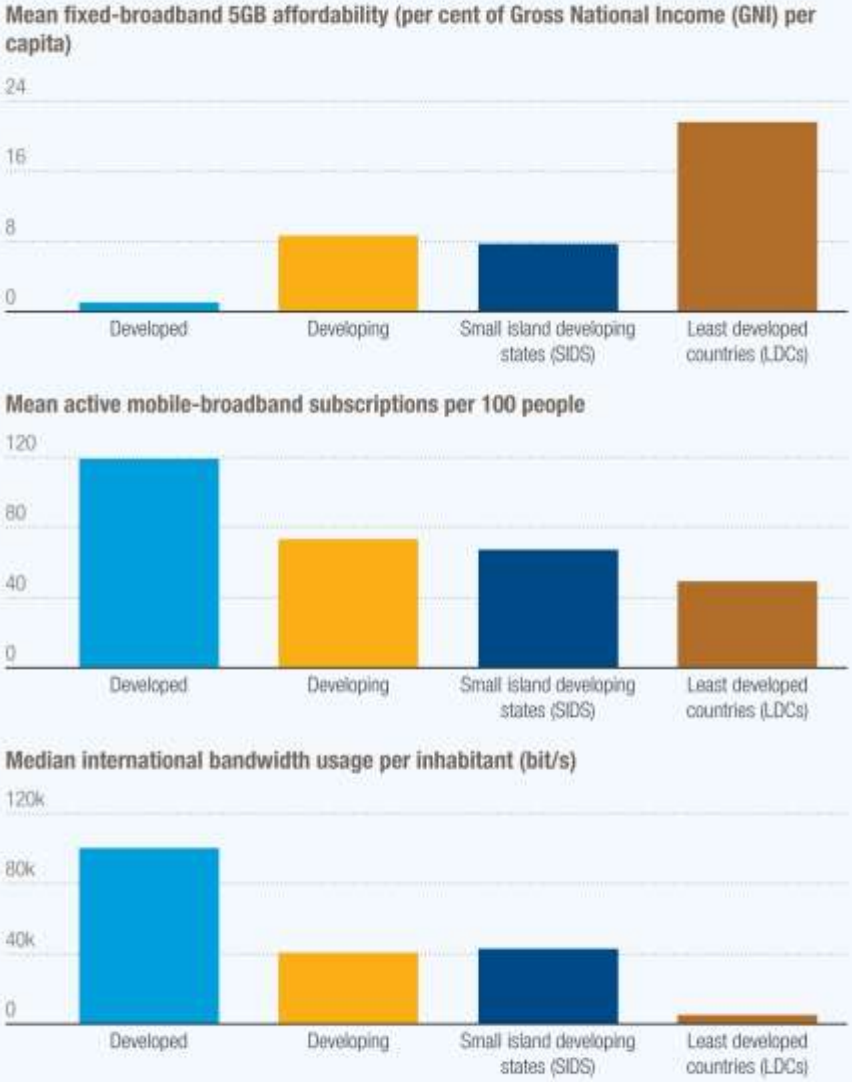
Inadequate connectivity, costly international payments and skills shortages constrain participation in digital services trade. Affordability and connectivity gaps remain significant between developed and developing economies.

Half of the countries with the highest remittance costs are LDCs. Artificial intelligence (AI) could also intensify existing inequalities because computing capacity, data, finance and expertise remain concentrated in a small number of economies and firms. Less than one third of developing countries have adopted national AI strategies.

Countries need stronger digital infrastructure and skills, better payment systems and greater AI readiness, backed by international cooperation.

## Limited, costly connectivity holds back digital trade

**International connectivity indicators, by country group**



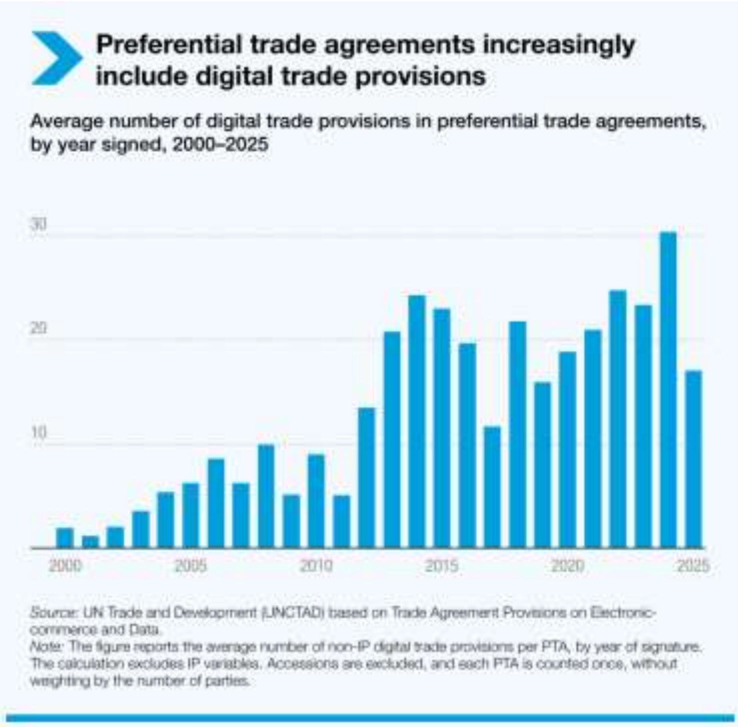

*Source:* UN Trade and Development (UNCTAD) based on ITU – Aggregation based on UNCTAD classification.
*Note:* The figure reports unweighted group averages based on the latest available country-level observation for each indicator. The reference year may therefore differ across countries and indicators. The ITU fixed-broadband 5GB affordability database includes 154 developing economies, 57 developed economies, 41 LDCs and 45 SIDS The ITU mobile broadband subscriptions per 100 people database includes 164 developing economies, 55 developed economies, 43 LDCs and 47 SIDS. The ITU international bandwidth usage per inhabitant database includes 148 developing economies, 52 developed economies, 43 LDC and 46 SIDS. Only data from after 2016 were included in the analysis.

### Trade rules have not kept pace with the digital economy

Multilateral services trade rules were largely designed before the digital era. Digital trade provisions have expanded rapidly through regional and bilateral agreements, creating a more fragmented regulatory landscape with uneven participation.

Of the **preferential trade agreements** signed between 2000 and 2025, **55% include e-commerce or digital trade provisions**. Since 2020, 90% of developed countries, 62% of developing countries and 66% of LDCs have participated in agreements containing such provisions.

Greater transparency, regulatory cooperation and negotiating capacity can help developing countries participate meaningfully in emerging rule-making, so new rules reflect different levels of development and national priorities.




### Making services work for development

Many developing countries, particularly LDCs, remain only marginally integrated into rapidly growing services trade, especially in digitally deliverable services.

The report identifies three priorities: improving services trade data, strengthening digital infrastructure and skills, and ensuring more meaningful participation by developing countries in international rule-making. Together, these measures can help countries translate services growth into higher productivity, competitiveness and economic diversification.