



Embracing the E-commerce Revolution in Asia and the Pacific

with a focus on the CAREC members

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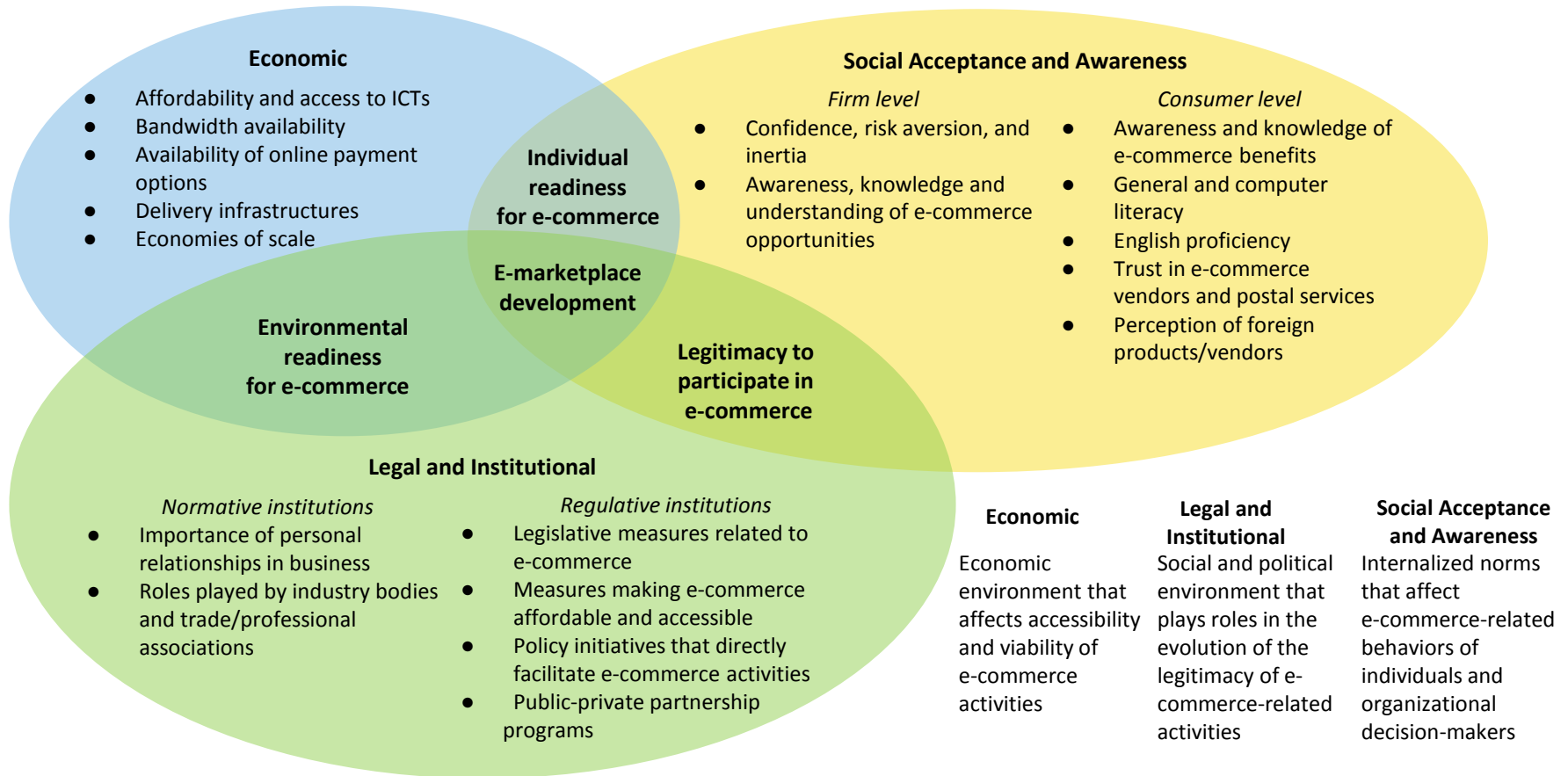
United Nations Economic and Social Commission for Asia and the Pacific

- Some slides are based on a joint ADB-ESCAP report titled “[Embracing the E-commerce Revolution in Asia and the Pacific](#)”. **Jong Woo Kang** from ADB and **Tengfei Wang** from ESCAP led the preparation of the report.
- The views expressed in this presentation are those of the speaker and do not necessarily reflect the views of any organizations

Key messages

- E-commerce is moving ahead, whether we like it or not.
- E-commerce revolution in Asia and the Pacific (including CAREC) presents vast economic potential.
- E-commerce market in the region remains highly heterogeneous in (i) economic factors and conditions, (ii) legal and institutional environment and (iii) social acceptance
- Developing an e-commerce ecosystem requires a holistic approach and concerted efforts by all stakeholders
- Partnership including partnering with regional e-commerce platforms is key to support developing countries and the least developed countries and make e-commerce inclusive

