

**Intergovernmental Group of Experts on
E-Commerce and the Digital Economy**

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Contribution by

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

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KINGDOM OF SAUDI ARABIA

Digital Economy and Commerce in Developing Countries

Saudi Arabian's Contribution

Outline

Brief

Build competitive advantages through e-Commerce and the Digital Economy

Developing countries' role in improving physical and technology infrastructure

Partnerships between developed and developing countries to improve e-Commerce and Digital Economy

Brief

- Digital Economy is the result of years of telecommunication and IT advancement which lead to disruption of existing business models.
- Digital Commerce have witnessed great improvement over the past decade presenting a positive change in the customer experience.
- Sharing Economy have noticeably opened up great horizons that helped flourish markets and revamp others.
- Infrastructure, Payment gateways, cybersecurity, regulations and digital skills presents a challenge for developing countries in leaping with the digital economy and commerce.

Build competitive advantages through e-commerce and the digital economy

- **Infrastructure readiness is key for the growth of e-Commerce and Digital Economy, however to create a unique competency it is important for developing countries to give priorities to the following aspects:**
 1. Simplify the regulations and procedures needed to open e-commerce business. (e.g. introduce a unified business setup portal and re-engineer existing processes)
 2. Assure consumer and merchant protection clauses to be enacted within e-commerce law.
 3. Develop certification procedure for new e-commerce players, to enhance trust and improve quality.
 4. Accelerate policy setting for the adoption of cryptocurrencies in e-commerce players.
 5. Review FinTech and last mile logistics companies licencing policies, and assure competitiveness in e-commerce enablers.
 6. Support small and medium enterprises in the e-commerce sector to have a global reach, which eventually enables small establishments and productive households to penetrate global markets at ease.

Developing countries' role in improving physical and technology infrastructure

- **Governments play crucial role in developing the needed infrastructure to enable the Digital Economy. (For example Broadband expansions in rural areas).**
- **Developing countries can contribute in improving their physical and technology infrastructure in different direct and indirect ways to grow their digital economy, in the following ways:**
 1. Incentivise investment in the Infrastructure and the ICT sector as a whole.
 2. Develop national Digital Skills, and foster partnerships with global, local universities and technology firms to contribute in that regard.
 3. Develop national cybersecurity strategies and policies.
 4. Develop a solid PPP model for developing digital content in an investment framework.
 5. Develop a national e-procurement system to optimize IT government spending, improve transparency and introduce new smarter contracting methods.
 6. Develop and implement open data policies.
 7. Unifying national digital assets.

Partnerships between developed and developing countries to improve e-Commerce and Digital Economy

- **Developing countries can benefit from partnerships with developed countries through knowledge transfer and practices exchange for topics related to digital economy and e-commerce. There are numbers of actions that can be taken to foster this partnership:**
 1. Establishing joint offices between the developing and developed countries with the objective of accelerating the digital economy agenda and removing barriers.
 2. Establishing partnerships with leading universities and global technology firms for the purpose of improving digital skills of developing countries.
 3. Simplifying global commerce policies and procedures to enable a larger portion of entrepreneurs and small businesses to participate in the global market.
 4. Support open internet access policies (net neutrality).
 5. Accelerate in applying digital signatures and digital verifications for global commerce transactions to move towards paperless trade procedures.

Thank You