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I. Executive Summary

The report presents a summary of the discussions and proceedings from UNIDO Workshop titled “FICCI-UNIDO E-commerce Training Workshop” for MSMEs which took place at the Federation of Indian Chambers of Commerce and Industry (FICCI), Federation House, Tansen Marg, on 11 December 2018 in New Delhi, India.

The main objective of the workshop was to introduce UNIDO’s e-commerce training course to SMEs and Start-Ups in India and train their representatives in the utilization of e-commerce to enhance their business activities.

The workshop also dwelled on how e-commerce stakeholders could integrate into established global supply and service chains, promote knowledge sharing on e-commerce trends, advocate the importance of quality infrastructure and standards in e-commerce, and initiate e-commerce capacity building activities.

The workshop brought together more than 70 representatives from governmental departments, public and private institutions and industry, especially MSMEs.
II. Introduction

In February 2016, the Permanent Missions of BRICS countries to UNIDO in Vienna reconfirmed their commitment to develop a joint initiative on SMEs promotion and e-commerce. Consequently, UNIDO formulated a project on e-commerce, which aimed at promoting cooperation between SMEs among BRICS countries to overcome the existing barriers hindering SMEs’ access to global markets.

On 29th September 2016, the Shanghai Academy of Social Sciences (SASS) and UNIDO co-organized the First Consultation Meeting on “Promoting the Cooperation of SMEs between China and other BRICS countries through E-commerce” in Shanghai, China. During the meeting, the project office was inaugurated, and planned project activities were discussed in the context of raising awareness of the importance of e-commerce for promoting SMEs development.

‘Strengthening the development of e-commerce among SMEs of BRICS countries, as well Technology Transfer within BRICS’, was the topic of the consultation meeting and the second project-related activity was held in New Delhi on 20 December 2016.

This event was co-hosted by the Federation of India Chamber of Commerce & Industry (FICCI) and UNIDO.

In this series, the third edition of e-commerce workshop in India was held on 11th December 2018 in New Delhi. This event was again co-hosted by the Federation of India Chambers of Commerce & Industry (FICCI) and UNIDO.

L-R: Mr Rajeev Vijn, Mr Dilip Chenoy, Ms Archana Garodia Gupta, Mr Ram Mohan Mishra, Mr Rene Van Berkel, and Mr Jaidev Dhavle
III. Proceedings

3.1 E-commerce Workshop

3.1.1 Welcome Address and Opening Remarks

Ms. Archana Garodia Gupta presented Mr. Ram Mohan Mishra with a ‘Green Certificate’ at the Inaugural Session.

(A green initiative of FICCI to present dignitary with a certificate, in place of bouquet of flowers, certifying that a certain nos. of trees were planted in the guest’s name in Sundarbans of West Bengal.)

Ms. Archana Garodia Gupta, Chair FICCI-MSME Committee and Owner, Touchstone Gems and Jewellery (India) Pvt. Ltd., in her opening remarks highlighted that though there were multiple benefits of e-commerce and information technology for SMEs, it had been observed that relatively large firms were primarily using online platforms to expand their businesses while smaller firms were entering into partnerships with larger firms and were connected with the world market through these big firms; however, there were many small firms which were still not using e-commerce.

She underlined that BRICS as a block had immense potential for e-commerce growth as it had a large pool of potential customers and internet users. Amongst the BRICS nations, China, India and South Africa had been the fastest in terms of growth rate of e-commerce trade, while Brazil and Russia were showing fluctuating e-commerce growth.

BRICS countries must leverage this growth potential and encourage their SMEs to engage in cross-border trade in the BRICS region and help strengthening e-commerce cooperation amongst them.

She further stated that UNIDO had been actively working with the BRICS countries to promote e-commerce development and
cooperation amongst the SMEs of the five BRICS countries. UNIDO in its report on e-commerce development had highlighted some of the issues that were restricting the growth of e-commerce in BRICS countries like lack of adequate data, logistics infrastructure, trusted regulations, cross-border custom clearance and talent.

She mentioned that as per FICCI’s study conducted to assess the potential of e-commerce for retail exports, cross-border online retail was likely to grow at 18% compounded annual growth rate between 2015 and 2020.

She highlighted that Indian SMEs, who had been primarily catering to the domestic market, were now able to cater to a much larger market worth around US$ 53 billion by using cross-border e-commerce.

SMEs in India, which used internet and hence had the feasibility of using e-commerce, according to a FICCI’s e-commerce report, had 51% higher revenue, 49% more profit and 7% broader customer base than their offline only counterparts.

On an average, SMEs adopting internet led to an employment growth of 7%. Hence, it was evident that e-commerce was an ideal platform, and BRICS countries should help their SMEs to use these platforms to scale up their market outreach.

She concluded that it was, therefore, important that SMEs recognize this huge opportunity and adopt business strategies which could enable them to take advantage of the online trade platform on e-commerce.

Mr Rene Van Berkel, UNIDO Representative, UNIDO Regional Office India, began his opening address with a brief introduction of his organization: UNIDO, which was a specialized agency in UN system, worked on the industrial development issues and in context of the sustainable development growth, which included a sustainable industrial development, particularly in terms of MSMEs.

