



UNCTAD B2C E-COMMERCE INDEX 2016

Torbjörn Fredriksson

(torbjorn.fredriksson@unctad.org)

Chief, ICT Analysis Section, UNCTAD

UNCTAD E-Commerce Week | E-Commerce Measurement Day

Geneva, Switzerland

18-22 April 2016 | 22 April 2016



WHAT IS ELECTRONIC COMMERCE?

- OECD definition of an e-commerce transaction:
 - “...the sale or purchase of goods or services, conducted over computer networks by methods specifically designed for the purpose of receiving or placing of orders”.
 - Payment and delivery do not have to be conducted online.
 - Can be between enterprises, households, individuals, governments, and other public or private organisations.
 - Orders made by telephone calls, fax or manually typed e-mail excluded



E-COMMERCE TRANSACTIONS

- Business-to-business (B2B)
 - Online sales between enterprises, including linked to outsourcing and offshoring.
 - Online presence needed for SMEs to participate in value chains.
- Business-to-consumer (B2C)
 - Involves sales by "pure play" e-commerce enterprises and traditional bricks-and-mortar firms adding online sales channels.
 - Many ways to reach consumers: social networks, crowdsourcing, e-commerce websites, mobile applications.
- Consumer-to-consumer (C2C)
- Government-to-business (G2B): e.g. e-procurement



WIDER SCOPE FOR INCLUSIVE E-COMMERCE

- ❑ Improved connectivity in developing countries
 - Mobile telephony, Internet use and social media
- ❑ Reduced barriers to entry
 - New e-commerce applications and platforms
 - New e-commerce services
 - New payment solutions
- ❑ Rise of many new e-commerce companies in the South





IMPLICATIONS OF E-COMMERCE

- Access global value chains
- Access to markets/exports
- Access to suppliers/imports
- Higher productivity
- More competition
- Greater consumer choice
- Job creation
- Risk of fraud
- Costs of adaptation
- Risk of crowding out
- Risk of losing tax revenue
- Risk of job losses
- Risk of widening divides



