



Global Digital Dialogue 2023:

E-commerce for digital trade and economic diversification

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Ulaanbaatar

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E-commerce and the digital economy are crucial enablers of the **Sustainable Development Goals**



SDG 5: Gender equality



SDG 8: Decent work and economic growth



SDG 9: Increasing innovation



SDG 10: Reduced inequalities



SDG 13: Combating climate change

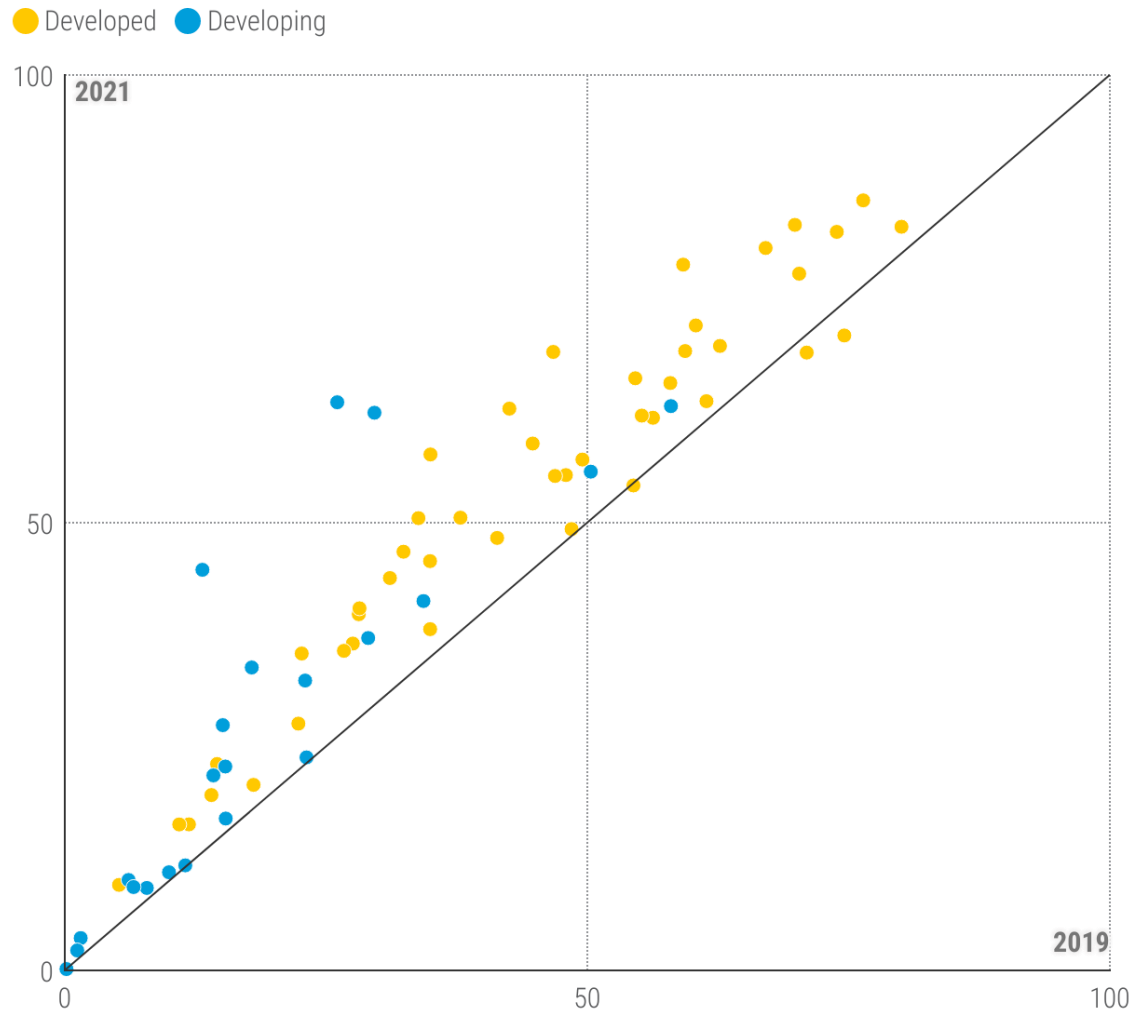


SDG 17: Strengthened partnerships



The Pandemic boosted digital use around the world

Share (%) of individuals buying online, 2019 and 2021



Source: UNCTAD, OECD, ITU, World Bank, national sources.

More teleworking and teleconferencing

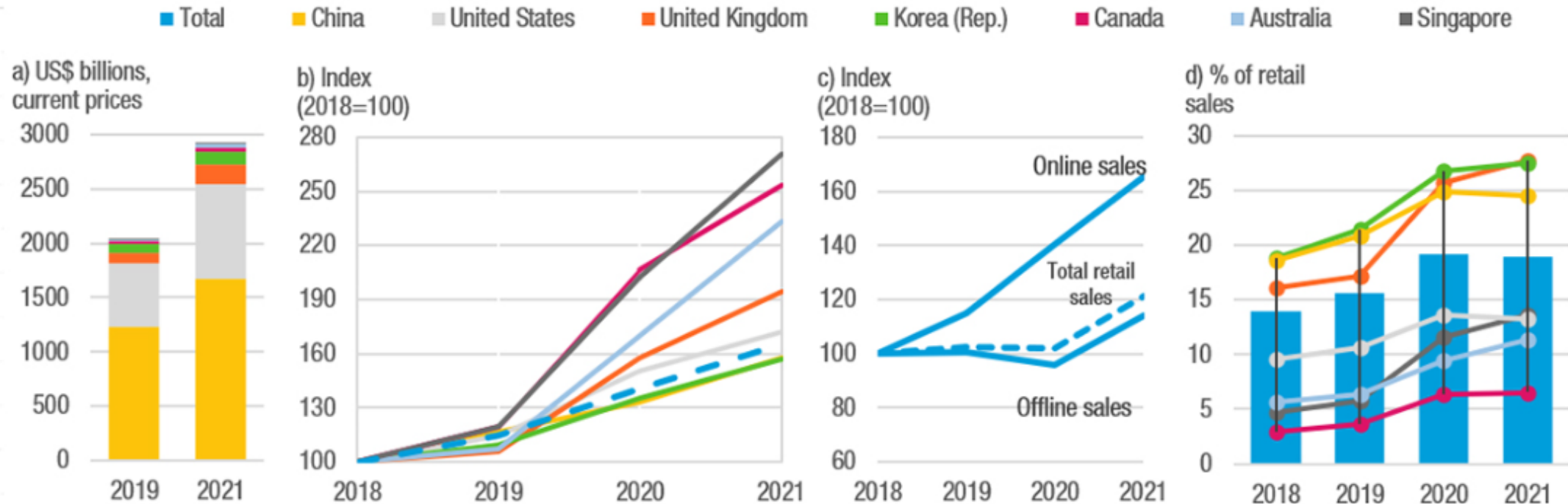
Greater reliance on digitally delivered services

