

Workshop on "E-commerce, Development and SMEs"

Opening remarks by DDG Harsha V. Singh

It is a great pleasure to speak at the opening session of the workshop on "E-Commerce, Development and SMEs". Today's workshop, being held under the auspices of the Committee on Trade and Development, is the result of the proposal in the CTD last year by Cuba and Ecuador. I wish to express my appreciation to Cuba and Ecuador for their efforts in this regard. I also want to appreciate the constructive engagement of all Members in taking forward the proposal and making this workshop possible. To me, this event is an example of multilateral partnership which combines important traditional concerns with modern developments, and reflects the Decision taken by Ministers at the 8th Ministerial Conference in December 2011.

This Decision sought to reinvigorate the Work Programme on E-Commerce, and especially its development dimension. The CTD was specifically mentioned as the body to examine and monitor development-related issues such as technical assistance, capacity building, and the facilitation of access to e-commerce by micro, small and medium sized enterprises - including small producers and suppliers - in developing countries and in particular LDCs.

The development potential of e-commerce has, therefore, been very explicitly recognized by the WTO membership.

The first decade of the new millennium has witnessed a profound change and dramatic increase in the way business and trade takes place, with E-Commerce playing an increasing role. There is enormous potential for using information and communication technologies to contribute to the social and economic progress of developing countries worldwide. A key role in this regard is played by small and medium-sized enterprises. Such SMEs have used ICT to improve business performance and opportunities, including those SMEs operating in some of the world's poorest regions and communities.

The internet plays a large role in e-commerce. It has continued growing worldwide in terms of users and penetration. Although developed economies are very much ahead in terms of internet penetration, developing economies have been catching up quickly. The number of users in developing countries actually surpassed that of developed countries sometime in 2010. Technological progress has indeed been thriving in both developing and developed countries and this trend is expected to continue as the sector attracts more research funds and investment.

There are many success stories, some of which will be presented during this workshop. However, it is clear that the use of e-commerce by small and medium-sized enterprises in developing countries, and the benefits that can be achieved, are still far below potential. This is especially true when it comes to mobile phones. In the past ten years, mobile-cellular subscriptions in developing countries have increased nearly tenfold. Not only have they helped to improve how businesses are run, they are also helping to close the poverty gap. Mobile phones are making it possible for rural farmers to engage in mobile money services, allowing them to open saving accounts, earn interest on their deposits and access a variety of credit and insurance products all through their phone.

For some of the current innovative ideas, especially in delivering social policies, the developed countries may find it instructive to examine and even catch up somewhat with the ingenuity of users and programmers in several developing countries. The area of e-commerce thus provides a basis for two-way exchange of ideas and even investment among developed and developing economies. And it provides the possibility of leap-frogging for countries across the income spectrum.

There is immense potential in this sector which is experiencing significant growth. For instance, emerging markets like India, China, Turkey and Brazil have seen an exponential growth in mobile web use with figures far surpassing the more mature markets of developed countries. Mobile 3G subscriptions in the US grew by 26% in 2011. In contrast Brazil, Turkey, China and India, however, they saw spectacular growth rates of 79%, 104%, 172% and 1,050% respectively!

Over the next two days at this Workshop, we will benefit from presentations by experts from international organizations, business, civil society and academia. We will hear the personal experiences of representatives from small and medium-sized enterprises, and we will also hear the point of view of regulators in developing countries and least-developed countries.

Through these presentations, as well as from the interactive discussions that will take place, it is my hope that we can collectively learn more about what has worked and what hasn't, and what more needs to be done to facilitate access to e-commerce by small and medium-sized enterprises in developing countries. The issues to address include institutional, regulatory and infrastructural aspects, national and regional capacities, and how some enterprises have used e-commerce and ICT technologies to improve their productive, commercial and

business performances. In addition, the type of technical assistance would also be an important point for discussion.

The outcome of this workshop will contribute to the CTD fulfilling the mandate given by Ministers. The workshop will also give pointers to the future direction of the WTO's overall Work Programme on E-Commerce. In the more immediate term, the discussions that take place over the next two days will provide insights also for the other workshop on e-commerce that will be held in mid-June under the auspices of the WTO's Services Council.

E-commerce will certainly be an issue considered by Ministers at the WTO's 9th Ministerial Conference in Bali this December, and the discussion today and tomorrow will provide good inputs for those deliberations.

In conclusion I would like to add that achieving the full development promise of e-commerce requires several co-ordinated efforts, and e-commerce will increasingly become a more and more substantive part of the larger canvas of interlinked policy initiatives with major backward and forward linkages. Thus we all look forward to the discussion that will take place over the next two days. It is only through working together - through the joint effort of several stakeholders including international organizations, civil society, academia, the

public sector and the private sector - that e-commerce can give full effect to work for development. I believe that our workshop, with the participation of such a distinguished set of speakers, will set us on a course towards achieving an important part of achieving this potential and to advance the development potential of e-commerce.

I thank you for your attention.