

# Overcoming Challenges In Improving The E-Trade Environment

Aid-For-Trade Monitoring And Evaluation Exercise  
May 30, 2017



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# E-trade creates new opportunities, but presents new challenges

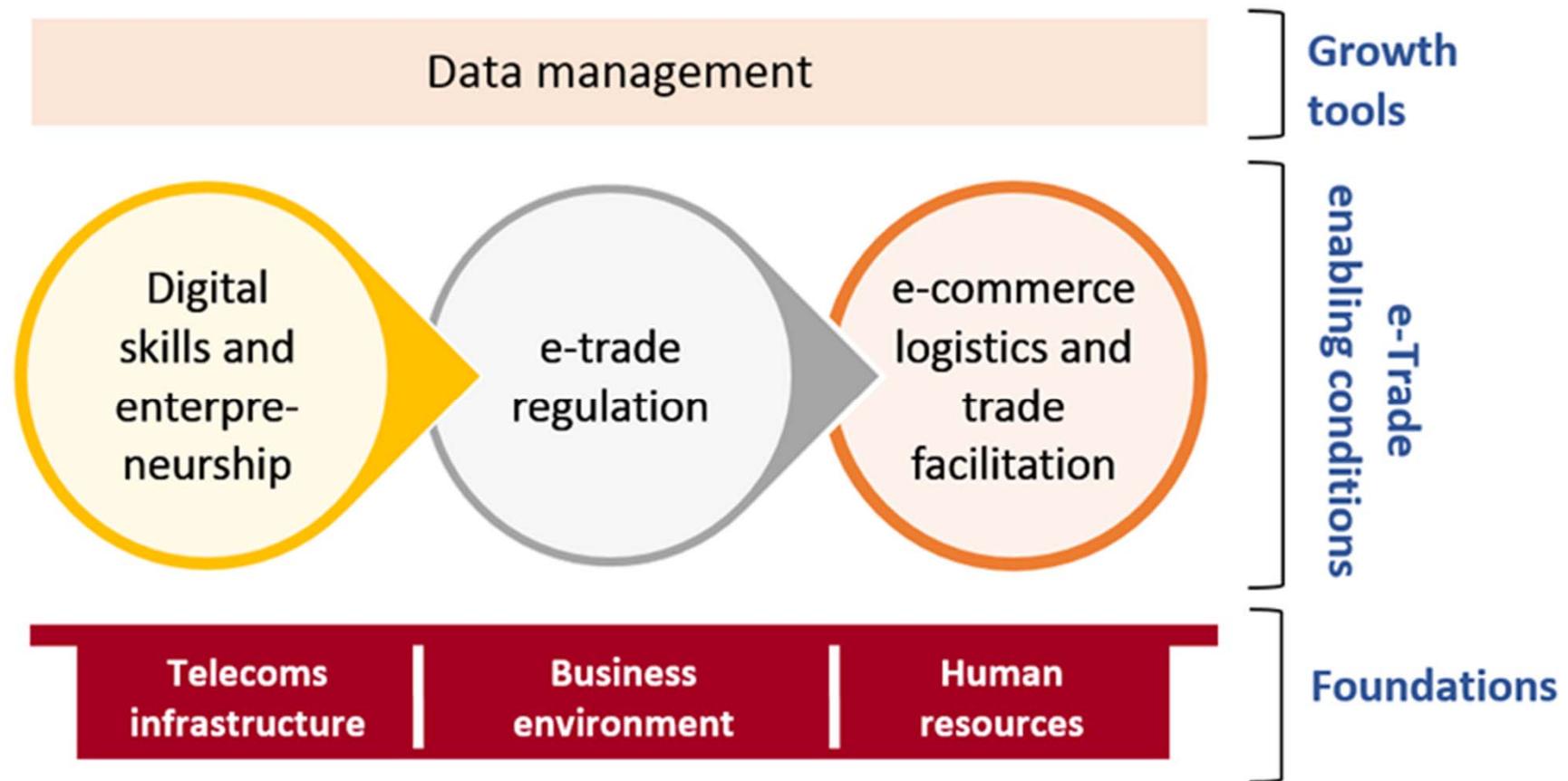
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## The opportunities include

- Economic growth
- Job creation
- Poverty reduction

But understanding the ***foundations for connectivity*** and the ***enabling conditions*** for e-trade is necessary to address the challenges for countries seeking to upgrade their e-trade competitiveness

# The e-trade environment should broadly enable the digital economy



## The supportive foundations for e-trade

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1. A modern, reliable and affordable ***telecommunications infrastructure***
2. An open, transparent, and predictable ***business environment***
3. The availability of highly skilled ***human resources***

These components are not foundations for e-trade only. They are requirements of a modern digital economy that can support not only growing international trade, but also other essential aspects of economic growth, such as increasing firm productivity and social inclusion, including by facilitating the delivery of public services.

