

A FIFD AND FED JOINT SEMINAR

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

Monday, 24 July 2017
Panel Session: 15:30 to 17:00
Venue: WTO (Room S1)

Moderator – **Ms. Irene Young**, Permanent Representative of the Hong Kong Special Administrative Region of China to the WTO

INTRODUCTION

Good afternoon. This session of the Joint Seminar will take the format of a Panel discussion. We have 5 distinguished speakers from different organisations doing their presentations. At the end of the session, we will have time for comments and questions from the floor.

Before we start, I would like you to join me in asking ourselves 3 questions, so that we all get tuned-in to the topics that we are going to explore in the next 1.5 hours.

First Question: What does digital economy mean to you? There are many ways of looking at digital economy. In this session, we will look at digital economy **as a powerful development tool**. It is powerful because it has two powerful qualities: it connects; it accelerates. Digital economy connects, in the sense that it allows developing countries to access much more easily global markets and be part of the global value chains. It accelerates because it lowers barriers and allows things to move faster. In many parts of the world, digital economy has lowered trade barriers for consumers and businesses alike. It speeds up not only trade. It has accelerated economic development on national and global scales.

Second Question: If digital economy is so good for development, why isn't it a universal phenomenon by now? The reality is that many developing economies still face huge **challenges nurturing a digital economy** – we will examine the various barriers later on. At this point, let me draw your attention to just one of them. In order for e-commerce to deliver its full potentials, economies first need the digital infrastructure to connect; and to do that, they need money to build the infrastructure. Money, as we know, is not easy to find. That is how investment comes into play. As we go along, you will hear our speakers explaining why having the right investment policies is crucial to the development of digital economy.

Third Question: Is it all about policy to attract investment then? Not really. You need policies to attract investment, but you also need policies that would allow e-commerce to flourish in a sustainable manner. Otherwise investors, being investors looking for returns, wouldn't have the incentive to chip in, help build, and continually update, the infrastructure they need.

Now we all see clearly the **synergies between e-commerce and investment facilitation**. I guess we are on the same page, ready for the first presentation.

INTRODUCTION OF SPEAKERS

(1) Mr James Zhan (UNCTAD)

Let's begin with UNCTAD's 2017 World Investment Report. The theme of the report is Investment and the Digital Economy. Investment; Digital Economy - the two topics have been discussed separately in previous events organised by the FED Group and the FIFD Group, but it is the relationship between the two that we wish to examine today. How do the emerging trends on these 2 fronts interact with each other? Can we

capitalise on the dynamics, and put in place a coherent policy framework? And how would that contribute to inclusive trade and development?

These are some of the questions that the latest UNCTAD Report seeks to address. And for a presentation of the Report, who else can do it better than the Editor-in-Chief himself? Mr James Zhan is Head of UNCTAD's Investment and Enterprise Division – and of course in charge of the annual World Investment Reports. He has directed extensive research on investment trends and policies, and led the formulation of global guidelines, including the Investment Policy Framework for Sustainable Development. Mr Zhan, please share with us the findings of your Report. This will set the scene for other presentations.

(2) Mr Bilal Khan (Telenor Pakistan)

Having looked at the big picture of global trends and policy directions, let us zoom in at the enterprise level, to see how a telecommunications service provider takes part in a country's ambitious project to bridge the digital divide. The Telenor Group (based in Pakistan) has business in 13 markets across Europe and Asia, but today, its representative Mr Bilal Khan will focus on the domestic experience in his homeland.

Since 2014, Pakistan has witnessed a phenomenal increase in broadband penetration, from less than 3 million to 44 million - which is an increase of more than 14 times in just 3 years. How was that possible? What does such a dramatic change mean to the delivery of public services and to the business sector, to cities and to rural areas? And with the successful upgrading of digital infrastructure, what other development opportunities lie ahead?

Mr Khan, who has worked in the telecommunications field for more than 10 years, will share with us his observations from an insider's perspective. Mr Khan, the floor is yours.

(3) Mr Pierre Sauvé (World Bank)

Having heard Pakistan's experience, we know how powerful an e-enabling environment can be, in driving social and economic development. However, nurturing a country-wide digital ecosystem is not easy. It requires careful planning, and involves substantial investment. For countries which lack the capacity to do so, especially those relying on very limited, traditional forms of development finance, digitalising the economy is a big challenge. Can the private sector fill the gap? And how about the World Bank? Are there examples of the Group helping developing countries build the hardware and software needed for digital development?

Our next speaker, Mr Pierre Sauvé, is here to address these questions. Mr Sauvé is Senior Trade Specialist of the World Bank Group. He is in charge of the Group's interactions with trade institutions based in Geneva, and represents the Group at OECD. He currently serves on the Advisory Board of the WTO Academic Chairs programme, but has known our organisation well since the pre-WTO days when he was a staff member of the GATT. Today we are very happy to have Mr Sauvé back. Mr Sauvé, please take the floor.

(4) Ms Kimberley Botwright (WEF)

In the next presentation, we are going to look deeper again at the synergies between investment facilitation and e-commerce in promoting trade and development. In the previous presentations, we have heard how developing countries have successfully harnessed digital connectivity for economic growth. Their stories would suggest that making the internet available to all should be a matter of priority. But funding aside, other barriers exist – limited infrastructure, poor digital skill, lack of

awareness. How can we overcome these barriers? Our speaker from the World Economic Forum will share her insight.

Ms Kimberley Botwright is a Policy Analyst in International Trade and Investment at the World Economic Forum, specialising in Digital Trade. She has worked with ICTSD and OECD, and has experience working with both the business and civil society on international public policy.

(5) Mr Hamid Mamdouh (WTO)

Our next and last speaker is Mr Hamid Mamdouh. As Director of the WTO's Trade in Services and Investment Division, he really needs no introduction. What some of us may not know, however, is that he has been with us for a long, long time - not only since the establishment of the WTO, but actually since the Uruguay Round negotiations, when he dealt with legal matters relating to the drafting of GATS. If there is walking thesaurus on Services Trade in the WTO, that will have to be Hamid.

In this presentation, Hamid will explain to us the linkages between trade, e-commerce and investment, and how greater policy coherence in these areas can promote development. Knowing GATS inside out, Hamid will also show us which provisions in the GATS are relevant to this discussion, and how. Hamid, the floor is yours.