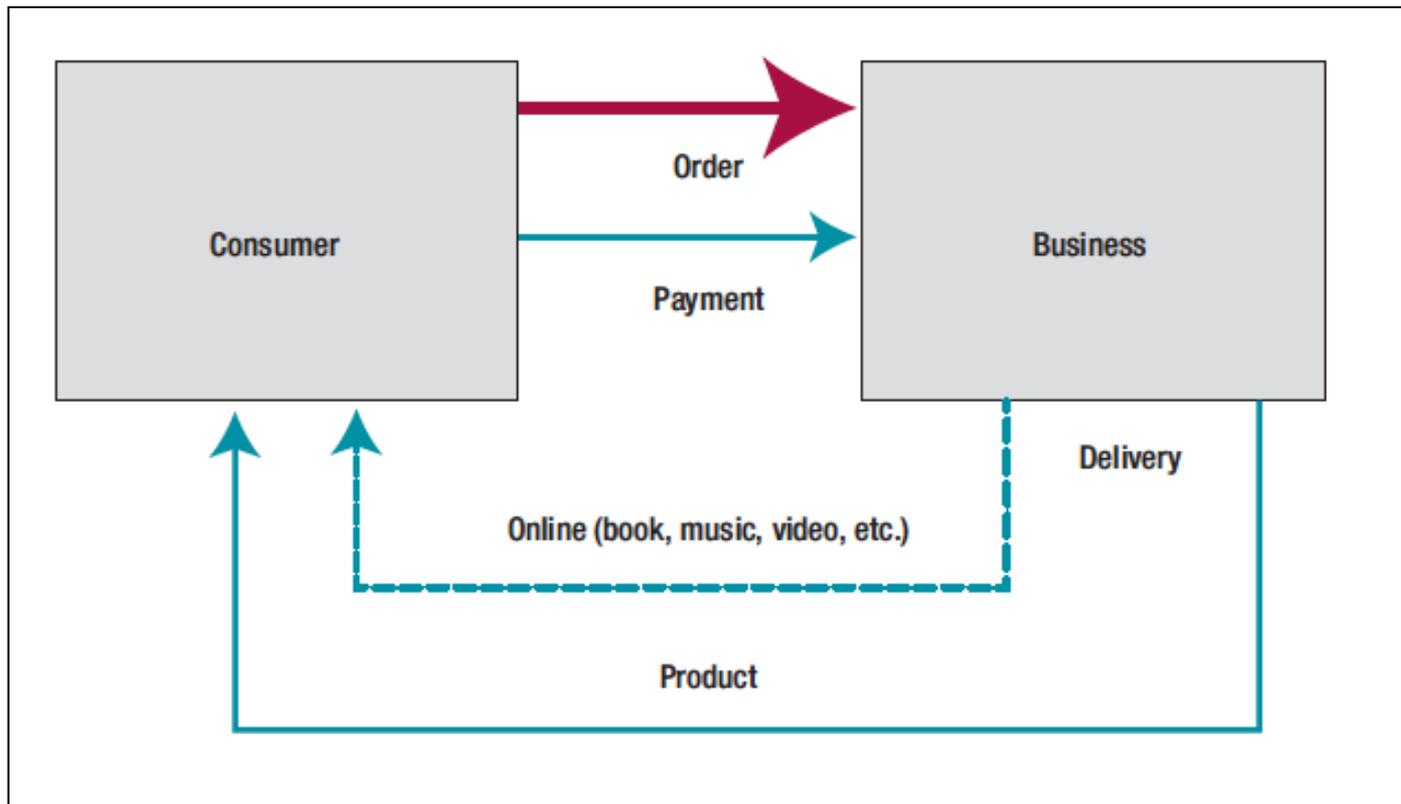


OUTCOME DEPENDS ON E-COMMERCE READINESS

- Countries need capabilities to engage in e-commerce...
- ...and to ensure that e-commerce contributes to their development
- *UNCTAD B2C E-commerce Index* developed to provide countries an easy way to compare their e-commerce readiness
- First edition presented in Information Economy Report 2015



THE ONLINE PURCHASE PROCESS





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INDICATORS INCLUDED

- Percentage of individuals using Internet
 - Sources: ITU, 2014, 208 economies
- Credit card (% age 15+)
 - Source: World Bank Findex survey, 2014, 159 economies
- Secure Internet servers (per 1 million people)
 - Source: World Bank, 2014, 200 economies
- Postal reliability score
 - Source: Universal Postal Union, 2013-2014, 185 economies
- Total coverage: 137 economies



