



Digital Trade Dialogue  
eTrade Alliance and African Union Commission  
22 September 2021

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Nextrade Group



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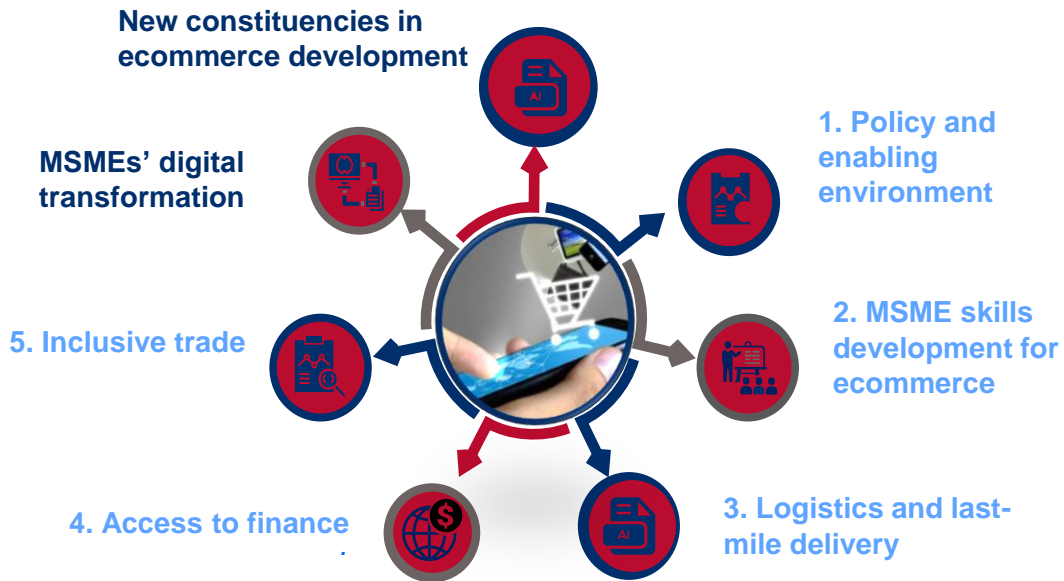


# ETRADE ALLIANCE GOALS, WORKSTREAMS AND PARTNERS

## Main objectives...

...attained by breaking main constraints in key areas  
(~25 projects per year)

- 1 Increase number of MSMEs selling online, including on marketplaces
- 2 Increase MSMEs' sales volumes online



<https://www.allianceforetradedevelopment.org>



Etsy

Google

ROAM



VISA



Cargill



element

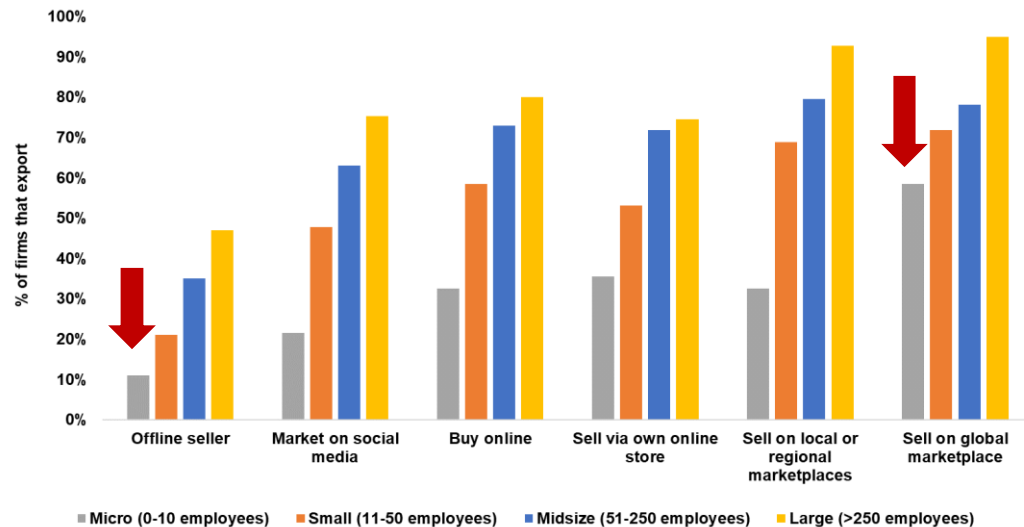


NEXTRADE GROUP, LLC  
World trade is changing. Are you?