He acknowledged that there were important market barriers for MSMEs to reach out to their potential consumers, and e-commerce could play a role in overcoming these challenges. He added, e-commerce was part and parcel of everyday life, and one used e-commerce all the time to see products reviews on its mobiles; it was only possible because there was e-commerce backbone available for this.

He further stated that 6.3 crores MSMEs provided more than 120 million jobs, and 40% of manufacturing exports. But to some extent MSMEs had not yet geared-up to the modern standards and the modern requirements of the market in terms of quality productivity, energy efficiency and environment, and good governance. For not having adopted to the 21st century realities of environmental governance, social performance and descent work, sometimes industrial fabric negatively looked upon at the manufacturing MSMEs.
He further remarked that UNIDO would like to see MSMEs stood up to the challenges of the 21st century and contribute to sustainable development and took responsibility for their own future, and for their contributions to the society.

He further stated that the e-commerce had opportunities for improving the manufacturing system but could also brought about disruptive changes in supply chain. He raised caution to see how e-commerce was going to help: was it going to bring products with lowest price, lowest quality, and highest volumes? OR will it be a one for the innovation, top-quality productivity? he added that the international community should try to push it to the top quadrant and avoid getting trapped in doing a cheap stuff which was not going to help the society.

He expressed that UNIDO would like to see e-commerce developed as a mechanism to drive ultimately inclusive and sustainable development, so that it could be used as a means for achieving sustainable development across UNIDO’s 2030 agenda.

Mr Ram Mohan Mishra, Additional Secretary & Development Commissioner, Ministry of Micro, Small and Medium Enterprises (MSME), Government of India, in his ‘Special Address’ at the inaugural session expressed his gratitude to Mr. Van Berkel for making such a wonderful contribution to India. He further appreciated FICCI for organizing this event, and conveyed his gratitude to Mr. Sheng Tang, Chairman, China E-commerce Association, for making it to the workshop.

He added that there was so much to learn from China as it had done so well in e-commerce. Acknowledging the presence of Mr Sheng, he looked forward to gaining more insight on how China had benefitted from e-commerce. He believed there was a lot of possibilities of working together and then exporting to other countries.

He stated that India should not miss this industry 4.0. However, he advised caution in completely jumping into it, but advocated that India should not ignore it either.

He added that e-commerce was going to bloom. He cautioned that It may harm some interest because “when market develops, it closes for somebody, it opens for somebody”. Hence, there should be a level playing field and that was the responsibility for the Chambers, of the government to look at those measures, brought in those investments on board, pick up those policies & strategies and actions which were going to provide that level playing field.

He referred to several initiatives being done through government missions such as ‘Skill India’, ‘Digital India’, and ‘Make in India’. He opined that besides such initiatives, a lot of organized actions were needed, so that one could get best out of it. He assured that as a field officer in MSMEs Ministry, Government of India, and as a development commissioner, he had setup systems in his office to take cognizance of the organized
feedback that came to his office for being played out in the policy domain.

He further mentioned that with FICCI, the MSME Ministry was going to open Enterprise Development Centers (ECDs), where the awareness about incubation, about facilitation and about clinic will be done. Secondly, the Ministry was working on clusters and to open some bit of export facilitation cell also, so that link up of micro and small enterprises with bigger ones could happen. He stressed that the government did not want to work as an aggregator but as a match-maker for small players with big players and would provide platform where this could happen. This would also provide business opportunities, as there were certain comparative advantages, if they collaborate with each other. This would provide vendor opportunities for big players to source goods and services from MSMEs.

Mr Rajeev Vijh Director, UNIDO International Centre for Inclusive and Sustainable Industrial Development (IC-ISID) in his ‘Vote of Thanks’ expressed his gratitude to Mr. Ram Mohan Mishra, Mr. Dilip Chenoy, Secretary General, FICCI, Ms Archana Garodia Gupta, Mr. Rene Van Berkel, to distinguished delegates from Brazil, China and India, and to colleagues from FICCI and UNIDO.

Referring to the e-commerce workshop, Mr Vijh added that there were many more initiatives going-on apart from what FICCI and UNIDO were doing, and this was aligning with the BRICS E-commerce Working Group, which had been set up. He stated that E-commerce was already a thriving sector in India and which was currently at the value of US$ 38.5 billion and was projected to be US$ 64 billion in 2020. Further, he informed that an e-commerce training course had been designed by UNIDO to help SMEs conduct business via e-commerce platform and ensuring that they took advantage of digital technology and innovation and align with the initiatives like ‘Skill India’, ‘Digital India’ and ‘Make in India’.

He added that there were also various government initiatives on procurement. For example, ‘GeM’ and ‘Tribes India’ e-portals had enabled grassroot craftsman and tribal artists to come on board to the e-commerce market platform.

With reference to BRICS group, he stated that together BRICS countries contributed over US$ 16 trillion to world’s GDP which was half of that of the seven major advanced economies, and that the year 2017 was very positive year for the e-commerce sector in the BRICS countries with retail e-commerce sales touching around US$ 554 billion.

