

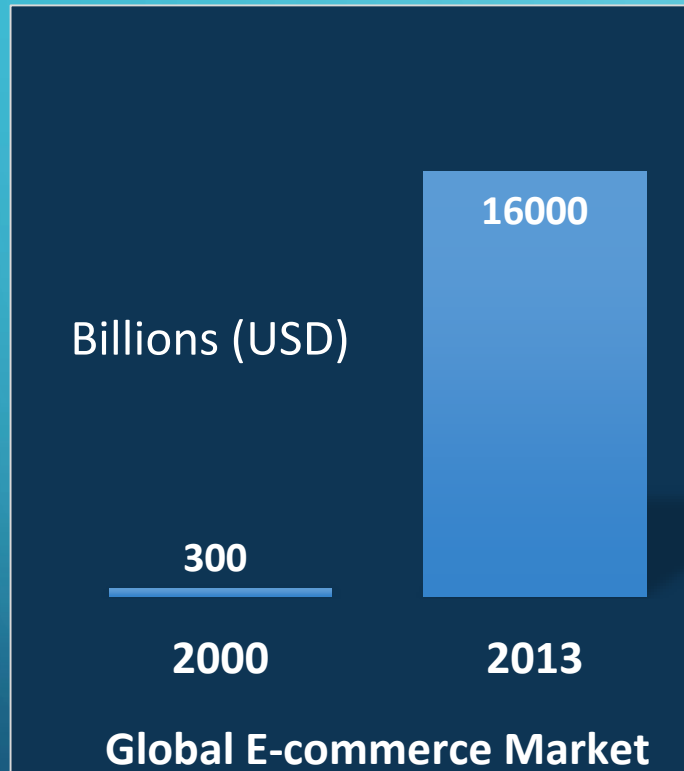
E-COMMERCE AS A TOOL FOR DEVELOPMENT : ANALYTICAL AND REGIONAL PERSPECTIVE

ARUN JACOB

CONTENTS

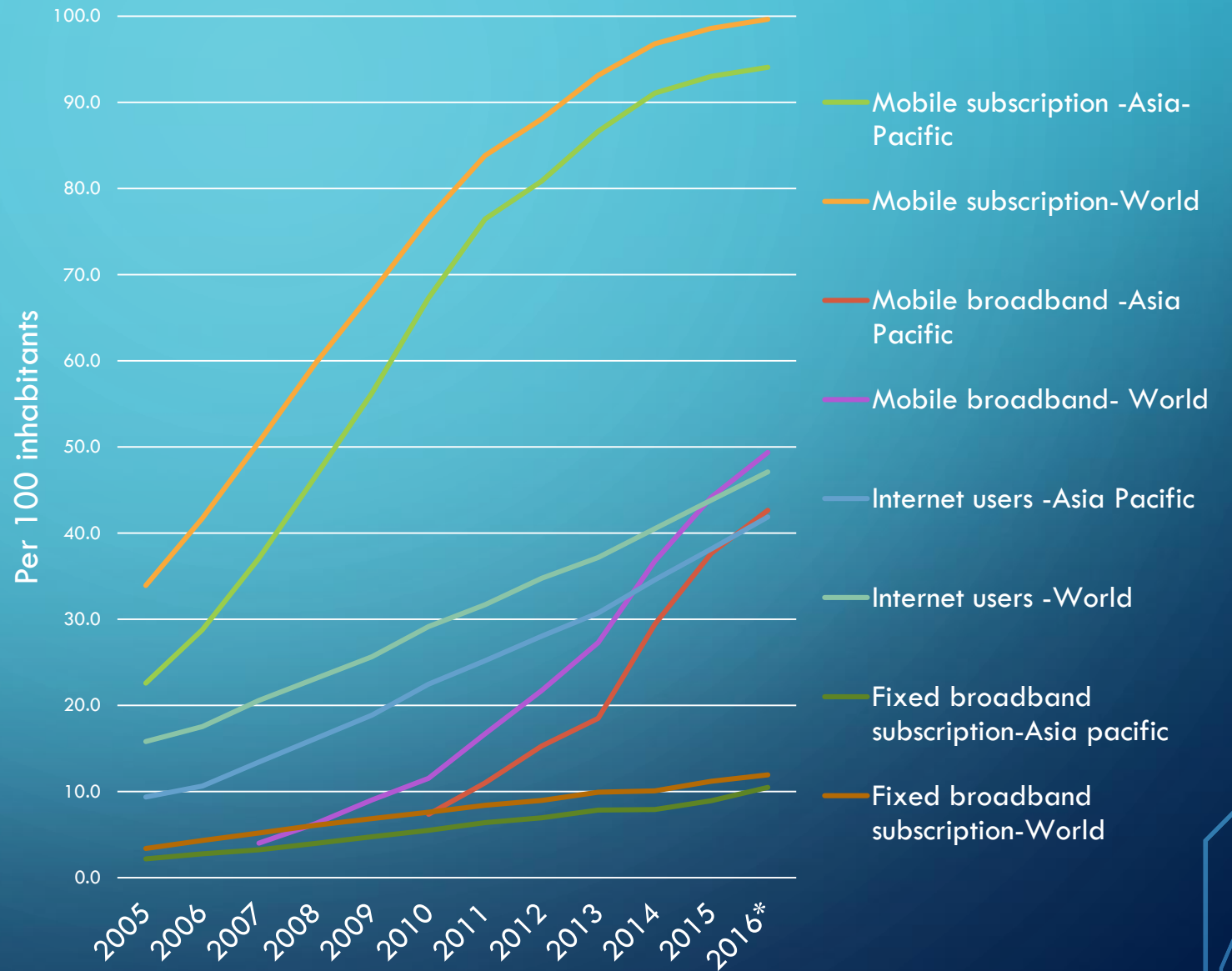
- Context
- Defining e-commerce
- Analysing digital trade : challenges and approaches
- Regional trends in digital trade: overview
- PTAs in the region and digital trade
- Emerging policy issues
- Implications for sustainable development