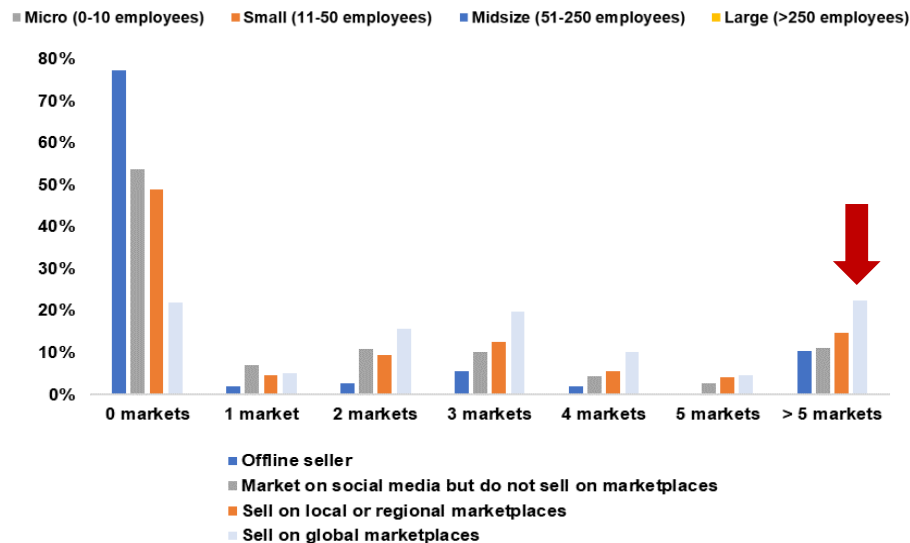


Palladium  
MAKE IT POSSIBLE

**Online sellers are  
likelier to export...**



**...and export to  
multiple markets**



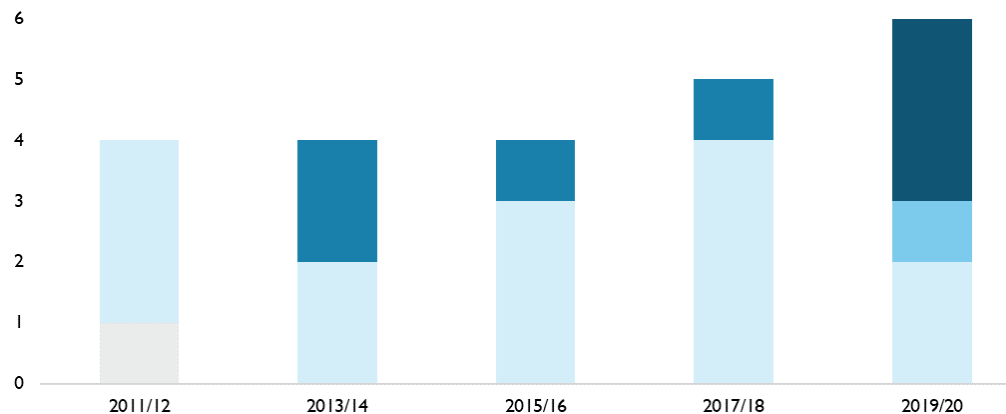
**Firms and especially online seller - exporters export and import data: data transfer is critical for MSMEs that export using ecommerce**

			To our foreign affiliates	From our foreign affiliates to us	From online platforms to us	From individuals other countries to us	From foreign companies to us	From foreign governments to us	No data moved across borders
Online seller-exporters	All sectors	Micro and small	38%	33%	52%	19%	38%	5%	14%
	All sectors	Medium and large	50%	6%	62%	38%	45%	19%	2%
Exporters	In-person services	Micro and small	44%	31%	28%	28%	25%	6%	13%
		Medium and large	46%	49%	52%	48%	28%	15%	7%
	Physical products	Micro and small	32%	29%	45%	32%	18%	3%	24%
		Medium and large	48%	54%	48%	46%	29%	13%	10%
	Remote digital services	Micro and small	47%	26%	53%	47%	11%	0%	11%
		Medium and large	48%	50%	50%	54%	27%	17%	6%
	Digital products	Micro and small	28%	17%	59%	38%	14%	10%	14%
		Medium and large	49%	60%	49%	51%	29%	23%	3%
Non-Exporters	In-person services	Micro and small	13%	19%	29%	8%	1%	0%	40%
		Medium and large	15%	20%	15%	0%	0%	0%	55%
	Physical products	Micro and small	6%	8%	31%	16%	6%	0%	50%
		Medium and large	35%	41%	29%	24%	6%	0%	29%
	Remote digital services	Micro and small	18%	21%	33%	9%	6%	0%	36%
		Medium and large	0%	17%	17%	0%	17%	17%	50%
	Digital products	Micro and small	13%	30%	57%	17%	9%	0%	22%
		Medium and large	11%	22%	33%	22%	11%	0%	56%

