

# DEVELOPMENT DIMENSIONS OF DIGITAL PLATFORMS

UNITED NATIONS  NATIONS UNIES

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**Insights from 4th e-Commerce Week  
by United Nations Conference on  
Trade and Development (UNCTAD)  
April 16 – 20, 2018**



**S.U.Khan Associates**  
Corporate & Legal Consultants

**eCommerce  
Week**

16–20 April 2018  
Palais des Nations, Geneva



# Highlights



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# E-Commerce Week 2018

To equip with the changing business techniques due to E-Commerce and overall Fourth Industrial Revolution, it is necessary to apprise oneself with the global happenings and best practices followed around the world. Moreover, as it is in the evolving phase, everyone must contribute its part by sharing his ideas and thoughts at the forums, where these matters are discussed, and to have an opportunity to know and learn innovation. For this very reason, our firm greatly contributes at such forums through its active participation at local and international level.

Considering the significance and importance, S.U. Khan Associates Corporate & Legal Consultants actively participated in the 4th E-Commerce Week and co-organized a session with UNCTAD titled 'Public-Private Dialogue to Drive E-Commerce' wherein the significance of public-private dialogue for e-commerce development, focusing on lessons learnt, restraints and limitations, and the way forward was the subject matter of discussions. Mr. Saifullah Khan, Managing Partner, S. U. Khan Associates Corporate and Legal Consultants moderated this session. In addition, he also participated and contributed as panelist in various sessions held during the said event. Key takeaways of the 4th E-Commerce Week are briefly discussed in this document, for information of readers.



*The UNCTAD hosted its 4th annual E-Commerce Week during 16–20 April 2018, at the Palais des Nations, in Geneva, Switzerland. The event focused on the role of digital platforms in the evolving digital economy. Digital platforms bring together, aggregate demand and supply in ways that were not possible before, including in geographical areas / service sectors traditionally neglected. This year's theme of the fourth E-Commerce Week was Development Dimensions of Digital Platforms.*



*UNCTAD's E-Commerce Week, now in its fourth edition, is today the leading forum for Ministers, senior government officials, CEOs and other business representatives, international organizations, development banks, academics and civil society to discuss the development opportunities and challenges associated with the evolving digital economy. Under this year's theme i.e. "Development Dimensions of Digital Platforms", the E-Commerce Week 2018 explored the growing role of digital platforms and discussed the possible options to connect these evolving technologies for sustainable development.*



**113**  
Countries  
represented

**50%** Developing countries

**26** Least Developed  
Countries



**387**  
Government  
representatives



**238**  
Private  
sector



**317**  
Civil  
society

The UNCTAD E-Commerce Week 2018 featured a range of events aimed at contributing to the global dialogue on the need to make the development of e-commerce inclusive. This 4th edition of the Week saw the participation of over 1,180 representatives from governments, international organizations, the private sector and civil society from

113 countries. The entire week was successfully implemented thanks to collaboration between UNCTAD and partners for the organization of more than 60 sessions. There were a total of 264 speakers and moderators, of which 41% were women.



**1180+**  
Registered  
Participants  
**60+**  
Sessions



**1** High-level  
dialogue  
**2** Ministerial  
Round Tables



**264**  
Speakers &  
moderators



**41%**  
Women

Highlights of the Week included the High-Level Event on Digital economy for development, Ministerial Round Table: Advancing Women's Digital Opportunities, Ministerial Round Table: Digital Impacts on Sustainable Development, High-level Dialogue: Development Dimensions of Digital Platforms, the release of the 3 new eTrade Readiness Reports for Lao PDR, Liberia and Myanmar, the release of new data

from the 4th Global Survey of Internet User Perception (25 countries), the launch of the regional review of Cyber laws in the Caribbean, and the Geneva Launch of the "National E-Commerce Strategy of Egypt". Another remarkable achievement launched during the eCommerce Week 2018 was "MyeT4a" - A new private collaborative tool to connect.



**21** out of **29**  
partners attending  
**30+** sessions organized



**103**  
Countries  
**23** LDCs

**182**  
Private  
sector  
companies



Dr. Mukhisa Kituyi (Secretary General - UNCTAD) praised the considerable increased participation by the governments, international organizations, the private sector and civil society from countries around the globe as well as number of events at the UNCTAD E-commerce Week this year.



*“How can we find sufficient balance between incentivizing innovators, players, to continue driving inclusion while not sacrificing the responsibility of regulators to keep away illegal commercialization of confidential and personal data, abuse of privacy rules? So, this balancing act becomes our major challenge”.*  
*(Mr. Mukhisa Kituyi - Secretary-General, UNCTAD)*



# Digitalization of Commerce

In recent years, trade policymaking in the areas of digital and data has rapidly evolved. Trade chapters concerning “e-commerce” are now being discussed in terms of “digital trade”. This change in terminology signals an expansion in focus towards regulating a broader set of cross-border digital issues.

The drivers behind the move towards “digital trade” are worth consideration. The most important factor is the rapid expansion of digital technologies, tools, and services globally. As connectivity is expanding across the globe, digital services and data are becoming an integral aspect of economies in areas such as e-commerce and e-government. We are also at the cusp of a whole new set of innovations in areas such as artificial intelligence (AI), cloud computing, digitally-integrated machines, and big data that promise to shape global economies over the coming decades.

Various sessions in the 4th E-commerce Week were focused on Digital economies and digital commerce highlighting the importance of digitalization in trade, commerce and industry and also towards the development of digital economy. The speakers spoke about the advantages and benefits of e-commerce, such as facilitating access to a variety of goods and services online, as well as the challenges related to connectivity, entrepreneurial skills, regulation, and logistics. In a session titled “Digital Trade as if Development Matters”, the panelists discussed that the regulatory environment needs to be adjusted in order for trade to flourish. Laws on consumer protection, data protection and privacy, cybercrime, and intermediary liability are necessary, as well as trade facilitation measures, such as single windows.

In another session “Introduction to the course on Digital Commerce and Emerging Technologies”, the panelists explained that digital economy is growing rapidly and is affected by the introduction of new technologies such as the Internet of Things (IoT), artificial intelligence (AI) and big data. These technologies carry the potential to facilitate and transform the whole business experience. For example, with big data, companies can better analyze competitors’ prices and price trends in real time, whilst AI can help in creating a more personalized customer experience and devise a more efficient sale process.