He mentioned that in August 2017, the BRICS e-commerce cooperation initiative launched during the 7th meeting of BRICS Trade Ministers called for strengthening cooperation and research on E-commerce. The initiative put forward three actions to establish the BRICS E-commerce working Group:
1. To enhance the interaction with the BRICS stakeholders on e-commerce
2. To undertake research on BRICS e-commerce focusing on global trends, and
3. To increase participation of SMEs in e-commerce

He informed that the importance of increased value-added trade among the BRICS group was also recognized during the BRICS 2018 summit held in Johannesburg, South Africa. BRICS Leaders encouraged implementation of measures that supported greater participation, value addition and upward mobility in global value chain.

The idea, he said, was to integrate SMEs with global value chain, and against this backdrop the BRICS e-commerce project of UNIDO was aimed at strengthening SMEs cooperation among BRICS countries through the development of e-commerce platform.

*Mr Rajeev Vijn invited Mr Jaidev Dhavle, Consultant, UNIDO to make his presentation on “UNIDO BRICS E-commerce Project”*

### 3.2 Presentations and Panel Discussions

Participants observing the presentation made by UNIDO at the Inaugural session

*Mr Jaidev Dhavle* provided the audience with some useful insights into work done by UNIDO in the sphere of e-commerce.

He further added that the services provided through e-commerce required a high-quality standard, and in this sphere, UNIDO had experience and it had helped the countries either through development of its national standards by providing policy advice or through developing their technical capacities.

Recognizing that some sectors of the economy may not had experience with e-commerce skills development, he added, UNIDO took an initiative to organize this workshop to promote skill development and develop training tools to enhance awareness of e-commerce amongst MSMEs.
He stated that UNIDO can contribute to global e-commerce development through four main points:

1. By facilitating integration into established Global Value Chain (GVC) by assisting stakeholders to meet new requirements, because Global Value Chain was always evolving.

2. By promoting knowledge sharing on e-commerce trends. The sector is very dynamic, and its data was always changing and, hence, UNIDO had developed studies, reports and capacity in-depth indicators to meet this goal.

3. By advocating the importance of international standards in quality infrastructure.

4. By promoting skill development and developing training tools.

He presented BRICS e-commerce project overview in a nutshell. The project was launched in 2016 after all BRICS members’ states met in Vienna and agreed to sponsor this project. The objective of the project can be categorized into three points:

1. To promote cooperation in exchange among SMEs in the BRICS, particularly in area of e-business development. He added, UNIDO would like to use e-commerce as a platform to promote this objective.

2. To apply the best experiences practiced in the BRICS countries not only within the group but also share it with other developing countries.

3. To explore the development mechanism to promote international e-commerce trade, basically a platform for import and export promotions.

According to him, UNIDO e-commerce project would facilitate development of products and services that would help SMEs adopt e-commerce. The project would also help in establishing partnerships between members and stakeholders in the BRICS community, especially between SMEs. He further stated that UNIDO would like to promote joint research on e-commerce and workshops to bring stakeholders together to share their best practices.

He mentioned that two years ago in December 2016, the e-commerce workshop was jointly organized by FICCI and UNIDO at New Delhi. The purpose of that workshop was to increase awareness and benefits of e-commerce in India.

Elaborating on the e-commerce activities of UNIDO in 2017, he informed that UNIDO organized a study tours in Brazil and Russia. In Brazil, the propose was to organize field visit to Enext, which is a leading e-commerce platform in Latin America.

He acknowledged the presence of Mr. Gabriel Lima, CEO of Enext at the workshop and looked forward to hearing his views, in the next session, as to how e-commerce was shaping up in Brazil.

He added that while in Brazil, UNIDO team also met with representatives from MSMEs
Ministry in Brazil, the National Confederation Industry, and the National Confederation of Commerce.

UNIDO also organized a meeting in Russia and focused on developing cross-border e-commerce trade between China and Russia. The UNIDO team met several associations in Russia. A joint declaration between UNIDO’s Shanghai Global Science and Technology Innovation Center and UNIDO’s Industrial Cooperation Center in Russia was signed. This agreement basically strengthened the cooperation between the integral UNIDO bodies based in China and Russia. He further remarked that UNIDO Center for International Industrial Cooperation in Russia was the key focal point for UNIDO’s interest in the country.

He further apprised the audience about the first meeting of the BRICS Contact Group on Economic and Trade Issues, which was held in May 2017. During that meeting, he added, representatives from BRICS communities invited UNIDO to present its findings on the e-commerce development report that was prepared with the International Trade Center and international experts, to address the e-commerce challenges in the BRICS countries.

He further informed that BRICS Plus business co-operation forum was held in 2017 in September in China as part of UNIDO’s global E-commerce Conference. At the forum, UNIDO launched the ‘BRICS E-commerce Development Report 2017’ that was prepared together with Shanghai Academy of Social Sciences. UNIDO team, during the meeting, also discussed the possibility of establishing International E-commerce Industry Alliance, which would act as a platform for any e-commerce stakeholder to come and interact with each other and share their best practices and promote their businesses.

