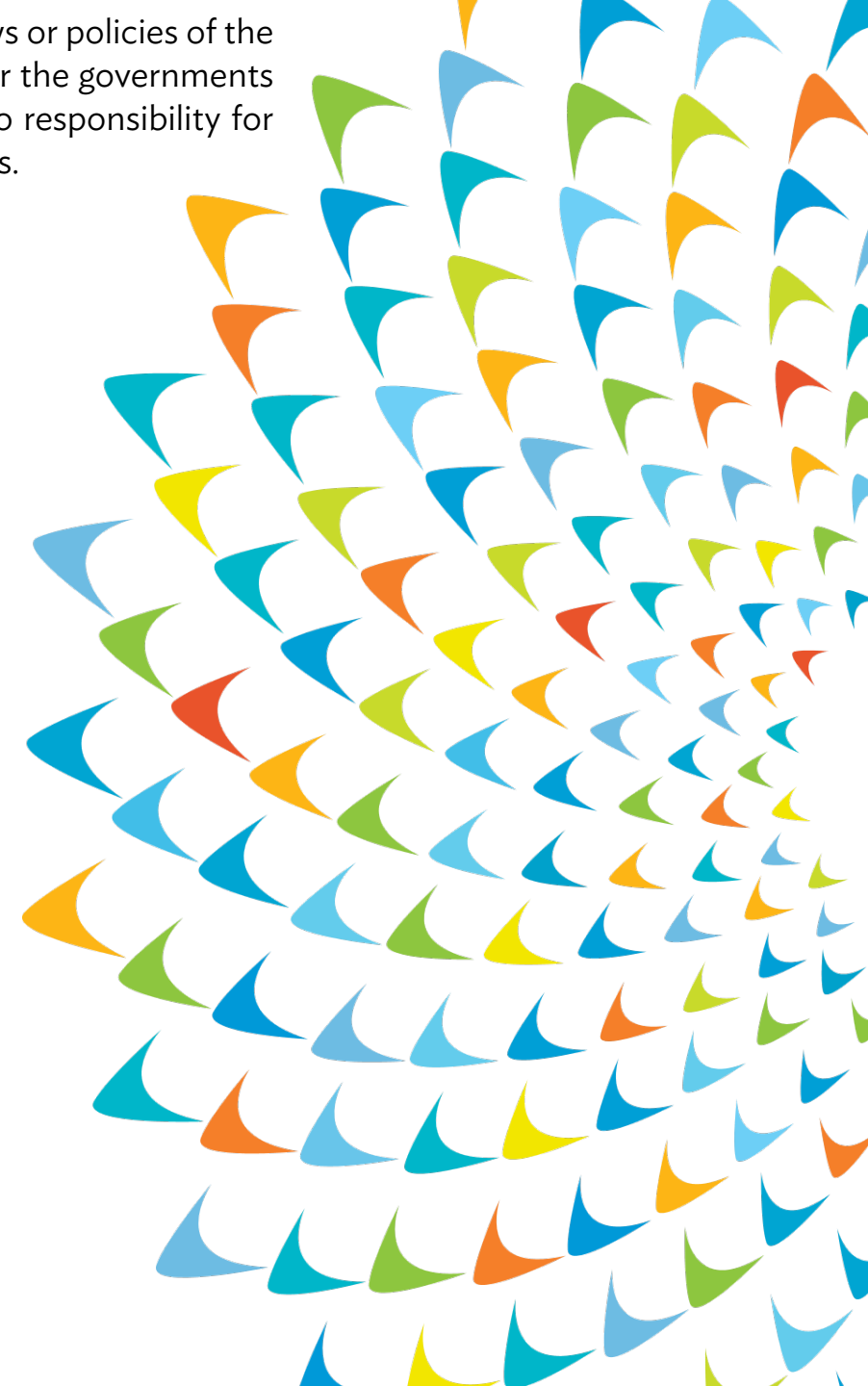


The views expressed in this presentation are the views of the author and do not necessarily reflect the views or policies of the Asian Development Bank Institute (ADBI), the Asian Development Bank (ADB), its Board of Directors, or the governments they represent. ADBI does not guarantee the accuracy of the data included in this paper and accepts no responsibility for any consequences of their use. Terminology used may not necessarily be consistent with ADB official terms.



