IGE – UNCTAD, Geneva, 6 May 2024

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World trade is changing. Are you?

Ecommerce development approaches

Examples

SME enablement

- Brazil eBay Hub – B2C, women
- Central Asia eBay Hub
- Central Asia B2B Big Commerce
- Egypt B2B ecommerce – Shopify, BigCommerce etc.

Ecosystems development

- Egypt Ecommerce Hub for export councils
- Mexico eCentro for coffee exporters
- MENA TOT Women-led firms B2C ecommerce – World Bank
- Bank-platform-training partnerships – eTrade Alliance

Design & monitoring of programs and projects

- USAID projects' programming
- U.S. SBA women-led firms use ecommerce to export
- World Bank West Africa, Pacific Alliance digital services

Design of roadmaps and policy reforms

- Central America ecommerce roadmap – national, regional
- Central Asia ecommerce roadmap – national, regional
- USAID, World Bank programs
- Numerous private sector (Google, Visa, Mastercard etc.)

PPPs

- Alliance for eTrade Development (USAID) – 15 partners, 7 years, 80+ projects
- Prosper Africa Tech for Trade (Prosper Africa) - 20 partners, 1 year, 6 projects
- eTrade for All (UNCTAD)

Measurement

- SME-level - World Bank, IDB, USAID, IFC, Numerous private sector
- Digital and trade policies conducive to ecommerce - USAID, Numerous private sector
- Ecosystem - USAID
- Enabling environment - Pacific Islands Forum Secretariat
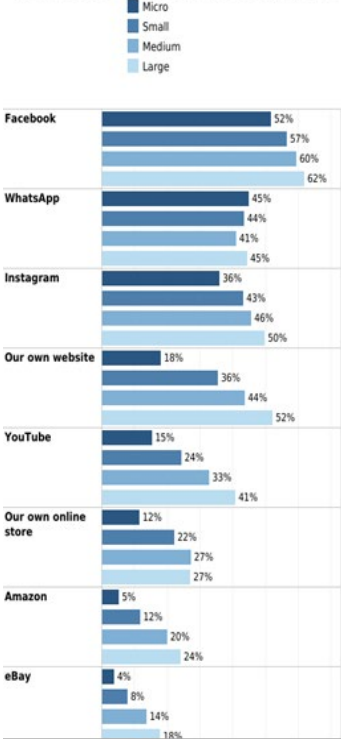
Appli-cations

Building blocks

Crosscutting and common themes

- Gender
- Digital transformation
- Export promotion
- Digital policy
- Measurement
- Sustainability

