**Capitalizing E-commerce**

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Countries in the current arena are heading towards Artificial Intelligence (AI), knowledge economy and e-commerce as well as diversifying economies to meet the demands of the 21 century. E-commerce refers to the buying and selling of goods and services over the internet. This type of commerce allows businesses and consumers to transact with each other electronically, without the need for a physical exchange of goods or services. E-commerce includes a wide range of online activities, from online shopping and auction sites to business-to-business transactions between companies.

Pakistan has seen a significant increase in e-commerce activity in recent years. This can be attributed to several factors such as a growing middle class, increased internet penetration, and a rise in smartphone usage. Online shopping websites and marketplaces have become popular in the country, offering a convenient shopping experience to consumers.

E-commerce in 2021 contributed $5.9 billion to the economy of Pakistan. It was ranked as the 37th largest market for e-commerce placing it ahead of South Africa and Iran and behind Israel. Pakistan’s e-commerce with an increase of 45% in 2021, added 15% to the worldwide growth rate. A German company specialising in market and consumer data stated that the e-commerce market of Pakistan was estimated to create $7.666 billion dollars in revenue in 2022. The date reiterated that with an annual growth rate of nearly 6.09% between 2022 and 2025 the country’s e-commerce was projected to generate a market volume of $9.1 billion dollars by 2025.

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According to the State Bank of Pakistan (SBP), the country has the potential to accelerate its GDP by $36 billion and can create 4 million jobs by 2025 by increasing the use of digital financial services alone. Pakistan has 5,000 IT companies and call centres followed by 300,000 English-speaking expert IT professionals, 20,000 IT graduates and engineers and 13 software technology parks. E-commerce, perhaps, has a great potential its expansion, by and large, will buttress the national economic growth unprecedently.

The business in the post-Covid-19 period witnessed a hyper-growth, and the pandemic turned out to be a blessing as it accelerated online business. The pandemic impelled customers to go for digital purchases. In 2018, the UNCTAD B2C e-Commerce Index, ranked Pakistan 117 out of 151 countries on e-commerce having a value of 32.34 on the e-commerce readiness index. There has been considerable improvement in several online vendors such as online payment facilities and local e-commerce platforms initiated by banks including cellular service providers.

[Everything's nothing but play for Imran Khan, says Sharjeel Memon](https://www.nation.com.pk/14-Feb-2023/everything-s-nothing-but-play-for-imran-khan-says-sharjeel-memon)

The continued efforts of the government in the improvement of internet accessibility and financial inclusion in most parts of the country proved effective in the promotion of the e-commerce business. A young population compared to the old generation is more open to embracing technology stimulating e-commerce that invariably will provide job opportunities to more than 130 million in the next 30 years.

Pakistan nearly has 71 million broadband subscribers and more than 69 million 3G/4G subscribers making the country as one of the top untapped markets as far as the online business is concerned. Youths are motivated by e-commerce and are constantly engaged in business as well as prompting innovative ideas. In his book entitled ‘Passive Income’, Azhar articulated that Pakistan had multiple opportunities for the enhancement of economic growth via skill development associated with e-commerce. He, in this regard, met Arif Alvi who assured him that his efforts would not go in vain. The government would get maximum dividends from his innovative ideas to bolster e-commerce business.

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An increasing progress of Daraz.pk illustrates the business is flourishing rapidly in the country alone in 2022 was expected to generate one million direct and indirect jobs. World Bank report maintains that e-commerce is essential for economic growth and the creation of jobs, particularly in developing counties.

Meanwhile, there are numerous challenges being faced by e-commerce market. Pakistan is prone to cyberspace attacks and saw one million cyberattacks in January 2021. If data safety is not provided to businessmen and freelancers, the future of business would by all means be in jeopardy. Due to bureaucratic hurdles, there have been many challenges in the implementation of the National Cyber Security Policy 2021. The country, surprisingly, lags far behind in skilled workforce resulting in hampering the growth of e-commerce.

The sector lacks big players and is dominated by a few companies having their monopolies. On the contrary, the market requires a competitive environment. Pakistan has been witnessing a low market share of e-commerce constituting merely 2 percent of its retail market. PayPal is the world’s preferred digital payment is an exceedingly crucial component in allowing exporters to receive money with ease. Needless to say, PayPal is unavailable in the land of pure on account of various reasons. Pakistan also lacks global portals in advancement of e-commerce business. B2B and B2C such as Amazon and eBay are the essential global portals which sadly do not exist in Pakistan.

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In short, Pakistan needs to diversify its economy by initiating a new discipline of e-commerce in the universities, raising awareness regarding online business among the youth, improving the literacy rate with advanced education, providing speedy access of internet to the businessmen, spending a whopping amount on research and development, and shunning traditional approach of relying solely on the agricultural.