WTO Workshop on Electronic Commerce

Session 2. Expanding SMEs Opportunities via E-Commerce

Brian Bieron
eBay Inc. Public Policy Lab
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We seek to enable commerce

Individuals
Firms of all sizes
Locally and globally
Enabling commerce
Platform, tools, services

- 112M active users
- 400M live listings
- >2B items sold
- $13B in mobile volume
- 4.3M new eBay buyers via mobile
- 150,000 stores on eBay Local
- 20% of IR 200 sell on eBay
- 61% of all sales are international

7 OUT OF 10 listings sold at FIXED PRICE
7 OUT OF 10 listings on eBay are NEW MERCHANDISE
Trade looks different today

Rise of the micro multinational
Rethinking trade policy
Trade today
Traditional trade and “global commerce”
The rise of the micro multinational

Alex & Anastasia Khaykin, United States:
“eBay has created a rare opportunity for a global presence for Target PC. Our international business has been steadily growing over the past five years as some developing countries have continued their fast economic growth and as the whole world continues to be ‘smaller.’”

Khanna Jewellery, serving customers in Asia, North America and Europe from India:
“When we were operating offline, we had problems with attracting potential buyers, maintaining payment credit cycles, order procurements, travelling expenses and debt notes.”

Carol Fung, seller and education specialist in Malaysia: “I have been interviewed numerously by our local media since 2006 to inspire Malaysians that they can too start a home business with zero-cost!”
**Global commerce**

**Share of firms exporting**

<table>
<thead>
<tr>
<th>Country</th>
<th>Exporting Share</th>
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<tbody>
<tr>
<td>US eBay</td>
<td>97%</td>
</tr>
<tr>
<td>US offline</td>
<td>97%</td>
</tr>
<tr>
<td>DE eBay</td>
<td>97%</td>
</tr>
<tr>
<td>FR eBay</td>
<td>98%</td>
</tr>
<tr>
<td>UK eBay</td>
<td>96%</td>
</tr>
<tr>
<td>US offline</td>
<td>4%</td>
</tr>
<tr>
<td>US offline</td>
<td>15%</td>
</tr>
<tr>
<td>DE offline</td>
<td>59%</td>
</tr>
<tr>
<td>FR offline</td>
<td>15%</td>
</tr>
<tr>
<td>UK offline</td>
<td>28%</td>
</tr>
<tr>
<td>FR offline</td>
<td>67%</td>
</tr>
<tr>
<td>UK offline</td>
<td>28%</td>
</tr>
</tbody>
</table>

Source: **Compilations using eBay data for 2010, sellers with sales of at least USD 10,000; US offline: Bernard et al. (2007); France (all firms): Eaton et al. (2009) (large firms only); Germany and UK: Mayer & Ottaviano (2007).**
Micro-small and Small Business are Trading

Exporting online is as easy for small sellers as for large sellers
Trading Destinations

Contrasting online and offline behavior

Number of export destinations

Share of sellers (firms)

eBay  US offline firms  French offline firms

1  2  3  4  5
GDP Gains

Gains from moving to online trade costs
The Global Empowerment Network

An Alternative Agenda for Small Business Global Economic Opportunity
Entering the Global Economy in the Current Model

Plug into a multi-nationals corporations’ supply chain
The Global Empowerment Network

Sustainable    Connected    Global
Local          Empowered    Mobile
Pain Points

Industry and Government have a Role
Evidence of Pain Points

Andreas Voswinckel, founder of German trader LIMAL, which employs 80 people, notes that: “A shipment from Cologne to Brussels is three times more than from Hamburg to Munich – yet the distance is three times lower.”

Adam MacKay, Director of Blue Water Sports: “Clear and simple advice on cross border trade needs to be made available to both retailers targeting the EU and EU consumers so that obligations and responsibilities are understood.”

A survey by FreshMinds with 869 ebay sellers in Germany and 759 in France revealed that 73% of the German and 52% of the French respondents considered tariffs and customs duties to be a significant barrier to trade outside of the EU.
eBay Resolving Pain Points – Language Translation

eBay
in Russia
Now Live
eBay Resolving Pain Points – Marketing
eBay Resolving Pain Points – Payments & Shipping
Governments Can Further Reduce Pain Points

- Reduce Customs Complexity
- Improve Shipping
- Streamline Consumer Protection
This is a Global Phenomenon
Thank you!

If you want our reports and updates, contact Hanne Melin
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