
TUVALU: E-TRADE ASSESSMENT



E-TRADE READINESS ASSESSMENT (2019)

Tuvalu is one of the least connected countries in the world, with high-cost and limited Internet services.

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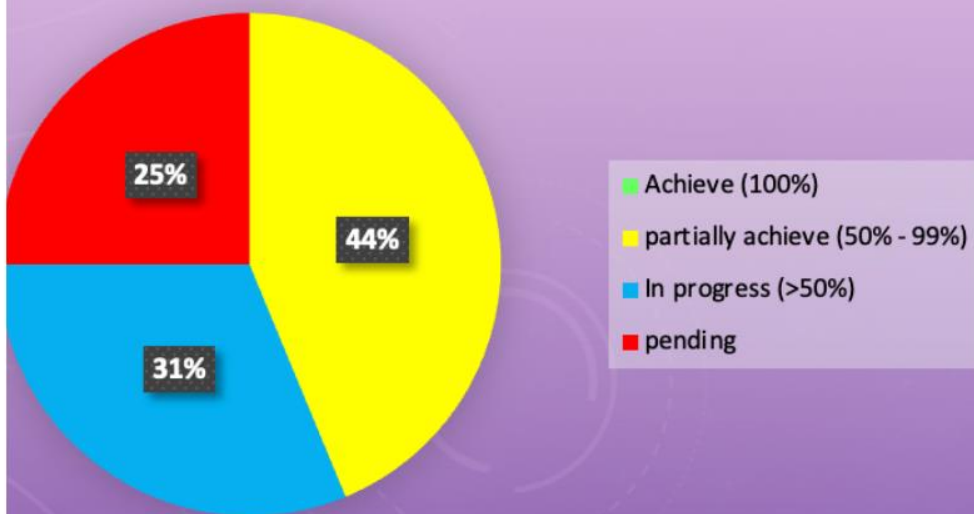
Priority Areas
(E-Commerce Assessment /Strategy
ICT Infrastructure
Trade Logistics/Facilitation
Payment Solutions
Legal Framework
E Skills Development
Access to Finance)

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Indicative Activities

HOW ARE WE DOING?

E-Trade Rapid Assessment Matrix



- 13 activities (partially achieve)
- 10 activities (in progress)
- 8 activities (pending)

NATIONAL E COMMERCE COMMITTEE

- Was established to gather more support for E-Commerce initiatives
- Establishment of the National E Commerce Committee provides a more coordinated and organized framework for discussion
- The forming of the committee was endorsed by Cabinet earlier in the year
- Had its first meeting in July of this year
- Current Dept of Trade Structure is insufficient to implement fully e-trade activities.
- Current Members consist of:
- CEO of MJCFA and MFT (Co-Chairs)
- Attorney General's Office
- ICT Department,
- Tuvalu Telecom Corporation (TTC)
- Foreign Affairs Department
- Development Bank of Tuvalu,
- National Bank of Tuvalu Business and
- Police Department



RESULTS - TRADEWORTHY PROJECT



Legal Framework

- Options Paper developed for E Commerce Package of Laws - recently endorsed by Cabinet in January 2022

E Commerce Skills

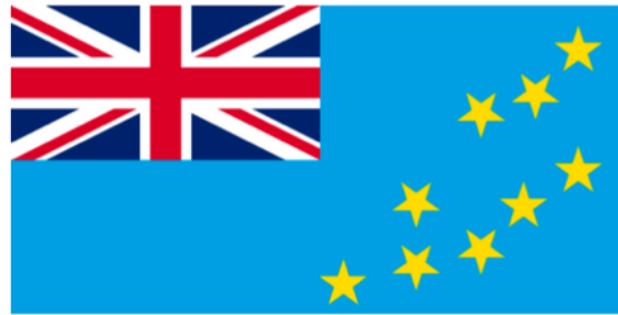
- 20 businesses trained on moving from offline to online over a period of 7 weeks covering 7 modules
- National experts received training and mentorship under the combined Tradeworthy projects in Tonga, Vanuatu and Tuvalu
- Launch of E Commerce Tuvalu FB/Instagram Page

**E-COMMERCE
TUVALU**

Promoting livelihoods growth and shared prosperity through e-commerce and #digitaltrade.



