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Breakout 2: How to Drive Policy Reforms Conducive to Ecommerce

Kati Suominen, CEO of Nextrade Group, opened the panel by noting the the eTrade Alliance is at the forefront of a global drive to promote digital and trade policies to enable MSME ecommerce. The Alliance created a MSME Ecommerce and Digital Policy Index that covers the adoption of over 100 policies conducive to MSME ecommerce in 10 key areas in 52 countries in 2021, has prepared numerous studies on the policies conducive to MSME ecommerce, and organized 11 major Digital Trade Dialogues attended by over 1,000 government officials and private sector leaders in Africa, Asia, and Latin America.

The panel discussion featured experts from Google, DHL, Mastercard, and UPS, key challenges, opportunities, and strategies to effect policy change were explored. The consensus is clear – there is much work to be done, but with a sustained collaborative effort, positive changes can be achieved.

African Perspectives: Challenges and Opportunities in Ecommerce Policies

Pren-Tsilya Boa-Guehe, Head of Pan-African Institutions at Google, offered a valuable perspective on the challenges and opportunities that the African continent faces in the context of emerging technologies and evolving policies. Africa is a youthful and rapidly growing continent, with over 600 million people online, many of whom use mobile phone technologies. The African Union recognizes this as a mobile phone revolution, even though the growth has not been distributed equally. SMEs and e-commerce play a pivotal role in Africa, where there are between 44 million and 80 million SMEs. These businesses are the backbone of the economies Google engages with. Core priority markets for Google include Nigeria, South Africa, Kenya, Ghana, and more.

Google aims to leverage the internet as a tool to expand business opportunities for SMEs. Currently, fewer than 7 percent of these businesses are online. However, there is skepticism to address, especially regarding the role of AI in economic growth. Policymakers need to be more engaged in discussions, and organizations like the African Union are crucial in bringing stakeholders to the table. The African Continental Free Trade Area (AfCFTA) presents an excellent opportunity for digital trade discussions and policy adjustments.

Digital Transformation Worldwide: Policy Objectives and Implications

Heba Shams, Vice President of Global Public Policy at Mastercard, highlighted the main policy objectives currently driving digital transformation worldwide: inclusion and sovereignty. While digital and financial inclusion is vital, there is a growing emphasis on digital sovereignty, which includes regulatory interventions in various areas, such as pricing and identity. The question of who should drive digital transformation, whether it is the government or the private sector, has significant implications for regulatory interventions. Smaller participants like MSMEs may struggle to adapt to complex regulatory systems, making it vital to engage in ecosystem-inspired public-private dialogues.

Heba Shams posed an important question: How can the eTrade Alliance help SMEs understand digital policy questions so they can participate effectively? Advocating for the right policies necessitates a deep understanding of how these policies affect various stakeholders.



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Overcoming Regulatory Hurdles: DHL's Practical Approach

Carlos Enriquez Montes, Senior Director for Regulatory Affairs at DHL, emphasized the persisting issues of red tape and regulatory complexity that impede MSMEs. While the problems remain the same, there is a lack of progress in addressing them. Issues such as lack of financing, limited information, complex regulations, and high standards for products continue to challenge MSMEs. DHL adopts a practical approach by acting locally while leveraging its global strengths. They are committed to making an impact, but they emphasize the need to raise awareness among SMEs regarding digital trade. Trainings can empower them to expand their business horizons, and it is essential that governments and organizations like the eTrade Alliance play a supportive role in this process.

Navigating Goeconomic Challenges: UPS's Perspective

Erik Churchill's, Vice President of Public Affairs at UPS, concerns revolve around the headwinds of goeconomic fragmentation and the waning support for large-scale trade agreements. Despite these challenges, UPS acknowledges progress in trade facilitation, such as the adoption of global standards that enable cross-border trade. Churchill emphasizes the importance of governments paying attention to the technology that facilitates cross-border trade, including digital solutions. Convincing stakeholders of the benefits is crucial, and it is necessary to garner support from multinationals and multilateral development banks.

Conclusion

The road to policy reform conducive to e-commerce is filled with challenges, but these industry leaders are committed to overcoming them. By focusing on inclusion, sovereignty, and the empowerment of SMEs, the eTrade Alliance and its partners are driving the momentum for positive policy change. Digital transformation and the removal of red tape are key areas of focus, and as stakeholders continue to collaborate, the global e-commerce landscape is poised for significant improvement. While much work remains, the journey towards more conducive e-commerce policies is well underway.