## eCommerce Week 2018– Key words

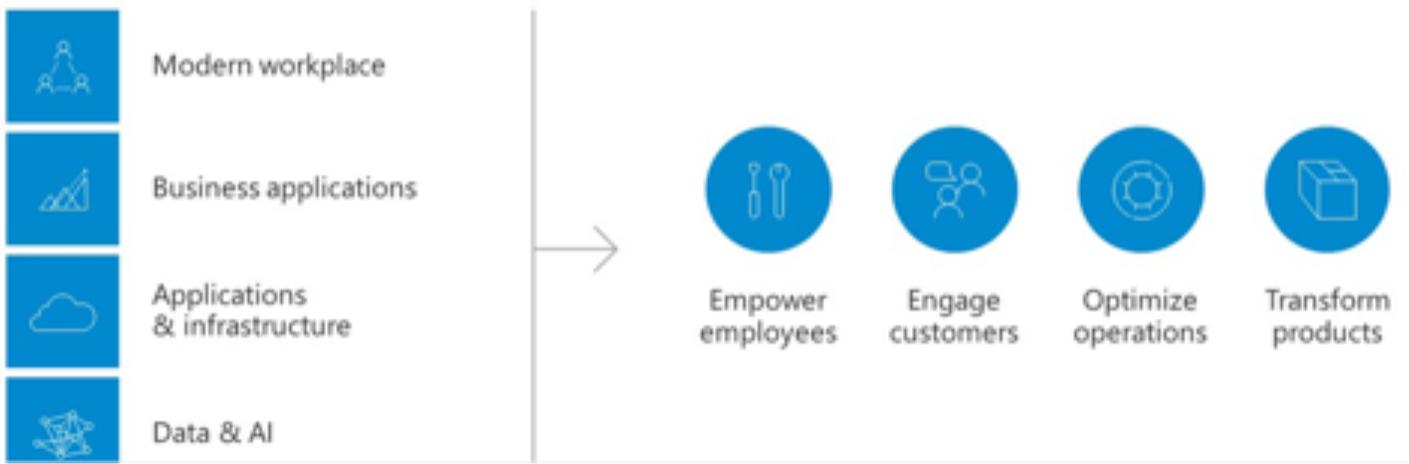
Payments  
Digital skills Platforms  
Trust Digital transformation  
Africa Connectivity LDCs  
Access to capital Employment  
Data Blockchain



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# Enabling Digital Transformation



Companies that had substantially enacted their digital transformation process experienced an average rise of 23% in revenue. 80% of these early adopters expected increased profitability and 85% an increase in market share, as a result (according to Survey of SAP). The speakers at ecommerce week discussed in a session on “An African Digital Structural Transformation” which kinds of national policies are conducive for digital transformation and how technology transfer can best be organized. The panelists stressed the importance of gaining a better understanding of digitalization and how it differs from previous waves of industrialization. They were of the view that countries should develop their own knowledge about digitalization issues and these countries should not solely rely on help from developed countries. The discussions focused on the key elements that need to be taken into account for the development of digital industrial policies in order for Africa to achieve its own digital structural transformation. The Panelists concluded that digital transformation is the key for future survival.

## Country-specific cases for Digital Economy

The attendees of ecommerce week seemed to agree on one point that digitalization drives development and that is why integrating technology in development strategies is imperative for the creation of new employment opportunities. Co-CEO of Jumia Group said that their goal is not to bring companies like Amazon to Africa but to build a platform where more ‘Amazons’ can develop. European strategy towards digital economy for development was discussed and a representative from European Commission said that EU digital strategy calls for the integration of development. This includes creating affordable broadband, teaching digital skills, and bolstering online entrepreneurship.

Officials from the Republic of Korea convened to share their strategies for digitizing tedious government processes in a session titled “Korea’s New e-Government in Today’s Digital Economy”. Korea has launched UNI-PASS, a fully automated customs clearance system and KONEPS, a system that automatically contracts with the private sector for government procurement contracts. The official said that both of these systems took approximately ten years to implement, and the key to their success was that both were launched in phases, giving the private sector time to adjust. Korean government is of the view that there is still much to do to achieve an ‘intelligent government’ informed by artificial intelligence (AI) and block-chain technology.

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## Digital Identity for Digital Economy

The evolution of digital economy requires individuals to be able to assert their identity in order to participate in it, both on national and international level. Furthermore, the sustainable development goals (SDGs) provide the target that all people will be able to obtain a 'legal identity' by 2030 (SDG 16.9). However, nearly 1 billion people are still unable to prove who they are. It must be noted that to achieve this goal, the role of data protection must be reinforced.

United Nations Commission on International Trade Law (UNCITRAL) is also working on legal issues related to Identity Management and Trust Services. A representative of UNCITRAL- panelist in a session on "Digital Identity in a New Era of Data Protection" stated that there are different types of IdM systems: commercial-driver or government- driven; centralized or decentralized. The traditional approach to IdM (witnesses, signatures, and



seals) require a new updated identity management tool. Eventually, it can require government-issued identity credentials based on civil registration and vital statistic registries or designed for other purposes. Another speaker from London addressed the 'GDPR Impact on Digital Identity'. He argued that the EU General Data Protection Regulation (GDPR) is related both to public and private international law and structured his argument analysing the main implications for institutions that design ID systems. The GDPR applies to ID systems and operators especially in international transfers of data. It has to comply with how these data are treated, for what purposes and the mechanisms for protecting the sensitivity of such data. Indeed, the ID system designer needs to consider the GDPR principles before creating system.

## Digitalization may create more divides

During the discussions about digitalization of economy, trade and commerce, one cannot escape the important issue that although digital trade has a huge potential for fostering development, but it could also create more divides between those who are ready for e-trade and those who are not. As a consequence, there is a need for the international community to assist developing countries, especially LDCs.



While discussing the matter of 'Development Dimensions of the Sharing Economy' Mr. Farukh Amil (Ambassador and Permanent Representative of Pakistan to the United Nations) added the importance of education to the conversation. In order to ensure high service quality, Mr. Amil apprised the audience that service providers and intermediaries must be well-versed in their trades and in customer service.