Factors Affecting the Development of E-marketplace

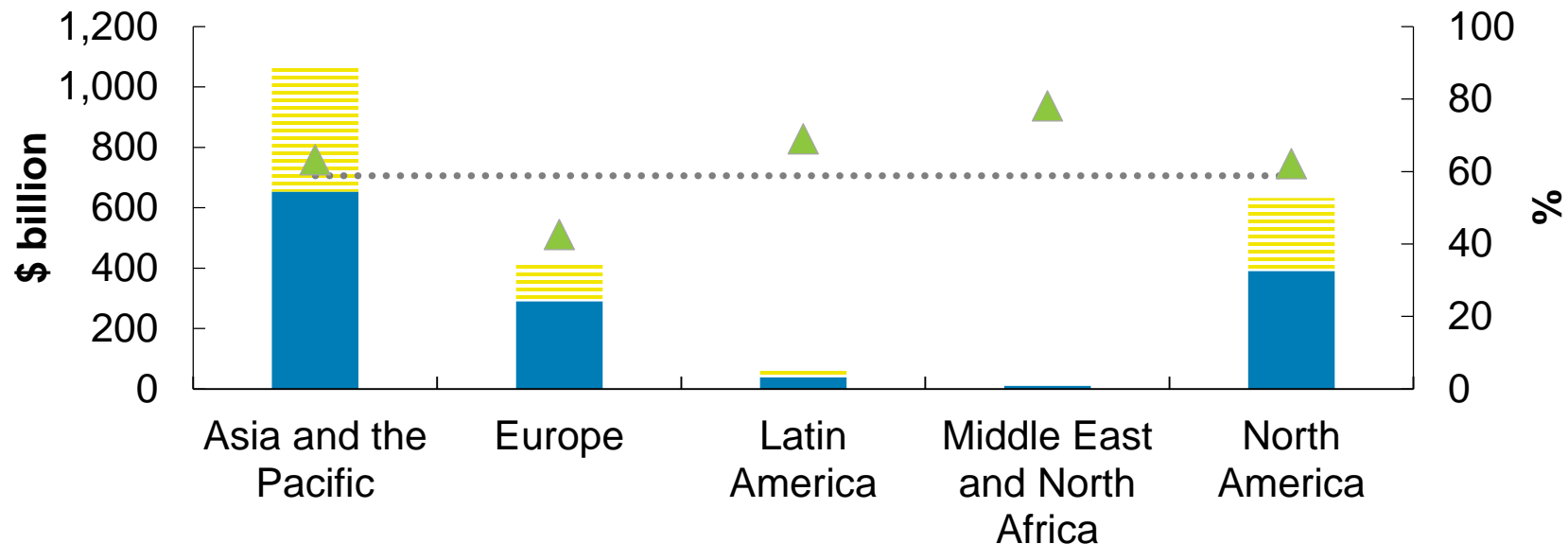


ICT = information and communications technology.

Source: ADB compilation based on Kshetri (2007a, 2018a), North (1996), Parto (2005), Scott (1995, 2001), and World Bank (2016a).

Asia and the Pacific is the largest and fast growing e-commerce market

Comparison of Internet Retailing Market Size, 2017-2021 (forecast)



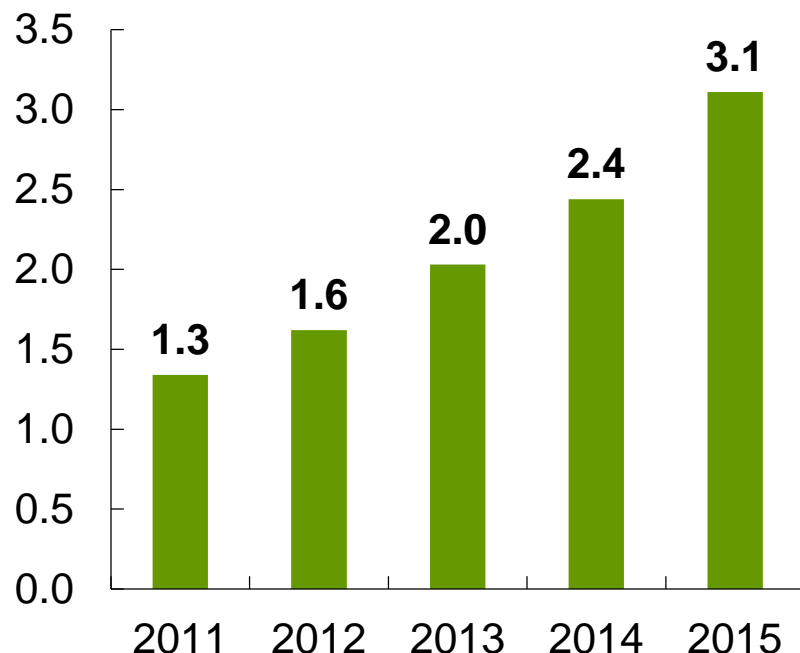
≡ 2021 forecast (left) ■ 2017 (left)
▲ Growth rate, 2021 versus 2017 (right) Overall growth rate, 2021 versus 2017 (right)

Note: Market size refers to the total goods and services sold through internet retail market. See Box 1.1 for the definition of internet retailing. Asia and the Pacific comprises of Australia; Azerbaijan; Hong Kong, China; India; Indonesia; Japan; Kazakhstan; Malaysia; New Zealand ; the People's Republic of China; the Philippines; Singapore; the Republic of Korea; Taipei, China; Thailand; Uzbekistan; and Viet Nam.

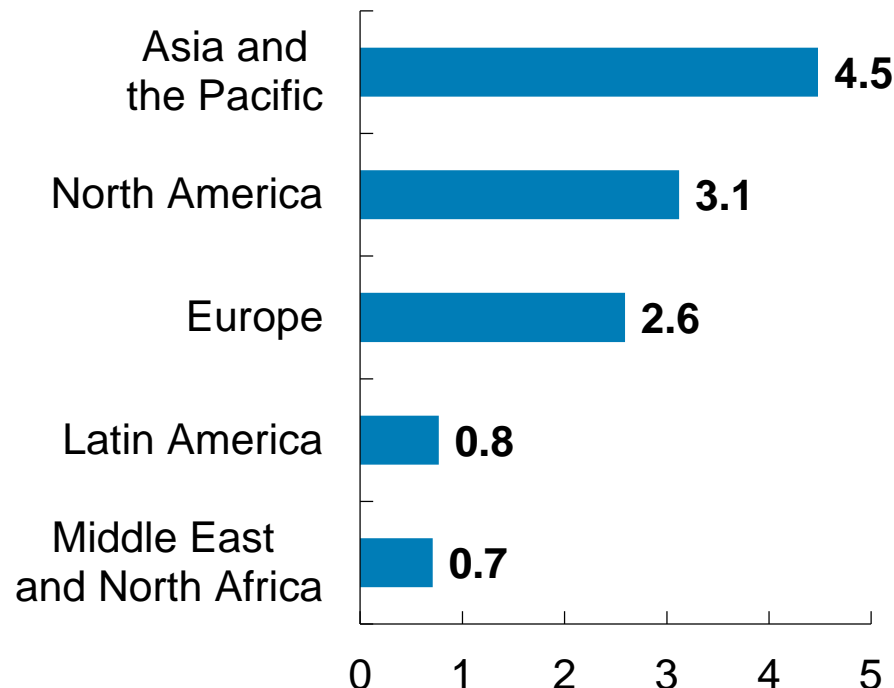
Source: Kshetri (2018) using data from Euromonitor International. Passport database.