Data flows surged

Accelerated trend towards e-commerce likely sustained

Online retail sales surged during pandemic

Figure 2. Online retail sales, seven countries, 2018-2021
Value (US\$ billions, current prices), Indices (2018=100) and percentage of retail sales

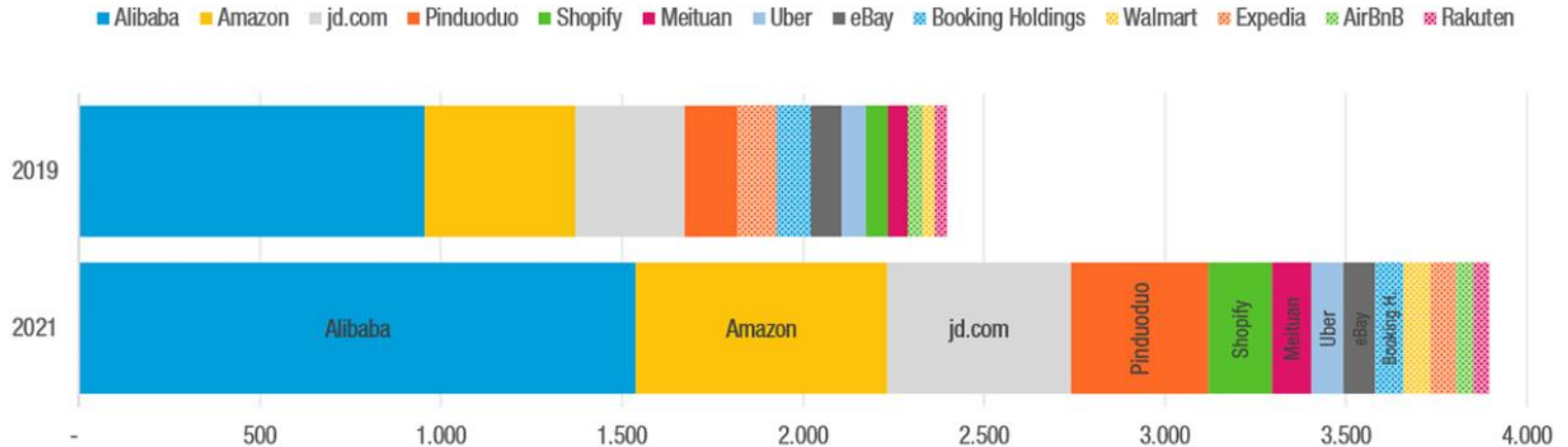


Source: UNCTAD (2022), "COVID-19 boost to e-commerce sustained into 2021, new UNCTAD figures show" (<https://unctad.org/news/covid-19-boost-e-commerce-sustained-2021-new-unctad-figures-show>), based on national sources; and UNCTAD currency exchange rates (<https://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx>)

Note: There may be some differences in the coverage of retail trade statistics across countries. Indexes calculated based on US\$ values in current prices.

The biggest online platforms benefitted most

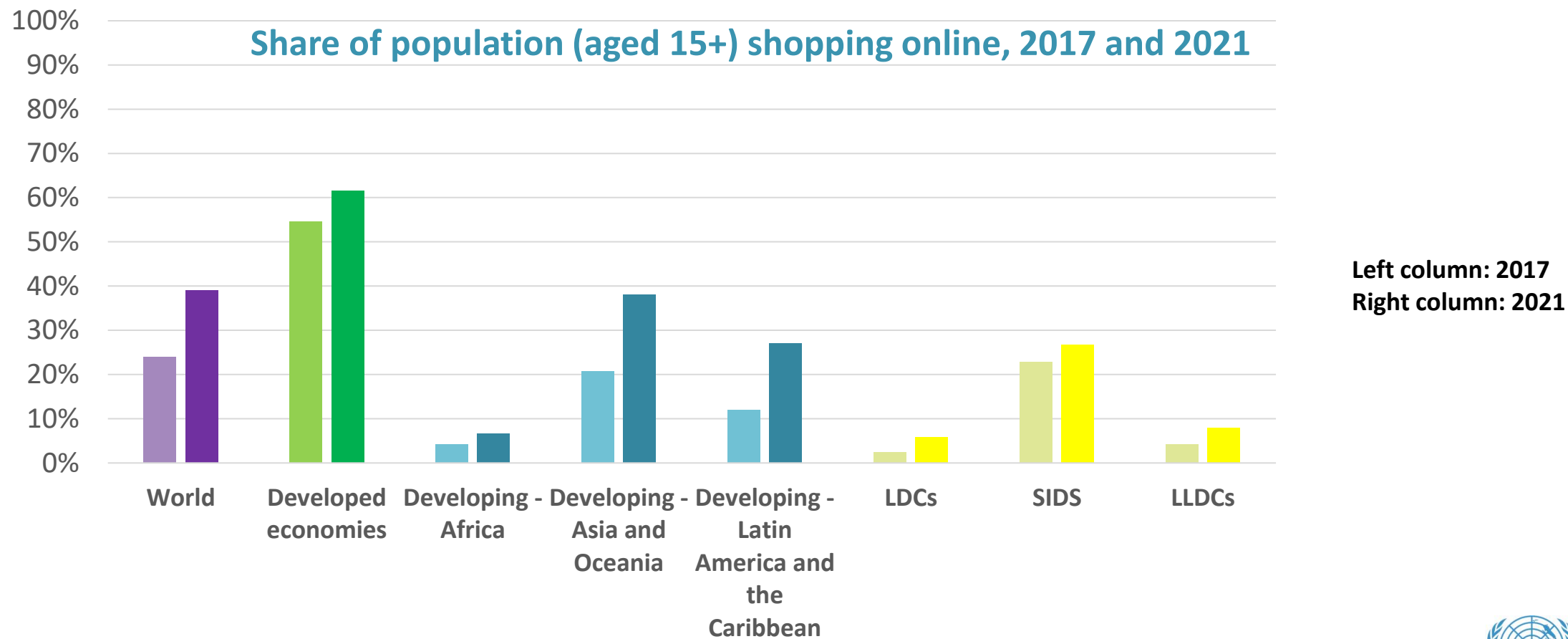
Figure 3. Sales by major consumer-focused e-commerce businesses before and during the pandemic
\$ billions, current prices