Moving on to year 2018, he called the year as building block of e-commerce development, because it was in this year UNIDO had developed products to help SMEs to understand benefits of e-commerce.

Towards these ends, UNIDO had developed five main products: good governance framework and Guidelines; BRICS+ E-commerce Development Report in 2018; Trade Investment Innovation Knowledge Hub; E-commerce Training Course, and E-commerce Strategic Framework.

The Good Governance Framework was a document that provided pointers on how new business should operate in the e-commerce sector. The framework encourages businesses to make profits with an awareness of the laws and ethical customs of the country in which they were operating. Further, this guide defined standards & procedures for e-commerce enterprises to be conscious of their responsibilities towards society, customers and their employees.

The second product introduced was the “BRICS+ E-commerce Development Report in 2018”. This report was a “sequel” to two prior e-commerce reports published with the International Trade Centre and Shanghai Academy of Social Sciences in
2017. The report aimed to showcase the potential of e-commerce in BRICS and its replication in other countries. The report was divided into three parts:

Part-1 provided the country specific analysis on e-commerce trends in the country, which covered cross-border e-commerce regulations and laws, and the challenges that MSMEs face.

Part-2 focused on the potential of e-commerce among the BRICS and the “Plus” countries. The “plus” countries that had been included in this report were Austria, Cambodia, Ethiopia, Mexico and the United Kingdom.

Part-3 of the report provided policy recommendations based on the challenges that were identified in the previous sections. Further, emphasis was placed on highlighting the best practices and successful business models within the country.

He proceeded to introduce UNIDO e-commerce training course, which was developed during this project, to the participants that would be demonstrated live in the last session of the event. He stressed the main idea of the course was to assist SMEs or anyone, who was interested in e-commerce to gain insights on the sector, on how they could engage with e-commerce platforms. He informed that there were total eight modules in this course. The modules would give an overview of the e-commerce, providing a general introduction on what it is, the role of quality and standards in e-commerce, and the considerations that enterprises need to make such as components of e-commerce viz. ICT infrastructure, logistics, ERPs & CRM systems. The course also provided advice and strategies on how stakeholders could benefit from e-commerce and how they could implement it in their business activities. Emphasis was placed on core digital business model including - B to B, B to C, C to C and also O to O (Online to Offline).

He appealed to the participants that this was UNIDO’s first attempt at making e-commerce training course and would really appreciate the inputs from all stakeholders on how this product could be further improved, as it was important that it met with the need of UNIDO’s target audience, who were SMEs and people interested in e-commerce.

He also provided a synopsis of the final two products of this project. The first was UNIDO’s Trade Investment & Innovation Platform where users could gain insights on the organization’s work in these fields as well as access additional training course focusing on quality infrastructure and impact investment. The final product was the organizations e-commerce strategy that would help guide UNIDO’s interventions to promote e-commerce in Member States.

He invited the participants to provide their comments on the product and encouraged participants to attend the afternoon workshop on the e-commerce training course where he would dwell more into the course and gave a live demonstration on how the course functions.
He concluded his address with acknowledgement of UNIDO BRICS e-commerce team in Vienna that had been very supportive in this whole project and thanked sponsors, UNIDO’s India representatives, and officials from FICCI.

**Session-1: ‘E-commerce: Perspectives from Stakeholders’**

The session on ‘E-commerce: Perspectives from Stakeholders’ followed the Inaugural Session and was chaired by Ms Archana Garodia Gupta. She invited Dr Pralay Dey, to share his remarks with the participants.

**Dr Pralay Dey, Chief General Manager, National Small Industries Corporation Ltd. (NSIC),** remarked that e-commerce was one of the prime goal of ‘Digital India’ and digital MSMEs. He mentioned that in the last two years, after demonetization, the MSMEs ecosystem had grown up.

He noted that with the introduction of Goods and Services Tax (GST), everybody including MSMEs were going online for GST payments, taxations, and public procurement. He added that there were many e-portals by Government of India which were helping MSMEs to become an e-commerce enabler.

He talked about the National Small Industries Corporation (NSIC) bill discounting scheme for SSI or MSME undertakings in India. (*The NSIC bill discounting scheme covers purchase or discounting of bills for trade transactions to reputed Public Limited Companies or State and Central Government Departments and Undertakings.*). He added that MSMEs having a payment problem could get their bill discounted under this NSIC scheme through their e-commerce portal. He further noted that besides other things, even manpower for employment could be hired through this portal.

He stated that in his organization, 95% of the payment transactions were done digitally with MSMEs. Hence, there was hardly any requirement of cheque or draft or cash. NSIC, he added, had become more and more proactive towards digitalization.

Further, he showed a small film highlighting how NSIC brought the maturity in the MSME sector, and what were NSIC doing at grassroots level to bring MSMEs in the e-commerce platform?

The film highlighted that Ministry of MSME, Government of India, was continuously encouraging and facilitating MSMEs by transforming them into digitally empowered fraternity.

He informed that the MSME databank was being attempted for the first time by NSIC using digital platform through MSMEdatabase.in, to get online senses of MSMEs in the country. He informed that earlier MSME data was collected physically that consumed huge amount of money, time and resources.

