

Innovation is the lifeblood of the digital economy. It drives network expansion, enables greater affordability, and underpins the drive for digital inclusion. Mobile network operators have innovated and invested – over \$500bn per year in the past five years alone – to bring about a world in which 96% of the global population now live within the footprint of a mobile broadband network.¹

Despite this tremendous achievement, regulators still grapple with a stark digital divide. Of the 43% of the global population who do not yet use mobile internet, the vast majority live in an area already served by mobile broadband infrastructure. While continued investment in terrestrial infrastructure and the integration of non-terrestrial technologies have the potential to extend internet access to the 4% of people who still lack it, they cannot play a role in driving internet adoption for the 39% of people worldwide who are already covered by mobile broadband networks but do not use them.²

This phenomenon – where adoption of mobile technology lags behind its supply – is a signal to regulators that infrastructure alone is not enough to bring about meaningful and universal connectivity and deliver against the sustainable digital development agenda. Digital inclusion efforts must recognise and address demand-side barriers to internet adoption and use. The economic imperative is clear: closing the usage gap could add \$3.5 trillion in additional GDP by 2030, with over 90% of benefits accruing to low- and middle-income countries.³ Realising these gains requires regulatory frameworks that recognise that closing the usage gap is both a social imperative and an economic opportunity.

The 2024 G20 Ministerial Declaration on Digital Inclusion notes that the main barriers to internet adoption include affordability and a lack of digital literacy and skills.⁴ GSMA research also shows that safety and security concerns, a lack of enablers such as electricity, and a lack of relevant content also impede efforts to close the digital divide. Noting the stubborn persistence of the usage gap in his foreword to this year's *ITU Facts and Figures*, Dr Cosmas Zavazava, Director of the Telecommunication Development Bureau, called upon actors across the connectivity ecosystem to 'intensify our efforts to remove the barriers that keep people offline.'⁵

However, the challenge of closing this usage gap is compounded by the looming mobile investment gap. Digital transformation requires increased investment in connectivity infrastructure to meet exponentially rising demand for more data, at faster speeds – a

¹ GSMA. [Mobile Infrastructure Investment Landscape: Exploring the investments into the infrastructure that provides the mobile internet connectivity](#) (March 2025)

² GSMA. [State of Mobile Internet Connectivity 2024](#) (October 2024)

³ GSMA. [State of Mobile Internet Connectivity 2024](#) (October 2024)

⁴ [G20 Ministerial Declaration, 13 September 2024](#); GSMA. [The State of Mobile Internet Connectivity Report 2024](#) (October 2024)

⁵ ITU. [Facts and Figures](#) (2024)

trend which shows no sign of letting up, and which increased rollout and adoption of AI will only intensify. Meeting these escalating demands requires substantial investment in connectivity infrastructure, particularly in low- and middle-income countries.

While approximately 80% of mobile internet subscribers globally access the internet using 4G or 5G networks, this progress is marked by regional differences. Internet subscribers connecting via 3G are concentrated in low- and middle-income countries, representing over one-third of users in Latin America & the Caribbean and MENA, and nearly two-thirds in Sub-Saharan Africa.⁶

In order to ensure equitable access to the benefits of 5G connectivity, governments and regulators must create an enabling environment for network investment by putting in place predictable pro-investment policies that reduce costs and uncertainty around licenses and permits, align with best practices on tax policy, and remove obstacles to infrastructure development.

Sector-specific regulatory and fiscal requirements such as asymmetric regulatory obligations, sector-specific taxes and fees, network deployment costs and restriction – combined with market imbalances along the global digital value chain – put pressure on operators' ongoing investments to maintain, expand and evolve their networks to meet the expectations of their customers and achieve broader public policy objectives.

A policy framework that reflects the changing digital landscape while reducing costs and barriers to network deployment will deliver the best social and economic outcomes. If regulatory policies and institutions fail to adapt, markets can become distorted in ways that harm competition, slow innovation and, ultimately, deprive consumers of the benefits of technological progress. Without addressing the investment barriers and policy challenges that operators face, governments risk falling short of their digital transformation goals.

All segments of the internet ecosystem should have the opportunity to make fair returns in a competitive marketplace. Industry leaders, stakeholders and policymakers need to engage in a dialogue where this is not the case, to ensure that regulatory asymmetry, market distortions or other factors do not limit this ability, and that the right incentives for digital infrastructure investment are in place to support the long-term growth of the ecosystem beyond 2025.

⁶ GSMA. [State of Mobile Internet Connectivity 2024](#) (October 2024)