

Best Place for MSME Ecommerce-Index

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This composite index aims to capture in a simple fashion the “best place” for an MSME to engage in ecommerce, based on key variables that capture elements of the enabling environment for ecommerce.

We leverage the below variables and rescale them into a “distance from the frontier”-measure using the linear transformation $(\text{worst}-y)/(\text{worst}-\text{frontier})$. The subindices for example for connectivity and logistics are simple averages of the “distance from the frontier”-scores of each variable.

Variables for Best Place for MSME Ecommerce-Index

	Variable	Source
1	% of people connected to Internet	World Bank Data
2	Ratio of people with fixed broadband- subscriptions per 100 people	World Bank Data
3	Internet quality - speed	Fastmetrics
4	Broadband cost	Cable
5	Tariffs on ICT products	WTO
6	Taxes on digital services (VAT/GST on digital sales)	Various
7	PayPal is available	PayPal
8	Hourly labour costs in US dollars (converted using 2011 PPPs), latest year	ILO
9	Notice period for redundancy dismissal for a worker with 1 year (weeks of salary)	ILO
10	Severance pay for redundancy dismissal for a worker with 1 year of tenure (weeks)	ILO
11	Maximum length of a single fixed-term contracts (months)	ILO
12	GDP per person employed (constant 2017 PPP \$)	World Bank
13	Regional trade agreements (number)	WTO Regional Trade Agreements Database
14	Labor skills levels - % of technicians	ILO
15	English proficiency (score) (2019)	EF EPI
16	Digital talent - proxy: Patent applications, residents	World Bank
17	Digital talent - proxy: ICT service exports	World Bank
18	Office space cost (unit/month)	CBRE
19	Doing business - ease of doing business (score)	World Bank Doing Business
20	Total tax and contribution rate (% of profit)	World Bank
21	Time spent on tax filings	World Bank
22	Cybersecurity index	ITU Global Cybersecurity Index
23	Paperless trade score	UN Global Survey on Digital and Sustainable Trade Facilitation
24	Crossborder paperless trade score	UN Global Survey on Digital and Sustainable Trade Facilitation
25	Time to export - documents	World Bank Doing Business
26	Time to export - compliance	World Bank Doing Business
27	Commercial air connectivity	World Bank World Development Indicators
28	Logistics performance index: Ease of arranging competitively priced shipments	World Bank Logistics Performance Index
29	Logistics performance index: Ability to track and trace consignments	World Bank Logistics Performance Index
30	Lead time to export, median case	World Bank
31	Logistics performance index: Quality of trade and transport-related infrastructure	World Bank Logistics Performance Index
33	Collateral requirements	World Bank Enterprise Surveys
34	Depth of Fintech ecosystem - National fintech ranking 65 countries	Findexable
35	Doing business - credit bureau coverage (% of adults)	World Bank Doing Business
36	Openness of company data available through government	Open company data index
37	E-government index- online services	UN
38	Companies' digital technology adoption index	World Bank Digital Adoption Index
39	Policy index for MSME ecommerce	eTrade Alliance
40	UPU Postal Development Index	UPU Postal Development Report 2020
41	Crime rate (robberies per 100,000)	UNODC
42	Has Stripe	Stripe
43	Has at least 1 Google Office	Google
44	Has at least 1 Amazon Fulfillment Center	Amazon
45	Has at least 1 Amazon offices	Amazon
46	% of firms with majority female ownership	World Bank Enterprise Surveys
47	% of firms with female top manager	World Bank Enterprise Surveys
48	Made or received digital payments - female (% age 15+)	World Bank FINDEX database
49	Account ownership at a financial institution or with a mobile-money-service provider - female (% age 15+)	World Bank FINDEX database
50	Inclusive Internet Environment	The Economist
51	Made or received digital payments (% age 15+)	World Bank FINDEX database