

**Experts Group Meeting on enhancing trade and trade facilitation for increased diversification
and the structural economic transformation of LLDCs**

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Speaking Points

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Thank you for inviting me to speak in this session.

Maybe as a starting point it may be useful to say a few words about “Digital Trade”, which has only recently been defined. According to the *Handbook on Measuring Digital Trade*, it comprises all trade that is either “digitally ordered” (which means cross-border e-commerce) – and/or “digitally delivered”.¹

During the pandemic, digitalization has become even more visible in trade statistics. For example, the share of digitally deliverable services in total services exports surged from 52% to 64%. In a single year.²

For the landlocked developing countries, there was also a big leap, but from a lower level : from 16% to 23%.

The lower importance of digitally deliverable services in LLDCs reflects the great differences that exist in the readiness among countries to seize opportunities from digitalization. These divides risk being translated into widening inequalities as the pace of technological change remains very high.

The digitalization of economic activities could facilitate greater LLDC participation in international trade, especially by helping them to overcome traditional trade barriers and to move more commerce online.

To do so, governments need to adapt policies and improve the coordination across ministries dealing with various policy areas of relevance to e-commerce and the digital economy. They also need to engage with the private sector, as well as civil society, to prepare the policy frameworks needed, ensure the roll out of affordable ICT infrastructure, and adapt education systems to the digital age.

¹ See <https://www.oecd.org/sdd/its/Handbook-on-Measuring-Digital-Trade-Version-1.pdf>

² See <https://unctad.org/webflyer/impacts-covid-19-pandemic-trade-digital-economy>

UNCTAD has in the past few years worked with a large number of LLDCs to strengthen their ability to engage in and benefit from e-commerce and the digital economy.³

We have undertaken so-called *eTrade Readiness Assessments* in **Afghanistan, Benin, Burkina Faso, Côte d'Ivoire, Lao PDR, Lesotho, Malawi, Mali, Nepal, Niger, Senegal, Togo, Uganda and Zambia.**

We are currently working with **Kazakhstan** to assess how its national legal and regulatory framework on e-commerce compares with draft provisions in the JSI negotiations on e-commerce at the WTO.

We have furthermore supported the development of national e-commerce strategies in **Botswana⁴ and Rwanda.**

Additional requests for assistance have been received from **Eswatini, Mongolia, South Sudan and Zimbabwe,** for which we are looking funding.

A number of LLDCs have devoted serious efforts to strengthen their e-commerce ecosystems and ensured follow-up to the recommendations outlined in the eTrade Readiness Assessments.

A few examples :

- In **Burkina Faso**, the E-commerce Development Committee established in July 2020 has been instrumental for mobilizing stakeholders for the 1st E-commerce Inclusive Forum, laying the foundation for the development of an e-commerce strategy.
- In **Niger**, a National Consultative Committee on e-commerce was set up in April 2021 and the Government is actively encouraging private sector e-commerce operators to strengthen their coordination.
- **Bhutan** has expanded the scope of its Financial Switch by integrating with neighboring India to allow for better e-commerce flows across the two countries.
- The Bank of the **Lao PDR** launched a QR code for domestic payments in 2020 and issued an “E-commerce decree” that contains licensing provisions for e-commerce businesses.
- In **Mali**, an ‘e-commerce committee’ has been set up, with key focal points from relevant ministries, who will be instrumental in the implementation and follow-up of e-commerce related policies.

Several e-commerce platforms in LLDCs have also spearheaded innovative partnership initiatives during the pandemic:

- In **Nepal**, Thulo.com (the largest Nepalese online supermarket) joined hands with the Federation of Woman Entrepreneurs Associations of Nepal and Emerge to implement a joint project on revitalizing women’s businesses. The initiative promoted sales of

³ See https://unctad.org/system/files/official-document/dtlstictmisc2019d8_en.pdf

⁴ See https://unctad.org/system/files/official-document/dtlstict2021d4_en.pdf

essential items produced by 18 women entrepreneurs, exceeding projections by more than 80%;

- In [Uganda](#), SafeBoda, a motorcycle ('bodaboda') taxi hailing app launched an e-commerce platform to connect market vendors with customers after the country went into lockdown. Customers can now place orders through the app and pay through its mobile wallet feature, then riders based at the market can deliver the groceries. By giving market vendors access to the app, it allows them to sell goods while sustaining the livelihoods of 18,000 'bodaboda' riders whose incomes have been affected by the pandemic.
- **Rwanda** has taken a wide range of measures, such as a reduction of fees for e-payments, establishment of an Economic Recovery Fund and the launch of a grant competition for innovative solutions, called Corona Action Rwanda.

Ensuring that the potential benefits of e-commerce can reach small businesses in LLDCs requires a strong prioritization from governments and a greater commitment from development partners to enhance the digital readiness and to avoid the widening of inequalities.

Let me close here. I look forward to the discussion.