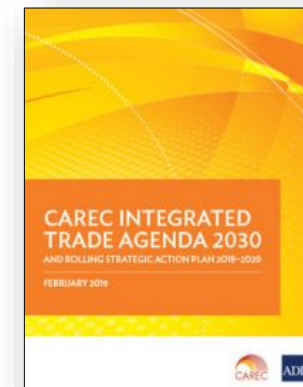
Regulatory Frameworks for E-Commerce Development in the Central Asia Regional Economic Cooperation (CAREC) Region

Virtual Policy Workshop
28 May 2020





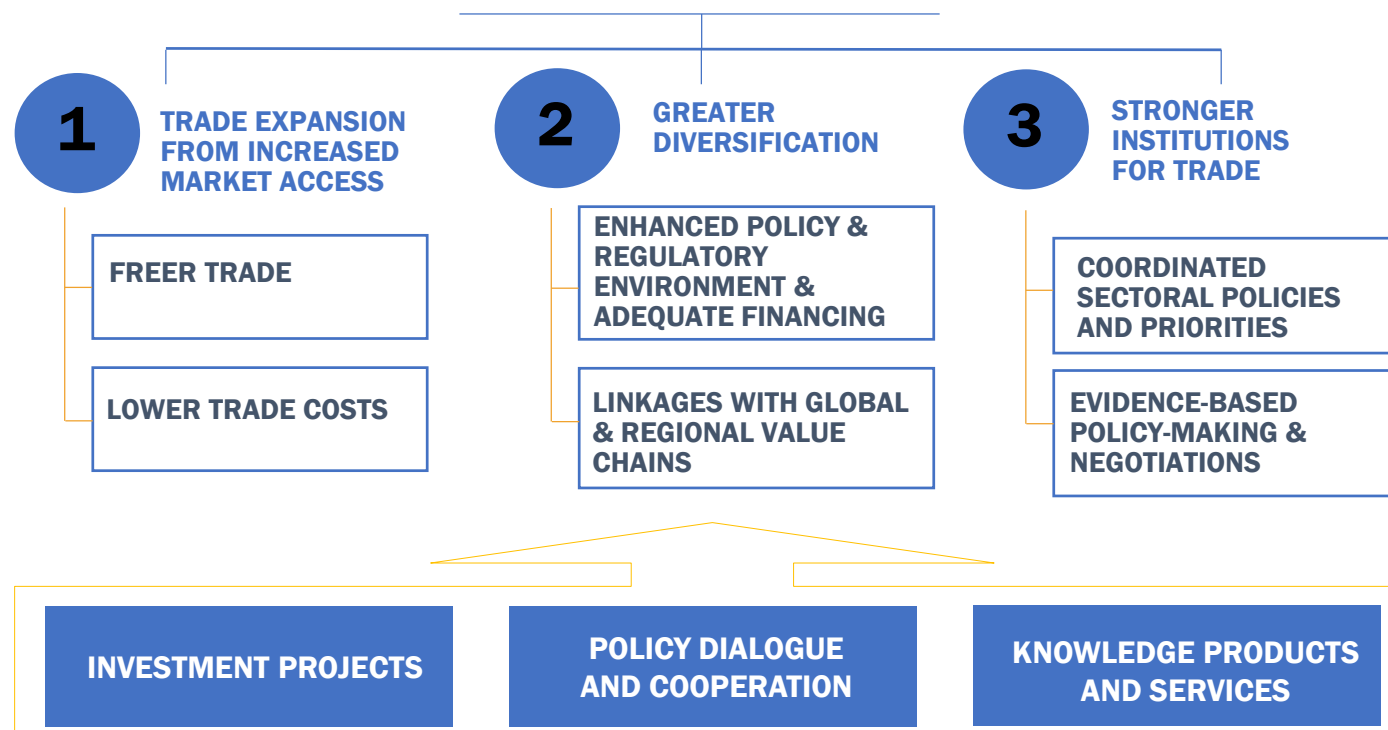
CAREC Integrated Trade Agenda 2030



linking CAREC with global and regional supply chain...

...including through e-commerce and promotion of digital trade.

