

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 e-Commerce Protection (2017)
- Law on ICT (2016)
- Law on Cyber Crime (2015)
- Transaction Law (2012)
- Consumer Protection Law (2010)
- Law on economics Dispute Settlement (2010)

Working ahead on Laws and Regulations

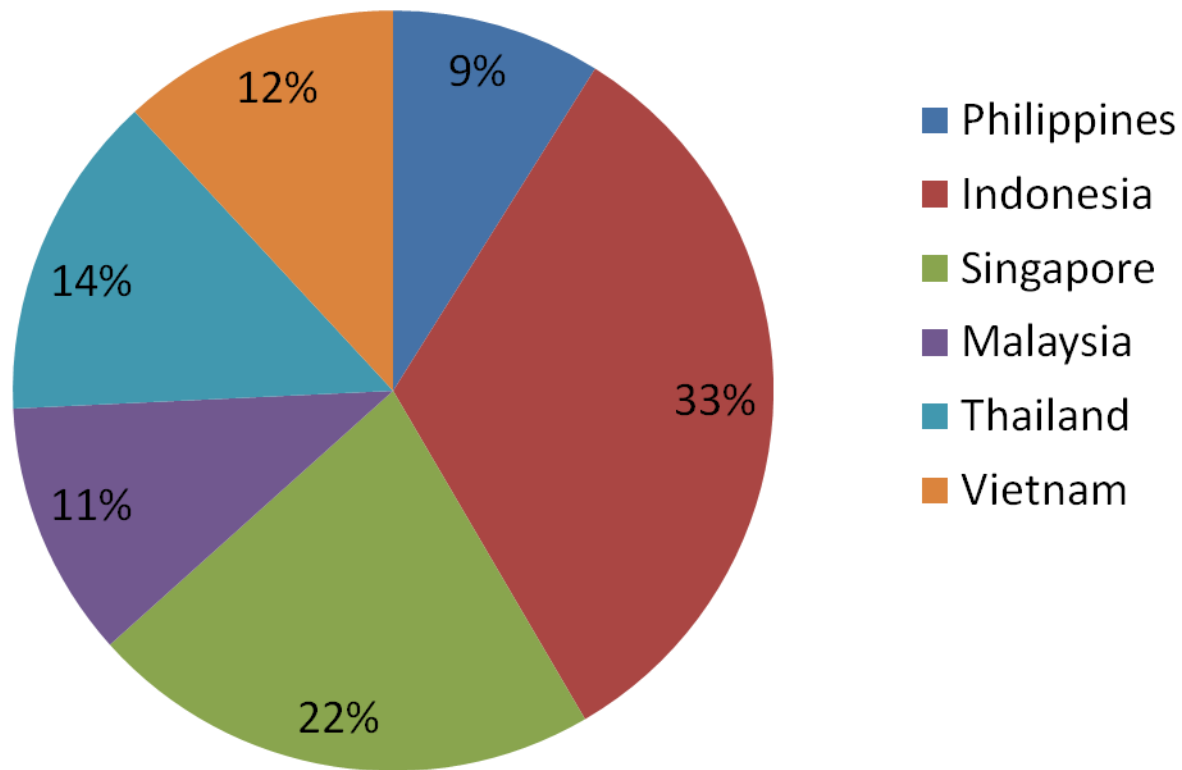
- **Drafting Decree on e-Payment**
- **E-signature expected to be adopted by Lao National Assembly by **September 2018****
- **Forming Team** to draft E-commerce Law which covered online customers protection

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.**

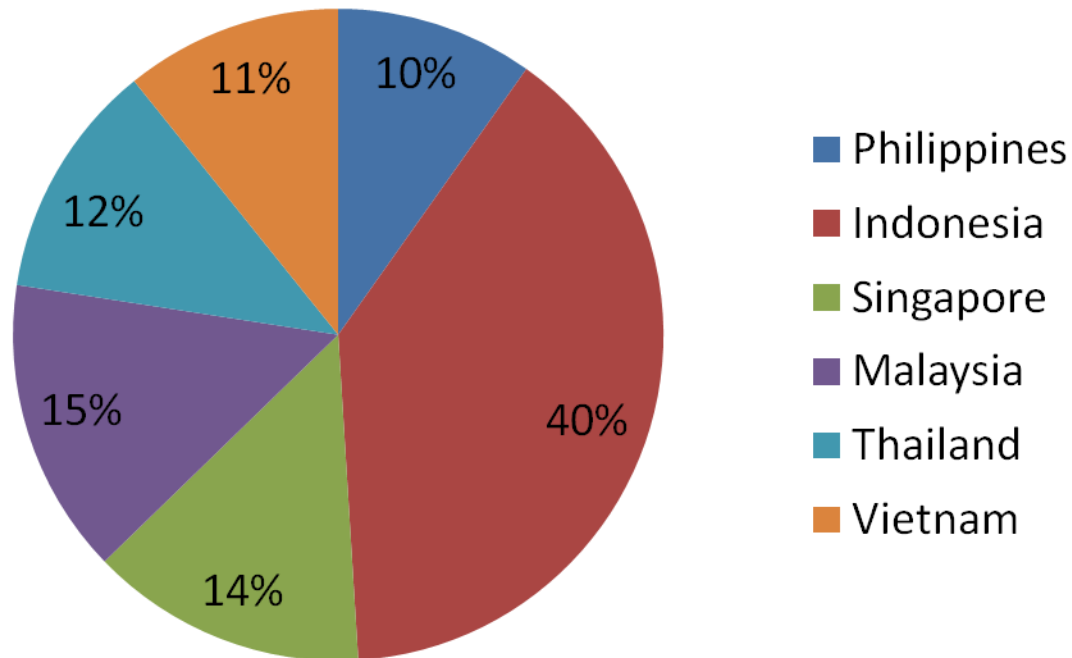
Why do we need the **SEED** Project?