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DATABASES BUILT: SEE ETRADE POLICY HUB ON OUR SITE

Firm-level: 200,000 in >100 countries

Pro-ecommerce policies: adoption of 100 policies in 60 countries, 2018, 2021, 2024
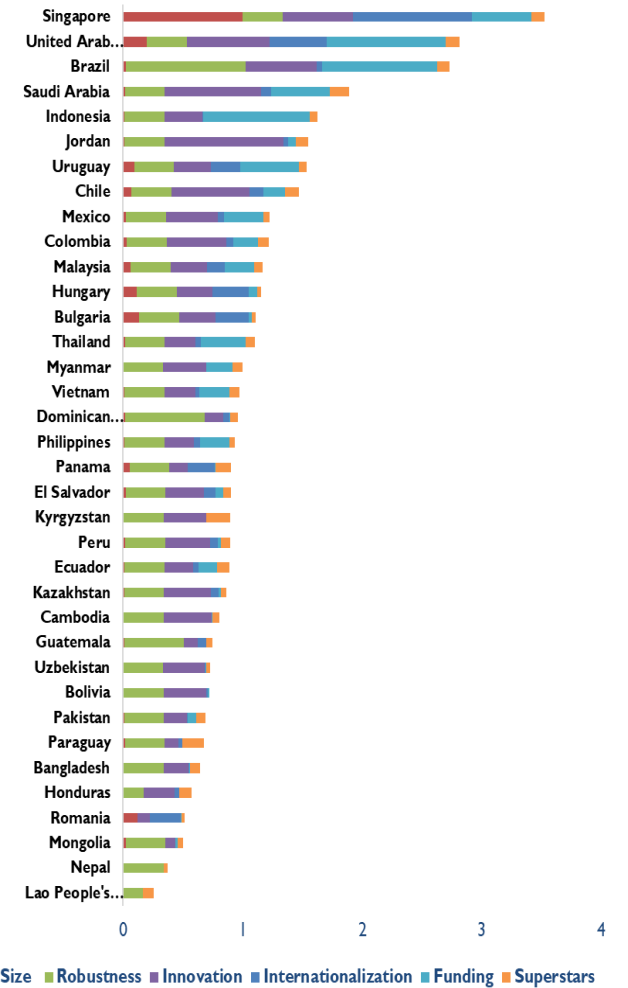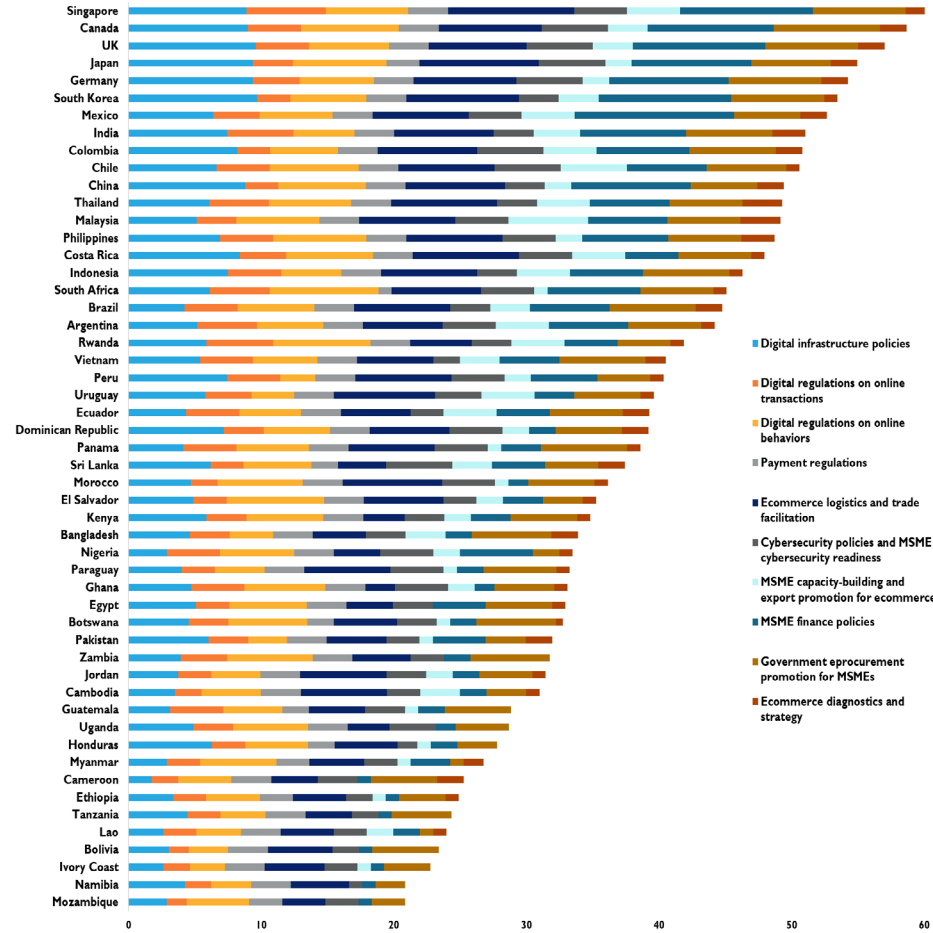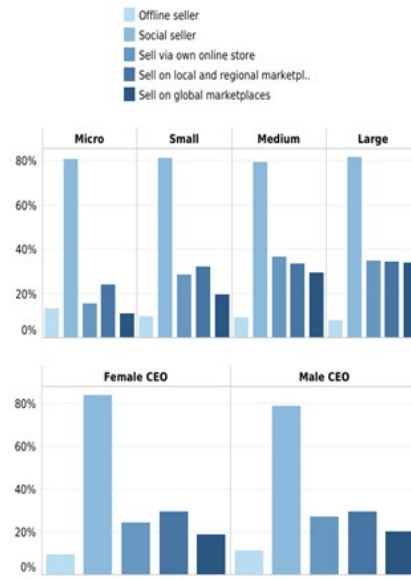
Best Robustness of ecommerce ecosystems across emerging markets

% firms that sell on each platform, by size

Legend: Micro, Small, Medium, Large

Platform	Micro	Small	Medium	Large
Facebook	52%	57%	60%	62%
WhatsApp	45%	44%	41%	45%
Instagram	36%	43%	46%	50%
Our own website	18%	36%	44%	52%
YouTube	15%	24%	33%	41%
Our own online store	12%	22%	27%	27%
Amazon	5%	12%	20%	24%
eBay	4%	8%	14%	18%

Type of seller, by firm size, CEO gender, type of location

With the exception of an offline seller, any online seller in these categories may overlap with other categories. For example, a social seller may also sell on a regional marketplace, and would therefore count as a social seller and also count as a firm that sells on local or regional marketplaces.

Legend: Offline seller, Social seller, Sell via own online store, Sell on local and regional marketpl.., Sell on global marketplaces

Charts: Micro, Small, Medium, Large; Female CEO, Male CEO

Pro-ecommerce policies chart (countries ranked):
Singapore, Canada, UK, Japan, Germany, South Korea, Mexico, India, Colombia, Chile, China, Thailand, Malaysia, Philippines, Costa Rica, Indonesia, South Africa, Brazil, Argentina, Rwanda, Vietnam, Peru, Uruguay, Ecuador, Dominican Republic, Panama, Sri Lanka, Morocco, El Salvador, Kenya, Bangladesh, Nigeria, Paraguay, Ghana, Egypt, Botswana, Pakistan, Zambia, Jordan, Cambodia, Guatemala, Uganda, Honduras, Myanmar, Cameroon, Ethiopia, Tanzania, Lao, Bolivia, Ivory Coast, Namibia, Mozambique

Legend:
- Digital infrastructure policies
- Digital regulations on online transactions
- Digital regulations on online behaviors
- Payment regulations
- Ecommerce logistics and trade facilitation
- Cybersecurity policies and MSME cybersecurity readiness
- MSME capacity-building and export promotion for ecommerce
- MSME finance policies
- Government eprocurement promotion for MSMEs
- Ecommerce diagnostics and strategy

Best Robustness chart (countries ranked):
Singapore, United Arab.., Brazil, Saudi Arabia, Indonesia, Jordan, Uruguay, Chile, Mexico, Colombia, Malaysia, Hungary, Bulgaria, Thailand, Myanmar, Vietnam, Dominican.., Philippines, Panama, El Salvador, Kyrgyzstan, Peru, Ecuador, Kazakhstan, Cambodia, Guatemala, Uzbekistan, Bolivia, Pakistan, Paraguay, Bangladesh, Honduras, Romania, Mongolia, Nepal, Lao People's..