CAREC COUNTRIES ARE MORE INTEGRATED IN THE GLOBAL ECONOMY



Endorsed at 17th CAREC Ministerial Conference November 2018, Turkmenistan



Growth and vast potential for e-commerce

- Digitalization has transformed human activity and interaction, evident in business and trade
- Global e-commerce estimated at \$29 trillion
 - mostly B2B (85%), B2C (15%)
 - cross-border sales at \$412 billion
- In 2015, Asia-Pacific B2C e-commerce is 4.5% of GDP; fastest growth globally at 28%

For CAREC countries —

- PRC has the most advanced and biggest e-commerce market in the world
- Online shopping growing rapidly in some countries, others emerging
- Foreign online vendors and platforms are key players

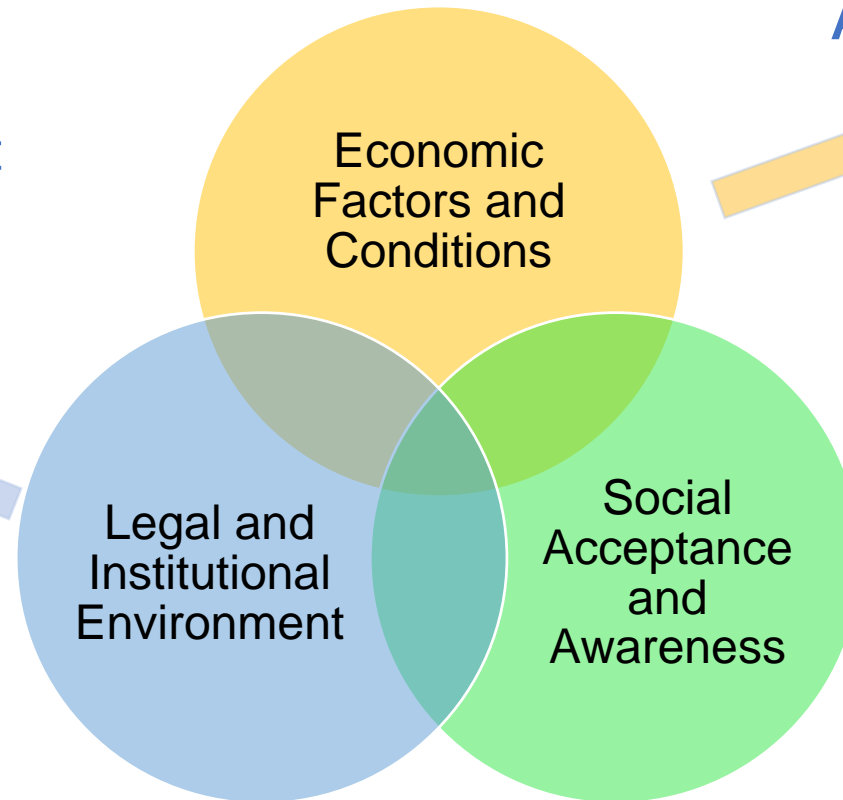
B2B= business to business; B2C = business to consumer. E-commerce also includes business to government (B2G) and consumer to consumer (C2C).
Sources: [UNCTAD 2019. Digital Economy Report 2019.](#) ; [ADB and ESCAP 2018. Embracing the Economic Revolution in Asia and Pacific. Manila.](#)



Dimensions for e-commerce development

Social and Political Environment

- Regulative institutions such as –
 - Legislations
 - Measures to make e-commerce affordable and accessible
 - Direct policy support
 - Public-private partnership
- Normative institutions (industry and trade associations)



Accessibility and viability

- Affordability and access to ICT
- Bandwidth availability
- Availability of online payment options
- Delivery infrastructure
- Economies of scale

- Awareness
- Literacy
- Confidence, risk aversion
- Trust and perception

Source: [ADB and ESCAP 2018. Embracing the Economic Revolution in Asia and Pacific. Manila.](#)



Supporting e-commerce development in CAREC

Regulatory Framework for E-commerce Development in CAREC Countries (Phase 1)

- mapping of policy, institutional and regulatory framework on e-commerce for each of the CAREC member countries
- gaps analysis at national and regional level based on international best practices
- recommendations and action plans