# African governments have advanced on adopting data privacy and transfer laws – by now many types in place

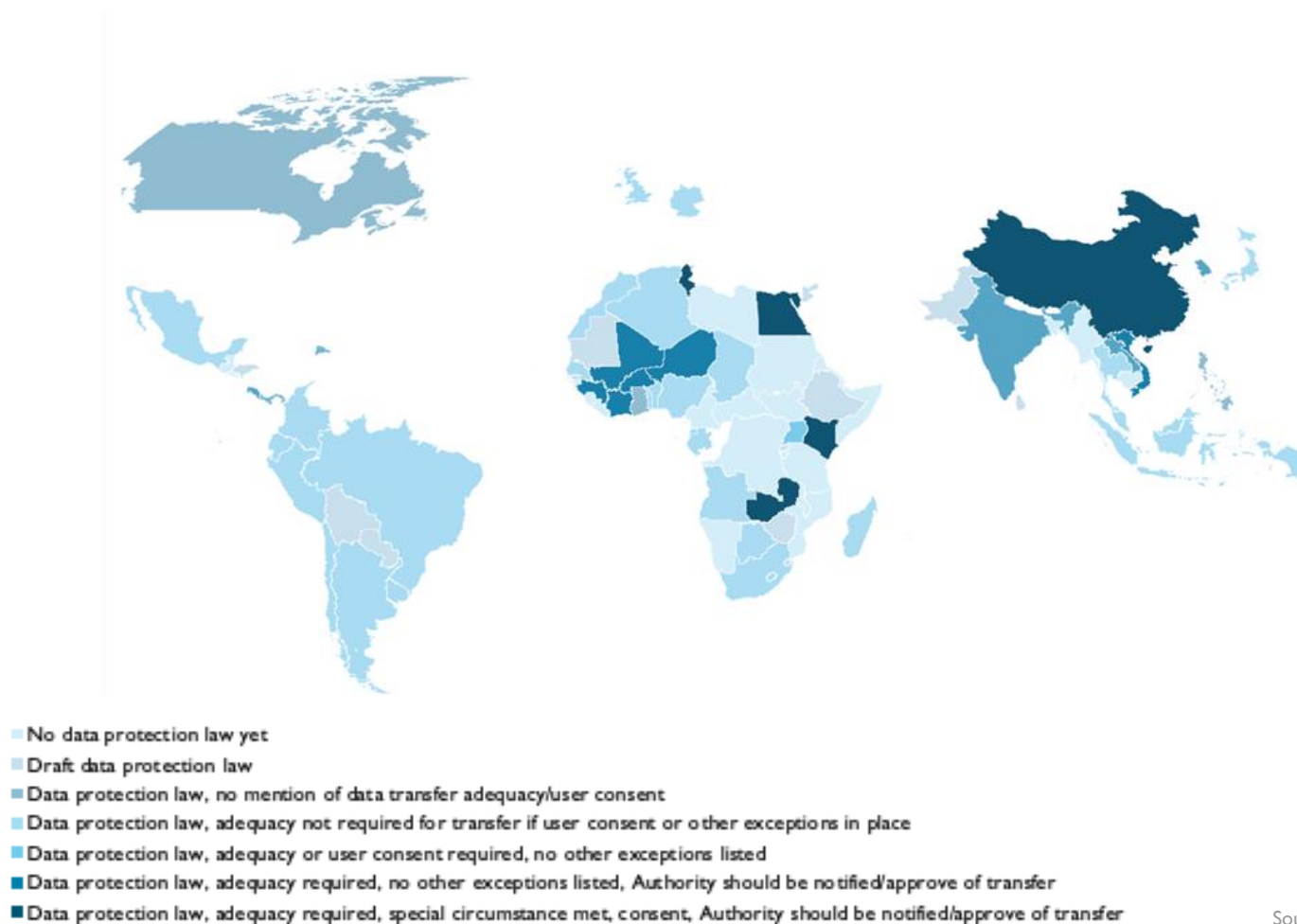


African countries' adoption of data privacy and transfer regulations, 2011-20



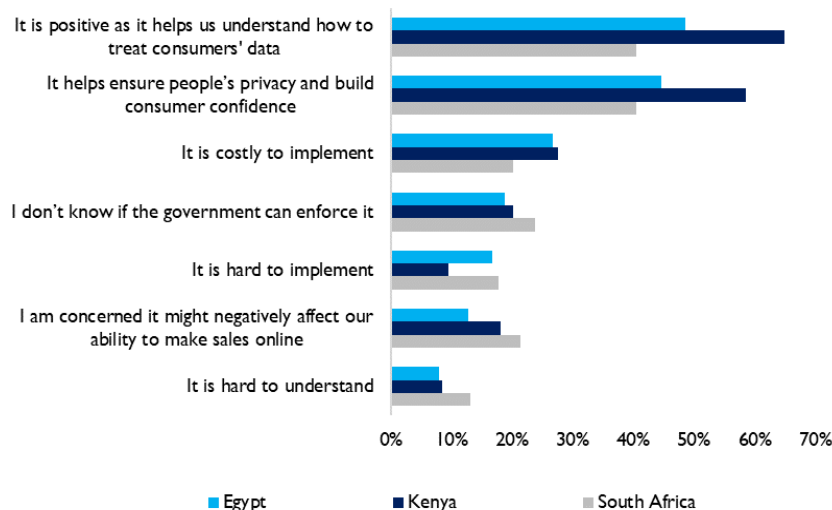
- No data protection law yet
- Draft data protection law
- Data protection law, no mention of data transfer adequacy/user consent
- Data protection law, adequacy not required for transfer if user consent or other exceptions in place