# Telecommunications infrastructure

The lives of the majority of the world's people remain largely untouched by the digital revolution.

- Only 40% of the world's population have access to the Internet.
- Only 15% can afford access to broadband Internet.
- Mobile phones reach almost 80% of the world's people and provide the main form of Internet access in developing countries
- What instruments can help? A judicious mix of
  - Market competition
  - Public-private partnerships
  - Effective regulation of the Internet and telecommunications sectors

## **International development assistance has been a valuable tool for supporting the development of telecoms infrastructure**

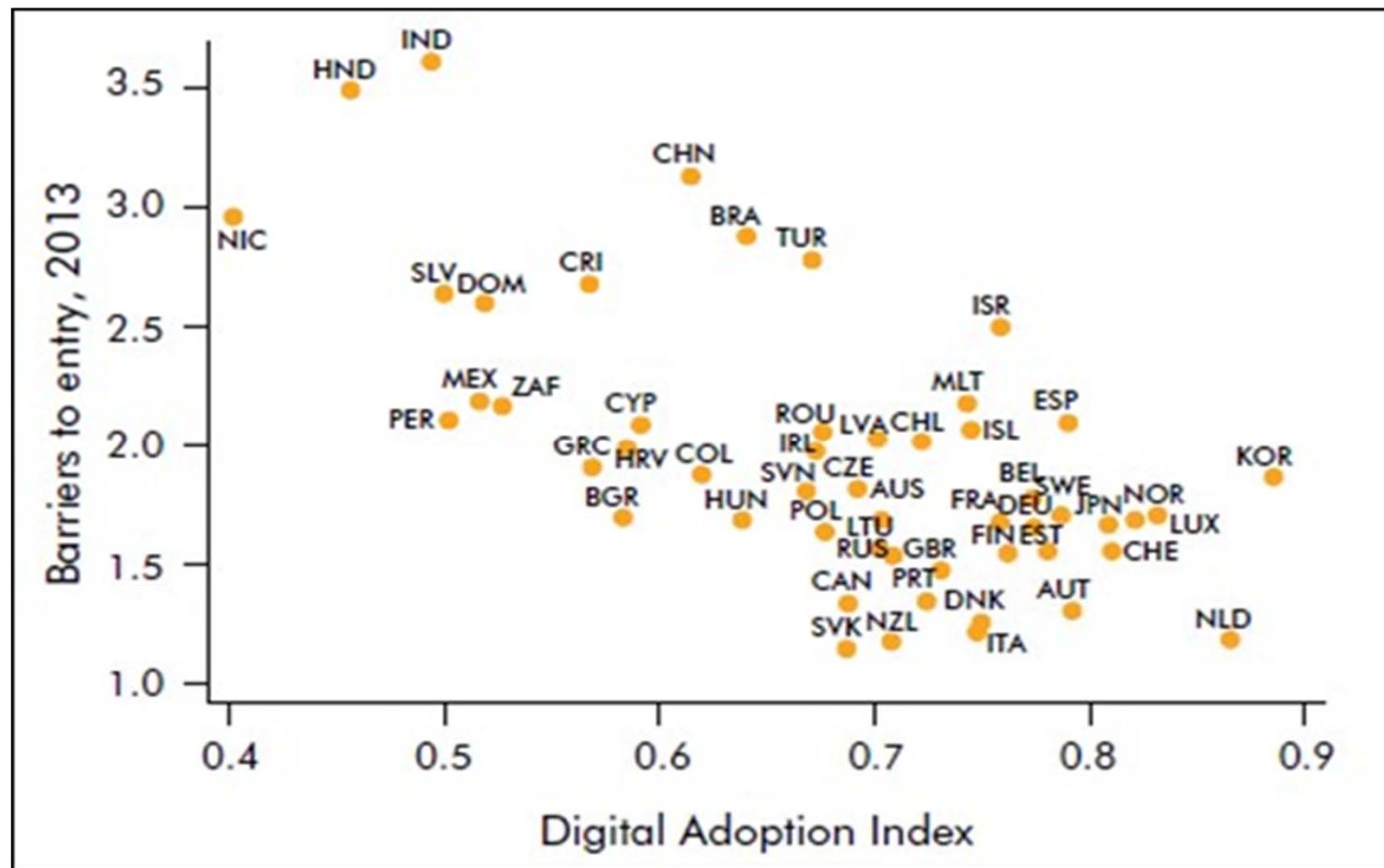
- Aid for trade in support of digital connectivity averages between USD 650 million – 700 million annually.
- Main areas – financing telecommunications projects (35%), investments in ICT technology (24%), policy and management (17%), research and development (10%).
- 31 of 40 donors anticipate growth in future demand from partner countries and regional partners
- 57 of 63 developing and LDC governments anticipate a need for future assistance to meet e-commerce strategic objectives
- 54% of donors state that they work with the private sector in support of e-commerce

