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Unlocking the Potential of E-Commerce for Developing Countries

Torbjörn Fredriksson
(torbjorn.fredriksson@unctad.org)
Officer in Charge, STICT Branch
Division on Technology and Logistics

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MIKTA Workshop on Electronic Commerce
WTO Headquarters, Geneva

Wider scope for inclusive e-commerce

- Improved connectivity in developing countries
  - Mobile telephony, Internet use and social media
- Reduced barriers to entry
  - New e-commerce applications and platforms
  - New e-commerce services
  - New payment solutions
- Rise of many new e-commerce companies in the South

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E-Commerce, Trade and Development

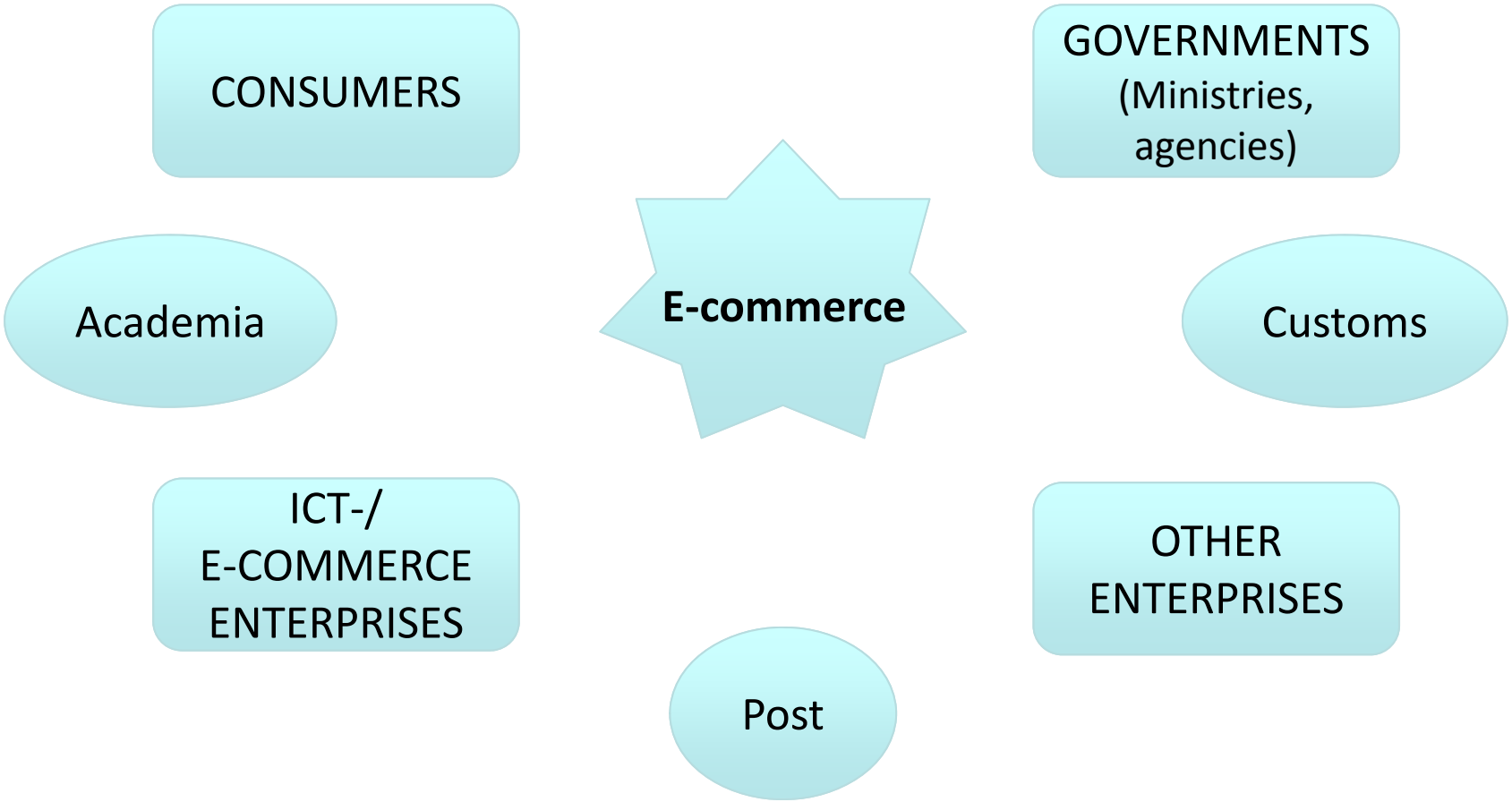
- Only at the beginning of the digital era
- Goods and services increasingly traded online
- E-commerce is crucial for SMEs (B2B and B2C) to
  - access new markets (domestic and exports)
  - participate in value chains
- Better data needed
  - To assess importance and impact of cross-border e-commerce
  - To measure digital trade
- Transformational → both opportunities and challenges

