

SUMMARIES OF THE WORKSHOP ON E-COMMERCE, DEVELOPMENT AND SMES
8 and 9 April 2013

A) International Organizations Session:

Mr Shanker Das Bairagi, Ambassador of Nepal and LDC Group Coordinator

Madame Chair please allow me to deliver a summary of our discussions in session A with presentations from the international Organizations. The session featured presentations by experts from the ITU, UNCTAD, the ITC and WIPO.

Discussions initially focused on the issue of infrastructure as this was identified a key enabler in assisting SMEs with E-Commerce. E-Commerce requires fast, reliable and affordable telecommunication/ICT infrastructure and services. In this regard, broadband networks are key. In developing countries, fixed broadband infrastructure is often limited mainly because of the expense and the need for more investment. Instead, it is wireless infrastructure, especially in Africa, that is more prevalent and that has made substantial gains in the last decade. Mobile broadband is the fastest growing market segment in developing countries. However, broadband remains unaffordable to many users in developing countries. The problem of Least-Connected Countries or LCCs is a very real one.

In the discussion on Business to Consumer (B2C) E-Commerce, it was emphasized that this usually works only if a critical mass of people is online and purchasing products. Therefore, the number of consumers actually using the internet to make online purchases is important. Household internet uptake is increasing in Asia, Africa and Latin America but millions of households are not yet connected. 90% of them are located in developing countries where there is a growing market potential. It was highlighted that backbone infrastructure is also key as international internet bandwidth is a main requirement to cater to increased data traffic. National ICT/broadband policies at the national and regional levels could also stimulate the market,

Other legal issues which governments should address include electronic signatures and authentication, electronic contracting, consumer protection, privacy and data protection, computer crime, taxation and custom duties and intellectual property rights, especially in the area of trade in digital content.

It was emphasized several times that the bulk of E-Commerce is through business to business transactions, amounting to some 90% of ecommerce volume in total. The rise of social media and group buying as a new channel for business was also highlighted. SMEs could piggyback on these networks for their business and could easily make use of them through new smart phones and tablets. New platforms were discussed as was using new tools to create websites to engage in E-Commerce. Many tools are free, or cost competitive.

The role of governments was underscored several times, especially in assisting SMEs to get on line and then helping them through the first hurdles. It was emphasized that international organizations especially UNCTAD and the ITC are there to assist.

Finally, the discussion touched on the role of international organizations. It was highlighted that IGOs can promote and address some E-Commerce issues, for example issues relating to technical assistance and capacity building, taking into account country-specific needs. It was also suggested that IGOs, including the WTO, can help understand what are the issues and challenges, and which models and approaches have worked best. This concludes my summary.

C) Private Sector Session: Chaired by Mr. David Shark, Deputy Chief of Mission, Deputy Permanent Representative to the WTO, United States

Dear Madame Chair, Session C had different presentations from the private sector on successful ecommerce ventures in developing countries.

One of the projects presented was my country my village from Bangladesh. This project tried to bring ecommerce to the rural sector. This was done by creating e-centres in villages; these e-centres were managed by local youth, addressing the issue of rural youth unemployment. Producers could come to the centres and the managers would catalogue their products and put them up for sale on the internet. This platform covered mostly the sale fresh products from the villages to the cities and promoting Bangladesh brands abroad in areas like textiles. This model also helped to reduce rural to urban migration. It was noted that E-Commerce could also help LDCs achieve the MDGs.

The model presented was based on the Bangladeshi market situation. The project was sustainable and required no outside funding. This could make it easy to replicate all over the world. The demand that was being covered was urban consumers who can buy their products directly from the farmers. Export demand could also be covered, but this was more easily done for non-perishable products such as textiles.

It was noted that this platform was more advantageous to farmers than just pricing information as it allowed them connect directly with the consumers and covered some of the logistic problems such as delivery.

Another project that was presented was M-kazi which provided a mobile recruiting platform for blue-collar workers in Kenya. Projects like M-kazi were possible in Kenya with the arrival of M-pesa which had really changed the landscape of commerce in Kenya. Many goods and services can now be ordered online and paid with mobile money. Kenya was thus a perfect breeding ground for this type of mobile ecommerce solutions.

fisheries, water sanitation and food distribution sectors. The goal of these solutions was to provide E-Business services to reduce market frictions.

In the agriculture and fisheries sector mAGRI services could increase revenues for farmers. But they were not limited to providing information they tried to intervene in the whole value chain, to provide a holistic solution that would improve business relations between the farmers and the buyers.

In the area water sanitation mobile solutions mWatSan allowed providers to manage their water sanitation systems from their mobile phones, including payments. This facilitated the development of water sanitation systems and helped increase access to financing as banks could see that the water distribution system was well managed and economically sustainable.

In the food distribution sector a service called mShop was launched to address the problem price-increases of basic foodstuffs. By connecting local shops directly with producers, this service allowed low income urban families to get the lowest prices for basic foodstuffs but also increase the revenue to shop owners.

These platforms were convergent and worked on the mobile and internet channels, while also creating an integrative business to social model.

The presenters from the private sector were also asked what governments could do to help in the development of E-Commerce. One of the answers given was that governments needed to promote and create awareness about the digital society. The problem of non-tariff barriers in the agriculture sector was highlighted and it was suggested that governments and International