Legend: Size, Robustness, Innovation, Internationalization, Funding, Superstars

USAID FROM THE AMERICAN PEOPLE

eTrade Alliance

Public-private partnerships to enable ecommerce

Alliance for eTrade Development

- **To enable developing country SMEs sell online**
- Built by Nextrade, launched in 2017 USAID
- 13 leading corporate partners
- 40+ projects around the world
- >40,000 SMEs and >900 policymakers impacted

New constituencies in ecommerce development

MSMEs' digital transformation

1. Policy and enabling environment

2. MSME skills development for ecommerce

3. Logistics and last-mile delivery

4. Access to finance

5. Inclusive trade

Prosper Africa Tech for Trade Alliance

- **To enable Africa's trade though U.S. technology**
- Built by Nextrade, launched in 2023 with the support of USAID and Prosper Africa
- 20 leading corporate partners
- First projects launched in 2023 t bring U.S. technology to solve for frictions in Africa's agricultural and healthcare value chains, promote U.S. exports to Africa

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Approaches

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EXAMPLE: ECUADOR MSME ENABLEMENT

Phase I – May-Oct 2022
- 50 firms crossborder
- Subset: Amazon and eBay onboarding
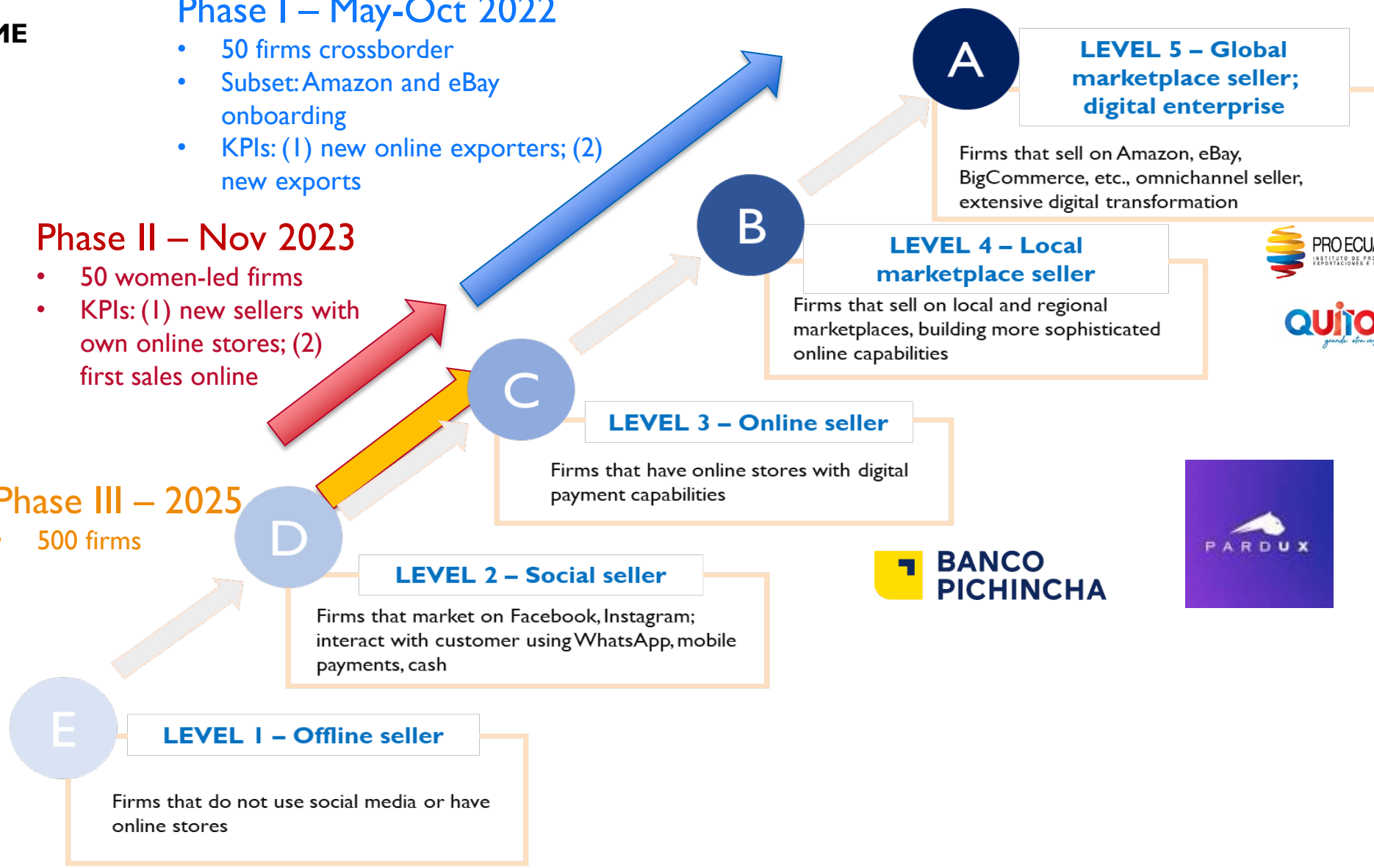- KPIs: (1) new online exporters; (2) new exports

