



# E-COMMERCE EVOLUTION

## *Opportunities and Challenges*

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Director

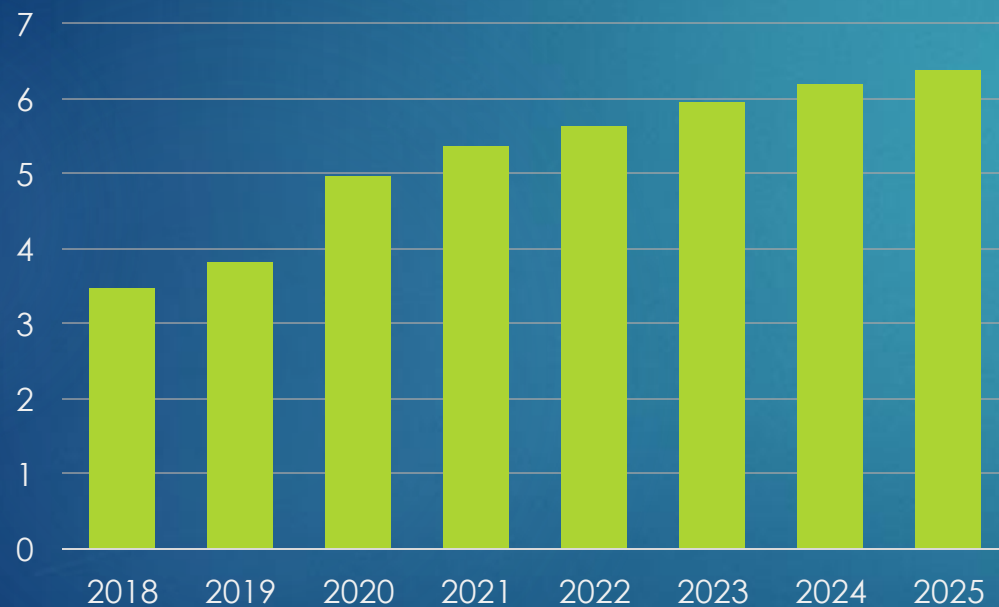
Regional Cooperation and Integration Division

Economic Research and Regional Cooperation Department

Asian Development Bank

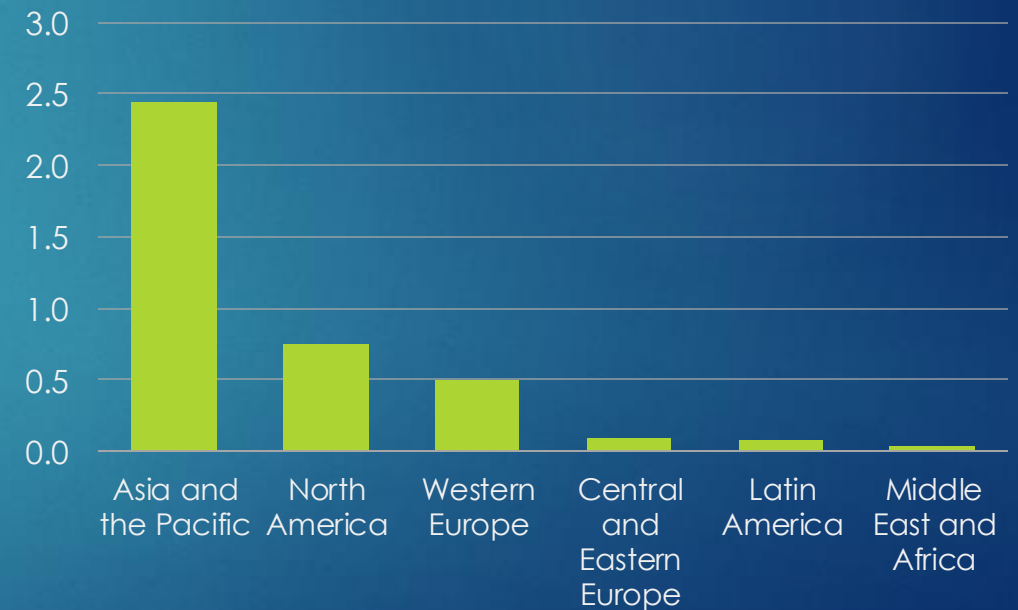
# Global e-commerce sales continue to grow, led by Asian economies

**Global Retail E-commerce Sales**  
(% of GDP)



Source: Statista and IIMF World Economic Outlook Database.