It is also the largest as % of GDP

Global E-commerce
(% of GDP)



Regional E-commerce, 2015
(% of GDP)



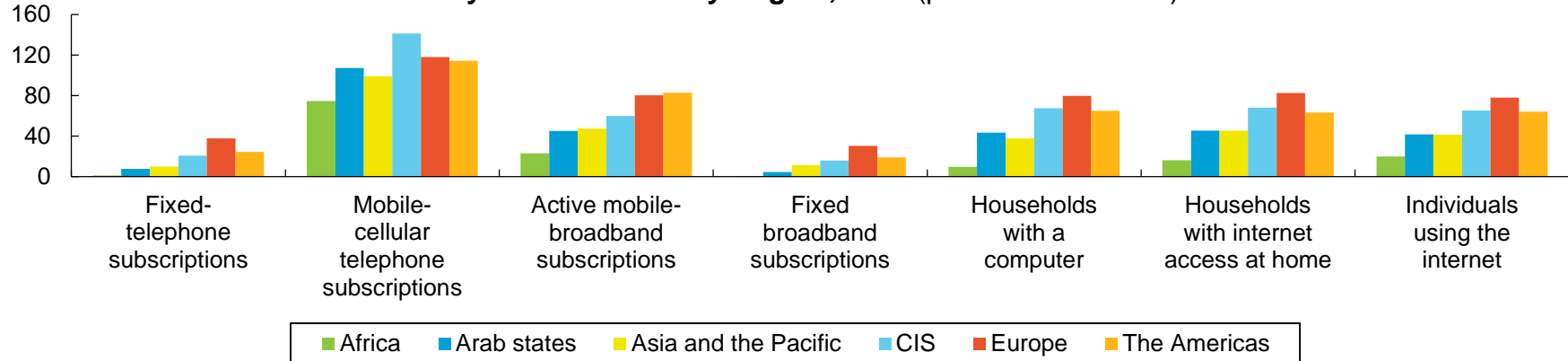
GDP = gross domestic product.

Note: Business-to-Consumer (B2C) e-commerce covers any contract for the sale of goods and/or services, fully or partially concluded by a technique for distance communication. Values refer to the total of goods and services sold through B2C transactions as a percentage of GDP.

Source: Ecommerce Foundation (2016).

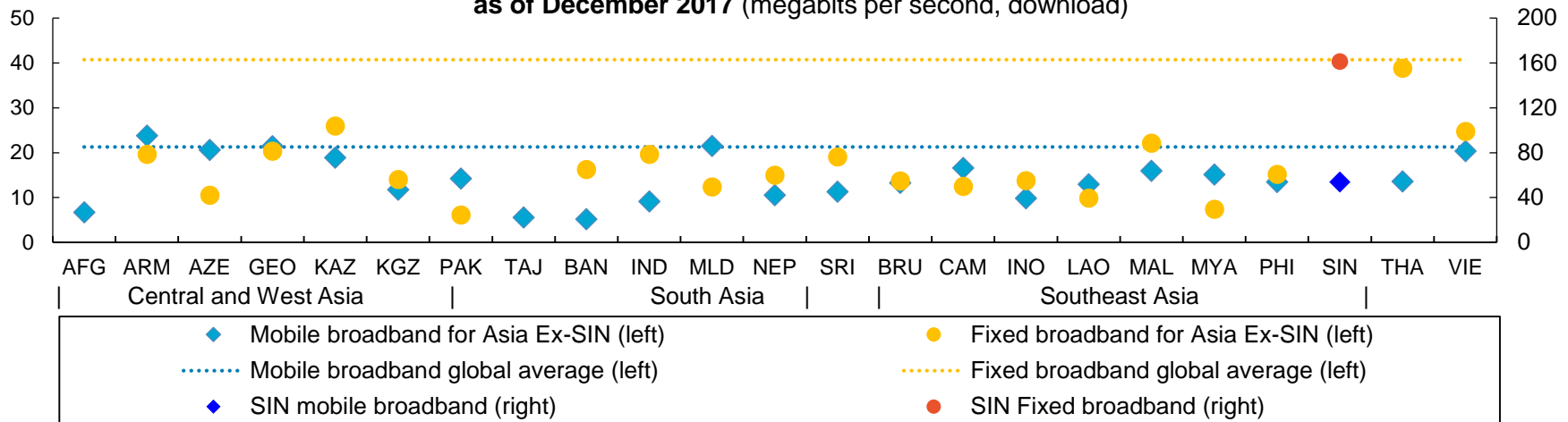
ICT Infrastructure

Key ICT Indicators by Region, 2016 (per 100 inhabitants)