CONTEXT



Source : UNCTAD (2015)

Key ICT Indicators



Source : ITU

DEFINING E-COMMERCE

WTO (1998)

“electronic commerce’ is understood to mean the **production, distribution, marketing, sale or delivery of goods and services** by electronic means”

UNTCAD Information Economy Report 2015

“purchases and sales conducted over computer **networks...can involve physical goods as well as intangible (digital) products and services** that can be delivered digitally”

OECD (2013)

“the sale or purchase of goods or services, conducted over computer networks .. ., **but the payment and the ultimate delivery of the goods or services do not have to be conducted online**”

TYPES OF E-COMMERCE

**Business to
Business (B2B)**
**-15 trillion US\$
(2013)**
**-Highest market
share (90%)**

**Business to
Consumers (B2C)**
**-1.2 trillion US\$
(2013)**
-fastest growth

**Business to
Governments (B2G)**
**-Public e-
procurement**

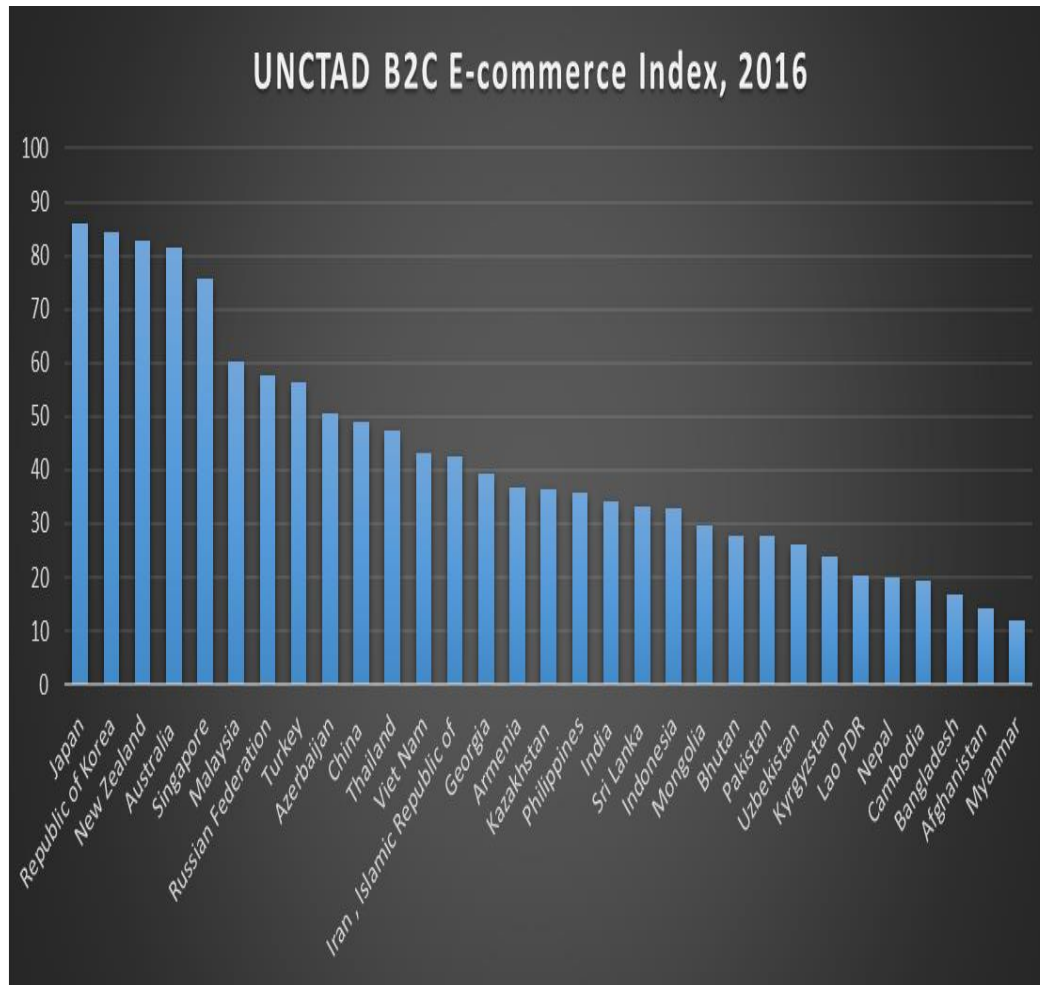
**Consumers to
Consumers (C2C)**
**-modern day
classified ads**
Egs. E-bay, Taobao

ANALYTICAL ISSUES

- Lack of an official commonly agreed definition
- Limited official statistics
- Highlights the overall data limitations of international trade in services
- Need to depend on proxy variables
 - Reliance on data provided by big private firms or industry associations
 - Difficulty with cross-country comparisons

