



# E-Commerce Opportunities in Central Asia

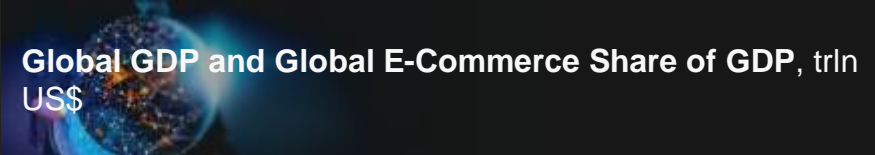
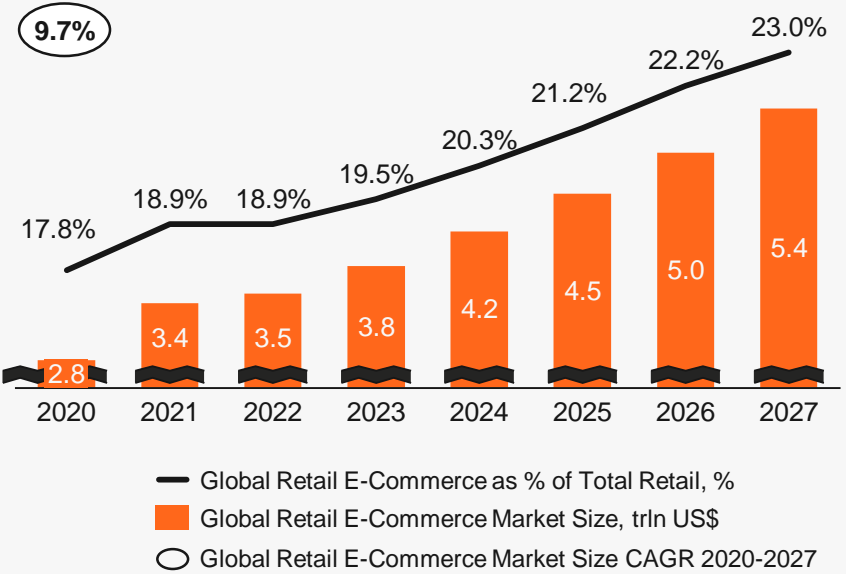
Saida Nur  
17 April 2024



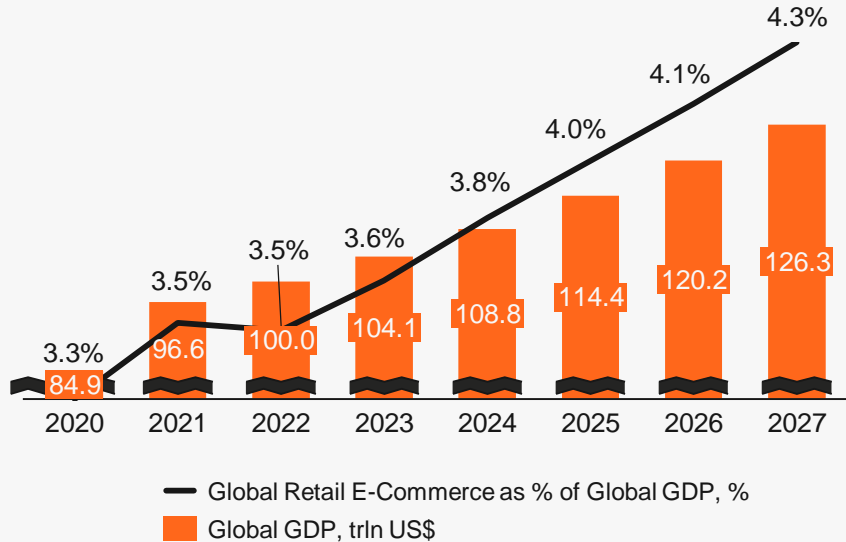
# Global Retail E-Commerce market is to overpass 5T USD\$ in the next 3 years, contributing >4% to the global GDP



**Global Retail E-Commerce Market Size, trln USD\$**



**Global GDP and Global E-Commerce Share of GDP, trln US\$**





# Unlocking Potential:

Strategies for Boosting  
E-Commerce in Central Asia



# According to customer needs and reaction of the ecosystem players to digitalization, several key trends rise in e-commerce sphere globally

