

Opportunities for strengthening cross-border

E-commerce in the region and the continent by leveraging Postal Networks

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Digital Trade Protocol at Trademark Africa

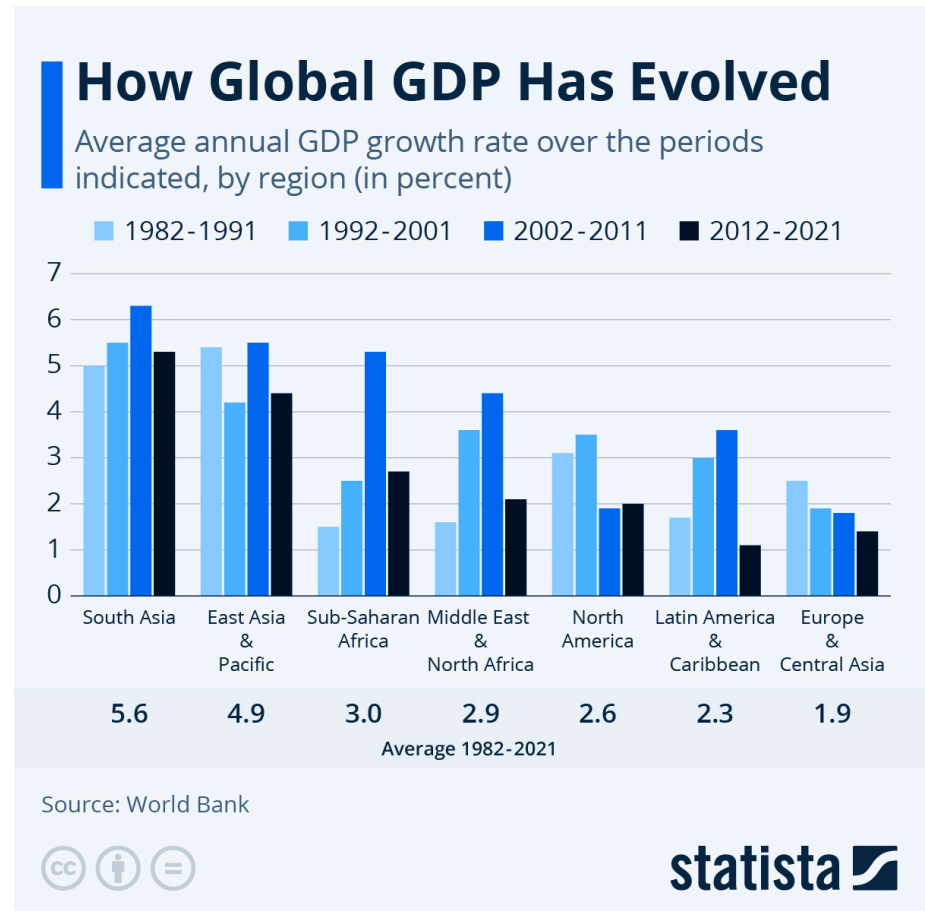
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How has Global GDP grown over time?

Economic growth is caused by aggregated market value of additional goods and services produced.

- Increases in Capital goods
- Improvement in Labour force
- Innovations in Technology
- Marginal improvements in productivity



Contextualization: Technology & Trade

Digital technologies and by extension digital trade are redefining and reshaping the human experience and more so in Africa.

Africa is uniquely going through its own digital transformation journey – disruptive technologies such as mobile money, which in its own right is digital money; are changing our African within and without their borders are trading and organizing their economic activities.



