

Summary Notes on the Distinguished Lecture:

## “E-Commerce: A Trade Policy Perspective within the WTO” (with a glimpse on Egypt)

Monday, 11 September 2017, from 10 a.m. to 12 noon.

### Speaker:

Mr. Abdel Hamid Mamdouh, World Trade Organization (WTO)

### Moderator:

Abla Abdel Latif, Executive Director and Director of Research, ECES

### Chair:

Eng. Tarek Tawfik, Vice Chairman, ECES

### Main Points:

- **E-commerce is not different from traditional commerce, but a digital form of it using advanced technological media.**
- **Rules and legal frameworks for e-commerce are almost similar to those related to traditional commerce in the context of the WTO**, particularly with regards to trade in goods (with some unresolved issues) and the protection of intellectual property. However, they differ with regards to trade in services as follows:
  - o **Commodity trade:** all rules applicable to products will apply, but there are issues such as minimum customs tariffs, customs and clearance procedures, duty drawback policy, as well as the tax collection method (collectively, not per package for courier companies)
  - o **Protection of Intellectual Property:** literature related to intellectual property protection is focused on copyrights of audio and video products in particular. E-commerce debates are centered on the method of enforcement.
  - o **Trade in services:** trade in service differs from commodity trade, as the latter is visible while trade in services is not. Therefore, legislations regulate the product in the case of commodity trade, and the producer in the case of trade in services.
- **The world is witnessing a boom in the use of technological media.** Statistics show that 50 percent of the world's population have Internet access and that 37 percent of the world's total population has a social media account. Some 66 percent of total world population use mobile phones to access the Internet. Mobile social media users account for 34 percent of the world's total population.

- **This technological boom increased business transactions through technology.** According to the World Economic Forum, every minute carries over \$750000 in electronic purchases on average.
- **For developing countries, e-commerce is an opportunity** to support small and medium enterprises (SMEs) in penetrating new markets, and to develop remote and rural areas.
- **In Egypt**, the penetration rate of fixed telephone lines is only 7 percent compared to 113 percent for mobile phones. Mobile phones are now more like a mobile computer.
- **Cash payment remains the dominant feature of e-business transactions in Egypt through the cash on delivery system.**
- **Creating an e-commerce friendly environment requires the following:**
  - o **First:** the digital infrastructure to support communications and e-payment, and the physical infrastructure in terms of roads and logistics: goods sold through e-commerce are transported by traditional methods. Physical connectivity is the basis of trade agreements between countries, and is the most important factor that prevented the implementation of many of them, especially among African countries. Internally, it is the responsibility of many actors.
  - o **Second: An integrated system of policies, legislations** and executive regulations to ensure safe transacting, in terms of:
    - Electronic payment methods
    - Consumer protection and dealing with returned goods
    - Ensuring the privacy and confidentiality of customer data.

### Main discussion points:

- There are prerequisites for successful e-commerce in Egypt. For example, the recognition of e-contracting
- There is a need to redistribute roles between the ministries in Egypt. Trade is divided between two Ministries. External trade with the Ministry of Industry, and internal trade with the Ministry of Supply and Internal Trade. Also, the role of the Ministry of Communications and Information Technology should be defined in this regard.
- The new draft law on consumer protection has included several articles on remote commerce, of which e-commerce is a part. This comes to address the legislative vacuum in this area, shedding light on another problem, which is dealing with legislations individually rather than as a whole, causing conflict.
- There is a strong link between e-commerce, financial inclusion and tax efficiency. E-commerce addresses the problems resulting from the informal sector. Therefore, tax revenues can be used to encourage governments to adopt e-commerce friendly systems.
- China's blocking of some websites limited e-commerce to internal dealings in China and prevented international trade.