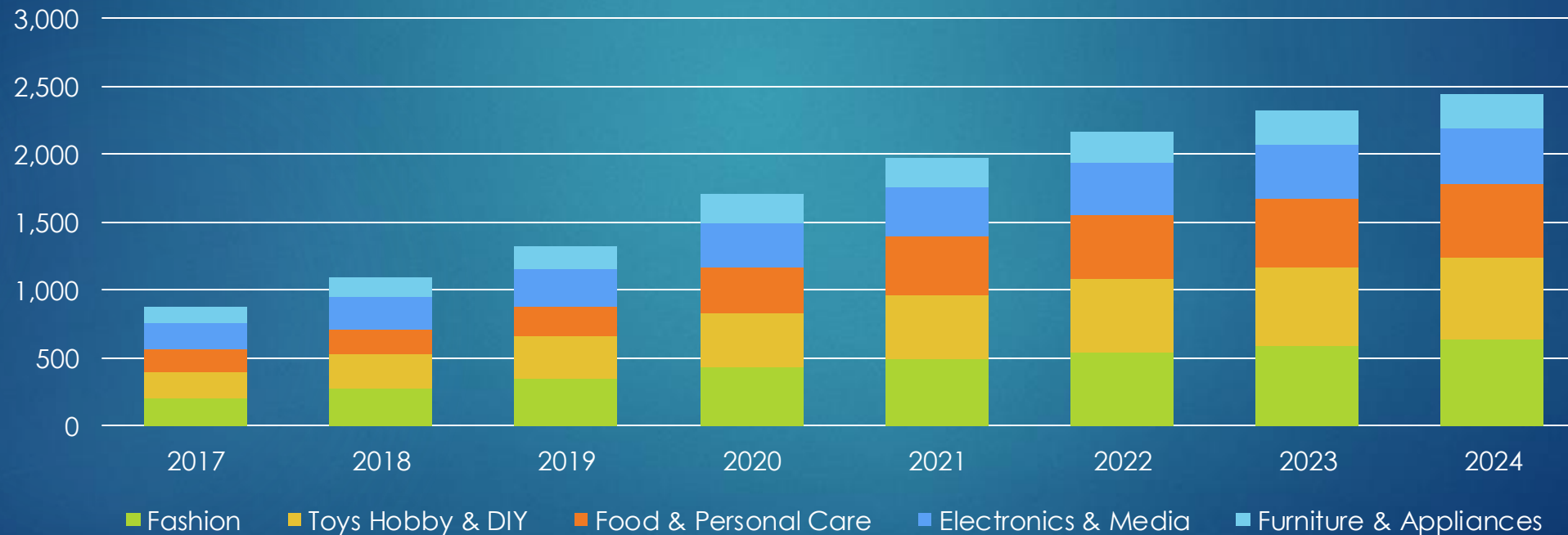
**Global E-commerce Sales 2020 Estimate**  
(\$ trillion)



Source: eMarketer. *Global Ecommerce 2020*.

