

# COVID-19 AND E-COMMERCE

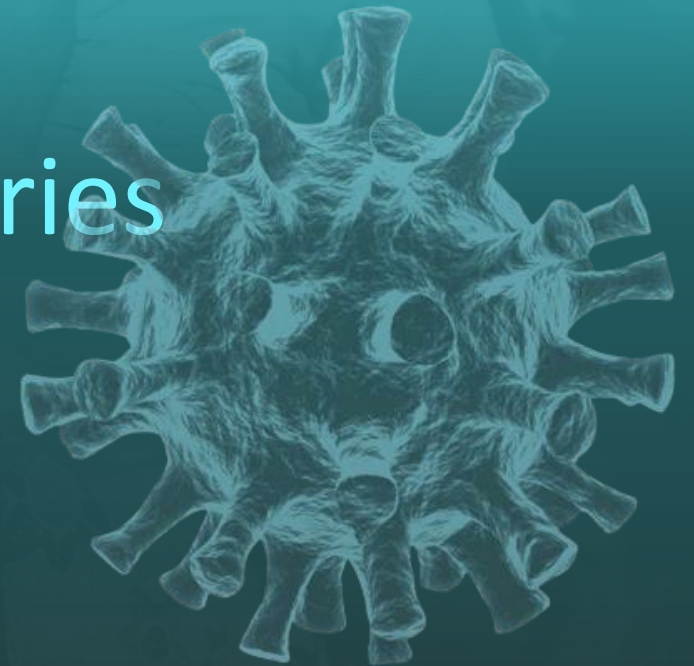


UNITED NATIONS  
UNCTAD

Key findings from a survey of e-commerce businesses and policy responses in 23 developing countries

WebEx Webinar - 20 November 10:00 (UTC+1)

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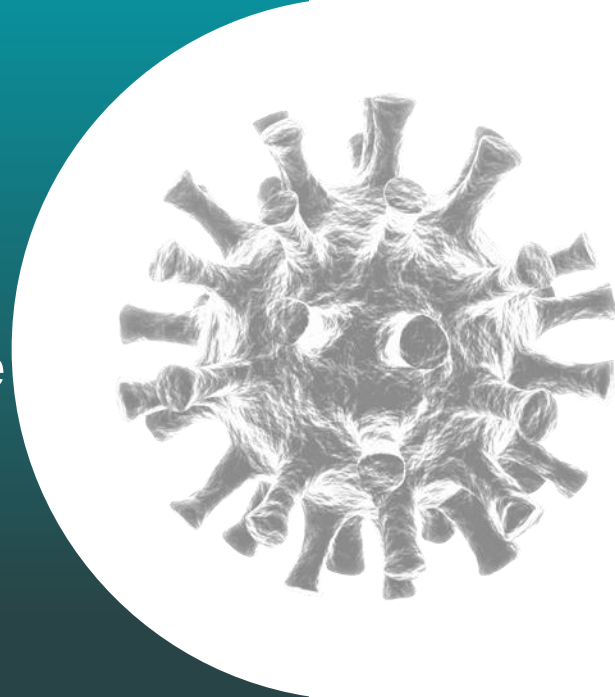


# Why another survey ?



“The COVID-19 pandemic has accelerated the shift towards a more digital world. The changes we make now will have lasting effects as the world economy begins to recover”

**UNCTAD Secretary-General  
Mukhisa Kituyi**



## Risks

of rising digital inequalities, particularly in least developed countries (LDCs)



## Opportunities

emerging from the crisis through increasing uptake of e-commerce and digital solutions

# Survey key figures

## 23 countries involved



**52%** of businesses have less than 10 employees



**38 %** of respondents are female



The survey covers the period **March-July 2020**

**PRIVATE**

**257** respondents  
(e-commerce businesses)

**PUBLIC**

**12** responses from countries



# IMPACT ON BUSINESSES



Third party  
online  
marketplaces  
are doing  
much better  
than  
e-commerce  
companies