He mentioned that NSIC-MSMEs Databank would capture the basic details of MSMEs
Associations and other related agencies on a real time basis. The databank also endeavored to capture information based on investment, turnover, no. of employees, product and services, credibility related to joint ventures, technology transfers, export and import of machineries and membership of the associations.

Salient features of NSIC MSMEs’ databank was:

a.) Web-based secured application
b.) Accessible 24X7
c.) Aadhar and Udyog Aadhar enabled enrolment
d.) Enrolment on self-certification basis
e.) Enrolment facility available through individual MSME units, development organizations, and associations
f.) Easy updation by MSME units, as and when required
g.) Exclusive access to government departments, PSU users, to search MSME units for their procurement means
h.) Real time MIS dashboard for monitoring and updation
i.) Mapping of products with HS and CPC goals for easy classification.

He mentioned that MSMEs databank would facilitate sourcing for government procurements from MSMEs and enable the government to design future schemes in a better way.

He stressed that the Ministry of MSME had notified under MSME development rules making it compulsory for MSMEs to furnish the required information on the databank. All MSME units availing benefits from government, therefore, must be enrolled in MSME databank.

He mentioned that there were almost two lakhs MSMEs those who had already registered in this databank and whose balance sheet had been verified and/ or whose factory had been inspected by the inspectors. Therefore, anybody, he added, who was into e-commerce business would land up in a better place.

He informed that NSIC had a B2B portal called MSME mart, exclusively for the MSMEs. The MSMEs using the portal could buy and sell products with large organizations. A lot of initiatives had been started by NSIC in B2B and B2G. NSIC were not in B2C as of now, but for the government procurement, there were several portals: one of them was Government eMarketplace (GeM).

He encouraged MSMEs and stakeholders to take advantage of these portals and get themselves registered at MSME databank and other portals to be part of the digital ecosystem.

He expressed his belief that the MSME databank was the path for MSMEs to move towards ‘Digital India’, enabling them to explore new opportunities, and widening their horizon to grow bigger.

He concluded his remarks that in India it is now notified that every MSMEs in the country should be a part of this MSME databank and they had to be digitally enabled.
Dr Tamanna Chaturvedi, Consultant & Project Coordinator, Indian Institute of Foreign Trade (IIFT) sharing a brief about her organization mentioned that it was an autonomous body under Ministry of Commerce. The Center for Small and Medium Enterprises had been created at IIFT to help small enterprises to take a leap into international markets.

Referring to the presentation made by Mr Jaidev Dhavle of UNIDO, she said that IIFT and their MSME center can technically bring in a lot of contribution to the development of UNIDO e-commerce training manual.

She emphasized on the need to educate the MSMEs on the e-commerce buying trends internationally and guide them on compliances. They also need to understand that there were certain public and private standards. Public standards would make sure that B2B portal like Alibaba, and B2C portals like Amazon, eBay, Flipkart brought out compliances which were in alignment with private standards, because consumers would not buy products which did not adhere to the accepted standards.

She further talked about educating MSMEs about certain products that were focused items for promotion by the Government of India and, thus, got exports benefits under Merchandise Exports from India Scheme (MEIS). This helped MSMEs in coming out of the competition by avoiding selling the same product which others were selling online and thus gave them advantage over other sellers besides government export benefits under MEIS.

She advised UNIDO e-commerce team that as they were going for Program for Country Partnership (PCP) Internationally, they could undertake trainings that could bring onboard the Geographical Indication (GI) products from across the globe.

She further mentioned about India’s new initiative called One District One Product (ODOP) and sought support of UNIDO if they could support this initiative of Government of India. She stated that e-commerce could be an effective way for promoting one district one product (ODOP) across the globe.

Mr Atul Kumar Misha, Regional Director, Council for Leather Exports (CLE), sharing a brief about his organization informed that they had five regional offices located in New Delhi, Kanpur, Chennai, Kolkata and Mumbai. They had membership of about 3800 exporters which exported leather and leather products worth US$6 billion annually to over 100 countries.

He admitted that there was a requirement for B2B company who could provide their exporters with logistics arrangements for exporting their products to established retailers in various parts of the world and ensure timely settlement of their payments.

According to him, it was important that e-commerce company should help CLE’s
members in establishing right connection with outside vendors / retailers, as the possibility of having a physical contact with the buyer/retailer at e-platform was very minimal.

He cited that recently CLE organized a workshop with the help of Amazon. Team of Amazon had gone to various CLEs’ clusters and educated their members. CLEs’ members showed interest to come forward and become part of the e-commerce platform. However, the members being less educated and low in computer literacy acted as an hinderance in their joining the e-portal. Moreover, their trust in e-commerce was not as much as physical business.

Ms Joyshree Das Verma, National Coordinator, FICCI Ladies Organization E-commerce Initiative & Promoter-Director, Kaapro Management Solutions Pvt. Ltd in her introduction mentioned that she was a National Coordinator for promoting e-commerce Initiative for FICCI women’s wing. This initiative, she added, was in fact started by Ms Archana Garodia Gupta in 2015.

