Trump's "Agreements on Reciprocal Trade" (ARTs) Threaten Equitable Access to the Internet in Developing Countries

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Rishab Bailey, Research Director, Public Citizen / Digital Trade Alliance;
Reviewed by Prapasiri Suttisom, Engage Media Collective

Around the world, one in every three people has no reliable access to the internet. Unequal access to the internet creates digital divides that can limit civic participation, undermine access to education and healthcare, and deepen inequality. It can also reduce innovation, industrial growth, and economic output. Reducing digital divides is recognized as essential for progress on the UN's Sustainable Development Goals, as reaffirmed by the more recent Global Digital Compact, 2024.

However, this goal could be threatened by the controversial reciprocal trade agreements (ARTs) signed by the U.S. since February 2025. To date, the U.S. has signed ARTs with 10 countries — Malaysia, Cambodia, El Salvador, Argentina, Ecuador, Guatemala, Bangladesh, Taiwan, Jordan, and Indonesia — with framework deals in place with several others.

Hidden in most of these deals is a provision that requires these countries to refrain from using information and communication technology (ICT) suppliers that may "compromise the security, safeguards, and intellectual property of ICT infrastructure, including 5G, 6G, communication satellites, and undersea cables." The ARTs with El Salvador, Guatemala, Indonesia, and Malaysia further require them to consult with the U.S. on which suppliers meet these standards (see the annexure for the relevant provisions).

The purpose of this provision is, simply put, to give the U.S. the ability to exclude Chinese ICT suppliers such as Huawei and ZTE from these countries, should it so choose. This could also benefit U.S. suppliers such as CISCO and Hewlett Packard, amongst others.

This provision therefore gives the U.S. a great deal of power, which, if misused, could significantly limit network rollout and development in the signatory countries,

adversely affecting digital connectivity, increasing digital divides, and reducing economic growth.

This is significant, as most of the countries that have signed up to ARTs are developing nations with significant digital divides. For example, internet penetration in Bangladesh, El Salvador, Indonesia, Guatemala, and Cambodia is 53.4%, 66.5%, 72.8%, 60.2%, and 68.5%, respectively. This has major implications for the connectivity of essential public infrastructure, especially in rural communities. For instance, over 100,000 schools lack internet connectivity in Indonesia, while approximately 12% of schools lack access to the internet in Guatemala. Cambodia fares worse, with only about 22% of schools having functional computers, let alone internet access.

A primary reason for the persistence of digital divides is the absence of necessary ICT infrastructure. The International Telecommunication Union has estimated a USD 1.6 trillion investment gap in ICT infrastructure by 2030.

In many parts of the developing world, China has filled the ICT infrastructure investment gap, including through soft loans provided through the Digital Silk Road (DSR), part of the Belt and Road Initiative. These loans are often provided at below-market rates and tied to the use of Chinese ICT suppliers. The scale of funding provided under the DSR is huge. For example, Chinese ICT infrastructure financing across Africa as far back as 2017 dwarfed the combined funds from African governments, multilateral agencies, and G7 nations.

Developing countries are caught between a rock and a hard place as it's increasingly clear that foreign financial aid and investment —whether from China or the West — rarely comes without strings attached.

The fact that China is able and willing to subsidize network development on a global scale can be a draw for developing countries faced with significant budgetary pressures. However, excessive reliance on imported equipment comes with costs. For instance, a reliance on imports can create technological dependencies that could chill domestic technological sector growth by locking in foreign vendors. Many have also highlighted the possibility of foreign state surveillance or the possibility of "kill switches" being built into network equipment, giving rise to human rights, economic,

and security-related concerns. Equally, development aid or loans can be leveraged in support of foreign geopolitical goals.

That said, it appears that American and EU competitors may not have the capacity to service the burgeoning need for ICT equipment across the developing world. This is for many reasons ranging from Chinese control over the supply chains for critical elements required in the production of ICT equipment, the large subsidies, cheap labor, and access to manufacturing processes enjoyed by Chinese companies, as well as control over a significant number of essential patents in 5G and related technologies.

In fact, the U.S. has attempted to exclude Chinese ICT suppliers from its own telecom and communication networks for many years, but with limited success. Reports indicate that from 2019 through 2024, only 12% of Chinese equipment in the U.S. was actually replaced. It appears that Chinese ICT suppliers are deeply entrenched in U.S. communications systems, making the cost of replacement prohibitively high.

