

Growth of KSA's e-Commerce sector complements nationwide digital literacy initiatives

Kingdom's e-Commerce transactions reach SAR 12 billion, biggest in Arab World

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An economic report released by the Arab Advisors Group, a specialised research, analysis and consulting company focusing on communications, media, technology and financial markets throughout the MENA region, revealed a 9.3 per cent current growth in the KSA's Information Technology (IT) sector. The report ranked the Kingdom first among Arab countries in terms of e-Commerce growth, as the value of e-Commerce transactions in Saudi has peaked at SAR 12 billion. It further showed that 3.5 million internet users or 14.26 per cent of the Saudi population were engaged in e-Commerce transactions. The results affirmed the country's emergence as an ideal market for regional e-Commerce activities.

The report attributed the boom in e-Commerce use to a substantial growth in the number of internet users, many of whom have become familiar and confident with using credit card for online transactions. Results also indicated a substantial increase in e-payment companies; the inclusion of new sectors such as airlines in e-Commerce transactions; and the immense popularity of electronic interactive games. The document noted that the youth represents 50 per cent of the Saudi population and that regional e-Commerce has grown 300 per cent in the past two years.

Government support was also identified as a key factor in domestic e-Commerce growth, as exemplified by the Saudi Monetary Agency's establishment of the SADAD Payment System, a nationwide network that processes electronic payments from citizens throughout the Kingdom. The special system embodies the KSA's commitment to support financial transactions over a secure electronic environment via internet, the phone or ATMs.

The growth of e-Commerce and the overall IT sector along with the steady increase in the number of internet users form an ideal foundation for further expanding national digital literacy initiatives and promoting International Computer Driving Licence (ICDL) projects supervised by ICDL Saudi Arabia, the governing body and certification authority of the ICDL program in the KSA. These will help promote greater awareness on the importance of an IT culture; empower a new generation to leverage modern technology to develop the national economy; and direct the KSA's digital transformation in its quest to become an integrated knowledge-based society.

ICDL's e-Citizen program, for its part, plays a vital role in supporting efforts in the KSA and across the Gulf to promote awareness about the importance of

digital culture and utilising IT to accelerate the socioeconomic development. The program empowers individuals with the skills to use computers and several other publicly available online services, including those using the e-Commerce platform. The e-Citizen syllabus includes three main parts: the Foundation Skills Block, the Information Search Block, and the e-Participation Block, which teaches the use of locally available online services for news, e-government transactions, employment, travel and the purchase of products and services over the internet.

Dr. Sulaiman Al Dhalaan, Managing Director, ICDL Saudi Arabia, said: “E-Commerce has become a key element in economic development, considering the current existence of 7.7 million internet users across the country. It promotes domestic and foreign trade and encourages competitiveness among commodities and industrial products through online marketing. The Kingdom is thus pursuing the adoption of the ICDL program on a large scale to cover the various segments of Saudi society. This will help develop e-Commerce by aligning the qualifications of Nationals with job market needs and teaching them relevant basic skills through the use of computers and Information Technology; hence advancing sustainable economic development in the KSA and throughout the region.”

“The growth of e-Commerce relies on the availability of highly qualified human resources and modern infrastructure. In line with this, various concerned organisations, government agencies and universities in the KSA intend to adopt ICDL certification extensively as a basic criterion for integration in the job market. This will play an important role in achieving the common strategic goal of digital literacy. We shall definitely continue our efforts to gain private and public sector support for programs that promote e-Commerce, and in the process help in the creation of new types of jobs and job opportunities,” he added.

E-commerce covers a wide range of activities, including marketing; publicity; advertisement; electronic negotiations and contracting; and the immediate delivery of commodities and services via websites and other channels. It also involves bill settlement and prompt payments of financial obligations.