



“IMPROVING E-COMMERCE CAPACITIES OF THE OIC MEMBER COUNTRIES”

Assoc. Prof. Dr. Ali AYCI



Introduction



Determinants and Trends



Countries Experience
(Desk Research + Field Visits + Survey)



Recommendations

3- COUNTRIES EXPERIENCE



Desk Research ➡ Ireland, Azerbaijan, Jordan, Pakistan, Somalia, Tunisia,

Field Visits ➡ Azerbaijan, Jordan

Framework



Background



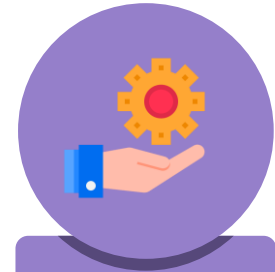
E-
Commerce
and its
impacts ..



Main Actors
and Initiatives
of E-
commerce
Environment



Policies,
Regulations
and
Standards



Conclusion
of review

E-Commerce in Ireland



- One of the most developed countries in terms of e-commerce ecosystem and ranked 8th out of 152 countries
- E-Commerce market will reach 6.64 billion US dollars in 2023,
- The worst performance economy in Europe in 1987, today it is one of the best performing economy
- Ireland made major investments in communications infrastructure in 1980



- ICT Investments
- COVID-19 pandemic has accelerated the digital transformation
- Regulations
- Supportive initiatives
- Data pools
- Trainings






Azerbaijan



AZƏRBAYCAN RESPUBLİKASI
 İQTİSADI İSLAHATLARIN
 TƏHLİLİ VƏ KOMMUNİKASIYA
 Mərkəzi



AZƏRBAYCAN RESPUBLİKASI İQTİSADI İSLAHATLARIN
 TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİ

1. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN FUNKSIYALARI
 2. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN TƏŞKİLATI
 3. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN FUNKSIYALARI
 4. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN TƏŞKİLATI
 5. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN FUNKSIYALARI
 6. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN TƏŞKİLATI
 7. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN FUNKSIYALARI
 8. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN TƏŞKİLATI
 9. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN FUNKSIYALARI
 10. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN TƏŞKİLATI
 11. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN FUNKSIYALARI
 12. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN TƏŞKİLATI
 13. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN FUNKSIYALARI
 14. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN TƏŞKİLATI
 15. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN FUNKSIYALARI
 16. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN TƏŞKİLATI
 17. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN FUNKSIYALARI
 18. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN TƏŞKİLATI
 19. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN FUNKSIYALARI
 20. İKTİSADI İSLAHATLARIN TƏHLİLİ VƏ KOMMUNİKASIYA MƏRKƏZİNİN TƏŞKİLATI



CENTER FOR ANALYSIS OF
 ECONOMIC REFORMS AND
 COMMUNICATION OF
 THE REPUBLIC OF AZERBAIJAN



- Azerbaijan ranks 65th among 152 countries (UNCTAD B2C E-commerce index, 2020)
- Azerbaijan's economy is driven by the oil and gas sector, which accounts for around 90% of the country's exports and 30-50% of its GDP, depending on oil prices.
- ecommerce market is projected to reach 1,8 billion US Dollars in 2023
- In 2022, almost 300.000 E-commerce Transactions were made and the total expenditure was 11 Million USD
- The ICT sector is the second sector to get state support after the oil and gas
- 8.93 million internet users in Azerbaijan as of January 2023 and it means that 80% of the population of Azerbaijan has access to the internet



- The informality of e-commerce companies is a very important problem. This problem creates a problem both in competition and taxation
- Electronic payments are quite rare in Azerbaijan. The Government supports electronic payments for consumers, and consumers who make electronic payments receive back 17.5% of the VAT they paid
- Scholarships are given by 2 Ministries to train 6000 ICT experts
- Trainings are given to entrepreneur candidates and companies for e-commerce.
- Free training and seminars on displaying products on platforms such as Amazon are of particular interest.





