



**Joint UNCTAD - UN ESCAP Asia-Pacific Regional Conference
E-commerce Strategies for Development
Bangkok, 20-22 November 2002**

**Summary statement by Mr. Sok Siphana
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Excellencies, Ladies and Gentlemen,

These last two days have been very exciting and extremely encouraging. More than 150 delegates from 34 countries and 10 international organizations gathered in this room to discuss the policy issues related to the development of electronic commerce and the digital economy. We have covered a lot of ground in the area of national and regional e-commerce strategies for development. We have heard many examples from countries that are experimenting with their ICT and e-commerce strategies, which will be very useful for others; in particular those countries that are only starting to develop ICT and e-commerce plans and programmes. Many constructive suggestions were made on how governments could develop, improve or move forward their national ICT and e-commerce policies, with the objective to enhance their participation in the digital economy.

I would like to give you a brief synopsis of the main points that emerged from the presentations and discussions, in particular as they relate to policy considerations.

Within the Asia-Pacific region there are a number of political initiatives that have established working groups addressing ICT and e-commerce. We heard about three: ASEAN, APEC and ASEM. All have countries at various levels of "e-readiness" and are undertaking project activities that enable the more advanced economies transfer their experience to their less developed partners. This cooperation supports stronger national e-commerce strategies that will also be "interoperable" within global e-commerce frameworks. This conference illustrated the benefit of more interaction among these regional initiatives. The same should apply to the agencies of the UN System, which should ensure that its activities are supportive, complementary and not in competing with these initiatives.

The large majority of countries in the region have started to develop ICT or e-commerce strategies, but these are in very different stages of development. Some countries (such as the least developed countries or the Central Asian countries) are still in the process of identifying the main challenges posed to their economies by the new technologies, while others (such as the developed countries of the region, but also countries like India, Thailand or Sri Lanka) have developed full-fledged ICT national programmes, frameworks or action plans with clear responsibilities concerning the implementing departments and concrete projects under way.

It was suggested that the elements and priorities of national e-commerce strategies may differ between developed and developing countries. While developed countries may focus issues such as broadband access, the building of regional networks, market exchange, cross border certification, security and intellectual property, the developing countries key elements are human capacity building, basic access to ICT, local hardware and software, the use of local language, Internet portals and a higher level of government facilitation.

An important lesson learned from the process of designing and implementing national strategies is that leadership has to come from the highest political level. Therefore, in a number of countries, the strategies or national ICT committees are overseen by the Prime Minister's office. Other important suggestions from the more experienced countries are (a) to make sure that the e-policies are integrated with other development policies, (b) to involve stakeholders from both private and public

sectors from the very beginning, and (c) to design action plans that are explicit and have clear objectives.

E-commerce, together with e-business, is often part of a continuum of the overall national ICT development strategy, comprising also e-government and e-society. Therefore, some of the more specific e-commerce policies overlap with policies designed to develop the other elements of the continuum, such as those related to developing the telecommunications infrastructure or IT literacy and skills.

To create universal access to ICT is a key objective of national ICT and e-commerce strategies and policies. In the Asia-Pacific region, as in other parts of the world, there are a number of “digital divides,” not only between the richer and poorer economies, but divides between urban and rural populations, between more and less educated or affluent groups.

Appropriate technologies need to be developed to address the needs of disadvantaged communities. We heard from a very interesting example from Laos, where computers and the Internet are brought to remote villages using solar and muscle powered systems and low-cost wireless technology. We also learned that open source software speaks to developing countries’ needs as it provides access to technical expertise, has low direct cost and gives the ability to tailor the source code to meet specific needs, using the human resources available in many developing countries.

When talking about the digital divide, we cannot avoid looking at the gender imbalances. The meeting demonstrated very well that while the number of female Internet users is catching up quickly with those of male users, women are less present when it comes to the actual use of the new technologies. Furthermore, in many countries, women make up the majority of the rural population, which is often marginalised in areas of telecommunication infrastructure, education and training. Therefore, governments should include the gender dimension in their national ICT and e-commerce strategies.

The need for practical human resource development is often underestimated. The analogy between conducting e-commerce and driving a car helps illustrate the point. We do not expect someone with no training to step into an automobile and drive off safely onto the motorway. Yet businesses are being encouraged to step into e-commerce and enter the information superhighway. This is not safe or sensible for buyer or seller.

Trust and confidence are increasingly identified as obstacles to the adoption of e-commerce. National legal systems may need revision to accommodate the dematerialization of commercial documents. This is an area where international cooperation has proven very useful, both in terms of developing model laws and recommendations as the basis for national legislation, as well as exchange of experience in what are the questions, the difficulties that can be anticipated and what approaches have proven successful in resolving them.

E-Commerce cannot be developed without secure online payments. Meanwhile households and enterprises are increasingly using Internet banking, e-trade financing and online card payments to undertake payments or traditional commercial operations. In fact the share of e-finance in overall finance is considerably higher than that of e-commerce in trade. At the same time new e-commerce start-ups in developing countries need financing that can come from both traditional finance and e-finance. Due to lack of venture capital financing in developing countries their e-commerce project rely more on development and other banks for financing and on governments for incentives.

By targeting certain industries and business sectors, the Government can play an important role in enhancing the development of e-business in the country. For example, in countries like Malaysia and India, the IT industry has been strongly supported by government policies. An important element here is that the government works very closely with the business sector in order to respond to its very

specific needs. At the same time, academia needs to be present in the policy making so that the colleges and universities' teaching programmes correspond to the needs of the emerging sector. Other promising sectors include tourism, especially in the Asia-Pacific region. To the development of both sectors, a universal, high-quality and affordable telecommunication infrastructure is essential.

Excellencies, Ladies and Gentlemen,

This Asia-Pacific Regional Conference has provided us with a constructive forum to explore and debate these issues that must be considered in formulating our national e-commerce strategies for development. We appreciate the opportunity provided by UNCTAD, UNESCAP and the Royal Government of Thailand. We have a better appreciation of the key role that e-commerce must play in our future ICT strategies. We hope that the Ministerial debate today will reaffirm our convictions and that this conference will be remembered as the starting point for a truly regional cooperation to ensure that the full potential of e-commerce will improve economic and social development for all.

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