# **Business and Trade Connection**

## ***Country Update Note 1: “Challenges Faced by S&SEA e-Commerce Providers”***

**Setting the Scene**

The services sector plays a crucial role in the socio-economic development of a country. Lately, this sector has been experiencing a shift towards digitization globally. Increased internet penetration is modifying the way consumers and businesses exchange information, undertake transactions and manage their daily operations. This holds true in case of Pakistan also where the service sector’s contribution in Gross Domestic Product (GDP) has jumped from 52 percent to 60 percent[[1]](#footnote-1) owing to the growth of e-commerce sector as of 2017-18. Precisely, the sales of local and international e-commerce providers have increased to Rs. 40.1 billion[[2]](#footnote-2) as of 2018 thus exhibiting an exponential growth of 93.7 percent[[3]](#footnote-3) in the e-commerce sector.[[4]](#footnote-4) This has been made possible owing to the convenient and expanding internet penetration resulting in lower transaction costs due to which the consumers and firms have started shifting their transactions online. The business-to-consumer (B2C) side of e-commerce is growing rapidly whereas large-scale investment in the business-to-business (B2B) category is in progress.

As per the State Bank of Pakistan Payment Systems Review (Q2FY18), the number of e-commerce merchants registered with the banks have increased from 344 to 905 as of 2017.[[5]](#footnote-5) Despite the commendable growth, e-commerce providers in Pakistan continue to face numerous challenges. These challenges remain more arduous for those engaged in cross-border trade. In this context, the randomly selected respondents of our survey (e-commerce providers)[[6]](#footnote-6) reported a variety of issues pertaining to policy, rules and regulations in addition to internal and external capacity constraints. Majority of our survey respondents were engaged in web designing and digital marketing (80 percent). The rest reported being involved in software development (13 percent) and travel & accommodation booking (7 percent). Majority of the digital service exports by our respondents were targeted to Middle-East, South Asian and European markets.

**Policy & Regulatory Issues facing e-Commerce Providers**

This section explores the challenges and barriers pertaining to policies, laws and regulations faced by e-commerce/digital service providers in Pakistan that are engaged in cross-border trade. It is pertinent to note that Pakistan ranked 120th out of 144 countries on the UNCTAD’s B2C E-Commerce Index in 2017[[7]](#footnote-7), which measures the keenness to engross in online commerce. Position of Pakistan has dropped as compared to rank of 105 in 2016 owing to certain issues plaguing the sector. In this regard, our survey revealed various challenges facing the e-commerce providers.

First and foremost, there is lack of awareness among the e-commerce providers regarding rules and legislations. Few are aware of the policies and regulations pertaining to finance & taxation and those who are aware, have cited both positive and negative impact those policies inflict on their businesses. On a positive note, the policy of income tax exemption for the e-commerce providers till 2020 (as ratified by previous Government in 2017) has increased the profitability of the enterprises and is attracting investments in the e-commerce sector. Prior to this relaxation, 10 percent income tax was paid by filer e-commerce providers while non-filer ecommerce providers paid 20 percent. On the downside, the conversion charges on payments from abroad has increased the transaction cost of the e-commerce providers partially offsetting any increases in profitability.

Secondly, majority of the e-commerce providers are not acquainted with the competition policy or rules and therefore consider the competition to be unfair and harsh. Reasons for the latter include lack of skilled human resource/low expertise, poor efficiency, price wars by international competitors (especially India), discriminatory behavior in the foreign market towards our digital services, lack of Research & Development and innovative infrastructure such as technology parks and inadequate government support to the e-commerce exporters. On the contrary, some believe the competition to be fair as the quality of the service determines the price and market share of the firm.

Thirdly, with respect to consumer privacy protection, awareness among the e-commerce providers is generally low. Few are aware of the recent introduction of a draft law on data protection and privacy by the IT and telecom ministry.[[8]](#footnote-8) Those who are aware of the Act abide by it and do not face any significant challenges in carrying out their trade of digital services. As far as cross-border trade is concerned, each foreign country has its own consumer privacy protection law or rules and the majority of the Pakistani e-commerce exporters do keep them in view while dealing with the foreign clients. While those who are unaware of the consumer privacy protection law in Pakistan have formulated their own standards and rules to keep the consumer privacy intact. Nonetheless, instances of consumer privacy violation continue to prevail.