## Impact of COVID-19 crisis on monthly e-commerce sales

**64 % of Third-party online  
marketplaces** saw their e-commerce  
sales increased



**58 % of E-commerce companies**  
saw their e-commerce sales  
decreased

*(In % of respondents for each group)*

# Key trends observed



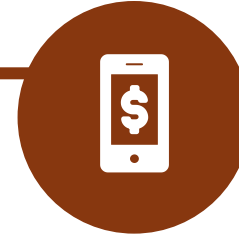
## **Wholly-digital business models**

have been more resilient to the current crisis, expanding their sales and onboarding new merchants



## **Sales through social media**

and search for essential items have fueled e-commerce growth



**E-payments** have experienced fast growth, but cash on delivery remains prominent

Severe impact  
on costs for the  
majority of the  
surveyed  
businesses



- Not all types of businesses and sectors have **equally benefitted**
- The COVID-19 crisis has affected the **cost structure and the workforce**
- Approximately **2/3** of all respondent businesses saw their **costs increase**
- **44%** of respondents reported **a reduction in their workforce**

# Challenges encountered by e-commerce businesses

49% of the respondents complained that government did **not prioritize the e-commerce sector** sufficiently

Exacerbated **gaps in ICT adoption and connectivity**

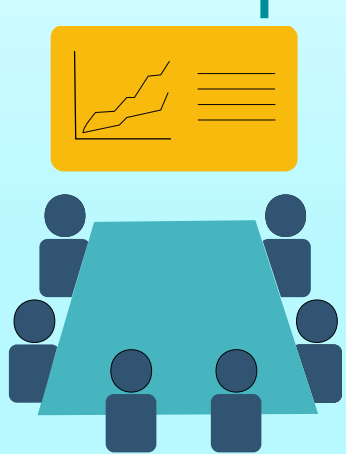
Unaffordable **Internet access**

**Low capacity to invest** in e-commerce business growth

Disruptions in **supply chains** and trade logistics

**consumer protection** and fair competition

Persistent **cash on delivery culture** further accentuated





# Most important business facilitation measures



Having a **national e-commerce strategy** to the forefront



Increased **publicity efforts** for e-commerce



**Skills trainings** to bring more businesses and consumers online



Measures to reduce **transaction costs** for e-payments (ex, in Rwanda )

For **25%** of businesses no measures were taken

Only **14%** managed to obtain more funding



**COUNTRY  
EXPERIENCES  
AND  
COOPERATION**



# Most widespread measures



Financial incentives and liquidity support schemes



Digital solutions to provide health and education services remotely

## Best performers

Rwanda

Senegal

Tunisia

Cambodia

Togo

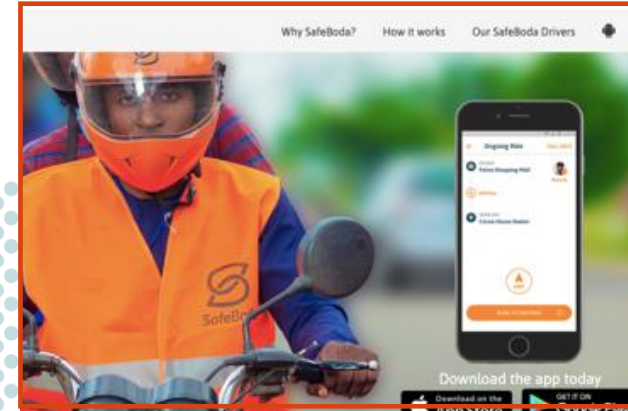
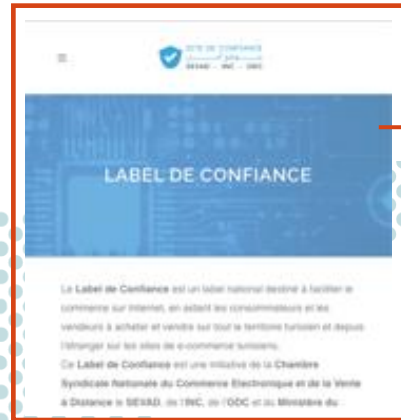
More efforts are needed to take measures that are most e-business friendly and encourage digital transformation