- Data protection law, adequacy or user consent required, no other exceptions listed
- Data protection law, adequacy required, no other exceptions listed, Authority should be notified/approve of transfer
- Data protection law, adequacy required, special circumstance met, consent, Authority should be notified/approve of transfer

## Same diversity or «fragmentation» around the world

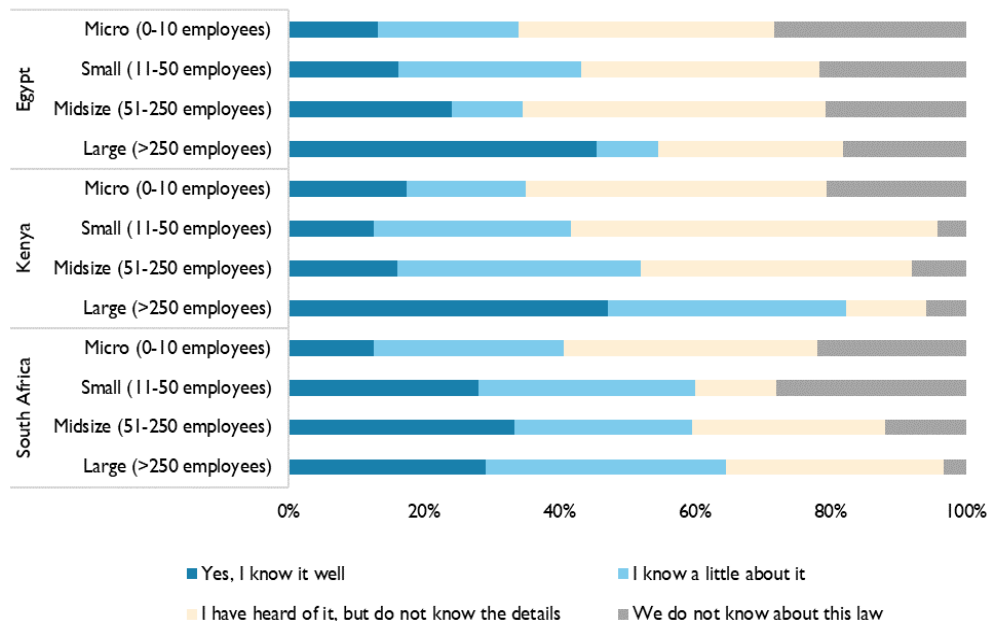


# Surveyed African firms find regulations as clarifying – but especially small firms still know only a little about regulations