## Key Global Trends in E-commerce Ecosystem

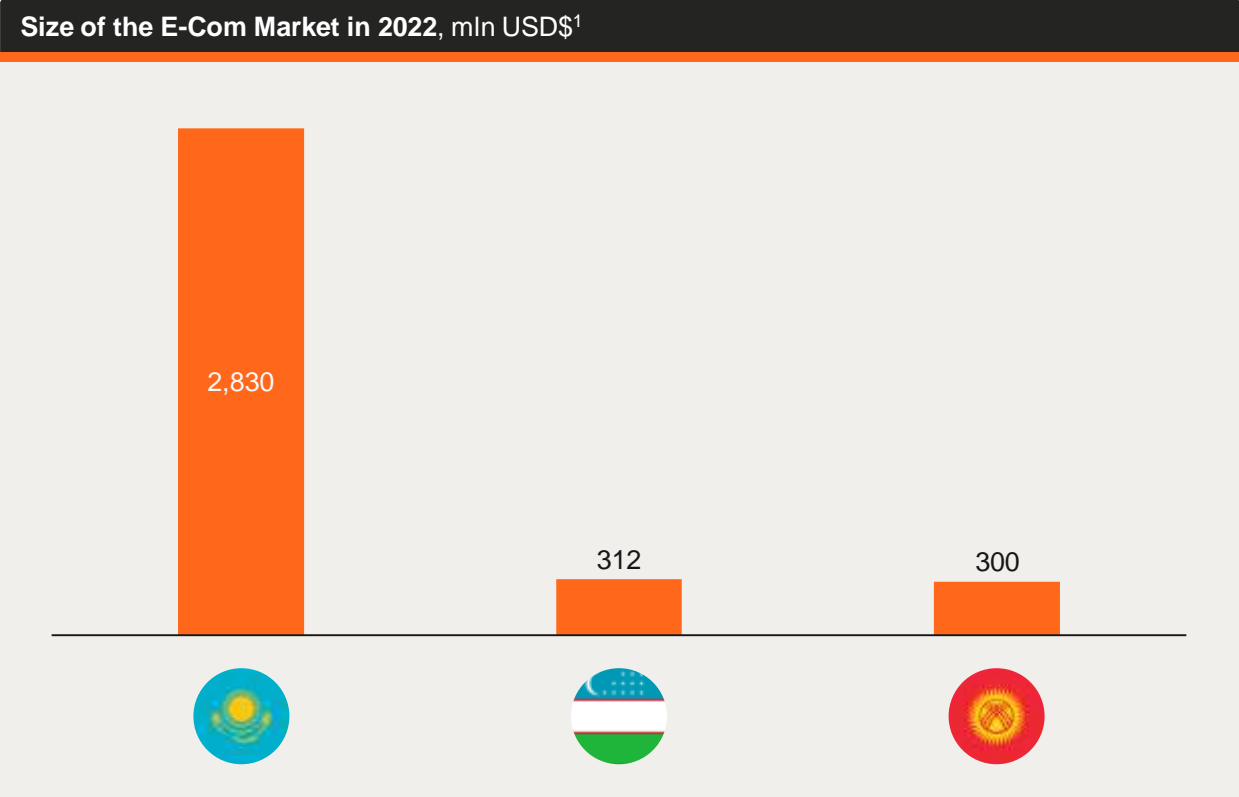


SOURCE: SHOPIFY, DELOITTE THE RISE OF SOCIAL COMMERCE REPORT 2023, PAYPERS, GRANDVIEW, UN, MCKINSEY REPORT

1. Forecasted CAGR for 2021 - 2025 period
2. Respondents of Webscale Global Ecommerce Security Report 2021
3. 2022 UN E-Government Survey considers 193 countries



# In the regional context Kazakhstan leads by volume, while Uzbekistan leads by pace, yet Kyrgyzstan lags in retail transformation



	E-Com	Retail
Kazakhstan	21.8%	8.7%
Uzbekistan	44.1%	6.6%
Kyrgyzstan	15.4%	29.8%

Turkey	19.5%	-1.3%
Russia	34.0%	10.3%

5 SOURCE: EUROMONITOR, STATISTA, KYRGYZ REPUBLIC NATIONAL STATISTICS COMMITTEE, MC ADVISORY ANALYSIS  
 1. Historic current prices, historic YoY exchange rates, excluding sales taxes. Data for Russia is based on analytic forecasts. Data for Kyrgyzstan includes only company revenues.  
 2. CAGR in 2020-2022.




