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COVID-19's Impact on Connectivity and Trade Sustainable Responses in the Digital Era

Rajesh Aggarwal
Chief, Trade Facilitation and Policy for Business
International Trade Centre

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During lockdown, when millions are loosing jobs, whose
networth is exploding?

amazon

Amazon by USD 34.8 billion



Facebook by USD 25.00 billion



Zoom by USD 6.9 billion

Source: CNBC and the Guardian (UK) reporting

Digital Economy came to our rescue during the lockdown period

E-Commerce during lockdown period

The increase in the number of consumers has spurred the **suppliers of these services**; and **telecom operators** to enhance their network capacity



E-Commerce: the challenges encountered:



New health regulations disrupted land/sea/ air cargo transportation

- New food safety regulations
- Coping with large volumes of small packages



Consumer protection – to thwart fraudulent and deceptive practices, hacking etc



Development Dimension:

- Digital divide
- Reliable electricity connection
- Access to online payment systems
- Costs of trading across borders

Behavioural changes likely to stay/become new normal



Consumer behaviour surveys point towards shift to E-commerce



Employer surveys point towards continuation of working from home for substantially higher proportion of employees

An opportune time to leapfrog to digital economy

Governments are responding by accelerating Policy and Regulatory Reforms to enable growth of digital economy



“Central and Eastern Europe (CEE) should close digital gap with Western and Northern Europe. This will lead to a benefit of 200 billion Euros in additional GDP by 2025.”

- Mckenzie, 2018

Opportunities galore in CEE

- ✓ Skilled workplace: STEM
- ✓ High quality digital infrastructure with excellent 4G Coverage
- ✓ Mild “technology lock-in” with older technologies
- ✓ A vibrant emerging digital ecosystem

What can Governments do to seize the opportunity?

- **Facilitate access to high-quality communication networks at competitive prices**
 - Communications infrastructure and services
 - Competition
 - Investment
 - Regional development
- **Promoting e-government** (Fundamentally rethink and reorganise processes, procedures and services)
 - Trade Facilitation Reforms: Pre-arrival processing/e-payment of taxes / automated single windows etc.
- **Promoting digital technology adoption by the private sector**
 - Schemes for SMEs, Promoting Innovation etc.

What can Private Sector, esp. SMEs do to seize the opportunity?

- **Use advanced ICT tools for business processes** (e-purchase/ e-sales / SCM)
 - Simple internet use among individuals is widespread but share of advanced applications declines with degree of sophistication
 - Potential of big data analytics
- **Key barriers to use of advanced tools:**
 - Lack of awareness
 - Access to finance for upgrading ICT infrastructure (missing collaterals)
 - Lack of skilled labour force
 - Establishing trust through ensuring digital security and privacy