Fourthly, many respondents pointed lack of IT experts in the formulation of IT policy which is partially responsible for the poor performance of the IT and e-commerce sector as the policies formulated do not quite cater to the issues facing the sector. Another issue highlighted was that of a weak protection of intellectual property rights in the country that deters any meaningful innovation breakthrough in the e-commerce industry. Presently the country suffers an estimated Rs. 20 billion[[9]](#footnote-9) loss in sales tax per year, due to piracy of Intellectual Property in various forms. The country is one of the world’s leading producer and exporter of pirated optical media of copyrighted sound recording, motion pictures, business software and published material. United States companies bear loss worth $500 million to $1 billion[[10]](#footnote-10) every year due to piracy in Pakistan which has become a significant bilateral trade issue between the two.

Moreover, the absence of a platform at national level to monitor the quality of digital service remains a major factor behind the substandard service delivery in the global market. In addition, Pakistan’s history has a number of scams and frauds that have gone unpunished and not reimbursed by the government; this was a general perception of the respondents. This lack of regulation has lessened the domestic and foreign consumer confidence in the governmental policies. To top it off, unstable economic conditions, changing regulations with each government change, lack of government initiatives pertaining to tax and tariffs and inadequate regulatory framework creates uncertainty and acts as a hurdle in the efficient delivery of digital services in the foreign market.

International payment system providers such as PayPal do not operate in Pakistan which adds to the difficulties of the customers and in receiving payments directly into their accounts in Pakistan by IT services exporters.[[11]](#footnote-11) This lack of interest on part of the international payment system providers is due to Pakistan’s strict regulatory regime. In addition, the foreign exchange regulation to facilitate cross border electronic transactions is also quite weak.

On a positive note, the State Bank of Pakistan (SBP) has devised and approved regulations pertaining to the framework of Payment System Operators (PSO) and Payment Service Providers (PSP), while the development of an e-commerce policy framework is also under wraps.

**Internal & External Capacity Constraints facing e-Commerce Providers**

This section explores the capacity constraints facing e-commerce providers in Pakistan. These constraints, according to the consensus of our respondents, are a mix of internal and external constraints. Internal constraints are those that originate from organizational resources i.e. barriers that are informational, functional or marketing related. They are differentiated from external constraints that a firm faces during the process of exports i.e. procedural, governmental or environmental. Instances of the former include shortage of or high prices of production inputs and organizational capabilities. The latter includes government policies, nature of competition, banking, and other factors that affect the environment.

Based on our survey, it can be concluded that both categories of capacity constraints are common among the e-commerce providers. Specifically, major internal capacity constraints include:

* Low level of marketing expertise
* Poor online visibility
* Poor public relations/networking skills
* Inadequate technical knowledge
* Poor market information
* Lack of awareness regarding national and international rules and policies
* Lack of interoperability and transferability of data between e-commerce platforms
* Language barrier between the firm and international clients

On the other hand, some of the prominent external capacity constraints include:

* Absence of competition policy
* Weak protection of intellectual property rights
* Huge time differences between Pakistan and major export destinations such as US and European countries resulting in smaller customer base
* Power outages disrupting internet connection
* Poor internet services (slow speed, frequent disconnections etc.)
* Absence of international payment system providers such as PayPal leading to complex payment procedures
* Poor international perception of Pakistan’s e-readiness status
* Issues in accessing business finance/credit
* Stringent national rules and regulations for business start-up and operations
* Lack of innovative R&D
* Weak consumer privacy protection policies
* Inadequate digital service trade facilitation by the government
* Lack of trust in electronic-payment culture
* Insufficiency of legal systems to enforce digital service contracts
* Stringent international rules and regulations
* Incidences of cyber crime
* Absence of a platform providing export market information

It is interesting to note that all the interviewed respondents were men. Despite significant efforts to get in touch with women e-commerce service providers, we could not find any owing to the poor documentation record by the relevant agencies such as women chamber of commerce and industry. From many decades, women entrepreneurs have been involved in textiles, beauty or

cosmetic industry in Pakistan. Their involvement as an entrepreneur in e-commerce service delivery is a long road ahead and requires facilitation from families and government alike.

