

Covid-19 boosts Pakistan's e-commerce sector

KARACHI: Experts have agreed that Covid-19 has fuelled demand for uplifting e-commerce sector and steering digitisation in Pakistan to enhance IT sector and trade.

In a webinar titled 'E-commerce and Digital Pakistan: Prospects and Challenges' on Saturday, Ministry of Information Technology Project Manager Raza Ahmed Sukhera said immense potential exists in e-commerce sector of Pakistan, however, its share at the global level remains low.

He highlighted that global e-commerce sales reached \$3.4 trillion while Pakistan's e-commerce sales stood at only \$2 billion.

He updated participants regarding development of new software, internet access, business facilitation measures, establishment of IT valley, strengthening of research and development in ICT sector and facilitation of small and medium enterprises (SMEs) and start-ups.

Also present on the occasion, Ministry of Commerce Joint Secretary Aisha Moriani detailed the important aspects of e-commerce policy such as financial inclusion and digitisation through payment infrastructure.

"The policy focuses on empowering SMEs through business support programs and trade development," she said.

She further discussed details related to customer protection, taxation structure, ICT infrastructure and telecom services in Pakistan, logistics, data protection and investment and global connectivity.

The official stressed on development of cross border e-commerce system for promotion of trade and establishment of national e-commerce councils for promoting start-ups, simplifying payment options, reducing disputes and protecting consumer rights.

Pakistan Software Houses Association (PASHA) Chairman Shehzad Shahid added that IT related exports of Pakistan increased 23% last year, which reflected the actual potential of this sector.

"The government has targeted to achieve up to \$5 billion in e-commerce sales during the next three years," he told the participants.

Recalling that majority of the companies working in the IT sector are small scale, he called for increasing investment in this sector.

Technology has improved the business environment but Pakistan has to enhance connectivity and quality of internet services in order to compete globally, Shahid stressed.

He added that the country was currently using cash on delivery system which required digitisation and urged banks to come forward with better incentives in this regard to facilitate digital payments.

He said that the Punjab government has reduced sales tax on electronic payments to 5% and other provinces should also adopt a similar policy.

"Moreover, we have to give incentives on purchase of Pakistani products, which will enhance our innovation and ultimately benefit the domestic industry," he underlined. "Pakistan Post has the largest logistic network in Pakistan but needs facilitation for improving its services and reduction of cost."

State Bank of Pakistan Senior Analyst Talha Nadeem called for uplifting the role of Pakistan Post in financial inclusion and urged enhancement of IT penetration for SMEs, freelancers and micro-firms.

Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Vice President Sheikh Sultan Rehman said that Covid-19 has increased the need of e-commerce and Digital Pakistan.

Rehman further emphasised on e-commerce and Digital Pakistan policy to promote online businesses in the country.

"The pandemic has expanded online businesses where social marketing plays a crucial role," he said. "Promotion of e-commerce does not require massive investment."

He called for raising awareness among small businesses to utilise technology while taking benefit of massive youth in Pakistan, which would quickly adopt new systems.