



**Asia-Pacific
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Session: 1

Cross-Border E-Commerce Landscape

Submitted by: ComexPerú



**Public-Private Dialogue on Promoting
Consumer Protection in the Dispute
Resolution and Redress Mechanisms in E-
Commerce
27-29 April 2021**

PPD – APEC ODR



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AGENDA

- Cross-border e-commerce landscape.
- ODR – The Peruvian experience.
- Business-led mechanisms.

CROSS-BORDER E-COMMERCE LANDSCAPE

CROSS-BORDER E-COMMERCE LANDSCAPE

No time in history has been more favorable for small-business owners.



CROSS-BORDER E-COMMERCE LANDSCAPE

- **Information**

Information on opportunities, suppliers and prices

- **Low cost**

Computational power (esp cloud computing)

- **Access**

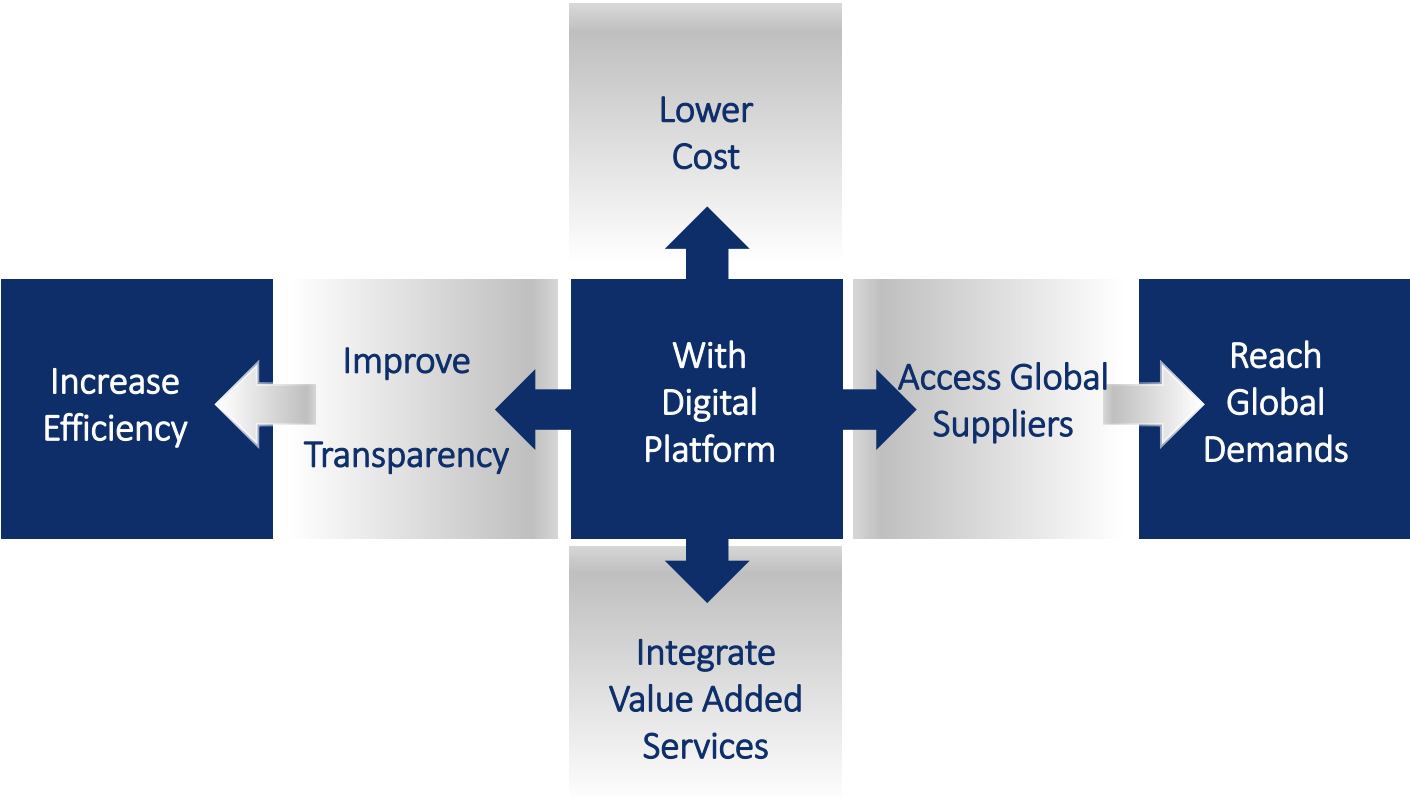
Global customer base

Source: Google – Gov and Public Affairs



CROSS-BORDER E-COMMERCE LANDSCAPE

Increasing value of digital platforms...