**Seeking Solutions**

Digital trade is subject to rules governing, and closely entwined with, traditional trade in goods and services and therefore existing regulatory barriers could indirectly affect digital trade. In case of services, for instance, market access commitments will largely define the extent to which services can be supplied, including when these are delivered digitally. Nonetheless, some services, even if supplied digitally, might need to be supported in person. For instance, computer software can easily be transferred digitally but technicians may still need to travel to clients to set the system up and provide training to local staff. However, more complex communications services particularly in business-to-business transactions, require personal interaction with clients, either through travelling or establishing a commercial presence in the host country.

The main challenges when establishing an online business (lack of knowledge and visibility from potential customers, as well as a lack of understanding of e-commerce) lie at the firm level. Actions could be conducted both nationally and internationally to strengthen firms’ capacity and to improve their understanding of e-commerce. Efforts have to be focused on both supply-side (e.g. broadband availability) and demand-side (i.e. regulatory environment and awareness building).

Corresponding to the nature of barriers flagged in the preceding section, recommendations to improve payment procedures by attracting international payment service providers, enhancing internet access and quality, protecting intellectual property rights, establishing a platform that provides adequate market knowledge and protecting consumer’s privacy tops the list. Another set of recommendation surrounds streamlining of regulations concerning the e-commerce sector, overcoming power outages, investing in R&D and IT sector to bring forward IT experts, greater awareness through campaigns and public-private partnerships pertaining to laws, rules and regulations governing the e-commerce sector, improving ease of doing business and providing micro-finance to facilitate MSMEs engaged in digital service exports (see Annexure).

Policies could also have an indirect effect through their impact on the business ecosystem for e-commerce. Investment and competition policies in IT, and payment and delivery services could encourage new entrants, boost competition and drive down costs of services provided by e-commerce platforms, epayment providers and logistics suppliers. Improved infrastructure and a stable policy environment should be pursued to attract investment into these key sectors, and offer more choices and competitive services for e-commerce companies, and MSMEs in particular. MSMEs face greater challenges across all phases of the e-commerce process chain. Some of the key bottlenecks lie within the firm-level capabilities. In this regard, awareness raising and capacity building may strengthen supply side capacity, and encourage greater uptake of e-commerce in Pakistan.

To conclude, reaping the benefits of digital trade will increasingly also require international dialogue on approaches that ensure the interoperability of differing regulatory regimes and technologies. While it is premature to define what this type of dialogue might look like, and indeed, in which fora this is to be carried out, it must include developed and developing countries and be multi stakeholder, involving, for example, the business community, the Internet technical community, trade unions, and civil society in the policy-making process.

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**Annexure: Responses of Digital Service Providers in Pakistan**

**Part 1: Identifying specific challenges faced by e-commerce providers in your country, related to policies, laws & regulations**

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| **Questions** | **1) Are you aware of any specific legislation(s) regarding e-commerce enacted by your country, including financial and tax-related rules? If yes, how has that legislation impacted your enterprise?** | **2) Do you compete with global/foreign companies when doing cross-border trade? Do you consider that the competition is fair? Are you aware of any competition rules/policy that apply?** | **3) Are you aware of any policies or regulations regarding online consumer privacy or protection in e-commerce? If yes, are you able to meet these regulations, or do they prevent you in undertaking trade?** | **4) Are there any regulations (at national, regional or international level) that do not exist yet that would support your enterprise in providing e-commerce services? (for instance, recognition of electronic signatures, fair treatment of digital products, etc.)** |
| **Agency Name** |  |  | **Responses** |  |