Implications of E-commerce

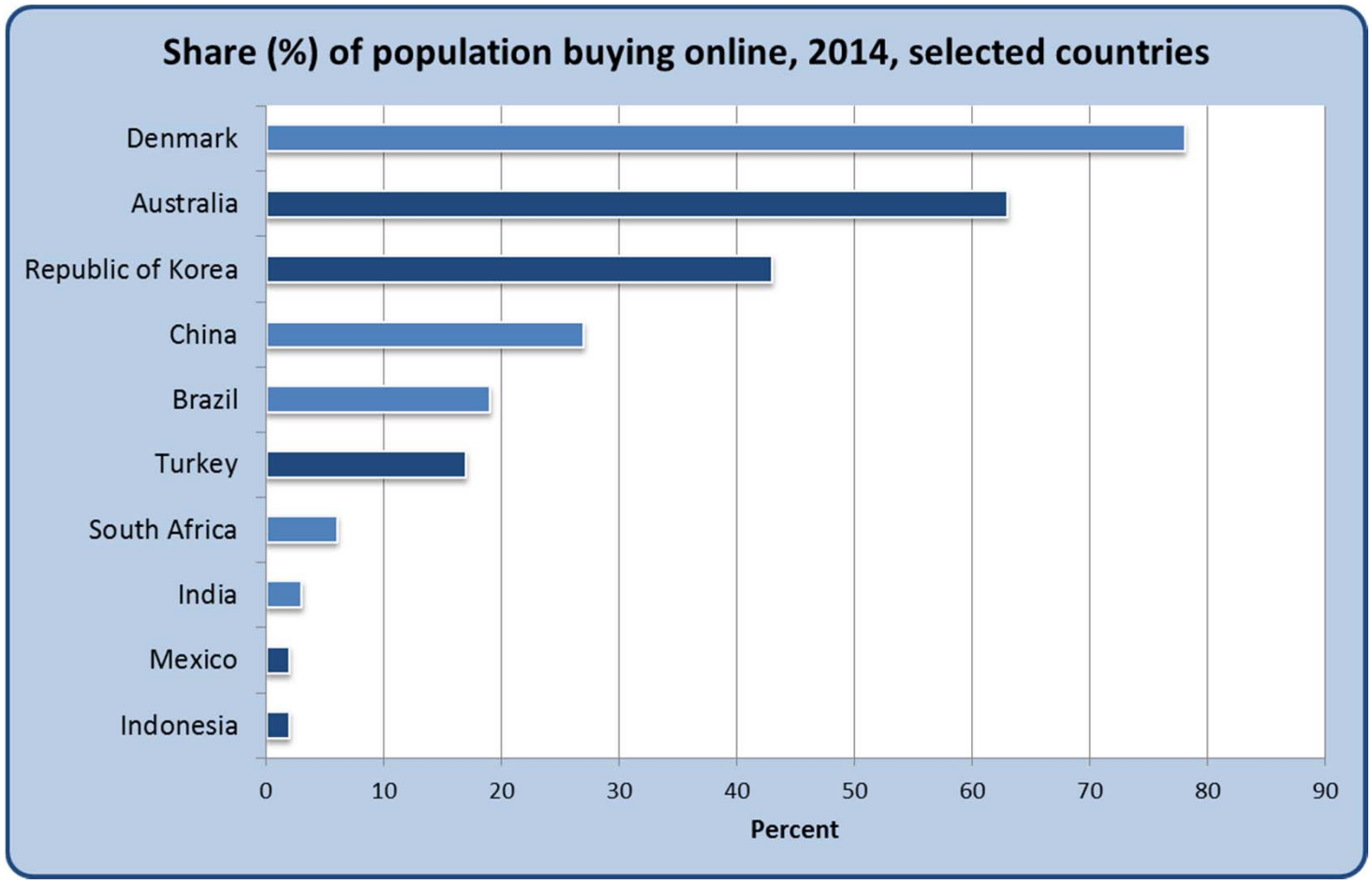
- Access global value chains
- Access to markets/exports
- Access to suppliers/imports
- Higher productivity
- More competition
- Greater consumer choice
- Job creation

