UNCTAD’s role in support of e-commerce development in the ASEAN

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Towards an agreement on e-commerce of the ASEAN
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Share of the population buying online, 2014-2016, selected economies

Source: UNCTAD
ASEAN countries in UNCTAD B2C E-Commerce Index, 2017 (rank in parenthesis)

- Singapore (18)
- Malaysia (38)
- Thailand (48)
- Vietnam (73)
- Lao PDR (91)
- The Philippines (95)
- Indonesia (100)
- Cambodia (114)
- Myanmar (122)

Source: UNCTAD
UNCTAD’s support since 2003 up to now (1/3)

- UNCTAD/ASEAN joint activities to assist in the implementation of the ICT Masterplans 2015 and 2020, the AEC blueprint 2025; building a digitally-enabled economy recognized as a key priority for the ASEAN regional integration.

- **E-Commerce legislation**
  
  ✓ Regional compatibility of legislation in a way that promotes regional integration
  ✓ ASEAN has been pioneering among developing countries the harmonization of such legislation.
  ✓ Important to continuously take stock of progress made and to identify possible needs for further work and revision
  ✓ Since 2003 (Cambodia/Lao PDR) to 2107 with the organization of regional workshops and the preparation of the Review of E-Commerce Legislation in the ASEAN which proposed specific recommendations for a harmonized legal framework for e-commerce in the region.
Protection of consumers

UNCTAD Study in six ASEAN member States in 2015 and 2016, stressed the need to strengthen internal capacity in member States. UNCTAD and ASEAN undertook a project in 2015 to strengthen the capacity of government agency personnel through the design, development and delivery of training workshops on specific technical skills within 6 core areas, including e-commerce.

Capacity building activities on consumer protection (online) were undertaken in 2015 in Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Viet Nam. Objective: to assess the readiness of national agencies with consumer protection responsibilities (legislation and enforcement capacity) with regard to e-commerce and provide recommendations for amending legislation, administrative practices and procedures.

UNCTAD involved in the preparation of the ASEAN Consumer Empowerment Index.
### E-Commerce legislation in the ASEAN: Work in progress

<table>
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<tr>
<th>Country</th>
<th>E-Transaction</th>
<th>Consumer Protection</th>
<th>Data Protection and Privacy</th>
<th>Cybercrime</th>
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Source: UNCTAD, 2018
UNCTAD’s support since 2003 up to now (3/3)

- **E-Commerce Readiness Assessment**
  - Key to provide a basic analysis of the current e-commerce situation and to identify opportunities and barriers.
  - eTrade Readiness Assessments of CLM. Lao PDR and Myanmar just released.

- Building the capacity of countries to produce **official statistics on the information economy**:
  - Thailand on measuring exports of services delivered over ICT networks (October 2017).
  - In March 2016, training course on information economy statistics for Asia-Pacific least developed countries, with the participation of CLM countries.
Lack of a single shared vision for e-commerce development

In place in capitals, mobile-only. Expensive.

95% COD. Bank offering DFS. Limited FinTech.

Last mile / physical addressing system issues.

Outdated ecosystem. Online consumer concerns growing.

Curricula outdated. Focus on ICT skills only.

Need for business accelerator.

ICT risk-prone sector. Venture capitalists and business accelerators pioneers not here.

Advances in the area of skills, mobile payments, work underway – More work needed to also look at cross-border e-commerce within the ASEAN
Priorities - Lao PDR

**PUBLIC SECTOR**

- Formalize the existing interministerial discussions on e-commerce into a proper task force or committee, involving all relevant Government agency.
- Develop a national strategy or development plan for e-commerce development.
- Gradually review impact of restrictions on competition in the telecom sector (fixed price, limitations on promotion, barriers to new entrants).
- Accelerate deployment of electronic document management system by ministries, following initiative by the Finance Ministry.

**PRIVATE SECTOR**

- Strengthen the Lao e-commerce and ICT Association by linking it up with domestic and foreign tech startup community and leading e-commerce and ICT associations.
- Review cost structure of local logistics delivery services market with a view to lower the barriers to entry.
- Increase confidence of merchants to accept electronic payments, through dedicated awareness raising programmes.

