



**Asia-Pacific
Economic Cooperation**

2021/CTI/SYM/PM/003

E-Commerce Trade and Technology Trends

Submitted by: WTO



**Preparatory Meeting for the Symposium on
APEC Supporting the WTO Negotiations on
Trade Related Aspects of E-Commerce
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E-commerce Trade & Technology Trends



Lee Tuthill
WTO, Geneva

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Overview

- B2C developments
- B2B trends
- Technology and regulatory trends

Work program definition

E-commerce, is defined as the "production, distribution, marketing, sale or delivery of goods and services by electronic means"

What does this mean for trade and trade negotiations?

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B2C Sales

2020 E-commerce predictions

Retail Ecommerce Sales Worldwide, by Region, 2020 billions

Asia-Pacific	\$2,448.33
North America	\$749.00
Western Europe	\$498.32
Central & Eastern Europe	\$92.91
Latin America	\$83.63
Middle East & Africa	\$41.56

Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice goods sales; total retail ecommerce spending worldwide=\$3.914 trillion
Source: eMarketer, May 2020

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www.eMarketer.com

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B2C

Strongest ecommerce growth?

- Philippines, Malaysia and Spain, nine economies are projected to see more than 20% growth in retail ecommerce sales this year
- Hard hit by the coronavirus their growth figures represent a substantial acceleration over 2019
- US ecommerce growth jumped to more than 30%, accelerating online shopping by nearly 2 years, with online sales reaching a level not expected until 2022.
- US ecommerce sales to reach \$794.50 billion in 2020, up 32.4% from 2019. That's a much higher growth rate than predicted, as consumers continue to avoid stores during the pandemic

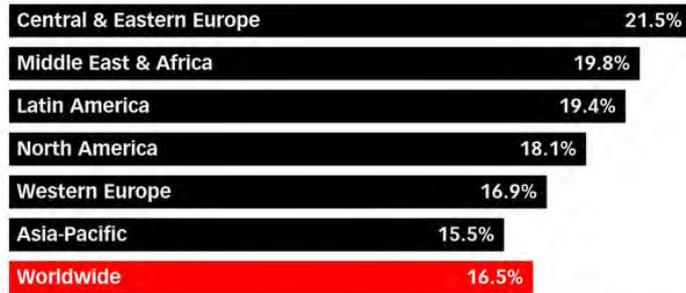
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B2C growth 2020 E-commerce predictions

Retail Ecommerce Sales Growth Worldwide, by Region, 2020

% change



Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice goods sales
Source: eMarketer, May 2020

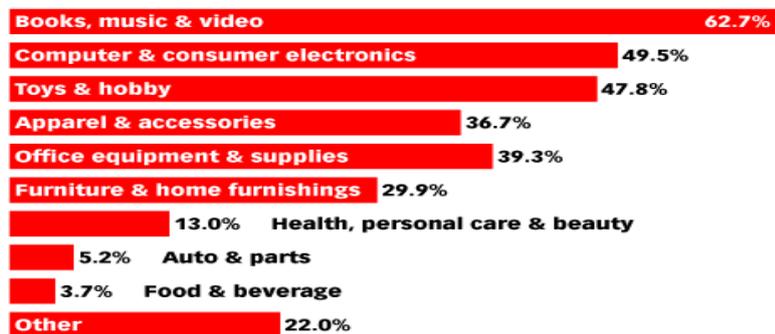
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2020 pandemic purchase trends

US Retail Ecommerce Sales Share, by Product Category, May 2020

% of total retail sales in each category



Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments (such as bill pay, taxes or money transfers), food services and drinking place sales, gambling and other vice goods sales
Source: eMarketer, May 2020

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www.eMarketer.com

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Cross border B2C e-commerce?