Despite being unable to replace Chinese equipment in its own networks, the U.S. government has pushed several of its allies, notably in the EU, to restrict market access for Chinese ICT companies. However, these countries have faced similar problems to the U.S. The European Commission, for instance, has pointed to how Chinese equipment can be up to 60-70% cheaper than equipment manufactured by Western counterparts, apparently due to large subsidies provided by the Chinese government. Replacing Chinese equipment is therefore difficult in practice, with some estimates suggesting a total cross-sectoral replacement cost of Chinese ICT equipment in the EU to be in the region of USD $430 billion.

This is why the provisions in the ARTs that could restrict the use of ICT equipment manufactured by Chinese companies are problematic. Even if Western companies want to fill the gap left by the exclusion of Chinese companies, they may not have the ability to do so quickly, at a reasonable cost and at scale — particularly if China cuts them off from accessing crucial inputs and technologies.

All of this means that rollout of new-age ICT networks — 5G, 6G and beyond — could be dramatically slowed in countries that have signed up to the ARTs. In fact, countries that have already contracted with Chinese manufacturers to build out their

ICT infrastructure may well be placed in a predicament if they are forced to choose between an incumbent (Chinese) provider and an uncertain (Western) provider.

What is the alternative?

For developing countries, trade agreements must promote a competitive global ICT hardware market, where they have a choice of global suppliers. This is particularly important given that developing nations are unlikely to wean themselves off foreign technological imports any time soon. That said, they must be able to adopt policy measures that would enable them to develop their domestic industries, including by taking measures to enable fledgling industries to get off the ground. Key aspects of this may lie in ensuring technology transfers to enable domestic capacity building, promoting the use of innovative decentralised ICT networks that could utilise more domestic hardware, and also by enhancing global development financing.

Allowing any foreign country the power to decide which ICT equipment a country can purchase may prove a short-sighted move which, in addition to eroding sovereignty, could affect the country's quality of life, economic growth, and competitiveness. It should be left to each country to decide what ICT equipment best suits its security, budgetary, technical needs, and other requirements. Such a model would eliminate constraints on domestic policy space and support progress towards globally accepted public interest goals.

Annexure - Provisions in ARTs

Country	Provision
Argentina	A. 3.2 - 1. Argentina shall commit to using only communication technology suppliers that do not compromise the security, safeguards, and intellectual property of ICT infrastructure, including 5G, 6G, communication satellites, and undersea cables.
Bangladesh	N/A
Cambodia	N/A

Ecuador	N/A
El Salvador	A. 3.3 - 2. El Salvador shall only use communication technology and security scanning equipment suppliers that do not compromise the security, safeguards, and intellectual property of information and communication technology (ICT) infrastructure, including 5G, 6G, communication satellites, and undersea cables. El Salvador and the United States shall consult on standards and security specifications.
Guatemala	A. 3.2 - 2. Guatemala shall only use communication technology and security scanning equipment suppliers that do not compromise the security, safeguards, and intellectual property of information and communication technology infrastructure, including 5G, 6G, communication satellites, and undersea cables. Guatemala shall consult with the United States on identifying suppliers that are unable to meet these standards.
Indonesia	A. 5.2 - 1. Indonesia shall use only communication technology suppliers that do not compromise the security, safeguards, and intellectual property of ICT infrastructure, including 5G, 6G, communication satellites, and undersea cables. Indonesia shall consult with the United States on which suppliers are unable to meet these standards.
Malaysia	A. 5.2 - 1. Malaysia commits to only using communication technology suppliers that do not compromise the security, safeguards, and intellectual property of ICT infrastructure, including 5G, 6G, communication satellites, and undersea cables. Malaysia and the United States will consult on whether suppliers are unable to meet these standards.
Taiwan	A. 5.2 - 7. TECRO, through its Designated Representative, shall phase out existing technology from countries of concern and shall not allow any technology from countries of concern into the critical digital infrastructure of the territory represented by TECRO, including 5G and 6G wireless networks, subsea cables, cloud systems, internet data centers, imaging technology used at airports and seaports, and cranes used at seaports.
Jordan	N/A