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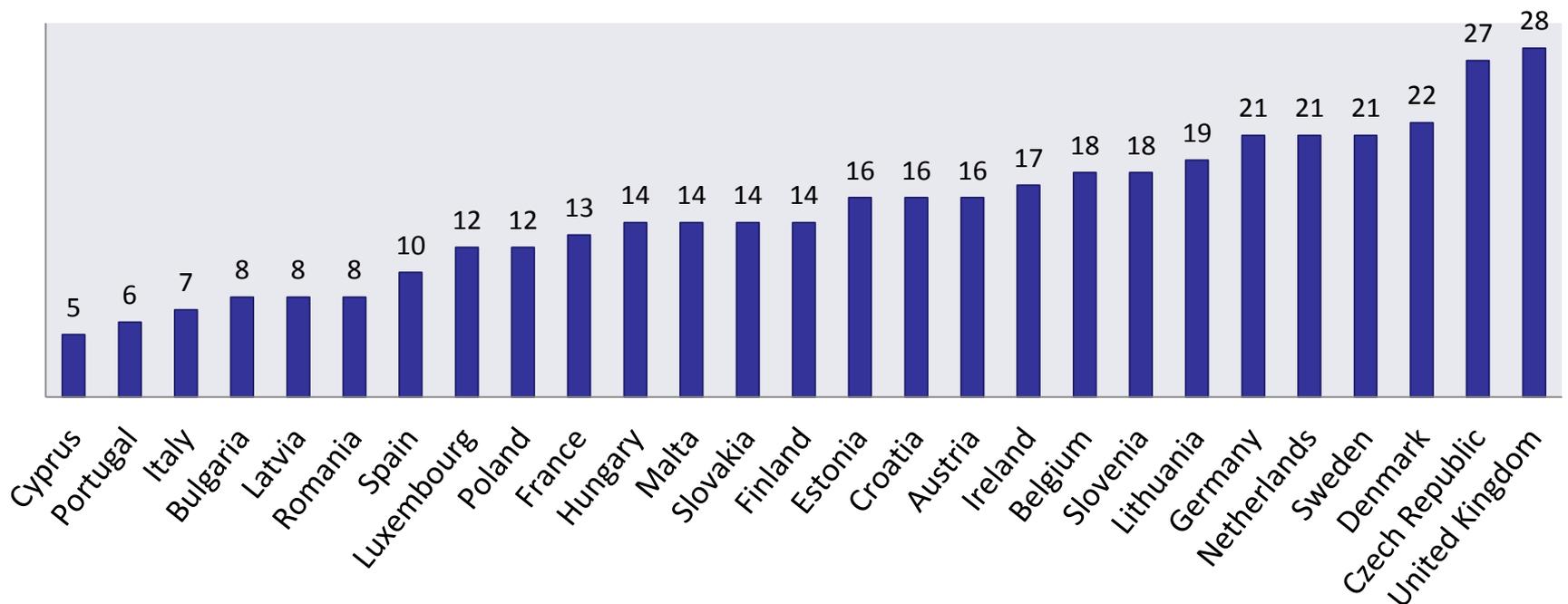
CHANGES INTRODUCED

2014 B2C E-Commerce Index	2016 B2C E-Commerce Index
4 indicators: <ul style="list-style-type: none"> • Internet users • Secure servers • Credit card penetration • Postal delivery at home 	4 indicators: <ul style="list-style-type: none"> • Internet users • Secure servers • Credit card penetration • Postal reliability score
130 economies	137 economies <i>99% of world GDP</i>



Except for the EU FEW DATA ON ENTERPRISES SELLING VIA B2C

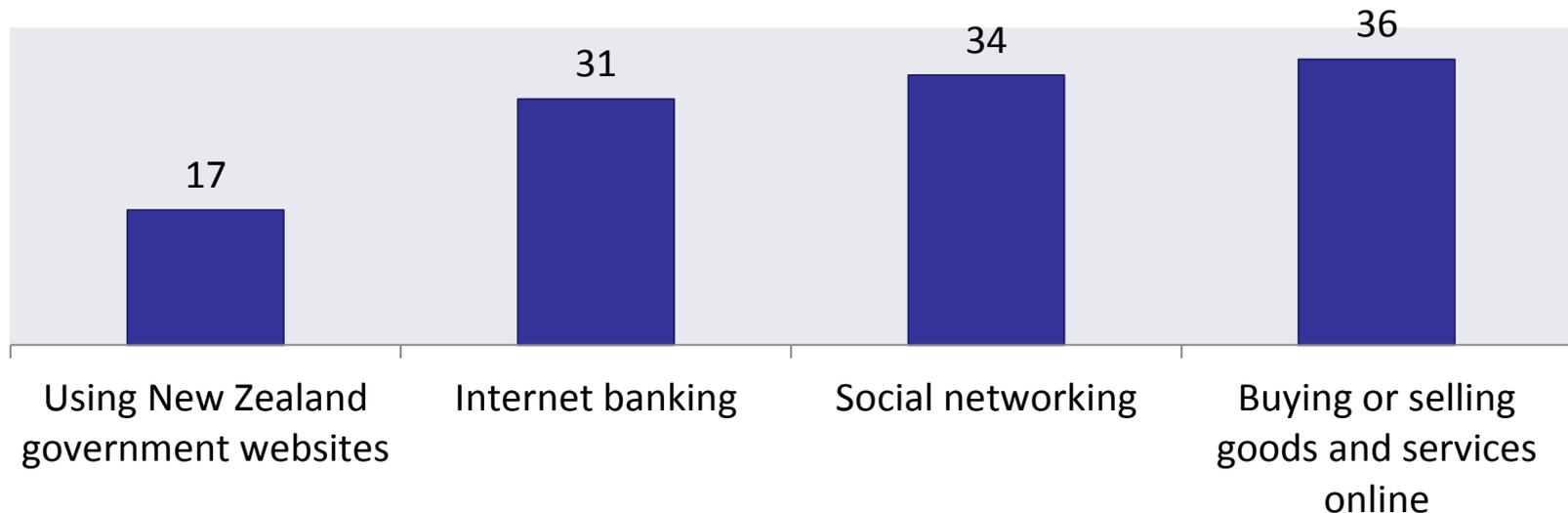
Wholesale and retail trade enterprises with B2C sales, 2014
(% of all wholesale/retail enterprises with 10 or more employees)



