

Nairobi Forum

Democratizing trade information across the continent

19 November 2020

Cyril Chalendar (ITC)



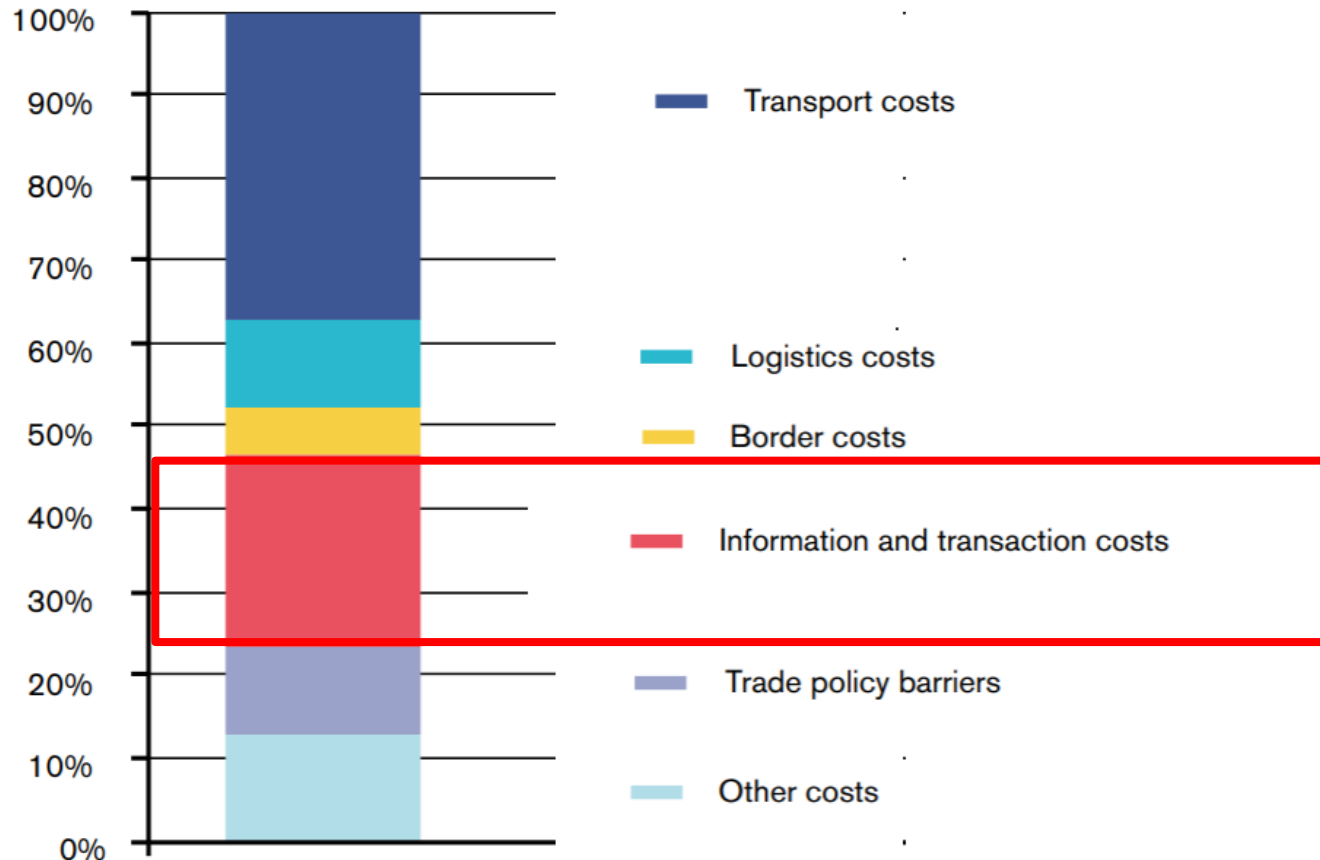
I. Continental trade

1. Limited continental integration

- i) Level of intra-continental trade: 17% (vs. Europe: 69%).
- ii) Because of important trade costs

Factors hindering the development of int. trade

Trade costs breakdown



Source: World Trade Report (WTO, 2018)

I. Continental trade

1. Limited continental integration

- i) Level of intra-continental trade: 17% (vs. Europe: 69%).
- ii) Important trade costs

2. High transaction cost

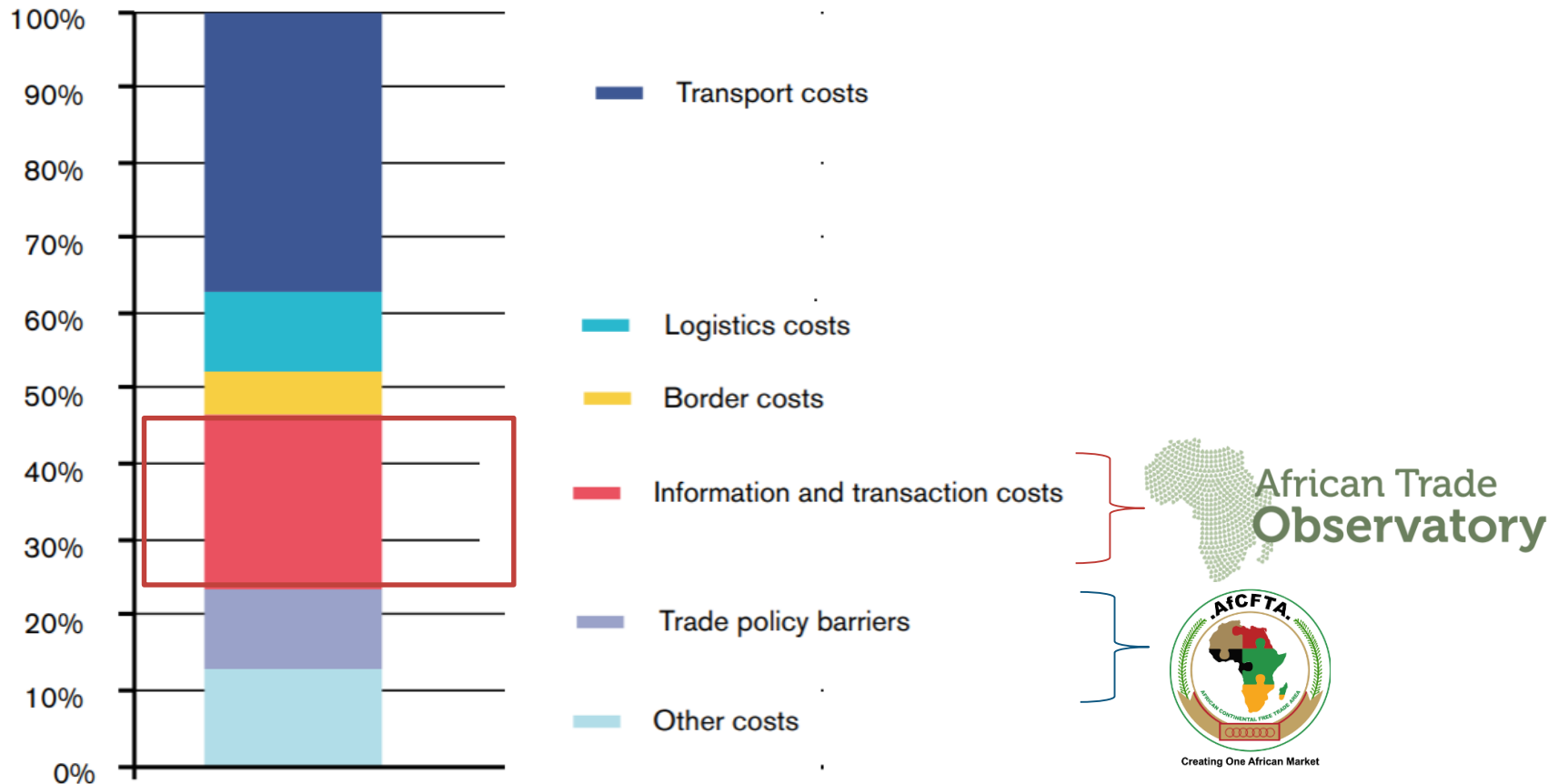
- i) Limited availability of trade-related info
 - a. 1/3rd of countries do not have a functioning trade promotion portal
 - b. Only 50% of countries display online (relatively aggregated) trade stats