# Country experiences and cooperation

## TUNISIA

Promoted quality standards to help build trust across the ecosystem

“label de confiance” initiative



## SENEGAL

New collaborative platforms to onboard new businesses and support local produce providers:

e-Komkom and Ecommerce-senegal.sn



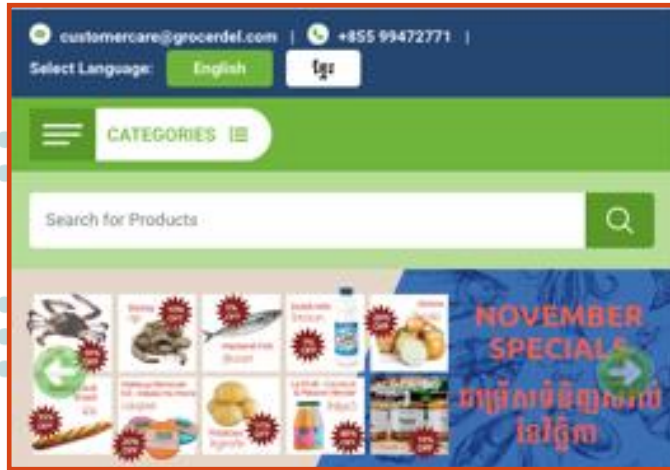
## UGANDA

E-commerce platforms have been fast to promote contact-less payments and logistics by nurturing

new partnerships with development partners, powering recovery from COVID-19 crisis



# Country experiences and cooperation



## CAMBODIA

Digital startups help blunt economic impact of COVID-19



## MYANMAR

E-commerce and the digital economy are featured in the **COVID-19 Economic Relief Plan**



## KIRIBATI

COVID-19 digital solutions boost **financial inclusion** and **trade facilitation reforms**



A smiling man wearing a cap and a polo shirt is talking on a mobile phone. He is carrying a stack of papers or folders. The background is a teal gradient with a faint image of a group of people. In the top left corner, there is a solid orange rectangle.