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B2B Services

Coping with the pandemic

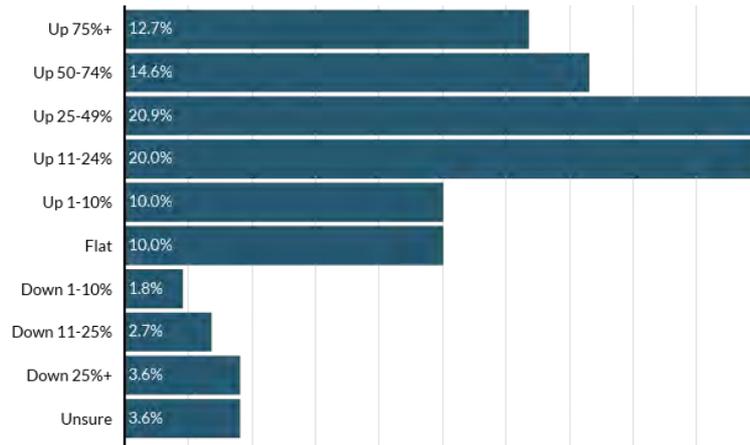
- Many B2B companies have managed to stay in business, operate and recover. This required moves toward digital transformation of both marketing and sales
- Impact differs by sector: Two-thirds of firms in tourism and hospitality category saw substantial disturbance to their business. Others included personal services (60%), education (52%), wholesale (46%) and manufacturing (46%).
- The B2B sectors with minimal impact compared with others, were tech and telecom (21%), financial services (28%) and energy and utilities (29%).
- Catching up with B2C, marketplace platforms are emerging in B2B e-commerce

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2020 Digital sales for B2B sellers

How would you describe your year-end ecommerce results for 2020?



Source: Digital Commerce 360, 27 Jan 2021

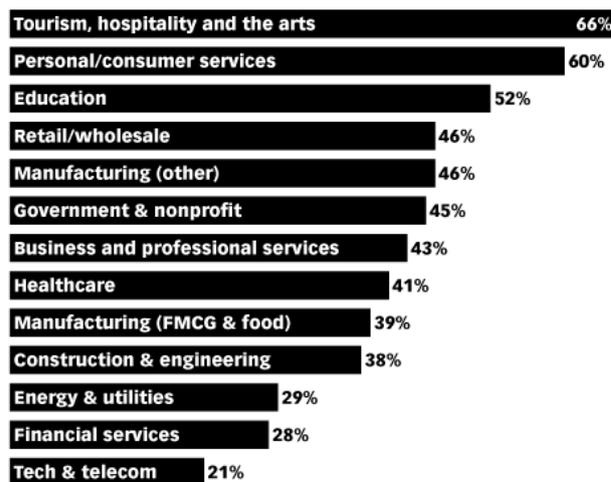
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B2B Impact of the pandemic

B2B Organizations in Select Countries* Experiencing Significant Disruption due to the Coronavirus, by Industry, April-May 2020

% of respondents in each group



Note: *Australia, Canada, China, France, Germany, Japan, Singapore, UK and US

Source: B2B International as cited on company blog, May 6, 2020

255750

www.eMarketer.com

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The screenshot shows the TradeKey website interface. At the top left is the TradeKey logo with the tagline 'Your Key To Global Trade'. To the right is a search bar with the placeholder text 'Please input a keyword', a dropdown menu for 'Products', and a 'Search' button. Below the logo is a vertical navigation menu listing various product categories such as Agriculture, Apparel & Clothing, Automobiles, Beauty & Personal Care, Business Services, Chemicals, Computer Hardware & Software, Construction & Real Estate, Consumer Electronics, Electrical & Electronics Supplies, Energy Products, Environment, Excess Inventory, Fashion Accessories, Food & Beverage, Furniture, Gifts & Crafts, Hardware & Mechanical Parts, Health & Medicines, Home & Garden, Home Appliances, Industrial Machinery, Jewelry & Watches, Lights & Lighting, and Luggage & Bags. The main content area features a blue banner with the text 'Browse a comprehensive range of Business Services!' and an image of business professionals. Below the banner, the 'Business Services' section is divided into four sub-sections: 'Advertising Services' (listing Advertising Design, Internet Advertising, and Other Advertising Services), 'General Services' (listing Auction Services, Brokerage Services, Education & Training, and Labour & Employment), 'Agency Services' (listing Beauty Products Agents, Computer & Software Agents, Electrical Product Agents, and Energy Agents), and 'IT Services' (listing Other IT Services, SEO Services, Software Outsourcing Services, and Web Development Services). Each sub-section has a 'Show more' link. The page number '11' is visible in the bottom right corner of the screenshot.