Phase II – Nov 2023
- 50 women-led firms
- KPIs: (1) new sellers with own online stores; (2) first sales online

Phase III – 2025
- 500 firms

MSME digital transformation

A — **LEVEL 5 – Global marketplace seller; digital enterprise**
Firms that sell on Amazon, eBay, BigCommerce, etc., omnichannel seller, extensive digital transformation

B — **LEVEL 4 – Local marketplace seller**
Firms that sell on local and regional marketplaces, building more sophisticated online capabilities

C — **LEVEL 3 – Online seller**
Firms that have online stores with digital payment capabilities

D — **LEVEL 2 – Social seller**
Firms that market on Facebook, Instagram; interact with customer using WhatsApp, mobile payments, cash

E — **LEVEL 1 – Offline seller**
Firms that do not use social media or have online stores

Early-stage ecommerce ecosystem

Enabling environment for ecommerce

Sophisticated ecommerce ecosystem

Source: Nextrade Group.

eBay Central Asia Hub Program
(B2C sales)

Project Scope & Objective

- Train 200+ entrepreneurs across 5 Central Asian countries on e-commerce exports through group and individual training
- On-board 50+ entrepreneurs to the eBay Central Asia Hub

Seller Objectives

- Open and manage own shop on eBay
- Understand how to optimize products on eBay
- Understand dynamics of an international online marketplace
  - Who is the competition?
  - What are the price levels?
  - What are success factors in online exporting?
- Make first exports through eBay
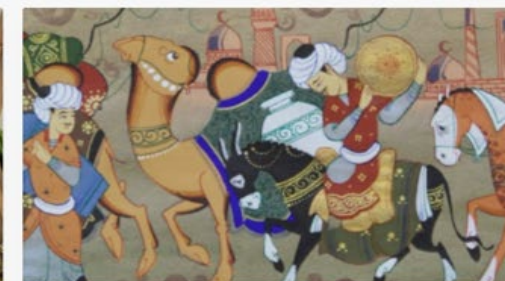
eBay Brazil and Central Asia Hubs: Measuring Impact

June 2021- December 2023:

- eBay Central Asia Hub (https://ebay-discoveries.com/central-asia) now has 58 sellers and 2,560 products

- Over 1,000 products were sold worth more than $89,000 USD

- Businesses from all 5 Central Asian countries made international sales, reaching buyers in 31 export markets

- Of the 50 businesses making international sales, 31 were women-owned

eBay Central Asia Hub - Monthly Sales

Legend: sales on eBay ($) | sold items***
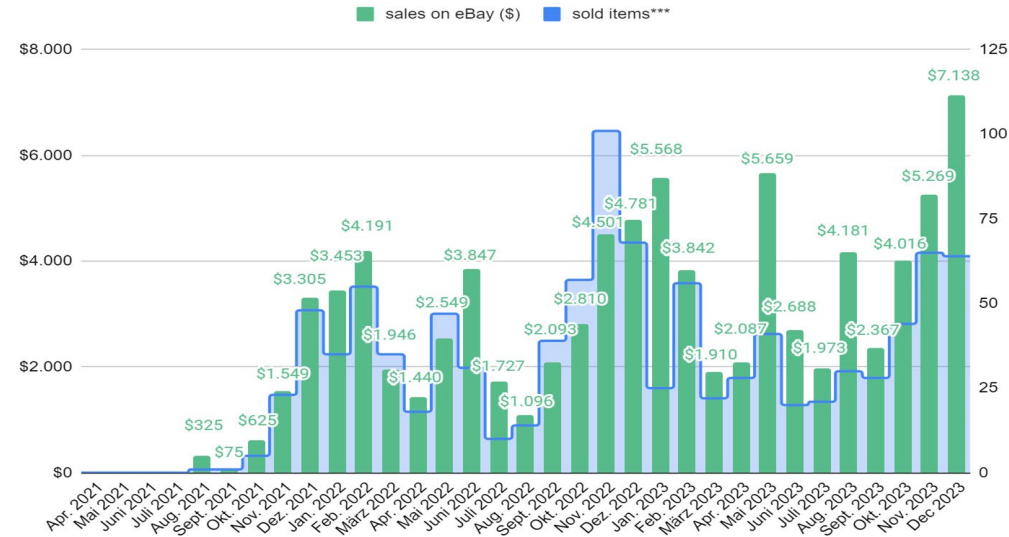
eBay Central Asia Hub - Products for Sale