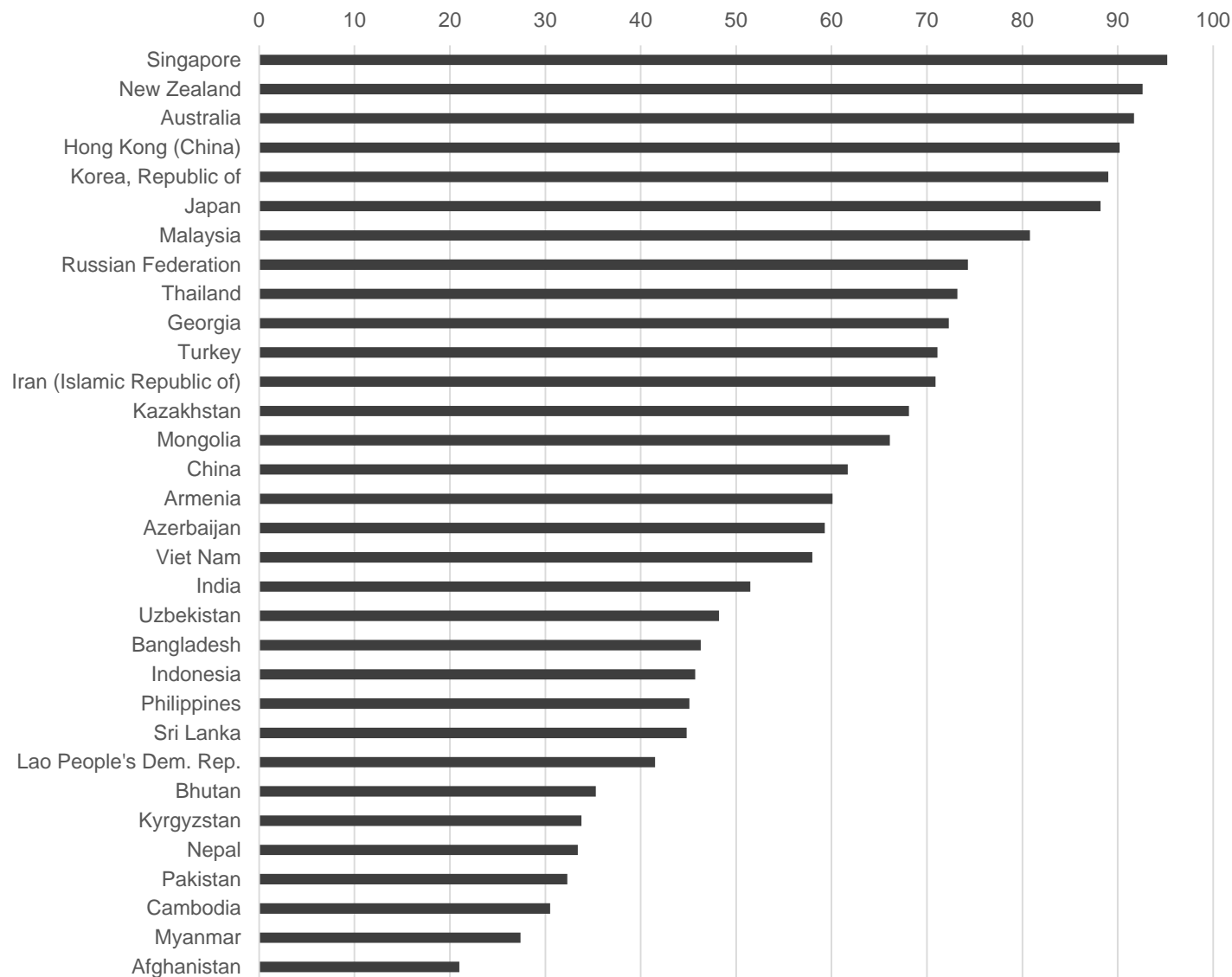
Source: International Telecommunication Union. Statistics. <https://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx>

Mobile and Fixed Broadband Speed—Central and West Asia, South Asia, and Southeast Asia, as of December 2017 (megabits per second, download)

