Digital trade and non-digital trade barriers

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Everybody is in e-commerce

• Many companies have online presence
• B2B 9 times larger than B2C [SE]
• 20 % of companies’ revenues
  ▪ 27 % for manufacturing sector

• Three types of e-commerce companies
  ▪ ”Brick and mortar”
  ▪ Retailers
  ▪ ”Digital companies”
Countries involved in the GVC

- USA
- Germany
- England
- Scotland
- Holland
- Canada
- Japan
- Denmark
- Finland
- Sweden

Plus: UN Habitat, and other countries
("Community", marketing and "3rd Party Servers")

Without order of importance
Online traders’ specific features

• Selling to a large number of countries simultaneously
• Many companies are not established on export markets
• Many companies are small
• Large number of shipments – small consignments
• Operate in randomized world
Barriers for e-commerce

- Lack of information
- Barriers relating to customs
- Barriers relating to consumer and sales law and consumer info
- Payment and taxes
- Intellectual property rights barriers
- Cross-border data transfer
- State controls
- Other barriers (incl. roaming, standards, fraud…)
E-commerce value chain

- Infrastructure
  - E.g. lack of standards
- Legal offer of online products and services
  - E.g. IPR
- Information
  - E.g. website content
- Access to online services
  - E.g. censorship
- Contracting
  - E.g. demands hand written contracts
- Payment
  - E.g. VAT
- Delivery
  - E.g. custom procedures
- Dispute resolution
  - E.g. lack of dispute fora

Source: EU Commission 2012, NBT 2012
Summery

• E-commerce specific barriers (e.g. data transfer, roaming)
• Traditional barriers – hitting e-commerce harder (e.g. tariffs, custom procedures)
• Most common problems:
  ▪ Lack of information/transparency
  ▪ Consumer rights (differences)
  ▪ IPR
  ▪ Data transfer
The way forward

• "e" out of e-commerce
• Multi trade field solutions
• Multiplatform solutions
• Multilateral solutions
Reports by the NBT (www.kommers.se)

On e-commerce
• E-commerce – new opportunities, new barriers
• How borderless is the Cloud?
• Minecraft brick by brick

Forthcoming:
• Making trade happen – business perspectives on cross-border movement of persons
• “… and data” – a study on cross-border data flows and Swedish business experiences

Other related studies
• Adding Value to the European Economy
• Made in Sweden?
• At your Service
• Servicification of Swedish manufacturing
• Business Reality and trade Policy – Closing the Gap
• Everybody is in Services – the Impact of Servicification in Manufacturing on Trade and Trade Policy
• Global Value Chains and the Transatlantic Trade and Investment Partnership