Legend: eBay Germany | eBay UK | eBay USA
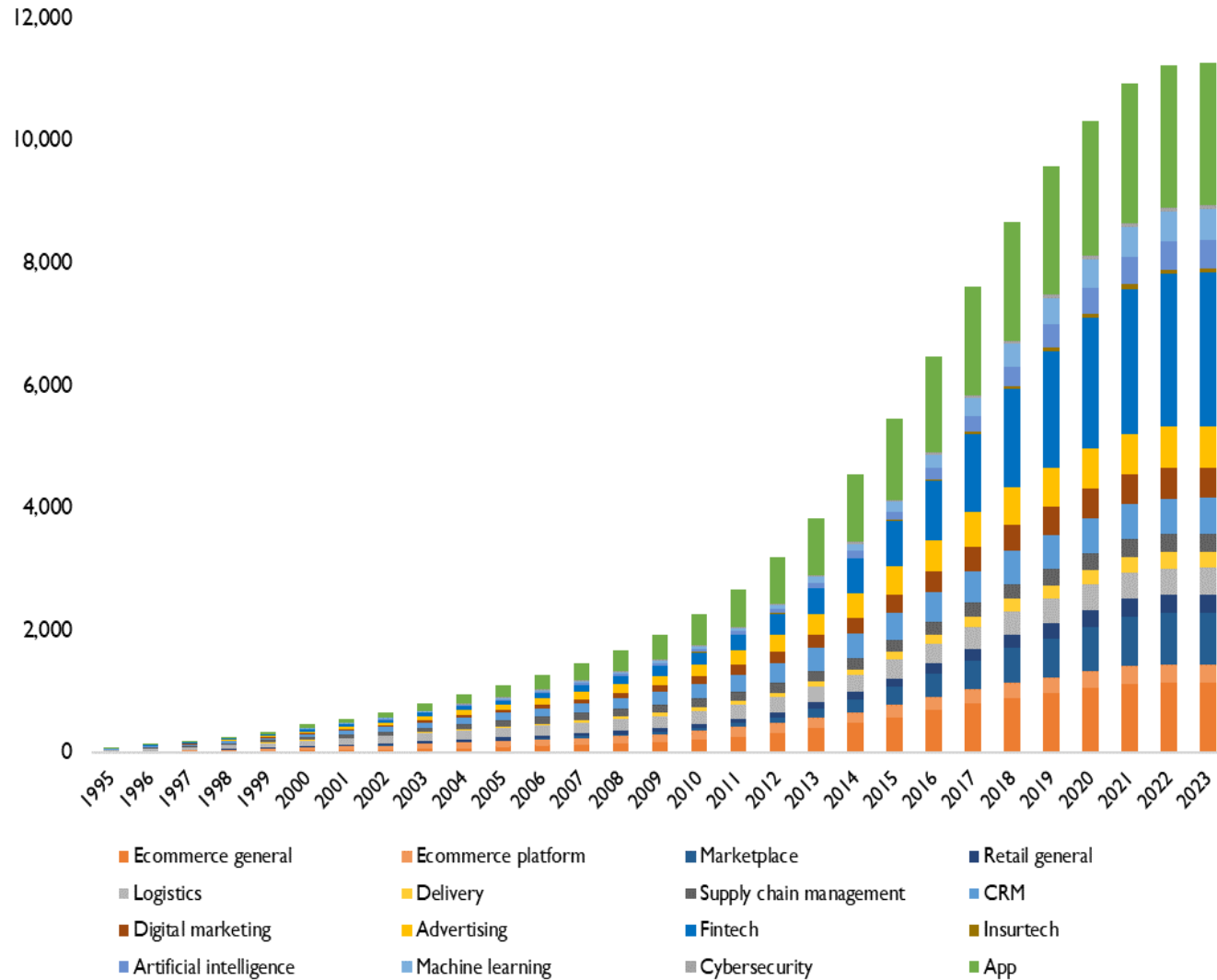

Sales by Export Destination
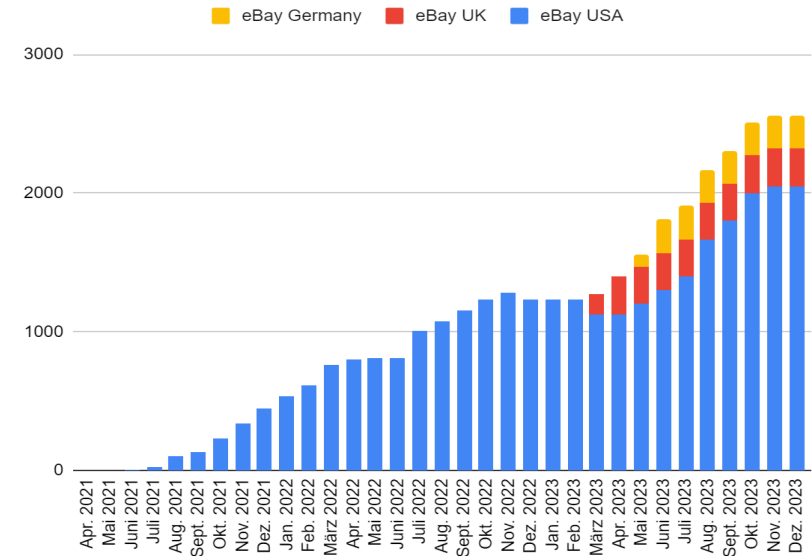
- USA
- United Kingdom
- Germany
- Italy
- Japan
- Canada
- United Arab Emirates
- Israel
- China
- Estonia
- Netherlands
- Kazakhstan
- Norway
- Chile
- Puerto Rico
- Denmark