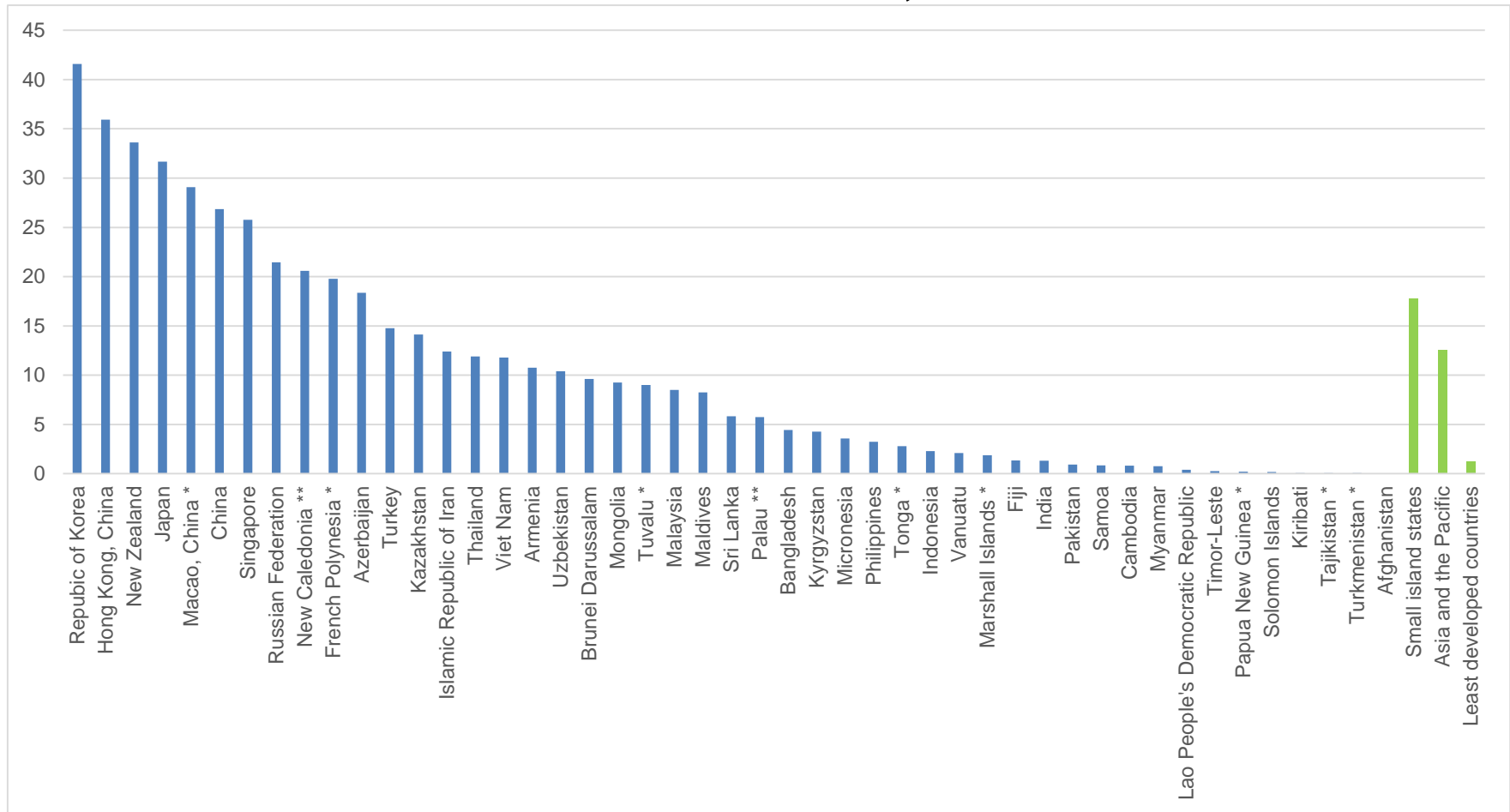


Source: Speedtest. Speedtest Global Index December 2017. <http://www.speedtest.net/global-index>

Ranking according to the United Nations Conference on Trade and Development B2C E-commerce Index 2018



Fixed-broadband subscriptions per 100 habitants in ESCAP member countries, 2017 or latest



Source: ESCAP, based on data from ITU (2017) World Telecommunication/ICT indicators database (2018). (accessed on 17 January 2019).

E-commerce in selected CAREC members (1)

- Kazakhstan's e-commerce market is growing 55% annually and the market value is \$3.6bn (Kazakh TV, 2016; PPRO Financial, 2018).
- In Azerbaijan the key drivers of internet usage and online shopping growth are under 25 years old (yStats.com 2015).
- In Uzbekistan, mobile technologies promoted internet penetration. Key market players include aliexpress.com, eBay and Amazon.com
- In Georgia, In 2017 the project "Internetization of Tusheti" covered dozens of villages and areas in the mountainous areas of Georgia with wireless internet (in cooperation with private sector)
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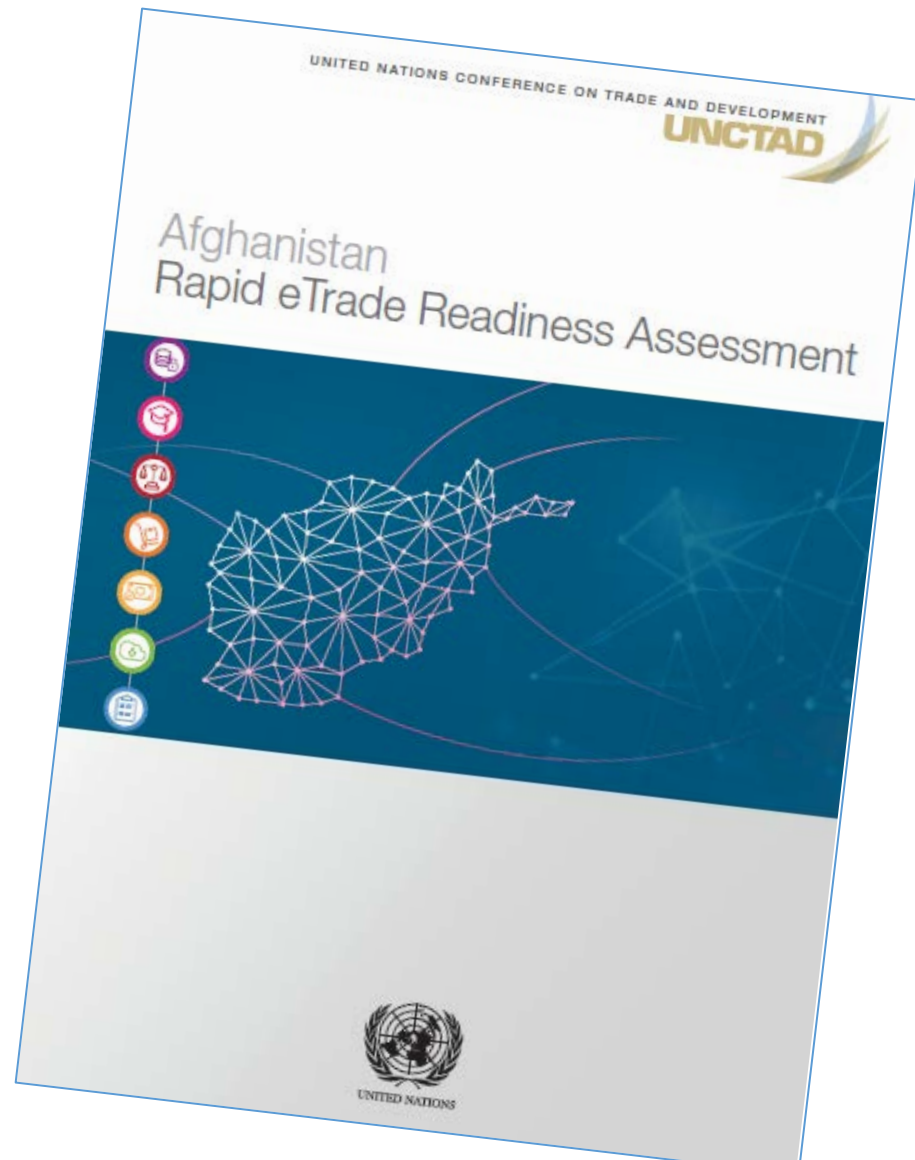
E-commerce in selected CAREC members (2)