# Food & personal care is the fastest growing e-commerce market in Asia

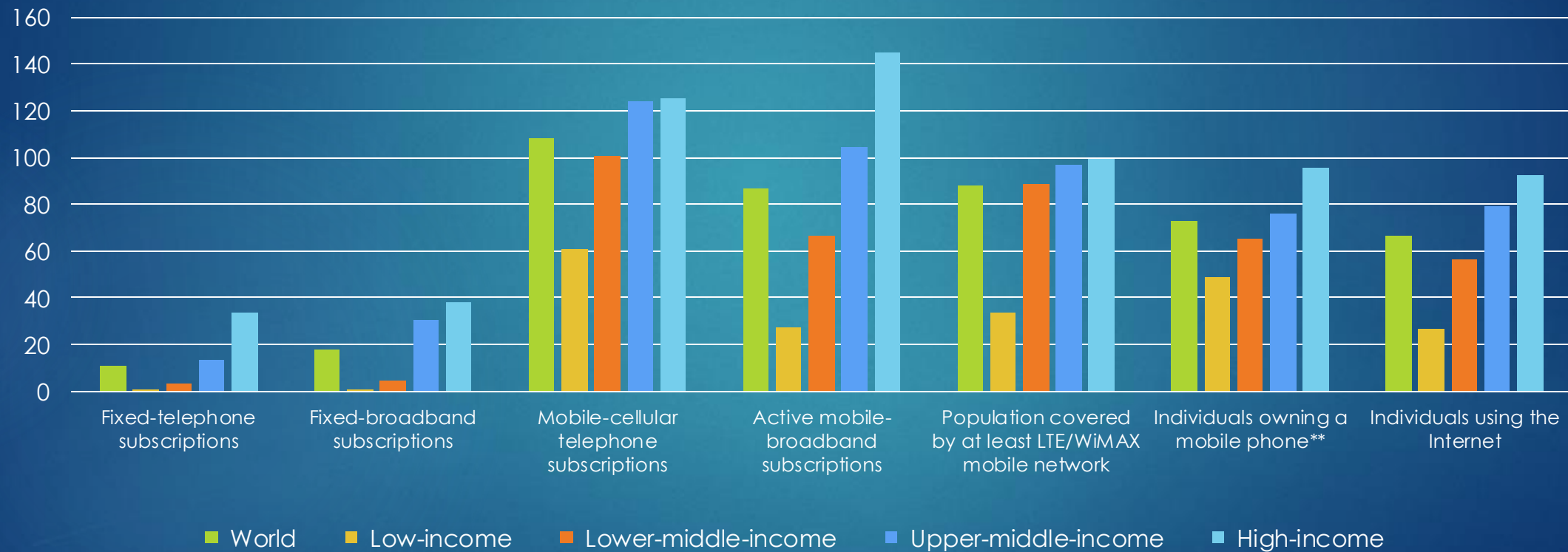
E-commerce Revenues in Asia and the Pacific, by Segment  
(\$ billion)



Source: Statista. 2021. E-commerce in the Asia-Pacific Region.

# Accessibility of internet

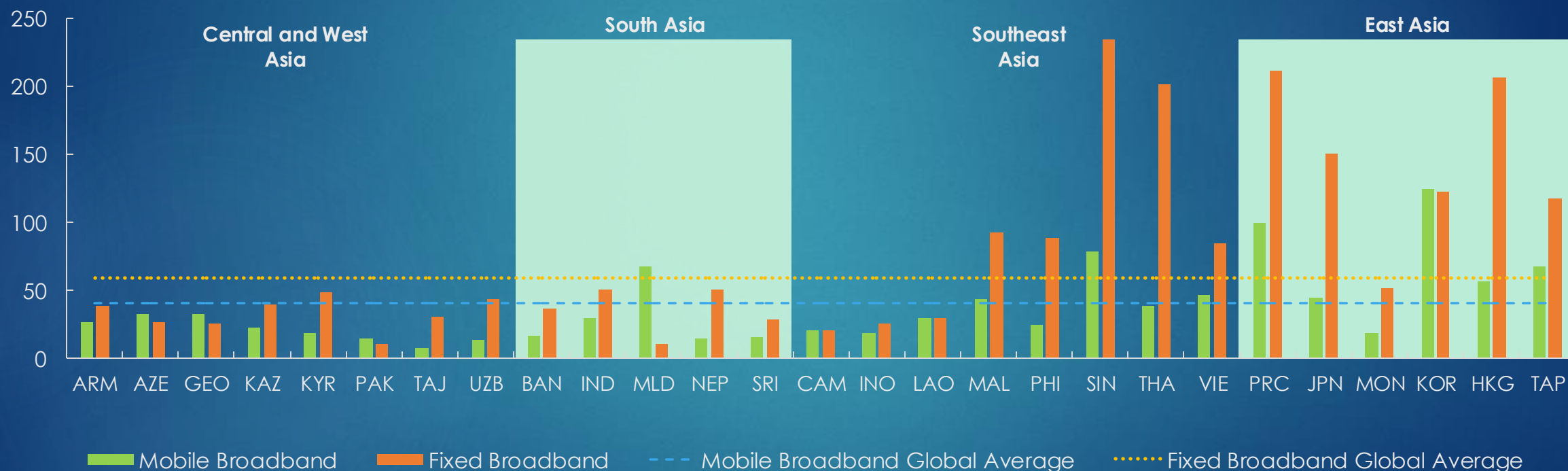
Key ICT Indicators by Income Group, 2022  
(per 100 people)