- Established in 2016, Azexport is an online listing platform of registered Azerbaijani products. Not only Azexport, but also on the Alibaba platform, nearly 10,000 Azerbaijan products are listed free of charge.
- Metaverse trade is seen as the future of this business and preparations are being made for virtual reality with VR offices thus, it will be possible to see the products as 3D
- The problem of trust in terms of consumers is an important problem.
- Azerbaijan is the world's second country, after Estonia, to offer e-Residency
- The Law of the Republic of Azerbaijan "On Electronic Commerce" (issued in 2005) plays a vital role in regulating e-commerce. Efforts are continuing to update the e-commerce law. as one of the targets of the 2022-2026 National Development Strategy



WELCOME TO

JORDAN





JEDCO

المؤسسة الأردنية لتطوير المشاريع الاقتصادية
Jordan Enterprise Development Corporation



- Jordan, and it ranks 76th out of 152 countries (UNCTAD B2C E-commerce index, 2020)
- One of the most advanced countries in the region in e-commerce
- Estimated revenue of US\$ 2,759.4 million in 2023, expected to reach a volume of US\$ 4,494.5 million by 2027(UNCTAD, 2022b)
- (ICT) sector in Jordan is one of the fastest growing, contributing approximately 4% of gross domestic product (GDP).
- National Digital Transformation Strategy and Implementation Plan 2021-2025 aims to advance the digitization of government services, improve connectivity and create at least 50,000 direct jobs in the digital sector by 2025.

- Since there is no regulation for e-commerce in Jordan, there is no registered e-commerce business.
- First national e-commerce strategy was adopted in 2008.
- Although e-commerce strategy was determined in a period that can be considered early, it has not been fully implemented.
- Jordan eCommerce Readiness Assessment was prepared in 2022 by UNCTAD and this report provides a detailed analysis of the national e-commerce ecosystem and provides the government with concrete policy measures that can accelerate the country's digital transformation



- After UNCTAD Jordan E-Commerce report publish on 22/02/2023, National E commerce Strategy approved on 6 April 2023 and the National task force consisting of different institutions/organizations related to e-commerce prepared the 2023-2025 action plan by taking the opinions of the relevant stakeholders.
- Ministries are responsible for leading or participating in related topics according to the action plan, MIT is partner or leader in all actions and reports are submitted to MIT for coordination.
- Preparations for planning and coordination for the development of e-commerce in Jordan have been completed, and implementation activities continue at full speed. With the enactment of e-commerce legislation, a new era will begin for Jordan.
- One of the important issue is that the definition of e-commerce has not been made yet and one of the weaknesses is the lack of data collected specifically for e-commerce, and each institution collects data in its own way





WELCOME TO
Dakistan

- Pakistan is the world's fifth-most populous country, with a population of over 249.5 million people, and has the world's largest Muslim population as of year 2023
- The World Bank has highlighted Pakistan's notable improvement regarding the ease of doing business.
- E-commerce has an untapped potential in Pakistan.
- Pakistan's e-commerce market showed as a promising e-commerce market which likely to cross \$7 billion in 2022 and \$9 billion by 2025

PAKISTAN

- The number of registered e-commerce business in Pakistan increased from 1,707 (in 2019-20), to 3,003 (in 2020-21), 76% increase.
- Lack of trust, slow adaptation of payment methods, payment frauds, lack of experience of internet shopping among people in line with limited feedback from users, problems in maintaining online business and imposition of taxes are main barriers for the development of e-commerce in Pakistan
- Pakistan Government is declared a policy framework for E-commerce. (2019).
- A National E-Commerce Council has been constituted “as a single window for policy oversight to facilitate e-Commerce players”.

- One of the biggest obstacles is safe and sustainable internet use. Only half of mobile phone users have broadband internet access.
- Pakistan seems to have everything for e-commerce with its legal and financial infrastructure, policy strategies and related institutions. But one of the main problems is that policy papers always target the future
- One of the main reasons for this is the difficulty of compiling statistics in a country where 60% do business in an informal economy.