# RECOMMENDATIONS and WAY FORWARD



Top 10  
measures  
in support  
of COVID-19  
recovery  
strategies

Recommended by  
the private sector –  
*More than 200  
respondents*

Development of national e-commerce strategy

Reduction of costs for internet access

Reduced e-payment costs

Financial incentives and liquidity support

Increased Internet connectivity in underserved areas

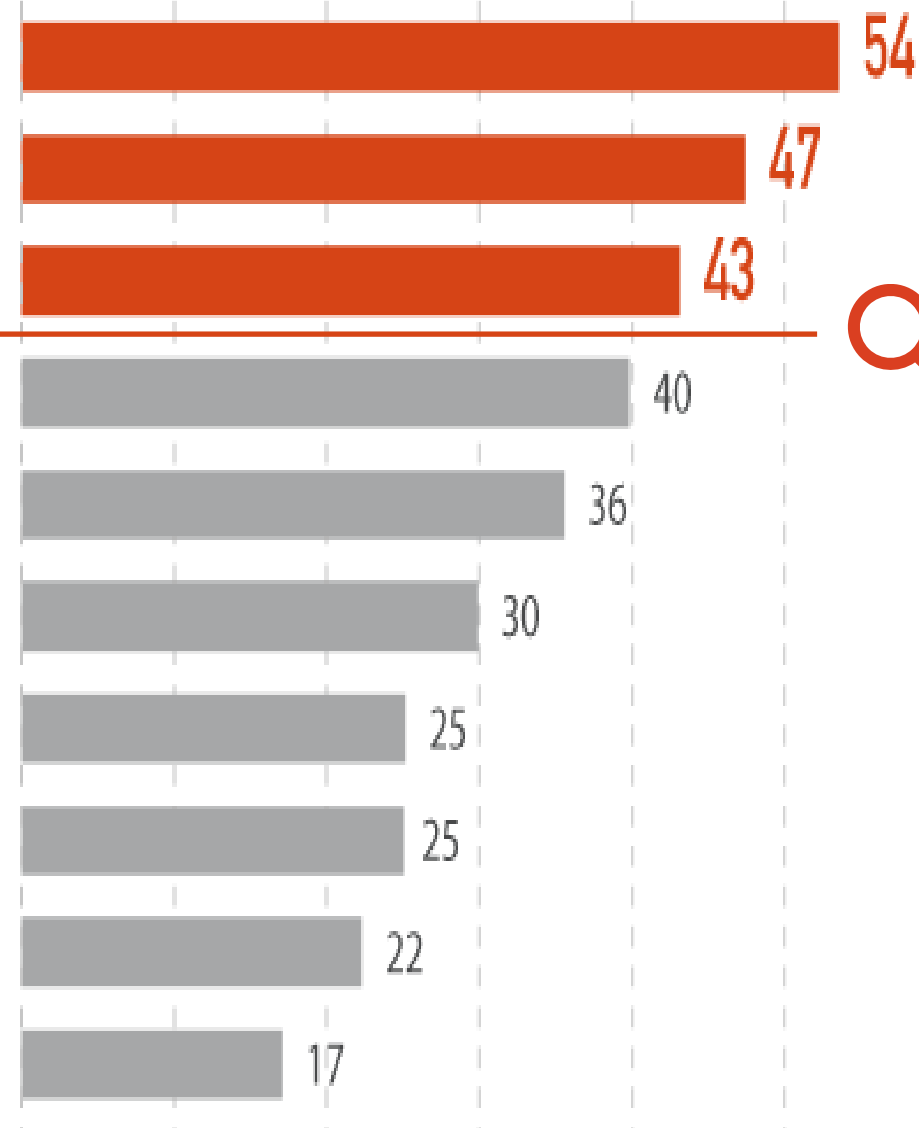
More ads on available e-commerce

New online consumer protection measures

New e-commerce marketplaces for essentials

Skills training programs

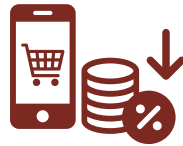
Maintenance logistics operations



# Top 3 measures for a COVID-19 recovery powered by e-commerce



Development of a **national e-commerce strategy**



Reduced **e-payment costs**



Reduction of costs for **internet access**



Affordable connectivity and e-payments need to be framed within sound policy development processes

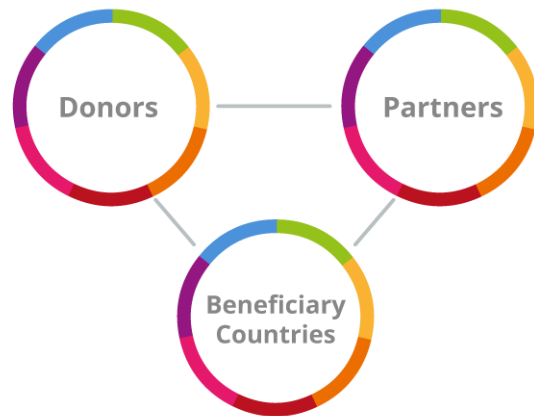


Investing in building digital readiness is key to turn e-commerce into an engine to power crisis recovery strategies

## Fast-tracking implementation of eTrade readiness assessments



## How we are doing that?



- Holistic approach (seven policy areas) – eTrade for all
- eTrade Readiness: from assessment to implementation
- Women empowerment (eTrade for Women)
- Collective action and smart partnerships
- Need to scale up Aid for e-Trade Readiness





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# Thank you!

Find out more and  
download the report here:

[https://unctad.org/system/files/official-document/dtlstictinf2020d2\\_en.pdf](https://unctad.org/system/files/official-document/dtlstictinf2020d2_en.pdf)