=> Unexploited export opportunities

=> Lack of evidence-based policymaking

Factors hindering the development of int. trade

Trade costs breakdown

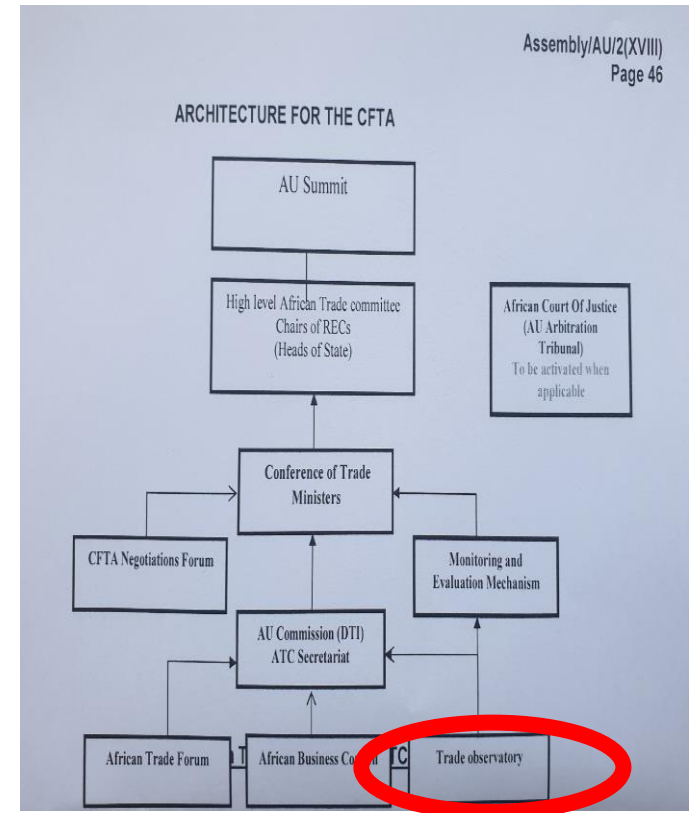


Source: World Trade Report (WTO, 2018)

II. African Trade Observatory

AU Heads of State and Government

Decision Assembly/AU/2 (XVIII) to establish a Continental Free Trade Area (CFTA) and to endorse the Boosting Intra-Africa Trade (BIAT) Action Plan was adopted on January 18th, 2012



Lead
organization



Implementing
organization



Funding
organization



Main objectives of the ATO

Collect, process and analyse trade and trade-related information from member states and other sources.

Monitor and evaluate the implementation process and impact of the AfCFTA and the BIAT.



Create an online Dashboard with relevant and detailed trade information on intra-African trade and opportunities for the public and private sectors.

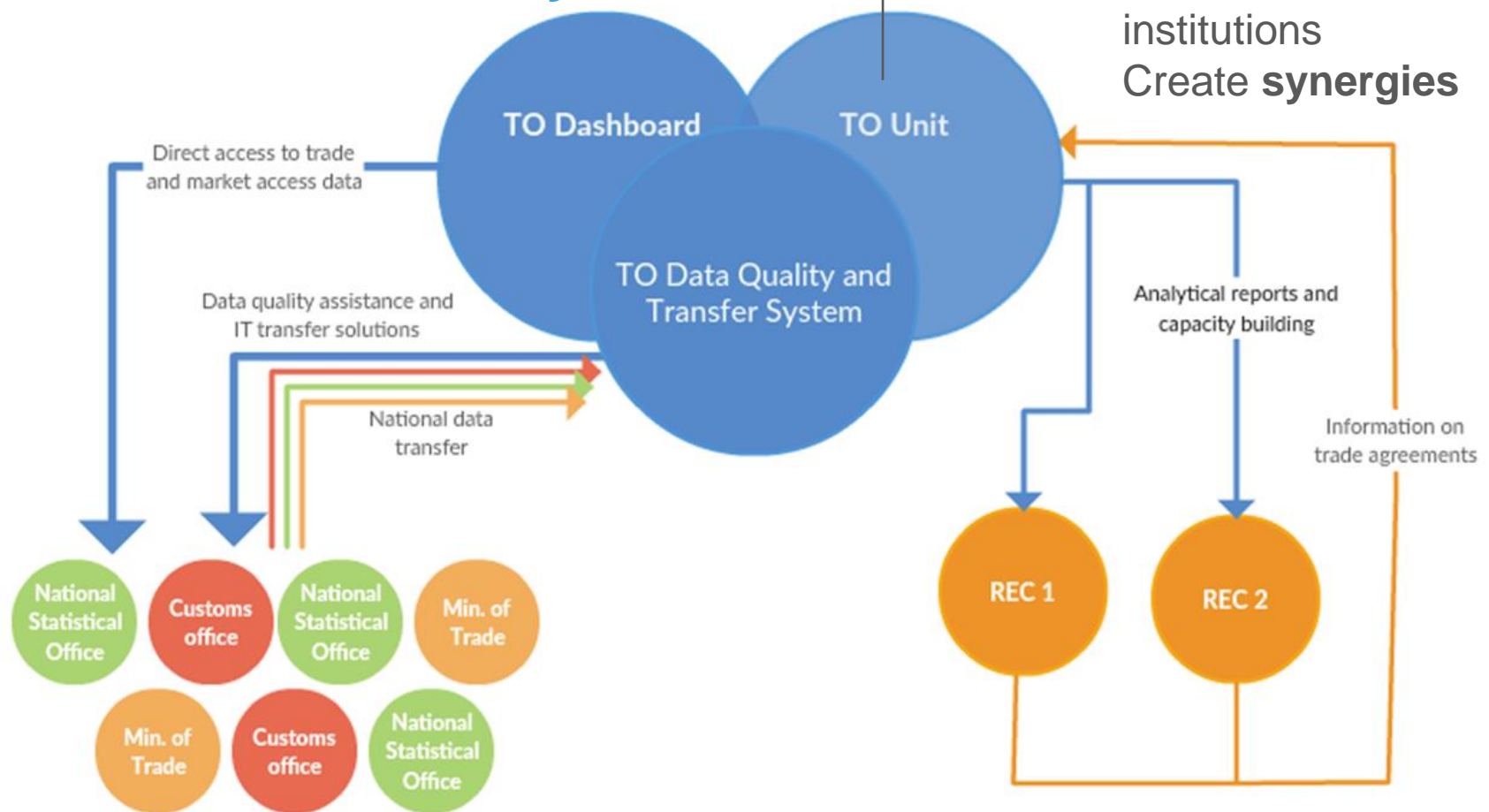
Provide a secured online “Tariff Negotiation Tool” to countries involved in tariff negotiations.

III. Improving the availability & quality of data

• ATO data collection system

Sustainability

Fit the **needs** of institutions
Create **synergies**



REC stands for Regional Economic Community (e.g. EAC, COMESA etc)

• Automation of data transfer from customs to the ATO

- To generate innovative and updated indicators => **real-time, granular & comprehensive data**
- Installed in **3 countries** (Comoros, Madagascar and Uganda) – planned in Zambia

IV. Providing trade intelligence to African businesses

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A web platform designed to simplify SME's market research in the context of AFCFTA implementation

Provides access to trade intelligence

To compare challenges and opportunities of the African markets

To explore market access conditions and business partners to expand business within the continent

ATO Dashboard – beta version



Welcome to the African Trade Observatory dashboard

African Trade Observatory BETA

Home About Resources English ▾

Free access

Compare

Compare trade and market access information across countries, products or markets.

Choose an exporter ▾

Choose a product ▾

START

Explore

Find detailed trade and market access-related information for a country-product-market combination.

Choose an exporter ▾

Choose a market ▾

Choose a product ▾

START

Monitor

Monitor state of intra-African integration over time.