E-COMMERCE PERFORMANCE INDICES

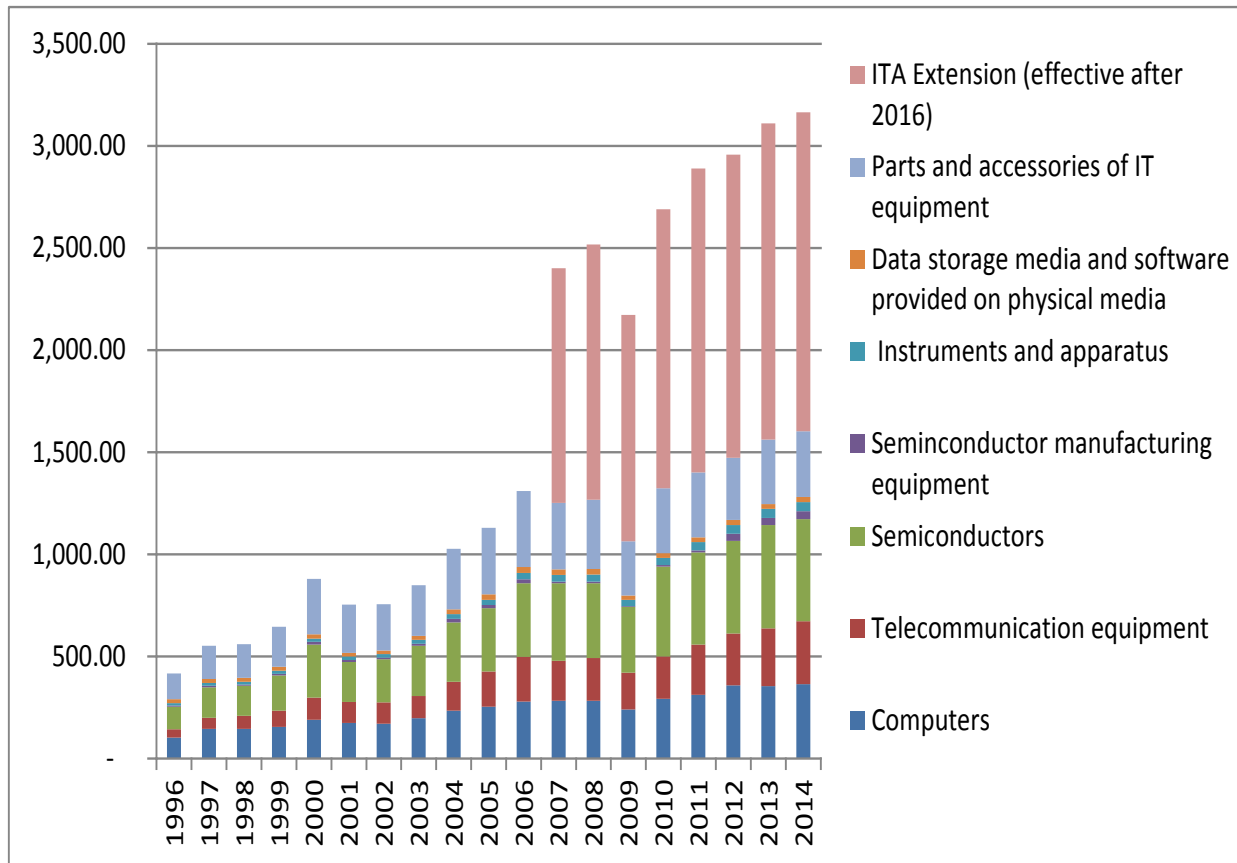
- Most of the available e-commerce performance indices exclude trade data
- Focus on ICT, logistical and financial infrastructure access data



QUANTIFYING DIGITAL TRADE

Example		Analytical strategy used in APTIR 2016 <i>forthcoming</i>
Digital infrastructure goods	Computers, network devices, and mobile phones	<ul style="list-style-type: none">• Trade in IT goods• Share of IT infrastructure services embedded in exports (TiVa)• International trade in services
Digital infrastructure service	Basic and value-added telecommunications services, and computer and related services.	
Digitizable products	Software, books, music, movies, and games	
Electronically enabled services	Insurance, customer care	
Classification source : Markle Foundation (2005)		