## Digitalization and Services

International trade in services is growing globally with the increased availability of information and communication technologies (ICTs). The panelists discussed in a session on “Measuring Exports of Digitally Delivered Services” that remotely delivered services represent a new area for data collection. Analysis revealed that main trading blocks for digitally enabled services are Europe, Asia-Pacific, and Latin America. Currently, efforts are underway to develop exploratory estimates on modes of supply (ranking by mode of services supplied and received by the US), as well as adequate definitions of digital economy, including digitally-enabled infrastructure, e-commerce and digital media. The digital economy represented 6.5% (1,209.2 billion USD) of the total GDP in 2016, growing at an annual rate of 5.6 %. The next step is to start measuring the contribution of digital platforms to the GDP, as well as refining the e-commerce indicators, planned for the near future.

S.U.Khan Associates believes that digital technologies have spread rapidly in much of the world but the development benefits from using these technologies—have lagged behind. In many instances, digital technologies have boosted growth, expanded opportunities, and improved service delivery. Yet their aggregate impact has fallen short and is unevenly distributed. For digital technologies to benefit everyone-everywhere requires closing the remaining digital divide, especially in internet access, but greater digital adoption will not be enough. To get the most out of the digital revolution, countries also need to work on the strengthening regulations that ensure competition among businesses, on adapting workers’ skills to the demands of the new economy, and on ensuring that institutions are accountable.



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# PERVASIVENESS OF ONLINE PLATFORMS

According to the theme of UNCTAD's 4th Ecommerce Week, various sessions were framed to discuss the opportunities and challenges provided by digital platforms. The panelists highlighted the pervasiveness of online platforms in today's economy, and the need for more critical discussion about their role in developing countries. There exists a number of questions that need to be properly addressed, related to the business models of e-commerce platforms, their effects on competition and rule-setting, the shortcomings of social media platforms as marketplaces, possible alternatives to large e-commerce platforms, and the integration of emerging technologies and their effects on MSMEs.

## **Platforms & MSMEs**

In a session titled "Platform based E-commerce: What is at stake", the panelists explained that e-commerce platforms mitigate some of the specific challenges phased by those living in rural areas, which are difficult to access, sparsely populated, and are often characterized

by low levels of infrastructure, capacity, and resources. E-commerce helps companies to move out of the box, and while the traditional limitations vanish, companies now face the challenge of becoming visible in the crowd of thousands of online enterprises. In order to be seen, you need to either be tall (e.g. have a great product or resources) or to get a ladder (learn to use tools, such as search engines, platforms, and social media). In this sense, online platforms can be seen as a ladder for MSMEs to be able to access the international market.

While there is a clear interest for MSMEs to play a more meaningful role in cross-border commerce, they are often still lagging behind. MSMEs from developing countries are often not eligible to register with a platform: platforms can impose restrictions related to the country of origin of the seller, the size of the business, and the bank account and currency used by the seller. On top of that, there are additional bottlenecks related to documentation requirements, cross-border product restrictions, poor infrastructure, and a lack of

consumer trust depending on the origin of the seller. To mitigate these challenges, panelists suggested that MSMEs could create their own websites, or rely on social media or regional platforms, although it should be noted that these alternatives generate their own constraints and challenges as well.

While discussing the benefits of e-commerce and digital platforms, the speakers also added that e-commerce is not a 'one-size-fits-all' solution but that it adjusts to needs and comparative advantages, and these can only be captured by analyzing reliable data. In a session on "What sells in E-commerce: New Evidence from Asian LDCs", a speaker discussed the result of a survey that was conducted in order to understand how SMEs could better target potential markets and clients. The study found that the participation of SMEs in cross-border e-commerce is increasing, with the number of sellers growing

by more than 30% in one year in the countries that were analyzed. While there are certain similarities with traditional trade – similar products are traded and the largest export markets continue to be the United States, China, and India – there are also a number of notable differences. E-commerce focuses on processed products that are ready for consumption and allows for a greater diversification of exported products. The products are also generally of higher value, and new destinations have emerged aside from the three largest export markets, especially among Asian countries.

Minister from Bangladesh shared the experience of his country in making the transition to e-trade. He explained that Bangladesh has started to adopt a digital strategy in order to provide better government services through the internet. The panelists concluded that the move to e-commerce is ultimately 'unavoidable'.

*Establishment of platforms is growing at a rate of 70-90% year-on-year in developing nations, but usage of these platforms lags far behind. To induce SMEs to take more advantage of platforms, there is need for policy in the digital privacy, payment processing, physical infrastructure, logistics / facilitation, finance, and export protection spaces to encourage more adoption.*

*Ms. Kati Suominen, Founder and CEO of Nextrade Group*



### Impact of online platforms

Mr. Saifullah Khan also shared his views about online platforms as panelist in a session titled "What is the economic and social impact of online platforms?" and emphasized the need for more female entrepreneurs in the space. He added that the unprecedented changes in technology and competition in recent decades – and especially the ways in which the Internet has enabled convergence within the digital economy – there is a compelling argument that the policy and regulatory framework governing the digital services ecosystem requires a careful review to ensure that policies and regulations remain relevant.

Panelists further discussed that the need for careful and fact-based review is especially evident in areas related to fast-changing and emerging technology. As new technologies spawn new services and business models, one should consider whether such innovations need to be regulated, and if so how. To optimize the interests of consumer protection and innovation, existing models of sectoral regulation should be evaluated for relevance and appropriateness before being applied. Few panelists were of the view that there is a need to modernize the regulatory framework, though it may be argued that regulatory framework is already existent, but now the time is to modernize the regulations to cope with the trends and challenges in e-Commerce.



Precarious working conditions and long working hours in the platforms job was also a main topic under discussion. Speakers mentioned that governments and labour unions know little about these problems, noting that it is necessary to develop standards and some certification for well-behaved platforms to encourage platforms to live up to their moral responsibilities. These discussions were made during the session on 'Developing Principles of Fair Online Platform Work'.