Source: UNCTAD based on data from Eurostat.

SECURITY OF TRANSACTIONS MATTERS FOR E-COMMERCE

**Activities limited by lack of confidence in Internet security
(% of Internet users), New Zealand, 2012**

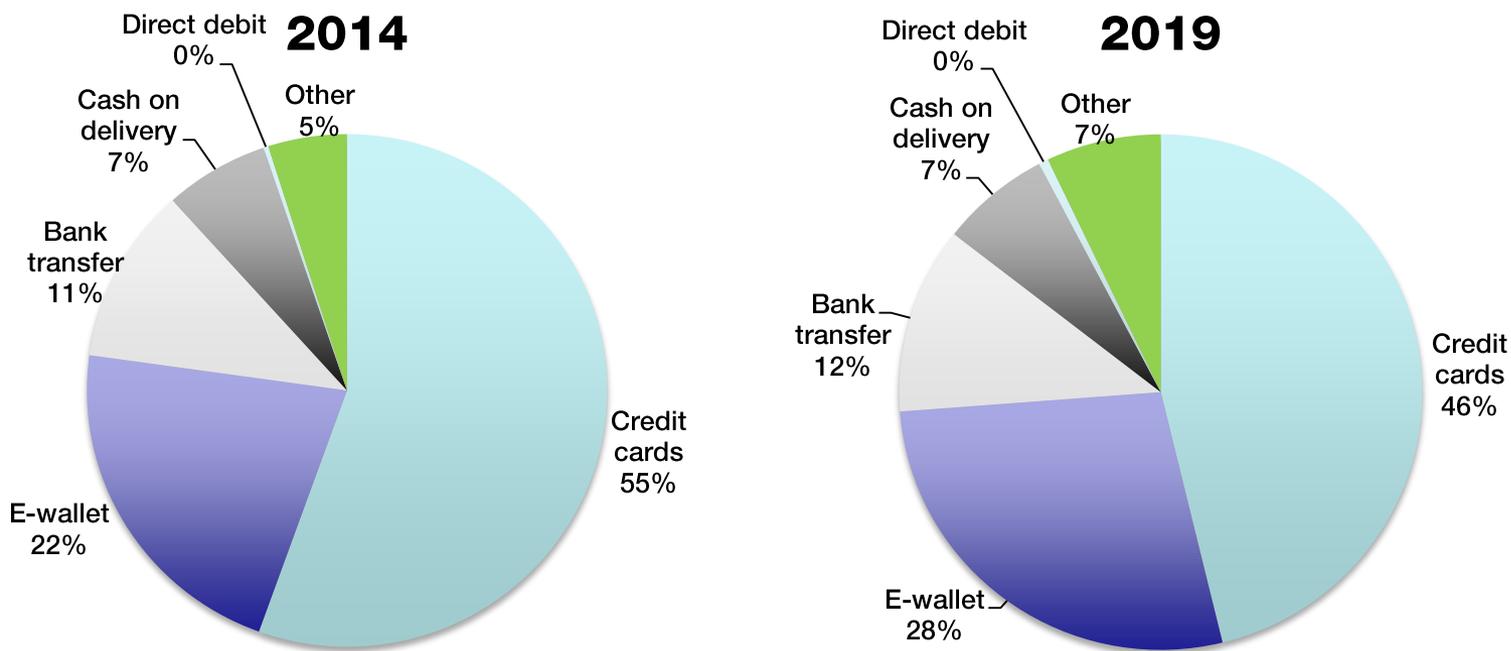


Source: UNCTAD based on data from Statistics New Zealand.



