Intergovernmental Group of Experts on E-Commerce and the Digital Economy Second session

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Contribution by

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Intergovernmental Group of Experts on E-commerce and the Digital Economy on its first session

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a) How can developing countries foster local platforms for domestic and crossborder e-commerce?

In recent years the use of e-commerce and cross-border platforms has been increasing, but its growth has been affected by fraud, complex logistics systems and lack of strategic alliances with intelligent solutions related to payment means suppliers.

Faced with these challenges, developing countries have the opportunity to adopt policies in favour of development of this sector, such as:

- The development of a long-term and multi-sectorial Digital Agenda tailored to meet the needs of each country.
- The development of instruments that promote innovation and competitiveness on issues related to payment means. For example, financing programs and negotiation of strategic alliances.
- Increase banking penetration and encourage the use of payments through electronic means by strengthening the confidence of users that engage in online commercial activities

Additionally, it is important to promote the adoption of commitments in favor of the development and use of e-commerce in trade agreements, such as:

- Non-imposition of customs duties on electronic transmissions.
- Online consumer protection and personal information protection.
- Not requiring the location of computing facilities to services providers.
- Guarantee the cross-border transfer of information.

b) What are the existing barriers related to international e-commerce platforms that developing countries, including the least developed countries, face and how can these barriers be overcome?

The main barriers in the field of electronic commerce platforms are the lack of confidence in the use of electronic platforms on the part of consumers, low competitiveness and development of the sector, and complex and slow logistic systems.

In addition to the above, it is important that as a first step e-commerce platforms can be consolidated at the local level. Achieving a fluid local logistic connection will facilitate a subsequent cross-border connection, which will need from governments ambitious and far-reaching commitments related to consumer protection, data privacy, among others that could facilitate their process of internationalization

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In order to achieve this, it is important to work under a multi-stakeholder approach and face the specific needs and challenges of each country.

c) What are some of the operational constraints that small and medium-sized businesses in developing countries face when setting up trade online, and how can they be overcome?

Among the constraints at the operational level we find:

- Costs incurred throughout implementing and maintaining a reliable and secure e-commerce platform,
- Costs and times related to the clearance,
- Commissions associated with the use of electronic means of payment,
- Lack of knowledge about the use of electronic means of payment and technologies (financial and digital literacy), among others.

These operational restrictions, which are mainly at the local level, can be addressed through articulated state policies and oriented to the development of instruments that promote innovation and competitiveness on issues related to means of payment, such as financing programs, negotiation of strategic alliances and the adoption of commitments in trade agreements that facilitate the use of ecommerce for SMEs such as guarantee that the services provider would not need to use and locate servers in the territory where he conduct their business. This commitment is connected with the development of cloud computing which allows firms to outsource computing hardware and software services, letting firms to focus on their core business operations.

In the same way, training and support for SMEs are very important, for this purpose, support programs should also be implemented for both SMEs and users so that both can make effective use of e-commerce platforms.

d) What are the good practices that developed and developing countries, including the least developed countries, can learn from each other?

It is important to promote capacity building activities, both for government officials and SMEs involved in the promotion and use of electronic commerce platforms.

Fostering information sharing and spaces for dialogue between government officials and the private sector are also a way of strengthening the working networks in favor of the development of electronic commerce platforms.