Source: UNCTAD (2022), "COVID-19 boost to e-commerce sustained into 2021, new UNCTAD figures show" (<https://unctad.org/news/covid-19-boost-e-commerce-sustained-2021-new-unctad-figures-show>), based on company reports.

Note: These figures reflect the gross value of goods and services sold by/through these companies; only a portion of this accrues to the e-commerce business and goes toward profits. These businesses are primarily focussed on sales to consumers. However, businesses and other organisations may also make purchases from them, and these sales may not be excluded. Rakuten refers to "domestic e-commerce" only. 2021 figure for Amazon estimated. 2020 figure for WalMart estimated.

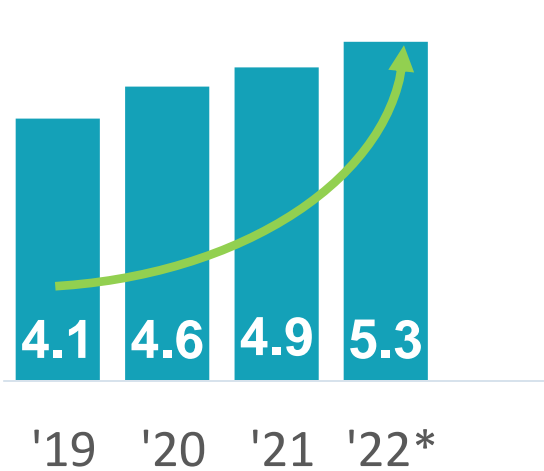
The e-commerce uptake was limited in developing countries...



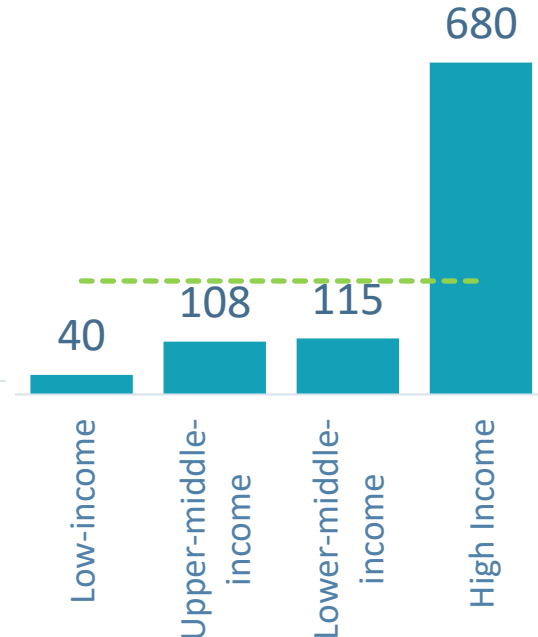
Source: UNCTAD, based on World Bank 2021 Global Findex data. Only includes countries with data in both 2017 and 2021 (121 countries).

...increasing the digital divide

Internet users (billions)



Bandwidth per Internet user, Kbit/s

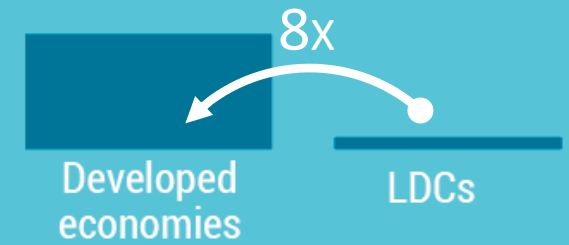


2.7 billion remain offline

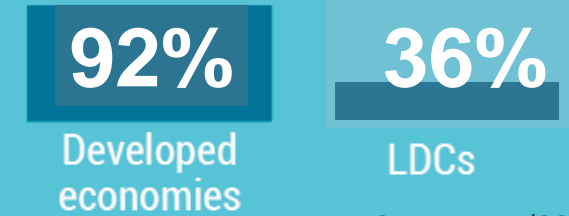
Source: ITU, World Bank. * estimate.



Average internet speed



Use of Internet



Source: ITU (2022).

The **cost** of a mobile subscription

4x more expensive



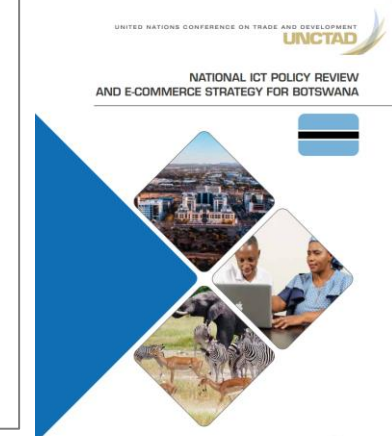
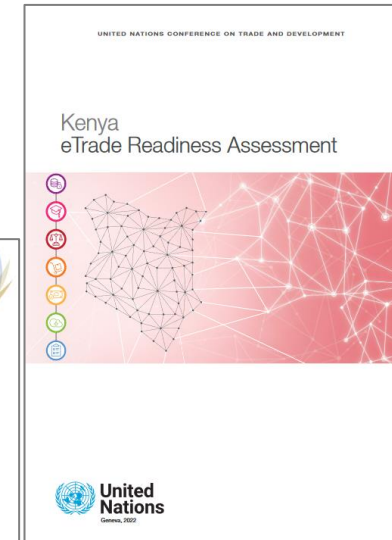
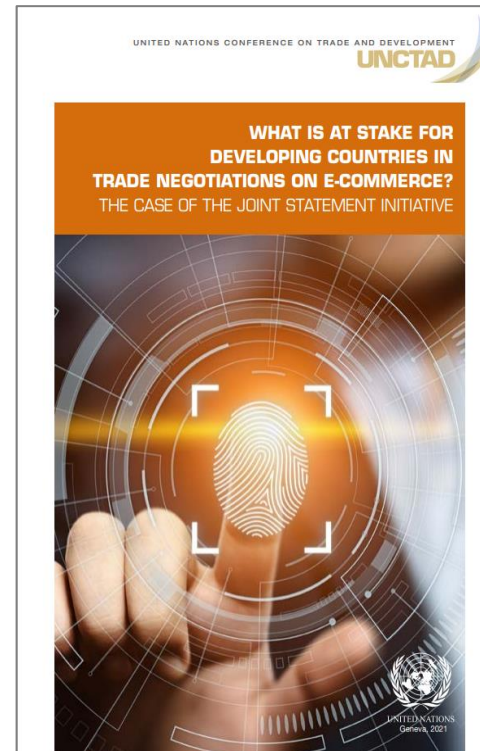
UNCTAD's support to boost digital readiness



