

Coronavirus as a Blessing in Disguise for Digitization Process: Where does Pakistan stand?



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Rawalpindi Chamber of Commerce and Industry
Authored by: Rafia Riaz
Internee R&D



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The plundering caused by Coronavirus would be remembered by people in decades to come. The pandemic has caught the entire world into its brutal grip with severity of the disease varying across the countries. The devastating impacts on world economies are intense and they would take years to find ground again. However, the loss of precious human lives can never be compensated. Coronavirus has negatively impacted all the arenas of life but there is one field which strengthened its foothold in these times of misery; the field of digitization. Owing to the highly contagious nature of the disease, people are advised to avoid social gathering, unnecessary travel and going out of homes. We may not be able to stay close to each other physically, but we still need to communicate with each other, socially as well as professionally. This is where the role of digitization comes in. Even prior to outbreak, the digitization process was speedily making our daily lives convenient but the pandemic has proved that countries armed with digital development are better equipped to fight such situations.

In the wake of the coronavirus outbreak, digital epidemiology is emerging fast. We are witnessing the involvement of major tech actors who are exploring and exploiting the potential of artificial intelligence (AI), big data, and other emerging technologies in predicting, monitoring, and preventing the adverse effects of the crisis. China's top tech giants have opened their AI and cloud computing solutions to researchers for free to use the full potential of these technologies to predict the course of disease development and find a vaccine for the virus.

China and South Korea, are already using smartphone apps to monitor people with the disease. These technologies include everything from geolocation tracking that can monitor the location of people through their phones to facial-recognition systems that can analyze photos to determine who might have come into contact with individuals who later tested positive for the virus.

Days before the WHO issued an alert on coronavirus outbreak, a Canadian AI company called Blue Dot had already warned of the disease. There are also examples of AI being deployed in the form of tiny robots serving food and providing medical help to quarantined people in China or as chatbots that screen individuals and tell them whether they should be evaluated in case of possible infection. Similarly, data collected by medical centers on patients' geographic location and infection situation was entered into a government database known as the "National Infectious Disease Monitoring Information System Database" which ultimately helped Chinese authorities identify the outbreak of the coronavirus

Switzerland has sought temporary access to a EU early-warning system for health crises to strengthen its defense capacities against the coronavirus. The EU's Early Warning and Response System (EWRS) is a digital platform connecting the European Commission, the European Centre for Disease Prevention and Control, and health authorities across the EU to manage serious cross-border threats.

Coronavirus has crippled the traditional economies but digital economy is still moving at a hurried pace. The traditional stock exchange markets are showing bearish trends. The currency notes have also become a source of virus transmission. On the other hand, the value of the most popular cryptocurrency has increased by 30% since December 2019. Many blockchain and crypto companies in Liechtenstein and Switzerland are ahead of the game in terms of digital solutions, they will be among the first to benefit from this trend.

While traditional commerce activities received a hard blow in this pandemic, E-commerce continues to not only survive but thrive as well. It's imperative that organizations adapt quickly and seek out new growth opportunities. The realities of changing consumer behavior in the digital age presents a huge opportunity for retailers. The optimization and simplification of product lines, business models, customer engagement, and sales channels can all be achieved through the introduction of digital technologies and e-commerce. Better utilization of data and technology to drive more individualized consumer experiences is where this battle will be won or lost. Figures from an e-commerce platform show that since the beginning of the Chinese New Year holiday, sales of vegetables grew nine fold compared to the same period last year, and sales of meat and eggs were 7.5 times greater than the year before, while frozen food such as dumplings and pastries also sold over seven times more than they did in the same period last year.

China's digital economy continues to thrive under the shadow of the outbreak demonstrates the huge potential of the Chinese digital market. Although people avoided going out to eat, shop, travel and have fun, the demand of a market that has 1.4 billion people is still there, and consumption only shows signs of growing. Teleworking has become the order of the day with many companies allowing their employees to work from home under standard operating procedures (SOPs). Japan times even declared corona as *the world's biggest teleworking experiment*.