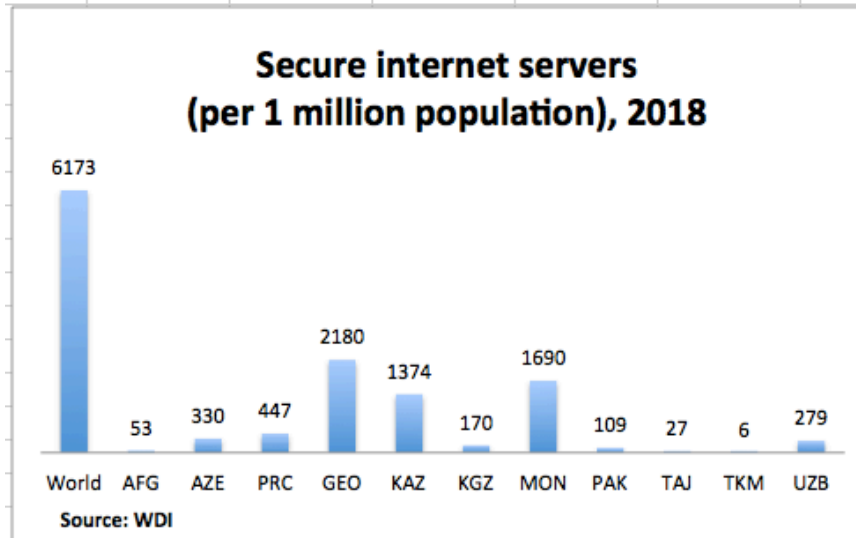
Framework for E-commerce Development in CAREC Countries – Focus on Infrastructure Development (Phase 2)

- internet infrastructure, e-payment systems, and logistics and delivery infrastructure
- draw from best practices in the region and beyond
- national and regional measures to promote connectivity and interoperability of e-commerce platforms