ONLINE PAYMENT METHODS BY VALUE

market diversification but credit cards still in the lead



Source: UNCTAD based on data from Worldpay, 2015.



TOP 10 ECONOMIES IN 2016 INDEX

2016 Rank	Economy	Share of individuals using Internet	Share of individuals with credit card	Secure Internet servers per 1 million people	UPU postal reliability score	UNCTAD B2C e-commerce Index value 2016	2014 Rank
1	Luxembourg	95	69	98	97	89.7	1
2	Iceland	98	77	100	81	89.0	N/A
3	Norway	96	67	96	89	87.1	2
4	Canada	87	77	92	89	86.3	4
5	Japan	91	66	89	99	86.1	12
6	Finland	92	63	95	87	84.3	3
7	Republic of Korea	84	56	97	100	84.3	8
8	United Kingdom	92	62	92	89	83.7	9
9	Switzerland	87	54	99	93	83.3	14
10	New Zealand	86	61	92	93	82.9	13

Source: UNCTAD.

TOP 10 DEVELOPING ECONOMIES

2016 Rank	Economy	Share of individuals using Internet	Share of individuals with credit card	Secure Internet servers per 1 million people	UPU postal reliability score	UNCTAD B2C e-commerce Index value	2014 Rank
7	Republic of Korea	84	56	97	100	84.3	8
14	Hong Kong (China)	75	64	88	98	81.1	18
23	Singapore	82	35	88	98	75.8	26
25	United Arab Emirates	90	37	80	86	73.4	66
26	Qatar	91	32	78	88	72.4	73
32	Bahrain	91	28	75	72	66.5	34
39	Uruguay	61	40	70	79	62.6	40
40	Kuwait	79	28	73	68	61.9	N/A
43	Chile	72	12	64	69	60.3	39
44	Malaysia	68	20	69	84	60.1	45

Source: UNCTAD.



REGIONAL AVERAGES

Region	Number of economies	Share of individuals using Internet	Share of individuals with credit card	Secure Internet servers per 1 million people	UPU postal reliability score	UNCTAD B2C e-commerce Index value
Africa	34	18	3	39	37	24
Southern, Eastern and South-Eastern developing Asia	21	36	14	54	47	38
Western Asia	10	54	17	66	74	53
Latin America and the Caribbean	20	43	11	59	56	42
Transition economies	15	46	12	59	54	43
Developed	37	77	38	84	84	71
<i>World</i>	137	49	19	62	59	47

Source: UNCTAD.



