

**Central Asia Regional Economic Cooperation
(CAREC) Program 17th to 19th April 2024-
Astana, Kazakhstan**

Pakistan eCommerce Landscape

**Mr. Muhammad Suleyman Khan
Director General
Ministry of Commerce, Pakistan**

Sequence of Presentation

- Pakistan 's e- Commerce landscape
- Pakistan Government interventions for eCommerce ecosystem
- CAREC member countries Digital Gap Analysis
- EU region trends in eCommerce
- Challenges
- Way Forward



NINE PILLARS OF THE E-COMMERCE POLICY

1. Regulation and Facilitation
2. Financial Inclusion and Payment Digitization
3. Empowering Youth And SMEs
4. Taxation Structure
5. Consumer Protection
6. ICT and Telecom Services
7. Logistics
8. Data Protection and Investment
9. Global Connectivity and Multilateral Negotiations

Pakistan eCommerce Growth Trends

The first eCommerce Policy was approved in October 2019, due to government's interventions and facilitation positive growth trends are seen in eCommerce which is reflected in table below.

Entity	From FY19 to FY23 Change %
Registered eCommerce Merchants	427 % Growth
eCommerce Value	444 % Growth
eCommerce Volume	457% Growth
Internet Banking Users	200% Growth
Mobile Banking Users	185 % Growth

Pakistan Telecom Indicators

Entity	As of February 2024	%
Mobile Cellular Subscribers	191 million	79.5 Teledensity
Mobile Broadband Subscribers	132 million	54.82 Mobile Broadband Penetration
Fixed Telephony Subscribers	3 million	1.07 fixed teledensity
Broadband Subscriber	135 million	56.2 Broadband Penetration

Pakistan Government's Policies to enable Digital Economy

- Ecommerce Policy-2019
- Pakistan Cloud First Policy-2022
- National Cyber Security Policy-2021
- Digital Pakistan Policy-2018
- Investment Policy-2013
- Telecom Policy-2015
- Mobile cellular Policy 2004(revised-2013)
- Artificial Intelligence Policy (draft/consultation Level)

Pakistan eCommerce Ecosystem and Interventions to boost Digital Trade

- First National **eCommerce Policy** Launched in October 2019.
- A High-Powered National eCommerce Council (**NeCC**) established.
- All Provincial/ **State eCommerce councils** are also established.
- Facilitation scheme launched to support cross-border small packet B2C eCommerce in Jan 2021, till date **68 million USD exports** achieved.

- Free digital economy program for universities launched in collaboration with **Alibaba Global Digital Group** in May 2022.
- **MoU on eCommerce** signed with China in November 2022.
- Free online courses to train masses on Digital Skills under **Digiskill Program**.
 - 15 free courses
 - 3.9 million trainees trained
 - 1 billion usd projected income earned

CAREC Member Countries Gap Analysis

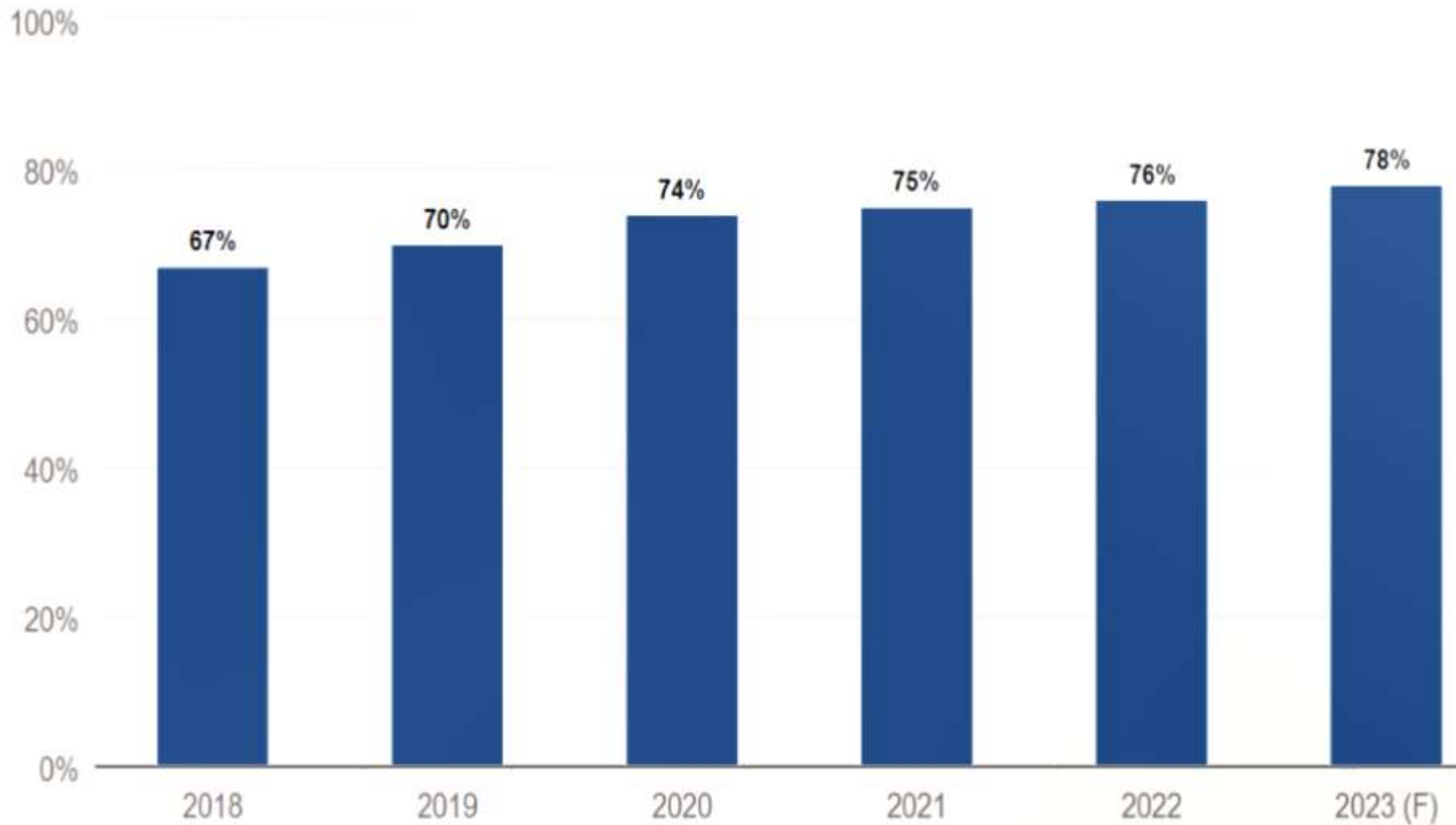
Table 24: Country Ranking in Different Subindices and Composite Index