Choose an exporter ▾

START

V. Monitoring African integration

Collect, process and analyse trade and trade-related information from member states and other sources.

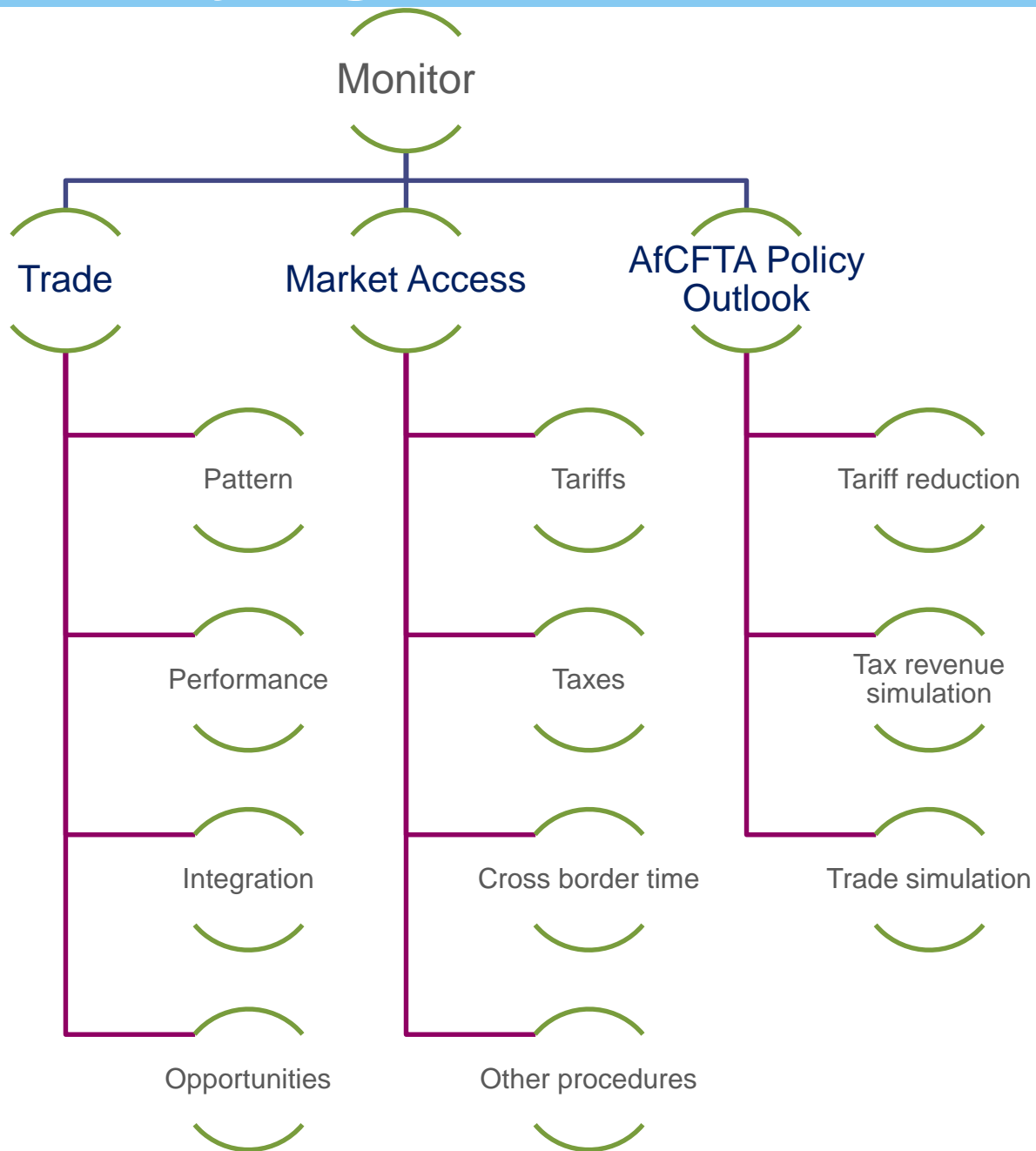
Monitor and evaluate the implementation process and impact of the AfCFTA and the BIAT.



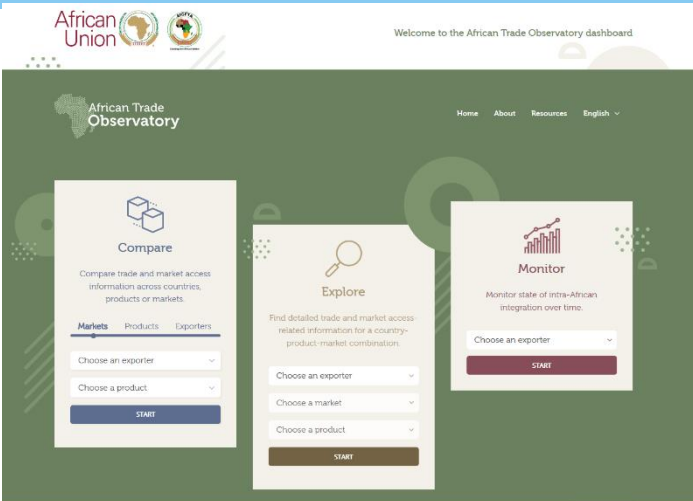
Create an online Dashboard with relevant and detailed trade information on intra-African trade and opportunities for the public and private sectors.

Provide a secured online “Tariff Negotiation Tool” to countries involved in tariff negotiations.

Analyzing African trade flows



Next immediate steps



Public release of the first 2 modules (Compare & Explore, beta version) during the next African Union Extraordinary Summit (December 2020).

Facilitating trade and economic integration in Africa

Official intra-African trade remains low and Africa trades more with the rest of the World than with itself. One of the main reasons for this is the lack of information on market opportunities and market access conditions. African Trade Observatory serves as a repository of trade information and allows to monitor, in real time, the pace of trade and economic integration in Africa.

[READ MORE](#)



Ratified and signed parties of AfCFTA

- SIGNED
- RATIFIED
- NEARLY SIGNED

Trade under the African Continental Free Trade Area (AfCFTA) is expected to start in 2021. As of May, 6th 2020, thirty countries deposited their instruments of ratification with the African Union Commission.



AfCFTA News

- August 21, 2020: Inaugural ATO Steering Committee Meeting
- August 17, 2020: Hand-over and Commissioning of the AfCFTA Secretariat...
- August 16, 2020: AfCFTA targeting first trade deal in 2021
- July 28, 2020: Full Implementation of AfCFTA Could Boost Africa's Income By \$45...
- April 16, 2020: Regional trade key to minimising coronavirus impact
- April 15, 2020: Trade in uncertain times: Prioritizing regional GVCs
- April 11, 2020: AfCFTA implementation could minimise trade mist invoicing
- February 10, 2020: Wamkele Mame elected as Secretary-General of the AfCFTA Secretariat



