Unlocking the Potential of E-Commerce for Developing Countries

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MIKTA Workshop on Electronic Commerce
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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
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

- CONSUMERS
- Academia
- ICT-/E-COMMERCE ENTERPRISES
- Post
- GOVERNMENTS (Ministries, agencies)
- Customs
- OTHER ENTERPRISES
E-commerce divide is huge

Share (%) of population buying online, 2014, selected countries

- Denmark
- Australia
- Republic of Korea
- China
- Brazil
- Turkey
- South Africa
- India
- Mexico
- Indonesia

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)
Technology Catalysts for Societal Change

-- according to Intel

>1 Zetabyte Internet Traffic

>15 Bn Connected Devices

>1 Bn More Netizen's

Tectonic Shifts

...by next year

New Business + Usage Models

Big Data

Cloud

Mobile and Social

Internet of Things

Security

Energy

Retail

Healthcare

Finance

Transport

Smart Cities
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!