Sharing her experience as a national coordinator, she mentioned that one of the challenges faced by the grassroots women entrepreneurs in north-east region of India was their remote location. Poor digital connectivity was another challenge in their joining the digital platform. She mentioned that these women entrepreneurs produce world-class products in terms of artefacts, handloom handicrafts, and organic food items. However, the challenge was in getting their products to reach the right markets. The e-commerce was a sure bet, but as they are not well educated, it came in their way in adopting e-commerce platform to sell their products online.

She underlined the need for training programmes for these rural based artisans and entrepreneurs, to help them with design innovation, packaging, market trends (in terms of colours size, ect.) and market demands for such products in different global markets, and gradually made them e-commerce compliant and finally brought them on e-commerce platform.

She proposed that UNIDO and her organization could together work on these basic issues of the rural and grassroot entrepreneurs and artisans that were detrimental to the growth of these entrepreneurs.

Mr Sheng Tang, Vice Chairman, China E-commerce Association, at the outset thanked the organizers for inviting him to be a part of this workshop. He said his organization was an official institute and had been in operation for last nineteen years and had registered membership of more than six thousand. He mentioned that he was also a Vice Chairman of China Cross-
The Association had already held four global e-commerce conferences with UNIDO since 2015.

He added that the purpose of his visit to India for this Workshop was to learn from UNIDO and exchange ideas for possible cooperation. He further mentioned that China could offer many things from establishing contacts with Chinese enterprises, and at the same time offering business opportunities for Indian enterprises to sell their products in China; to caring and sponsoring of small and medium enterprises and helping them to solve their basic daily practical issues; to educating thousands of students and adults every year to train them on cross border e-commerce negotiations so that they can improve their own ability to handle this sector.

He informed that his Association would like to cooperate with UNIDO to establish programs in China for facilitating development research and innovation of Chinese e-commerce endeavors. These programs would be based on digital trade, digital economy and electronic commerce, and through these platforms would intend to provide services to the participants present at those meetings.

He concluded by wishing this conference a great success and appealed all to come together to work for stability and prosperity of this new domain of global e-commerce industry. He added that his Association looked forward to working together with the participants on developing business both for importing and exporting from China.

Mr Gabriel Lima, CEO and partner, E-Next Consulting, informed that his organization had more than 300 projects to develop in Brazil. Giving his country's demographic, he mentioned that last year, the total population of Brazil was about 209 million people, and out of this, 61.6 million were consumers who had made at least one purchase online in the last five years. He mentioned that about 65% of Brazil population had access to internet and, therefore, there was a very big opportunity of transforming internet users to internet consumers. He remarked that e-commerce represented only 3.8% of the retail purchases in Brazil and, hence, there was a huge opportunity present in the country.

Sharing the data regarding mobile broadband connectivity, he informed that there were 240 million mobile devices and almost 92% had access to broadband connections. Most of the internet in Brazil, he added, came from mobile devices.

He further informed that e-commerce in Brazil had seen a constant growth despite there being a turmoil in the economy. In 2018, it was expected to grow 40% and to grow further in the next 5 years. He stated
that in the current year, the gross revenue generated by e-commerce in Brazil was between US$ 16-18 billion.

He mentioned that the most important items sold on e-commerce in Brazil were electronics, computers and cell phones. However, he observed that lately e-commerce categories such as fashion and groceries were growing due to the maturity of the market, and with the development of new logistics solutions that were taking place in the country. Besides, there had been a constant growth in number of e-retailers in Brazil. The cross-border e-commerce trade, he added, accounted for just 5.3% of total e-commerce revenue in Brazil.

Referring to the challenges faced by entrepreneurs in Brazil, he mentioned that they had stiffening bureaucratic procedures, and bureaucracy was something very hard to deal with. He further noted that Brazil had a very good customer defense code which was beneficial for customer but not for entrepreneurs. Hence, it was very hard to establish a business in Brazil and follow all rules. Brazil also had a very high taxation and very intricate and complicated tax structures. Even exporting from Brazil, he added, was a very complicated issue.

The other issue that Brazil faced was insufficient talent availability. E-commerce was a new area and many people were not compatible with it and, hence, need training.

He concluded by adding that Brazil had underdeveloped distribution infrastructure. However, it was improving with modern technologies and this was helping Brazil to improve its last mile delivery.

Ms Arunima Sharma, Head-Corporate Affairs, Pepperfry.com, narrated a story of her company as to how they had created some clusters in Gujarat and in Jodhpur of carpenters and home décor makers, which were mostly in unorganized sector in India.

She mentioned that the challenges faced by her company were mostly logistics. E-commerce was not known to the vendors of these clusters that were created by her company. These vendors were mostly focused into exports and were exporting through Export Promotion Council for Handicrafts (EPCH) and other Export Promotion Councils’ methods. They were not aware of domestic demands for their products, as there was no developed market for furniture in India. Therefore, the first challenge for her company was to develop the market for furniture in India.

Secondly, the challenge was to educate these MSMEs and to bring about certain centralization to create a cluster.

