

'SMEs should leverage on e-solutions'

The Peninsula

With the growing penetration of online trade and digital payment system, Small and Mid-sized Enterprises (SMEs) should leverage on e-solutions to integrate with global value chains, and improving efficiency and competitiveness, said a top executive of Doha Bank at a conference.

"The digital economy has enabled trade in goods and services that are still being produced in essentially the same way, but where trade costs have fallen through the use of the Internet, this is known as e-commerce. The trade itself is happening through digital channels, and where the goods and services concerned are 'embodied' in digital form. This can be thought of as digital trade," said Dr R Seetharaman, CEO of the Bank, speaking on 'E-Commerce as a tool for better SME integration into Global Value Chains' at Qatar Chamber's 2nd SME Conference which concluded yesterday at the Ritz Carlton, Doha.

Dr Seetharaman said: "SMEs using e-trade and digital platforms outperform traditional exporters. E-trade

Integrating SMEs

▶ SMEs tend to be more productive and innovative when exposed to competition and new technologies.

▶ SMEs that use the Internet extensively tend to export more as much by export value when compared to those that doesn't.

is enabled for SMEs through digital channels by digital trade finance. Doha Sooq which follows the e-commerce model remains the first site of its kind in Qatar that offers online shopping and delivery of items anywhere in Qatar."

Providing an insight on digital trade finance, he added that trade is going digital and companies are set to reap huge benefits, avoiding lengthy delays while papers get physically checked, stamped and transported between parties.

"Online trade finance portals, as well as competition from nonbank providers in trade document management and supply chain finance, have forced



Dr R Seetharaman, CEO of Doha Bank, speaking on 'E-Commerce at the 2nd SME Conference organised by Qatar Chamber, which concluded yesterday at Ritz-Carlton, Doha.

banks to up their game. A number of product innovations, including new instruments such as the bank payment obligation, have facilitated the development of more stream-lined, automated trade settlement for multinationals."

Commenting on SME trade finance, Seetharaman highlighted that GCC regional banks offer a range of trade finance services, from traditional trade financing to more advanced solutions such as structured trade financing that enable the

purchase and sale of goods on an international scale.

He said: "SMEs play an integral role in international trade and their wellbeing is essential to promoting economic development in a sustainable fashion. Banks are also seen investing in increased awareness, enhanced end-to-end customer experiences, renewed technologies and improved transparency through active data management, ultimately leading to productive solutions for their SME clients."

He stressed that SMEs that use the internet extensively tend to export more as much by export value when compared to SMEs that use the internet sparingly, and they tend to reach a larger number of countries. SMEs that export generally enjoy higher productivity, better wages and are more innovative, because they are exposed to competition, best practices, new technologies and higher-quality products.

"E-trade brings all of these benefits one step closer to SMEs, because it offers market access to an unprecedented number of customers and lowers the costs of cross-border trade. SMEs should leverage on e-solutions to integrate with Global value chains," added Seetharaman.