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| 1 | As such, we are not aware, except the policy of exemption of taxes till 2020. This was ratified by previous Government in 2017.  Prior to this, 10% income tax were being paid by filer e-commerce provider and 20% by non-filer ecommerce provider. | Yes we do compete with foreign companies. Particularly in Thailand, India and Bangladesh and in other south Asian countries.  No, competition is not fair, because our telecommunication sector and less trained and less educated human recourse are main reason. Besides this, another issue that we face in competition is prices. For instance, Indian IT sector is very advanced compare to ours and also they provide the same services at low prices. And last, being Muslims, we are not given priority.  No, we are not aware of as such rules/ policy. | There is no as such regulation/policy, nether we are aware of it.  And we don’t need much details of our customer. For instance, we take 50% payment in advance from our customers and rest payment is received after service delivery.  In some cases, where we feel a smell of fraud then we take medium-services. Many agencies are providing middle-man-services (medium services) like Standard Chartered Bank, in order to protect buyers and sellers from fraud. | At national level, there are many loopholes which need to be encountered.  Firstly, we don’t have IT experts in the arena of IT related policy formulation.  Pitiful situation of our IT sector and government’s light-hearted behaviors towards us.  So, at first, we need protection and support at national level, after that, such rules and regulations should be devised at international level which regulates competition in international markets by supporting greenhorns and protecting their intellectual property rights. |
| 2 | No. | Yes, we do compete.  No, because our foreign competitors are very advanced due to lack of innovative infrastructure, technology parks, research and development in Pakistan.  No. | No. | Our judicial system need to take rational measures regarding the protection of intellectual property rights. |
| 3 | We don’t know as such.  Yes, we do face conversion charges on payments from abroad, while receiving payments through banks. And yes it definitely affects us. | Yes. But competition is not fair owing to variation in prices and our foreign competitors are more advanced than us in term of expertise and exposure. So, usually, favor is given to them in international exports markets. | No. | As such any clear and effective policy regarding the  Securing of intellectual property rights don’t exist. So, this needs to be done. |

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| 4 | Yes, it is related to conversion charges on payments which we receive from foreign countries and this affect us because we don’t have any good and up to the mark payment system in Pakistan. | Yes, we do compete and competition is fair.  Services are demanded on the basis of quality and we deliver best quality at lower cost.  No, we are not aware | No, we take only relevant information from consumer. And where we need more information, we ask for that. | Rules or polices should be devised in order to protect greenhorn of this field and they should be provided incentives at initial level. Government should take steps for the improvement of IT sector and for protecting our intellectual property rights. |
| 5 | As such no.  Only conversion charges on foreign payments. And that affects us up to some extent. | Yes we do compete.  Yes, because it depends on the quality of your services. If you are delivering best quality then your services are preferred at any cost.  No. we are not aware. | Yes there is an act, named as DATA PROTECTION ACT, which is related to misuse of personal information. And yes, we follow by the act. | We need more level of security in term of our intellectual property rights at national as well as international levels.  For instance, at local level many startups complaining that their product Images and content are being copied by sellers to sell on Daraz.pk and Daraz is doing nothing about it.  Laws should be devised in order to protect customer and seller’s data more efficiently.  A platform should be developed which control and check the quality of services. |
| 6 | No. | Yes we do compete. Yes it is fair and it all depends on the quality of services.  No we are not aware of any competition policy | No.  We don’t need detailed-information of our customers. | A platform should be devised that support us in publicizing of our services and government should provide us incentives to make ensure the quality of our services in front of international markets.  Awareness programs should be launched at both national and international level. |
| 7 | No.  Only conversion charges on foreign payments. | Yes.  Competition is fair. Everyone is treated equally in international markets. And if you are providing best quality then obviously you will be automatically highlighted in markets. | No. | Our IT industry should be encouraged by the government and providing us incentives like tax exemptions and likewise.  Our intangible assets need to be protected. |
| 8 | Yes there are some rules/regulations, but we are unaware about that.  We pay income taxes and different charges are deducted from our foreign payments. | Yes we do compete, particularly with Indians. Competition might not be fair owing to Indian services are comparatively demanded more than us due to their expertise, educational standard, and their worldwide IT image. | We normally provide our services to Qatar, Dubai and Canada’s markets. They have their own polices regarding online consumer privacy. And yes we are able to meet these regulations. | We need protection from our government for securing our data and information, for this purpose pragmatic IT related policies should be devised by technocrats.  Proper and easy channels should be introduced through which we can connect our industry with rest of the world. |

