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Agenda item 4

**CAPACITY-BUILDING IN ELECTRONIC COMMERCE: IMPACT OF THE NEW
ECONOMY ON TRADITIONAL SECTORS OF DEVELOPING COUNTRIES:
ELECTRONIC COMMERCE AND TOURISM**

Draft agreed recommendations

Noting the UNCTAD X Plan of Action, the outcome of the Expert Meeting on Electronic Commerce and Tourism, and also taking into account the note by the UNCTAD secretariat contained in document TD/B/COM.3/35, the Commission adopts the policy recommendations set out below as a means of promoting the development and growth of e-commerce, including e-tourism, in developing countries.

The Commission notes that e-commerce is making a considerable positive impact on world trade and business activities, but that for the most part developing countries play a negligible role, which has resulted in widening the international digital divide that affects developing countries in particular.

The current low level of participation in e-commerce by developing countries cannot be attributed to the lack of benefits of e-commerce for those countries; rather, it has more to do with the special constraints that developing countries are facing in this area, including lack of awareness, the high cost of connectivity, lack of infrastructure, legal issues and security problems, as well as the need to enhance national and international policies that encourage competition and investment.

The Commission also notes that tourism and the emerging e-tourism are of vital importance to the economies of developing countries by being a major source of income and employment and a major factor in promoting the development of other economic activities. It recognizes that policy measures for the development of the e-commerce aspects of e-tourism should reflect broader policies that address e-commerce in general.

Priority attention and support should be given to the development of e-tourism in order to maximize its contribution to sustained economic growth and the sustainable development of developing countries.

In the light of these considerations, the Commission recommends that:

GOVERNMENTS

1. Governments should become aware of and support, through all possible means, existing and potential regional and international initiatives aimed at narrowing the growing international digital divide.
2. Governments, with the involvement of industry players, producers and local communities, should facilitate the development of national strategies and guidelines on e-commerce and sustainable e-tourism. Particular attention should be given to the improvement and liberalization of Internet services and telecommunications, investments in information infrastructure and the encouragement of the private sector in developing e-businesses.
3. Governments should show leadership in promoting e-commerce and could support its expansion by using it, for instance, in administration and procurement.
4. Governments should promote consumer confidence, privacy and intellectual property rights. Possible approaches include industry self-regulation, laws and regulations.
5. High priority should be given to the development and empowerment of institutions, including tourist destination marketing organizations (DMOs) and chambers of commerce that can support the promotion of e-commerce and e-tourism. These should be strengthened through the establishment of brand names, portals, databases, capacity-building, enhancement of consumer awareness and up-to-date content on the Internet.
6. Regulatory authorities should facilitate the development of appropriate, technology-neutral payments and trade-financing systems that will promote and support the development of e-commerce and e-tourism.

7. Developing countries should ensure that efforts to promote on-line transactions are accompanied by the enhanced production of physical goods and services, satisfactory product delivery and fulfilment and the supply of adequate support services, particularly banking, insurance, transport and customs.

8. Governments should create an enabling environment and encourage travel agents and other intermediaries to adapt themselves by using new information technologies and enhancing their expertise and creativity so as to improve their efficiency and ensure their continuity.

9. To the extent possible, Government should encourage the development of local content on the Internet in local languages and in the languages of the most important tourism consumers.

INTERNATIONAL COMMUNITY

10. International organizations involved in electronic commerce should cooperate and coordinate their activities to ensure an adequate exchange of information and the efficient use of resources.

11. Developed countries should provide necessary assistance to developing countries, particularly the least developed countries, so as to enable them to further develop e-tourism aimed at sustained economic growth and sustainable development.

12. Multilateral and bilateral donor agencies should provide financial support to e-commerce activities in order to empower enterprises in developing countries, particularly the least developed countries, with technology, human skills and policies encouraging competition and investment.

UNCTAD

13. UNCTAD, within its mandate, should contribute to strengthening the ability of developing countries, particularly the least developed countries, to develop and implement policies on e-commerce, by:

(a) Carrying out analytical and statistical studies on the implications, for the developing countries, of the economic, social and legal aspects of e-commerce, and in so doing complement and enrich from the development perspective the work being carried out by other international organizations, such as the World Trade Organization, the World Tourism Organization, the International Telecommunication Union, the World Intellectual Property Organization and the United Nations Commission on International Trade Law;

(b) Disseminate information to developing countries on approaches and elements of policies and best practices for e-tourism, taking into account successful experiences in the developing and developed countries;

(c) Organizing Expert Meetings, seminars and workshops aimed at assisting developing countries to learn approaches to be used in applying e-commerce in various economic sectors and activities, such as banking, transport, insurance and procurement;

(d) Raising the awareness of developing countries and collecting and disseminating information through various channels, including periodical publications, about different aspects of e-commerce, including the potential benefits of e-commerce, new Internet technologies, on-line trading practices and systems, payment systems, Internet strategies, ongoing work on e-commerce carried out in other international forums, developments regarding legal and regulatory issues and policy approaches adopted by other countries;

(e) Assisting developing countries in capacity-building through training courses and technical cooperation on various aspects of e-commerce generally, and in specific sectors, including e-tourism, e-transport, e-finance and enterprise development;

(f) Assisting developing countries, particularly LDCs, in identifying potential opportunities for the development of e-businesses in their countries and promoting partnerships with e-businesses in developed countries;

(g) Assisting developing countries and their destination management organizations (DMOs), in cooperation with other relevant international organizations, in developing tourism portals in order to improve their marketing of e-commerce and e-tourism;

14. UNCTAD, within its mandate and in cooperation with other international organizations, should continue to assist countries in transition in studying e-commerce issues, capacity-building, and developing and implementing policies on various aspects of e-commerce generally, as well as on its specific sectors.