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Commercial & tech developments

Technologies

- Broadband & mobile telecom advances
- Artificial Intelligence – software algorithms
- Blockchain and other transactional data networks
- 3D printing – a.k.a. additive manufacturing

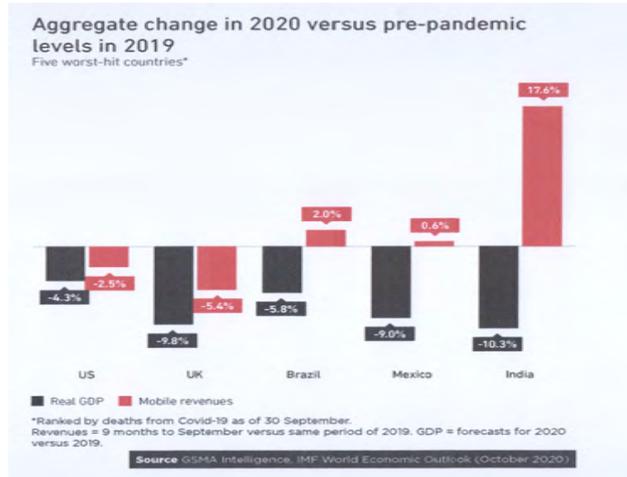
Business models

- Cloud (storage, processing & delivery)
- Big Data & AI – Large scale data processing
- Internet of Things – connecting physical objects

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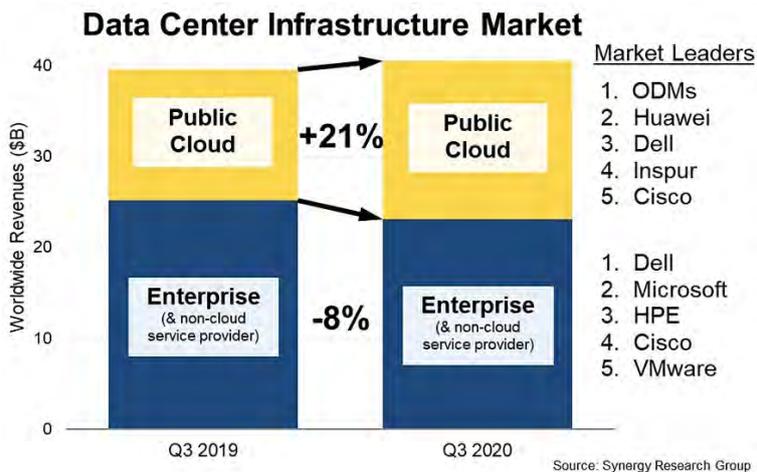
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Pandemic: Mobile revenue vs. broader economy



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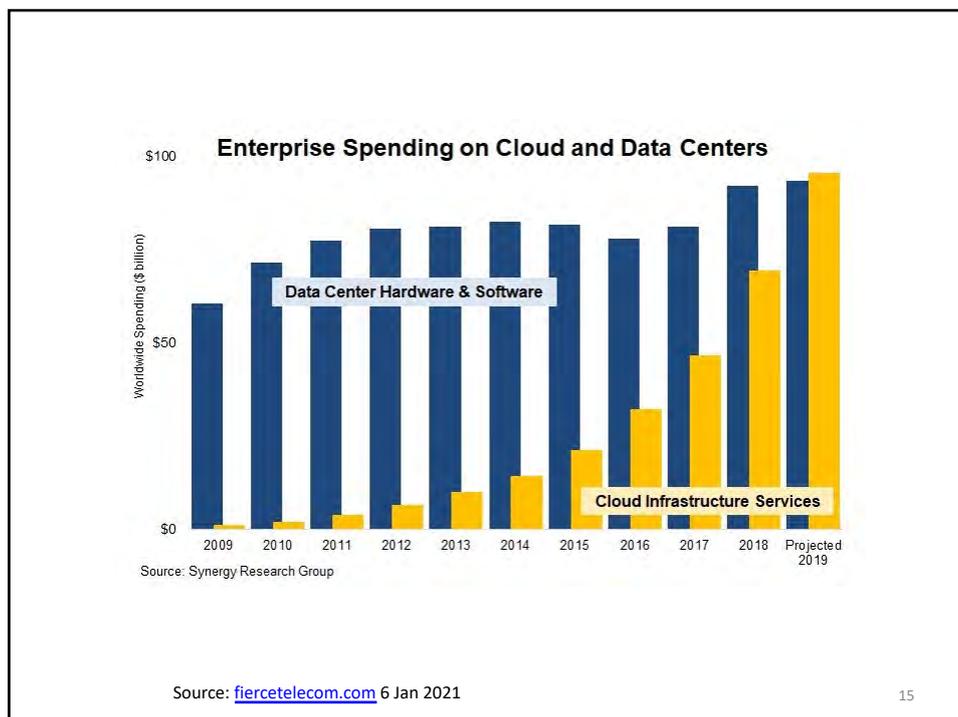
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Source: [FierceTelecom.com](https://www.fierce-telecom.com) 14 Dec 2020