E-COMMERCE PACKAGE OF LAWS



Tuvalu has no general E-Transactions law.

Tuvalu to develop an Electronic Transactions law to int'l model law

Tuvalu has no consumer protection law – online or offline.

Consumer Protection Law to be drafted to include online elements.

No laws governing electronic data protection & privacy in Tuvalu.

Data Protection and Privacy Law to be adopted including key elements.

No general Cybercrime law in Tuvalu.

Cybercrime key elements to be included in Govt review of draft Cybercrime Bill.

THE ROAD TO ADOPTING DIGITAL TRADE LAWS IN TUVALU

- PIFS has prepared an E-Commerce Workplan that leverages on regional harmonisation
- The Te Kete National Strategy for Sustainable Development has identified digital transformation as a priority to improve lives and promote trade
- UNCTAD Rapid e-Trade Readiness Assessment acknowledged a legal gap
- Work with EIF and ESCAP on paperless trade
- Need to provide legal recognition to electronic transactions used in commercial, trade-related and other settings



Pacific
E-commerce
Initiative

THE ROAD TO ADOPTING DIGITAL TRADE LAWS IN TUVALU (2)

- Package of E-Commerce laws endorsed by the Government under the E-Commerce Regulatory Framework Gap Analysis
 - E-Transactions, Consumer Protection, Data Security, Cybercrime
- Paperless Trade Readiness Assessment suggests adopting UNCITRAL texts based on technology neutrality, functional equivalence and non-discrimination / legal recognition
- Importance of comprehensive process to ensure local ownership
- Cabinet has announced adoption of UN Electronic Communications Convention
- Next step is the drafting of the Electronic Transactions Bill based on UNCITRAL texts



Drafted, submitted and approval of
UNESCAP Funded CBPT Readiness
Assessment Study for Tuvalu

Connected with UNCITRAL and secured
assistance on drafting of Electronic
Transaction Laws

RESOURCE LEVERAGING

Participation in PIFS Regional E Commerce
Project

PIFS confirmed funding for development
of Tuvalu National E Commerce Strategy.

TRADEWORTHY, E&Y, PPIU



- **Building an E-commerce Payments ecosystem for Tuvalu**
- Businesses engaging in E-commerce need access to reliable, affordable, and secure payment options providing their customers with the necessary confidence to transact online. Banking penetration remains relatively low in the Pacific, which affects the availability and affordability of bank-based digital payment solutions – e.g., credit and debit card for consumers, merchant accounts and payment gateways for businesses.
- The project will support the development of an E-commerce Payments ecosystem in Tuvalu (that is readily adaptable for other Small Island Developing States in the Pacific), which may include bank and non-bank payment solutions.
- **Stage 1: Rapid needs assessment and in-country consultation**
- **Stage 2: Digital payment co-designing options workshop**
- **Stage 3: Online payment solution pilot & regulatory landscape report**
- **Stage 4: Capacity Building**
- **Stage 5: Market assessment and new economic activity generated through payments packages**

ATTRACTING POLITICAL SUPPORT

- E-Commerce is a relatively new concept in Tuvalu, but thanks to COVID and the recent work under the TradeWorthy Project, ECommerce has grown
- More needs to be done to get political support (funding, backing)
- Current Dept of Trade Structure is insufficient to implement fully e-trade activities.
- Dept. of Trade currently is understaffed having two permanent staff
- More support is needed to gain more manpower for the department to deal with eT Ready recommendations and implementation
- Propose to have a Go4ECOMTUV project for Tuvalu with a team specifically dedicated to implementing activities on etrade and activities outlined in the National E-Commerce Strategy for Tuvalu. (Need DP, Regional and International Funding with Govt of Tuvalu support as well)

ENSURING EFFECTIVE IMPLEMENTATION

- The preparation and adoption of modern laws is a step necessary but not sufficient to achieve digital transformation
- Awareness raising and capacity-building is needed to ensure that all stakeholders take advantage of the new laws
- Real transformation in trade requires engagement of larger actors to develop new business practices and reengineer existing ones
- This is part of the shared responsibility to build a better future

THANK YOU
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