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| 9 | No. | Yes.  Competition is not fair. Because our major competitor is Indians and they are preferred more. One main reason for that is, we are Muslims. And along with this, another reason is that the qualities of Indian services are comparatively better than us.  No. | No.  We ourselves protect the privacy of our customers. | There should be some platform which sould engages in marketing of our services in international market.  Intelligence property rights such human wisdom and intelligence have no value in our society so it should be given value and protection |
| 10 | No.  We pay taxes on services, rest we don’t know. | Yes, se do compete.  Yes it is fair because, in our sector, it all depends on the service quality and the communication with customers.  No we not aware of any such policy. | No.  We have our own policies in order to make both partiers (providers and customer) comfortable. | Copying someone else idea/work in Pakistan is easiest job; due to weaker law enforcement and insecure judicial system. So this needs to be addressed as earliest as possible.  Awareness about the markets, provide necessary coaching, international visits and trainings are the some areas which need to be addressed by government in order to encourage digital service providers. |
| 11 | As such, no.  We pay sales taxes, withholding taxes and conversion charges on international payments. But we really don’t know about what exactly the policy of government regarding this. | Yes we do.  No, competition is not fair. Because, our competitors have very strong payment gateways (for instance, they have pay pall services in their countries), their awn government support them and encourage them a lot. In due context, we have the example of India. | No.  Neither we are aware nor there is any way to protect the data of customers in ecommerce in Pakistan. | Lack of data security and this need to be taken seriously by the government in order to make strong grounds for ecommerce in Pakistan.  Lack of up-to-the-mark research and development. Threat to our intangible assets, which needs to be addressed.  Government should provide incentives like tax exemptions to small and medium enterprises and to provide subsidies in order to lift our business.  Proper platform should be devised which provide proper guidance to us for future actions. |
| 12 | We pay withholding taxes and other services taxes. Rest we don’t know about the rules/ regulation. | Yes and competition is fair. It’s all depends on the quality of services.  No.we are unaware of any policy | No, we have our own policy. We try to make feel our customer feel comfortable in this regard.  Sometimes customers are reluctant to share their personal information due to few black sheeps in the market. | Our IT related policies should be revised and made them according to international standard.  Government should protect and support ecommerce industry.  Security of our data/information and our ideas need be highly protected. |
| 13 | We pay taxes and conversion charges on international payments, rest we are unaware of any specific policy/ regulation. | Yes we do, and competition is fair. No extra privilege is given to our competitor. It all depends on the quality of services.  No, we are aware of any said policy. | No, we are unaware of any such policy by government. We have our own company policy regarding this in our contract. And if someone violates our policy we take legal action against him/her. | Policy should be devised regarding the protection of our intangible assets.  Independent body should be constituted to ensure the quality of our products to international customers. |

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| 14 | Despite strong indicators, we strongly feel Government of Pakistan is not taking ecommerce seriously in Pakistan.  No. we are unaware of any rule. | Yes, but competition is not fair because large exporters have no problems, but small to midsized manufacturers should have incentives to boost export from their websites.  No, we are not aware of as such rules/ policy. | There could be policies but we are not aware of these clearly as they are scattered across poorly designed portals.  The Government should start an initiative/portal exclusively for online retailers. This should clearly indicate policies in easy to understand language without the need for lawyers to do the interpretation. | We need to address verification system, a top notch online payment processing service that settles the amount within a few working days, electronic signatures, protection for software etc  Yes, at local level, there is a way to move about this legally but young entrepreneurs should have minimum need to hire lawyers but Government should do this for them |
| 15 | No. | Yes, we do compete with local as well as global competitors in international markets.  Yes, it depends upon the service quality an trust factor.  No. | No.  Consumers usually worry that their personal information such as bank account number, cards number, address etc. may be leaked and misused. | Government should give Tax holidays.  Research and Development have been low priority area in Pakistan. It should be focused for quality improvement.  Our intangible assets, such as: innovation, ideas, designs, and others, need to be protected and there should be some proper legal framework for that. |

**Part 2: Identifying specific challenges faced by e-commerce providers in your country, related to internal & external capacity constraints**

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| **Questions** | **5) What are the specific challenges of entering & operating in the e-commerce sector (as opposed to regular trade barriers)? Please list in order of priority.** | **6) Do you face any technical issues in undertaking e-commerce in your country? If yes, what kind of infrastructure and payment facilities do you need to support your cross-border trade?** | **7) Do you think you have sufficient access to information/data regarding e-commerce (regulation, market opportunities, legal framework) in your export markets? What do you need to become more aware of these and build your capacities on e-commerce?** | **8) (only for women service providers) In addition to the above, are there any special challenges/capacity constraints that you face as woman e-commerce service provider ?** |
| **Agency Name** |  |  | **Responses** |  |