Opportunity in rise of local ecommerce ecosystem across developing economies

Growth of ecommerce ecosystem in 45 emerging markets

Multibillion Businesses that *are* the ecosystem

Legend:
- Ecommerce general
- Ecommerce platform
- Marketplace
- Retail general
- Logistics
- Delivery
- Supply chain management
- CRM
- Digital marketing
- Advertising
- Fintech
- Insurtech
- Artificial intelligence
- Machine learning
- Cybersecurity
- App

Ecosystem diagram labels:
- Marketplace
- Retail
- Advertising
- Logistics
- Classifieds
- Acquiring
- Digital Account
- Credits
- Investments
- Insurance

mercado libre

Leader in e-commerce and fintech in Latin America

mercado pago

eCentro de Cafe – Shared services for coffee roasters and sellers in Mexico

Consolidate and Commercialize Industry Data

› Capture and systematize information from Tasas de Excelencia, public and private sector actors
› Implement tool/system for capturing and managing information
› Catalogue producers, varieties, flavor profiles

Financing*

› Increase adoption of formal contracts by larger cafeterias/roasters
› Digital payments

*For those enterprises seeking working capital, the eCentro will connect them with SURGES' network of financial facilitators and innovative financing products from the Innovation Challenge.

Industry-level Marketing/Sales

› Support "Mexico Beyond Specialty" leaders/champions
› State-level marketing campaign in Veracruz
› B2B matchmaking
› Longer-term: Commercialize Café de Mexico/national branding

Enterprise-level Marketing/Sales

› Staff to carry out digital marketing and advertisement
› For existing online stores, work with Mercado Libre, Amazon, Hecho en VC to accelerate sales
› Curate content, copywriting, content marketing
› Professionalize packaging

Logistics

› 3PLs for HORECA buyers
› Cargo consolidation to reduce costs
› Links to partners that can move product and provide storage/warehousing/distribution
› Referrals to Elizabeth Hernandez/service providers (international)

Resources Hub

› Training, videos, tips
› Referrals to service providers/strategic partners

eCentro customer journey:

• **Positioning/marketing**

• **Logistics support**

• **Financing**

• **Establish Resources Hub**

Potential eCentro partners
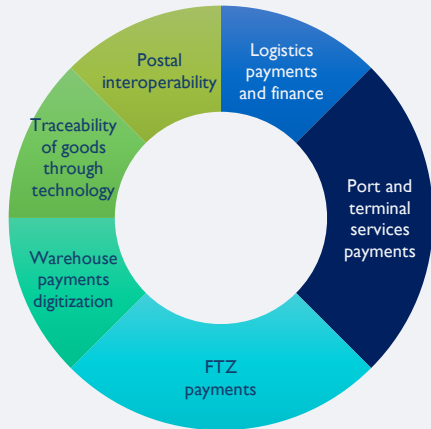
shopify mercado libre mastercard
UPS Google N
bext DHL

Physical industry days

Technology pilots to digitize transactions, facilitate crossborder ecommerce

What we solve for

Donut chart segments:
- Logistics payments and finance
- Port and terminal services payments
- FTZ payments
- Warehouse payments digitization
- Traceability of goods through technology
- Postal interoperability

Industry 4.0 adoption in trade ecosystem via Nextrade SMARTrade data

Bar chart categories (top to bottom):
- "Smart Port" initiative
- AI
- 5G
- Internet of things
- Blockchain
- Digital twins
- Digitization of payments
- AR/VR
- Drones to inspect cites

X-axis: 0, 10, 20, 30, 40, 50, 60

Legend:
- Asia Pacific
- Latin America and Caribbean
- Europe
- North America
- Middle East and North Africa
- Sub-Saharan Africa
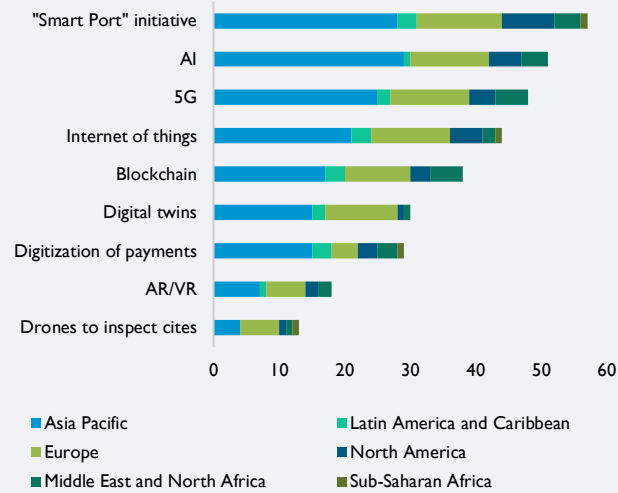
Source: Nextrade Group.
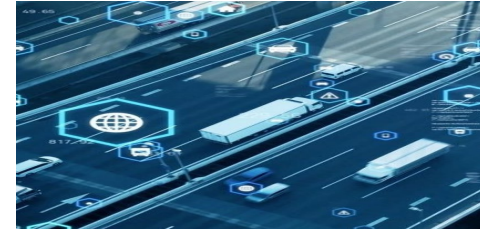
Egypt customs for ecommerce shipments

We are working with express shippers, Egypt Post and Egypt Customs to facilitate advance clearance of inbound ecommerce shipments.

