

**Remarks by H.E. Mr. Khurram Dastgir Khan
Minister of Commerce
Government of Pakistan**

Roundtable – Unleashing the Power of E-Commerce for Development

Excellencies,
Distinguished Guests,
Ladies and Gentlemen,

Good Evening,

It is my pleasure to attend this roundtable to discuss how e-commerce can be used as a vehicle for growth and prosperity. In the 21st century, few things have shown the transformative promise of e-commerce and while our way of life and doing business change rapidly, it is of crucial importance that we ensure that the fruits of progress from e-commerce are equitably distributed and benefit all of humanity.

E-commerce has been a critical feature of international trade for a long time but its disruptive effect has only accelerated with time. Rapid technological change and increased penetration of ICT have completely transformed the traditional ways of conducting trade. Internet penetration stands at 43% in 2015 from 6.5% in 2000 whereas global B2C e-trade accounted for \$1.2 trillion and B2B trade accounted for \$15 trillion in 2013. In Europe, over \$400 billions of trade resulted from e-commerce and more than 2 million jobs are linked to e-commerce.

E-commerce magnifies the trade opportunities available to businesses in developing countries by reducing the trade costs associated with physical distance. This provides crucial access to the global marketplace for vendors in the developing world and enables their participation in the global value chains revolution which would have been unthinkable a century ago.

Sadly, serious challenges hindering the progress of e-commerce remain in many developing countries. These include poor infrastructure, inadequate logistics, low adoption of ICT and lagging legal and regulatory frameworks. This has a very detrimental effect in, not only impeding progress, but also increasing inequality and the gap between the rich and poor. Even today, 4 billion people in developing countries remain offline and the problem is particularly acute in the LDCs where 850 million out of one billion people are offline. While the share of enterprise receipts from sales through electronic networks as a percentage of total turnover reached 15% in Europe in 2014, the comparable number for Africa was less than 5%.

This digital divide is particularly problematic for the small businesses which lack the capacity of bigger companies. They need to be lifted and enabled to compete on a level playing field. We need to ensure that we create good infrastructure, improve logistics and create robust laws to help these companies thrive in the global marketplace. For if we were to take the example from Europe, 99% of companies are SMEs and a path towards a prosperous future in the developing countries will run through them.

Additionally, trust and reliability are even more important in a world fueled by e-trade than before. We must increase transparency and non-discrimination, harmonize e-commerce practices and procedures, and improve consumer protection so that we can support small suppliers to market their products in a timely fashion, with competitive prices and reliable customer support while making sure that consumers have full confidence in buying from them.

Pakistan is acutely aware of the high growth potential of E-commerce and we are working at an accelerated pace to boost e-trade. Our broadband penetration rate is doubling every single year since 2013, the Global Findex report shows us as the leader in mobile banking transactions in South Asia with 11% of our citizens using mobile phones to carry out financial transactions, and our legislature is working hard to

update the rules and regulations governing digital trade. E-Commerce in Pakistan is expected to reach \$1 billion by 2020.

Finally, a lot of good work has already been done in this area as the best minds of our times work tirelessly towards this goal. It is our duty to work efficiently and use our limited resources wisely. Governments, private sectors and the civil society need to come together to chart a path forward in this increasingly dynamic and ever-evolving sector. E-trade for all is an excellent initiative in that direction and hopefully, this roundtable will show us the way forward towards a more promising future. I eagerly look forward to the deliberations.

Thank you.