COVID-19 not only necessitated interest rate cuts across the globe, but also pushed central banks to act faster on planned digitization of financial transactions. South Africa's Nedbank. Nedbank plans to accelerate the rollout of its digital strategy across Africa as customers avoid face-to-face banking to reduce the risk of coronavirus. Its long-term target is for 75% of sales to be through digital channels, and for 70% of all its clients to be digitally active.

Current lockdown has also affected the academic activities gravely. Had there been no concept of virtual online classrooms, the future of students would have been even imperiled more. Many countries of the world including Italy are pursuing the educational activities using the online mediums such as Skype, Google Suite for Education and Office 365 Education. Zoom app's popularity has soared within days.

As social gatherings should be avoided to contain the spread of virus, so the virus has stirred summit and conference circles. The Internet Corporation for Assigned Names and Numbers (ICANN) announced that its 67th Public Meeting will be held remotely for the first time ever. Even Microsoft decided to turn its biggest event of the year, the Build developer conference, into a virtual event. This trend presents an opportunity for virtual events startups like Hopin, which combines Twitch-style live streams of keynotes, Zoom-style video conferencing for groups, and one-to-one conversations. The spring meetings of the International Monetary Fund (IMF) and the World Bank Group that gather over 10,000 representatives of governments, private sector, civil society and media will also be held virtually so as to avoid the spread of the disease.

In short, the digitization process is getting a strong foothold in this scenario and is one of those industry which has got global headwinds running in its favor. Pakistan has also been severely affected by the virus which has costed it more than 70 deaths so far and the cases are ranging close to 5000. However, digitization is not invigorated in wake of the persisting outbreak. Due to the youth bulge in the country, digitization has a great potential to earn impressive dividends for the people of Pakistan. According to a Research by McKinsey Global Institute (MGI), the Gross Domestic Product (GDP) of Pakistan can be increased up to 7% by the use of Digital Financing Services (DFS). DFS would increase the credit to SMEs which have 40% share in GDP and 90% of all businesses are also SMEs.

E-commerce is very much alive and kicking in the world despite of dire economic situation. Currently, a number of E-commerce platforms are active in Pakistan including Shophive, Daraz.pk, Foodpanda, Careem, Uber, Rozee.pk, Zameen.pk. The Digital Pakistan vision led by Tania Aidrus is a commendable step by the government. But now the need of digitization has been felt more than ever. People staying home are buying more online though issues remain in the delivery of products by online service providers due to lockdown restrictions. The Pakistan Software Houses Association has sought a relaxation in those restrictions promising that e-commerce deliveries through third-party logistics services will be in full compliance with post-Covid-19 safety and hygienic rules and regulations.

The renewed focus on online financial transactions and greater volumes of e-commerce is a harbinger of thorough digitization of finance and commerce. Meezan Bank has waived off front end

sales load on online transactions through the Mobile application and Member Services Area. On April 1, the SBP and National Institute of Banking and Finance announced the launch of an online national financial literacy program for the youth. will embolden youngsters to open bank accounts for savings leading to financial inclusion. About 310.5 million transactions were carried out via mobile-wallets while the number of over-the-counter transactions stood no less than 49m.

Because of lockdown, many educational institutes in Pakistan are offering online services but the system lacks uniformity. A number of institutes are experiencing difficulty in providing online learning to their students for several reasons ranging from lack of necessary infrastructure, appropriate training for educators and general absence of digitalized teaching content. Furthermore, students lacking access to the broadband will not be able to join and participate in the new learning environment. If we adhere to some standards in delivering education online, we may open new avenues in this arena for coming times.

E-commerce is evolving at a sluggish pace as the volume of e-commerce totaled Rs.100 billion during last fiscal year. With internet penetration of meagre 22%, our digitization industry could not reap benefits at a time where its strong presence could have played a huge part in keeping the economic activity thriving. A lot is needed to be learnt from the world to develop an impressive ICT (Information and Communication Technology) so that we can walk shoulder to shoulder with developed countries. Our future resides in digitization and the outbreak of contagious disease like Coronavirus only added to the supremacy of digital economies on traditional economies. A proactive approach would help us to reach our true potential in this development race.

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