FTZ Digitization in MENA

Nextrade is in 2023-24 developing a digital payments and finance pilot for a set of free trade zones in the MENA region with a leading donor organization ad technology company.

FTZ digitization in LAC

In 2022, we assessed pain points, develop business case, and defined pilots to digitize of flows, payments and financing and promote traceability for a leading free trade zone and a global technology company and its partners.

Postal interoperability in Central America for ecommerce shipments

Nextrade is in 2023-24 developing an interoperability pilot for postal services with a leading technology company in four countries to facilitate SME ecommerce logistics, with a leading technology company and a local Logtech and Fintech.
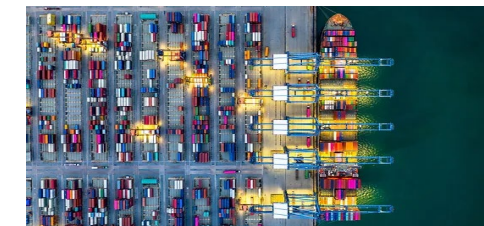
Smart port strategy

In 2020, we developed a global smart ports strategy for for a technology company to promote throughput through the interoperability of players and digitization of payments and finance in leading ports in the Americas, MENA, Europe and South Asia.

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Essential learnings:

SME- enablement

1. Huge need, major challenges and payoffs in B2B ecommerce

2. Need long-term focus

3. Highly applied

4. Need scalable programs and use of AI for scale

5. It's not only about ecommerce but firms' digital transformation – which should be co-funded

6. Impact measurement needs to be much better and frank

Ecosystem development

1. Important need for industry days - to bring together SMEs and ecosystems firms virtually and physically

2. Opportunity to partner with local, anchor firms, fund initiatives to digitize SMEs at scale

3. Huge opportunity for digitization and interoperability of hubs of global commerce

4. Measurement of ecosystems needs to be improved

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Examples of data-driven strategies to design clients' ecommerce programs

Central America ecommerce strategy

In 2019-22, we worked with U.S. State Department and Cenpromype to create national ecommerce plans in five Central American countries and a regional ecommerce strategy based on surveys and data analytics with altogether 4,000 MSMEs and 1,750 consumers and on an analysis of more than 40 policies conducive to ecommerce against global benchmarks.

Strategy to promote U.S. SMEs and green tech exports

In 2022-23, we worked with the Small Business Administration (SBA) to establish for the SBA the total addressable market of American exporters at national and state-levels, and developed three strategies for the SBA, to bolster SME export finance instruments, support America's green tech exporters, and enable women-led small businesses to export.

West Africa digital transformation

In 2022, we worked with the World Bank to develop diagnostics on digital transformation of over 1,100 SMEs and digital service providers in Africa and on the relationship between digital transformation and trade in services in West Africa, to support the Bank's strategy to enable digital trade in West Africa.

Global ecommerce development database

In 2018-22, we worked with the World Bank and the International Finance Corporation to build a global database covering 32 countries, to enable aid agencies and governments to identify the priority constraints to ecommerce and technology use in their countries and different firm segments, and to prioritize polices and programs for ecommerce and for the adoption of technologies.

Workforce digital transformation in Georgia

In 2022-23. we worked with DAI on the USAID Economic Security Program on an impact assessment of the employment landscape in the Georgian ecommerce sector, and developing a roadmap for Georgian employers to bring employees to the digital era and for workers to acquire requisite skills as existing job roles evolve and new job roles emerge. The work supported DAI's work in enabling Georgian firms and workforce's digital transformation.

Roadmap to bolster ecommerce data in the Pacific

In 2023, we worked with the Pacific Island Forum Secretariat to develop a strategy to bolster the indicators available in the Pacific Ecommerce Portal, in support of the 2021 Pacific Ecommerce Strategy. Nextrade identified over 50 indicators in key areas such as digital skills, ICT connectivity, logistics, and digital payments, and created a strategy for PIFS to harness comparative data and data visualizations to enable regional policymakers to identify gaps and opportunities.

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Example of ecommerce roadmap development in Central Asia in 2023-24

Key data inputs

1 Firm-level data on ecommerce in 5 countries

- Over 1,000 firms
- How firms use and benefit from ecommerce
- What their pain points are to using ecommerce
- State of digital transformation of traditional sectors

2 Consumer data on ecommerce in 5 countries

- Over 1,000 consumers
- How consumers use ecommerce
- How consumers benefits form ecommerce
- Policy interests

3 Ecommerce flow data in 5 countries

- Growth of ecommerce in goods in 2017-22
- Growth of ecommerce in services in 2017-22
- Ecommerce as % of regional trade and GDPs

4 Digital policy data 5 countries

- Comparative mapping of 66 policies in 12 main areas
- Mapped against international benchmark
- Comparative policy index
- Literature review on policies conducive to commerce

Roadmaps using inputs

5 Draft national ecommerce roadmaps

- National ecommerce development goals
- Actions for:
    - Ecommerce logistics
    - Digital payments
    - SME finance, etc.