- Pakistan: 1) E-commerce sales going to reach \$1bn by the end of year 2018; 2) 85% of the e-commerce sales are based on cash on delivery (COD); 3) No. of internet users in the country have increased from 44.5 million to 52 million – one of the basic causes of increase in e-commerce trading
- Source: Workshop on Environmental Readiness for E-Commerce: Economic, Legal, and Institutional Factors. Country presentation

<https://www.carecprogram.org/?event=workshop-ecommerce-readiness-dec-2018>

E-commerce in selected CAREC members (3)

- Afghanistan:



Legislation in key areas of cyber laws

Existing legislation in key areas of cyber laws

	Electronic transactions	Consumer protection	Privacy and data protection	Cybercrime
Afghanistan	(draft)	No	No	No
Azerbaijan	Yes	-	Yes	Yes
PRC	Yes	Yes	No	Yes
Kazakhstan	Yes	-	Yes	Yes
Kyrgyz Republic	Yes	-	Yes	-
Mongolia	Yes	-	-	-
Pakistan	Yes	-	(draft)	(draft)
Tajikistan	Yes	-	Yes	-
Turkmenistan	Yes	-	-	-
Uzbekistan	Yes	-	No	Yes

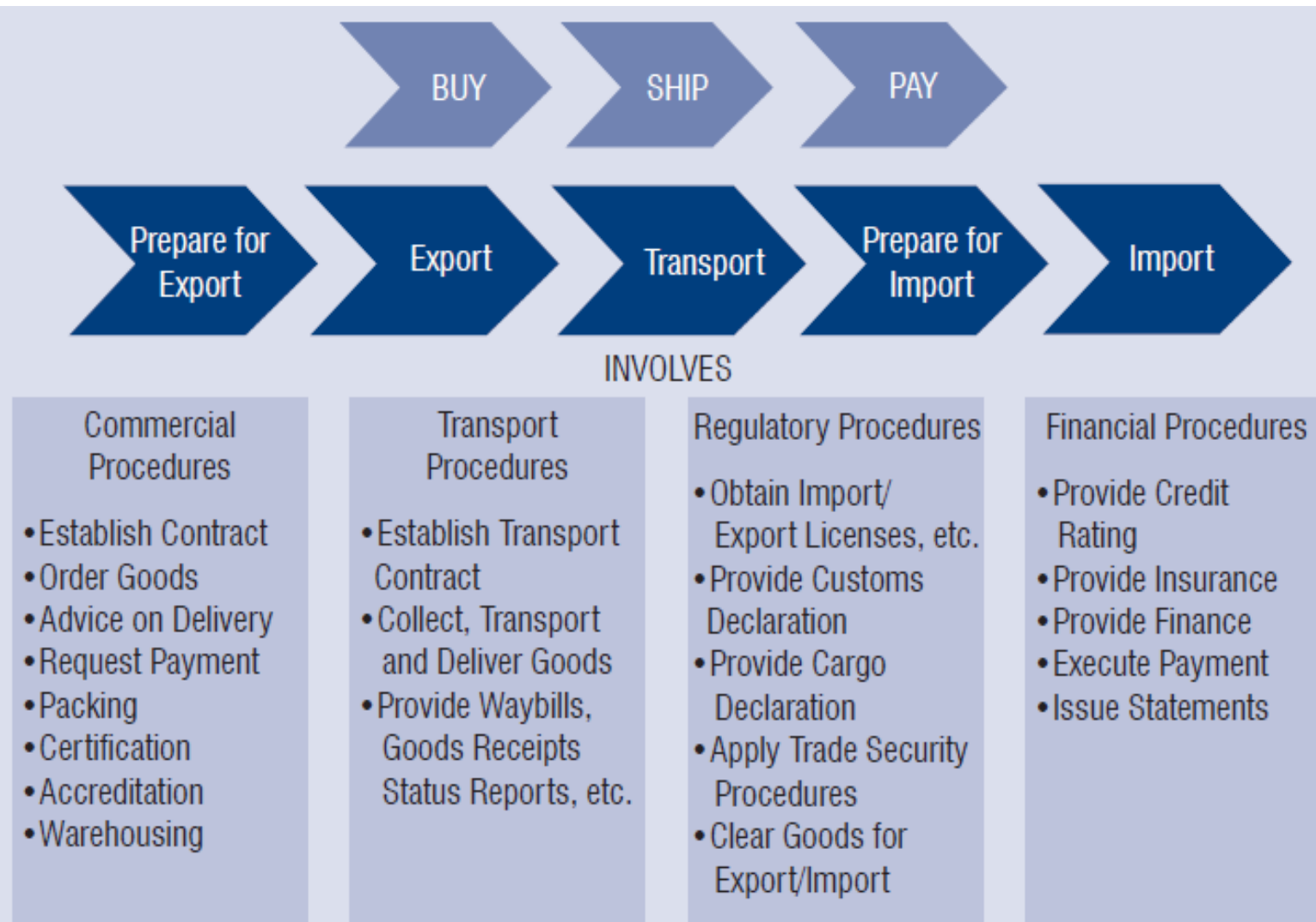
Source: UNCTAD 2015 (annex 3)

Note: - signifies "no data available"

