



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

Cécile Barayre

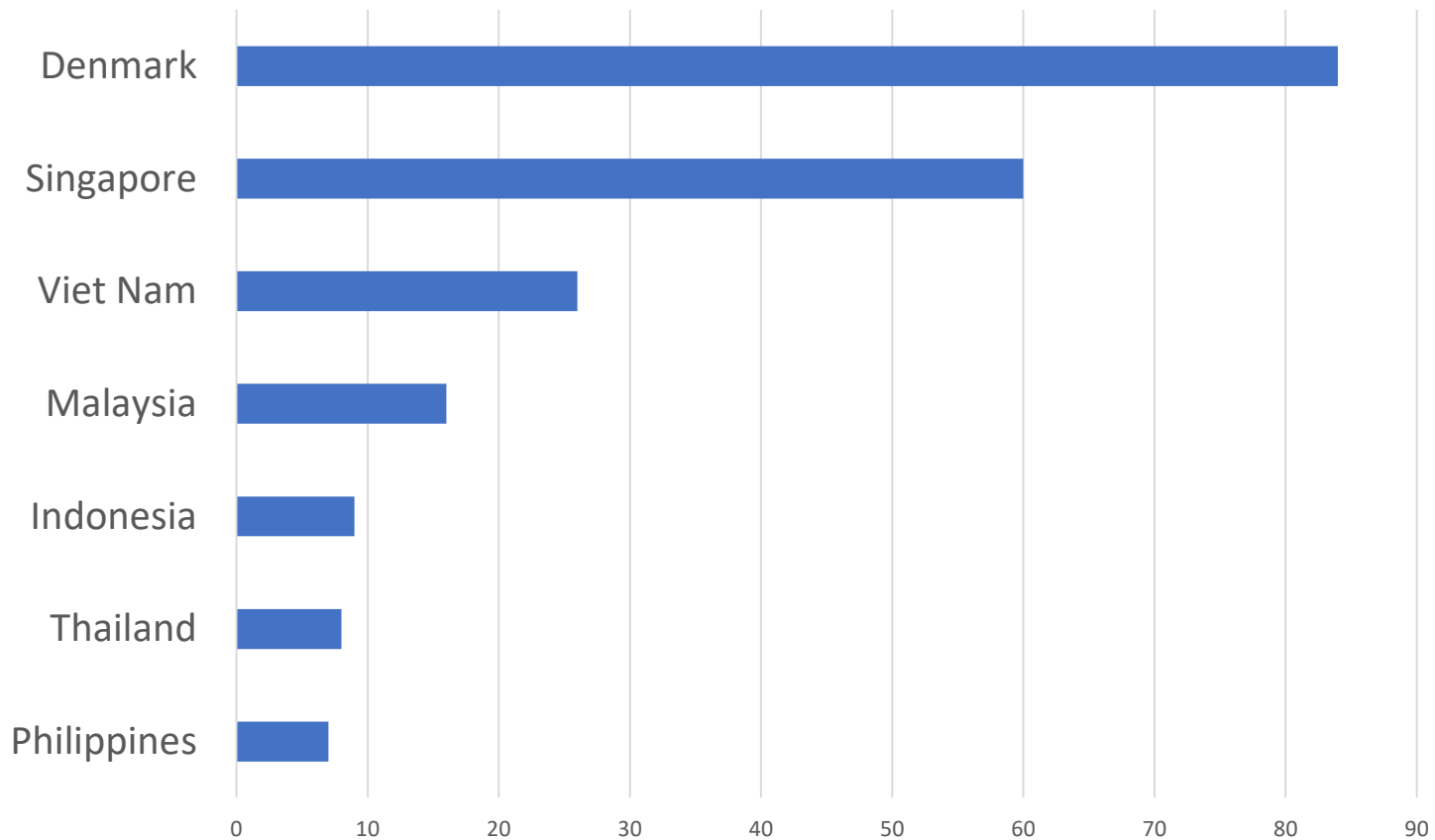
Economic Affairs Officer, ICT Analysis Section
Division on Technology and Logistics, UNCTAD