Notes: List of developed and developing countries is based on United Nations M-49 Standard.  
Source: International Telecommunication Union. ITU World Telecommunication ICT Indicators database.

# Broadband speed

**Mobile and Fixed Broadband Speed, January 2023**  
(megabits per second, based on download speed)



ARM = Armenia; AZE = Azerbaijan; GEO = Georgia; KAZ = Kazakhstan; KGZ = Kyrgyz Republic; PAK = Pakistan; TAJ = Tajikistan; BAN = Bangladesh; IND = India; MLD = Maldives; NEP = Nepal; SRI = Sri Lanka; CAM = Cambodia; INO = Indonesia; LAO = Lao People's Democratic Republic; MAL = Malaysia; PHI = Philippines; SIN = Singapore; THA = Thailand; VIE = Viet Nam; PRC = People's Republic of China; JPN = Japan; MON = Mongolia; KOR = Republic of Korea; HKG = Hong Kong, China; TAP = Taipei, China.  
Source: Speedtest. Speedtest Global Index January 2023.



# Reliability of e-payment options

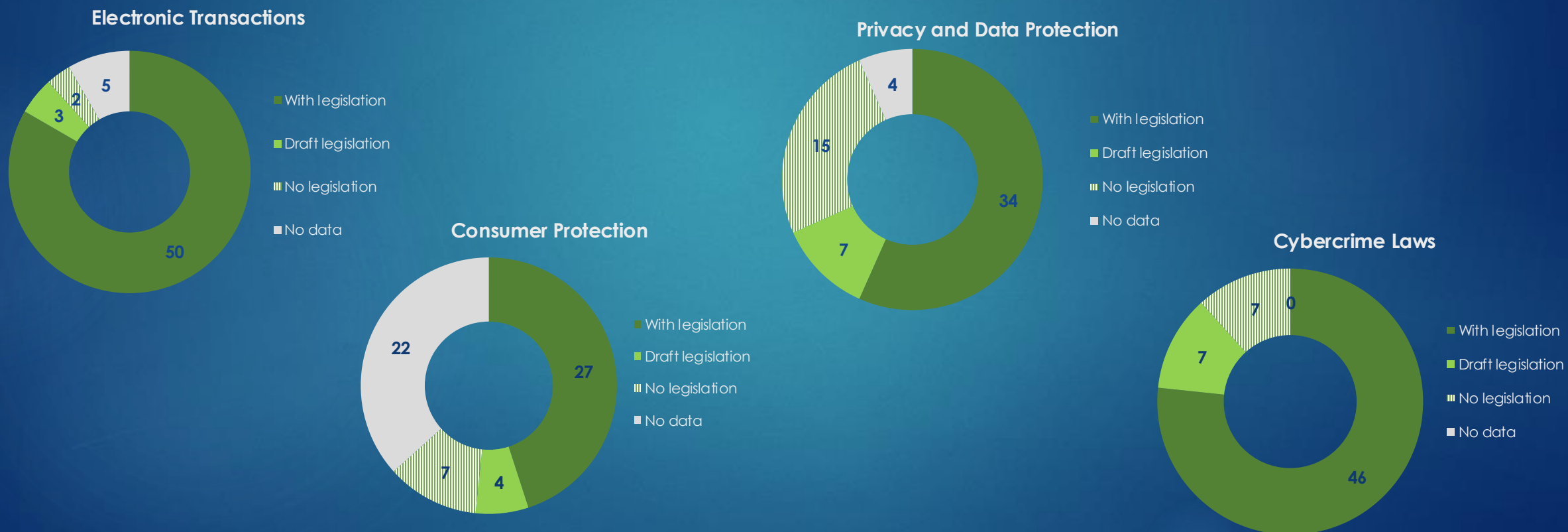
## Share of Payment Methods in E-commerce Transactions by Region (% of transaction volume)