6 Draft regional ecommerce roadmap

- Promote regional interoperability in digital payments
- Promote interoperability of digital policies
- Facilitate regional trade in low-value items
- Promote competitiveness as ecommerce hub

7 Payments interoperability roadmap

- Analyze crossborder payments and remittances
- Understand payments-related challennegs for exporters
- Promote regional interoperability in digital payments
- Promote new corresponding banking relationships

8 Regional ecommerce data dashboard

- Firms and consumer-level data
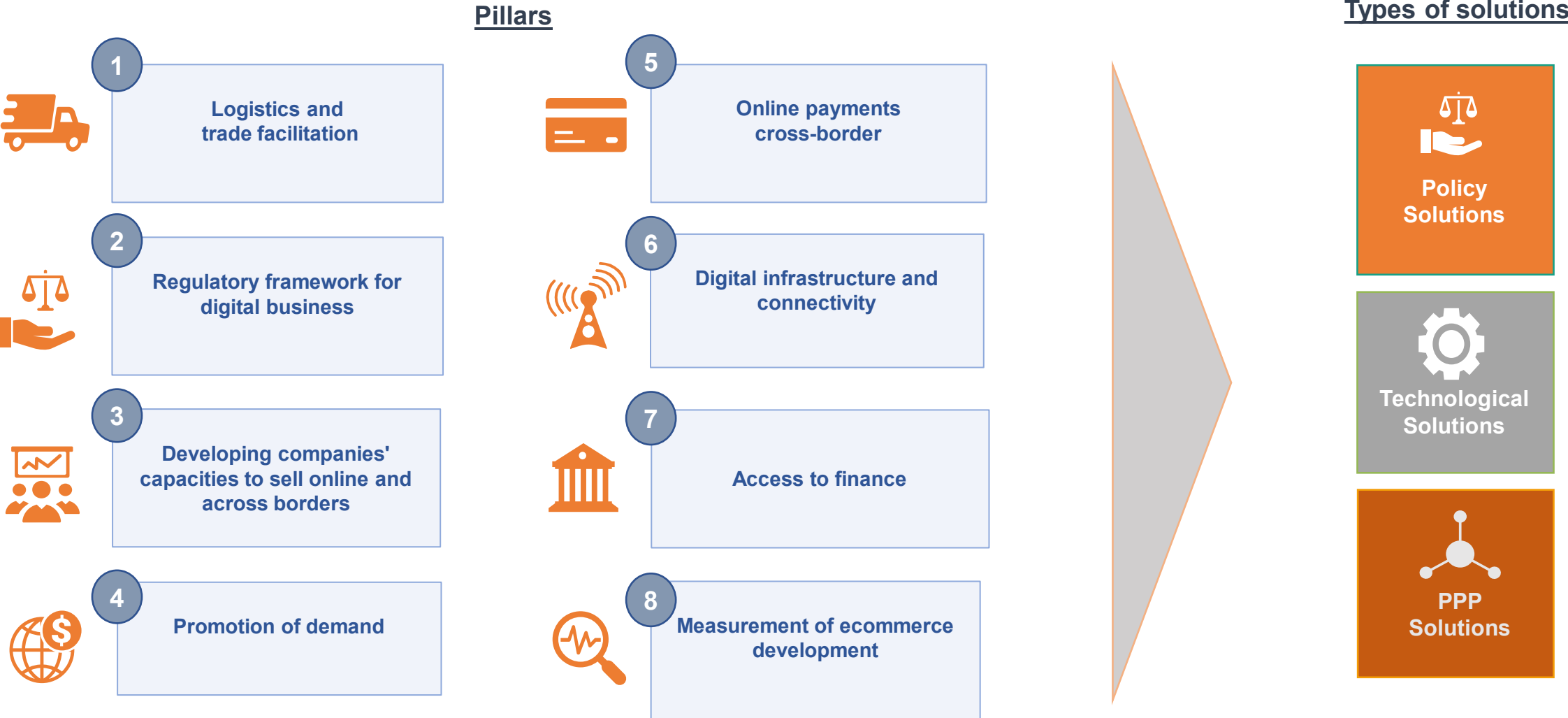- Data on ecommerce flows
- Policy data

Plan for 2024

- **Develop and operationalize national roadmaps with national committees**

- **Develop and operationalize regional roadmap starting with payments**

- **Promote solutions to payments painpoints, e.g. in corresponding banking relationships**

Elements of ecommerce roadmaps: Thematic pillars for ecommerce, implemented by political, technological, and public-private partnership solutions

Pillars

Types of solutions

1 Logistics and trade facilitation

2 Regulatory framework for digital business

3 Developing companies' capacities to sell online and across borders

4 Promotion of demand

5 Online payments cross-border

6 Digital infrastructure and connectivity

7 Access to finance

8 Measurement of ecommerce development

Policy Solutions

Technological Solutions

PPP Solutions

Source: Nextrade Group

Crosscutting themes

Promotion of Entrepreneurship

Digital identity

Innovation

Cybersecurity

Free data flow

Essential learnings for roadmaps and strategies:

1. Data-driven planning is critical

2. Local leadership and ownership are essential for implementation; minister-level mandate facilitates

3. Plans need to emerge from multistakeholder processes, public-private dialogues

4. Major need to access and draw on global best practices

5. Proposed activities need to be concrete

6. Funding for implementation is critical – this is where development banks and PPPs are very useful

7. Useful to think bigger and more strategically and "thematically" than about "pillars"

8. Measurement of progress with implementation needs much more work

9. Agendas need to evolve with policy and technological changes

10. Donor coordination is paramount