

*By Jeje Muhinde*

Technological advancement have had a huge impact on E-Commerce, transforming the way we do business, the way consumers connect with the brand and empowering them to shop more cost-effectively.

Driven by the convenience of getting products delivered to your doorstep, E-commerce has now become an integral part of everyday life and doing business transactions not only in the world but Africa as well.

The simple and quick purchasing model, different and easy payment methods but also cash on delivery services with suitable return policies have made the E-Commerce industry more and more significant.

However, questions have been asked if E-Commerce is really bringing more decent jobs and more social protections, or really contributing to reducing poverty and injustice.

In a special breakfast discussion held this Friday thanks to Economic Policy Research Network (EPRN Rwanda) and Friedrich-Ebert-Stiftung, over 50 local journalists discussed 'The role of E-Commerce in the economic development in the region.

Discussant Jonas Munyurangabo, the Director General of Planning and Evaluation at the Ministry of Trade and Industry (Minicom) mentioned that e-commerce is growing at noticeable rates, the online market is expected to grow over time.

"E-commerce allows customers to overcome geographical barriers, allowing them to purchase products anything 24/7 in 365 days. In Rwanda, it used by government services through Irembo portal, Gov't to business the way we use RRA, one-stop center as well as Gov't to consumers through online channels like accessing criminal records" he explained.

" We are seeing benefits, which include global reach, saving costs in companies, automated inventory management and it has become easy to collect market information and by targeting the right people. You don't need an office since it's based on location dependence," he added.

However, he also talked about a number of disadvantages including low mobile banking, cybercrime, legal framework issues and high costs expect in some.

In Africa, the latest business to consumer (B2C) e-commerce index by United Nations Conference on Trade and Development (UNCTAD) ranks 151 countries globally.

Mauritius as the highest-ranked of the 44 African nations in the index largely thanks to its large banked population.

The index is based on four indicators: bank or mobile money account penetration, internet usage, availability of internet servers and the reliability of postal services.

While the number of online shoppers across the continent has grown 18% yearly since 2014—higher than the global average, Africa's consumer e-commerce market, valued at \$5.7 billion in 2017, however, there's still plenty of room for growth.

The growing youth generation, emerging middle class population, mobile development which is growing, as well as mobile money banking are some of the high opportunity areas for the continent to tap into E-Commerce.

In Rwanda e-commerce has expanded rapidly over the last five years being a knowledge-based economy with ICT being the main key driver.

The mobile penetration rate is over 78 percent. Online payments has become a popular method of payment while social media is emerging as important marketing media.

The discussion, however, acknowledged that some of the challenges being faced are low-level awareness, customized clearance with RRA, while transport logistics and operationalisation as issues that still need to be improved.

Online platform B2B is believed to be most used by businesses in sectors like motor vehicle importation, promoting made in Rwanda products, electronics, food and electricity, and E-ticketing. The main key partners include China and Dubai.

For the EAC integration, it was recommended for regional countries to establish trade portals for EAC members for the need of information to be online.

Setting up a platform of information exchange through the electronic window so that EAC companies can be able to extend and share information.

The other aspect was to establish a framework of competence to help EAC countries

in the development of their single window projects.

Before concluding the discussion recommended for EAC companies to shift the traditional business models where the focus should be on standardized products, homogeneous market, long product life cycle to the new business where the focus is on varied and customized products.

It was yet again stated that E-commerce to have an impact in the region requires companies to have the ability to satisfy multiple needs of different customers and provide them with a wider range of products.