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ato.africa



Thank you for your attention

cchalendard@intracen.org





International
Trade
Centre



NAIROBI FORUM

Trade Beyond Covid19: Unpacking the AfCFTA
for East Africa /Kenya MSME's

E-commerce in the context of COVID-19

A presentation by: Sébastien Ioannitis-McColl
Date: 19 November 2020



Agenda

1 E-commerce and the African context

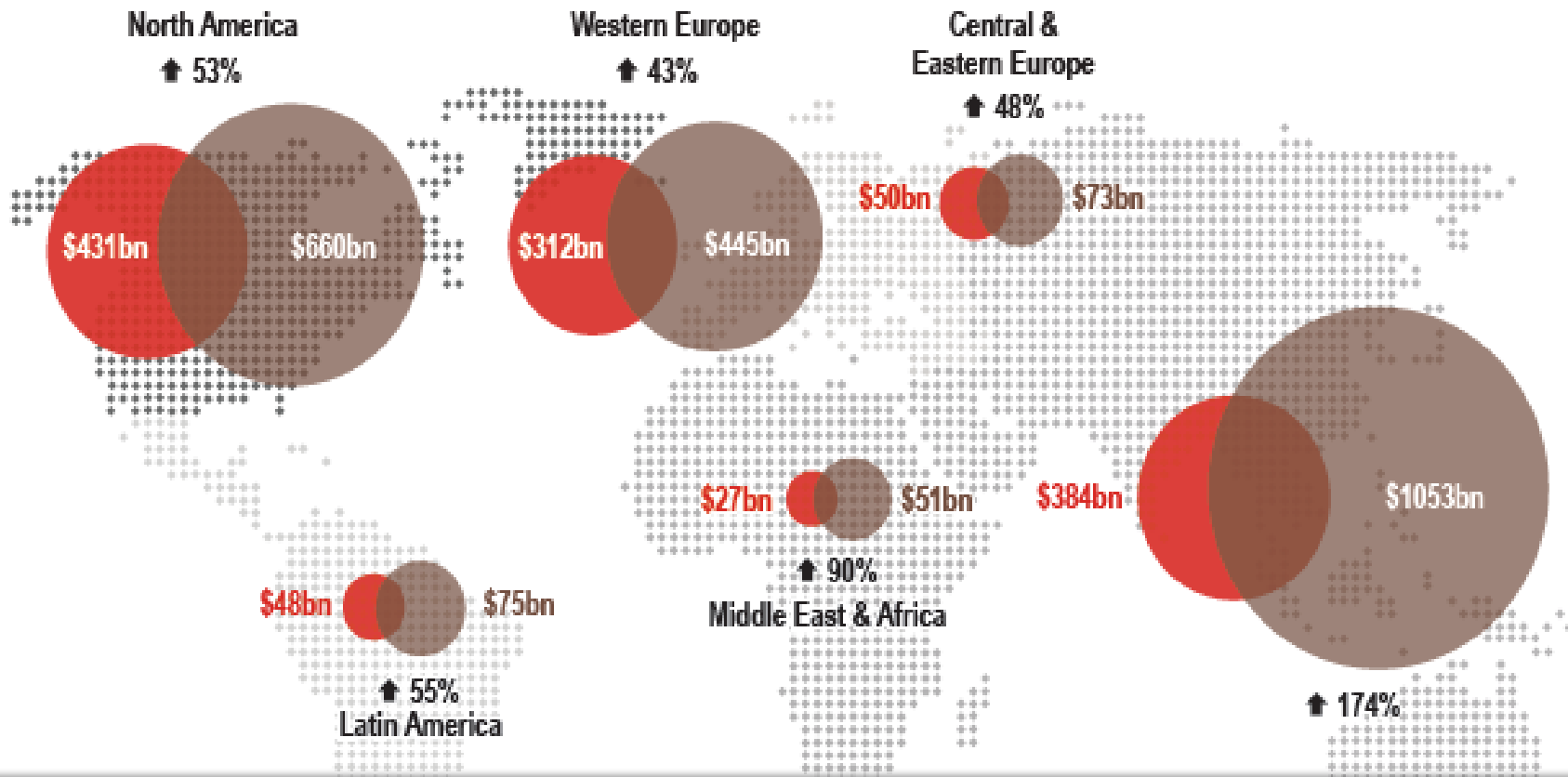
2 Offer & demand

3 Logistics

4 Communication


5 Marketing & Branding

E-commerce potential in Africa, B2C sales (2013-2017)




The AfCFTA seeks to create an integrated African market of 1.27 billion consumers, expected to reach 1.7 billion by 2030. In some African countries, <18% of households have access to the Internet throughout the continent and <5% of the population currently buys online.

Growth opportunity for Africa



E-commerce reconfigures the way sectors and markets work with a high potential for job creation, economic growth



Offer & demand

Issues

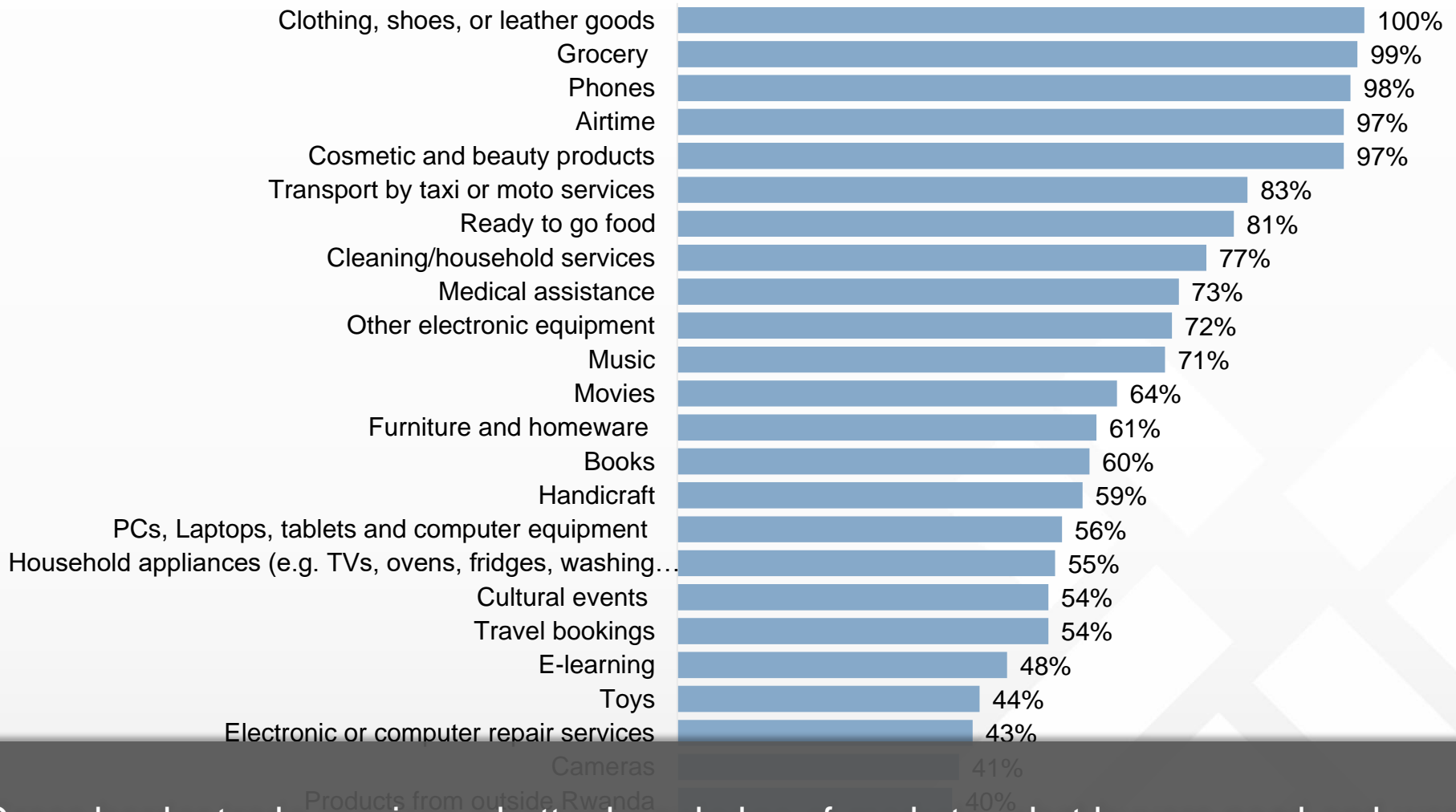
- Lack of knowledge about buyers preferences
- Lack of knowledge of competition
- Lack of strategy and unique positioning
- Lack of communication resources and efforts
- Lack of online buyers



Offer & demand

Knowledge of market demand

Example of Rwanda



Cross-border trade requires a better knowledge of markets, what buyers need and want, at what price, at what quality and at what time

Offer & demand

Key demotivators for online purchase

Example in Rwanda



Logistics

Issues

- High cost of logistics
- Challenges with timely delivery
- Challenges with delivery at the right place
- Lack of addressing system in Africa
- Lack of skilled drivers with a good knowledge of cities



Logistics

Solution 1 – Addressing and accurate delivery (last mile delivery)

- Solutions like What3words
- GPS-based solutions

- Shippers to be equipped with GPS-enabled devices

- Real-time tracking of shipment

Never get lost again

With the what3words app, it's easy to find, share and save precise locations.