WORLD EXPORTS OF DIGITAL-INFRASTRUCTURE GOODS

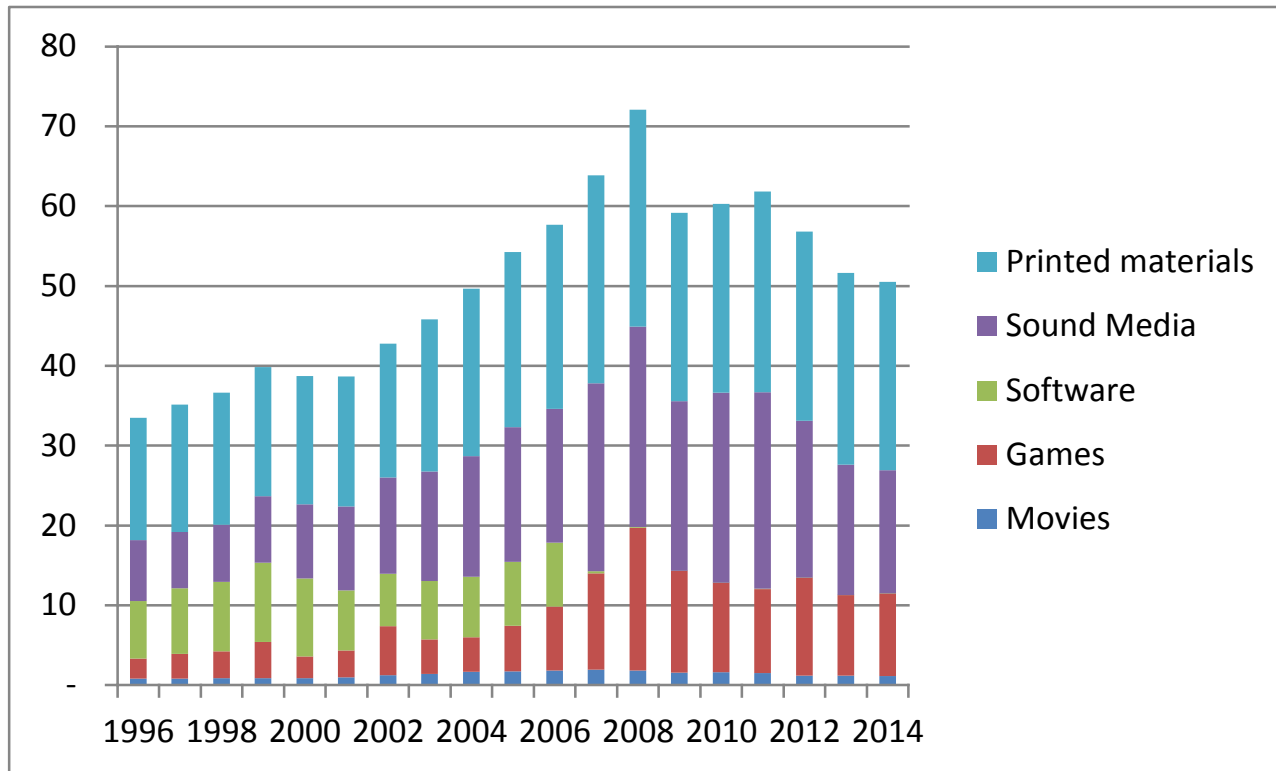


Source: APTIR 2016 forthcoming

EXPORTS OF DIGITAL-INFRASTRUCTURE GOODS

- Dominance of exports from China and East Asian economies in the Asia-Pacific region.
- AP account for more than 64% of the world exports on the original ITA product list and 57.5% of products covered by the extension of ITA.