**E-commerce has to be seen as an inevitable phenomenon that is currently unfolding. It is considered that one challenge comes with the fact that this happening faster than ever.**

A High Level Dialogue was arranged in ecommerce week to discuss Development Dimensions of Digital Platforms that featured an interactive discussion with thought leaders from governments, international organizations, the private sector and academia. Mr. Kituyi participated in the discussion and stated that we are currently confronted with a challenge, namely the growing importance of the digital economy for any business that is trying to penetrate a new market or struggling in the competition with another big enterprise. He concluded by affirming that commerce is nowadays driven by aggregation of data and those actors who do not take part to it are in difficulty. Another panelist highlighted the existing problems with platforms including platforms have a tendency to monopolize. This is because the more people use them, the more they appear reliable and this leads to a 'winner-takes-it-all' scenario. Second, platforms create significant amounts of data, and, consequently they are able to beat competitors that do not have access to such information. Third, platforms lead to path dependency: they also attract different businesses that in the end tend to adapt to a specific platform's business model.



*Two ministerial roundtables were arranged in ecommerce week to discuss two very significant issues related to E-Commerce and Digitalization:*



# MINISTERIAL ROUNDTABLES

- *Advancing Women's Digital Opportunities*
- *Digital Impacts on Sustainable Development*

Pakistan's Minister of State for IT and Telecom Ms. Anusha Rehman participated in the session on 'Advancing Women's Digital Opportunities' and shared that lack of will creates the main roadblock to women's digital empowerment. She added that the experience of the ICT for Girls project in Pakistan exemplifies the power of determination. "In my 150 women empowerment centers across the country, there were girls who traveled two hours from their home to enable themselves to learn coding and cloud computing because their parents wanted them to do so," she said.

Other speakers during the session apprised the audience that the digital gap is wide. Compared to men, around 250 million fewer women are online and, unfortunately, the divide has been growing, not shrinking. While efforts to plug the gap are needed, equal attention must be given to help girls and women navigate the new opportunities once they're connected to the internet, otherwise they'll not be able to compete in the digital economy. Speaking on the

occasion the UNCTAD Deputy-Secretary General Isabelle Durant told delegates – that "the digital world is not an ideal one. Yes, it offers opportunities, but this is a world with on-going competition, often vicious competition."

This Ministerial Roundtable explored how digitalization can help empower women as entrepreneurs, traders, workers and professionals, and identified in which areas digital inequalities remain gender-biased, paying particular attention to the situation in developing and least developed countries. Equal opportunities unleash the capabilities of all individuals, while promoting inclusive growth and poverty reduction. The girls of this world face similar issues in many countries, and constructive dialogue is needed at all levels to devise inclusive solutions. Of course, every country has their own dynamics. For instance, Pakistan started treating crimes against girls as cyber terrorism in 2016. In Sweden, where gender equality is a priority, equal parental leave has been granted to parents.



*“In my 150 women empowerment centers across the country, there were girls who traveled two hours from their home to enable themselves to learn coding and cloud computing because their parents wanted them to do so,”*



“

*the digital world is not an ideal one. Yes, it offers opportunities, but this is a world with on-going competition, often vicious competition.*

”





*A large population of women who are literate, use digital devices and the internet, are primarily using it for socializing and not for e-Commerce.*



Mr. Saifullah Khan also contributed in this session and apprised the audience that one policy for all will not work. Reason being, a large population of women who are literate, use digital devices and the internet, are primarily using it for socializing and not for e-Commerce. On the other hand, a large segment of women population is not literate at all and obviously cannot use ICT. Additionally, there is a segment of women who is literate but do not use digital devices for going online. Therefore, it is required to divide women into different groups / clusters keeping in view their capacity and probability of getting into digital economy and make policies accordingly. In this regard, he also suggested the 4A's Approach for bridging the gender digital divide which are Access to ICT services, Awareness about opportunities provided by digital world, Aptitude to harness such opportunities and application of ICT across the activities.

Ms. Anna Nesterova in her speech noted that in the digital economy, women should be able to use all modern tools for personal and professional development, exchange of experience in doing business in the digital economy, attracting socially responsible investments for their projects. Despite the globalization of the economy, most women entrepreneurs do not have the opportunity to enter global markets. She stressed the importance of retransfer of successful stories of women's business in international trade. It is especially important, in her opinion, to transfer successful experience to small and medium-sized enterprises.



Ministerial Roundtable also concentrated on the ‘Digital Impacts on Sustainable Development’. This session addressed the impact and role of digitization for the achieving of the sustainable development goals (SDGs). The speakers considered that the world is increasingly affected by the use of digital platforms which has created new opportunities as well as posing some challenges, especially considering that the persistence of digital divides heightens the risk of worsening the inequalities. The session focused on efforts at the local and global levels to ensure that ‘the evolving digital economy brings about the inclusive future we want’.



*“Many women already offer products but don’t know how to go online and use a platform”.*

*Daniela Zehentner-Capell,  
Federal Ministry for Economic  
Cooperation and Development, Germany*



Dr. Mukhisa Kituyi (Secretary General - UNCTAD) officially opened the session by considering that the digital economy is evolving rapidly thus creating job opportunities. It is up to government leaders to create a digital environment that can benefit all sections of society at large. He highlighted that, in accordance with the Istanbul Declaration and Programme of Action (IPoA), it is the governments' task to encourage activity online and ensure an inclusive digital environment for all sections of society. Mr. Kituyi also warned against the risks and abuses of digital platforms that can turn out to be monopolies misusing users' data. He concluded by considering three possible ways-forward: a closer look at the areas in which inclusivity needs to be maximized; upgrade information and communication technology (ICT) skills for students and teachers, and finding innovative financing solutions. Ministers from Cambodia,

Senegal, Liberia, Uganda and representatives from other countries and international organizations also spoke about digital impacts on sustainable development.

Speakers argued that ecommerce is a 'vehicle for sustainable development' as it offers important opportunities for small companies already limited by poor infrastructure. They stressed on government's role in developing and implementing targeted policies, allowing for entrepreneurship and creativity to flourish. According to them, Governments should focus on the creation of the right institutional framework enabling the development of digital policies and should also invest significantly in infrastructure development including transportation services, availability of internet and mostly education.