Thirdly, the challenge for her company was to help these SMEs with online payments that was hindered due to poor internet and broadband connectivity, especially from the districts of Rajasthan such as Jodhpur and Churu from where her company buys the products from the vendors.
She emphasized on the need to have more internet service providers with better connectivity and speed, as dependence on internet for business would go up further with the introduction of 5G and with increase in GST filling.

She added that company like her had to build complete customer experience and for that they had to work on the innovations on packaging and delivery of the products, as logistics in India was not matured enough to deliver big box items such as furniture.

She further talked about customer grievance redressal for the products shipped by companies outside India. In India, she added, there were enough laws and regulations for Indian customers to raise their complaint for redressal from products purchased from domestic companies. She mentioned that her company had a good redressal mechanism; however, she added, an unsatisfied customer could also register his/her complaint at National Customer Helpline (NCH), as her company was also registered with NCH.

She urged UNIDO to look into grievance redressal mechanism for customers in India buying cross-border products. She further touched upon the topic of counterfeits and mentioned that every country was doing its bit to tackle it.

Referring to the online payment, she mentioned that India had a matured market as there were many Fintech companies offering payment solutions through wallets and other methods. She concluded that there was a need to streamline export procedures while admitting that there were hardly any issues faced by her company in importing. She felt that in this regard more digitalization was required, and her company had given a lot of inputs to the government to act upon.

Ms Ritika Taneja, Assistant Vice President, Shopclues.com, introducing her company mentioned that it was famously known as a marketplace for unstructured, unbranded products and, hence, it was slightly different from other horizontal counterparts. She stated that almost 90% of their business came from MSMEs, and 90% of their sale was under Rs 999. Her company had enabled six lakh merchants to join the digital revolution and exposed them to their customer base of twenty-five crores plus.

She mentioned that her company had launched a programme called ‘SAARTHI’ that was targeted to cater to the needs of local artisans, craftsmen, sellers in the deeper regions of India in Tier-2 cities.

Secondly, her company had set-up ‘KIOSK’ in Tier-3 and Tier-4 cities in rural India with tie-ups with certain corporate partners like IDEA, utilizing their small shops – Telephone Mobile Recharge Shops- for providing internet facilities to customers and vendors from remote areas of the country to access her company’s e-commerce platform. This had enabled regional customers to make
purchases online and, at the same time, provided local vendors an opportunity to become a seller on her company’s e-commerce platform.

Thirdly, she added that her company had partnered with National Handloom Development Corporation and Cottage Emporium and other government bodies that directly work with artisan, craftsmen and MSMEs to bring them on board and empowered them digitally.

Fourthly, her company also had a B2B marketplace wherein these MSMEs can sell their products in bulk to select set of her company’s database of bulk buyers for business.

She further mentioned that there were several ground level challenges that need to be addressed and, for that, they had launched several programmes but would require a lot of support from Government of India, from UNIDO or IIFT to help her company reach out to 6.33 crores MSMEs, as per government statistics.

She sought help from policy makers for enabling her company to setup some e-commerce centers in the deeper parts of the country so that sellers and buyer both can come on board.

She acknowledged that the biggest problem faced by MSMEs joining e-commerce platform was getting funds to meet their working expenses. She added that all other challenges could be taken care of, including trust, skills, etc.

She concluded with an appeal that if some incentive programmes such an extra fund from the Government of India could be given to MSMEs to utilize the same to come online, that would really help.

Mr Pawan Kaul, Head of Corporate Affairs, Snapdeal informed the participants that he had been working on policy issues for many years towards creating a level playing field for the Indian industry, because e-commerce now a day was not a means to an end.

He further informed that with influx of so many products from unregulated channels, it had created a false ecosystem where sellers were simply selling foreign products in India and thus Indian MSMEs were left behind. He emphasized that there was a need to strengthen manufacturing of products by MSMEs which were sellable, and products that were being exported. He remarked that Ministry of MSMEs, Government of India, would only promote handicrafts and GI products, which were only 325+ in numbers.

He narrated, through an example, a non-level playing field that existed in cross-border e-commerce trade for Indian companies. In BRICS countries, he mentioned that a citizen could not access Indian e-commerce portals for purchase of Indian products, and for doing that he needed a private VPN, which was very costly and highly regulated. Through private VPN,
he added, a customer may buy Indian product online through Indian e-commerce portal for the first time, but on his/her next purchase, a tax of about 70% would be imposed. Hence, BRICS countries did not allow free import of goods online from India. On the other hand, Indians could buy any product from any global e-commerce portal.

He mentioned that in e-commerce think tank, it was discussed to have Indian Customs Electronic Data Interchange (EDI), which would track the products going out of the country, and, if the product was to be returned, how to address that, as it couldn’t be re-imported with all customs charges, because in e-commerce the return comprised of around 20%.

Next, he talked about creating identity of the products. He mentioned that India had world’s finest coffee brands- Arabica and Robustas. He mentioned that his company organized an induction courses for 400 plus farmers, finest coffee growers from Kodagu and Chikkamagaluru. The issue that emerged out of the course was of creating an identity of the product (Coffee). The world’s finest coffee grown by these farmers did not have any individual brand name or private label for their product. Hence, they could not sell it on e-commerce portal. He appealed to UNIDO to teach these clusters on how to brand their products.