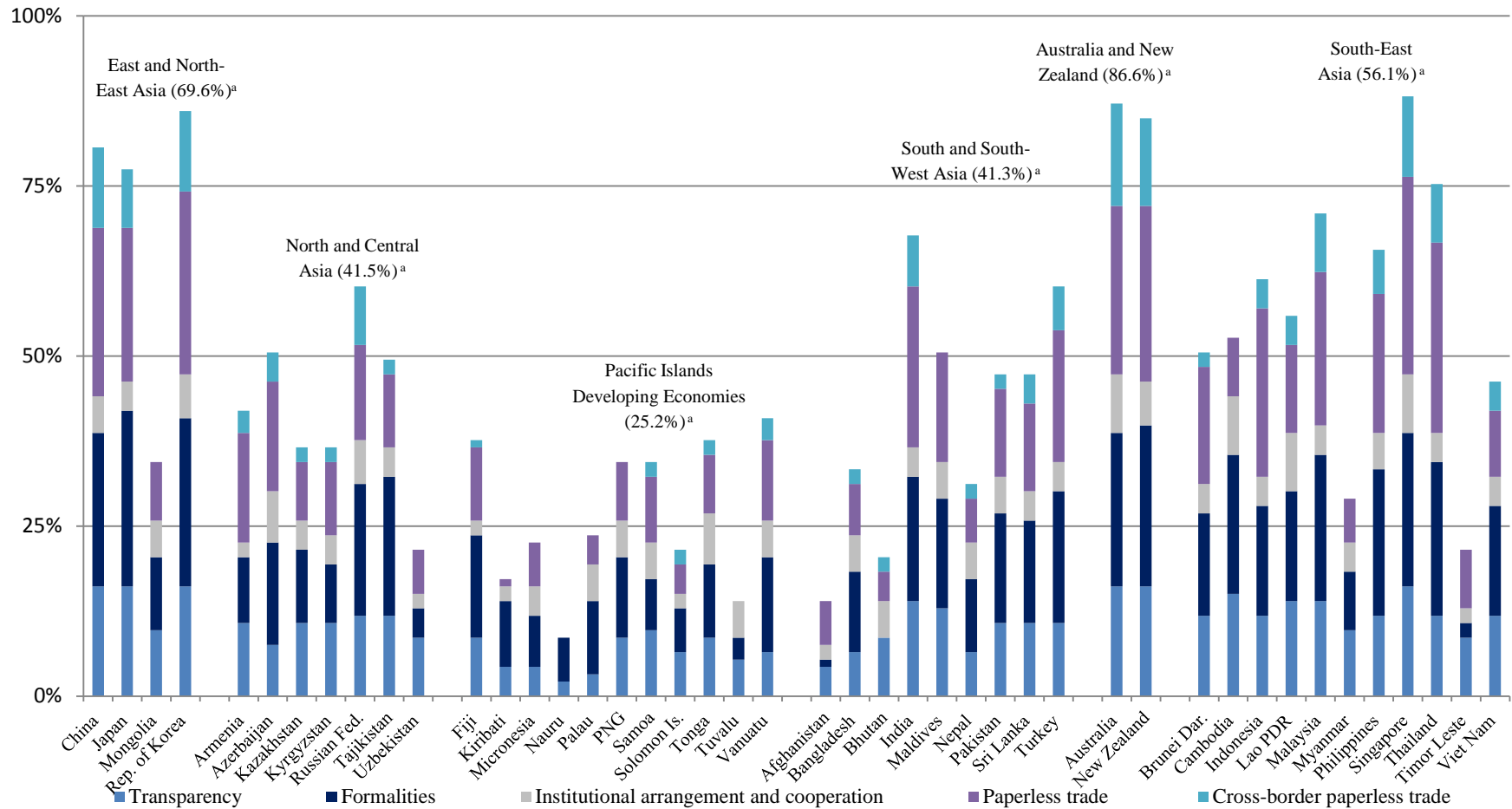
Cross border e-commerce: key issues

- **Market access:** contains a wide range of topics including customs duties, valuation issues, movement of natural persons and access to data;
- **Rules and regulations:** touch on different issues including intellectual property rights, protection of personal information, consumer protection and competition;
- **Facilitation:** covers areas on paperless trade, e-signatures and digital authentication.

Trade procedures also apply to e-commerce



Overall implementation of trade facilitation measures in 44 Asia-Pacific economies surveyed



De Minimis Thresholds—Selected Asian Economies, as of April 2016

Economy	Customs Duty and VAT/GST	
	Local Currency	\$
Australia	AUD 1,000	781
Brunei Darussalam	BND 400	301
China, People's Republic of	Customs Duty: No Customs duty will be collected for import goods that fall into the category of “cross-border e-commerce retail goods” VAT/GST: VAT and GST will be collected on 70% of the value of the goods imported for “cross-border e-commerce retail goods”	
India	INR 10,000 for product samples and gifts	150
Japan	JPY 10,000	93
Korea, Republic of	KRW 162,420	150
Malaysia	MYR 500	127
Philippines	PHP 10,000	192
Singapore	SGD 400	301
Taipei, China	TWD 3,000	103
Thailand	THB 1,500	48

GST = goods and services tax, VAT = value-added tax.

Notes: “Cross-border e-commerce retail goods” should be no more than CNY2,000 per person each time and no more than CNY20,000 per person each year. Foreign exchange rates as of 28 February 2018.