Value of Regional e-Commerce Market ASEAN 2014: USD18 Billion

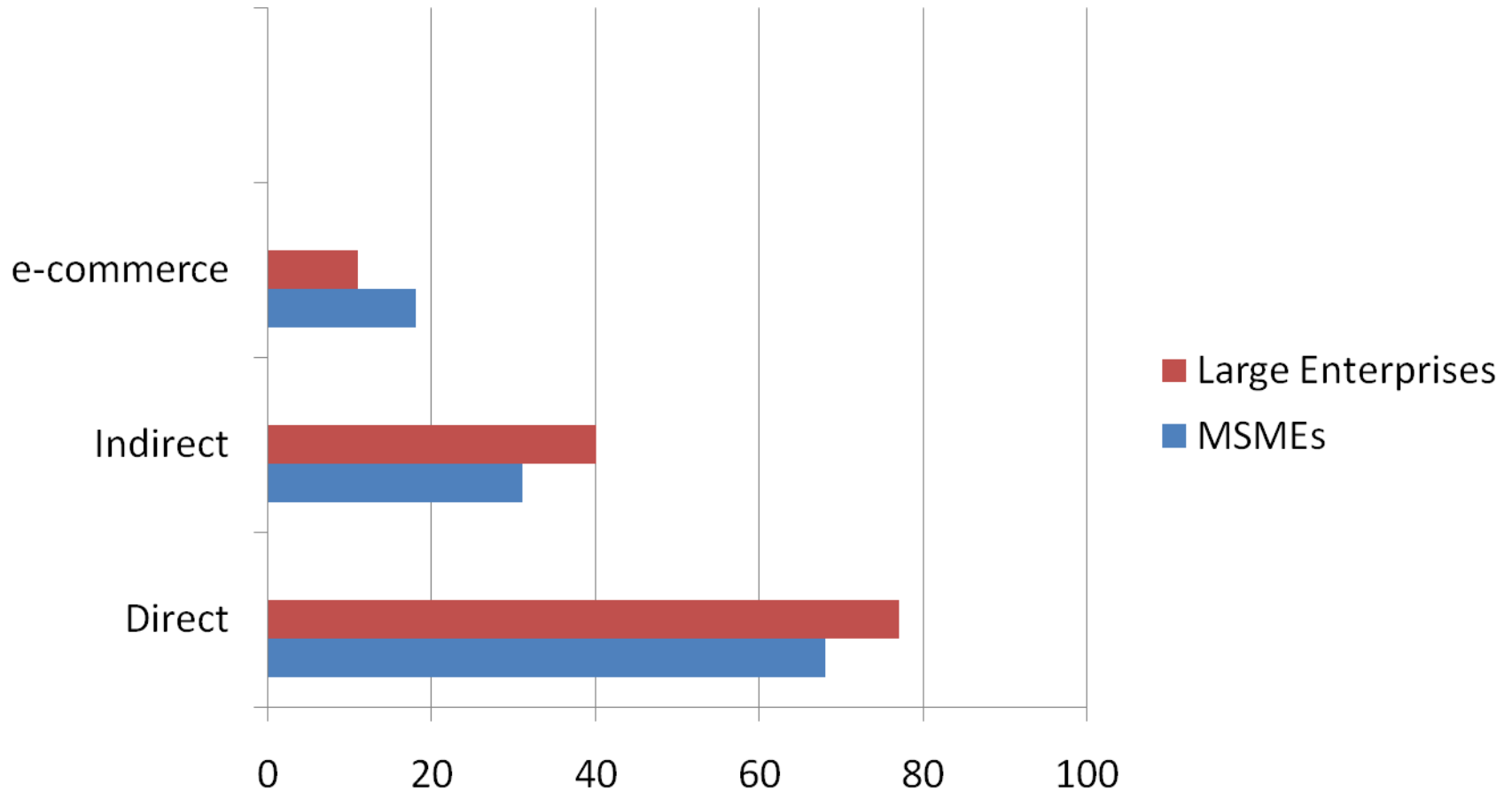


Market Value of e-Commerce Expectation in ASEAN 2020: USD 62 Billion

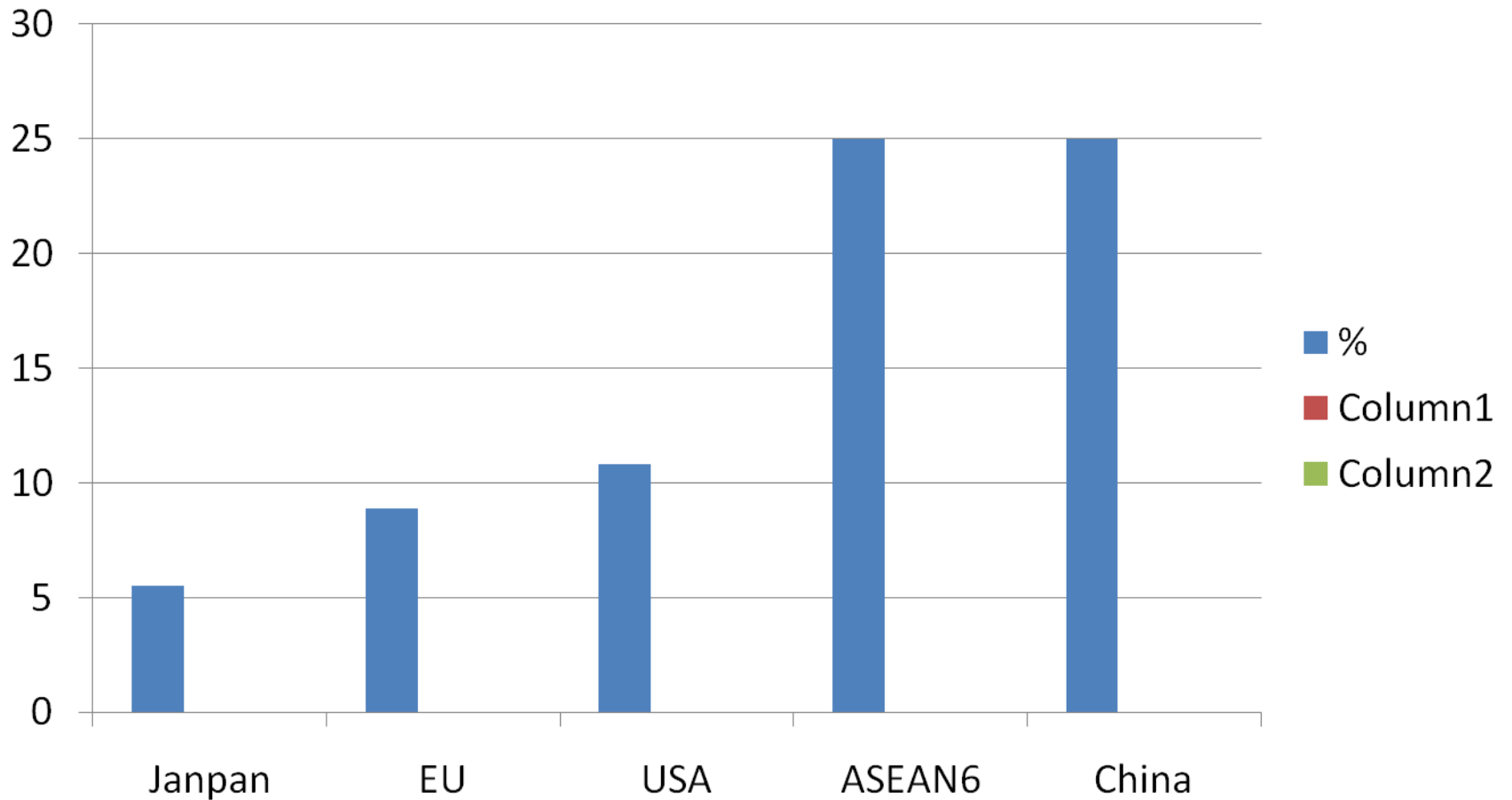
ASEAN Population of 630 Million in
2015



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

Improving
administrative of
legislations

Market access
improvement

Enhancing capability in
competitiveness

Entrepreneurs' capacity
building

- **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 graduation2024.**

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**