WORLD EXPORTS OF DIGITIZABLE GOODS

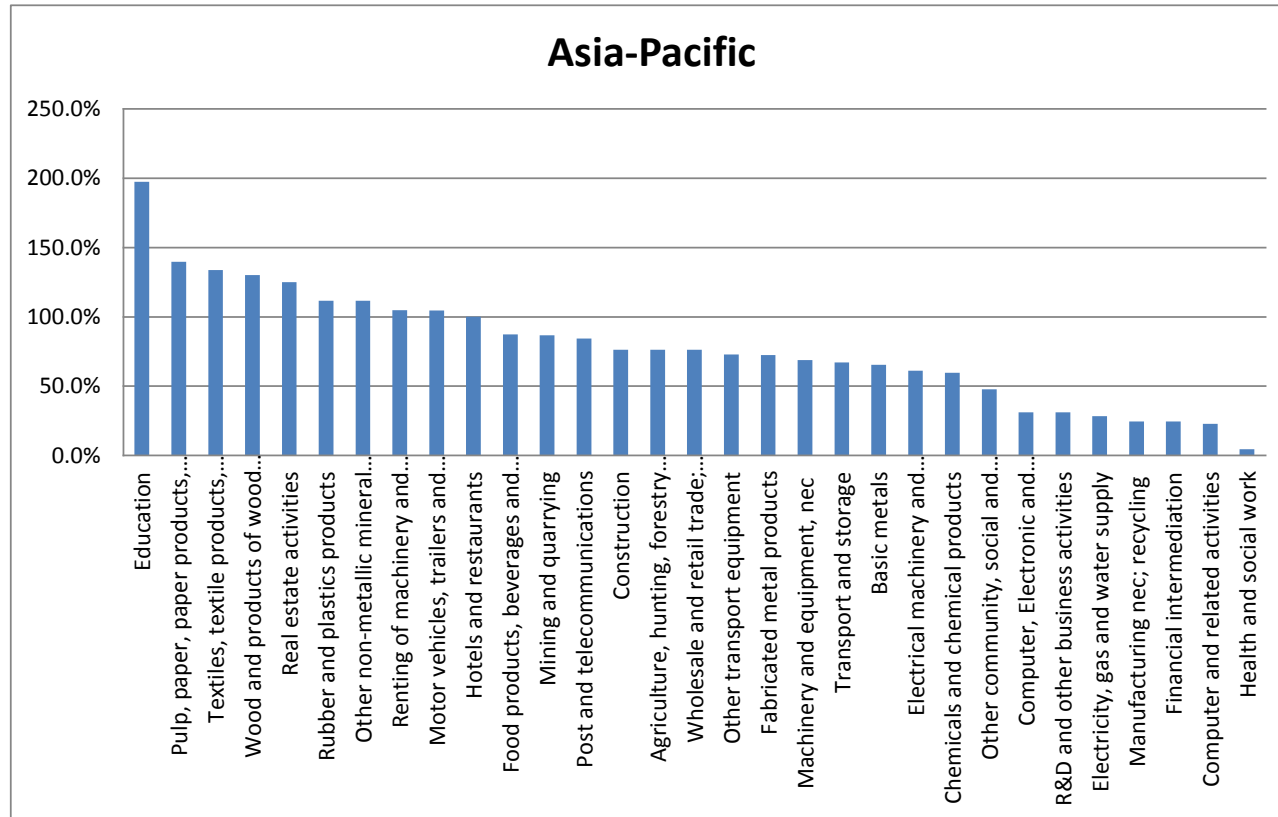


Source: APTIR 2016 forthcoming

TRENDS IN DIGITIZABLE PRODUCTS

- 0.3% of world merchandise trade in 2014
- Asia-Pacific economies account for 30% of world exports
- Significant underestimation of trade