CHINA DRIVES CROSS-BORDER GROWTH CHINA SENDS TO THE WORLD

China is a front runner and is expected to continue to lead cross-border growth

US\$1,525B

China's anticipated B2C eCommerce transaction value in 2020

41%

China's anticipated cross-border share in 2021

China outbound express is mainly on the rise

9%-19%

Range of Increase



China to United States
China to Canada
China to Australia

-2%-6%

Range of Decline



China to European Union

Source: Accenture

CROSS-BORDER E-COMMERCE LANDSCAPE

According to the WTO...

- Manufacturing MSMEs direct exports account 10,6% of their total sales while 8,6% are considered indirect exports.
- This rate goes down to 7,6% in developing economies, contrasting the developed world where MSMEs represent 34% of total exports.
- In MSMEs providing services, only 4,7% of their sales are cross-border, with 3,7% of indirect exports.

CROSS-BORDER E-COMMERCE LANDSCAPE

However, not everything is great for MSMEs...

Alarming data:

- 820m cross-border E-Commerce disputes in 2016
- One-in-20 cross-border contracts end in dispute
- Single dispute on average involves 6 companies

Source: HONG KONG – APEC TRADE POLICY GROUP



CROSS-BORDER E-COMMERCE LANDSCAPE

COST AND TIME IMPLICATIONS

- Average disputed sum: US\$53,000
- Average time to settle: 15 months
- Cost of US lawyer: over US\$1,000 per hour
- Result: over one-third of disputes never resolved

Source: HONG KONG – APEC TRADE POLICY GROUP



ODR – THE PERUVIAN EXPERIENCE

THE PERUVIAN EXPERIENCE



- Launched back in October 2019.
- Available 24/7 through any electronic device for claims related to e-commerce transactions.
- Leverages on Indecopi's Citizen Service Platform (SAC) which solves the claims through mediation and/or conciliation mechanisms.
- Reclama Virtual uses a simplified online form.
- It includes complimentary features such as: status of the claim, consumer map, alternative sources of dispute resolution, etc.
- It was created as result of the digitalization process of INDECOPI in partnership with the e-government national secretariat.

THE PERUVIAN EXPERIENCE

How does it work?



THE PERUVIAN EXPERIENCE

How does it compare to other existing dispute resolution mechanisms?

	Plazo	Costo
 RECLAMA VIRTUAL	5-15 días hábiles	Gratuito
 ALOs	7 - 15 días hábiles	Gratuito
 Defensorías Gremiales	15 - 30 días hábiles	Gratuito
 Libro de Reclamaciones	30 días calendario	Gratuito
 Arbitraje de Consumo	45 días hábiles	Gratuito
 Denuncias Procedimientos Sumarísimos	30 días + 30 días = 60 Primera Instancia Segunda Instancia Días Hábiles	S/ 36.00
 Denuncias ordinarias	120 días + 120 días = 240 Primera Instancia Segunda Instancia Días Hábiles	S/ 36.00

THE PERUVIAN EXPERIENCE

A successful experience

Claims at the national level				Claims through Reclama Virtual at the national level			
Month	2019	2020	% annual	Mes	Año 2019 1/	Año 2020	% anual
jan	6014	7335	22%	jan		8473	
feb	5531	6832	24%	feb		8532	
mar	5675	3542	-38%	mar		7251	
apr	5614	1009	-82%	apr		10735	
may	5855	2592	-56%	may		14418	
jun	5252	7152	36%	jun		39514	
jul	5609	14741	163%	jul		35495	
aug	5534	10346	87%	aug		24422	
sep	5521	11886	115%	sep		18105	
oct	6125	11330	85%	oct	3040	15292	403%
nov	7231	9908	37%	nov	7596	13427	77%
dec	7037	9771	39%	dec	8216	13885	69%
Total	70998	96444	36%	Total	18852	209549	1012%
% Incr.	35.84%			1/ Since launching of Reclama Virtual on october 2019.			