Easily find a what3words address for anywhere in the world

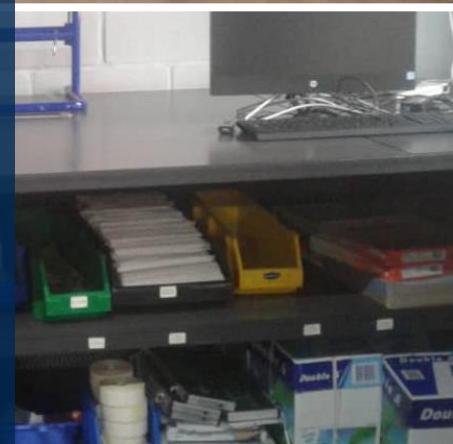
We have divided the world into 3m squares and given each square a unique combination of three words. what3words addresses are easy to say and share, and as accurate as GPS coordinates.

51.520847, -0.19552100 ↔ /// filled.count.soap

Logistics

Solution 2 – E-commerce Service Centre (ECSC) / E-fulfilment centre

- Consignment of suppliers' goods
- Trained and skilled staff handling logistics and returns
- Minimization of costs of shipping through consolidation
- Stronger negotiation power (due to volumes) to negotiate better prices with logistics partners
- Allows suppliers to focus on core activities



Promotion

Issues

- High cost of promoting one's website, when one's brand is not well-known
- Difficulty to be found on the Web by buyers
- When found, difficulty to be trusted by buyers ?

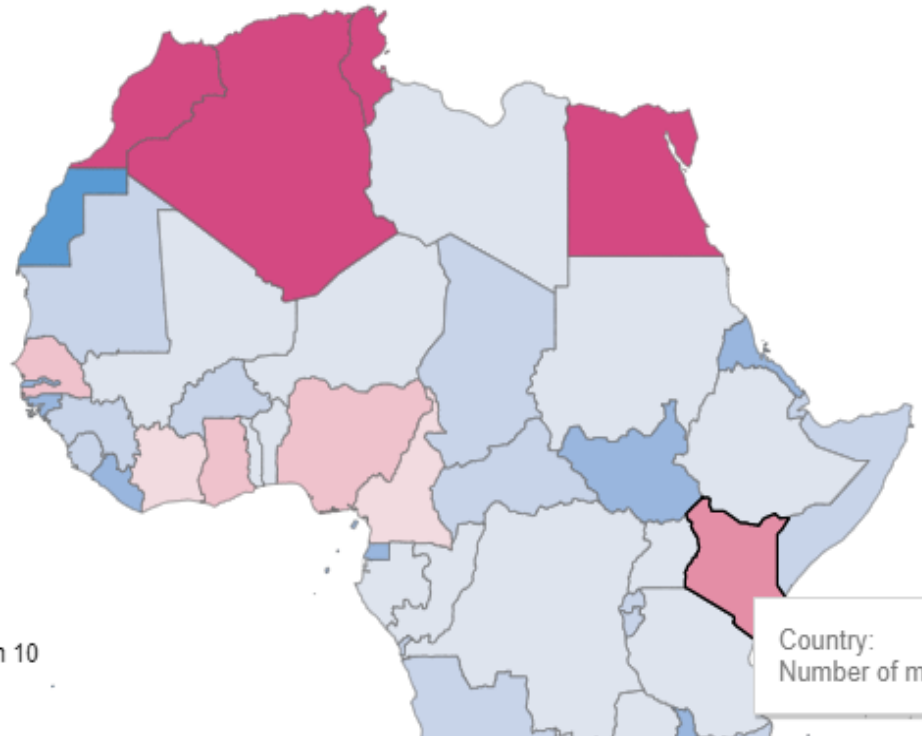


Number of marketplaces per country, 2019

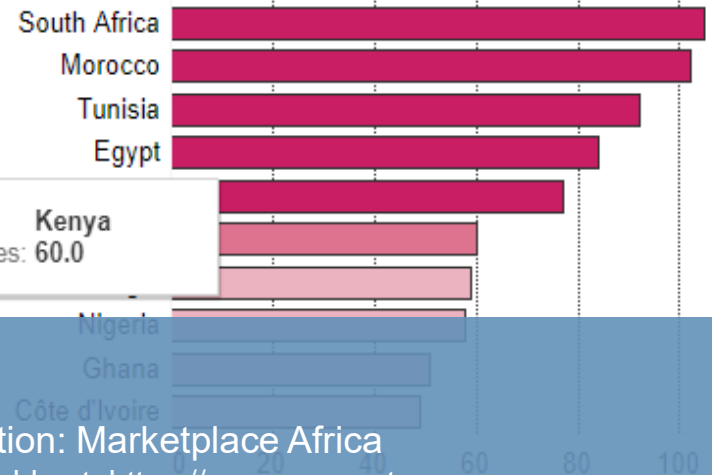
Tip!
Use the filter to switch between marketplace activity and performance metrics.

SELECT MEASURE:
Number of marketplaces

In 2019 Africa had at least **631** business-to-consumer **online marketplaces** for physical goods. Those marketplaces had in total **1,902 websites** (urls) in the 58 countries and territories of Africa. Although online marketplaces can be found in every African country, there are only few countries with relatively much marketplace activity.



Top 10 countries by Number of marketplaces, 2019



Country: Kenya
Number of marketplaces: 60.0

Promotion

- Selling thru online marketplaces (while keeping your own site)
- Subject to conditions of sales by the marketplace and transaction fee
- Need to develop more African marketplaces and the overall ecosystem

ITC's solution: Marketplace Africa

- Available at: <https://ecomconnect.org>
- Features
 - List of marketplaces per country, with product categories
 - Traffic on these marketplaces
 - Marketplace popularity index

Promotion

E-commerce Trustmark



Safe.ShopTM

The Global Ecommerce Trust Mark

Offered by partners worldwide as both national as well as global trust mark
To its core lies the Global Code of Conduce (GCC)
Developed the e-commerce Foundation,