Current Landscape

Africa is proving to be ready for more transformative and innovative policies and operating frameworks to further grow the embedding of digital technologies to facilitate and transform trade and transport across the continent:

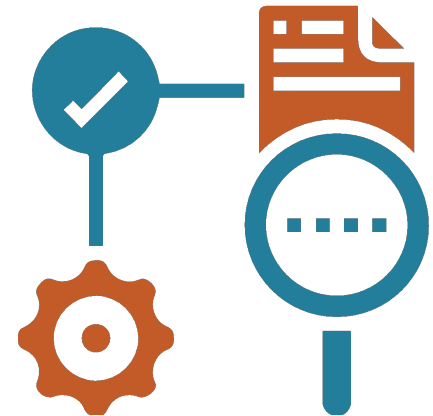
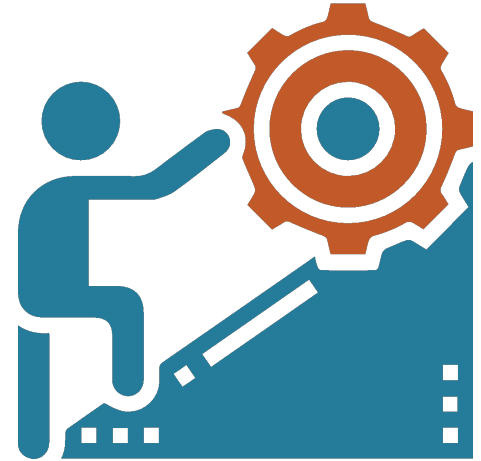
- More governments and economic operators in the continent are becoming more connected, intelligent, open and adaptive to change;
- Digital technologies in trade are enabling the innovation of disruptive models of operating in the trade environment for both regulators and economic actors;
- It is blurring physical/geospatial borders and corridors; this is opening up new opportunities and reducing the barriers to trade in Africa.



Challenges

Despite the above transformation, digital trade is still not a panacea to the barriers to trade as experienced in Africa due to the following challenges:

- The African continent is being left behind with an ever-growing emergent digital chasm as digital technologies shift and change at a fast pace
- Lack of conducive and enabling policy framework that is cross border in character;
- Related to the policy gap, the lack of a cross border regulatory framework accentuates the digital divide facing continent; and
- The challenges around the rights, ownership and management of personal and transactional data generated by trade actors and consumers using global digital trade platforms.



AfCFTA Agreement



In 2018 - The African Union (AU) signed the African Continental Free Trade Area (AfCFTA) agreement.



In February 2020 - AU Heads of State and Government agreed to a new protocol on digital trade.

The AU also adopted an African Digital Transformation Strategy (DTS) 2020-2034 which calls for the development of sectoral implementation strategies and action plans to operationalize the DTS.



In May 2021 - AfCFTA Council of Ministers responsible for Trade established the Committee on Digital Trade (“Committee”) to facilitate the negotiations on Digital Trade Protocol (“DTP”).

In December 2022 - The Committee held inaugural meeting to begin work on the negotiations of the DTP.

