

Speech for Julian Braithwaite as an introduction to panel on Supporting the Involvement of Small and Medium Enterprises in e-commerce.

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Introduction

I'd like to start by thanking both the ITC and UNCTAD for giving me the opportunity to say a few words before what I am sure will be an extremely valuable panel discussion on supporting the involvement of SMEs in e-commerce.

I had hoped this address would be given by our Secretary of State for International Trade, Dr Liam Fox, who was due to attend e-commerce week today.

Unfortunately his visit was cancelled in light of the snap general election that has been called for 8 June. In the UK we are certainly living through interesting times right now.

The importance of e-commerce for development

I want to also congratulate UNCTAD for the successful hosting of the third instalment of e-commerce week.

I had the pleasure of attending the launch of the *eTrade for All* initiative on Tuesday, which the UK has supported from an early stage. We were

one of the donor countries that engaged in consultations on the initial shape of the project and we provided modest amounts of extra-budgetary funding to get the initiative off the ground.

This is a really concrete example of how governments from donor and recipient countries, civil society and the private sector can work together to find e-commerce solutions that work in developing countries. It would not be possible without the expertise of the Secretariat, the input of the private sector and the work of Kati Suominen who first hit on the concept.

We cannot understate the importance of this type of multi stakeholder approach if we are to truly reach solutions on how to bridge the digital divide between developed and developing countries and their citizens and businesses.

By reducing distance and transactional costs digital trade has the potential to empower entrepreneurs and businesses of all sizes, connecting them to the global economy.

When describing the first age of globalisation it was John Maynard Keynes who wrote that in 1914 the inhabitant of London could order by telephone *“the various products of the whole earth, in such quantity as he might see fit, and reasonably expect their early delivery upon his doorstep.”*

Technological advances in the years since and the advent of the digital age have accelerated globalisation to a stage beyond what Keynes or

his contemporaries would recognise. The challenge facing all of us is how to ensure countries at all stages of development can benefit.

The UK and digital trade

The UK believes that the digital economy, and e-commerce in particular, are important drivers to wider economic growth. This is especially true in the UK.

According to UNCTAD's own statistics the overall UK e-commerce market was worth 845 billion US dollars in 2015. B2C e-commerce accounted for 200 billion US dollars, which UNCTAD estimates to be the third biggest market in the world behind the US and China.

As the digital economy continues to rapidly develop around areas such as Big Data, Artificial Intelligence and the Internet of Things it is vital that trade provisions are modern and ambitious enough to continue to be effective and can foster innovation, while ensuring consumers continue to have appropriate protections.

It is also critical that any digital discussions in the trade forum should keep the development and inclusiveness agenda firmly in mind.

We are supporters of ambitious outcomes in multilateral fora on digital trade yet this agenda has not advanced as far as we would have hoped. Part of the problem is that the digital agenda is in many ways fragmented with different international institutions leading on discrete parts of it.

The UK has been working, along with other delegations, to encourage the Geneva institutions to recognise the economic potential of the global digital market and to work to break down some of the silos and remove barriers to digital trade

If the international system doesn't catch up with advances being made in digital trade and protectionist tendencies start to take root. This would not only be harmful to economies both of developed and developing countries and stifle the real opportunities for greater prosperity that the digital economy can create.

We must also better understand the unintended consequences of implementing measures that pursue legitimate public interests and how these can restrict trade unnecessarily.

I personally have been very encouraged to hear about the type of discussions that have been taking place this week involving delegations from across the globe, representatives from business and a whole host of donor organisations.

This demonstrates the more joined-up approach that the world needs to make real progress on the digital agenda, for all countries.

SMEs and e-commerce

There are 5.5 million businesses in the UK in total and 99 per cent of these are SMEs employing 0 – 249 people. 5.3 million of these, or 96 per cent, are micro-businesses employing 0-9 people. The services industry accounts for 74% of all businesses, 79 per cent of employment and 72 per cent of turnover.

So it's very easy to see why the subject of today's panel is of interest to us. SMEs are key to UK prosperity and we must encourage them to take advantages of the opportunities that e-commerce brings.

I'm pleased to see that we have extremely well-qualified panellists who are going to discuss how to support SMEs in e-commerce and they bring with them a wealth of experience, so it should be a really interesting session.

It's fitting that the panel has been organised by our colleagues at the ITC as they have a strong record in helping SMEs in developing countries connect to the global digital economy.

A lot of their project work addresses the real nuts and bolts issues to getting entrepreneurs in developing countries trading on e-commerce. Their "e-solutions programme" provides e-payment, e-logistics and regulatory solutions to traders in developing countries who want to sell online.

Conclusion

The challenge we face is how to ensure that traders across the globe can best harvest the gains of e-commerce and keeping the digital economy as open for business as possible. We need to push back against protectionism through creating an enabling environment for e-commerce to thrive and using a multi-stakeholder approach.

The good work has started but there is a lot more to be done. The UK will be one of the most ardent supporters of the digital economy agenda and ensuring that we all move in the same direction to close the digital divide.

And on that I'd like to thank you for your attention and will hand over to Arancha Gonzales to introduce this afternoon's panel.

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