Promotion

Reaching out to the customers

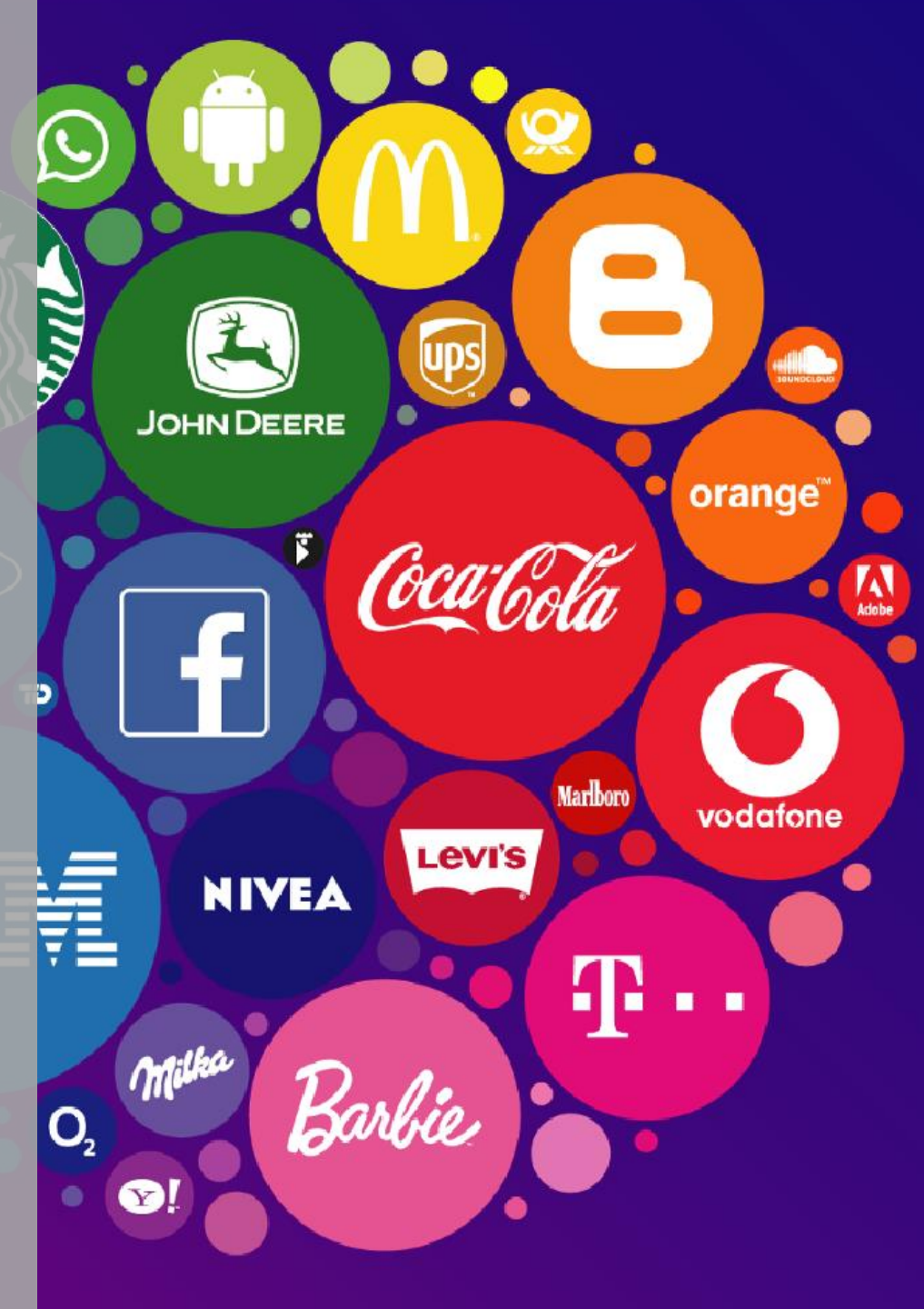


Economical solutions to reach out to buyers with advanced profiling
(demographics, geographics, psychographics and lifestyle)

Marketing & Branding

Issues

- Increased competition from African suppliers
- Challenged with being visible among this crowd
- Challenges with being chosen as THE one



Marketing & Branding

1.9

Number of times on average profits are multiplied when a company develops a strong brand

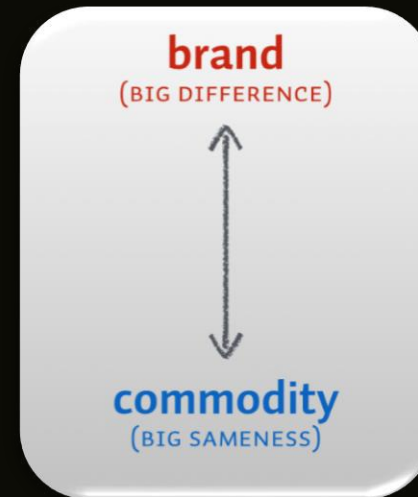
McKinsey

Marketing & Branding



Main challenge for a weak brand

Vulnerability of a product/service considered as an interchangeable commodity



"The art of marketing is the art of brand building. If you are not a brand, you are a commodity. Then price is everything and the low-cost producer is the only winner."

— Philip Kotler —

Marketing & Branding

Importance of branding in B2B



Source: How B2B brands talk past their customers, McKinsey & Company (2014)

B2B customers across industries recognize that brand influences their decision

Marketing & Branding

Attitude of suppliers towards branding



(1) Ignorant

Micro-businesses serving local markets with no ambition for growth



(2) Users

Businesses of early growth which may not be entirely aware of the potential of branding



(3) Low cost producers

Phase of the need for a strategic orientation: some formal branding activities, but low price is the most important tool for good sales



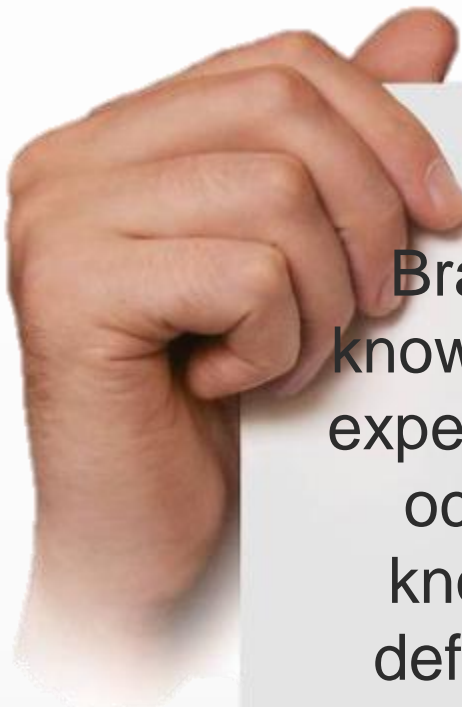
(4) Differentiation producers

Utilize branding to back up their core strategic orientation. Strategically oriented to branding, operating in broader market


Source : "The role of branding in SMEs: Different perspective on the market", Slovene study, 176 SMEs surveyed

Marketing & Branding

Attitude of suppliers towards branding



Branding is first a strategic endeavour: knowledge of customers needs and wants, expected outcomes, purchasing habits and occasions; knowledge of competitors; knowledge of the context/environment; defining a positioning that is unique and meeting customers' needs better than the competition. A logo is just the tip of the branding iceberg.

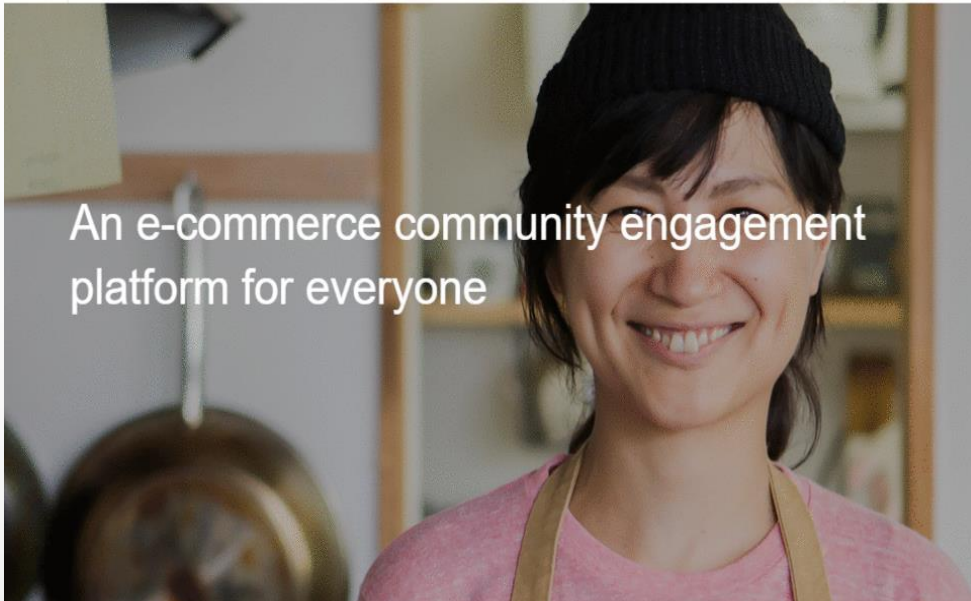


ITC's ecomConnect platform and tools

<https://ecomconnect.org>



ecomConnect



An e-commerce community engagement platform for everyone

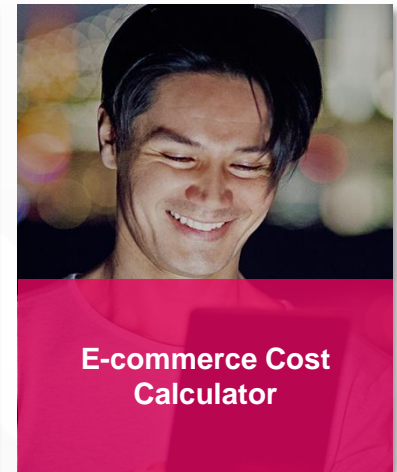
ecomConnect Community Management Platform

