A FIFD AND FED JOINT SEMINAR

BRIDGING THE DIGITAL DIVIDE: HARNESSING E-COMMERCE AND INVESTMENT FACILITATION FOR INCLUSIVE TRADE AND DEVELOPMENT

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First of all, I would like to thank Pakistan for organizing this very timely and important workshop.

UNCTAD and other speakers pointed out that investment and E-commerce are no longer 2 separate topics in today's world. They are closely interlinked and mutually supportive. This also reminds me of the E-commerce phenomenon in China.

In the last 2 decades, China has invested as much as 8.6% of GDP on infrastructure, the highest among major economies. As a part of this persistent effort, ICT infrastructure has achieved leap-frogging development. Today, 4G signal has now covered 95% of China's territory and 98% of the population.

Investment, especially the investment in infrastructure, contributed to the booming of E-commerce in China. With online sales reaching 3.94 trillion USD, China is now the biggest e-commerce market in the world. This rapidly expanding market, on the other hand, also attracted significant investment, which came not only from multinationals, but also from SMEs. A rough estimation by iResearch indicates that by the end of 2016, the number of micro E-commerce enterprises in China reached 3.1 million, employing 15.4 million staff, recording a 22.1% yearly growth.

Another story is about what governments in Africa have done to encourage investment and e-commerce.

"M-Pesa" (in local language means Mobile Money) may not be a household name for many of us but it has become one of the most successful mobile applications in the developing world. Only 10 years after creation in 2007, M-pesa' active users reached 25 million, and the daily transaction in Kenya alone reached 144 million US dollars.

The first secret for M-pesa's success lies in Kenya's efforts in attracting infrastructure investment through facilitation and public-private cooperation. Telecom giants such as Vodafone and Huawei have expanded their business in Kenya, helped the Kenyan government to build an enabling infrastructure network. In 2008, mobile penetration, boosted by the new investments, reached 42% of the total population, while the fix lines, which remains at relatively low coverage of only 250 thousand users.

The second secret is that M-Pesa did not wait until everything is ready. Before smartphones and e-banking becoming popular in Africa, M-Pesa uses PIN-secured SMS messages to become “poor people’s e-payment”. Kenya and many other governments further encouraged citizens to use M-Pesa to pay for water and electricity, created a win-win for governments that are not able to provide loans for utility bills.

These stories are only epitomes of the ongoing transformation in the business world. How to solve this problem of the divide in infrastructure and skills is the fundamental question we need to answer in realizing inclusive development. Creating synergy on investment facilitation and e-commerce policies may provide us a solution. That is why the FED and FIFD are contributing to related discussion in the WTO recently.

Let me once again encourage WTO members to be open-minded, pragmatic and constructive in the discussions. Because learning from each other, inspiring by the brilliant minds, and working collectively is our best way to embrace the changing world.

Ambassador Osakwe has just announced that Nigeria will host a workshop on investment facilitation for industrialization in Africa. I think this is a very encouraging sign of active engagements from African Members. China and other FIFD members welcome this initiative and will actively participate in the discussion. My government will also encourage Chinese companies to participate in the side events of the workshop, where they can directly talk to the IPA officials from African countries. I believe this is a good opportunity for investors from other countries too. And I hope more African countries could take advantage of this workshop to explore investment opportunities both on the policy level and in practice.

Thank you for your attention.