

E-solutions to help SMEs integrate with global value chains, says Seetharaman

Small and medium-sized enterprises (SMEs) should leverage on e-solutions to integrate with global value chains, Doha Bank CEO Dr R Seetharaman said.

Speaking in a panel at the '2nd SMEs Conference' held yesterday, Seetharaman said SMEs that maximise the use of the Internet "tend to export more as much by export value compared to SMEs that use the Internet sparingly."

He said 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," Seetharaman stressed.

During the discussion, Seetharaman differentiated e-Commerce from digital trade: "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."



Seetharaman gestures during the panel discussion at the '2nd SMEs Conference'.

Seetharaman said SMEs using e-Trade and digital platforms outperform traditional exporters; e-Trade 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," he said.

On digital trade finance, he said 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 banks to up their game, he stressed.

On SME trade finance, he said 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.