Connect with your peers across the world, Ask the expert, Share information, e-learning and data on e-commerce

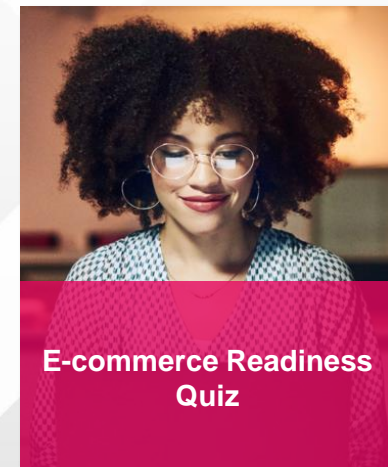


E-commerce Marketplace

Africa



**E-commerce Cost
Calculator**

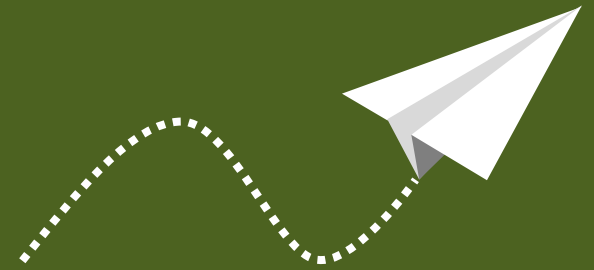


**E-commerce Readiness
Quiz**



Thank you

International Trade Centre (ITC)



Sébastien Ioannitis-McColl

Expert in e-commerce, marketing, branding
Project Manager

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NAIROBI FORUM

Trade Beyond Covid19: Unpacking the AfCFTA
for East Africa /Kenya MSME's

Trade Promotion Organisations - Building Bridges for the AfCFTA

Miyoba Lubemba, Snr Programme Officer- Institutional Strengthening, ITC
Date: 19th November 2020



Important Terminology

TPO- Trade Promotion Organisation

CCI- Chambers of Commerce and Industry

BSO- Business Support organisations

TISIs- Trade and Investment Support Institutions

Relevance of CCI and BSOs



INTERNATIONAL
CHAMBER
OF COMMERCE



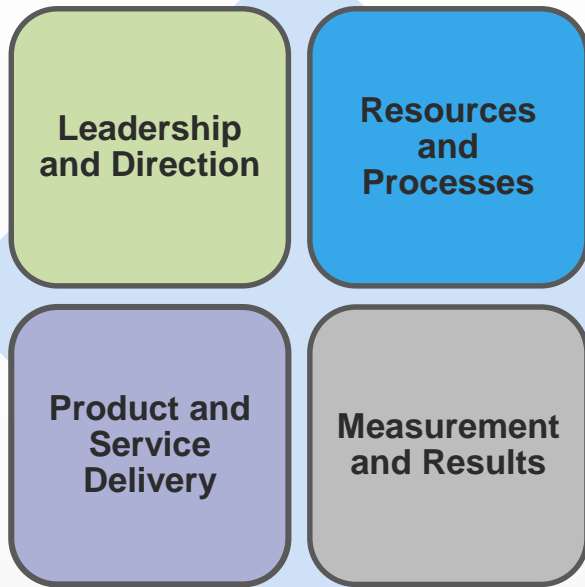
Chambers of Commerce are an essential and credible intermediary between government, business and the general public.

Impact of TPOs



TPOs contribute to 5%–6% rise in GDP per capita and 7%–8% rise in exports (ITC study on ETPOs in collaboration with University of Geneva)





ITC's Benchmarking Model illustrates essential Organisational best practices
<https://www.tisibenchmarking.org/>

Leadership and Direction



1. Clear **Mandate**, collective purpose, inclusive membership and industry recognition
2. **Governance** structures and rules are appropriate and independent
3. **Strategy** is relevant, responsive to local and global conditions, industry trends
4. **Accountability** and risk management including audit controls
5. **Credibility** with stakeholders, collaborative strategic partnerships and alliances

Resources and Processes

1. Appropriate **human resources** and structure with competitive skills and capabilities
2. Solid **business model** and resource mobilisation for sustainable service delivery
3. Organisational **records** and knowledge management for innovation
4. Appropriate physical assets and **infrastructure**, including IT
5. Internal and external **communication**, clear and regular



Products and Service Delivery



1. **Service offering** based on client needs diagnostic, client data, business environment and export market prospects
2. Client **segmentation** and service delivery effectively managed
3. Services are readily **identifiable** and well supported by accessible information
4. **Flexibility** and responsiveness to strategic priorities

Measurement and Results

1. Well articulated **results framework** with clear indicators

2. **Monitoring and evaluation** is regular, supported by relevant tools



3. **Data collection and reporting** is robust, consistent and reliable

4. Member and **client satisfaction** is monitored and feedback used to improve strategy and services



Game Changers for TPOs to Build Bridges

1. Put Enterprises First

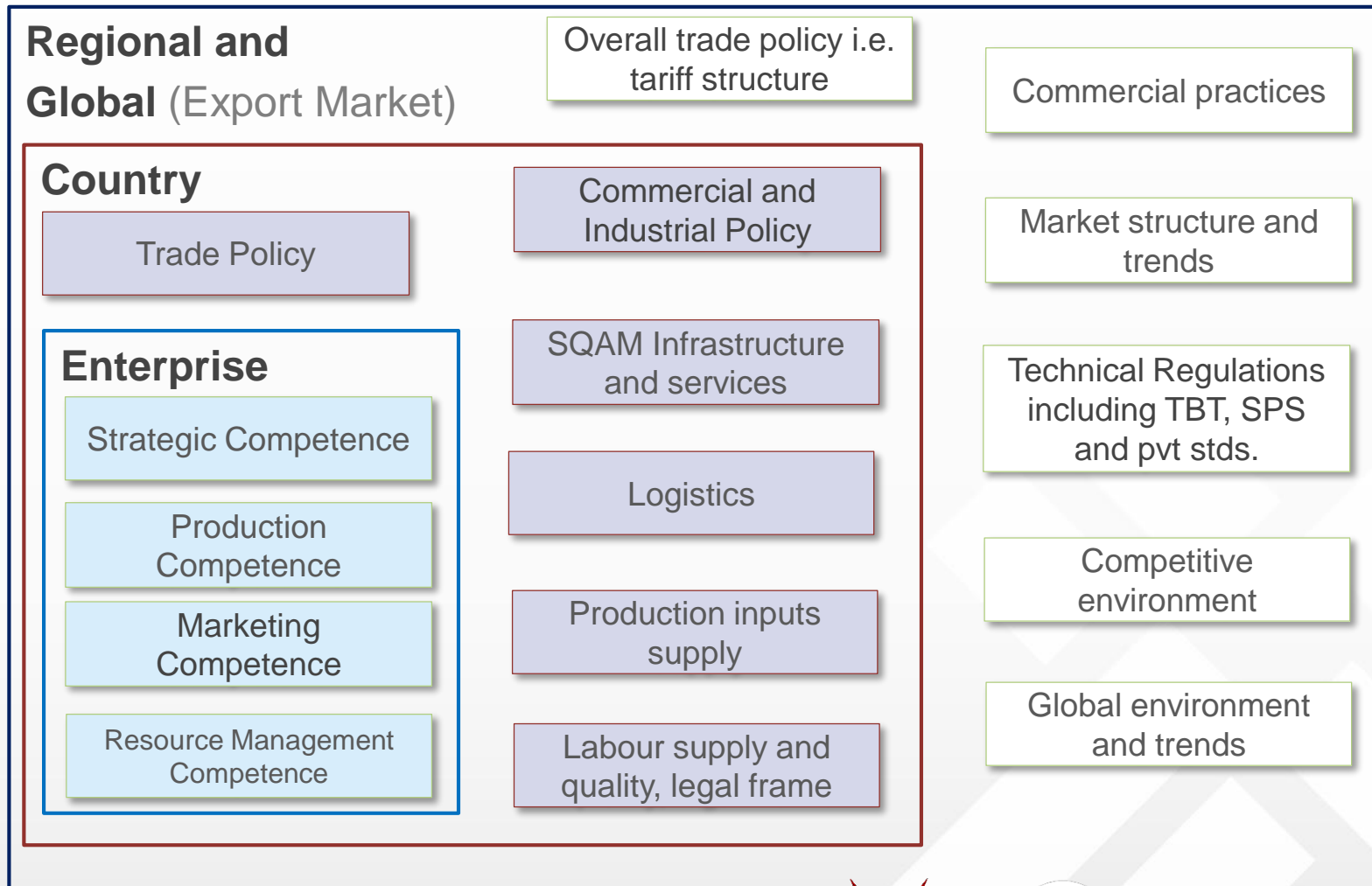


Understand and prioritise **diagnosed** Enterprise Challenges, Service Needs and Opportunities in relation to AfCFTA