A strengthened mandate: *“UNCTAD should strengthen the work on assisting developing countries to systematically assess their state of play, readiness to engage and integrate into the digital economy, thus contributing to the closing of the digital divide.”*

Bridgetown Covenant, UNCTAD 15

- eTrade Readiness Assessments
- E-commerce Strategies
- In-country implementation support
- E-commerce and law reforms
- Measuring e-commerce and the digital economy
- Empowering women digital entrepreneurs
- Customs automation and trade facilitation
- In partnership with eTrade for all





35 partners sharing a common vision



Improving digital readiness through eT Readies: *A multi-faceted challenge*

Seven key policy areas:



The added value of eTrade Readiness Assessments

Raising awareness

Raise awareness on the challenges and opportunities offered by e-commerce (capacity-building and knowledge sharing).

Strengthening dialogue

Strengthen public-private sector dialogue and inter-ministerial coordination in the field of e-commerce.

Mobilizing support

Mobilize the support of development partners to accelerate countries' digital transformation.

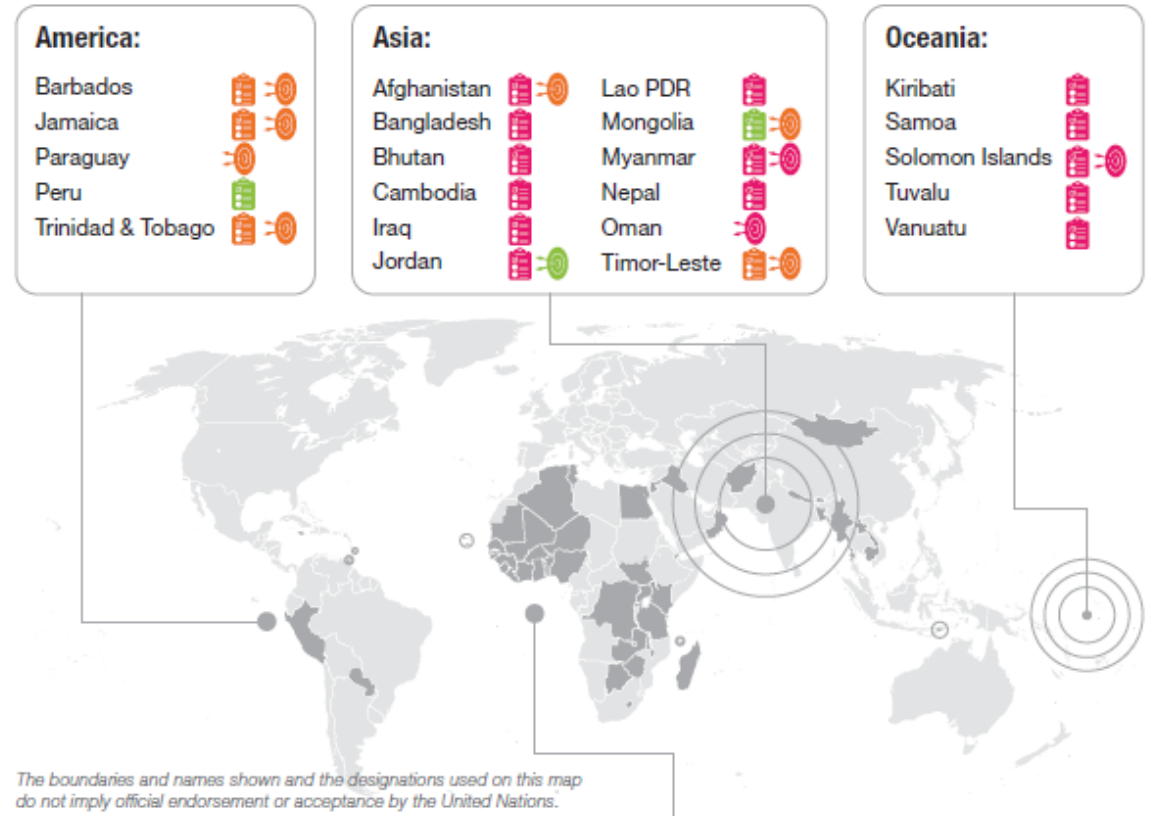
eTrade Readiness Assistance

eTrade Readiness Assessments for LDCs

- **Completed:** Afghanistan, Benin, Bangladesh, Bhutan, Burkina Faso, Cambodia, Kiribati, Lao PDR, Lesotho, Liberia, Madagascar, Malawi, Mal Myanmar, Nepal, Niger, Senegal, Solomon Islands, Tanzania, Togo, Tuvalu, Uganda, Zambia
- **Ongoing/Planned:** Mauritania, Timor-Leste
- **Requests:** Djibouti, DRC, Guinea, Sierra Leone and South Sudan

E-Commerce Strategies/Action Plans for LDCs

- **Completed:** Benin, Myanmar, Rwanda, Solomon Islands, Malawi, Jordan, ECOWAS.
- **Requests:** Afghanistan, Malawi



