E-Commerce Code of Conduct
An Industry Engagement

The year 2022 was one of the slower growths for e-commerce because the markets reverted to pre-pandemic levels. However, merchants, analysts and investors are optimistic that online shopping will continue to grow in 2023. It has been projected that worldwide e-commerce sales will surpass $6 trillion in valuation and make up more than 22% of total retail sales, up from $3.4 trillion in 2019[1] .

Notorious Markets List?

However, in 2022 Review of Notorious Markets for Counterfeiting and Piracy, U.S Government stated the Notorious Markets List (NML) is an important tool that urges the private sector and trading partners to take action against harmful practices.

Starting from 2020 to 2022, the NML has identified a continuing and growing concern about proliferation of counterfeit sales facilitated by social commerce platform which includes social media platforms with integrated e-commerce ecosystems. This rising concern has coincided with the continued growth of e-commerce and the increased movement of many physical sellers to predominantly online platforms.

Among 39 online markets stated in NML[2] , the Review alleged some famous popular chat app with more than a billion active users and e-commerce platforms have and have been providing an e-commerce ecosystem that facilitated the distribution and sale of counterfeit products to users of respective platforms.

Unstable or unreliable services by e-commerce stakeholders are usually represented by different level of customer satisfaction survey conducted by e-commerce service providers. The survey would cover elements included but not limited to delivery cost, tracking, speed, delivery location, customs, and shipment returns.

Source:
- 1. Supply Chain Brain, 2022
- 2. OFFICE of the UNITED STATES TRADE REPRESENTATIVE – EXECUTIVE OFFICE OF THE PRESIDENT, 2022

IATA E-Commerce Code of Conduct

As air cargo is an essential component of cross-border e-commerce. IATA would carry on the role to advise the industry and enhance understanding of the opportunities and challenges that exist and anticipate online consumer and e-tailer needs so that airlines can capitalize on e-commerce growth.

Therefore, IATA would like to advocate the benefits of having E-Commerce Code of Conduct to the industry. The Code of Conduct is to be endorsed by all stakeholders of the air cargo and air mail supply chain to ensure that no counterfeit, prohibited, dangerous, unethical, non-sustainable goods are transported by air.

The objective is to help airlines to be ready to provide the right service to their business partners and for the business partners to raise awareness of the requirements in air transport as well.

Proposed IATA E-commerce Code of Conduct
Safety & Security for consumers, carriers and authorities
Providing promised value to consumers
Discouraging crime by ensuring transparency and cooperation
Digitizing the industry for improved efficiency, visibility and integration
Improve ease with which consumers and shippers can obtain pricing and market information of different products
Enabling seamless and compliant performance of formal processes
Supply-chain effectiveness, resilience & sustainability
Unlocking capacity development

Show Must Go On

Despite how the forecast of e-commerce would be, purchasing online would be more and more convenient when comparing the past. Customer expectation could only be higher and higher.

IATA would carry on engaging with key stakeholders with the objective to create strong working relationships with e-commerce players and motivate them to engage with IATA initiatives, especially on safety, security and sustainability through a mutually agreed global Code of Conduct.

In coming IATA World Cargo Symposium 2023 in Istanbul, IATA will organize E-Commerce and Air Cargo Think Tank so that more information, insights and sharing relating to Code of Conduct will be available.

More information about IATA e-commerce monitor are available at https://www.iata.org/ecommerce/.