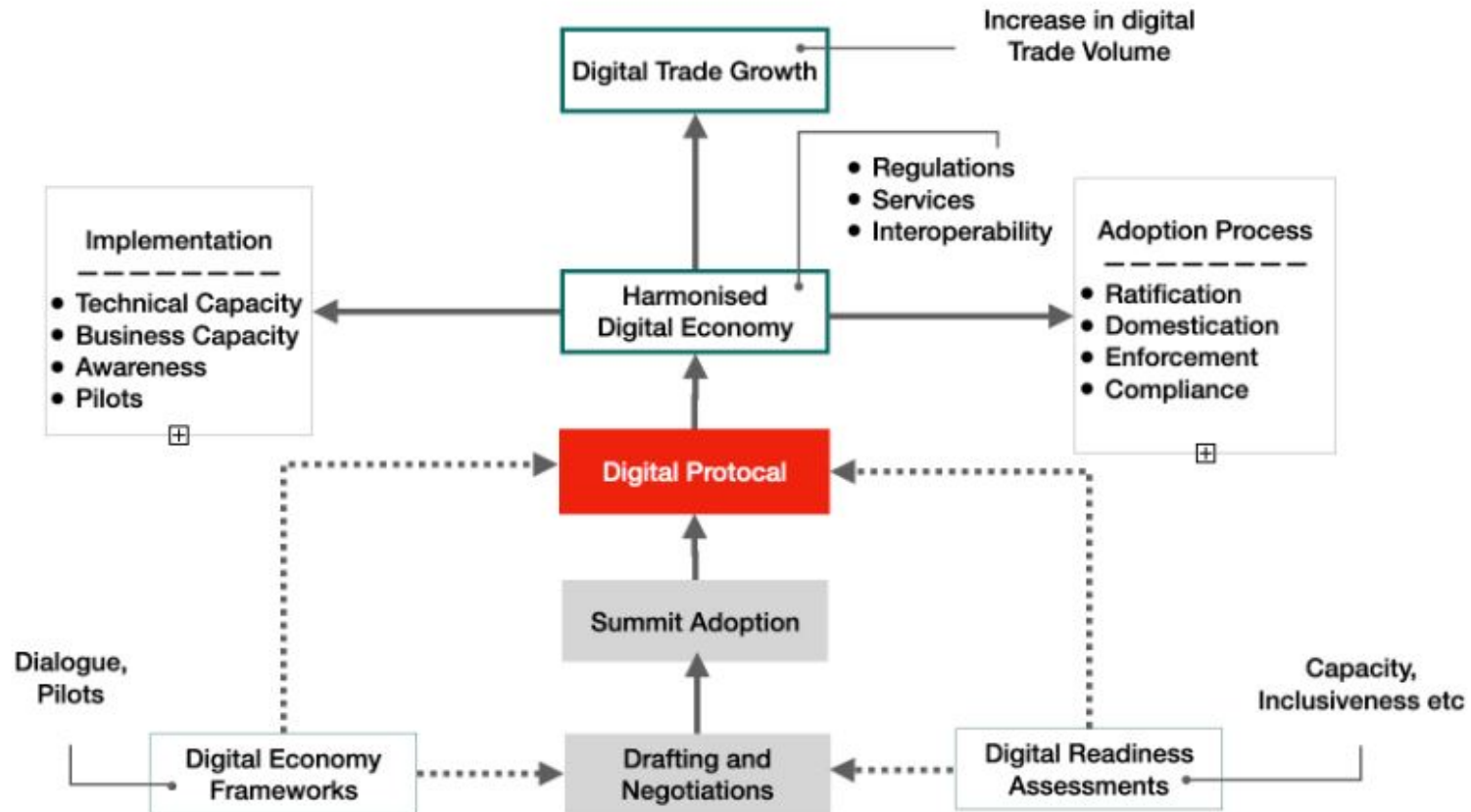


The Approach

To support the continent navigate the changing environment of digital trade and ensure the development and implementation of inclusive and sustainable digital trade protocols that leaves no one behind



Digital Protocol Development



Why does the Post come in

1. Last-mile delivery and impact on e-commerce
2. Role in Inclusion
3. Role in distribution
4. Trust/Credibility
5. Network effect
6. Key Trade infrastructure



A day in the life of the Post

The US Postal Service processes 421.4 million mail pieces each day, 17.6 million each hour, 292,628 each minute and 4,877 each second.

The US Postal Service generates, on average, \$260.3 million in revenue per day



How can Post improve

1. Take advantage of ICT through regional integration of systems for parcel real-time traceability. And better collaboration for parcels moving across the borders in EAC and other countries in the continent.
2. Collaboration with third party providers for last-mile delivery rather than incur overheads of transport logistical maintenance cost such as vehicles.
3. Postal corporations to start thinking about cross border payment platforms that provide low cost transactional fees for buyers and sellers or customers who are conducting e-commerce activities.
4. Fostering more collaborations with e-commerce players within their countries and externally to increase business throughput. E.g. collaboration with players like Jumia and others.



Why does the Post come in

Implementation of the AfCFTA digital trade protocol is to achieve a “harmonized digital economy” which in turn leads to “digital trade growth” and “increase in digital trade volumes” on the African continent, as well as “inclusive growth” that delivers prosperity in Africa.



Thank You!



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