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What do developing countries need in order to build competitive advantages through e-commerce and digital economy?

Samoa has of recent been categorized as a developing country. Similar to other developing countries, Samoa continues in her struggle to develop her economy for the benefit of her citizens and partners that opt to invest in Samoa. Since 2012, Samoa has put in place a series of initiatives aimed at promoting the development of e-commerce. The National ICT Policy 2012-2017, the Samoa Development Strategy 2016/2017 – 2019/2020, and the Diagnostic Trade Integration Study Update 2016 all highlight the some of the key constraints preventing Samoa from fully benefiting from the digital revolution and ways to address them. These constraints include: a general lack of awareness among merchants and consumers, a slightly outdated legal and regulatory framework, and the absence of a national shared vision for e-commerce. Looking beyond strategies and regulations, the lack of payment solutions and cumbersome clearance procedures prevent full deployment of a conducive e-commerce ecosystem. In order for our small nation to be competitive in a digital economy, we have chosen to focus on four main areas. First was to strengthen our physical and technology infrastructure; as such we privatized Samoa-tel and open up the market to new competitors. From 2014 to 2017, a national broadband highway and a 4G LTE network were established although we plan to upgrade via Submarine cable system by 2018. Our second focus point was to improve trade logistics and facilitation; Plans for a new port and a postal addressing system are in progress. We have also considered certain adjustments to our custom services and surcharges. Thirdly is to have a strong and firm online platform. This require us to developed our online banking and e-payment system (Digicel has mobile money wallet, ANZ offers Go Money and BSP runs an In-store merchant). We also plan to facilitate trainings and awareness programs for the public. Finally is to have continuous financial support provided by government and other institutions. This included banks to finance traders with support of the government (SBEC loans backed by NZAID and business loans guarantee by ADB.) and the Government to implement various schemes through MCIL (Private Sector Support Facility (PSSF) to support business).

What can developing countries do in order to strengthen their physical and technology infrastructure?

Samoa continues to strengthen its physical and technology infrastructure by upgrading its internet connections. In 2014, the government launched the Samoa national broadband highway; A network linking all government offices with schools and hospitals. In 2017, our mobile operators introduce 4G LTE services, a mobile network that covers 95% of the population. To maintain progress the government has promised a submarine cable system by 2018, a system with a minimum capacity of 1 terabits per second (government to provide financial support for the deployment of broadband internet outside Apia and Savaii). Another way to strengthen our physical and technology infrastructure is by undertaking continuous telecommunications reforms; we privatized Samoatel and opened the market to new competitors, which as a result is a reduction in prices of cellphone, cheaper internet rates, Increase mobile users and Internet penetration to

reach 30%. Further developing countries also need to initiate or strengthen advocacy towards the merits of having a strong physical and technological infrastructure and lobby for direct foreign investment in the IT sector.

How can developed countries partner with developing countries, in most impactful way, to maximize opportunities and address challenges relating to e-commerce and the digital economy?

Developed countries principally need to take into consideration national developed needs assessment reports from developing countries in a bid to strengthen partnership in an impactful way. Often, developing countries will engage in process of conducting national needs assessments for particular sectors and in partnership with International agencies in which they highlight specific national constraints and appropriate interventions to strengthen sectors such as e-commerce. In some instances for sectors such as ecommerce, the developing countries will highlight capacity constraints in such technical areas such as ecommerce. For an impactful impact the developing countries need to seriously review the national needs assessment and consider how best they can make interventions to support developing countries and also engage in continuous dialog with developing countries to determine progress on interventions undertaken. Such continuous dialogue between the developed countries and developing countries relating to ecommerce will have significant benefits such as enhancing a steady flow of trade and investment between developed and developing countries utilizing e-commerce.

The Rapid eTrade Readiness Assessment for instance being developed in collaboration with UNCTAD, our Government key Ministries principally the MCIT, MCIL, MFAT and some in-house support from our Hubs and Spokes adviser from Commonwealth Secretariat shows that Samoa can benefit substantially from e-commerce if the country is able to accelerate adoption of key measures aimed to support the development of an e-commerce ecosystem (e-commerce strategy, regulatory framework) and private sector investment (affordability, access to finance).

There is also need from developing countries to share hands-on knowledge through peer learning between institutions. It would be beneficial if for example there is continuous exchange programs between key institutions in select developed countries with those in developing countries so that the lead implementers from developing countries can experience with their own eyes the benefits of initiatives in ecommerce being utilized in developed countries for what purpose and impact on the other hand, similar exchanges from developed countries to developing countries would help them appreciate the status of ecommerce development and how best they can engage to strengthen the sector.. Samoa for example has been able to use the American Samoa-Hawaii cable system and Submarine cable system due to much support from other countries including developed countries.

Timely financial and technical assistance is also critical to assist in implementation of national needs assessments conducted. As earlier alluded to, Samoa has put in place a series of initiatives

aimed at promoting the development of e-commerce that include; the National ICT Policy 2012-2017, all mainstreamed and aligned to Samoa Development Strategy 2016/2017 – 2019/2020, NZAID and The Asian Development Bank, are some of the international agencies that support and sponsor online business loans and our current cable project. There has also been assistance from WTO AND regional customs agencies in assisting Samoa towards implementing of a customs management system known as ASYCUDA. ASYCUDA which intervention in modern customs systems facilitates trade and investment flow between our developing country and other countries..