## African firms' views on data privacy and transfer regulations in their countries

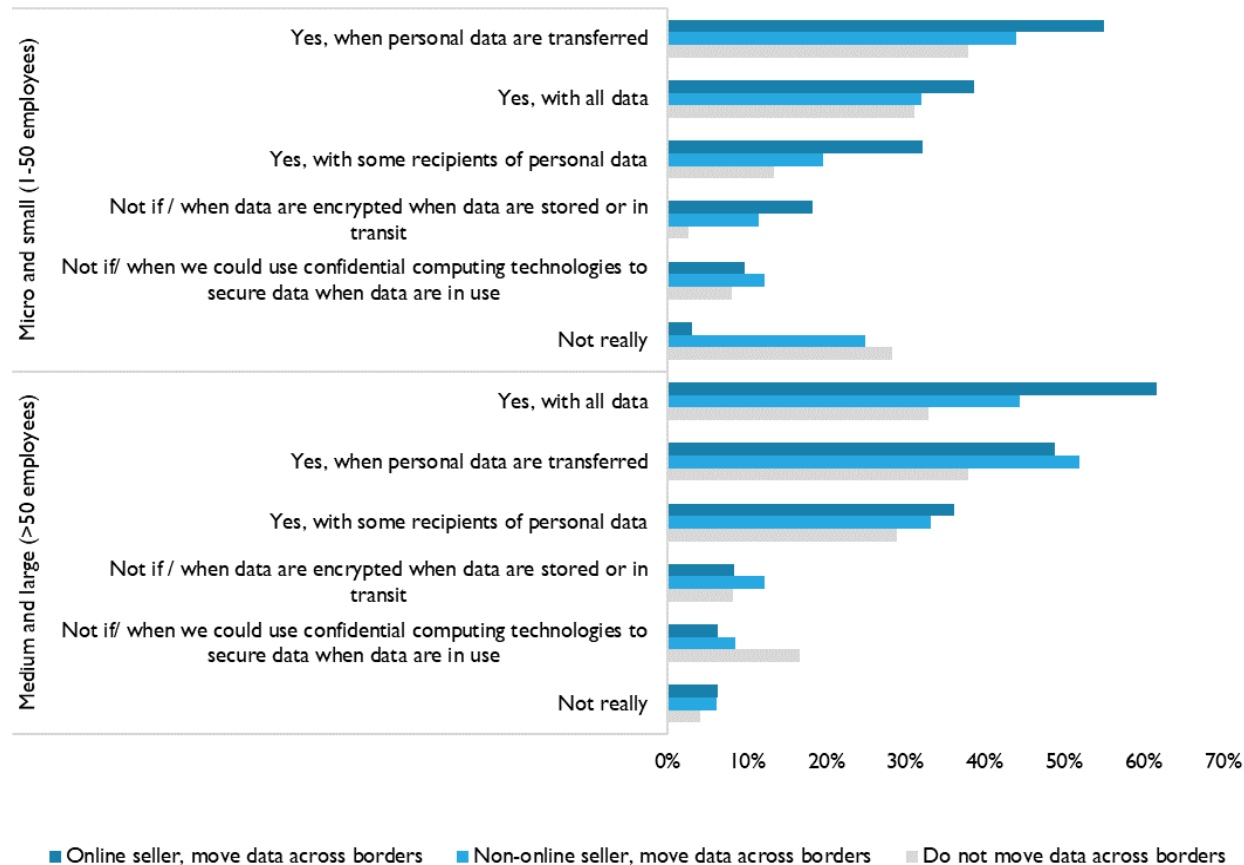


## African firms' knowledge of data privacy and transfer regulations in their countries, by firm size



# Surveyed African firms do not take data transfer to third parties lightly

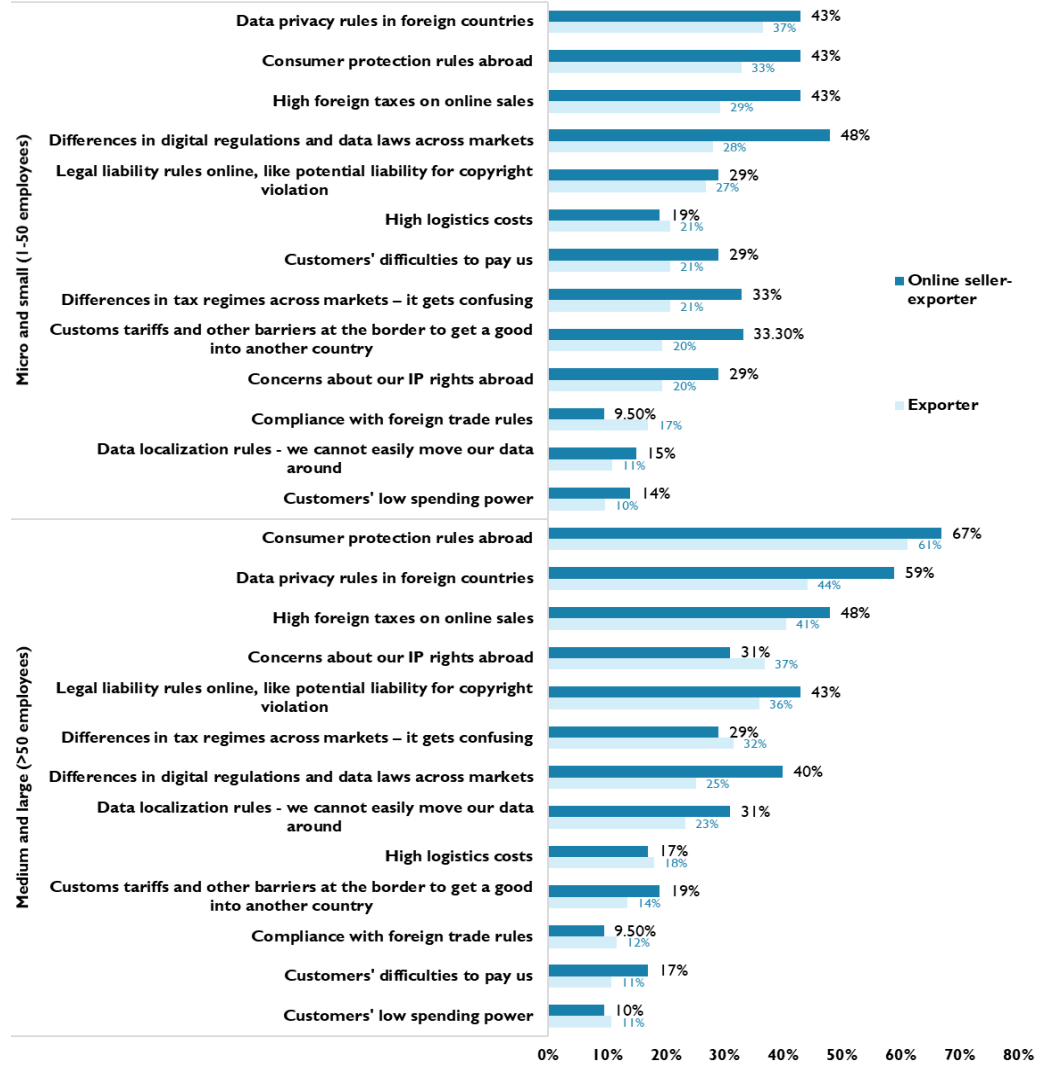