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# Regional E-com market is emerging in terms of consumer and businesses readiness, yet still has opportunity for advancement in comparison with Turkiye & Russia

## E-commerce Ecosystem Snapshot (I/VI)


### Market Readiness

#### Internet Penetration

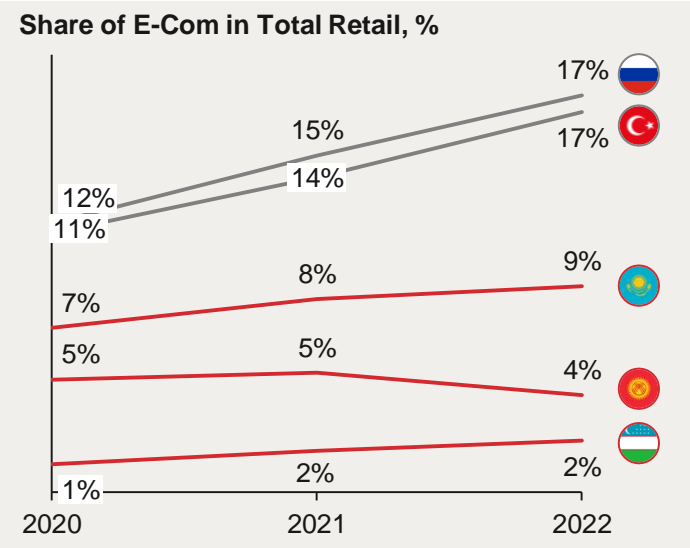


91% in Kazakhstan
77% in Uzbekistan
78% in Kyrgyzstan
64% in the world

#### Banked Population



81% in Kazakhstan
44% in Uzbekistan
41% in Kyrgyzstan
74% in the world




#### Online Shoppers<sup>1</sup>



67% in Kazakhstan
39% in Uzbekistan
26% in Kyrgyzstan

#### Logistics Performance Index



2.7/5.0 in Kazakhstan
2.6/5.0 in Uzbekistan
2.3/5.0 in Kyrgyzstan

LPI is assessed on 6 major dimensions: Customs Score, Infrastructure Score, International Shipments, Logistics Competence & Quality, Timeliness, and Tracking & Tracing Score

SOURCE: WORLD BANK, MC ADVISORS ANALYSIS

1. The percentage of respondents who report using mobile money, a debit or credit card, or a mobile phone to make a payment from an account; or who report using the internet to pay bills or to buy something online or in a store in 2021.

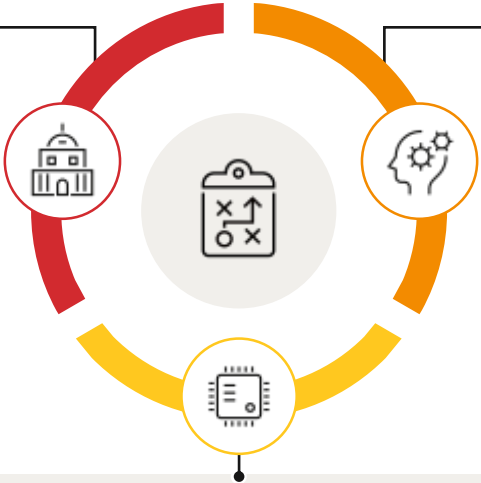


# Identified challenges of the regional e-com market can be grouped into 3 main groups to be addressed by unified governmental efforts

## Regional E-commerce Strategy Challenges

### Regulatory Setting

- Consumer protection issues
- Cybersecurity & data protection risks
- Monopolistic market structure



### Awareness and Skills Development

- Rigid customer behavior towards in-store shopping
- Limited # of online shoppers & low financial inclusion
- Limited digitalization of merchants

### Technology, Payments and Infrastructure

- Lacking variety of open loop payment options

- Inadequate IT spending

- Incompetent Logistics & Infrastructure



# Mastercard focuses on E-commerce development in the region



- ✓ **E-com Strategy of Kazakhstan 2030** analysis was shared with the Ministry of trade



- ✓ The first Central Asian E-commerce Forum was held in **September 2023**



- ✓ **Presented** a new central bank digital currency (CBDC)-linked debit card – the **Digital Tenge Card** in **November 2023** at the XI Congress of Financiers of Kazakhstan



- ✓ **Ecom School** for Students launched with MOST business incubator and IMPRO



- ✓ **Free E-com School platform** for Kazakhstan SMEs together with the Ministry of trade (Over 2000 SMEs trained)



- ✓ **Digital payments trends report** published together with with NPC\*



- ✓ **The first Fintech Uzbekistan** report published in November 2023







# Thank you!

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