Mr. Ricardo Melendez Ortiz (Chief Executive Officer, International Centre for Trade and Sustainable Development (ICTSD) concluded the session by considering the importance of the international community's support in targeting existing digital divides. He considered that due to the particular nature of digitization (which combines big data and artificial intelligence), a combined approach of national and international action is needed in order to achieve the ambitious 2030 development agenda.



*Due to the particular nature of digitization (which combines big data and artificial intelligence), a combined approach of national and international action is needed in order to achieve the ambitious 2030 development agenda.*



*Stressed the importance of the right balance between power and innovation and responsibility (e.g. Consumer protection). Governments should also include digital platforms when discussing the digital economy and in particular to:*

- *Listen to the business sector and practitioner's view;*
- *Develop public and transparent policies;*
- *Assure legal certainty through the creation of specific regulations.*

*Mr. Daniel Crosby, Partner at King and Spalding*



Down-playing the traditional view of e-commerce and questioning the relevance of online shopping statistics does not detract from its influence across industries. The true implications of e-commerce are far less quantifiable, but far more wide-reaching than any statistics could do justice to. The single most significant factor of e-commerce is that it has dramatically changed consumer expectations. But at

the same time, it has also destroyed the last vestiges of traditional customer loyalty and today's consumers are far more unrestrained than those from a pre-digital age. The good news for sellers is that they are as pre-disposed as ever to part with their cash. The bad news is that what they expect in return is far more demanding – and if they fall short, the shopper will just turn to a competitor instead.

# Cross Border Digital Trade



*The rise of online businesses has given rise to the 'anything, anytime, anywhere' on-demand consumer and the bar of expectation is higher than ever before.*



Cross border digital trade or international e-commerce was one of the focused area that remained under consideration during the fourth e-commerce week. The discussions revolved around challenges in making and receiving digital payments, and how these challenges hinder entrepreneurship in many emerging economies. Representatives from top international financial organizations and payment platforms spoke about how this impacts e-commerce and development.



The ability to make and receive payments is critical to be able to participate in the e-commerce marketplace. While significant effort is rightly focused on ensuring financial inclusion, in order to have a domestic account for payments, international payments are also critical to create a global marketplace. In addition, while it is often possible for customers to sign up to buy using international platforms such as PayPal or Google Play, it is harder for vendors to sign up to sell on those platforms in many emerging countries. At least part of the problem comes from increased obligations on financial institutions for transparency and requirements to 'know your customer' before sending international payments, and the resulting trend for banks to 'de-risk' by ending financial relationships in a number of countries. Participants of the fourth e-commerce week were also of the view that fragmentation of payment systems around the world hurts SMEs that want to conduct cross-border business. The discussions was made in a session titled 'How to Overcome Barriers in Cross-Border Digital Payments'.

It has also been discussed in a session on 'Consumer Trust in Cross-Border E-Commerce' that cross border e-commerce has the potential to increase market access for producers and increase choice for consumers, but it can be difficult for consumers to trust traders who operate under different rules and regulations. Cross border e-commerce is growing, but in most regions, it continues to be a small proportion of total e-commerce.



On 19th April 2018, NetComm Suisse, the Swiss Association of e-Commerce, co-hosted a session with UNCTAD, the very first Global Meeting of e-Commerce Associations. The focus was on how to better benefit from closer relations among nations and get precious insights from different cultures. For the occasion, a panel discussed the role that e-commerce associations can play in developing the digital sales channel, both nationally and internationally. As major takeaways all the participants agreed on:

- the need to share knowledge and experience among national associations to foster the development of cross-border e-Commerce
- the importance of working towards the creation of a Global e-Commerce Association
- the opportunity of lobbying in favour of international e-Commerce standards



*"I see e-commerce as inevitable and increasingly pervasive. We can avoid distortions, but only if we do not cross arms. We must make sure this phenomenon leads to inclusive development. The reality is that the regulatory environment is not keeping up, that it's critical to maximize the benefits to society and minimize the risks."*

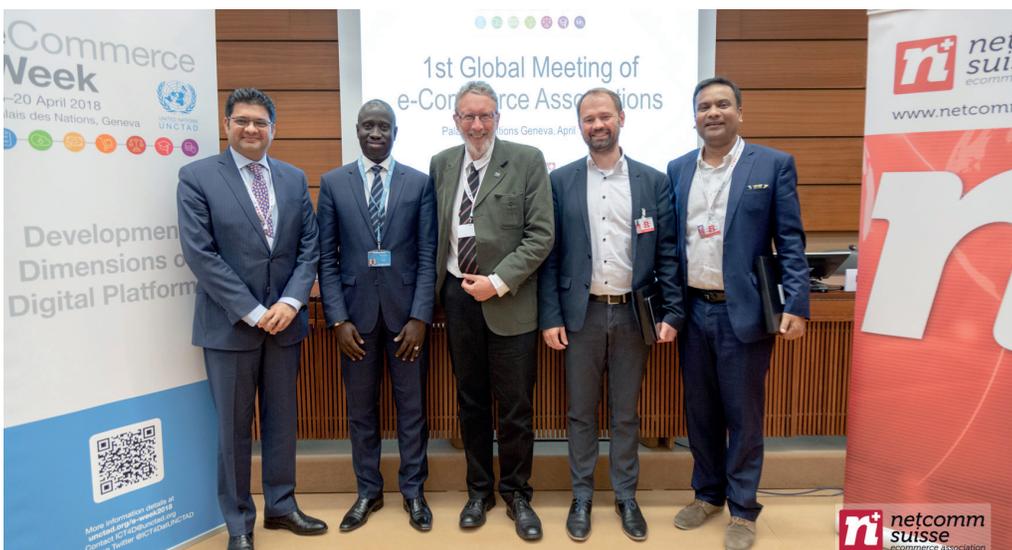
*(Roberto Azevêdo,  
Director General of World Trade Organization)*





Mr. Torbjörn Fredriksson (Chief ICT Policy Section - UNCTAD) gave the welcoming remarks, beginning with how digitalization is changing all economies at different speeds around the world. He raised questions about the rapid increase of e-commerce in developing countries such as: 'How will these countries have their data protected when there are no laws in place?'. Alongside NetComm Suisse, participants included European organizations such as Ecommerce Europe and Ecommerce Foundation; the national e-Commerce associations from Brazil, Macedonia, Czech Republic, Romania and Bangladesh; Ecommerce Forum of Africa and the African Ecommerce Performance Institute; and specialist organizations such as Taxmen, Retail Excellence, and DutyPay.