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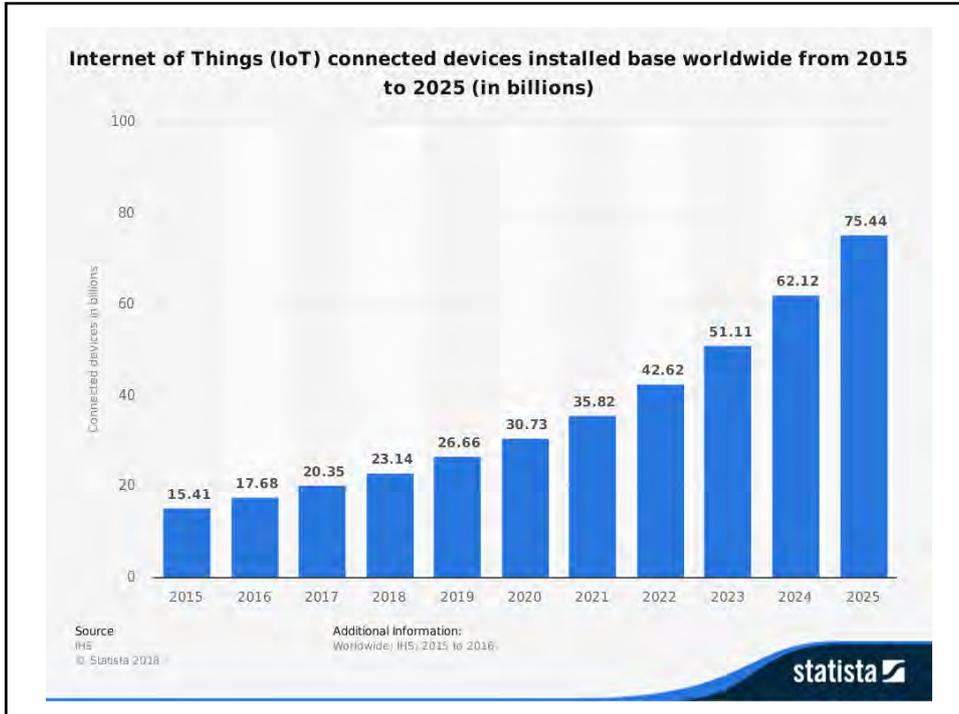
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Data centres & the cloud