TOP 10 ECONOMIES BY REGION

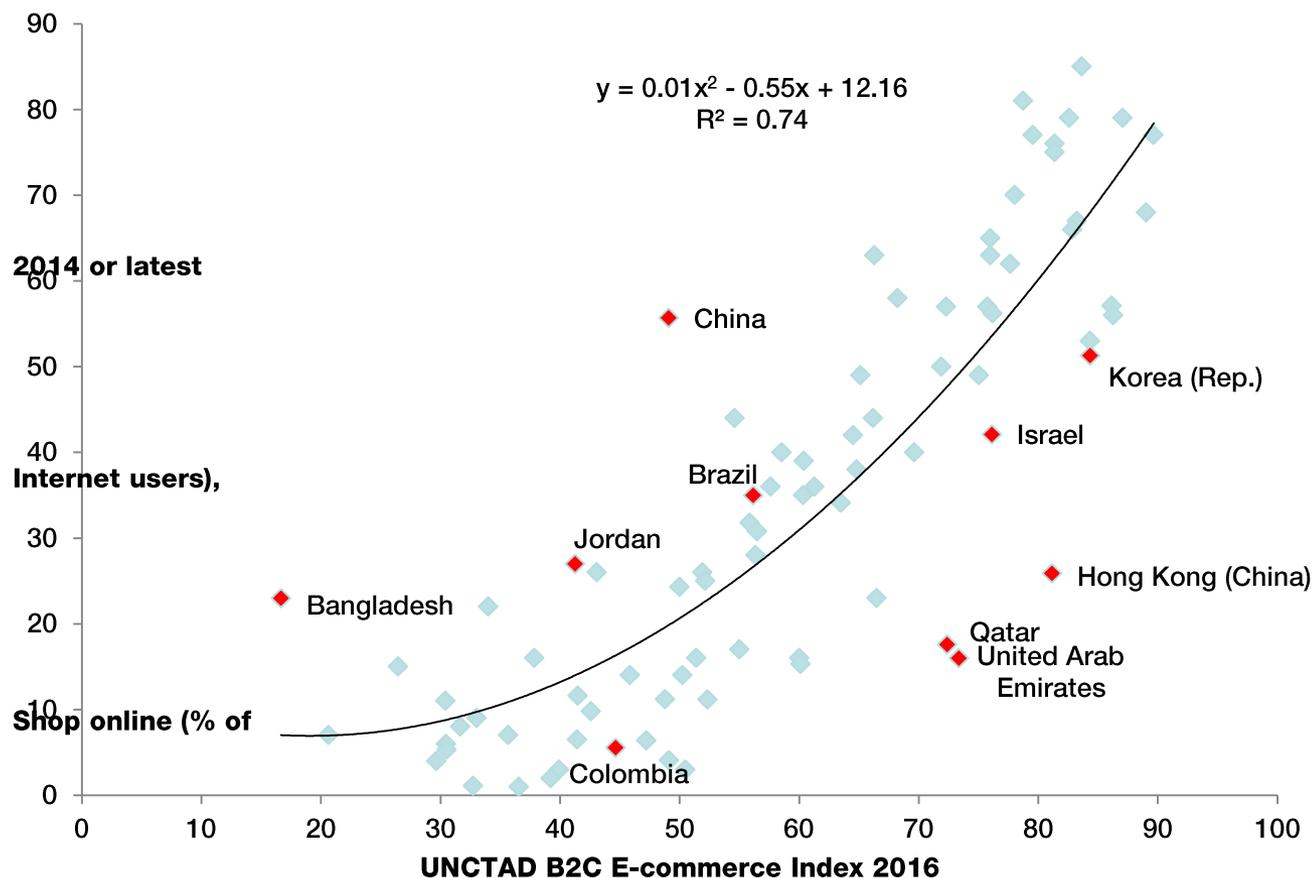
Africa	Developing Asia and Oceania	Latin America and the Caribbean	Transition economies
South Africa	Korea, Republic of	Uruguay	Macedonia, TFYR
Mauritius	Hong Kong (China)	Chile	Russian Federation
Tunisia	Singapore	Brazil	Serbia
Morocco	Malaysia	Costa Rica	Ukraine
Egypt	China	Argentina	Moldova
Botswana	Thailand	Mexico	Albania
Kenya	Viet Nam	Jamaica	Azerbaijan
Senegal	Islamic Republic of Iran	Trinidad and Tobago	Belarus
Algeria	Philippines	Panama	Montenegro
Ghana	India	Ecuador	Bosnia and Herzegovina

Source: UNCTAD.



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Correlation with share of individuals shopping online 2014



Source: UNCTAD.



FINAL OBSERVATIONS

- Index allows countries to compare their performance in different areas.
- The Index does not explain all factors
 - Security and knowledge factors
 - Preferences for shopping in bricks-and-mortar stores
 - Legal and regulatory environment
 - Payment environment
 - Skills availability
- Good starting point for assessment of readiness
- Can contribute to Aid for eTrade Initiative

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