Mr. Saifullah Khan highlighted the importance of understanding cultures. He said globalization of technology is at its finest, but e-commerce is in the early stages in many economies. Mr. Khan suggested conducting regional studies to test the responsiveness to digitalization in different cultures. He concluded that shared policy frameworks should address different cultures and issues to create an equalized digital jurisdiction.





Many people perceive the terms block-chain and cryptocurrencies as synonyms when in fact there's much more to technology than just a payment option. Although Bitcoin and Ethereum were the first applications of block-chain, but it's true potential is yet to be unleashed. A few potential benefits of block-chain that may change the world include decentralized internet, smart contracts, decentralized cloud storage, encrypted messages, proof of ownership, authenticated voting and real estate etc.

The implementation of block-chain and cryptocurrencies offer solutions to many challenges to development and trade. Block-chain use for data harvesting and analysis enables us to uncover truths about the world we live in and create more accurate responses to trade phenomena we witness. By creating unforgeable digital contracts that are near-impossibly hacked, accountability also is held in place with new technologies. The discussion in ecommerce week mainly focused a question whether block-chain can be leveraged as a tool by developing economies to access world market.

# Block-Chain Technology

Speakers discussed that different block-chain technologies vary in their vulnerability, robustness, cost, speed and ability to scale up, and the degree of privacy they enable. In the context of trade, the creation of 'smart contracts' might be the most valuable block-chain application, as they are immutable, verifiable, allow for automated reconciliation, can trace digital assets, and can be linked with goods. In this context, UN Centre for Trade Facilitation and Electronic Business UN/CEFACT is drafting two white papers on how such technology can best be used by governments. These papers will address the standards that are needed for block-chain, and its application, in trade facilitation processes.

Organizations can also use block-chain technology in their business processes particularly supply chain management, as it can improve the immutability and traceability of documents. A speaker presented two cases about the use of block-chain technology, quality certification and shipping documents. According to him, the real value of block-chain is not how it is used within a company, but how it can foster collaboration across the entire supply chain network. To capture this potential, it is important to start with internal education on, and awareness of, how to apply block-chain properly to the needs of the organization.





World Food Programme (WFP) presented a pilot project by WFP to improve food security for refugees, using block-chain applications. A Speaker also presented block-chain solutions for the energy industry. To maximize potential of block-chain in energy sector, he recommended the creation of standards, the improvement of software to allow for decentralization, and the use of digital tokens to track the flow of assets through the economy. Another speaker from Australia explained how block-chain may facilitate innovation in invoice financing. He explained that in searching for a solution to improve e-invoicing – which is often challenged by the lack of trust between the invoicing parties – the Australian government is considering the use of block chain. This would reduce the risks faced by lenders, and could result in material benefits for small businesses, especially if the lending community were to reduce their rates on the basis of risk reduction. Regulators will have to play an important role in setting standards, creating a registry, and providing identity integrity.

*The real value of block-chain is not how it is used within a company, but how it can foster collaboration across the entire supply chain network. To capture this potential, it is important to start with internal education on, and awareness of, how to apply block-chain properly to the needs of the organization.*

Another very important topic that was also much debated during this year's World Economic Forum meeting in January was skill development or re-skilling of work-force. Discussions during various sessions underlined the importance of ecommerce skills development. However, one session titled "Understanding into Action: E-commerce Skills Development for Africa's Entrepreneurs" had focused discussion on this very imperative topic. The session highlighted key problems that prevent businesses from engaging in online cross-border trade. These include a lack of awareness of the opportunities, understanding how to prioritize, and expertise to implement e-commerce strategies. This expertise is not only needed for the SMEs themselves, but throughout the entire ecosystem, including governments and intermediaries. A number of different skills were identified related to personal qualities – business, internationalization, and e-commerce – and explained that 90% of these skills can be taught or self-learned, although no one person can master all of these competencies at once. The panelists called for the need for capacity building programs and encouraged knowledge sharing to stimulate a digital culture.

# E-commerce Skills Development





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*E-commerce comes with challenges including skills gaps, affordability and the availability of IT infrastructures. We must address these in order to fully reap the benefits that e-commerce promises*

*Ms. Amelia Kyambadde, Minister of Trade, Industry and Cooperatives, Uganda*

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The Intergovernmental Group of Experts (IGE) on E-commerce and the Digital Economy was held in conjunction with the UNCTAD E-Commerce Week. Participants included experts from national governments, civil society, the private sector and academia, with relevant expertise according to specific topics and themes.

The policy focus of the IGE is to strengthen the development dimension of e-commerce and the digital economy to identify ways and measures to enhance the development gains from e-commerce. This involves discussions on possible opportunities from e-commerce and

digital economy as well as how to deal with associated challenges and risks. The topics of discussions included fostering local platforms for domestic and cross-border e-commerce, barriers related to international e-commerce platforms that developing countries, including the least developed countries, face and how can these barriers be overcome, operational constraints that small and medium-sized businesses in developing countries face when setting up trade online, and how can they be overcome, good practices that developed and developing countries, including the least developed countries, can learn from each other.

# Intergovernmental Group of Experts on E-commerce and the Digital Economy

The first informal substantive session of the meeting was dedicated to the role of digital platforms in e-commerce and development. The second informal substantive session of the meeting zoomed in on the e-commerce dimension of platforms. The subject under discussion was how to foster local platforms in developing countries for domestic and cross-border e-commerce? From the open plenary discussions, it was concluded that three issues seem to be a priority: (1) Regulatory frameworks are an issue of general concern; (2) More work needs to be done in measuring e-commerce and collecting statistics; (C) There needs to be more support for readiness assessments for least developed countries (LDCs) and other developing countries.