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| 1 | Lack of expertise, complex procedure of payments (for instance, we don’t have pay-pall services in Pakistan and usually we use western union services but there is a lot of checks on that), our IT sector’s ordinary image in international arena or export markets. | The foremost issue which we are facing is internet services in Pakistan. As these services are not timely upgraded.  Next is payment services, pay-pall services should be completely introduced in Pakistan. | There are different platforms which provide few said services through different websites, related blogs and articles. Usually we get that without a single penny, while in some cases we have to pay for it.  But we don’t have sufficient and comprehensive access.  There should be some proper platform through which we can easily get inclusive information about our competitor, market demand, trends, and regulations in export markets. etc. | N/A |
| 2 | Finance issue.  Inadequate marketing expertise.  Knowledge of international markets. | Cumbersome payment system in Pakistan.  For payment facilities, procedural simplicity is the need of an hour and government should take immediate steps regarding this. | As such no.  We use differ search engines and do our own research.  Government should collaborate with private sector to organize international-markets-exposure festivals in order to improve our links. | N/A |
| 3 | Time taking and costly Payment-services, since we had started it.  Cost on the marketing of our services/products. | Internet issues, payment services issues, Electricity issues, websites issues.  Services like PayPal should be introduced in Pakistan for easy payments. Electricity shortage, specifically for our industry, needs to be addressed. Internet services should be upgraded up to the required levels. | As such, no, we usually use Google for that.  Government should devise proper platform regarding this and to encourage its industry by providing them investment opportunities. | N/A |
| 4 | Timing issue, our office timing in Pakistan is parallel to the sleep timing of western countries and due to that we lose lots of customers.  Electricity issues, which really affects our productivity.  Lack of expertise in our IT sector. | Yes, most important is internet issues. Our internet services are not timely upgraded like in other countries.  Payment issues, We face issues in receiving payments.  Internet services should be upgraded up to the mark and PayPal services or any other payment services like PayPal should be introduced in Pakistan | No we don’t have sufficient access, generally we take information from Google and sometimes from our clients regarding their markets position etc. in short we don’t have any proper platform.  Government should devise proper platform regarding this to encourage its industry and greenhorns. | N/A |

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| 5 | Hacking of our websites by local and international hackers.  Lack of technical expertise in IT field.  In our IT industry, mostly prefer to use short cuts.  No incentives and encouragement for beginners from government. | Most importantly is a payment issue. Banks like Alfalah Bank and HBL are providing incentives to only large enterprises.  Electricity for online business.  Government should devise a simple and easy payment system facility for small and medium enterprises, and make sure maximum provision of electricity for our industry. | Not exactly, we use Google, and different blogs.  There should be some online platform through which we have easily access to information about our export markets and for this purpose both at national and international level steps need to be taken. | N/A |
| 6 | Issue in transferring of payments. For instance we mostly receive payments from abroad in dollars and riyals. But we have to pay extra charges in conversion of these foreign exchange.  Marketing of our services is another issue.  Lack of IT experts. etc | Yes we do face issues related to our websites link hacking, virus etc. etc.  Easy payment system should be introduced. | Might be yes, we have our agents and partner companies in international markets. They guide us about markets trends and opportunities.  More comprehensive platform should be introduced by government or any other body for this purpose. | N/A |
| 7 | Lack of expert human resources. For instance there exists a gap between IT graduates skills and IT industry needs.  Payments issues which is quiet cumbersome process.  Marketing of our services. We pay heavy amount on advertisement.  Etc | Yes we do face.  Quality of internet services in Pakistan should be improved. Payments services should be simple and friendly. For instance, legal framework e-payment system needs to be developed in order to promote trust between service providers and customers  . | As such no.  We usually use Google for that.  Government should provide us platform in order to encourage its e-commerce industry and to attract new entrepreneur by providing them comprehensive details of the international markets. | N/A |
| 8 | Lack of expertise, up to the required international standard.  Lack of trust.  Payments issues.  Communication gaps.  Etc | Internet issues. Sometime it takes much time to deliver our online delivery to international customers due to slow internet speed.  Payments issues.  Internet services should be improved and upgraded. And easy and simply payments mechanism should be introduced. | Not sufficient, but yes we have an access to information in our export markets up to some extent. Mostly our partners and joint venture companies do this for us.  There should be some simple and easy platform which provides comprehensive information about international markets. This would encourage us to deliver more. | N/A |
| 9 | Marketing issues, communication gaps,  Sometime language barrier issues.  Lack of expertise and research and development.  Mistrust, might be due to Muslims.  Etc. | Website hacking,  Slow internet services,  Time taking payments systems.  IT sector should be improved up to the international levels. And new mode of payment should be introduces for the sake of speedy and easy payment services. | No.  We personally visit to foreign countries and analyses the markets trends and opportunities.  Government should devise some platform which helps us in this regard. | N/A |