- Risk of fraud
- Costs of adaptation
- Risk of crowding out
- Risk of losing tax revenue
- Risk of job losses
- Risk of widening divides

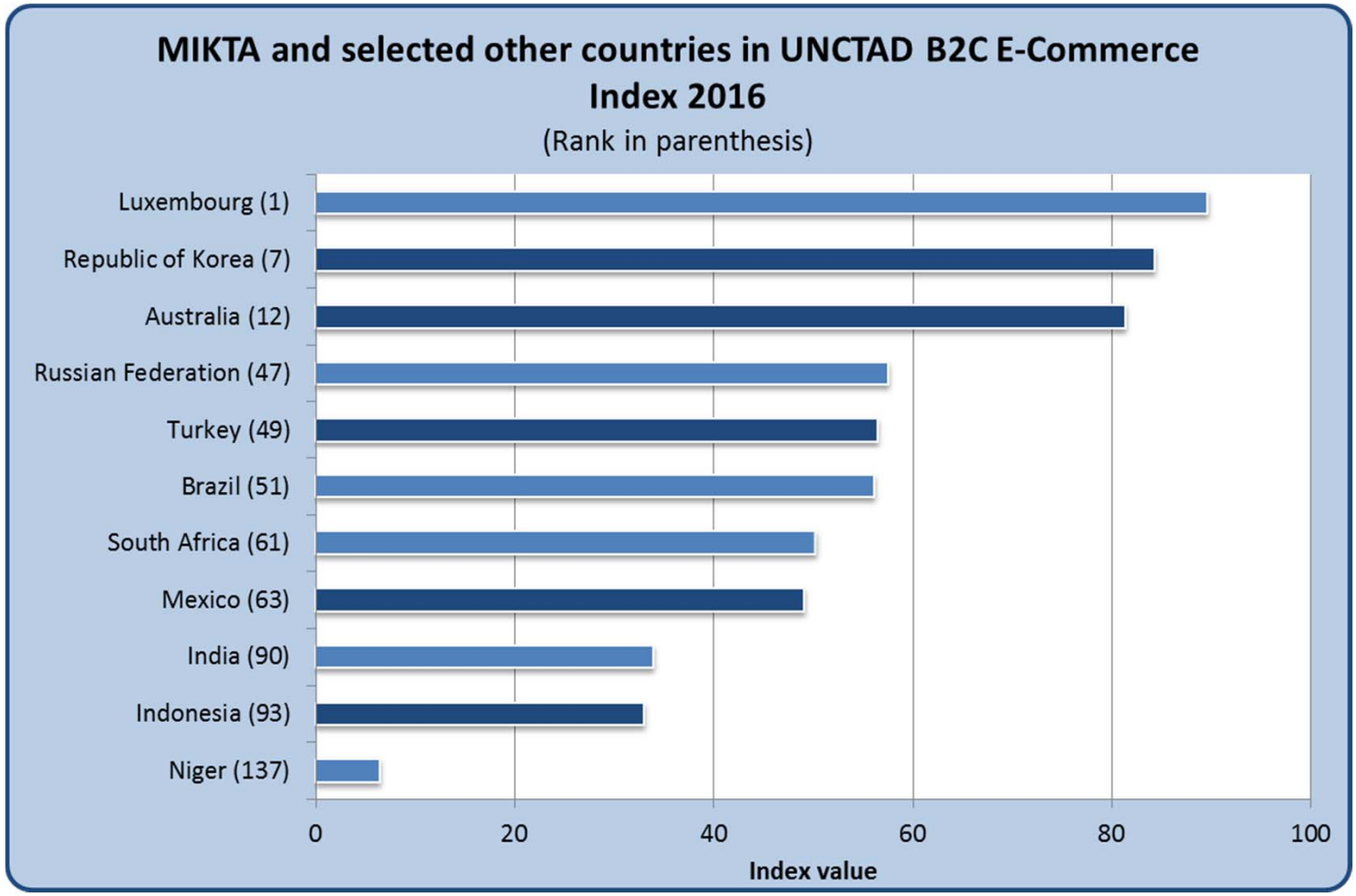
E-Commerce Stakeholders



E-commerce divide is huge



Source: UNCTAD, based on various sources.