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*"If we consider data to be the new oil then digital platforms are the new oil rigs as they aim at gaining as much data as possible".*

*Nick Srnicek (Lecturer in Digital Economy at Kings College – London)*

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A lecturer in digital economy from London proposed classification of different types of platforms. According to him, the advertising-based revenue model of platforms is under scrutiny, due to privacy issue. The lean platform model such as Uber and Airbnb, do not own resources (e.g. cars or real estate). They are not profitable but have been sustainable so far because venture capital is financing them but they will not be sustainable in the long run. A sign of that is that Uber is buying cars, and Airbnb is opening branded buildings. He called attention to the rising number of mergers and acquisitions. This new reality requires the updating of policies relating to competition, industrial, trade, and privacy.

The speakers also talked about the conditions of digital work facilitated by platforms and suggested that strategies could be put in place to try to foster better and fairer work conditions in online platforms, based on regulation, co-operative strategies, and collective bargaining. They proposed state investment, regional investment, and international investment in developing country start-up platforms, many of which are not profitable. They also highlighted the importance of having cybersecurity and data protection by design noting that data localization is an important policy instrument to make some of the data stay within the country, generating revenue and benefits there. Countries have legitimate interests in preventing some online platform to enter their market in order to foster national start-ups.



Globalization is a multidimensional phenomenon – the interconnectedness, interdependence and integration of cultures, markets and individuals. The emergence and growth of the global net of diverse national economies has brought new perspectives and prosperity to countries, companies and citizens. Despite all connectedness and convergence, the world remains diverse. And that diversity is a major source of creativity; it drives innovation and progress, growth and prosperity. Connections and interactions within and among groups with a multitude of races, ethnicities and genders orientations are driving creativity and innovation in companies and across geographies. Competition makes us focus and keeps us contributing to economic growth. However, diversity and competition are also leading to anxiety and conflict. There is a need to strike the right balance between growth and prosperity on the one hand and preservation and protection on the other. What are the specific roles governments, businesses and resources play in this respect?

## Significance of Dialogue for going global

# E-Commerce Development



S.U.Khan Associates Corporate & Legal Consultants, co-organized a session with UNCTAD at the 4th E-Commerce Week, addressing the issue of Public Private Dialogue to Drive E-commerce. This session addressed the importance of public-private dialogue for e-commerce developments, focusing on lessons learnt, restraints and limitations, and the way forward. Introducing the session, the moderator Mr. Saifullah Khan, underscored that e-commerce is here to stay, providing risks and opportunities for businesses, consumers, societies, and governments: 'No one can escape from the discussion', making public-private dialogue essential.

Panel of the session was comprised of public as well as private sector representatives from different countries working in diverse areas related to e-commerce. The Panelists include Dr. Tauqir Shah (Ambassador / Permanent Representative of Pakistan to the WTO), Mr. Nicholas C. Niggli (Director General, Republic and State of Geneva), Mr. Boris Kim (Chairman of QIWI PLC, (NASDAQ - QIWI), and the executive director of the Russian FinTech Association), Dr. Roxana Radu (Geneva Internet Platform Manager, Internet Governance Associate at Diplo Foundation), Mr. Nasser Saleh (CEO & Founder of MadfoatCom company (ePayments company in Jordan) with more than 20 years of experience in IT, banking and consultancy) and Ms. Maria Ptashkina (Fellow at International Center for Trade and Sustainable Development).



The participants of the session explained that the e-commerce provides huge opportunities, but without the right ecosystem, skills, policies, and regulatory framework, e-commerce can be a Trojan horse for developing countries. Therefore, it is important for negotiators at the WTO from all countries to positively engage and to put development at the centre of e-commerce discussions. Moreover, due to the multi-stakeholder nature of e-commerce, there is a need for a genuine, engaged, public-private partnership dialogue that includes the voice of consumers and civil society, as well as businesses.

One of the panelist highlighted the significant growth of e-commerce, even in places with poor connectivity, logistics, and payment systems, and pointed at the enormous potential when technology improves to eliminate current obstacles to e-commerce. Reminding participants of the four billion people who are not yet connected to the Internet, the question of how to avoid a digital divide, not only across, but also within countries, was also raised and how to promote small and medium enterprises (SMEs) to 'get into this game', avoiding the domination of a few giant players in the digital economy.

The panelists focused on the critical importance of knowledge and trust to be able to drive e-commerce. Knowledge is not only needed in the form of individual e-commerce skills, but also to promote an understanding of e-commerce among decision makers who are negotiating the principles of the digital economy for the next generations. It was also noted that customer experience is the key driver of e-commerce. E-commerce flourishes when there is an understanding of consumer behavior. The panelists also highlighted some of the developments in emerging technology which are likely to play a large role in FinTech, including block chain, open banking, artificial intelligence, and big data. The participants shared their experiences and innovations in their respective markets to apprise the audience with the best practices.

**'Public-Private partnership for e-commerce development is a must, not an option anymore.'**

The panelists explained that while regulation should be driving e-commerce, it is often lagging behind. Trade-facilitation agreements and a growing number of regional trade agreements have started to make explicit references to e-commerce, and the scope of these provisions is increasing. The private sector can help the public sector in better understanding the advantages and constraints that businesses face in cross-border e-commerce. The panelist concluded the discussion by explaining that 'the future is digital', and we need to ensure that it is inclusive and common, rather than fragmented and divided.



# Participation of Business for eTrade Development (B4ETD) in Ecommerce Week

Business for eTrade Development was launched in 2017 alongside the UNCTAD-led eTrade for All initiative as the premier private sector voice to help developing country governments, international agencies, and leading donors optimize public policies and aid allocations for ecommerce development and cross-border ecommerce worldwide. Business for eTrade Development and its founding contributors and members are proven thought leaders in ecommerce development. The members showed up in great numbers at e-Commerce Week, and organized several panels to bring business insight into ecommerce policy and development debates:

E-Commerce and Women Empowerment in Developing Countries  
Organized by Bangladesh Association of Software and Information Services (BASIS)

Public Private Dialogue to Drive E-commerce  
Organized by: S.U. Khan Associates, Corporate and Legal Consultants

E-commerce and Developing Nations: Opportunities for Growth and Challenges  
Organized by: Global Express Association

New Data and Best Practice Policy Ideas for Inclusive Online Commerce  
Organized by: Huawei, eBay, Nextrade Group



E-commerce – a Tool for a Connected Economy

Organized by: European eCommerce and Omni-Channel Trade Association (EMOTA)

Businesses participate in Business for eTrade as a means to give back – such as join policy dialogues to shape ecommerce policy and development. S.U. Khan Associates, Corporate and Legal Consultants, Global Express Shippers Association, and King & Spalding sponsored cocktails and lunches.