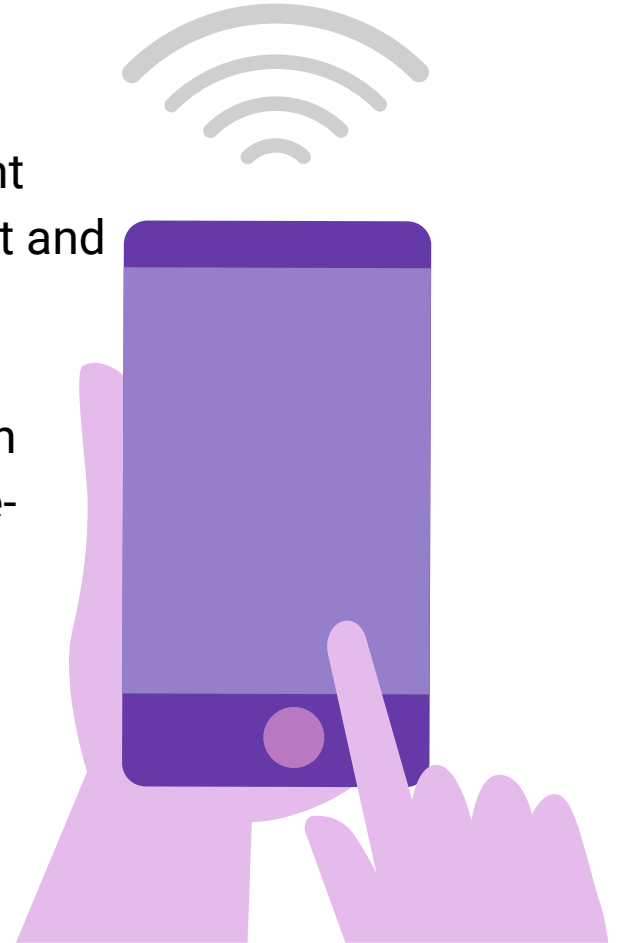
Somalia



- Somalia has a population of more than 15 million people, also has a diaspora of more than 2 million people worldwide
- Despite significant challenges Somalia maintaining its strong reform momentum
- The Central Bank of Somalia has recently integrated the International Bank Account Numbers (IBAN) into the National Payment System (NPS)
- Businesses in Somalia have started testing various e-commerce models since 2013.
- Problems can often be encountered in logistics



- Today there are about 20 e-commerce platforms
- There is a positive relationship between online payment facilities and e-commerce, and between customer trust and e-commerce
- There is no institution directly related to e-commerce in Somalia, data on e-commerce, strategy document on e-commerce, etc. information and documents are not available.
- Businesses in Somalia operate with little or no formal government enforcement



experience
tunisia



- With a strong economy, Tunisia ranks 90th globally and 5th in Africa (GDP).
- In the report of UNCTAD "E-Commerce Index for 2020", Tunisia ranked 77th globally, third place at the African level
- Tunisia is the country with the highest internet spending in North Africa
- The ratio of internet spending to all spending is also the highest in Tunisia.
- Jumia is the most popular online shopping platform, with over 5 million active users



- As of the beginning of 2023, Tunisia's internet penetration rate stood at 79.0 percent of the total population
- A standard VAT rate of 19% is applied to most e-commerce transactions
- Tunisia has a total of 8 ports that facilitate international trade
- The Tunisian Customs website offers access to online tariff data
- The utilization of e-commerce in Tunisia has historically been limited due to underdeveloped e-payment and m-payment systems.
- **National Federation of E-Commerce and Distance Selling (SEVAD)** is a government agency that is responsible for developing and promoting e-commerce in Tunisia.

- Tunisia National E-Commerce Strategy 2021-2025 was developed by the Tunisian Ministry of Commerce and the Ministry of Communications and Information Technology.
- The document sets out a number of initiatives to achieve these goals, including to develop a national e-commerce platform. To promote e-commerce education and training. To facilitate access to finance for e-commerce businesses and improving the legal and regulatory framework for e-commerce.
- Electronic commerce in Tunisia is under the control of The Ministry of Trade and Export Development and is subject to the same laws governing the commercial sector in addition to special laws
- The e-government initiative in Tunisia is still in its early stages



Thank You

aliayci@gmail.com