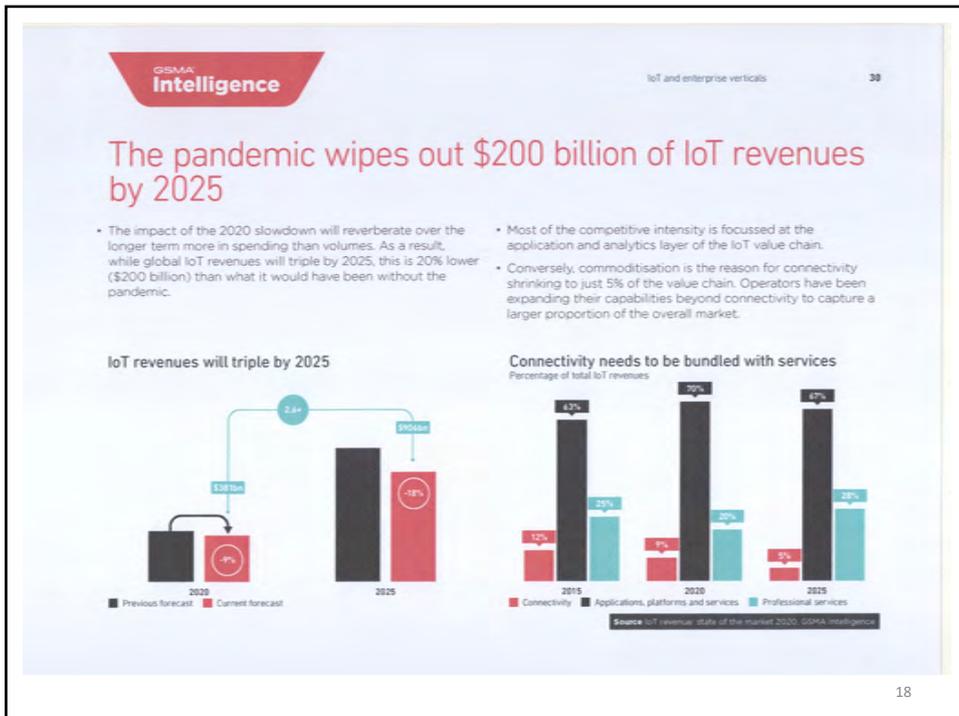
- Over a decade, spending on cloud infrastructure services has risen from little or nothing to \$100 billion annually
- Many new data centres came online in 2020 despite COVID-19 logistical issues
- Amazon and Google opened the most data centers, accounting for half of the new ones. Oracle, Microsoft, Alibaba and Facebook were also active
- U.S. accounted for 40% of the major cloud and internet data centre sites, followed by China, Japan, Germany, the U.K. and Australia, which together accounted for 29%
- However, companies with the most global footprint are leading cloud providers - Amazon, Microsoft, Google and IBM. Oracle and Alibaba also have global data centre presence.

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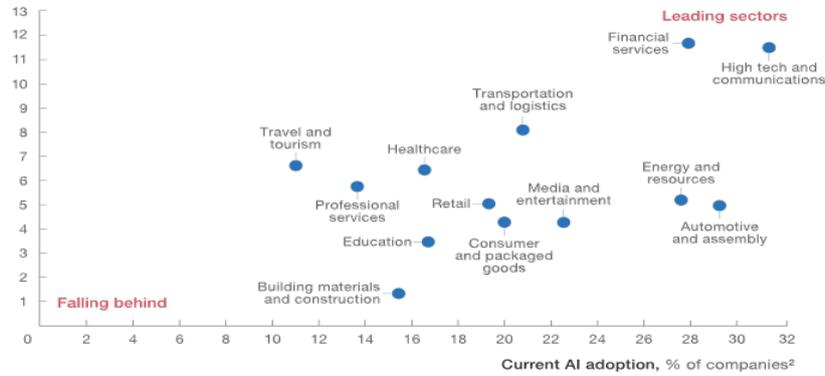


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Industry adoption of AI

Leaders in the adoption of AI also intend to invest more in the near future compared with laggards.

Future AI demand trajectory, % change in AI spending over next 3 years¹



¹Estimated average, weighted by company size; demand trajectory based on midpoint of range selected by survey respondent.

²Adopting 1 or more AI technologies at scale or in business core; weighted by company size.

