E-COMMERCE DEVELOPMENT IN RUSSIA
AND PERSPECTIVES OF CROSS-BORDER E-COMMERCE

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Cooperation and Special Projects
NATIONAL E-COMMERCE TRENDS

- Annual growth in e-commerce sales
- Increase in competition on marketplaces
- Active use of the faster payment system (SBP)
  *Service of the Bank of Russia
- Further application of AI solutions for online businesses
TOP 10 MOST POPULAR MARKETPLACES GLOBALLY, 2023
(MLN VISITS/MONTH)

Amazon (USA) - 4,790
eBay (USA) - 1,210
Rakuten (Japan) - 563
Shopee (Singapore) - 560
Aliexpress (China) - 525
Etsy (USA) - 447
Walmart (USA) - 408
Mercado Libre (Argentina) - 363
Wildberries (Russia) - 343
Ozon (Russia) - 316

Source: Webretailer, 2024
TOP 10 RUSSIAN E-COMMERCE PLAYERS

Source: Data Insight Company
<table>
<thead>
<tr>
<th>Law/Regulation</th>
<th>Description</th>
<th>Link</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Code of the Russian Federation</td>
<td>information intermediary; responsibility for intellectual property rights violation</td>
<td>link</td>
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<tr>
<td>Tax Code of the Russian Federation</td>
<td>tax rate for organizations which carry out activities in the sphere of information technologies; taxation on profits from granting the rights to place online offers for goods and make sales</td>
<td>link</td>
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<tr>
<td>Law on Consumer Rights Protection</td>
<td>definition and liabilities of an owner of information aggregator; sanctions for providing incomplete or incorrect information; unacceptable terms of the contract violating consumer rights</td>
<td>link</td>
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<tr>
<td>Law on the Protection of Competition</td>
<td>anti-monopoly provisions</td>
<td>link</td>
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<tr>
<td>Law on Personal Data</td>
<td>personal data protection</td>
<td>link</td>
</tr>
<tr>
<td>Law on Information, Information Technologies and Information Protection</td>
<td>online information placement</td>
<td>link</td>
</tr>
<tr>
<td>Draft Law on Marketplaces Regulation (in process)</td>
<td>definitions of a marketplace, a marketplace owner; marketplace data disclosure; regulation of fees (including for the return of goods paid by customers) and prices for services provided to businesses</td>
<td>link</td>
</tr>
<tr>
<td>Principles of Interaction between Participants in Digital Markets</td>
<td>platform operation rules, quality of service, respect to the rights of users</td>
<td>link</td>
</tr>
<tr>
<td>Good Practices for Interaction of Marketplaces with Copyright Holders and Sellers to Prevent Sales of Counterfeit Goods</td>
<td>opportunity of a copyright holder to carry out a test purchase and subsequent examination to check that counterfeit goods are not being sold on the marketplace</td>
<td>link</td>
</tr>
<tr>
<td>Standards of Interaction between Marketplaces and Owners of Points of Order Issuance</td>
<td>definitions of a marketplace, a point of order issuance and an owner of a point of order issuance; obligatory rules of interaction for parties which signed the agreement on their approval</td>
<td>link</td>
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**AUDIENCE OF THE RUSSIAN E-COMMERCE MARKET, 2023**

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Number/Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of online shoppers in Russia</td>
<td>70 million people</td>
</tr>
<tr>
<td>Internet users</td>
<td>97,5 million people</td>
</tr>
<tr>
<td>Sales via mobile apps</td>
<td>79%</td>
</tr>
<tr>
<td>Share of non-cash payments</td>
<td>87%</td>
</tr>
</tbody>
</table>

Source: Online Retail Association (AKIT), Russian Association for Electronic Communications, Mediascope
RUSSIAN E-COMMERCE MARKET 2014 - 2023, BILLION $

Source: Online Retail Association (AKIT), Sberbank
RUSSIAN E-COMMERCE MARKET, 2023

- **Year-on-year growth** – 27.5% (about $71 bln).
- **Domestic e-commerce** – 97%, **cross-border e-commerce** – 3%.
- **Top 4 regions for e-commerce sales** (domestic/cross-border e-commerce): Moscow (17.8% / 14.4%), Moscow region (9.2% / 7.9%), Saint Petersburg (6.1% / 5.6%), Krasnodarsky Krai (5.3% / 5.6%).
- **Top 5 popular goods in e-commerce** (% of all sales)

<table>
<thead>
<tr>
<th>Domestic e-commerce</th>
<th>Cross-border e-commerce</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) digital equipment and household appliances – 15.1%</td>
<td>(1) digital equipment and household appliances – 32.2%</td>
</tr>
<tr>
<td>(2) furniture and household goods – 14.9%</td>
<td>(2) furniture and household goods – 20.2%</td>
</tr>
<tr>
<td>(3) clothing and footwear – 14.6%</td>
<td>(3) digital goods – 14.4%</td>
</tr>
<tr>
<td>(4) food – 13.8%</td>
<td>(4) auto parts and accessories – 5.9%</td>
</tr>
<tr>
<td>(5) health and beauty products – 7.6%</td>
<td>(5) others (goods for children, accessories, pet shops, pharmacies, jewelry and watches, books, gifts and flowers) – 5.4%.</td>
</tr>
</tbody>
</table>

Source: Online Retail Association (AKIT)
E-COMMERCE: SMES PERSPECTIVE

- **2019 – 2022**: 13-fold growth of the number of SMEs in e-commerce (9105 to 117844)
- **2024**: 387 000 SMEs in e-commerce
- **Government financial support in 2023**: $55,5 mln
- **Digital platform for SMEs MSP.RF**
- **Capacity building**: service “Sales on Marketplaces and through Social Networks”; program of the Ministry of Economic Development and Avito Services platform to support SMEs in their online promotion
**E-COMMERCE EXPORTS**

- Russian Export Center (REC) has created a complex service system for export e-commerce “My Export” digital platform

- **Capacity building**: online course “Opportunities of Online Trade for Exporters”

- >150 electronic trading platforms in the REC database of marketplaces

- >110 service partners for placement and promotion

- >150 thematic webinars on e-commerce for exporters since 2020

- >3000 Russian exporting companies got support from the REC in e-commerce (2022)
E-COMMERCE REGULATION IN THE EURASIAN ECONOMIC UNION

Amendments to the EEU Tax Code (2023)

- introduced a new form of the declaration
- put e-commerce goods into a separate category
- introduced the institute of an e-trade operator
- use the procedure of customs warehouse in relation to e-commerce goods

Source: Federal Customs Service of the Russian Federation
Main benefits from the transition to paperless trade systems:

- reduction of material and time costs of international traders, including SMEs (expected reduction is 24%, or more than $2.5 billion)
- minimization of administrative barriers
- increase in transparency of foreign trade transactions

Expected outcomes within the GTI:

- joint pilot projects on cross-border paperless trade between the GTI members
THANK YOU!

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