Development on Export Promotion and E-Commerce for Lao SMEs

Lao SMEs

E-Commerce

Export Enablement

Development Programme
Outline of the presentation

• Supportive Laws and regulations
• Why the SEED
• Trend of e-Commerce for MSMEs and its development
• Is it too late for Lao PDR to get into the e-Commerce market?
• The SMEs Development in Lao PDR
• Challenges, opportunity and Conclusion
The supporting laws and regulations on e-Commerce

- Law on ICT (2016)
- Transaction Law (2012)
- Law on economics Dispute Settlement (2010)
Working ahead on Laws and Regulations

• Drafting Decree on e-Payment

• E-signature expected to be adopted by Lao National Assembly by September 2018

• Forming Team to draft E-commerce Law which covered online customers protection
Other Commitments

• The e-ASEAN framework and ASEAN Work Programme on Electronic Commerce (AWPEC) 2017-2025;

• ASEAN Agreement on e-commerce to facilitate cross-border e-commerce transaction to be developed in AEC Blueprint 2025;

• Transforming ASEAN into digital economy in the ASEAN ICT Master Plan 2020;

• ASEAN Consumer Protection (ASEAN Strategic Plan on Consumer Protection 2025);

• E-commerce Provisions in AANZFTA and RCEP Negotiations.
Why do we need the **SEED** Project?

Value of Regional e-Commerce Market

ASEAN 2014: USD18 Billion

- Philippines: 12%
- Indonesia: 33%
- Singapore: 22%
- Thailand: 14%
- Malaysia: 11%
- Vietnam: 9%
Market Value of e-Commerce Expectation in ASEAN 2020: USD 62 Billion

ASEAN Population of 630 Million in 2015

- Philippines: 11%
- Indonesia: 40%
- Singapore: 12%
- Malaysia: 15%
- Thailand: 14%
- Vietnam: 10%
Trend of Global e-commerce for MSMEs
The Global e-Commerce Growth 2013-2017
Is it too late for Lao PDR to get into the e-commerce market?

• B2B and B2C

• About 70% of clients in the Category B2B stated that trade through e-Commerce is unavoidable which can make trade more inclusive

• The more participation, the greater return.

• The order selling online of B2B have increased about 44%

• The sales cost in B2B has dramatically reduced to 90% by attracting clients to buy online. Then…
The significant SMEs Development in Lao PDR

- About 126,931 enterprises, more than 346,000 employment.
- About 93% of Small Businesses (< 5 workers).
- The SMEs is essential part for boosting Lao economy
- The main factor helping Laos graduation 2024.
Strength and Weakness of Lao SMEs

• The strengths
  • About 99% of SMEs Entrepreneurs
  • Enable to create jobs at the local and sustainable dev.
  • Stable Economic Development and reducing the risks

• The weaknesses
  • Export-Import Imbalance
  • Low production efficiencies
  • Scare of resources for economic development
  • Lack of product brand initiation
Brands and webs need to be seen as different and distinctive in such massive world online

The size of World Wide Web:

- There are at least 4.84 million pages on the Domain
- More than 1,000,000,000 Websites appear on the internet screens
- About 20% of Lao population or 1.4 million people to enable access to Facebook and 80% of all now the Smartphone owners.
The Challenges of Lao Entrepreneurs

• Limitation of internet connection in Lao PDR
• Lack of knowledge on IT
• The competitiveness and export readiness of Lao entrepreneurs are low
• The success stories of the project related to the IT is still little. (www.buylaos.com)
• Limiting access to finance to develop products and exports promotion
The Challenges of Lao Entrepreneurs (cont.)

• Knowledge on markets, brands and trade marks and packaging are limited
• Transaction facilitation services, e-payment and client invoices
• Limitation of continuity support initiative of activities
• Knowledge on Regional FTAs