

# AP-IS: FOR PROMOTING THE DIGITAL ECONOMY

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The digital evolution has major implications for the implementation of **the 2030 Agenda for Sustainable Development**



**Reduced cost**  
of hard drive storage

ON THE CUSP OF A  
NEW DIGITAL ECONOMY



**Robotics**



**Artificial intelligence**



**Internet of Things (IoT)**



**Cloud computing**



**Big data analytics**



**3D printing**

- ▶ ESCAP members among top-achievers in digital economy
  - ▶ India (177 m), China (122 m) have world's largest number of people going online for first time in 2012-15
  - ▶ 42 of the 135 largest digital economy corporations by market capitalization are based in Asia
  - ▶ China is top exporter of ICT goods, India of ICT services
- ▶ Several countries in ESCAP doing very well in e-commerce
  - ▶ Japan, China and the Republic of Korea are 3 of 4 largest e-commerce markets in the world
  - ▶ China is world's largest market for B2C e-commerce
  - ▶ Digitalization supporting trade integration despite context of tensions in international trade: A-P share of global cross-border postal deliveries rose from 26% to 43% between 2011 and 2016

## NEW OPPORTUNITIES FOR ASIA-PACIFIC

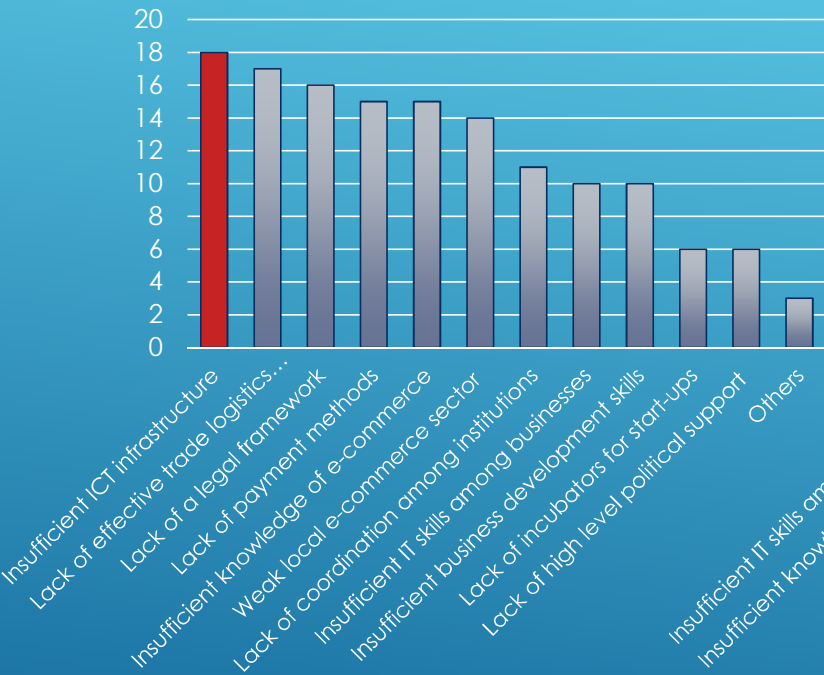
- ▶ However, digitalization also carries risks:
  - ▶ Concerns of increased polarization and widening inequalities
  - ▶ Asia Pacific LDCs particularly vulnerable to digital divide: less than 15 % of population with mobile broadband access in Afghanistan, Bangladesh, Lao PDR and Samoa
  - ▶ New risks : threats to data privacy, abuse of dominant position by online platforms,
  - ▶ Southeast Asia: 80-90% of jobs in business process outsourcing, retail and textiles and clothing are at risk due to automation and other disruptive technologies
- ▶ Maximizing benefits and mitigating risks requires a concerted, holistic multi-stakholder approach