## World Bank projects support connectivity

- **Eastern Africa Submarine Cable System (EASSy), connecting the east coast of Africa (South Africa to Sudan) to Asia and Europe (WP, IFC).**
  - **Results – 90% reduction in wholesale capacity prices in East Africa – 12 million new internet users in Kenya alone**
- **Myanmar (WB, IDA, PPIAF)**
  - **Technical assistance for key regulations**
  - **A transparent process for issuing licenses to the selected bidders, who are making the investments**
  - **A dramatic reduction in the cost of SIM cards – from USD 300 in 2012 to USD 1.50 in 2015**

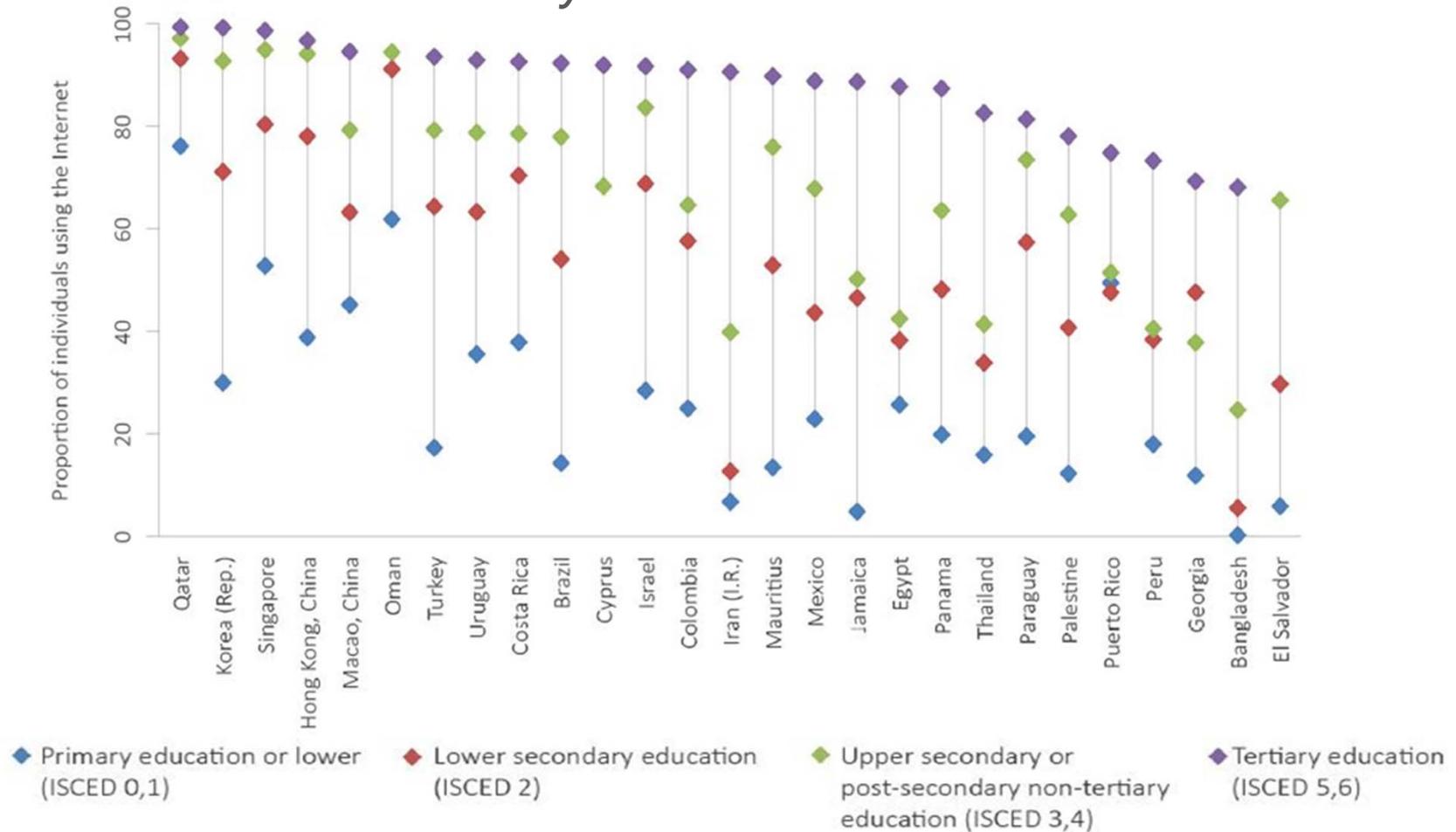
# A favorable business environment, including competition in services, is necessary for e-trade and the digital economy