	Finalized	In progress	Requested
eT Ready	32	5	12
E-Commerce Strategy or Action Plan	9	3	7

Common challenges identified in LDCs and LLDCs

Policy areas	Main challenges
E-commerce readiness assessment and strategy formulation	Limited awareness of e-commerce among policy and law makers, consumers, and businesses. Lack of e-commerce statistics. Barriers for women and youth to engage in e-commerce.
ICT infrastructure and services	Limited Internet access in rural/remote areas and high costs of fixed and mobile-broadband Internet.
Trade logistics and trade facilitation	Inadequate facilities for physical delivery of online purchases.
Payment solutions	Overreliance on cash transactions, plus low access to and limited experience with online payments and the use of credit cards.
Legal and regulatory frameworks	Weak legal and regulatory frameworks, including data and consumer protection online.
E-commerce skills development	Education systems are not fit for the digital economy; lack of business development and e-commerce skills.
Access to financing	Unsuitable financial mechanisms for start-up enterprises to engage in e-commerce.

Impacts of eT Readies so far

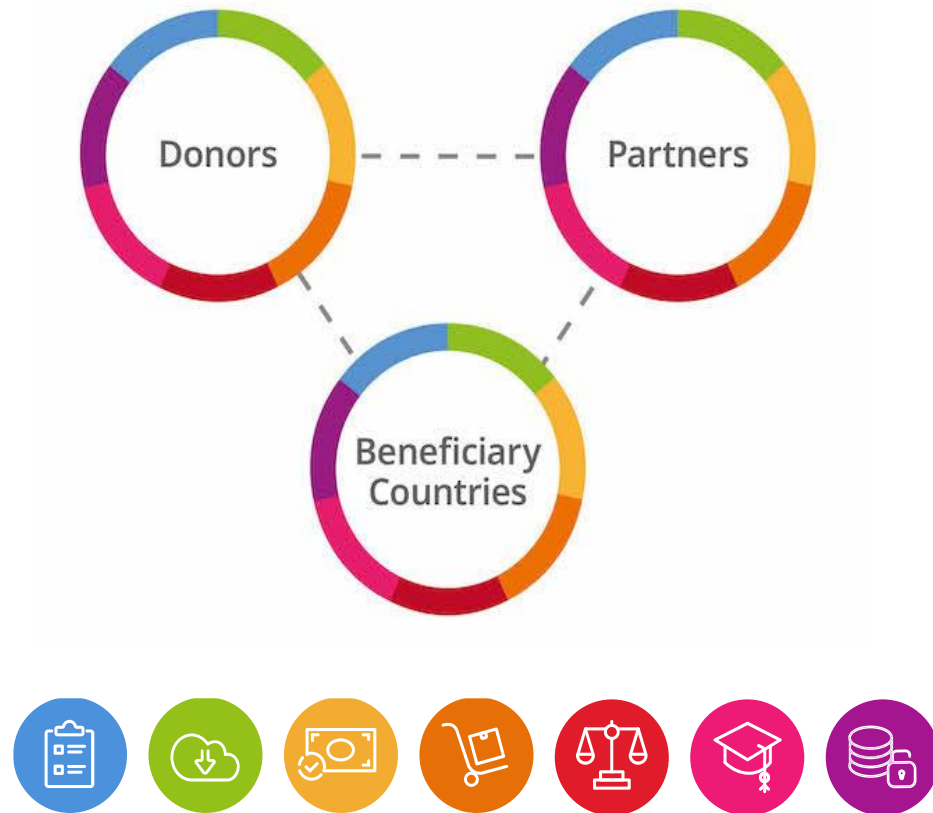
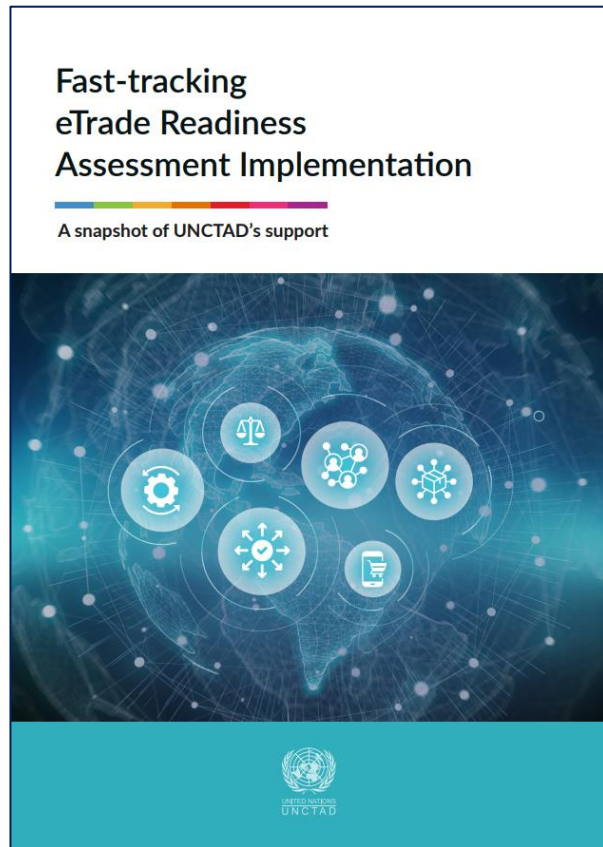
- **Improved government coordination** on e-commerce
- Prompted the **development of roadmaps** (ECS, Action Plans) for the implementation of e-commerce priority measures
- Increased **regional initiatives** on e-commerce (ECOWAS, EAC and the Pacific)
- Triggered **interest and digital support from partners**
- Enhanced **public-private sector dialogue** on e-commerce
- Facilitated the **adoption of legal frameworks and digital payments** to facilitate e-commerce and build trust
- Strengthened trade facilitation and logistics to **expand cross-border e-commerce**
- **Empowered women-owned businesses** to influence policymakers on e-commerce related issues
- Helped better prepare countries to engage and **participate in e-commerce negotiations**, in the context of the JSI on e-commerce and regional agreements (AfCFTA, RCEP, etc.)