	Worldwide	North America	Latin America	Europe, and Middle East and Africa	Asia and the Pacific
<b>Digital/mobile wallet</b>	<b>41.8</b>	<b>23.7</b>	<b>13.8</b>	<b>24.6</b>	<b>58.4</b>
<b>Credit card</b>	<b>24.2</b>	<b>34.4</b>	<b>43.8</b>	<b>19.7</b>	<b>20.1</b>
<b>Debit card</b>	<b>10.6</b>	<b>17.6</b>	<b>11.9</b>	<b>18.2</b>	<b>4.2</b>
<b>Bank transfer</b>	<b>9.0</b>	<b>5.9</b>	<b>10.9</b>	<b>16.3</b>	<b>7.6</b>
<b>Charge &amp; deferred debit card</b>	<b>5.0</b>	<b>10.5</b>	<b>3.5</b>	<b>6.7</b>	<b>1.3</b>
Cash on delivery	4.5	3.2	5.8	4.7	5.1
Buy now pay later	1.6	0.9	0.0	5.8	0.3
PostPay	1.3	1.0	7.9	0.0	1.6
Pre-paid card	1.0	0.9	1.3	1.3	1.0
PrePay	0.6	0.9	0.6	1.3	0.3
Other	0.6	1.0	0.6	1.5	0.1

Source: WorldPay Global Payments Report 2020.

# Appropriate legislative and regulatory mechanism

Status of E-Commerce Legislation—Asia and the Pacific, September 2022  
(number of economies)



Source: United Nations Conference on Trade and Development. Summary of Adoption of E-Commerce Legislation Worldwide.

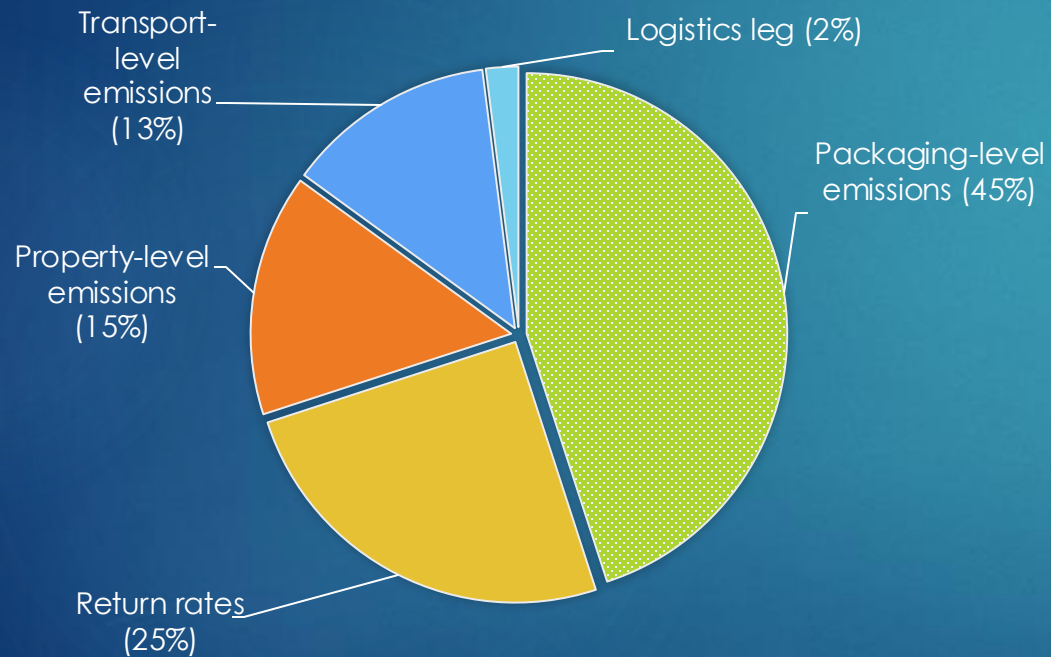
# Widening digital divide: Vulnerable groups