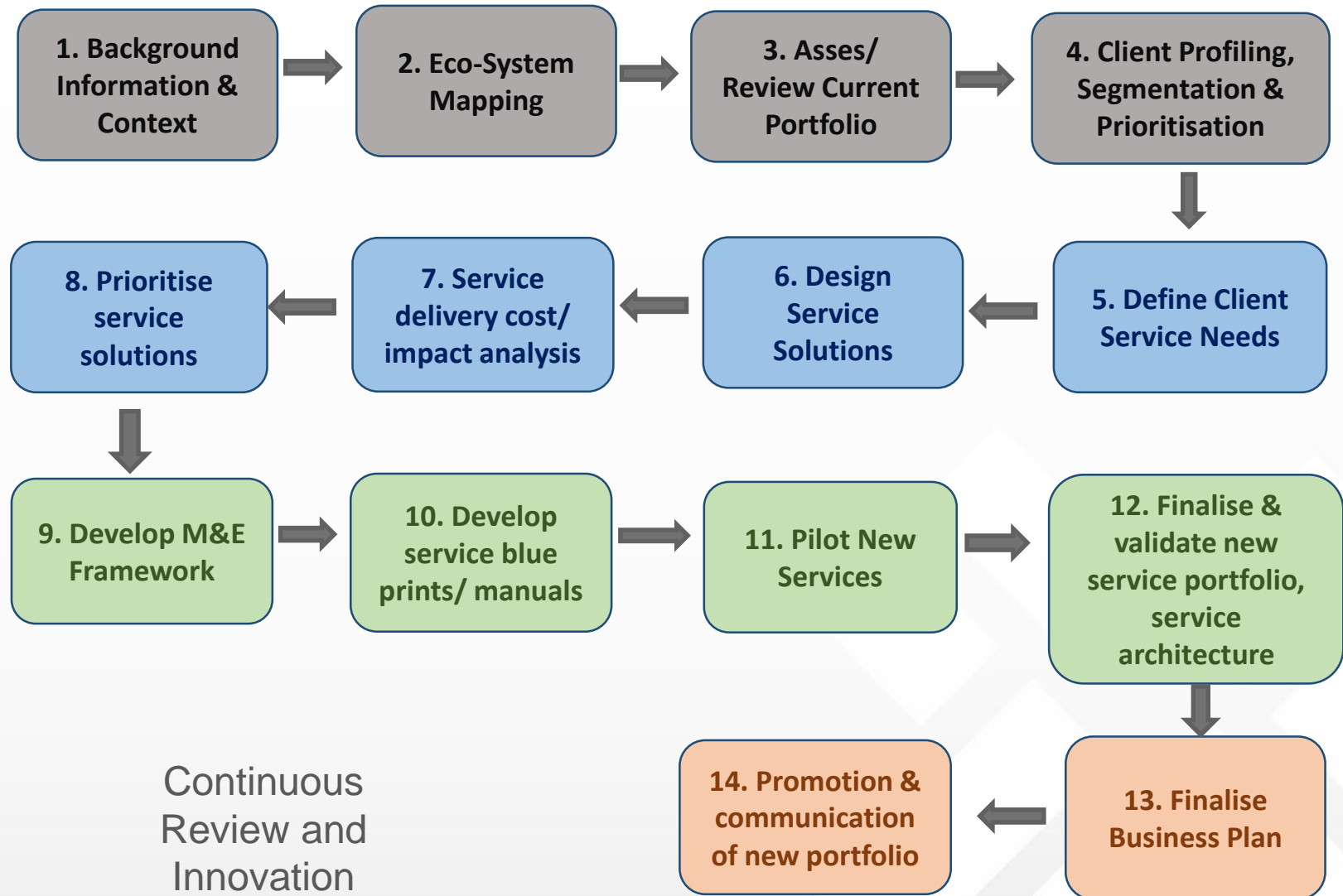
Focus support services on building Business Competitive Advantage and Export Readiness



1. a. Enterprise Analysis in Context



1. b. Align Service Portfolio



2. Prioritise Impactful Services



ADVOCACY & PUBLIC-PRIVATE PARTNERSHIPS

Competitive business environment and Market Access



BUSINESS & TRADE INTELLIGENCE

To help find, select and develop markets



BUSINESS & TRADE SUPPORT

To increase the capacity of local enterprises



TRADE PROMOTION & MATCHMAKING

To connect firms to markets and buyers

3. Build Critical Organisational Capabilities



Strategic Focus and Result Orientation



Client Relationship Management Systems



Human Resource Skills and Competencies



Knowledge Management Systems

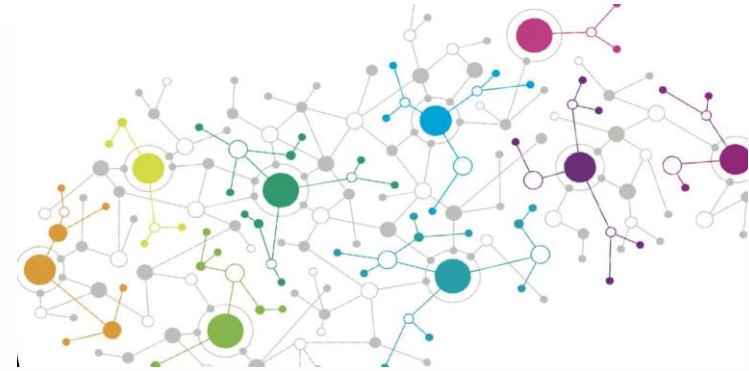


Data



Technology and Infrastructure

4. Establish Strong Networks and Collaborative Partnerships



- **Market Connections**
- **Capacity Building**
- **Technical Cooperation**
- **Knowledge Exchange**
- **Financial Support**

4. a. Map the Eco-System

Which other actors offer services relevant for Exporters?

How can we Collaborate or Connect Exporters to services?



5. Implement Robust Data Driven Digitalisation



- Implement smart data driven digitalisation
- Optimise machine learning for effectiveness and artificial intelligence for efficient service delivery and scale

5. a. Useful Digitalisation Reference Cases



East African Grain Council's
G-Soko <http://g-soko.com/>



Kenya's National Electronic Single
Window System
<https://www.kentrade.go.ke/>



Ghana Export Promotion
Authority's Market Hub-
<https://www.gepaghana.org/>

Winner of ITC's 2018 WTPO
Award for Best Use of
Information Technology

5. b. Useful Digitalisation Reference Cases

ASEAN SINGLE WINDOW: Interoperability in 10 countries

Connects and integrates National Single Window (NSW) of ASEAN Member States to expedite cargo clearance and promote electronic exchange of border trade-related documents.

Preferential tariff treatment is based on the Electronic Certificate of Origin exchanged through the ASW.

The ASW Live Operation is expanding to include other documents (e.g. ASEAN Customs Declaration Document (ACDD), electronic Phytosanitary Certificate (e-Phyto), electronic Animal Health Certificate (e-AH) and electronic Food Safety Certificate (e-FS) Certificate

Source: <https://asw.asean.org/>



thank you!

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