AP-IS: FOR PROMOTING THE DIGITAL ECONOMY

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ON THE CUSP OF A NEW DIGITAL ECONOMY

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

**Reduced cost**
of hard drive storage

- 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
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-stakeholder approach
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
UNCTAD E-T-READY SURVEYS: INFRASTRUCTURE CONSISTENTLY AMONG KEY BOTTLENECKS
Lack of e-commerce shared vision and strategy

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

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

The Legal and Regulatory Framework for e-commerce needs updating.

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

ICT skills often not part of national education curriculum.

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
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)
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

+93% Growth
In more than 1.5 years
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**

1.2% Share of ICT in total aid for trade declined from 3% in 2002-2005 to 1.2% in 2015

**Boost international support to developing countries**

Make use of the eTrade for all initiative (etradeforall.org)

Source: WTO
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
THANK YOU!

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