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Statement

by

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at

St. Petersburg International Economic Forum

Panel: “E-Commerce in the EAEU by 2025”

St. Petersburg, 3 June 2021 (remote participation)

Excellencies, ladies and gentlemen,

It is my great pleasure to speak at this panel today and represent the UN Economic Commission for Europe (UNECE).

E-commerce is an increasingly common part of our lives. This was all the more evident for many of us during the pandemic, when shops were closed in many countries for an extended period and we depended even more on online options. There are added benefits also for those of us who face challenges with mobility, distance or time constraints. But as with regular commerce, e-commerce needs to be regulated in order to best support our national, regional and global development priorities, and prevent negative impacts.

UNECE works extensively on facilitating international trade and on eBusiness, which are of course both critical for e-commerce. Moreover, we recently cooperated with the UN Conference on Trade and Development on a regional report on E-Commerce and Trade Facilitation in the context of post-pandemic recovery¹. Let me share some UN perspectives on these topics as well as some findings from our study, which will be launched in the coming months.

The accelerated shift to digital platforms in response to COVID-19 led to an increase in online retail. But the pandemic also unmasked challenges to harnessing the benefits of e-commerce. Here are the main ones, and I will propose some solutions we have observed in our region as well.

¹ Executive Summary available at: [ECE_TRADE_C_CEFACT_2021_15E_RegReport-eCommerceTF.pdf](https://unece.org/ECE_TRADE_C_CEFACT_2021_15E_RegReport-eCommerceTF.pdf) (unece.org)

- I. **ICT infrastructure and services**, the backbone of e-commerce, are relatively weak in the UNECE's transition economies. A digital divide runs through Central Asia and Caucasus. There is a need to reform telecoms and other sectors concerned, mitigate barriers to entry, improve regulation, access, affordability and security. Furthermore, international cooperation at global, regional or sub-regional levels needs to be strengthened. This would also benefit efforts to address differing standards and evolving systems (US, Europe, China) within the e-commerce sphere, as well as areas of cybersecurity, consumer confidence, market access and ICT infrastructure.
 - II. **Trade Facilitation and Logistics:** Pandemic-related disruptions to trade, logistics supply chains and transport networks posed challenges to trade and e-commerce in 2020. Large volumes of packages overburdened customs and border agencies, causing delays and increasing costs. This can be addressed by automating and digitalizing trade, customs and border processes. UNECE hosts the UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT), which provides hundreds of standards and recommendations that can help in this context, including on electronic lodging and processing of documents and formalities and single windows for streamlined submission of regulatory and commercial documents.
 - III. **Legal and Regulatory Frameworks:** Key obstacles for e-commerce uptake are consumer concerns relating to online transactions, including cyber security, data protection, security of payments, digital certificates and signatures, refunds and settlement of disputes. These can be addressed via legislation for consumer protection, cybercrime and
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personal data protection. We've seen some promising advances in EAEU countries recently: In Kazakhstan, for example. I understand that as part of the Law on Consumer Protection, the government plans to launch a unified platform for receiving complaints from consumers based on the single window principle.

- IV. **Electronic Payment Systems:** Financial inclusion and the use of digital financial services are essential for e-commerce. In addition to the legislative actions I mentioned, governments can encourage greater and secure competition in the online payment system by developing or promoting local payment applications. This would create more choice and potentially reduce costs. The National Bank of the Kyrgyz Republic, for example, initiated developing digital payment technology in the country for 2020-2022.
 - V. **Skills Development:** Many MSMEs in the region face challenges in penetrating the e-commerce market and harnessing the benefits of e-commerce. These range from the lack of the required skill set and IT savviness, weak digital financial services to challenges relating to navigating export markets. Solutions can involve online platforms for e-businesses, or SME-linked financing aimed at supporting business in general, including in the context of e-commerce.
 - VI. **Gender Gap:** Data indicates that women entrepreneurs and workers are disadvantaged in rank and remuneration. The gender barriers need to be transcended, including the digital divide, for women in the e-commerce sector. In this context, UNECE provides capacity building to women entrepreneurs from Eastern Europe, Central Asia and the Caucasus on the
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use of ICTs for business, and we encourage government programmes to target this sector to help overcome gender gaps.

- vii. **Measuring e-commerce:** Enhanced understanding of e-commerce, its inter-linkages with trade facilitation and the larger trade in services, is essential for policy makers. In this context the work of international organizations in their different spheres on e-commerce, trade in services, trade facilitation and electronic business standards provides a great starting point that needs to be brought together.

I hope I have been able to convey both the challenges we face in expanding e-commerce, and the fact that solutions do exist.

I spoke before about international cooperation, and I would like to conclude by underlining its importance once more. **A key factor undermining the growth of e-commerce and e-business is the fragmentation of efforts to digitalize different modes of transport and sectors. We need standardization and harmonization if we want to be more efficient.** For this reason, the efforts of UN/CEFACT to harmonize standards for multimodal information exchange are receiving increasing interest. We stand ready to support the countries of the EAEU in implementing such standards. I also congratulate you on the organization of this panel. Greater subregional cooperation, including between the countries of the EAEU, will be a key factor to sustainably expand e-commerce in the region.

Thank you.
