

Speech of CAREC Institute Deputy Director one Mr. Liang Ziqian
On occasion of Public Webinar on
Optimizing Trade and E-commerce to Bridge the Needs in CAREC Region
25 June 2021
8 minutes

Dear Mr. Qi, Mr. Zhang,
Distinguished guests, ladies, and gentlemen

It gives me great honor to participate on behalf of CAREC Institute in this public webinar on Optimizing Trade and E-commerce to Bridge the Needs in CAREC Region.

As known to all, trade, especially E-commerce is the core component for achieving broad-based and sustainable economic development for not only China but the globe. CAREC Integrated Trade Agenda 2030 indicates CAREC members are not well integrated into the global economy. Excluding the People's Republic of China, CAREC accounts for less than 1% of global trade.

According to a State Council executive meeting chaired by Premier of PRC Li Keqiang on Tuesday, China will further spur market vitality by promoting mass entrepreneurship and innovation in the 14th Five-Year Plan period (2021-2025).

In March of this year, the first China Cross-border E-commerce Fair was held in Fuzhou, which attracted 2363 exhibitors covering 33 cross-border e-commerce platforms around the world. According to incomplete statistics, the exhibition reached a total turnover of more than 3.5 billion dollars. China's cross-border e-commerce imports and exports reached 1.69 trillion yuan in 2020, increased 31.1% year on year, as stated by Ministry of commerce of PRC. Cross-border e-commerce has gradually become a new engine for high quality development of international trade.

The COVID-19 pandemic has heightened several kinds of uncertainty, but one trend has become clear: it has vastly accelerated digital adoption. In recent years, platforms such as Alibaba, MercadoLibre, and Amazon ventured into various fields with digital advantage following a similar arc: adding facilitation to their digital platforms and then expanding these capabilities beyond them. In addition, several new platforms gained relevance in emerging markets of Asia, adopting new business models and helping the overall landscape to become more competitive. And the crisis might open opportunities for second-

generation “niche” platforms that operate in specific market segments that are traditionally excluded from large e-commerce platforms.

Despite the clear trend, but the road ahead is not without challenges. Constraints to the e-commerce environment currently hold CAREC countries back from greater participation. The legal and regulatory framework also needs strengthening in some areas to support greater participation in e-commerce. Trade facilitation, even though it's already underway, needs further reform to avoid posing undue costs on small firms or entrepreneurs trying to enter into e-commerce. Outdated infrastructure for digital payments is restricted for the expansion of e-commerce toward underserved segments. There are obstacles in the way as well, such as trust deficit, lack of financial literacy, imbalanced gender participation, and prevailing poverty.

These are significant gaps to achieve progress in this field. Even with the help of multilateral development institutions such as ADB or bilateral agencies, governments will not be able to meet these needs. Therefore, it is a key action for us, leading regional Think-Tanks and platform, to promote broader cooperation in this region.

The CAREC Institute was originally developed as a “virtual entity” in 2006 to support CAREC Regional cooperation Program through research and capacity building activities. The Institute officially became an intergovernmental organization of eleven member countries in 2017. Once being a historic epicenter of the Silk Road, today, the 11 CAREC member countries work together to revive their cooperation through a shared vision.

In 2020, our Institute has been awarded Observer status at the United Nations, World Bank/IMF, ADB, and Asian Infrastructure Investment Bank. CI has been regularly invited to high-level international platforms, such as the Belt and Road Forum, Boao Forum for Asia, World Economic Forum, Euro-Asian Economic Forum, International Finance forum, Caspian Economic Forum, and Tbilisi Silk Road Forum.

CAREC Institute focuses its research and capacity building activities in support of CAREC program clusters. During these extraordinary times of global health pandemic, CI has played an active role in delivering knowledge products virtually. There are a series of knowledge solutions presented on our website, and e-learning platform. This year’s activities include:

- Webinar on Prospects for Economic Integration on the Euro-Asian Continent and its Implications for CAREC, which was held this Tuesday.
- Expert Roundtable Discussion on Digital CAREC held in May. The discussion engaged CI professionals with the PRC and ADB experts to present research findings and discuss various aspects of digitalization in the CAREC region
- Workshop on Facilitating Trade Through Digital phytosanitary Certification which was held in February. The workshop presented initial findings of the joint research to promote evidence-based policy decision-making.

All of those indicate the direction CI is taking and a very specific role it plays in the CAREC region, not only as a knowledge arm but also as a solution bridge for CAREC member countries to pass through the barriers on the way forward.

Trust the cooperation between China City Development Alliance and CAREC Institute could join hands at a new start to promote trade cooperation CAREC countries.

Ladies and gentlemen,

As we cherish our profound partnership, doors of our Institute will be always open to you. I look forward to listening to today's discussions. Wish you a successful webinar!

Thank you!

END