...however, some challenges remain, slowing down policy implementation



... compounded by sometimes fragmented interventions by development partners in digital-related initiatives, leading to sub-optimal results

Capitalizing on the impacts and addressing challenges to scale-up implementation of policy recommendations: UNCTAD Implementation Support Mechanism



Policies to make digital trade more inclusive (1)

Affordable and reliable ICT connectivity for people and businesses

- Open, transparent telecoms market to attract domestic & foreign investment
- Infrastructure-sharing and reduced taxes and duties on ICT equipment and services

Education, skills and awareness

- ICT integrated at all levels of education, based on collaboration with private sector when developing curricula
- Teaching methods to promote complementary non-cognitive skills
- Support workers and teachers retraining and skills' upgrading
- Conduct awareness campaigns on opportunities and risks of digital trade

Policies to make digital trade more inclusive (2)

Trade facilitation

- Adapt to e-commerce – larger numbers of small parcels
- Implement WTO TFA and modernize/streamline customs processes (ASYCUDA) and single windows
- Simplify export processes for shipments of low physical weight and value

Support MSMEs

- Boost ICT use among smaller firms, to enable integration in global value chains
- Training and capacity-building to develop skills for e-commerce and digital delivery
- Adapt trade promotion by leveraging online platforms and online marketing channels
- Support businesses in meeting standards applicable in the target markets

Policies to make digital trade more inclusive (3)

Bridge the gender-based digital divide

- Establish networks for women entrepreneurs in the digital economy to influence policy development
- Showcase women role models in digital business growth and trade

Improve regulatory frameworks and measurement

- Recognize legal equivalence of paper-based and electronic forms of exchange
- Enshrine internationally compatible standards for privacy and data protection
- Protect both buyers and sellers against cybercrime
- Grant consumer rights and provide channels for recourse
- Collect statistics on e-commerce and trade in digitally delivered services

Concluding messages

- **Capacity-building and multi-stakeholder cooperation** remain top priorities to enhancing e-commerce readiness
- Given the cross-cutting nature of e-commerce, **cooperation between development partners** and the beneficiary countries (including the private sector) is critical for effective implementation
- **Resource mobilization from development partners** for capacity-building to ensure participation in e-trade negotiations and policy implementation needs to be scaled up.

Thank you!



eWeek



Geneva, 4–8 December 2023



Shaping the future of the digital economy

CALL FOR SESSION PROPOSALS

Deadline: 23 June

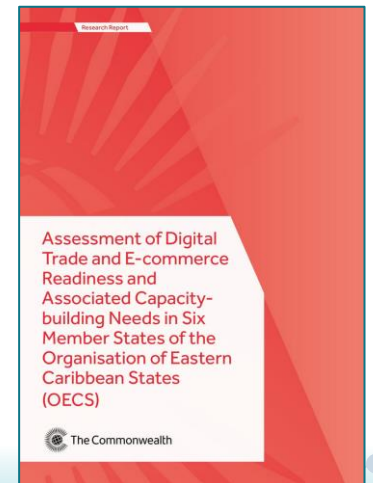
**NOW
OPEN**

Annexes

eTrade readiness of developing countries: through an integrated/end-to-end approach



- **5 years of eT Readies:** 32 eT Readies, 9 E-Commerce Strategies and Action Plans
- **UNCTAD Implementation Support Mechanism (ISM)** since 2020 : 27 countries reporting on progress, priorities and needs
 - *New edition of the Implementation Review under preparation for release at the eWeek 2023, Geneva, 4-8 December 2023*
- **Inclusivity:** More than 5'000 responses received to eT Ready surveys and more than 2'400 stakeholders consulted. Include issues around gender and people with vulnerabilities.
- **Partnerships:** Collaboration with development partners including **eT4A partners**
 - *the Commonwealth Secretariat in the context of the OECS e-commerce readiness report; discussion on Barbados;*
 - *PIFs for the Pacific using UNCTAD's eT Ready methodology*
 - *Active partners are BSI, ITC, UNCITRAL, UPU, ESCAP, WB*

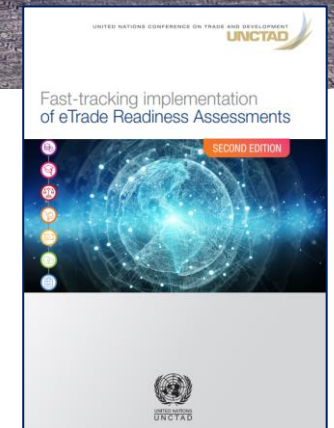
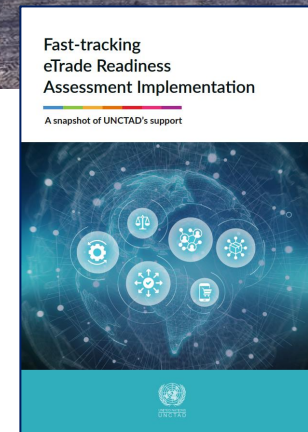
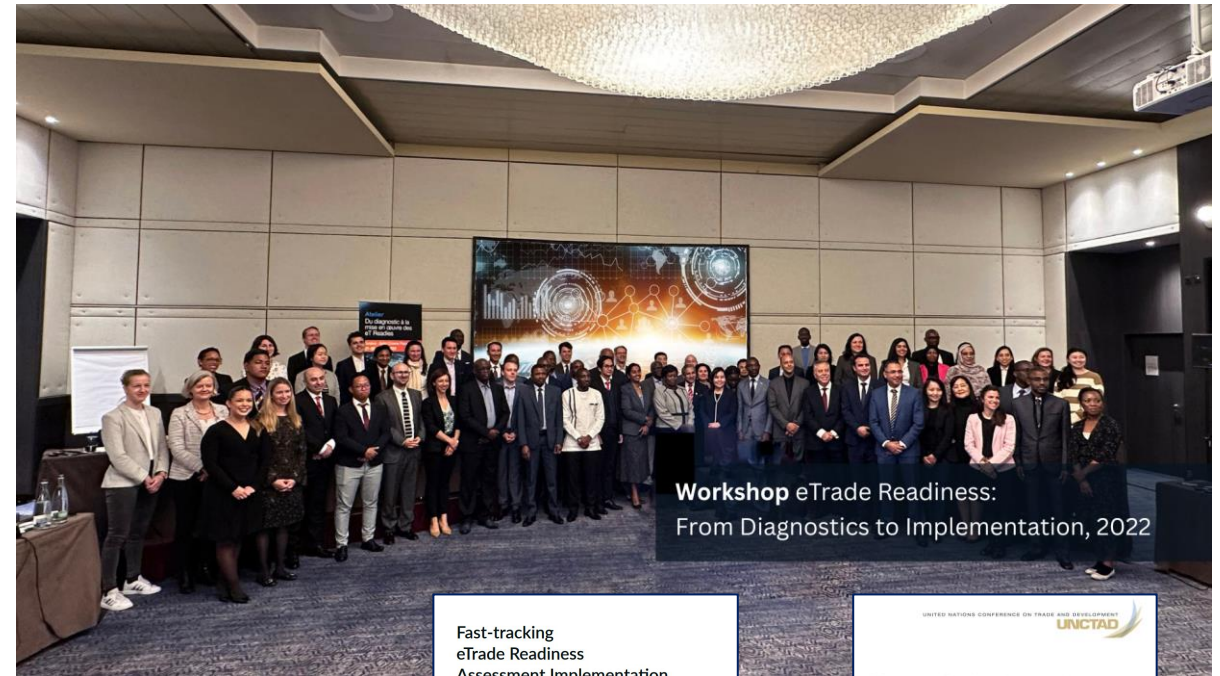


