



Consultation of e-Business Stakeholders for the WSIS+10 Review

Action Line: C7 – e-Business

C7: E-business moderator/facilitator: UNCTAD

Co-facilitators: International Trade Centre (ITC), Universal Postal Union (UPU)

In the context of the Review of the World Summit for the Information Society (WSIS) 10 years of implementation, please take a few minutes to answer the following questions. Your views will be shared at the WSIS+10 Review meeting in Paris, 25-27 February 2013.

You can find detailed information about the mandate from the Geneva Plan of Action as regards e-business here: <http://www.itu.int/wsis/c7/e-business/index.html>

The C7 e-Business action line covers the following items:

- a) Governments, international organizations and the private sector, are encouraged to promote the benefits of international trade and the use of e-business, and promote the use of e-business models in developing countries and countries with economies in transition.
- b) Through the adoption of an enabling environment, and based on widely available Internet access, governments should seek to stimulate private sector investment, foster new applications, content development and public/private partnerships.
- c) Government policies should favour assistance to, and growth of SMMEs, in the ICT industry, as well as their entry into e-business, to stimulate economic growth and job creation as an element of a strategy for poverty reduction through wealth creation.

Deadline for submission is 15 February 2013:

Mr./Ms.: Ms

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This submission is made on behalf of ETNO -

ETNO (the European Telecommunications Network Operators' Association) has 37 member companies and 12 observers from Europe and beyond, representing a significant part of total ICT activity in Europe. ETNO companies are the main drivers of broadband and are committed to its continual growth in Europe. See <http://www.etno.be/> for further information on the association.

Question 1: What do you consider to be the most important achievements in the area of e-business since 2005?

E-business (or e-commerce) has now been recognized across the globe as a fundamental driver of growth and competitiveness and there have been good strides made in this area since 2005. There is, however, a scarcity of official statistical data on e-commerce¹ / e-business and indicators are frequently available only for a limited number of developing countries and refer only to online purchases and sales carried out by households or enterprises. This renders it difficult to assess progress in holistic terms.

Nonetheless, there are some positive signs and many businesses have realised that they have to make e-business an integral part of their business model. The European Commission, in its Staff Working Document *"Bringing e-commerce benefits to consumers"*, of January 2012², reports that during 2008-2010, domestic business-to-consumer e-commerce grew from 28% to 36% of the [European] population making an online domestic purchase. Between 2004 and 2010, the percentage of individuals who made an online purchase of a good or a service for private use in the last year, rose from 20% to 40%.

Indeed, at times of economic crisis, it is common to see a shift towards e-business, with consumers seeking advantages such as cheaper prices and wider choice, while businesses see e-commerce as an opportunity to reach more consumers and to grow. The European Commission reported that current consumer welfare gains from e-commerce in goods alone, in terms of lower online prices and wider choice, are estimated to be around €11.7 billion, an amount equivalent to 0.12% of EU GDP. If e-commerce were to grow to 15% of the total retail sector and EU Single Market barriers were eliminated, total consumer welfare gains are estimated to be around €204 billion, an amount equivalent with 1.7% of EU GDP. This sort of data has helped citizens see the value of moving to e-business.

In terms of drivers, ETNO believes that the current EU legal framework on e-commerce³ (Directive 2000/31/EC), and in particular the provisions related to intermediaries' liability, strikes the right balance amongst the interests of the different stakeholders and has allowed for the development of online commercial activities respecting the fundamental principles and rights recognised at EU level, and in particular the fundamental principles of freedom of speech, the freedom of access to the Internet and the right of privacy.

Question 2: In what areas do you think most progress has been made with regard to e-business since 2005?

Internet penetration and good connection speeds are important elements facilitating e-commerce and improvements and private investments in this area have contributed greatly to the rise in e-business. In addition, there are signs that mobile commerce is starting to accelerate and m-payment facilities are widely available, including in many African countries. In particular, the banking industry has embraced mobile payment methods and as a result mobile commerce enjoys broad adoption.

Question 3: In what areas do you think least progress has been made with regard to e-business since 2005?

It is ETNO's opinion, that one of the main obstacles to successful e-business when it comes to online content, is the lack or insufficient availability of legal offers that are user-friendly and that are available at the same time as when illegal content is offered. With the Internet being a cross-border resource, legal content available in one continent will instantly be available elsewhere. Therefore, ETNO believes that there is a need to explore cross-border licences and to facilitate legal content as soon as it has been distributed elsewhere.

¹ Comment, Para 24: http://www.itu.int/ITU-D/ict/wtim12/documents/cont/035_E_doc.pdf

² http://ec.europa.eu/internal_market/e-commerce/docs/communication2012/SEC2011_1640_en.pdf

³ <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32000L0031:EN:NOT>

Copyright infringement is often cited as an issue in the online world. However, the solution for copyright infringement is, we believe, innovative services and new business models, which will address the demands and expectations of consumers.

Many of ETNO's members are pan-country players and a lack of harmonised consumer protection rules causes difficulties with e-business. In addition, we need to see increased availability of instruments for electronic payments.

Question 4: What actions should be taken to make future implementation of e-business more effective?

It is imperative to lay the groundwork well to maximise the economic potential of the Internet, as a vital medium for doing business and communicating.

ETNO believes that we need to work to strengthen and streamline consumer protection rules, and work to guarantee more effective and secure payment instruments for e-commerce transactions. We need to define new systems for managing copyright in the online world and develop educational campaigns addressed to users to increase consumers' confidence in electronic commerce and also awareness of appropriate redress measures. Awareness initiatives around the benefits of e-business should be launched to illustrate how we can achieve better health care, safer and more efficient transport solutions, a cleaner environment, new media opportunities and easier access to public services and cultural content.

What is also needed is a clear, consistent and predictable legal and regulatory framework for Internet transactions in order to enable e-business to prosper while avoiding unnecessary regulations or restrictions on electronic commerce.

Finally, increased emphasis should be put on the importance of broadening the participation of developing countries in e-business.

Question 5: In your view, what important new issues or themes concerning e-business deserve more attention in the next five years?

Tariffs / taxes, electronic authentication and payments, privacy, open access, information security, intellectual property rights and consumer protection are all important themes to be considered in the next five years.

It will also be important, as e-business grows, to monitor the growth of fraud, which is already on the rise. If allowed to continue, this will have a significant negative impact on consumer confidence.

Question 6: Please make any specific comments that you wish to make with regard to the implementation of e-business.

[none]

Please send your contribution to Martin Labbé at labbe@intracen.org