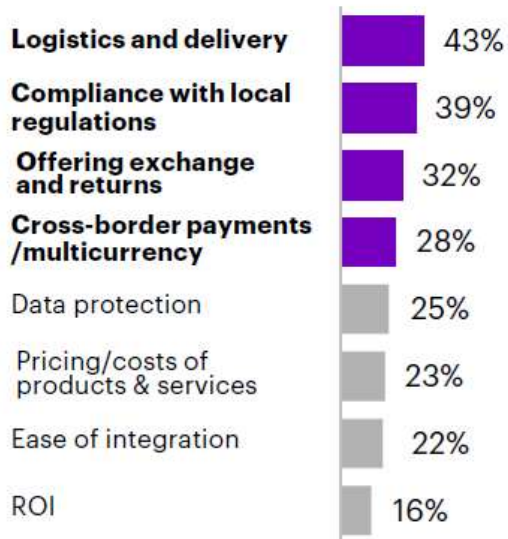
Source: INDECOPI

AGENDA

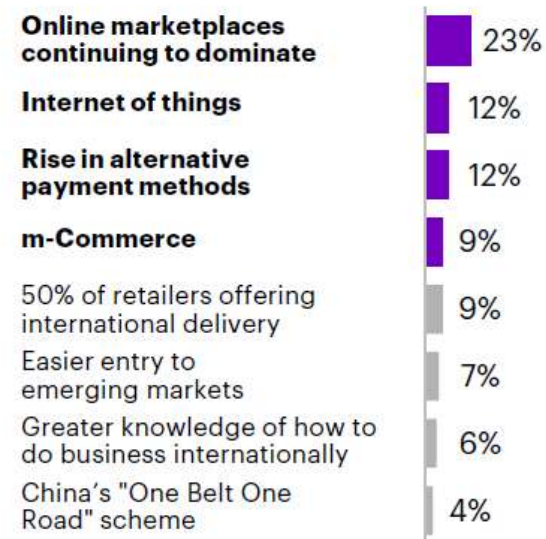
BUSINESS-LED MECHANISMS

RETAILER EXPECTATIONS RISE RETAILERS ARE DEMANDING MORE

Most problematic **pain points** in cross-border eCommerce⁽¹⁾



Biggest **game-changer** for cross-border eCommerce⁽¹⁾



Profitability is challenging cross-border eCommerce retailers—they must compete with domestic retailers on speed and delivery prices

Note: (1) According to Retail Professionals Worldwide, August 2017; Source: "Key Business Drivers and Opportunities in Cross-border Ecommerce 2017", Payvision, October 2017; <http://www.supplychainbrain.com/content/logistictransportation/reverse-logistics/single-article-page/article/target-stores-relies-on-qenco-to-manage-its-returns-program/>; Global eCommerce Logistics 2018, Transport Intelligence; Accenture analysis

BUSINESS-LED MECHANISMS

Example: An all-in-one solution... DHGate.com



Quick Facts

- Approximately 2.2 million sellers globally
- 26 million enterprise and individual buyers from over 222 countries and regions
- 22 million product listings
- A transaction every 1.3 seconds
- Multilingual sales in English, French, German, Italian, Portuguese, Russian, Spanish, Arabic, Korean and Turkish
- Our partners include American Express, DHL, FedEx, MasterCard, Visa, UPS

BUSINESS-LED MECHANISMS

Enhancing trust in global e-commerce

Trust and Safety

- Seller identities and business history are verified automatically and manually
- Seller behavior is monitored 24/7
- Sellers compensate buyers in the event that they don't honor business policies
- Dishonest seller accounts are immediately black listed and closed indefinitely
- Quality control system prevents fraudulent, illegal, and counterfeit products from being allowed onto our platform
- Products are inspected by quality control professionals prior to shipment
- Customer information is encrypted and guarded from hackers



BUSINESS-LED MECHANISMS

Companies can play a key role...

- Creating effective mechanisms of trust and compliance that lower the incidence of disputes.
- Easing the burden on policy-makers and consumer defense agencies.
- Facilitating information for speedy dispute resolution.
- Offering enhanced services for cross-border e-commerce transaction (e.g. escrow services).



