



Intergovernmental Group of Experts on e-Commerce and the Digital Economy

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Madam Chair,

On behalf of the delegation of Sri Lanka, let me congratulate you and Madam Vice Chair for the election to lead this Intergovernmental Group of Experts.

My delegation commends the work of UNCTAD Secretariat and all other partners who worked hard to make this important forum a reality and creating a platform for more substantive outcomes. The presentations by all distinguished panelists are very timely for a coordinated effort among governments and provided the Member States with valuable questions for serious consideration.

Madam Chair, Distinguished Delegates,

The challenges and opportunities of digitalization for e-commerce has been clearly realized under my government's policy and strategy making process.

The Sri Lankan Government has a vision is to build a digitally empowered society and is committed to digitalize key sectors of the economy, and has made several bold strides towards this goal under the leadership of the Prime Minister's Office, the Ministry of Digital Infrastructure and Information Technology and the Ministry of Development Strategies and International Development.

Much of Sri Lanka's focus and government investments have been on Digital Citizen and Digital Lifestyle in the recent past. Therefore, there is a need to accelerate the Digital Economy agenda to ensure Sri Lanka is able to be competitive in the global arena. The initial estimates have indicated a possible 1 - 3% uplift in Sri Lanka's GDP in 2019 driven primarily through increased digital adoption by the industry.

Accordingly, the Government of Sri Lanka recently endorsed the implementation of the 7 year "Digital Economy Strategy (2018 – 2025). It is proposed that in order to accelerate the growth of the Digital Economy, the Government will need to catalyze identified sectors of the economy, as well as implement key enablers. The three-part framework includes,

- (i) digitalization of priority sectors in the economy
- (ii) accelerating growth and development of digital sectors and
- (iii) building a robust enabling infrastructure

Three (03) flagship projects aiming at manufacture, agriculture and tourism and 10 priority projects have been identified to be implemented using 10 Bn Sri Lankan Rupees with the wide stakeholder engagement.

Some key focus areas of the Digital Economy Strategy are:

- i. Agriculture Online Marketplace (where the focus is on data on supply and demand especially in rural areas)
- ii. Creation of a Data Governance/Personal Data Protection Act and Regulations
- iii. Digital Shared Services and Digital platform for SMEs
- iv. Improving Digital Payment Mechanisms

Madam Chair,

As indicated in the map produced by the UNCTAD at morning session, Sri Lanka has 3 out of 4 key enabling laws for eCommerce, except the law on Data Governance/Personal Data Protection. The Ministry of Digital Infrastructure and Information Technology is now leading the discussions with the Ministry of Justice and other relevant state and non-state stakeholders to draft a legislation on Data Protection and the Drafting Committee has finalized the Working Paper for stakeholder consultation. The government is keen on adopting it within the next three months.

One of the key laws, i.e. the Electronic Transactions Act (ETA) of 2006, is based on the standards established by United Nations Commission on International Trade Law (UNCITRAL) Model Law on Electronic Commerce (1996) and also embodies the features of the United Nations Convention on the Use of Electronic Communications in International Contracts (2005).

Sri Lanka's ratification of UNECC has ensured greater legal certainty for e-Commerce and e-Business providers who wish to use Sri Lankan law as the applicable law and ensure international validity for such e-Contracts. It also provides Sri Lanka with the most modern electronic commerce legislation relevant to the Internet Era, introducing some new provisions and clarifying the operation of others.

The Amendment to the ETA also formed the basis of Mutual legal recognition of e-Commerce based transactions between other state parties to the UNECC. also ensure the legal validity for other international legal instruments as well as cross border funds transfers carried out by electronic means, including enforceability of Foreign Arbitration Awards as well as international Sale of Goods Agreements etc, enhancing the ability of Sri Lanka to fast track its move towards paperless trade facilitation through a single window platform.

The new elements of the Act further enhance service delivery to citizens through e-Government and e-Business initiatives and facilitate the use of authentication technologies to enhance effectiveness of Digital IDs. Sri Lanka is willing to learn lessons from the introduction of Aadhar by the Government of India and there was an official Mission to New Delhi for this purpose. It also provides greater flexibility by providing a liberalized regime for the use of Electronic Signatures.

As part of our Cyber Security strategy, the Government of Sri Lanka adopted a comprehensive Cyber Security strategy in October 2018. Consequently, Sri Lanka is now drafting a new Cyber Security.

We have also included the private sector in these efforts from the initial stage to obtain views of users of huge data volumes for their businesses, and the Government will follow an inclusive approach by consulting key stakeholders in the Review of these Legislation.

The recently adopted National Export Strategy (2018-2022) has recognized ecommerce as a leverage of exports of all ranges, with a special focus on priority product sectors and SMEs. The Department of Commerce and the Export Development Board of Sri Lanka along with my Ministry and the ICT Agency of Sri Lanka have set up a set of ambitious targets to outreach many potential local exporters and improve their productivity and market outreach through digital means.

Madam Chair,

Sri Lanka is hopeful for an equitable use of digitalization towards achieving inclusive development through these strategies and legal instruments. Therefore, we wish to collaborate with UNCTAD and other member states to jointly explore avenues to overcome barriers on data governance mechanisms, inclusive development and other issues associated with eCommerce and digital economy.

Thank you Madam Chair.