Source: McKinsey Global Institute AI adoption and use survey; McKinsey Global Institute analysis

McKinsey&Company

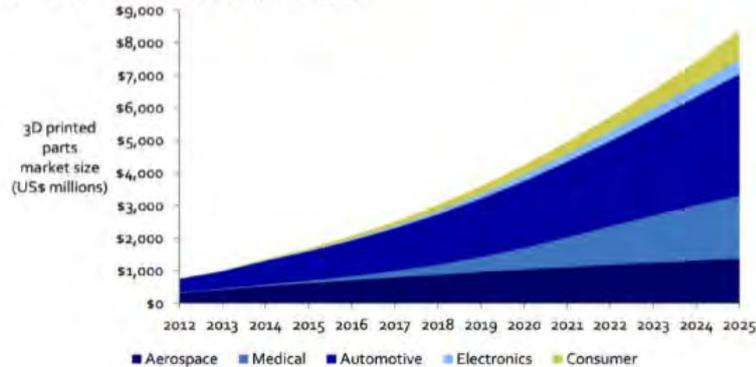
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Goods traded as software?

3D Printing Projected Industry Growth

3D Printed Part Market Grows to \$8.4 Billion in 2025



Source: Lux Research, Inc.
www.luxresearchinc.com

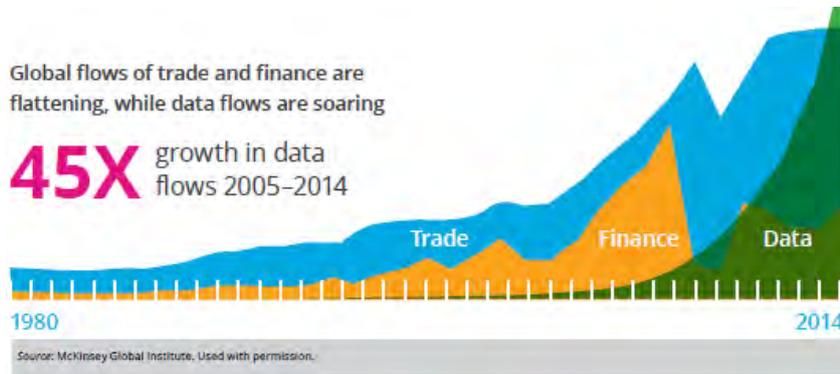


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Implication: Data generation

Global flows of trade and finance are flattening, while data flows are soaring

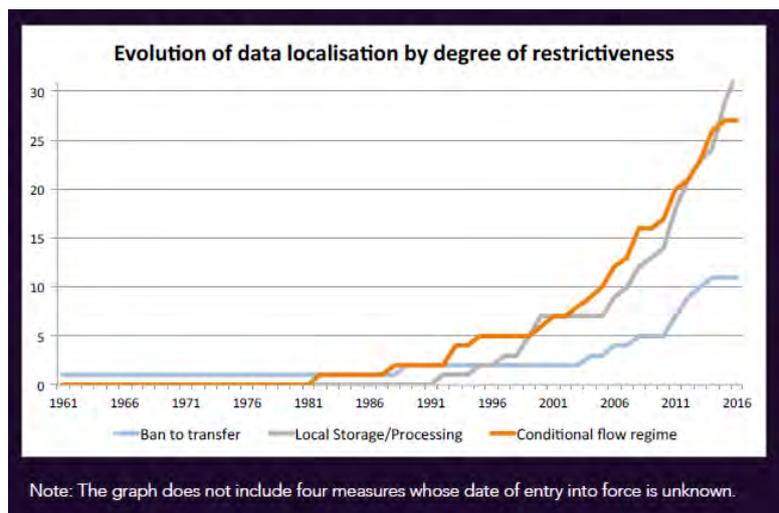
45X growth in data flows 2005-2014



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Emerging regulation



Source: ECIPE, Digital Trade Estimates Database

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Many interlinkages

1. COVID-induced online purchasing habits are expected to continue beyond the pandemic
2. More businesses & consumers turning to the cloud for storage or services that use it
2. With cloud comes more network & data traffic
3. IoT to generate massive data & data traffic
4. AI means huge datasets are better analysed & more useful to business & consumers
5. Internet traffic will increasingly move on 5G networks

The trends underscore the importance of global data transmission

[Source: Cisco® Global Cloud Index \(2015-2020\)](#)

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Implications of regulation for trade?

Regulation or restrictions
in one part of the e-commerce/digital
commercial value chain have
spill over affects on all other segments
and on economies at large

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