



REGULATORY NEWS

China, EU and U.S. pledge to tighten product safety in e-commerce

In June, Chinese, European and U.S. regulators in a [joint statement](#) said that they will jointly enforce product safety in online commerce. They pledged to watch online sales more closely, make it easier to track products to their manufacturer and to cooperate in product recalls. Manufacturers will be encouraged to do more to design safety standards into products. Chairman of the U.S. Consumer Product Safety Commission also calls for regulators to respond to the rise of online commerce that links consumers directly with foreign suppliers, eliminating traditional importers who would have been responsible for product safety.

India relaxes rules on FDI in e-commerce

On 29 March 2016, the Government of India [announced](#) that foreign direct investment of up to 100% would be permitted without the prior approval for the 'marketplace based model of e-commerce,' in which e-commerce platforms act as a facilitator between a buyer and a seller. However, full foreign ownership is not permitted in the 'inventory based model of e-commerce,' in which inventory of goods and services is owned and sold to consumers directly by the e-commerce entities. Previously, India had permitted FDI in business to business e-commerce but had not permitted FDI in business to consumer e-commerce except in a limited number of circumstances.

India's GST bill poses challenges for e-commerce firms

According to the [draft law](#) on goods and service tax (GST) recently released by the Ministry of Finance of India, e-commerce platforms will be liable to [collect TCS \(tax collected at source\)](#) on the supplies of goods and services made by the supplier operating on their platforms, while previously the tax liability was on the suppliers. This could result in increased compliance costs for e-commerce platforms as they deal with a large number of vendors. While the GST has proposed to exempt small businesses with annual turnover of less than Rs.10 lakh, or about US\$ 15,000, it expects e-commerce platforms to collect tax on every transaction no matter how small the seller might be, which might adversely affect the small e-commerce retailers that often work on very tight working capital.

E-commerce proposals in Indonesia's 13th economic policy package

The Coordinating Ministry of Economic Affairs and industry players are [discussing](#) an e-commerce roadmap that has been proposed to President Joko Widodo for inclusion in the 13th economic policy package. The roadmap includes policies aimed at facilitating e-commerce businesses, including in logistics, funding, consumer protection, tax holiday for e-commerce start-ups, infrastructure communication, cyber security and the development of human resources. The trade potential of e-commerce in 2015 is an estimated [US\\$ 20 billion](#), or around IDR 280 trillion. To encourage the growth of e-trade in Indonesia, the government has opened its doors wide to foreign investors who want to invest in large-scale e-commerce businesses by revising the nation's negative investment list. Previously, this sector was completely off limits for foreign investors.

E-Commerce returns to WTO TRIPS council agenda

The WTO's Trade Related Aspects of Intellectual Property Rights (TRIPS) Council discussed the topic of e-commerce for the first time since 2003, during a 7-8 June [meeting](#) in Geneva. In view of the decision by members at the Nairobi Ministerial Conference to "reinvigorate the regular work" of the WTO committees, Canada proposed members to consider possible approaches for re-engaging in discussions under the e-commerce work programme at the TRIPS Council. The discussions could allow members to share national experiences and practices on IP and e-commerce issues in light of the rapid growth in digital technology and telecommunications as facilitators of commerce. The Canadian initiative was well received among delegations, supporting discussion of IP-related issues in e-commerce, both as regards the trading of IP-protected goods as well as the technology needed to enable e-commerce.

Breaking down barriers to reach EU's digital single market strategy

The European Commission has [proposed](#) new rules to make an end to the unjustified use of the practice known as geo-blocking, the practice by companies to stop certain consumers from using their on-line service in another country. The Commission adopted the Digital Single Market strategy last year in May. The Parliament responded by adopting a report in January 2016 with ideas to be used for upcoming legislation. The report stated geo-blocking consumers' online access to goods and services on the basis of their IP address, postal address or the country of issue of credit cards was unjustified and therefore it should end.

TRADE NEWS

The rise of e-commerce in Hungary

Ecommerce in Hungary has [surpassed](#) the milestone of 300 billion Hungarian forints (about 963 million euros) for the first time in 2015, reaching 319 billion Hungarian forints, or 1.02 billion euros, at the end of last year. Ecommerce now accounts for 4.1 percent of the overall retail trade. The share of ecommerce within the overall retail increased by 0.4 percentage point last year.

BUSINESS NEWS

Jack Ma proposes new global e-commerce platform

Jack Ma, founder of Alibaba, called in multiple occasions for a global e-commerce platform to represent the interests of small traders who have been enabled by e-commerce to buy and sell across borders. The proposed Electronic World Trade Platform, or e-WTP, championed by Jack Ma at the [Boao Forum for Asia](#) and at the G20 Business 20 Forum in St. Petersburg, is set to enable small and medium enterprises to benefit more from international trade facilitated by e-commerce. 'In the Internet Age, we need trade platforms that are more open, fairer and freer,' Ma said. 'We need to go back to trade itself. It is not an

organization. It is not a negotiation. It is just a platform to enable the small and medium enterprises and the consumers of the world, especially the young.'