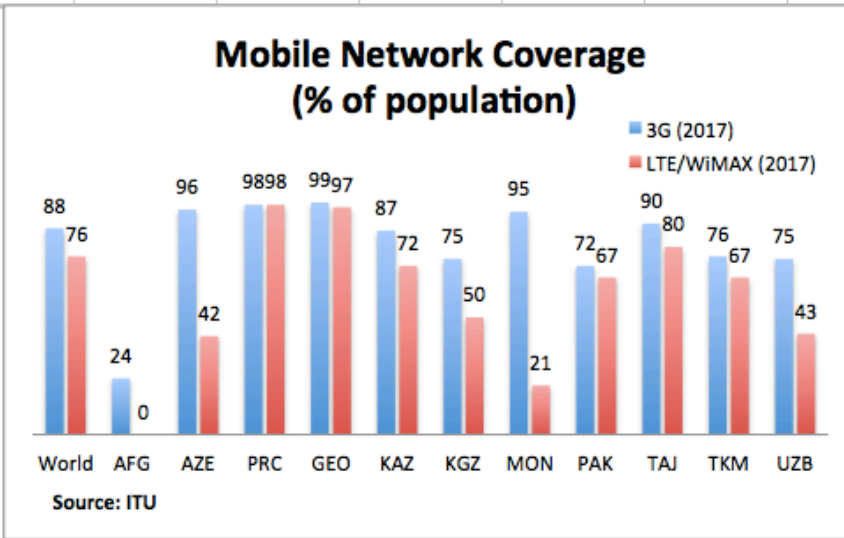


Economic e-commerce environment in CAREC

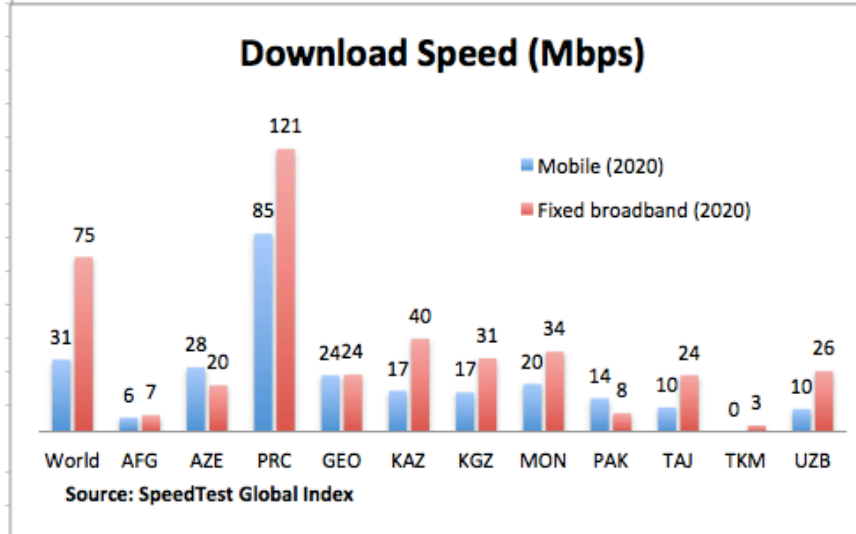
Internet server density varies widely



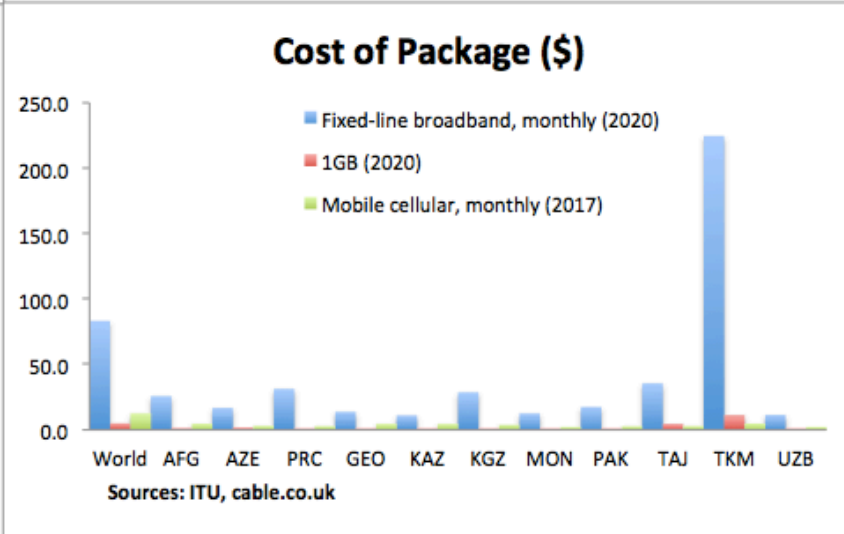
Extensive mobile network coverage



Fixed broadband speed lower



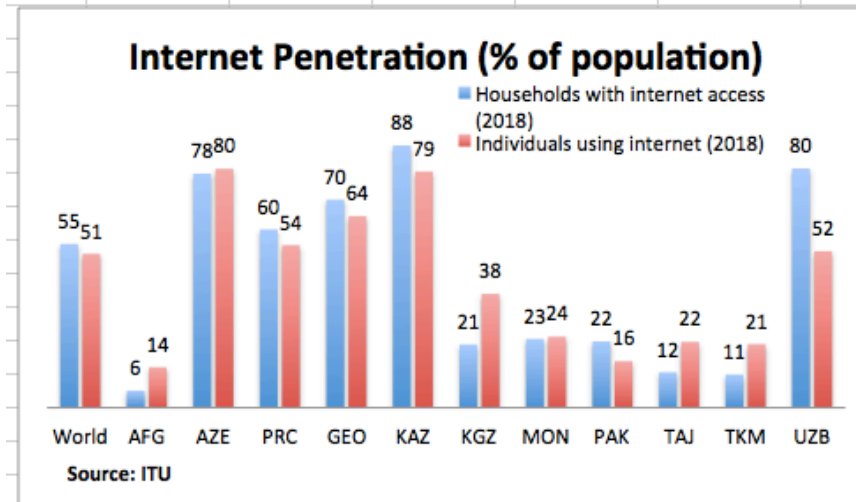
Cheaper cost for mobile cellular



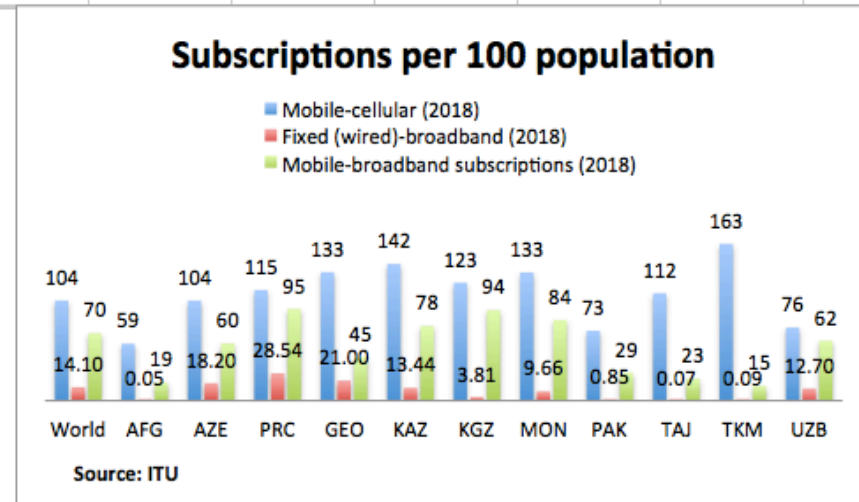


Economic e-commerce environment in CAREC

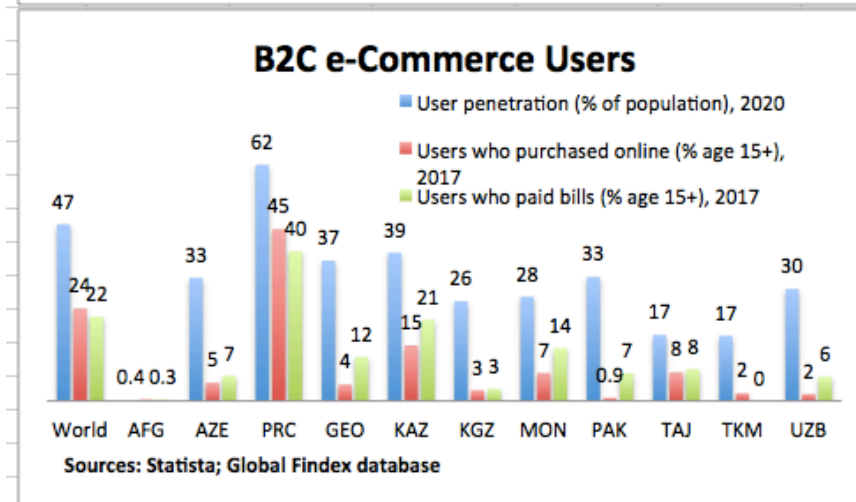
Internet usage high vs global average



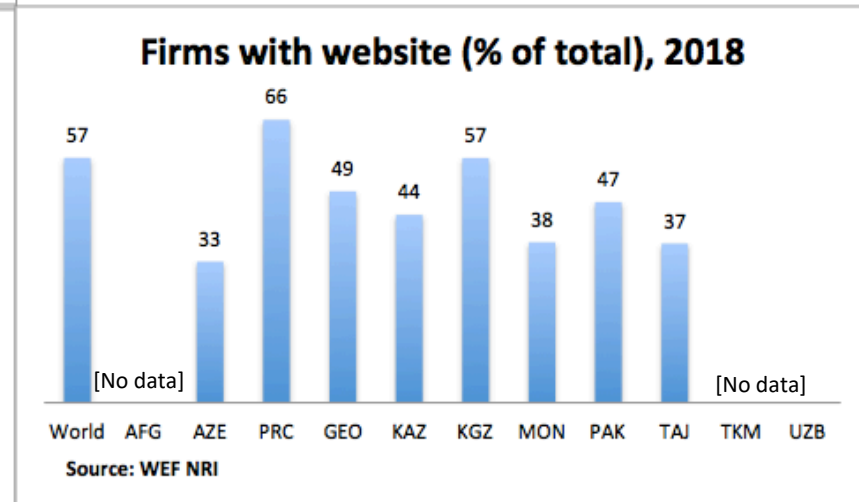
High mobile subscription



Average of 28% B2C users*



Average of 43% of firms use websites



**9 CAREC, excluding PRC at 62%*



Some takeaways

- Innovation and e-commerce have become both a necessity and opportunity in the emerging trade landscape
- Varying degrees on e-commerce readiness among CAREC countries
- A holistic approach is required – improve infrastructure for ICT and connectivity, adopt reforms and raise digital awareness
- Regional cooperation needed for cross-border connectivity and interoperability



Thank you for attention.

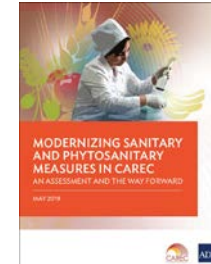
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Public Management, Financial Sector
and Regional Cooperation Division
East Asia Department
Asian Development Bank



Links:

CAREC Trade Program

https://www.carecprogram.org/?page_id=13249

CAREC Integrated Trade Agenda 2030

<https://www.adb.org/sites/default/files/institutional-document/490576/carec-trade-agenda-2030-action-plan-2018-2020.pdf>