“Are you concerned about how a recipient of the data you transfer uses it?”





## African firms' main perceived policy challenges in exporting products or services online –

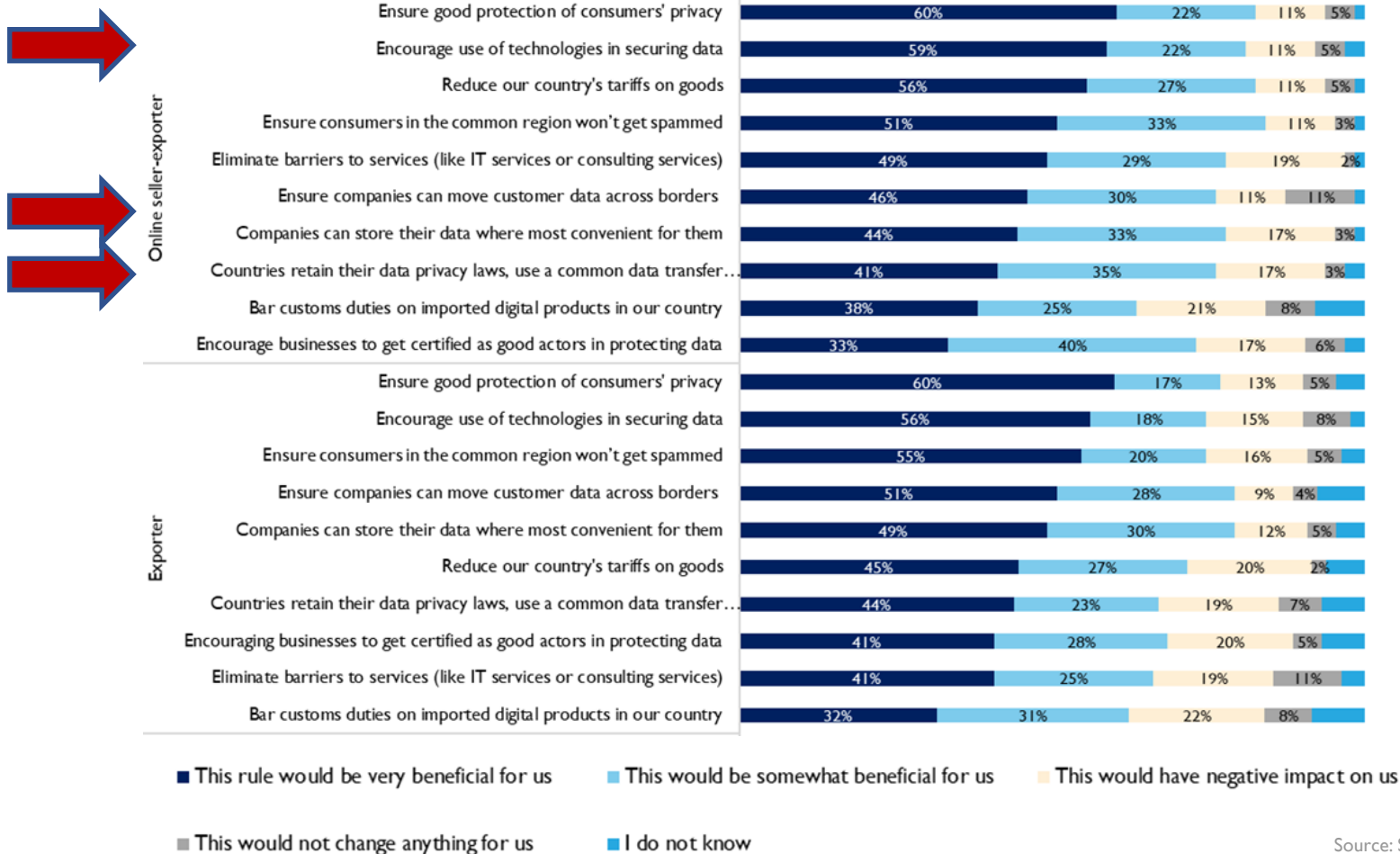
1. compliance with foreign data privacy rules and
2. regulatory fragmentation

