

Co-operative to Co-operative Trade: Taking Existing Achievements to Scale



International Co-operative Alliance
**Global Conference
and General Assembly**

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Co-operatives: Putting People at the Centre Of Development

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State of Ecommerce

- E-commerce has the potential to be a major engine for trade and development on a global scale if all stakeholders act together in the interest of all," UNCTAD Secretary-General Dr. Mukhisa Kituyi
- Globally, the electronic commerce, or ecommerce, market is worth around \$22.1 trillion, (UNCTAD estimates). Between 2013 and 2015, the value of online trade accelerated upwards, from \$16 trillion to \$22 trillion.
- B2B 19.9 trillion and B2C 2.2 trillion



State of Ecommerce

2

India 10th, B2B sales highest in the US

E-COMMERCE MARKET IN 2015, RANKED BY NUMBER OF BUYERS

COUNTRY	BUYERS (MILLIONS)	ANNUAL SPEND PER BUYER (\$)	B2C SALES (\$ BILLIONS)	B2B SALES (\$ BILLIONS)
China	413	1,508	623	2,078
US	166	3,072	511	6,072
Japan	57	1,994	114	2,380
Germany	41	1,270	52	966
UK	38	4,539	174	709
Brazil	33	376	12	112
Russia	30	756	23	700
France	26	2,916	72	600
South Korea	22	2,120	48	969
India	22	891	20	298



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E-commerce Ecosystem



“An e-commerce transaction is the sale or purchase of goods or services, conducted over computer networks by methods specifically designed for the purpose of receiving or placing of orders.” (OECD)

E-Commerce Ecosystem



ISEAS YUSOF ISHAK INSTITUTE

Increase cooperative's ability to trade



Benefits of facilitating cooperative-to-cooperative trade

- **Supports cooperative principles:** Helps members to implement cooperative principle 6, promoting cooperation between cooperatives
- **Responds to member need:** Provides a service for which ICA members have expressed demand
- **Increases value chain sustainability:** Reduces cooperatives' dependence on non-cooperative trading partners

Benefits of integrating cooperatives into global markets

- **Increases cooperative share of the economy:** Improves cooperatives' ability to compete with other enterprises to supply purchasers
- **Increases trade income for individual cooperatives:** Provides access to new and higher value markets
- **Raises awareness of the cooperative model:** Builds demand for cooperative products in markets where coops have a limited presence