Indicators	Azerbaijan	Georgia	Kazakhstan	Kyrgyzstan	Mongolia	Pakistan	Tajikistan	Uzbekistan
Cost and affordability	5	7	8	2	6	3	1	4
Access and infrastructure	7	6	8	3	4	1	2	5
Internet quality	3	8	6	7	2	5	4	1
Regulations	4	8	6	5	7	2	1	3
Digital security	7	6	8	3	2	4	1	5
ICT output	6	3	8	5	7	4	2	1
Digital FDI	1	2	8	3	6	7	4	5
Cumulative DDI	6	7	8	3	5	2	1	4

Note: Highest rank/green highlighted cells show lower digital divide while lowest rank/red highlighted cells indicate higher digital divide

% of Internet Users Who Bought Goods or Services Online, Europe, 2018 - 2023

2023 forecasted.



B2C Ecommerce Sales in Europe 2018 - 2023

€ billions. 2023 forecasted. €1.00 = \$1.05.

■ Ecommerce turnover ◆ Growth rate



Climate Change & Compliances

- Trade and Environmental sustainability have emerged as critical issues.
- World Trade Organization (WTO), with several WTO members submitting proposals that converge on this nexus
- The EU, for instance, advocates for subsidization of industries to support the adoption of green technology in production processes.
- Carbon Border Adjustment Mechanism (CBAM) is a tariff or tax on carbon emissions, particularly for carbon-intensive commodities.
- They are fundamentally designed to reflect and enhance environmental policy & address 'carbon leakage'.
- CBAMs have emerged as tool for EU to achieve climate-neutrality by 2050 in lines with the Paris Agreement.

... Contd

- Initially, CBAM regulations will apply on specified goods and, scope of regulation will be extended gradually.
- Pakistan exporting goods to EU covered under CBAM regulation like iron, steel & aluminum products.
- As importers will have to report emissions produced during the manufacturing of products, therefore, exporting countries need to make production processes green.
- A Trade Day was dedicated at the United Nations Climate Change Conference (COP28) with discussions highlighting the role of trade in contributing to climate action and sustainable development.
- Pakistan, therefore, advocated for a formal dialogue on trade and environment on the forum of WTO Committee for Trade and Environment (CTE).
- Pakistan asserted that any mechanism adopted for tackling the issue of trade and environmental sustainability must recognize universally acknowledged common ideals of Polluters Pay Principles (PPP) but Differentiated Responsibility with Respective Capacities (CBDR-RC).

Challenges

- **Cross-border Payment:** A robust and efficient digital payment solutions needed.
Collaboration with PayPal, Google Pay, Alipay, Stripe is crucial.
- **High cost of small packet cross-border logistics:** B2C eCommerce depends on small-packet exports and high cost of international logistics is a challenge
- **Cheap and Reliable Internet:** Crucial for all digital eco-systems.
- **Post Moratorium Regime on eCommerce:** Moratorium on eCommerce ends in 2026. CAREC member countries need to prepare for applying/facing customs and regulatory duties on electronic transmission.
- **Future Development linked with Climate Change Mitigation & Adaptation**

Way Forward

- **Common Trade Portal** for CAREC to boost eCommerce among member countries.
- **Training of masses** on digital tools for the growth of eCommerce exports.
- **Market Access** by developing linkages with international Payment Gateways & international Online Marketplaces among CAREC member countries.
- **Dedicated eCommerce Working Group** of CAREC member countries to develop future projects, strategies and propose policy measures.
- **Youth engagement** and focus on IT & digital trade
- Sustainable & effective **Climate Action** measures

Thank You