*Open services policies favor digital adoption*



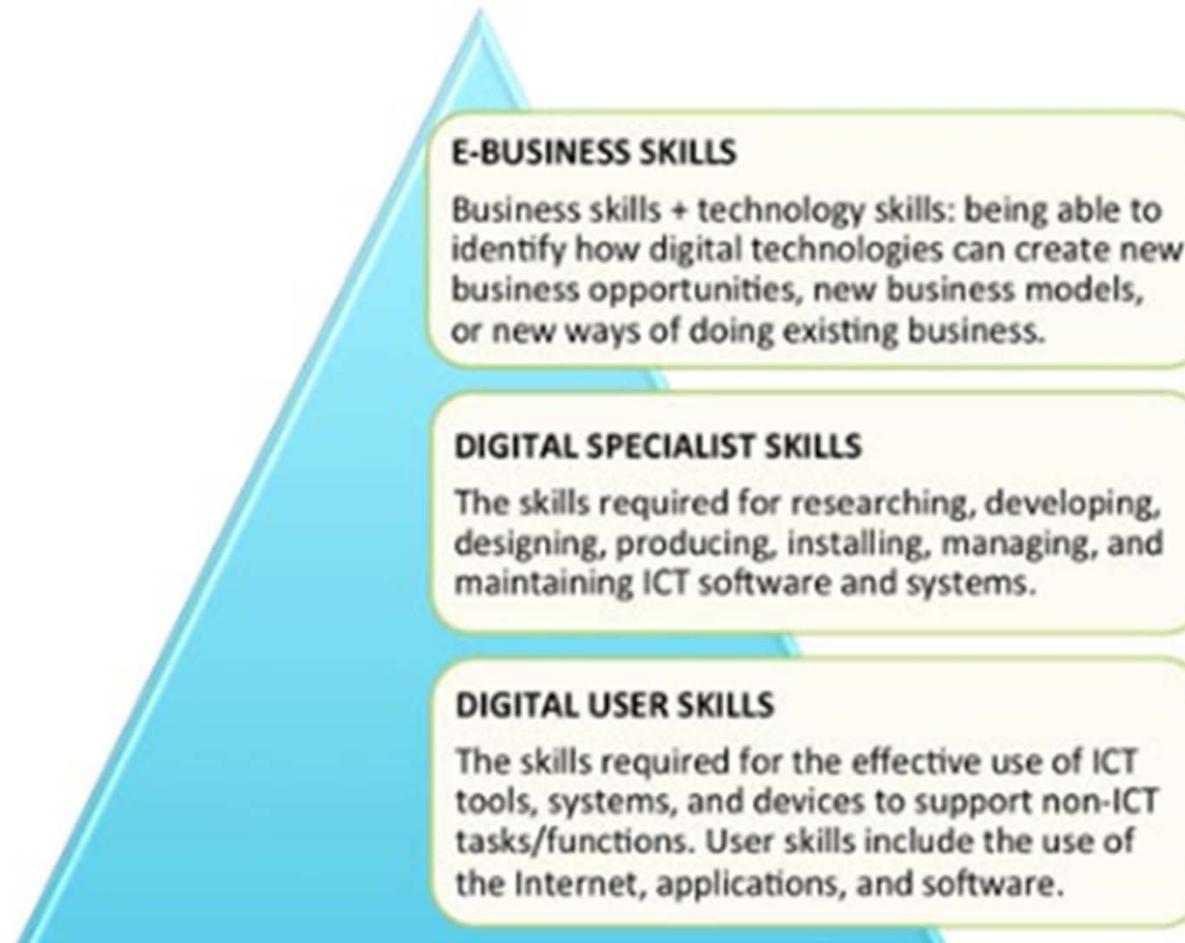
# Human resources are key to a competitive, modern economy