Towards an agreement on e-commerce of the ASEAN

UNCTAD eCommerce Week 2018, 17 April, room XXVI



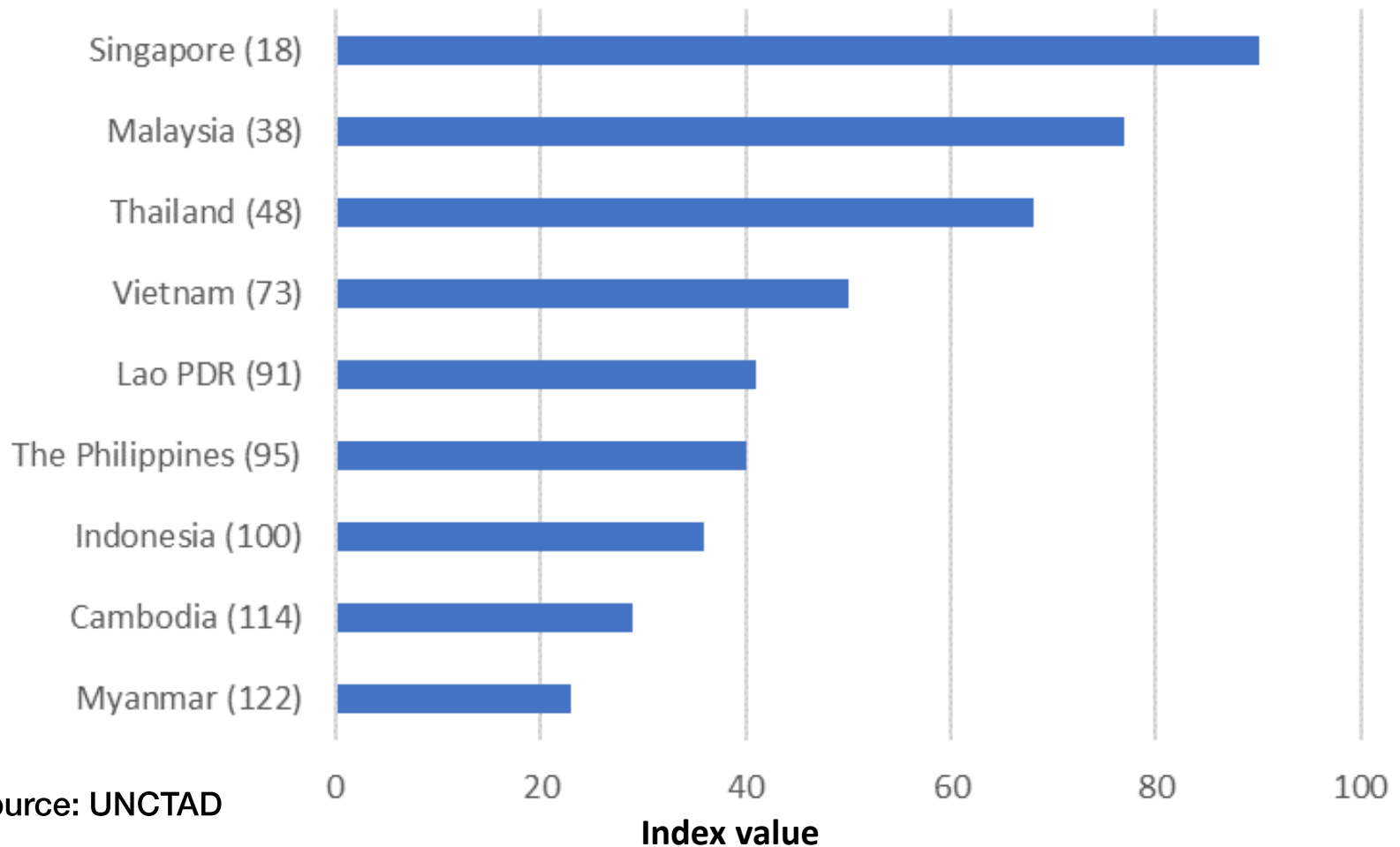
Share of the population buying online, 2014-2016, selected economies



Source: UNCTAD



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





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.



UNCTAD's support since 2003 up to now (2/3)

- ***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

	E-Transaction	Consumer Protection	Data Protection and Privacy	Cybercrime
Brunei Darussalam				
Cambodia				
Indonesia				
Lao PDR				
Malaysia				
Myanmar				
Philippines				
Singapore				
Thailand				
Viet Nam				

Source: UNCTAD, 2018

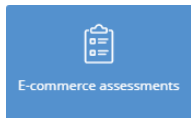


UNCTAD's support since 2003 up to now (3/3)

- **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.



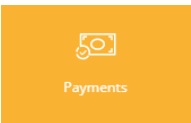
Key findings - Lao PDR Assessment



Lack of a single shared vision for e-commerce development



In place in capitals, mobile-only.
Expensive.



95% COD. Bank offering DFS.
Limited FinTech.



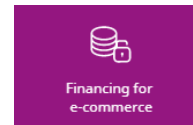
Last mile / physical addressing system issues.



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

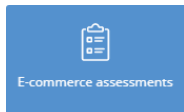
On the model of the A2F funds, develop innovative **“Challenge Fund” or “Market Access Fund”** for Lao e-commerce, tech start-ups development.

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.



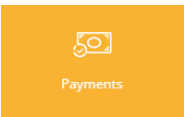
Key findings - Myanmar Assessment



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.



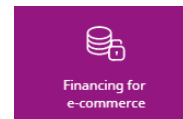
Last mile/physical addressing system issues, limited Postal services.



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)

ASEAN/UNCTAD Workshop on e-commerce, The Philippines, November 2017

- 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.

Assistance by other organizations

check out etradeforall.org

The screenshot shows the homepage of the eTrade for All website. At the top, the URL is <https://intracable.ch/unctad/>. The logo for eTrade for All, with the tagline "Connecting the dots", is on the left. Navigation links include "About", "Data & Publications", "News & Events", and "my eT4a". A horizontal menu features seven categories: E-commerce assessments, ICT Infrastructure and Services, Payments, Trade Logistics, Legal & regulatory frameworks, Skills development, and Financing for e-commerce. The main content area has the heading "Discover eTrade for All" and the slogan "Let's make e-commerce inclusive and drive development". Below this is a welcome message: "Welcome to the platform that helps developing countries unlock the potential of e-commerce". A search bar is present. On the right, an illustration shows a network of people connected by lines. At the bottom left, a small icon and text prompt the user: "How can you benefit? Follow the dots to find out."



Thank you!