**DIGITAL ECONOMY ALSO BRINGS NEW RISKS...**

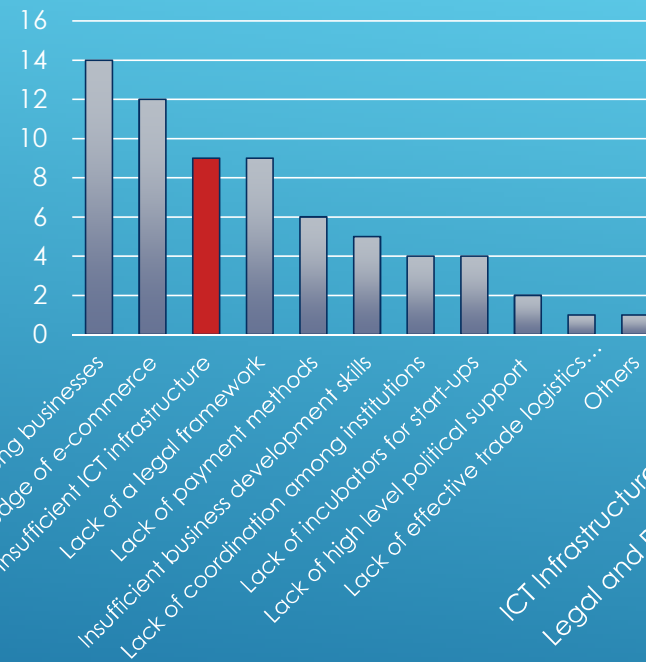
- ▶ UNCTAD supports the efforts of ESCAP to implement the AP-IS initiative
  - ▶ Access to high quality and affordable internet is key to successful digitalization
  - ▶ Region specific constraints requiring regional approaches (resilience, the focus on LDCs, landlocked and sea-locked nations)
- ▶ UNCTAD's Rapid e-Trade Readiness Assessments for LDCs show infrastructure is consistently a key bottleneck to thriving e-commerce ecosystem

AP-IS: CONTRIBUTES TO REDUCING  
THE DIGITAL DIVIDE

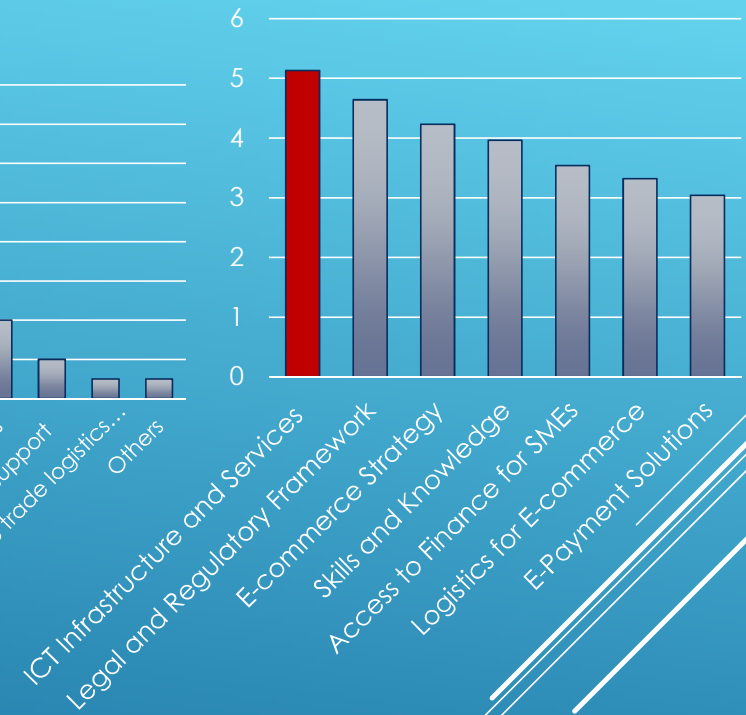
## Cambodia



## Bhutan



## Samoa



UNCTAD E-T-READY SURVEYS: INFRASTRUCTURE  
CONSISTENTLY AMONG KEY BOTTLENECKS



E-commerce assessments

Lack of e-commerce shared vision and strategy



ICT infrastructure and services

ICT infrastructure is in place in main cities but missing in rural areas



Trade logistics

The lack of postal addressing system for the last mile delivery key logistics barrier