UNCTAD's Implementation Support Mechanism (ISM)



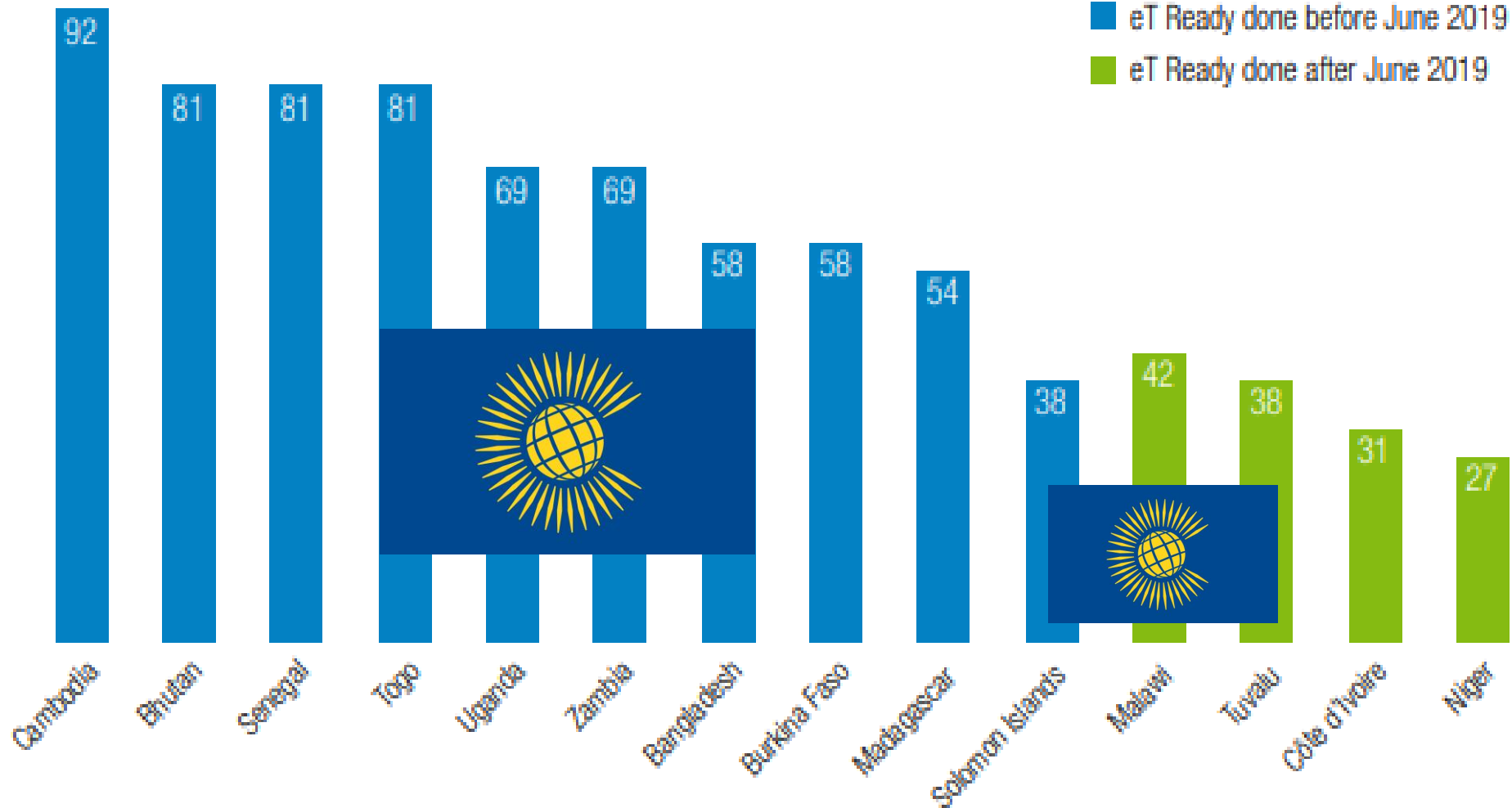
Capacity building tool for:

- In-country dialogue and a whole of government approach to the implementation process
- Knowledge sharing and learning on countries' experiences with implementing e-commerce initiatives
- Nurturing a community of practice and empower focal points
- Enabling partnerships, and mobilizing technical and financial support



Countries' implementation rates (in%)

■ eT Ready done before June 2019
■ eT Ready done after June 2019



14 countries reviewed

59% overall implementation rate

4 top-performers
Cambodia (92%),
Bhutan, Senegal
and Togo (81%)

