Seminar “eCommerce for Development”
organized by Friends of eCommerce for Development
Geneva, December 9, 2016

Jose Guilherme Reis
Practice Manager
Trade and Competitiveness Global practice
Countries vary widely in the degree to which they have taken up retail e-commerce: China is doing it very rapidly.

**B2C retail sales as a share of all retail sales**

- **Source:** eMarketer
But the full potential is not yet realized. Only 22 percent of the world’s population have ever bought something online.

Source: UNCTAD
Types of e-Trade

- **e-trade**: all goods and services (both traditional and digital) traded internationally through electronic means.

- **Physically delivered**: the purchase of traditional goods and services through digital means.

- **Digitally delivered**: all transactions involving digital goods and services as “digital trade”.

<table>
<thead>
<tr>
<th>Goods</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmia</td>
<td>Elance</td>
</tr>
<tr>
<td><em>E-bay</em></td>
<td>Freelancer.com</td>
</tr>
<tr>
<td>Amazon (merchandise)</td>
<td>Professional services</td>
</tr>
<tr>
<td>Alibaba</td>
<td>BPO – KPO</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Digital trade</th>
<th>Digital trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>App stores <em>(software, music, video, mobile apps)</em></td>
<td><em>Paypal</em></td>
</tr>
<tr>
<td>Amazon (e-books, videos)</td>
<td>web advertisement</td>
</tr>
<tr>
<td>Youtube / vimeo</td>
<td><em>E-medicine</em></td>
</tr>
<tr>
<td>3-D printed goods?</td>
<td>IT outsourcing</td>
</tr>
<tr>
<td></td>
<td>Amazon Web Services</td>
</tr>
<tr>
<td></td>
<td>Cloud-based services</td>
</tr>
</tbody>
</table>
e-Trade environment

Data management

Digital skills and entrepreneurship

e-trade regulation

e-commerce logistics and trade facilitation

Growth tools

Telecoms infrastructure

Business environment

Human resources

Foundations

e-Trade enabling conditions
Complementary services are needed to access digital trade

- Basic e-literacy, for both consumers and firms, remains a challenge
  - Entrepreneurial skills to access digital trade need to be developed
- Receiving payment for work is challenging in some environments
- Delivery is not always easy to arrange (internationally or locally).
- New relevance of services liberalization
  - Lack of competition (domestic or foreign) can inhibit the PayPal/Skype/FedEx business environment
  - Financial services/telecom/express delivery
  - Localization policies can interfere with normal business
Firms still list significant obstacles to sell online, particularly logistics and payments.
If you build it, they will come (maybe)

Buyers as % of population = (Internet users as % of population) * (buyers as % of internet users)
Source: eMarketer
First steps at country level

Creating regulatory conditions for expansion of e-commerce

- Introducing regulation for e-commerce
  - Data flows and privacy protection, e-payments, transactions
- Addressing e-trade facilitation measures
  - de minimis, immediate release
- Tackling barriers to key services sectors:
  - Telecoms, logistics, financial services, business services

Ensuring linkages with other sectors of the economy

- Expanding digital literacy and entrepreneurship in traditional “analog” sectors
Facilitating connectivity infrastructure upgrades

- **Investments**: extensive portfolio of projects, including in Africa and the Pacific.
  - African fiber-optic cables: RCIP, WARCIP and CAB programs.
  - Pacific Islands fiber-optic cable
  - Promoting shared infrastructure (e.g. East Africa)

- Infrastructure and enabling environment

- **Bank Group** approach: IBRD/IDA, IFC and MIGA

- We also provide assistance in setting up IXPs in a number of countries

- **ICT regulatory reform** often facilitates infrastructure development

Example: World Bank-financed Transport project in East Africa (ongoing). Aside from building roads, fiber optic cables are being deployed alongside the road, from Eldoret, Kenya to Juba, South Sudan (total length: approx. 1,000 km). This will allow the connection to the submarine cable landing stations in Mombasa, Kenya.
Electronic payments

- **Data and research**: E.g. Global Findex, Global Payment Systems Survey
- **Diagnostics** of payments and settlement systems
- **Implementation support** in more than 60 countries
  - Designing comprehensive national payments reform
  - Legal, regulatory, oversight frameworks
  - Cross-border integration

Global payments by MSME retailers: $34 trillion market

Source: WBG/WEF Innovation in Electronic Payment Adoption, June 2016
e-Trade Benefits at every level of development

- Leveraging e-commerce for competitiveness
- Developing high-value services exports and joining GVCs
- Finding niches for e-commerce exports
WBG areas of work on e-Trade

**Digital connectivity**
T&I Global Practice
- telecomm infrastructure
- regulatory framework for telecommunications

**e-trade regulation**
- strengthen e-trade regulation:
  - e-signature, consumer protection, privacy and data protection localization requirements, data flows restrictions

**Digital entrepreneurship**
- digital ecosystem diagnostics
- support startups through incubators, hubs and accelerators

**e-trade performance diagnostic**
- identify key limitations to e-trade
- assess e-trade flows of goods and services

**e-commerce facilitation and logistics**
- reduce costs for e-commerce of goods
- regulation and procedures for small shipments
  - last mile

**e-payment solutions**
F&M Global Practice
- financial regulation for electronic payment
Thank you.

Jose Guilherme Reis
jreis@worldbank.org
e-trade regulations in international governance: not everything is about trade agreement