*Education is a key driver of who uses the Internet*



Source: ITU (2016), *Measuring the Information Society Report 2016*

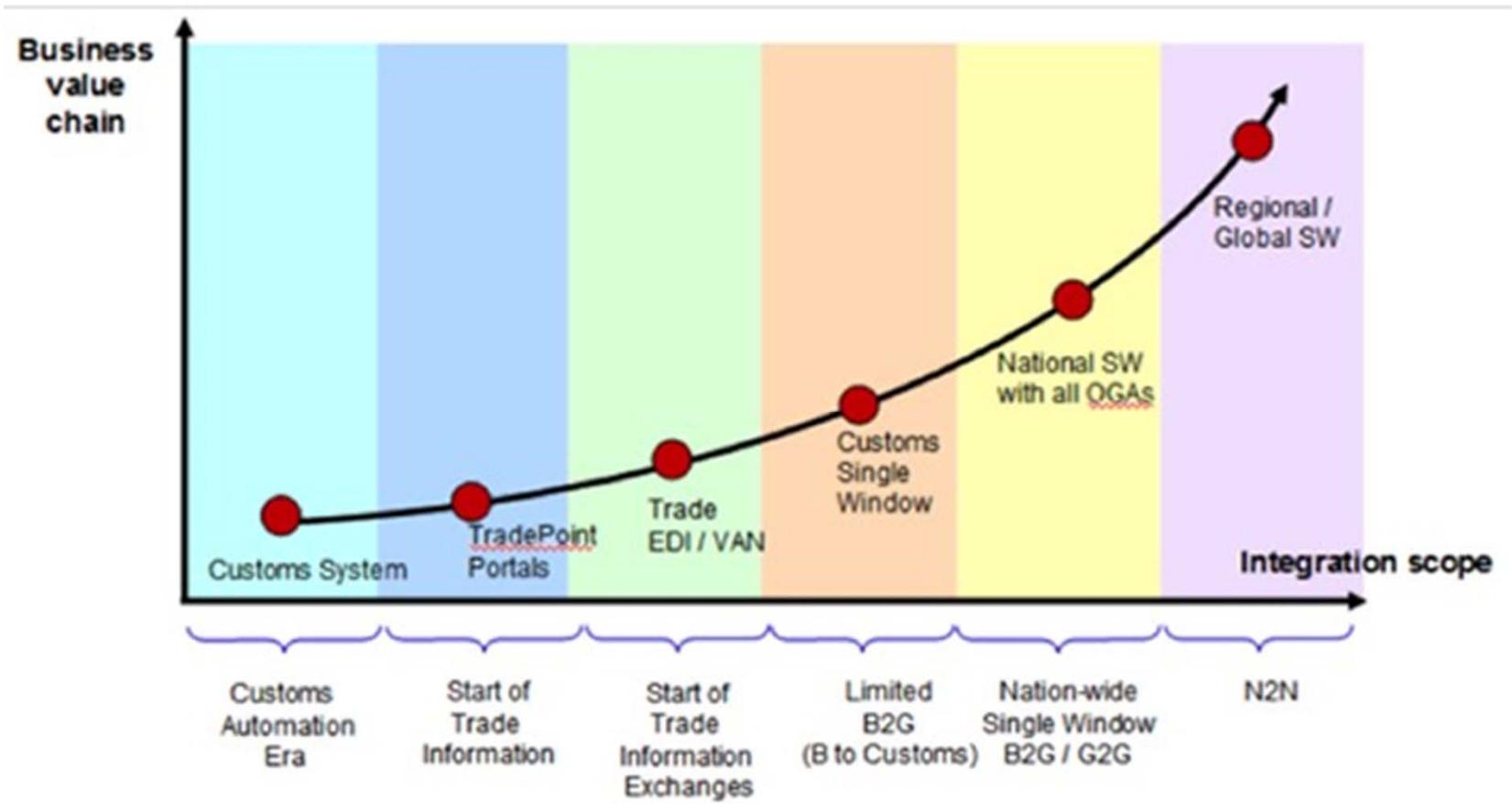
# A wide variety of skills are needed to support digital entrepreneurship



## A supportive regulatory and legal environment is essential to support e-commerce

- laws and regulations on for electronic documents and e-signatures;
- regulations on for electronic payments (Box 6.1);
- consumer protection measures, such as the restriction of spam, right of withdrawal (e.g. procedures for returning products of acquired through e-commerce), and online dispute resolution;
- cybersecurity;
- rules on intermediary liability, addressing the legal responsibility of digital platforms for the goods and services traded by their users;
- privacy and data protection regulations, ensuring that reasonable safeguards exist for the use of personal information, including consent on to the use by third parties, and the “right to be forgotten”.

