

## NEW INITIATIVE TO HELP DEVELOPING COUNTRIES GRASP \$22 TRILLION E-COMMERCE OPPORTUNITY

*Nairobi, Kenya, 18 July 2016* – Developing countries should grasp the rapidly growing opportunity of electronic commerce – e-commerce – worth around \$22.1 trillion in 2015, up 38 per cent from 2013, or risk falling quickly behind, UNCTAD said on Monday at the launch of a new e-commerce initiative.

The new initiative, called “eTrade for All”, brings international organizations, donors and businesses under one umbrella, easing developing country access to cutting-edge technical assistance and giving donors more options for funding.

By providing new opportunities and new markets, online commerce can help generate economic opportunities, including jobs. But while more than 70 per cent of people are shopping online in Denmark, Luxembourg and the United Kingdom, the story is different in most developing countries. In Bangladesh, Ghana and Indonesia, for example, just 2 per cent or less of the population buy online.

“A huge divide is opening between countries that are exploiting those opportunities and those that are not,” UNCTAD Secretary-General Mukhisa Kituyi said, ahead of the initiative’s launch at [UNCTAD 14](#).

E-commerce includes both business-to-business (B2B) and business-to-consumer (B2C), respectively valued at around \$19.9 trillion and \$2.2 trillion each, according to the new UNCTAD data. This trade is mostly domestic, but is becoming more and more international. The new UNCTAD data show that e-commerce is growing rapidly, with emerging economies accounting for most of this growth. China is now the world’s largest B2C e-commerce market, both in terms of sales and in number of online shoppers. Brazil, India, the Republic of Korea and the Russian Federation have also all moved into the top 10 e-commerce markets (see table).

“I am delighted by this collaboration with our partners, which finally gives the global community an effective platform for helping developing countries access and benefit from e-commerce,” Dr. Kituyi added.

With strong involvement by the private sector – through a new Private Sector Advisory Council – and with financial contributions from the Governments of the United Kingdom of Great Britain and Northern Ireland, Sweden, Finland and the Republic of Korea, the eTrade for All

initiative will support developing countries which express an interest in boosting their online commerce.

The initiative will help developing countries in seven policy areas, including e-commerce assessments, information and communications technology infrastructure, payments, trade logistics, legal and regulatory frameworks, skills development and financing for e-commerce.

In this way, the initiative will also support the December 2015 call by the United Nations General Assembly to better use information and communication technology to facilitate achievement of the Sustainable Development Goals.

### Top 10 B2C E-commerce Markets, 2015, ranked by number of online buyers

	Country	B2C sales	B2B sales	Online buyers		Source***
		\$ billions	\$ billions	Number in millions**	Annual spend per buyer (\$)	
1	China	623	2,078	413	1,508	Ministry of Commerce
2	United States	511	6,072	166	3,072	Bureau of Census and eMarketer
3	Japan	114	2,380	57	1,994	Ministry of Economy, Trade and Industry
4	Germany	52	966	41	1,270	Federal Ministry for Economic Affairs and Energy
5	United Kingdom	174	709	38	4,539	Interactive Media in Retail Group
6	Brazil****	12	112	33	376	E-bit
7	Russian Federation	23	700	30	756	E-commerce Europe
8	France	72	600	25	2,916	Fédération du e-commerce et de la vente à distance (Fevad)
9	Republic of Korea	48	969	22	2,120	Statistics Korea (Kostat)
10	India*	20	298	22	891	Internet and Mobile Association of India
<b>Top 10 total</b>		<b>1,648</b>	<b>14,884</b>	<b>848</b>	<b>1,944</b>	
Global estimates		2,204	19,904	-	-	eMarketer (B2C) and UNCTAD (B2B)

Source: UNCTAD, based on sources cited in the table.

\* 2014.

\*\* Derived from Internet user surveys compiled by government agencies, with the exception of the United States of America (University of Southern California Center for the Digital Future) and the Russian Federation (E-commerce Foundation).

\*\*\* Refers to the source of B2C economic value (converted to United States dollars, using an annual average exchange rate).

\*\*\*\* B2B figure estimate based on average B2C–B2B ratio for the other economies among the top 10.

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#### Note to Editors:

- *The overall objectives of eTrade for All are to: (a) raise awareness of opportunities, challenges and potential solutions including best practices related to leveraging e-commerce in developing countries; (b) mobilize and rationalize financial and human resources to implement e-commerce projects in developing countries and countries with economies in transition; (c) strengthen coherence and synergies among partners' activities with a view to avoiding duplication of work and enhancing aid efficiency as well as increased impact.*
- *eTrade for All will help developing countries and countries with economies in transition to navigate more easily the supply of technical and financial cooperation from the international community, while at the same time giving donors a clear picture of technical assistance programmes to fund and help them evaluate the results they deliver. The overall effect includes greater transparency and aid efficiency as well as increased impact.*
- *eTrade for All will focus on seven key policy areas of particular relevance to e-commerce development. Partnering institutions may decide to add new policy areas at a later stage.*

- *Organizations engaged in the eTrade for All initiative include the African Development Bank, Enhanced Integrated Framework, E-Residency (Estonia), International Islamic Trade Finance Corporation, on behalf of the Islamic Development Bank Group, International Telecommunication Union, International Trade Centre, United Nations Conference on Trade and Development, United Nations Economic Commission for Europe, United Nations Economic and Social Commission for Asia and the Pacific, United Nations Economic and Social Commission for Western Asia, United Nations Social Impact Fund, Universal Postal Union, World Bank Group, World Customs Organization and World Trade Organization.*
- *Private sector partners include the African Alliance for Ecommerce, Bangladesh Association of Software and Information Services, BiziSol, Burundishop, DHL, eBay, einstituto.org, Fedex, Google, Grasshopper, Impact Enterprises, International Council of Swedish Industry (NIR), Kapruka, King and Spalding, Nexttrade Group, Paypal, Ringier Africa, Tradekey, UPS, vTex, World Information Technology and Services Alliance and the World SME Forum.*
- *Globalization, including a phenomenal expansion of trade, has helped lift millions out of poverty. But not nearly enough people have benefited. And tremendous challenges remain. UNCTAD supports developing countries to access the benefits of a globalized economy more fairly and effectively.*
- *As the United Nations focal point for the integrated treatment of trade and development and the interrelated issues of finance, technology, investment and sustainable development, UNCTAD helps developing countries to deal with the potential drawbacks of greater economic integration with the global economy by providing research and analysis, consensus-building and technical cooperation.*
- *The UNCTAD mandate is updated every four years when UNCTAD member States meet in a conference to agree on the body's work programme. The fourteenth session of the United Nations Conference on Trade and development – UNCTAD 14 – takes place this year in Nairobi between 17 and 22 July.*
- *With the tagline “From decision to action”, this year's Conference has extra importance as the first one since the global community established the Sustainable Development Goals and mandated – via the Addis Ababa Action Agenda – UNCTAD as one of five international entities to mobilize financing for development. The other four organizations are the World Bank, the International Monetary Fund, the World Trade Organization and the United Nations Development Programme.*
- *For further information, please contact Matthew Brown, Public Information Officer, [matthew.brown@unctad.org](mailto:matthew.brown@unctad.org), +254 (0) 795.215.259.*

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