To unlock the potential of digital trade and e-commerce, it is imperative to take on the following measures



Enhance affordability of and access to ICT



Institute legal, regulatory and institutional reforms



Improve logistics and delivery infrastructure

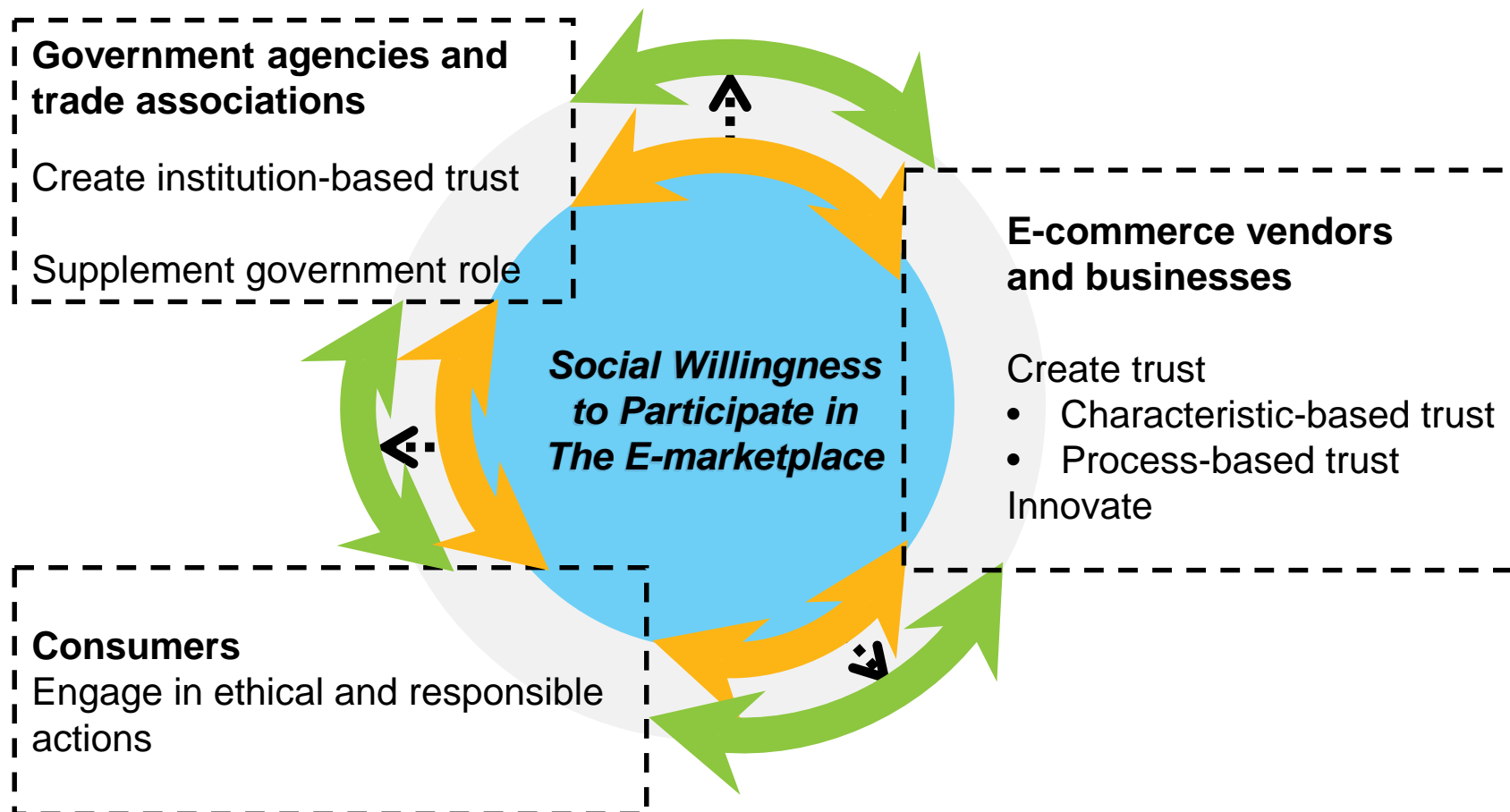


Intensify regional efforts to modernize and harmonize regulations



Broaden the e-payment availability and options

Creating a Virtuous Cycle in E-marketplace Development



Source: ADB compilation based on Albers-Miller (1999), Ang *et al.* (2001), Levi (1998), and Zucker (1986).

2030 agenda for sustainable development

数据智能驱动产业转型：智能养猪



每头猪都有独立数字档案

视频分析 猪脸识别 猪音识别

每头母猪年生产能力提升**3头**；
养猪场死亡率降低**3%**；
饲料成本降低**15%**



品种、日龄、体重、进食情况、运动强度、频次、轨迹；

从配种、怀孕、出生、生病监控、成长到猪肉配送全生命周期的监控；

避免近亲交配、监控猪的健康状态、保证料肉比、猪肉配送物流；

AIIResearch



E-commerce for inclusive development

Cross-border e-commerce for rural development and SMEs?



A subsidiary of Alibaba Group signed a purchase deal for at least 800,000 durians from farmers' cooperatives in three eastern provinces of Thailand for sale in China in 2019.

A journey of a thousand miles begins with a single step

- Partners: ADB, ESCAP, CAREC Institute, World Bank, UNCTAD, World Customs Organizations...
- Work with regional e-commerce platforms to sell national products to overseas markets. Such cooperation will have spill over effects: the least developed countries may also learn the advanced knowledge on cross-border e-commerce; build their capacities in developing e-commerce; and identify more business opportunities.

A few questions in the context of CAREC

- 1) What are the drivers of e-commerce at the national level, and what kind of public-private partnerships can be leveraged to promote e-commerce in least developed countries and developing countries?
- 2) What critical regulatory and policy framework should be put in place to support developing and the least developed countries to build up their competitiveness in goods and services through e-commerce?
- 3) How can the work of donors and partners play a role in prioritizing the agenda for e-commerce development?
- 4) As data on the digital economy and electronic commerce underpin evidence-based policymaking, what are the solutions to collect such data.

<http://www.unescap.org/>
<https://www.unescap.org/our-work/trade-investment-innovation>
<https://artnet.unescap.org/sti>

Thank you!



EMBRACING THE E-COMMERCE REVOLUTION IN ASIA AND THE PACIFIC

JUNE 2018