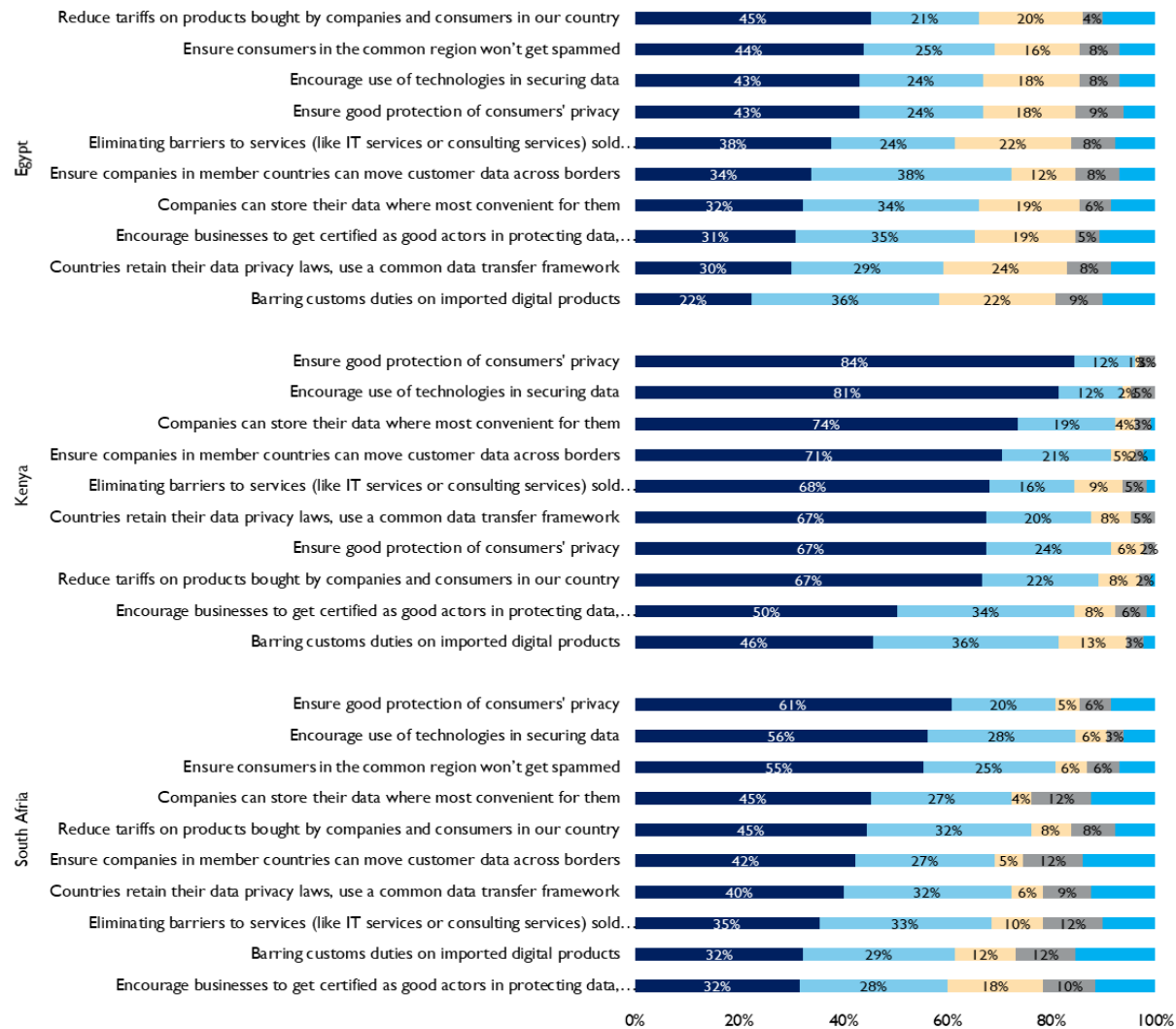


## Proposals

- **Strategy 1: Convergence - Ensure that national data privacy laws are more compatible**
- **Strategy 2: Choice: Enable African firms, particularly online sellers, to use and move data across borders safely and with ease. Templates:**
  - Asia-Pacific Economic Cooperation (APEC) Cross-Border Privacy Rules (CBPR) system
  - Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) (2018)
  - United States-Mexico-Canada Agreement (USMCA), which endorsed the CBPR system (2020)
  - Digital Economy Partnerships Agreement (DEPA), with Chile, New Zealand, Singapore (2020)

# Surveyed African firms see CPTPP- and USMCA-style digital trade rules positively for Africa



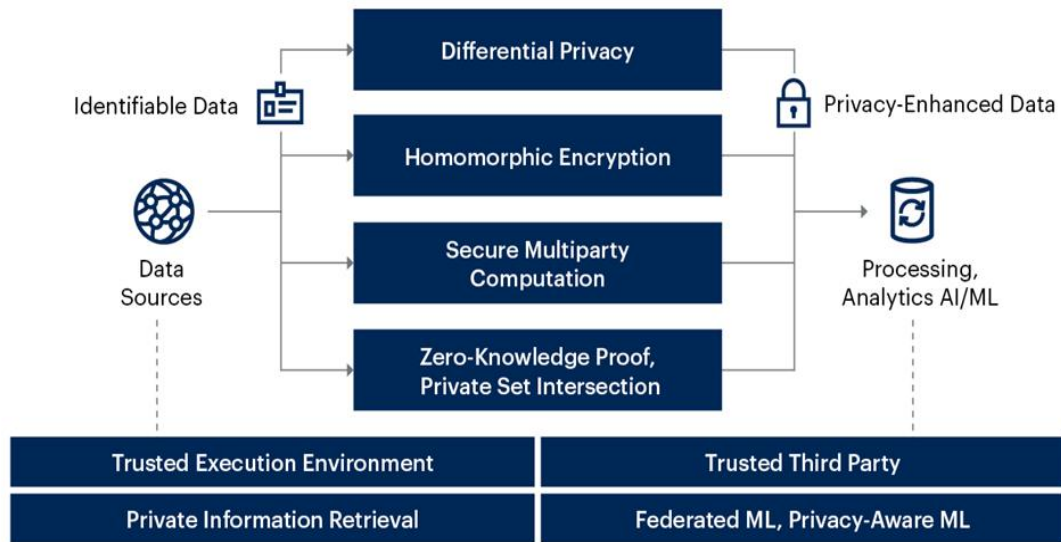


- This rule would be very beneficial for us
- This would be somewhat beneficial for us
- This would have negative impact on us
- This would not change anything for us
- I do not know

## Proposals

- **Strategy 1: Convergence** - Ensure that national data privacy laws are more compatible
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- **Tech can be a “policy solution”**: technologies that secure data at rest, in transit, and in use (e.g. encryption and confidential computing) are increasingly widely adopted

## Privacy-Enhancing Computation Techniques



Source: Gartner.

- Forecasts: by 2025, 50% of large organizations will seek to adopt privacy-enhancing computation for processing data in multiparty data analytics
- When fashioning data transfer policies, African governments could also support firms in piloting, adopting, and using these emerging technologies



Thank you



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