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ESCWA

United Nations Economic and Social Commission for Western Asia

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E-Commerce in the ESCWA Region

Current Trends and Measurement Efforts

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ESCWA

Outline

- About ESCWA
- e-Commerce Enablers
- Barriers to e-Commerce
- e-Commerce Facts & Figures
- Attempts to Measuring e-Commerce
- e-Commerce Surveys
- Core Indicators on Use of ICT by Businesses
- ESCWA's Contribution
- Recommendations

ESCWA is Growing

14 + 3 Member Countries

Bahrain Egypt Iraq Jordan KSA Kuwait Lebanon

Oman Palestine Qatar Syria UAE Yemen Sudan

Libya Morocco Tunisia (as of July 2012)

Role of ESCWA

- Active member in the Partnership since 2004;
- Profiling the Information Society (IS) at the national and regional levels since 2003;
- Building the capacities of member countries on IS measurement, core ICT indicators, hands-on training on data collection & analysis, and providing statistical tools;
- Providing advisory services to member countries;
- Publications/Studies on measurement.

PARTNERSHIP ON
MEASURING ICT
FOR DEVELOPMENT

e-Commerce Enablers

- ICT Penetration and growth
- Success of e-government programmes with spillover effect onto e-commerce;
- Mobile Internet and smartphone adoption: a game changer;
- High GNI in the GCC sub-region (high oil prices).

Barriers to e-Commerce

- Lack of laws covering e-commerce;
- Growing online security and privacy concerns; non-existent consumer protection and dispute resolution;
- Limited availability of e-payment options and online payment infrastructure;
- High cost of broadband;
- Social and cultural resistance;
- Lack of Government support.

e-Commerce Facts & Figures

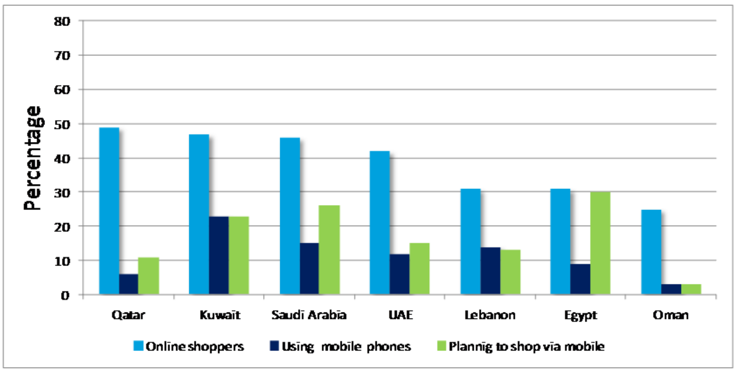
- B2C spending reached $1.1 billion in 2011, $2.2 billion by 2016 (Euromonitor), or 15 billion in 2015 (IMRG);
- B2B transactions at Tejari (leading B2B marketplace) will increase 10x to $3b in 2012;
- Many businesses are now resorting to social media to connect with their consumers (B2C);
- Group buying websites (collective buying) a catalyst for B2C e-commerce; users are more likely to use e-commerce if better deals are available to them.

Attempts to Measuring e-Commerce

- Mainly private sector-led, however partial;
- Governments measurement efforts are limited to core indicators on use of ICT by businesses;
- Few countries collect Business indicators through surveys, however periodicity is low;
- Lack of coordination between NSOs and ministries responsible for ICT policies / NSOs not involved;
- Countries at various levels of maturity (B indicators)
  - Egypt: *Mature process; production to dissemination*
  - Oman: *Conducting standalone Business surveys*
  - Qatar, Saudi Arabia, UAE: *Collecting business indicators*
  - Lebanon: *Outsourcing Business surveys*

e-Commerce Surveys

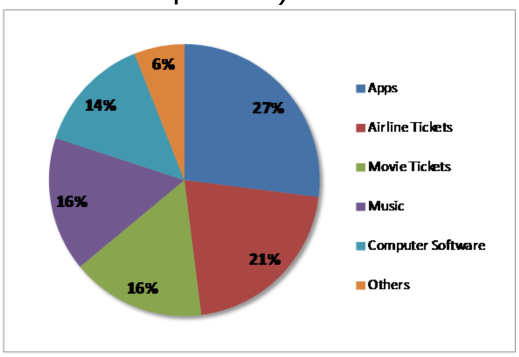
- Opinion-based using subjective indicators;
- Some measure users' perception, quality and barriers to adoption;
- Shopping using mobile phones is on the rise.



Sources: A series of MasterCard's *Surveys on Online Shopping and Ethical Spending*, 2011-2012

e-Commerce Surveys

- Higher % of online shoppers in GCC countries with higher GNI/capita and Internet penetration levels.
- Apps were top purchases reflecting the surge in smartphones (categories purchased by consumers through their mobile phones).



Sources: A series of MasterCard's *Surveys on Online Shopping and Ethical Spending*, 2011-2012

B-indicators for e-Commerce

- Need to address the latest trends in e-commerce (App economy, smartphones, tablets);
- Do not capture transactions values for B2C, B2B, G2C, G2B, …
- Do not differentiate between sales to domestic customers and purchases from foreign suppliers;
- Barriers to using e-commerce are not captured;
- Do not cover the availability and type of online payments.

ESCWA's Contribution

- Led a project on "*Strengthening Statistical Capacity with respect to International Merchandise Trade and E-Commerce*" (2009);
- In collaboration with UNCTAD;
- To enable member countries to develop systems for the compilation of e-commerce statistics;
- Provide a better understanding of the role of ICT and e-commerce in facilitating the export and import of goods;
- Built on the UNCTAD, OECD, and Eurostat model questionnaires;

Main Findings

- Shortcomings in measuring e-commerce with respect to customs data;
- Possible data source could be the ITRS but it was concluded that enterprise surveys are better source of e-commerce data;
- HH surveys could be a possible source; but B2C is a smaller share of total e-commerce;
- A model questionnaire is proposed seeking a broader range of trade-specific data to reflect regional requirements;
- Provides an approach to measuring both sales and purchases.

ESCWA Model Questionnaire

D. Online Sales *(Amount or % of total sales)*

3. Sales of physical goods (ordered online, delivered offline)
4. Sales of digitized products (ordered online, delivered online)
5. Online sales to:
   a. Domestic customers
   b. Non-resident customers (Exports)
6. Commodity classification of Top-5 exports ordered online (HS codes)
7. Exports sold online to Top-5 countries (HS codes)

ESCWA Model Questionnaire

F. Online Purchases *(Amount or % of total purchases)*

3. Purchases of physical goods (ordered online, delivered offline)
4. Purchases of digitized products (ordered online, delivered online)
5. Online purchases from:
   a. Domestic suppliers
   b. Non-resident suppliers (Imports)
6. Commodity classification of Top-5 products purchased online (HS codes)
7. Imports purchased online from Top-5 countries (HS codes)

Recommendations - NSOs

- Assess potential data sources, including customs data and business surveys;
- Assess the feasibility of undertaking HH survey to measure the use of e-commerce by HH;
- Create data collection instruments that adheres to international standards;
- Give priority to a enterprise surveys for e-commerce, and carry-out stand-alone surveys for maximum benefit.
- Consider feasibility, cost and timeliness of collecting e-commerce data, will it add burden?

Thank you

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