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| 10 | Different type of risks.  Sometime we face difficulties in securing aura un data/information.  Difficulty in attracting the right talent.  Etc. | Internet issues, website hacking, outdated payments facilities etc.  Our own cyber infrastructure should be improved. | No, we face difficulty in customer base etc.  We do our own research for this purpose.  Government or any international body should devise some platform (for instance. An organization) which provide such facilities. | N/A |
| 11 | Taxes issues, finance issues, payment issues, company registration issues (lengthy and cumbersome process), banks accounts and international transaction issues.  Lack of late-stage funding for expansions.  Prices of computers and laptops are very high. Etc. | Slow internet,  Don’t have proper payment gateways.  These need be addressed seriously. | As such, no.  We usually use Google and do our own research. Sometime we have to pay handsome amount to gather said information.  Government should devise proper platform which provide these information free of cost. | N/A |
| 12 | Some internal management issues,  Payment and transitions issues,  Lack of trust (people still believe that buying and selling online is full of scam and fraud), lack of international exposure, etc. | Lack of e-transaction support in Pakistan.  This needs to be addressed. And services like pay-pall should be introduced in Pakistan. | No.  We take information from our customers and sometimes we use online search engines.  Government should help us in this regard by providing us free of cost platform./ services. | N/A |
| 13 | Payment issues some financial issues for further expansion of business. | Internet issues. Internet services should be upgraded because it is fundamental need for running our industry.  New and speedy payment gateways should be introduced. | We have our own research team. Some time we have to pay for it.  But we believe there should be some organization at national and international levels which provide such comprehensive information about the markets to digital service providers. | N/A |
| 14 | One primary problem with ecommerce is acceptance of payments. While we do agree there are many ways to accept Credit/Debit Card payments in Pakistan via HBL, AlFalah, EasyPaisa etc, but these methods are not convenient for both the buyers and sellers.  Ans, our postal code system is very weak and there is no way to verify an address. | Payment issues, if we take a look at international payment processors such as Stripe, Authorize.net and even Paypal, the solutions we have in Pakistan are not even close to these. | No, the government needs to come up with an easy to use/understand web portal that gives entrepreneurs feasibility studies on starting ecommerce ventures. Each feasibility study should provide comprehensive information on international markets, legal frameworks, and technology suggestions.  Government should even provide basics of using Digital Marketing to acquire customers. | N/A |
| 15 | Acquiring skill labor to produce quality product.  Trust deficit, whether you are on selling side or buying side, there is always a trust deficit.  Problems in finding markets.  Etc | Yes, such as Internet issues, website hacking issues, payment issues etc.  IT sector should be upgraded and easy and simple payment delivery mechanism should be introduced. | Not sufficient, but up to some extent.  There should be some agency which provides knowledge of international markets and ways to expand our business in international arenas. | N/A |

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2. E-commerce sector growth in Pakistan. *Times of Islamabad.* Date accessed: April 16, 2019. Retrieved: https://timesofislamabad.com/28-Oct-2018/e-commerce-growth-in-pakistan-stunning-report [↑](#footnote-ref-2)
3. Ibid. [↑](#footnote-ref-3)
4. It is pertinent to note that the actual value of e-commerce sales is likely to be several times larger than mentioned because the central bank’s report only shows those transactions that occurred through debit or credit cards. [↑](#footnote-ref-4)
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