CHANGE IN THE SHARE OF DIGITAL CONTENT IN EXPORTS BY SECTOR , 1995 TO 2011



Source: APTIR 2016 forthcoming

SHARE OF DIGITAL CONTENT IN EXPORTS & IMPORTS

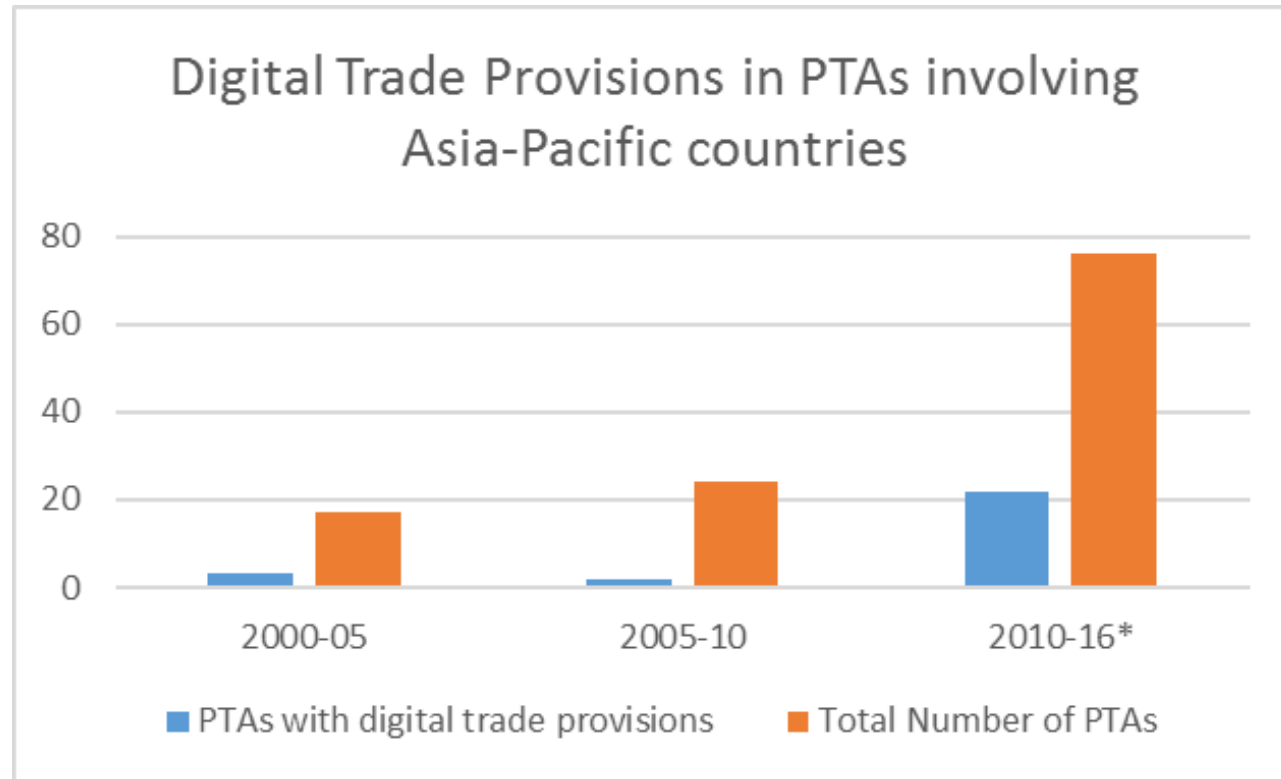
- Asia-Pacific increase in share of digital content in exports was faster than the world average in most industries.
- Globally, import share of digital infrastructure services in total exports increased from 14% in 1995 to 22% in 2011.
- For Asia-Pacific exporters, the import share is higher than the world average (23% in 1995 to 25% in 2011)

TRENDS IN TRADE IN DIGITAL INFRASTRUCTURE SERVICES

- Intraregional digital trade opportunity is growing, but major markets for digital-infrastructure services remain outside the region
 - From 1995 to 2011, intraregional imports of digital-infrastructure services grew faster than the imports from non-regional partners and domestic sourcing
- China has caught up with USA as an important user of telecommunication services to facilitate its export activities
- Links between country's competitiveness in digital-infrastructure services and export competitiveness ?
- Need for open trade environment

PREFERENTIAL TRADE AGREEMENTS AND PROVISIONS FOR DIGITAL TRADE

- Out of 155 PTAs analysed 37 PTAs recognized some aspects of digital trade/e-commerce
- Since 2010, about 30 % of PTAs initiated (and currently negotiated) have special provisions for e-commerce
 - 1/3 has a chapter on e-commerce
 - recognition of importance of e-commerce; call for greater collaboration; sharing of best practices; and to work towards removal of barriers in cross border digital trade



Source: ESCAP calculation based on APTIAD

Note: * includes PTAs currently under negotiation

EMERGING THEMES IN DIGITAL TRADE POLICIES

- **Open trade and investment rules**
 - Localization rules, 'de-minimis' rules
- **Complementary national strategies**
 - Data openness
 - Cyber laws, privacy laws, consumer protection laws,
 - hard and soft infrastructure to enable digital trade
- **New areas of international cooperation**

IMPLICATIONS FOR SUSTAINABLE DEVELOPMENT

- Some evidence that e-commerce has reduced spatial inequality in some parts of world
- The risk of 'digital divide' transforming into a development divide
- Need for further research and continuous monitoring on the impacts on existing structures of production and trade
- Impact on environment
 - Large data centers use up energy equivalent of small US towns

THANK YOU

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