**DEVELOPMENT PARTNERS**

- On the model of the A2F funds, develop innovative “Challenge Fund” or “Market Access Fund” for Lao e-commerce, tech start-ups development.
- Support formulation of policies supportive of investment in innovative start-up ecosystems (e.g., on registration, taxation) separate from SMEs.
- Support the update e-commerce related laws to include most recent e-commerce development on data protection (privacy), cybercrime and consumer protection.
Key findings - Myanmar Assessment

DECD (2017) boosted interest and coordination. More to be done to reach 2020 goals.

Rapid deployment. 100% coverage in 6 years. 4G in urban centres.

95% COD, Fintech about to increase thanks to supportive regulations.

Last mile/physical addressing system issues, limited Postal services.

Slightly outdated legal ecosystem. Online consumer concerns, growing trust issues.

Focus on ICT skills only. Business accelerator providing mentoring.

Besides personal finance, venture capitalists and business accelerators main source of financing.
## Priorities - Myanmar

### PUBLIC SECTOR

- Develop a *national strategy and policy for e-commerce development* (vision for a digital economy).
- Accelerate e-commerce-related compliance with AEC Blueprint and ASEAN AWPEC.
- Develop Myanmar Post to support small parcels for cross-border e-commerce + self-declaration scheme.
- Streamline regulatory environment (licensing included) for Financial Service Providers (FSP) and Payment Service Providers (PSP) at both Central and State levels.

### PRIVATE SECTOR

- Strengthen and *modernize role of MCF* to promote investments in ICT and digital economy.
- Increase confidence of merchants to accept electronic payments, through dedicated awareness raising.
- Ensure *broader consultations with e-commerce players* in the private sector (foreign and domestic) on the current regulatory constraints.
- Attract international awards and sponsorship programmes for tech start-up through chambers of commerce and business associations.

### DEVELOPMENT PARTNERS

- Update the *Medium-Term Plan for Aid-for-Trade (2017-2021)* and AFT Donor Matrix to include e-commerce and
- Support Myanmar Sustainable Development Plan (MSDP) goals on Digital Economy
- Accelerate implementation of streamlined clearance procedures by Customs, National Single Window (UN Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific, WTO TFA obligations)
60 representatives from 9 ASEAN countries and ASEAN Secretariat, ADB, ITU, UNESCAP, UNCITRAL, WB, Private sector

Objective: prepare inputs for the ASEAN WPEC

UNCTAD survey on ASEAN Member States on their e-commerce readiness and policy priorities showed:

✓ >50 percent of ASEAN countries have a dedicated national strategy for e-commerce
✓ Policy priorities in the areas of ICT infrastructure (access to affordable broadband and greater competition among telecommunication providers), payments (regulations that protect consumers, interoperability of different online and mobile payment modes), legal frameworks (privacy and consumer protection), trade logistics (Single Windows, de minimis regimes), skills development (capacity building of policy makers and MSMEs) and access to finance (enabling investment climate for e-commerce and identification of bottlenecks to financing e-commerce ventures).

Main recommendations in the 7 policy areas of eTrade for all – valuable inputs to the ASEAN WPEC and drafting of the ASEAN Agreement on E-Commerce

Helping CLM countries get up to speed.
New UNCTAD/ASEAN Technical Assistance Project 2018/2020

- Focus on Indonesia, The Philippines and Singapore
- Two objectives: build the capacity of policy and law makers and the private sector
- Two main areas: Best practices in e-commerce and Digital identity
- Online training course for all ASEAN countries
- Face-to-face training in the 3 beneficiary countries
  - ✓ Indonesia
  - ✓ The Philippines
  - ✓ Singapore Di/Smart Nation
The way forward

• Implementation of the ASEAN ECWP needs the support of the ASEAN Secretariat and development partners – bilateral support, assistance by eTrade for all Partners
• Make it a priority at the government level and have a long term vision
• Reach out beyond e-commerce and infrastructure to include logistics, education, finance ministries/agencies
• Identify your needs: what adjustments need to be made in order to ensure that ASEAN’s efforts at promoting e-commerce actually contributes to the region’s development, coordinated governmental approach, eTrade Readiness Assessment, e-commerce strategy, project proposal drafting, contacts with relevant stakeholders, public and private sector consultations, donors roundtable.
• Include e-commerce indicators in digital strategies
• Ideas on how to reconcile domestic processes and regional processes on the development of e-commerce and assist CLM countries to get up to speed.
Thank you!