He remarked that e-commerce sector was growing @ 34% but it was a misnomer, because MSME’s were not there. He stressed that there was a need of regulatory hygiene in India, which was lagging, and that was affecting ‘Make in India’ and will continue affecting ‘Make in India’. He concluded again by saying e-commerce was not a means to an end.
Session-2: ‘E-commerce Training Workshop

Participants attending UNIDO’s E-commerce Training Course, held post lunch

Mr Jaidev Dhavle, Consultant, UNIDO, introduced e-commerce module with the participants, post lunch, in council room at FICCI, Federation House, Tansen Marg, New Delhi. The room was equipped with 14 laptops with Wi-Fi connections for participants to simultaneously access the e-commerce module of UNIDO as per the instruction of workshop conductor Mr Jaidev.

Mr Jaidev welcomed the participants to e-commerce training workshop and asked them to log on to the website https://tii.unido.org, to access the UNIDO e-commerce course. He informed them that this was a new portal that UNIDO had created in October 2018 and it covered three areas – Trade, Investment and Innovation. He instructed participants to choose ‘e-commerce’ course under ‘innovation’ section.

He further elaborated on the three areas: The training course on “UNIDO Quality Infrastructure and Trade” was designed for encouraging trade development along value chains, and it was sought to promote systemic quality infrastructure development that was based on market needs and promoted inclusive and sustainable industrial development.

The training course on “Investment” was aimed to sensitize Investment Promotion Institutions (IPIs) particularly representatives from Investment Promotion Agencies (IPAs) about the importance of impact investing as an emerging investment category. The aim of the training course was to assist participants to explore how and why it was important to understand the fundamentals of impact investing, as well as to introduce aspects of the broad-based, state-of-the-art methodology aimed to measure its impact keeping in mind a wider Sustainable Development Goals (SDGs) compliance framework.
Dwelling on e-commerce training course, he mentioned that it was designed to provide a strong foundation on the basics of e-commerce that aimed to promote increased e-commerce adoption among SMEs. The training course had been designed in a way that other target stakeholders such as policymakers, NGOs and consumers could benefit from the content. He encouraged participants to connect with e-commerce platforms to enhance the performance of their business and commercial activities.

He demonstrated the log-in process using his details to access the e-commerce course, as registration was mandatory for accessing the course contents. He advised participants to register themselves by entering their valid e-mail ID, provide a few personal details and then click on 'create a new account'. He mentioned that after submission of their details, their request would go to UNDIO for approval, and once approved, they would be able to access e-commerce training course contents. Some of the participants were able to successfully register themselves and access the e-commerce course during the workshop.

He informed the participants that within e-commerce training course there were total 8 modules. Module-1 gave an overview of e-commerce. Module-2 focused on business models and strategies. Module-3 dwelled on logistics and component of e-commerce. Module-4 is about standards. Module-5 provided laws and regulations related to e-commerce. Module-6 dealt with payment modalities. Module -7 was for security related to e-commerce, and Module-8 gave step-by-step guidance on how SMEs could use an e-commerce platform.

He further informed the participants that once they had finished reading all the 8-modules, there would be a final exam. The final exam was basically a multiple-choice exam and there were around 50 questions. Registered participants obtaining 70% and above would be declared passed and would get a certificate mentioning that the participant had successfully completed the course on e-commerce.

Mr Jaidev appealed to the participants, after his demonstration of the course on e-commerce, to share the course with their other colleagues as well and note down the positives of the course and what they felt were missing.

He admitted that it being UNIDO’s first attempt on the development of this course, it could be possible that UNIDO had missed out on something which participants, as a direct stakeholder in e-commerce, may be aware of.

He mentioned that the e-commerce course was designed for the beginners who were not familiar with e-commerce platforms.

He made a presentation on e-commerce course and explained in depth the role of each module.

He concluded by thanking all the participants for their enthusiastic participation at the training course.
3.3 Outcomes of the E-commerce Workshop

The participants conveyed the confidence that the FICCI would continue to play a lead role in bringing together MSMEs to participate in E-commerce training workshops and E-commerce cooperation activities in India under UNIDO framework.

The participants shared feedback/suggested some follow-ups activities to be considered by the focal points of UNIDO:

1. To organize such e-commerce training workshops regularly on various aspects of doing business on online platforms.

2. To further develop the UNIDO e-commerce course (beginners) for intermediates who are already into e-commerce platforms.

3. To identify the challenges that are faced by MSMEs for coming on board to use e-commerce and provide skills development training courses for MSMEs (for beginners, moderate and advance level) to overcome them.

4. To prepare a country study on e-commerce and suggest recommendations for the consideration of the policymakers: on the simplification of custom rules, facilitating easy payment transactions online and ensure receipt of payment by MSMEs from cross border, and create level playing field for MSMEs from BRICS countries to sell products overseas.

5. To educate MSMES on the rule and regulations and markets requirements for their products to be sold cross-border through e-commerce.

6. To prepare training modules for clusters and train them how to tackle the challenges faced by their cluster on e-commerce platforms.