- ▶ Least developed countries
- ▶ Micro, small, and medium-sized enterprises (MSMEs)
- ▶ Women
- ▶ Rural markets
- ▶ Digital discrimination



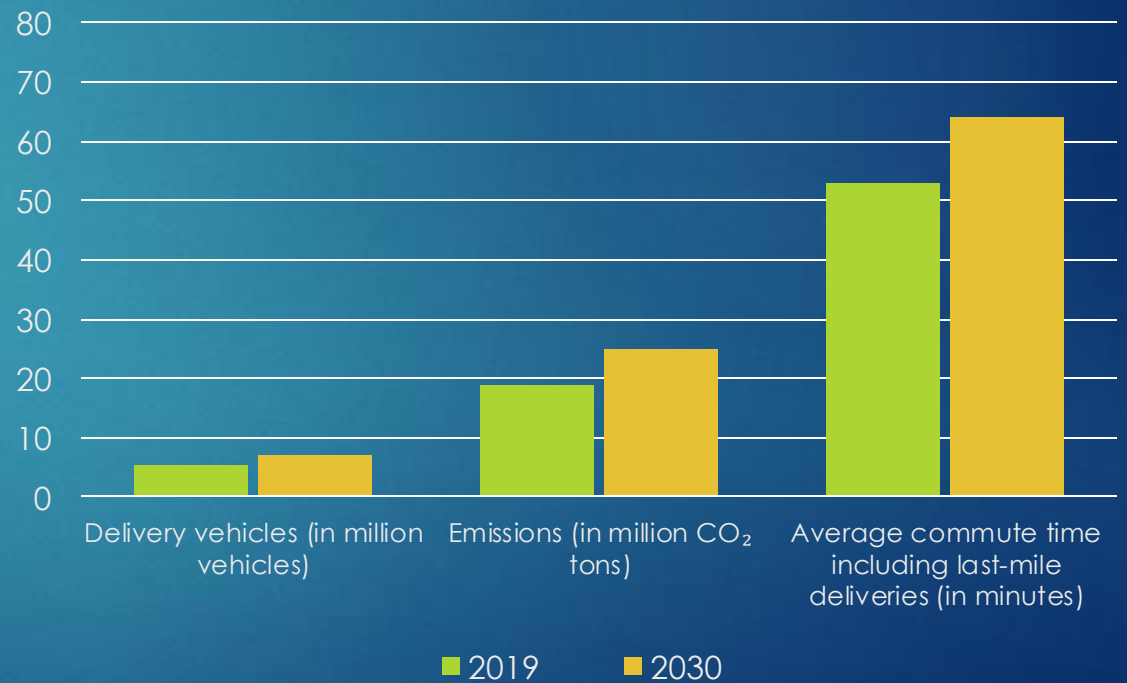
# E-commerce is expected to emit significant amounts of GHG emissions

## Breakdown of Estimated E-commerce Greenhouse Gas Emissions, by Source (as of 2020)



Source: Statista.

## Environmental Impact of E-commerce Logistics Worldwide, by Indicator



Source: Statista.

# Possible solutions to bring down carbon emissions in e-commerce

- ▶ Alternative delivery systems
- ▶ Sustainable delivery transport
- ▶ Common warehouse management
- ▶ Recycling and sustainable packaging
- ▶ Incentives for environment-friendly packaging
- ▶ Volume-rate garbage disposal and separate collection of packaging wastes

# PRC is the largest e-commerce market and growing fast

- ▶ Revenue to reach US\$1,469bn in 2024 with an annual growth rate (CAGR 2024-2029) of 9.95% between 2024-2029 (Statista)
- ▶ User penetration is forecast to be 78.8% in 2024 and 97.4% by 2029
- ▶ Major players: Alibaba's Taobao and Tmall, JD.com, Pinduoduo, etc.
- ▶ Cross-border B2C e-commerce could reach US\$500 billion in 2025 (HSBC)
- ▶ Major overseas players: Pinduoduo, Alibaba, Shein, Tiktok (live streaming)



# Thank You!

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