Nigeria and Russia to launch an e-commerce platform

The Lagos Chamber of Commerce and Industry (LCCI) in collaboration with Trail Trans Logistics Group of Companies in Russia, has [concluded](#) plans to formally launch an e-commerce platform that will boost the quantum of direct trade, both import and export, between Russia and Nigeria. The official launch, according to LCCI, scheduled to hold Lagos, is expected to further boost the national economy. Muda Yusuf, director-general of the Lagos Chamber of Commerce and Industry (LCCI) said: 'The RuNiTrade e-commerce platform is a welcome development, coming at a time when Nigeria seriously needs forex from export as a way of diversifying the economy, and strengthening the non-oil sector. The focus, here, with this launch, is to strengthen the bilateral trade relations between Russia and Nigeria, and boost the economic activities between the two countries.'

EVENTS

E-Commerce caravan: swiss summer route

The International Trade Centre (ITC) in partnership with DHL and eBay will bring an e-Commerce Caravan to Switzerland starting from 1 July over the course of the week. The [e-Commerce Caravan](#) is a series of events where physical and virtual worlds meet to promote and sell authentic products made by small and medium-sized enterprises (SMEs) that ITC works with. Visitors to the e-Commerce Caravan will have the opportunity to listen and interact with entrepreneurs from Cote d'Ivoire, Ethiopia, Morocco, Rwanda, Senegal and Syria. They will be invited to discover how international trade can boost business leading to higher incomes and stronger economies, and how this helps provide stability and build peace.

Connecting SMEs to the global services market at CIFTIS

Over 40 SMEs and trade and investment support institutions in IT and tourism sectors were sponsored by ITC to take part in the 4th China International Fair for Trade in Services (CIFTIS) held on 27 - 31 May in Beijing. ITC experts in business matchmaking have organized B2B meetings with the Chinese companies and provided training to the SMEs on how to market services offerings in China. Tourism companies from Bangladesh, Cambodia, Laos, Myanmar and Nepal met with the leading Chinese tour operators and signed MOUs on bringing more Chinese tourist to these countries. CIFTIS is a premier trade fair focused on services trade. The 4th CIFTIS attracted 171,000 merchants and representatives from 126 countries and regions to showcase their offerings in the 50,000 square meters exhibition halls and the total intended trade reached US\$ 101.08 billion, among which US\$ 19.88 billion is international trade in services.

High level forum on 'E-commerce dialogue: G20 policy options'

ITC and the B20 China, China Council for the Promotion of International Trade (CCPIT) jointly hosted a [high level forum](#) on 'E-commerce Dialogue: G20 Policy Options' on 28 May at the 4th CIFTIS in Beijing. Chinese Vice Minister of Commerce, Deputy Director General of the WTO, Vice Chairman of CCPIT, Vice President of Alibaba, among many other honored speakers from governments, businesses and international organizations, shared their visions for a global e-commerce market without boundaries and discusses possible G20 policy options for enhancing cooperation in e-commerce, focused on regulatory cooperation, public-private dialogues and capacity building.

Launch of IT/ITES sector export plan in Uganda

With the facilitation of the [Netherlands Trust Fund III \(NTF III\)](#) programme, the Government of [Uganda](#) [launched Sector Export Plan and Country Marketing Plan](#) for the IT and IT-enabled services sectors in April 2016. The Sector Export Plan identifies strategies that will enhance the export competitiveness of

Ugandan companies while the Country Marketing Plan prioritizes marketing and communication components that should be implemented to enhance visibility of the sector. [30 beneficiary SMEs](#) of the NTF III programme working in IT or using IT as an enabler of services - such as call centres or companies working in data entry, digitization, or Internet search engine optimization - will be the first to benefit from the plans. Eventually, the implementation of the plans will be expanded to include other Ugandan tech companies. As the Ugandan Minister of ICT himself emphasized, 'these plans will play a critical role in increasing the export competitiveness of Ugandan IT and ITES businesses in regional and global markets.'

Global E-commerce Summit 2016

On 29 May - 1 June, Barcelona's International Convention Centre (CCIB) convened key international e-commerce executives to prepare for the future of cross-border e-commerce at the [Global E-commerce Summit](#).

OECD's conference on digital economy

On 21 - 23 June 2016, Ministers and stakeholders gathered at the Moon Palace Hotel in Cancún, Mexico, for an [OECD Ministerial Meeting](#) on the Digital Economy: Innovation, Growth and Social Prosperity, to move the digital agenda forward in four key policy areas foundational to the growth of the digital economy. Internet openness is high on policy agendas; digital trust needs to be strengthened; global connectivity is reaching an unprecedented scale, while jobs and skills are being radically transformed.

PUBLICATIONS

Bringing SMEs onto the e-commerce highway

ITC launched a [report](#) on 'Bringing SMEs onto the E-Commerce Highway' on Saturday, 28 May at the 4th CIFTIS in Beijing. The report provides practical information on how to ensure that e-commerce opportunities are accessible to SMEs, especially those in developing country markets. Policy challenges and bottlenecks are examined in each segment of an e-commerce process chain, including establishing business online, international e-payment, cross-border delivery and aftersales services. The publication also features case studies from entrepreneurs in developing countries and provides checklists of the essential ingredients for SME success in cross-border e-commerce. This report is a starting point for public-private dialogue to address e-commerce bottlenecks.

Digital globalization: the new era of global flows

The McKinsey Global Institute (MGI) [report](#) provides a detailed analysis of how global flows in trade, services, finance, people, and data are evolving and its influence on economic growth. It finds strong evidence of the economic value of participating in global flows and that data flows account for a substantial portion of that impact. Both inflows and outflows matter for growth as they circulate ideas, research, technologies, talent, and best practices around the world.



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