Legal & regulatory frameworks

The Legal and Regulatory Framework for e-commerce needs updating



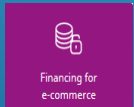
Payments

95% of payments for e-commerce are cash on delivery



Skills development

ICT skills often not part of national education curriculum



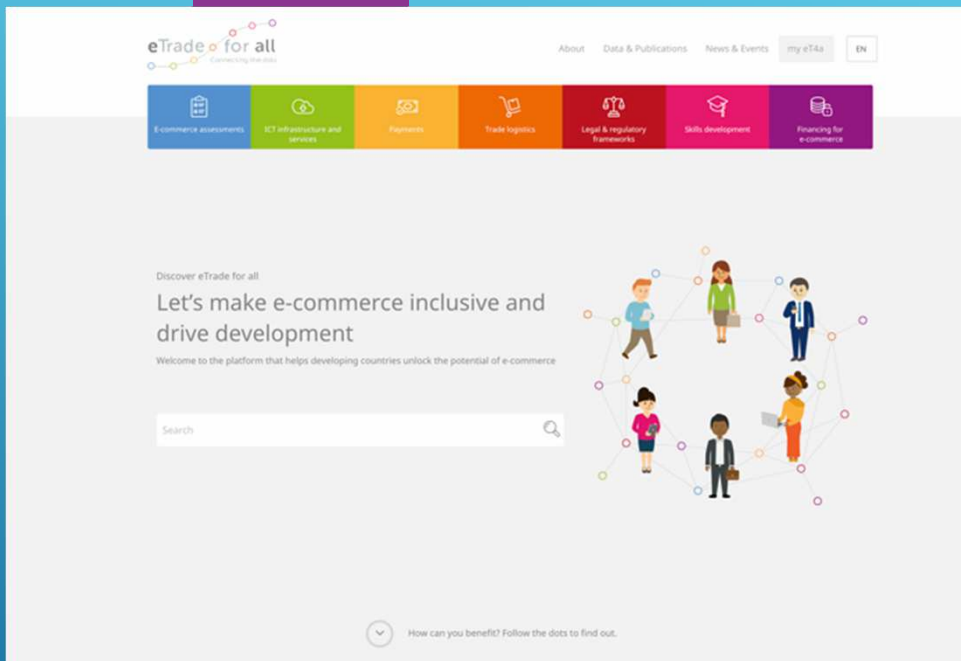
Financing for e-commerce

Financing for e-commerce startups perceived as risky by banks; and accelerators are often missing

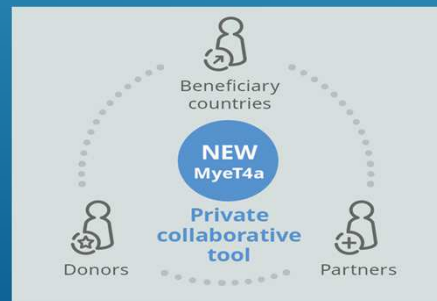
UNCTAD E-T-READY SURVEYS: A HOLISTIC APPROACH NEEDED BEYOND INFRASTRUCTURE



## E-TRADE FOR ALL



**+93%**  
**Growth**  
In more than  
1.5 years



### Context:

To make e-commerce work for development requires a holistic approach as well as a stronger private-public policy dialogue. The **eTrade for all** initiative aims at addressing existing knowledge gaps and maximizing synergies with partners.

### Objective:

This partnership **connects the dots** between beneficiary countries, partners and donors to help developing countries unlock the potential of e-commerce

### Main tool: eTrade for all platform ([etradeforall.org](http://etradeforall.org))

a **knowledge-sharing and information hub** that facilitates access to a wide range of information and resources to leverage e-commerce prospects.

### Main outputs:

- Examples of e-commerce technical assistance
- eTrade for all indicators for all countries
- A new private collaborative tool to connect beneficiaries and partners & leverage partnerships opportunities
- News, Events & Newsletter & Publications to stay updated on the digital economy.



To prevent widening digital divides and greater income inequalities, the international community will need to expand its support on a massive scale.

## Current levels of support are inadequate



## Boost international support to developing countries

Make use of the eTrade for all initiative

[\(etradeforall.org\)](http://etradeforall.org)



- ▶ Deeper engagement with the Commission on Science and Technology for Development (CSTD), the UN focal point for STI
  - ▶ IDD/ESCAP provides input to CSTD on the state of ICT connectivity in Asia and the Pacific
  - ▶ UNCTAD looks forward to further enhancing this collaboration with periodic updates to CSTD on the progress of the AP-IS
  
- ▶ Information Economy Report, UN system-wide report on E-Commerce and the Digital Economy:
  - ▶ IDD/ESCAP provides inputs, launches the report
  - ▶ Further collaboration to document Asia-Pacific experience, lessons and good practices
  
- ▶ ICT for development measurements:
  - ▶ UNCTAD and ESCAP to consider a joint initiative to promote better data collection and analysis in Asia Pacific, to provide evidence based support to AP-IS Strategic Initiatives
  
- ▶ AP-IS to consider implications of frontier technologies for improving connectivity

# THE WAY FORWARD

# THANK YOU!

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