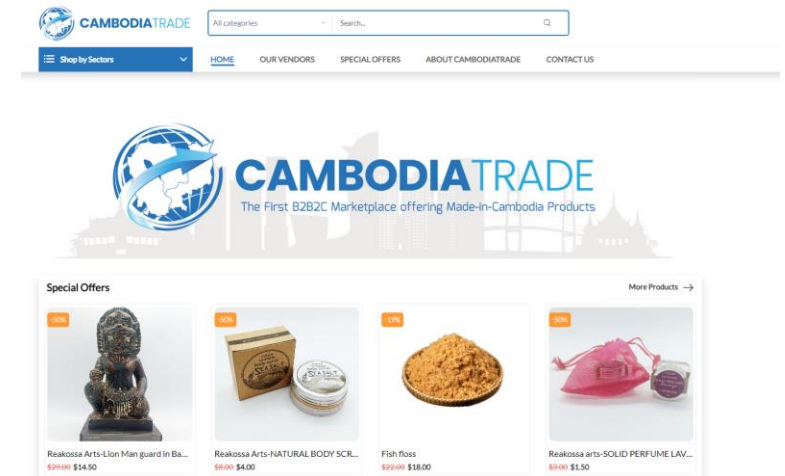
Emerging good implementation practices

Experience from the **top-performers** highlights the importance of:

- ✓ **Strong political leadership** at the Government level exercised by a championing ministry
- ✓ **Stakeholder mobilization and coordination** key to develop national e-commerce strategies/policies
- ✓ **Identification of priorities necessary** for a robust resource mobilization strategy and alignment of development partners' interventions

Country focus: Cambodia

- a **National E-commerce Strategy launched in 2020**. Led by the Ministry of Commerce, with strong involvement by the private sector.
- Partnerships: the Enhanced Integrated Framework (EIF) and the United Nations Development Programme (UNDP) working towards implementing the strategy's recommendations through the "Go4eCam" project, a three year, two-million-dollar initiative to boost domestic and international opportunities for MSMEs through e-commerce.
- The **CambodiaTrade online marketplace** was launched in 2022
- a **Digital Economy and Society Policy Framework 2021-2035**, which sets out a long-term vision to build a vibrant digital economy.
- The country has made strides in digital payments with a **blockchain-based central bank digital currency** and a package of **new laws and regulations aimed at governing e-commerce**



Country focus: Togo



- The eT Ready conducted in 2018 was the **first framework for public-private sector dialogue on e-commerce**, which has since then flourished. The sponsored **Togo eCommerce Week** held in August 2021 is an example of how the Ministry of Trade has nurtured the dialogue with the private sector, to provide impetus for e-commerce enabling initiatives
- **Strengthening the legal framework** on data protection and cybersecurity infrastructure became a top priority in Togo, which led to the adoption of new laws and the establishment of an agency to manage cyberthreats.
- **Connectivity has also benefited from new investments** from the private sector, increased competition and better access to electricity. The telecom regulator has taken a proactive approach to make **Internet more affordable**.
- The national postal operator has also realized the potential of **e-commerce to promote Made-in-Togo products** and established a dedicated marketplace.
- In November 2021, the Ministry of Trade validated a **national e-commerce strategy**, which bodes well for a further coordinated approach to support the fast-growing Togolese e-commerce ecosystem. The Government has also developed a **capacity building project for the development of e-commerce in Togo (ProCET)**

Country focus: Tuvalu



- In Tuvalu, the Government has put in place a system to track progress in eT Ready implementation, identify gaps and coordinate resources mobilization, through the establishment of **Tuvalu's National e-Commerce Committee, which serves as policy coordination body.**
- The Government has **leveraged different types of support from eTrade for all development partners,** ranging from assistance to a national trade development strategy (EIF, UNESCAP), national e-commerce strategy development (PIFS), customs automation (UNCTAD), legal reform (EIF, UNCITRAL, UNCTAD), among others, are all good examples of how Tuvalu embarked on a series of comprehensive e-commerce enabling initiatives, building on the eT Ready implementation process.
- Tuvalu has **acceded to the United Nations Convention on the Use of Electronic Communications in International Contracts (2005)** (the “Electronic Communications Convention”) – it will enter into force in June 2023.
- The **“E-Commerce Tuvalu” social media pages** helps raise awareness on e-commerce topics and initiatives, including through workshops for potential e-commerce businesses.

Country focus: Uganda

- The eT Ready had helped the Government build a **stronger analytical basis for engaging at the regional level** during the development of the East African Community (EAC) e-commerce strategy.
- The eT Ready recommendations contributed to informing **Uganda's decision to drop the "over the top services tax"** that had previously been imposed on social media use.
- It also guided the gap analysis project for ICT Laws, Regulations and Policies that the National Information Technology Authority (NITA-U) carried out in conjunction with the Ministry of ICT and National Guidance, and **it contributed to expediting the passage of a series of laws, such as the Data Protection and Privacy Act in 2019, the National Payment Systems Act in 2020 and the Data Protection Regulations in 2021.**
- The Government has also invested in **promoting local digital content to empower a local network of innovators, start-ups and young entrepreneurs**, whose solutions are developed and commercialized through the National ICT Initiatives Support Programme, part of the Ministry of ICT and National Guidance, through which awards have been granted to a large pool of beneficiaries.
- Following the outbreak of the pandemic, **e-commerce platforms have seen a triple-digit increase in business.**

Ugandan e-commerce platforms power recovery from COVID-19 crisis

28 July 2020

Partnerships with development agencies and government efforts to boost the digital economy are helping soften the economic blow of the pandemic.



A SafeBoda rider and market vendor use the SafeBoda app to deliver food and supplies during the COVID-19 lockdown in Kampala, Uganda. / ©UNCDF

Valuing partnerships for businesses digital transformation

The 'bodaboda' hailing app has evolved into an e-commerce platform, which has boosted sales for hundreds of small traders, benefiting thousands of customers. **SafeBoda's e-commerce platform is the result of a partnership** between the United Nations Capital Development Fund and the Swedish International Development Cooperation Agency, showing the value of public-private cooperation

Source: [UNCTAD](#)

Other examples of countries' actions

- **Bangladesh:** private sector is implementing policy advocacy initiatives focused on empowering women in business to fully participate in the digital economy
- **Vanuatu:** the Single Window team and the National Post of Vanuatu are working together to interface UPU's customs clearance system (CDS) with the existing customs system based on ASYCUDA
- **Zambia:** Continued infrastructural development efforts to raise mobile network coverage rate to 90% of the population