Supports equitable production models all over the world



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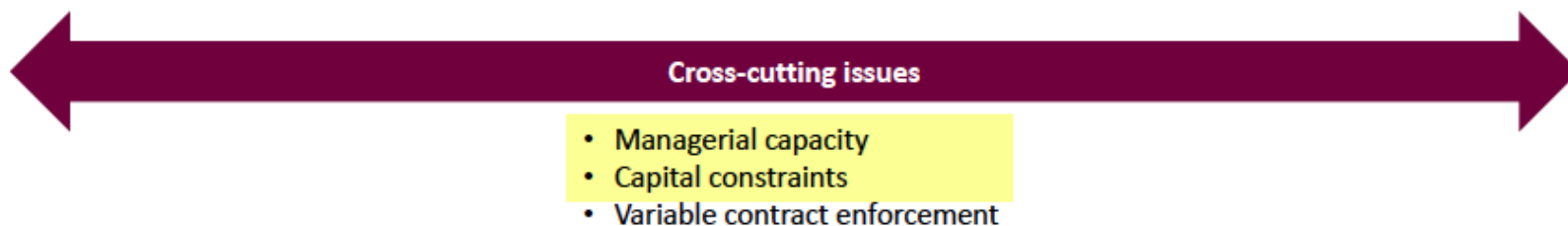
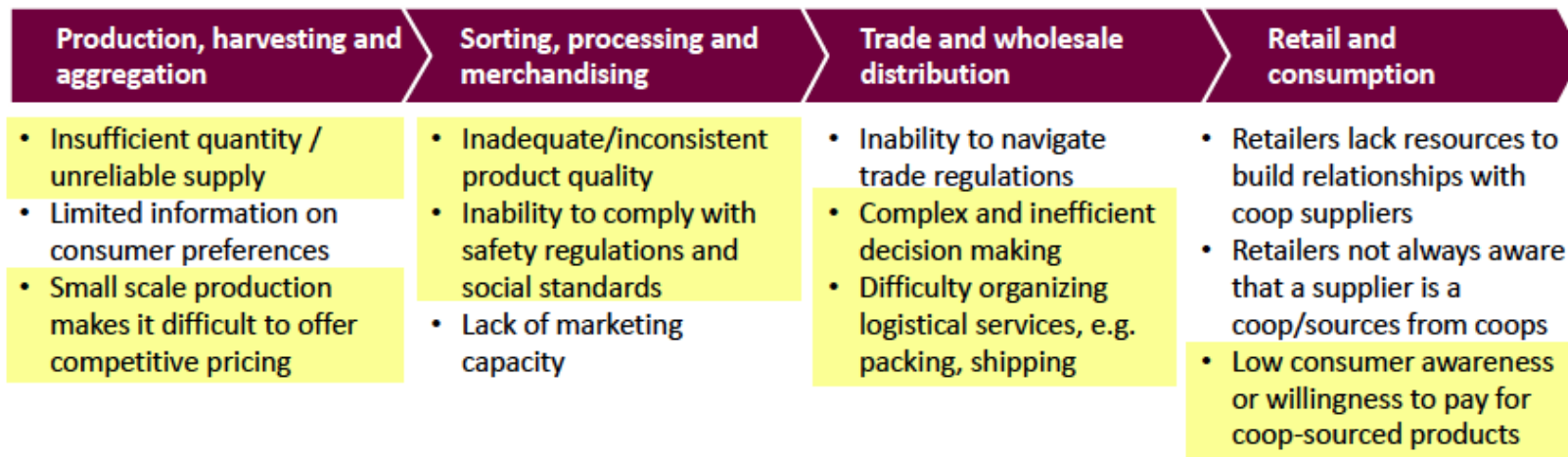


Increase cooperative's ability to trade













Barriers to cooperative-to-cooperative trade by value chain stage

Online platform unable to address*



No single solution will be able to address a significant portion of these barriers, so ICA will likely need to adopt a multifaceted approach and seek opportunities to partner



	Nature of impact	Perceived fit with ICA capabilities	Investment required	Revenue potential	Recommendation to ICA
Integrated coop database and expo 	Broad: can be accessed by all members	High: builds on existing ICA initiatives and past ACI Americas experience	Moderate: builds on existing events; sizeable IT investments required	Moderate: can be monetized, but fixed fee model would keep revenues down	 Investigate further
Partnership with PAFEXE 	Mixed: can be accessed by all*, some to receive more support	Low: limited existing capabilities or prior experience, reliant on partner model	Low: PAFEXE funded largely from grants; ICA's investment relatively small	Low to moderate: bulk of revenues likely to accrue to PAFEXE	 Investigate further
Enforceable code of trade conduct 	Broad: can be accessed by all members but unclear demand from target users	Moderate: some existing capabilities and prior experience thanks to coop principles	Moderate: little existing infrastructure; low-touch model requires low investment	Moderate: revenue sources include dispute resolution fees and commission from guarantees	 Rule out due to low demand**
Multiservice logistics support 	Mixed: accessible by all members, most helpful to non-exporters	Low: limited existing capabilities or prior experience, reliant on partner model	Moderate to high: human resource heavy and significant time to ramp up	Moderate to high: proven revenue model	 Investigate further
Technical assistance provision 	Deep: customized support for a few members	Low: limited existing capabilities or prior experience	High: would require a financing partner (donor)	Low: high degree of risk can overshadow gains	 Rule out due to lack of revenue**

Increasing complexity of execution

(*) In the long run, once platform gains scale;
 (**) Details on the two options that were filtered out are available in Annex 6



Promote C2C trade Kunming eCommerce Workshop



- Common e portal
- ICA liaise with governments to simplify procedures
- Trade forums
- Education/ training for members
- Set standards
- Trade delegations
- Promote a single brand COOP to rival commercial
- ICA or similar establish a center to facilitate—FX, dispute resolution documentation, credit facilities