MIKTA and selected other countries in UNCTAD B2C E-Commerce Index 2016
(Rank in parenthesis)
Luxembourg (1)
Republic of Korea (7)
Australia (12)
Russian Federation (47)
Turkey (49)
Brazil (51)
South Africa (61)
Mexico (63)
India (90)
Indonesia (93)
Niger (137)
0
20
40
60
80
100
Index value

Technology Catalysts for Societal Change

-- according to Intel

>1 Zetabyte Internet Traffic[3]

>15 Bn Connected Devices[2]

>1 Bn More Netizen's[1]

…by next year

New Business + Usage Models

Tectonic Shifts

Big Data

Cloud

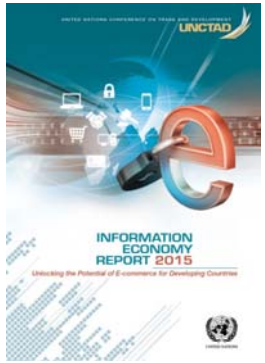
Mobile and Social

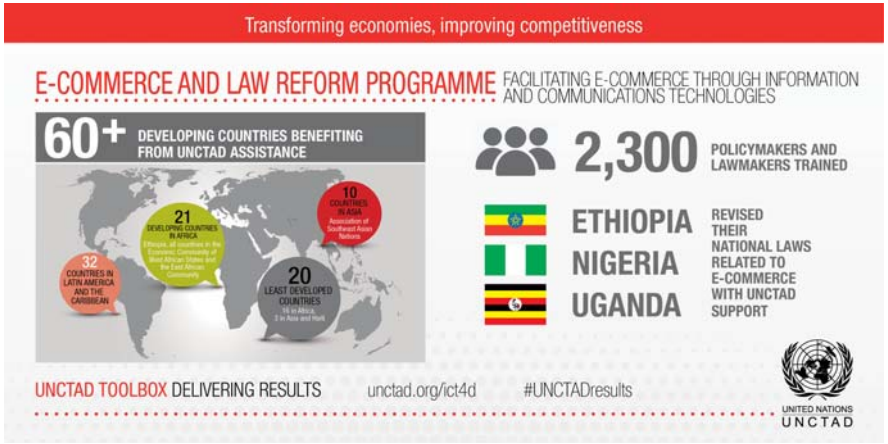
Internet of Things

Security

UNCTAD and E-Commerce

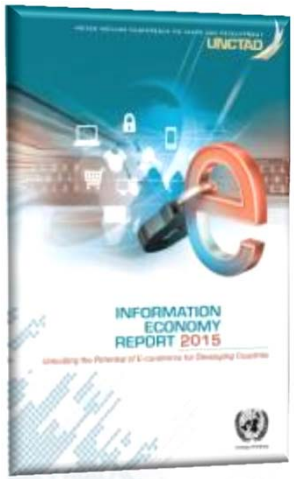
- Information Economy Report
- E-Commerce and Law Reform
  - Regional reviews
- ICT Policy Reviews
  - E-commerce strategy development
- Measuring E-Commerce
- eTrade for All





E-Trade for All

- Information Economy Report 2015
- Suominen, K. (2014). *Aid for eTrade: Accelerating the E-commerce Revolution in the Developing World*
- FES/UNCTAD workshop (February 2016)
  - Representatives from governments, e-commerce companies and international organizations
  - Produced a ***Call for Action***



Many barriers to e-commerce uptake

Urgent need for capacity-building and assistance

- Limited Internet use by SMEs and consumers
- Lack of awareness in governments and regulators
- Insufficient access to affordable ICT infrastructure
- Inadequate trade logistics and facilitation
- Weak legal and regulatory frameworks
- Lack of security and trust in online transactions
- Inadequate online payment facilities
- Lack of financing opportunities
- Limited e-commerce skills among enterprises
- Absence of statistical data on e-commerce

eTrade for All

- Multi-stakeholder partnership
- Demand-driven
- Objectives:
  - Raise awareness of opportunities and challenges related to e-commerce.
  - Mobilize financial and human resources
  - Strengthen coherence and synergies among partners
  - Enhance transparency

We are not starting from scratch…

Support of Agenda 2030 for Sustainable Development

- **E-Trade for All** is a concrete illustration of how to leverage ICTs for sustainable development
- Target 5.b
- Targets 9.1-9.3
- Target 17.11

Private Sector Advisory Council

- Established and managed by the private sector
- To facilitate the public-private dialogue
- Comprising e-commerce platform companies, payment providers, logistics firms, IT infrastructure companies and private foundations in developing and developed economies.
- Discuss gaps and challenges, share ideas and unlock new e-commerce markets
- Polled annually on the state of e-commerce.
- Mechanism to engage the private sector when discussing observed problems to e-commerce and possible solutions.

Thank you!

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Nairobi, 17–22 July 2016