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FOURTH INDUSTRIAL REVOLUTION AND DIGITAL TRANSFORMATION

DHAKA TUESDAY FEBRUARY 15, 2022, FALGUN 2, 1428 BS **9**

Addressing the accountability challenges of e-commerce in Bangladesh

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As a fast-growing economy blessed with favourable demography and high domestic consumption, Bangladesh has seen significant growth in the e-commerce sector. The government's resources to digitally empower the country, along with the Covid-19 pandemic that forced many brick-and-mortar shops and their consumers to turn online, fostered business. However, due to some unscrupulous e-commerce organisations, the sector is battling to regain consumers' trust and is calling for robust policy support implementation.

The sector is still in its growth phase, at an estimated BDT 22,000 crores. It is predicted to be worth nearly BDT 26,000 crores in the next two years. Since 2015, the growth of this sector was 25 percent; in 2020, the growth stood at 70 percent, and in 2021 the growth slowed down to 40 percent.

Apart from frauds trapping consumers with big discounts and delivering subpar or no product, mismanagement

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and a faulty ecosystem also instigate consumers' mistrust in the sector. With inefficient digital and financial literacy, sellers enter the market without proper development and struggle with the incompetent logistic management system. At the same time, merchants deceive sellers by exaggerating product stock. In

the end, consumers are met with delayed product delivery.

On July 4, 2021, the Ministry of Commerce issued the Digital Commerce Operation Guidelines and increased surveillance by law enforcement agencies to reinstate stability in the sector. In case of failure to comply with the guidelines, the government can close down the company. Consumers can also lodge complaints with the Consumer Rights Protection Department and relevant courts.

The Bangladesh Bank also mandated the escrow system to prevent e-commerce embezzlement and fraud. The system acts as a third party that receives money from the customer, holds it, and disburses it to

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the seller once the delivery is confirmed. Upon delivery failure, the system returns the advance payment made by the clients.

Along with this, the Ministry of Commerce is bringing the e-commerce companies that run through social media, including Facebook, under registration of Unique Business ID. This step will increase consumer confidence and make entrepreneurs benefit from various financial aids provided by the government and private business organisations. These benefits were inaccessible before due to many businesses not being registered.

However, this does not evaporate all problems in the sector since many businesses have yet to adhere to guidelines. The entire business

ecosystem still needs interoperability and atomisation, like having a Central Logistics Tracking Platform (CLTP) and Central Complaints Management System (CCMS). Both the systems are under development with the help of the Aspire to Innovate (a2i) Programme of the ICT Division, which can equip the ecosystem with accountability and help the government track revenue.

The CCMS will receive customer grievances and settle them by the concerned e-commerce platform, with assistance from the e-Commerce Association of Bangladesh and the World Trade Organisation (WTO) cell of the Ministry of Commerce. Alternatively, the complaint will be automatically sent to relevant government agencies to take proper steps with the consumer's consent. The process could reduce fake complaints drastically, increase complaints redressal, make it easy for everyone to verify the value chain, increase transparency, and significantly reduce the possibility of fraud.

The barrier of access to cheap internet remains, although the country has seen a digital and network connectivity boom for the past decade. As long as there is a lack of cheap internet availability and speed in our remote areas, our e-commerce industry's growth will continue to be hindered.

Another critical factor in developing and sustaining the e-commerce ecosystem is educating all the stakeholders. Consumers, not just sellers and merchants, need to be aware of specific issues. Before purchasing any product, they need to know details like the returns policy and delivery and payment methods. Glamorous advertisements or skyrocketing discounts should not fool them. In most cases, those can lead to fraud.