

Expert Meeting on

CYBERLAWS AND REGULATIONS FOR ENHANCING E-COMMERCE:
INCLUDING CASE STUDIES AND LESSONS LEARNED

25-27 March 2015

Introductory Remarks

By

Anne Miroux

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**Anne Miroux
Director, Division on Technology and Logistics**

Mr Chairman,
Excellencies,
Distinguished experts

On behalf of the Secretary-General of UNCTAD, I am pleased to welcome you to this Expert Meeting on Cyberlaws and Regulations for Enhancing E-commerce. It is nice to see such high attendance from member States, international organizations, academia, civil society and the private sector. I believe this signifies the relevance and timeliness of the topics to be discussed during the next three days.

Electronic commerce is not a new phenomenon. In fact, UNCTAD's first report on E-Commerce and Development was published in 2000. However, it is only in the past few years, thanks to improved ICT connectivity, that we have seen e-commerce taking hold on a broad scale also in low-income countries. And in more advanced economies, we have seen the emergence of new online business models and greater willingness among governments, businesses and consumers to rely on online transactions.

The implications of e-commerce are of relevance to all our economies. E-commerce has a transformational impact. Increased reliance on online transactions forces businesses to adapt in order to stay competitive. For example, it is becoming more important for small enterprises to engage in electronic data interchange and various online procurement systems in order to participate in supply chains. In the retail sector, traditional bricks-and-mortar stores face new competition from Internet-based "e-tailers" and may have to introduce additional online sale

channels to meet the demands from their customers. Such re-engineering is not without costs and can be quite challenging even for relatively large players.

Meanwhile, there are large potential benefits from engaging in e-commerce. As shown in this year's *Information Economy Report* the shift towards e-commerce can have important productivity effects. In selected European countries, electronic sales activities by firms accounted for as much as 17 per cent of total labour productivity growth of the business sector during the period 2003-2010. Interestingly, the effects appear to be larger for small enterprises and for businesses in the services sector. In addition, for consumers, e-commerce can offer greater choice, lower prices, round-the-clock access to the "shops" and more convenient delivery options.

On the flip side, there are growing concerns over fraudulent activities and other forms of cybercrime linked to e-commerce. Similarly, there is the risk that foreign competitors could outdo local firms, gaining greater market shares from e-commerce compared to local firms. Governments may also be concerned with tax erosion and transfer pricing. Beyond the economic field, e-commerce has given rise to concerns related to the health, safety and cultural dimensions. For example, while "Internet pharmacies" can help improve access to medicines there are doubts related to transparency, fraud, product quality, and even its viability as an ethical business model.

From a development perspective, it is desirable to achieve as level a playing field as possible for countries and enterprises to engage in and benefit from e-commerce. Realizing the e-commerce potential is not automatic. Enterprises need access to affordable ICT services, relevant skills and capabilities, and online content that is tailored to their demands. The potential is also influenced by the maturity of the financial markets – for example are systems and legal frameworks in place for electronic payments? – and the level of ICT use among citizens and in the government. The postal system also has a key role to play in this context. In many countries, posts are directly involved in the distribution of goods ordered online, they offer a channel for making payments for goods and services purchased, and some also have dedicated online platforms for e-commerce.

The playing field is still far from level. This is clear from the new *UNCTAD B2C E-commerce Index* that we have presented in this year's Information Economy Report. There remain wide variations in terms of ICT access and use, skills and expertise, physical infrastructure, financial infrastructure and legal infrastructure. Moreover, some of the large existing e-commerce platforms are currently better at supporting e-commerce sales from developed to developing countries than vice versa. Against this background, it is important to consider how to help developing countries to enhance their readiness to engage in e-commerce.

During the next three days we will be focusing on one particular aspect, namely how to strengthen the legal and regulatory framework for e-commerce. This is essential in order to create security and trust on the Internet. Developing country officials are increasingly aware of the need to adopt and adapt legislation to take into account the potential of both e-commerce and m-commerce to boost domestic and cross-border trade. The growing reliance on cloud computing as well as the rapid uptake of mobile payments in developing countries accentuate the need to make progress in this area.

For many Governments of developing countries, adopting an appropriate legal and regulatory framework for e-commerce is challenging. The variety and complexity of cyberlaws and regulations as well as the rapid evolution of technologies and markets make the task particularly difficult, making international collaboration important.

For more than a decade, UNCTAD has supported beneficiary countries in Africa, Asia and Latin America and the Caribbean in developing cyber laws and regulations. The support has involved building capacity and revising laws and regulations, taking into account new technologies and platforms and the need for international harmonization. It is very encouraging to see many of our partners in the room, as well as several of the regional organizations that we have assisted. Already on Monday next week, a new distance learning course for 140 representatives of Caribbean countries will begin.

Another initiative that we hope will serve as a useful basis for our deliberations during this expert meeting is the global mapping of cyberlaws that we have undertaken. The mapping

covered four areas of laws: e-transaction, consumer protection online, data protection and privacy, and cybercrime. The data were summarized in the issues note for this meeting. More detailed information is available in the *Information Economy Report* as well as online. Despite a major effort at obtaining up-to-date information, there are still areas in which we do not have data. Let me therefore invite member States and other stakeholders to help us in filling remaining gaps and, where appropriate, point out areas that need to be updated. We intend to continuously improve the coverage of the database and make it more user friendly.

The outcome of our deliberations will hopefully be of value not only within the UNCTAD intergovernmental machinery but also contribute to related processes in partnering organizations like the International Telecommunication Union, Organization for Economic Cooperation and Development, the United Nations Commission on International Trade Law (UNCITRAL), the United Nations Office on Drugs and Crime, the Universal Postal Union and the World Trade Organization.

Before concluding, I hope that this meeting will provide a useful platform for member States to review legal frameworks, share experiences and learn from each other by engaging amongst themselves and with other stakeholders. I wish all participants very fruitful and constructive discussions in the coming days.

Thank you for your attention.