Business for e-trade Development works in all seven areas critical for e-commerce to work – IT infrastructures, logistics, online payments, e-commerce and digital regulations, e-skills, access to finance and e-commerce strategies. S.U.Khan Associates is one of the contributors of “Business for e-trade Development” for the achievement of its goals and objectives.



The UNCTAD E-Commerce Week has paved a greater opportunity for information sharing, agenda-setting, and networking. The annual event has been able to attract and gather a multifaced audience of governments, international organizations, business representatives, academics, and civil society. In particular, the second meeting of the Intergovernmental Group of Experts on E-commerce and the Digital Economy showcased active participation of governments.

E-commerce is an evolving and rapidly-growing discipline. Policy making in this area requires accurate and reliable information

covering certain important aspects like data on cross border flows, elements that could boost consumer trust, the products that sell more easily in certain regions, and the concrete gaps that countries need to fill when it comes to developing their e-commerce readiness strategies. Development of e-commerce requires a certain set of enabling conditions, such as, the need to strengthen the digital aspects of the Trade Facilitation strategy, to overcome cross-border barriers to digital payments, and the adoption of concrete measures to support small and medium enterprises (SMEs), while fostering trust in cross-border trade.

# Summarising the Discussions

The predominant theme of the e-commerce week being 'Development dimensions of digital platforms', therefore several sessions were planned and successfully organized focusing discussions on the economic and social impact of online platforms. A few of them discussed the interaction between SMEs and platforms, some had the focus on the platform-centred job market and the standards that need to be observed for fair work conditions to be achieved. The high-level ministerial dialogue discussed the effects that a platform based economy could have on future developments.

Intergovernmental Group of Experts on E-commerce and the Digital Economy meeting happened to be an opportunity for knowledge-sharing among governments, academics, and business representatives. Deliberations included matters like the revenue model of online platforms and the precarious work conditions of the labour force joining the online job market. The meeting observed that updating of policies relating to competition, industrial, trade, and privacy are required to provide for an enabling environment for e-commerce development.

The sessions also identified barriers to accessing global e-commerce and possible ways to overcome them, the importance of public-private partnerships, the need for breaking down barriers to cross-border trade, and the elimination of operational constraints, and detailed best practices for e-commerce adoption in the developing world. In addition, how women can be engaged in the digital world also remained an important topic to discuss. Country-specific approaches towards digital transformation presented good examples for the developing countries to adopt the same strategies and get transformed to keep pace with international happenings in the area of digitalization.

The week fairly observed that e-commerce is a multidimensional issue and can best be addressed through Public-Private Partnership model across the globe. The role of business in protecting online consumers was discussed, as well as the need to introduce consumers' interests and concerns in trade negotiations, especially in a context in which users' data becomes an increasingly valuable asset.

The sessions also highlighted challenges that oppose free flow of data and that possibly pose to development of e-commerce. As data is the new oil, then it should not be given away for free by developing countries to large foreign corporations. Further, the adverse pros and cons of provisions aiming to forbid the mandatory disclosure of software source-codes – on fields as varied as national security, public safety, and food production – were analyzed.

New technologies and tech-based business processes have an effective and vital role in supporting e-commerce, for instance, use of block chain to enhance trade facilitation. Many sessions opined the need to strengthen capacity building efforts, in general, and in particular to improve the skills necessary to boost entrepreneurship in developing countries.





S.U.Khan Associates have quite deeply observed the discussions and thoughts of experts from public & private sector during the 4th e-Commerce Week, it may be recalled that these participants were from 113 countries of the globe. The participants may vary as to language, race, region and economy but they all have a consensus that e-commerce and Industry 4.0 (the 4th Industrial Revolution) is the future not only for trade but for social and developmental aspects of the world.

### **New and Emerging Concepts:**

The following are the key now concepts which will surely going to change the business processes of today to actually reap the Industry 4.0:

- Artificial intelligence and machine learning
- Internet of things and connected devices

# CONVERGENCE OF GLOBAL TRADE TO E-COMMERCE & FOURTH INDUSTRIAL REVOLUTION: ARE WE READY TO EMBRACE THE CHANGE?

- Block Chain and distributed ledger technology
- Digital trade and cross-border data flows

### **Readiness Assessment:**

We understand that businesses must now study & evaluate their readiness to match the pace with this exponential growth towards the Industry 4.0. The businesses can assess their readiness through (what we describe) an SSTT approach:

- **Social Impact:** Industry 4.0 will lead to more social and economic equality and stability, technology is an equalizer that will provide more access to education, jobs and financing across different geographies and social groups.
- **Strategy:** Industry 4.0 offers great opportunities for innovation well beyond products and services that may require a new set of

approaches in areas such as talent, cyber risk and competitive disruption. These are the areas where Industry 4.0 applications can help deliver continuous learning, tap new sources of talent, reach underserved markets, offer predictive tools to help improve processes and reduce risk, connect supply chains, create new ecosystems, enable more agile systems that can adapt and respond to changes in real time.

- **Talent and Work Force:** Businesses need to create work force for the Industry 4.0, complete (or) drastic rethinking & changes are required in education/vocational training systems, the skills required now will evolve much more rapidly, the existing work force needs to be trained to acquire the Industry 4.0 compatible skills.
- **Technology:** Industry 4.0 means the ability to adopt and integrate

*The participants may vary as to language, race, region and economy but they all have a consensus that e-commerce and Industry 4.0 (the 4th Industrial Revolution) is the future not only for trade but for social and developmental aspects of the world.*



digital and physical technologies to improve operations, become more productive, grow and innovate. Full transformational potential of Industry 4.0 requires taking a broader prospective about how to use smart and connected technologies.

Once a readiness assessment is done, based upon its findings the businesses then need to have an immediate, intermediate and long-term action plan cum strategy with measurable & achievable tangible targets, continuous monitoring & evaluation of each set of targets to bring harmony and continuous improvement & efficiency of the said action plan.



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