

Chapter 2

Digital Entrepreneurship and E-Commerce: Opportunities and Challenges for Bhutan's International Trade

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ABSTRACT

This research chapter explores the opportunities and challenges presented by digital entrepreneurship and e-commerce for Bhutan's international trade. Bhutan, a small landlocked country in South Asia, has traditionally relied on traditional trade methods. However, with the advent of digital technologies and the growth of e-commerce, new avenues for international trade have emerged. This chapter examines the potential benefits of digital entrepreneurship and e-commerce for Bhutan, while also addressing the challenges that need to be overcome for successful integration into the global digital economy. By analyzing the current state of digital entrepreneurship and e-commerce in Bhutan, this research aims to provide valuable insights for policymakers, entrepreneurs, and stakeholders involved in shaping Bhutan's international trade strategies.

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INTRODUCTION

E-commerce or internet sales have shown a remarkable increment over the years. It is estimated that by the year 2026, out of total retail sales worldwide, approximately 24% of retail sales will be done over online platforms (Daniela Coppola, 2023). With its growth rate of approximately 2% (Daniela Coppola, 2023), online sales and e-commerce are surely going to play a very crucial role in the development of any economy across the world. None of the countries can keep itself aloof from this e-commerce wave. At least, looking at the volume of online trade happening across the world no country can have doubt in this regard. This is very much evident from the fact that the total volume of e-commerce is expected to touch approximately \$ 8 trillion (Baluch, 2023). If we further go with data then, country wise China is the biggest market for e-commerce with a total size of approximately \$ 1500 Billion followed by the USA with approximately \$ 800 billion and Japan with approximately \$ 240 billion as of 2022 (Cox, 2023).

E-Commerce plays a crucial role in adding value to the total GDP of a country. Bigger economies of the world have significant contributions to their GDP from sales over online platforms, viz. China's e-commerce share to GDP is 6% whereas for America it is 3% (Dykes, 2022). This clearly signifies the importance of e-commerce to any country's growth and its economic health.

Looking at the importance and contribution of the digital revolution and its contribution to the economy, governments all over the world promote and develop such environments which are conducive for the digital economy and infrastructure to flourish (Chen et al., 2021). This rise and dependency on digital technology is relatively a recent phenomenon. Since only last decade the digital technology has emerged to such an extent that it has propelled various digital technologies and supporting infrastructure to develop and has further changed the way we have worked, dealt and transacted over various platforms (Jafari-Sadeghi et al., 2021). Especially during the years of 2020 and 2021 when the whole world was gripped under the clutches of COVID-19, there was emergence and increment in the speed and how we do our business. This was a period when digital transformation and technology took a new stride and reached another level (SECUNDO et al., 2021). The digital revolution which happened during the period of COVID – 19 brought a new approach to doing business. The whole of the business process saw a shift from a more traditional way of doing business to a more technology-driven way. It provided an altogether new approach to delivering the product as well as services. In other words, there was an altogether new concept and understanding of business and its process (Jafari-Sadeghi et al., 2021). Thus, with all these opportunities and possibilities which this digital transformation has brought, i.e., shifting from more of an offline format to online/digital mode, has led to a new form of activity which can be called as “digital entrepreneurship”.

Since every economy across the globe is trying their best to get perfect utilisation of this digital wave to benefit their country's economic health and in turn also bring employment benefits to the country, this article attempts to understand the status and level of digital entrepreneurship in Himalayan nation of Bhutan. While doing so, it will fathom the policies and regulations which the Royal Government of Bhutan has, pertaining to nurturing, development and growth of a conducive environment for digital entrepreneurship in the country. Further, this article will also understand the initiatives taken by entrepreneurs to enter this area of digital entrepreneurship, their current status and their future prospects by taking the case study of an organisation already working in the digital domain. To set the background for this research chapter an attempt has been made to understand Bhutan's international trade scenarios and the contribution of e-commerce.

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