# Automation in trade facilitation supports e-commerce



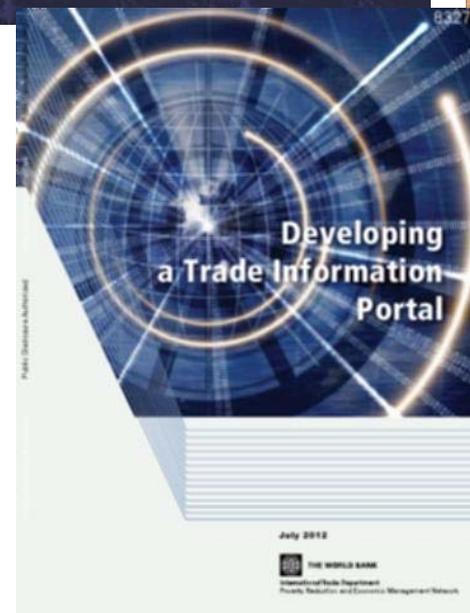
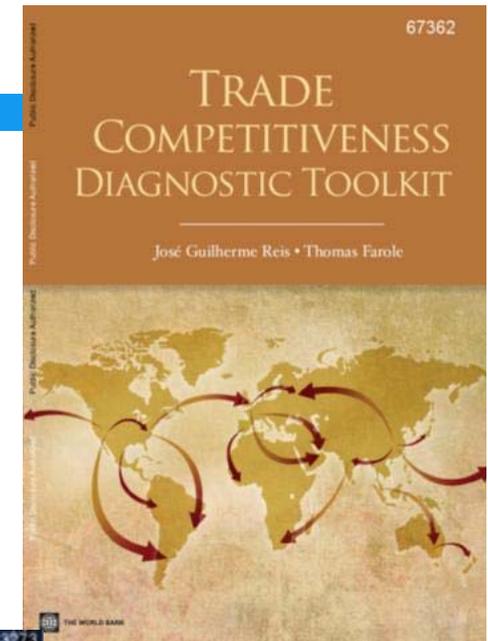
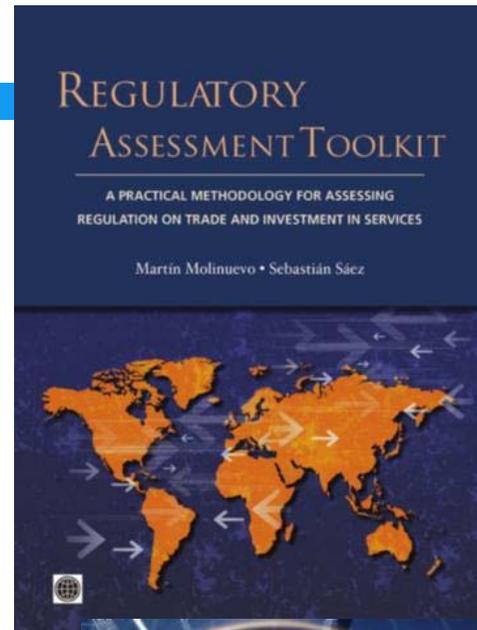
## Better data supports better policymaking

The E-Trade For All indicators are available on the World Bank's World Integrated Trade Solution ([wits.worldbank.org](http://wits.worldbank.org)) and TCData360 ([tcdata360.worldbank.org](http://tcdata360.worldbank.org)) portals

- ICT infrastructure and services
- Payment solutions
- Trade logistics and trade facilitation
- E-commerce skills readiness
- Legal and regulatory frameworks
- Access to finance
- E-commerce readiness assessment and strategy formulation
- <http://blogs.worldbank.org/trade/measuring-environment-e-commerce-new-tool> walks you through how to use it

# Better analysis supports better policymaking for trade and e-commerce

- The Regulatory Assessment Toolkit looks at regulations affecting services sector competitiveness
- The Trade Competitiveness Diagnostic Toolkit sets out a modular approach to determining and improving trade competitiveness
- The World Bank Group Trade Facilitation Gap Analysis approach has been implemented in more than 40 countries



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*Thank you!*

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