Report of the 3rd Meeting of the Ad Hoc Steering Group on the Internet Economy
(27-28 February 2017)

Sulyna Abdullah
Chair, Ad Hoc Steering Group on the Internet Economy

Brief snapshot

	Internet users *	Mobile subscription*	Retail E Commerce Asia Pacific
2010	**40.6**	**83.4**	
2015	**55.4**	**100.9**	**USD877.61b**

per 100 inhabitants
Source : APEC PSU
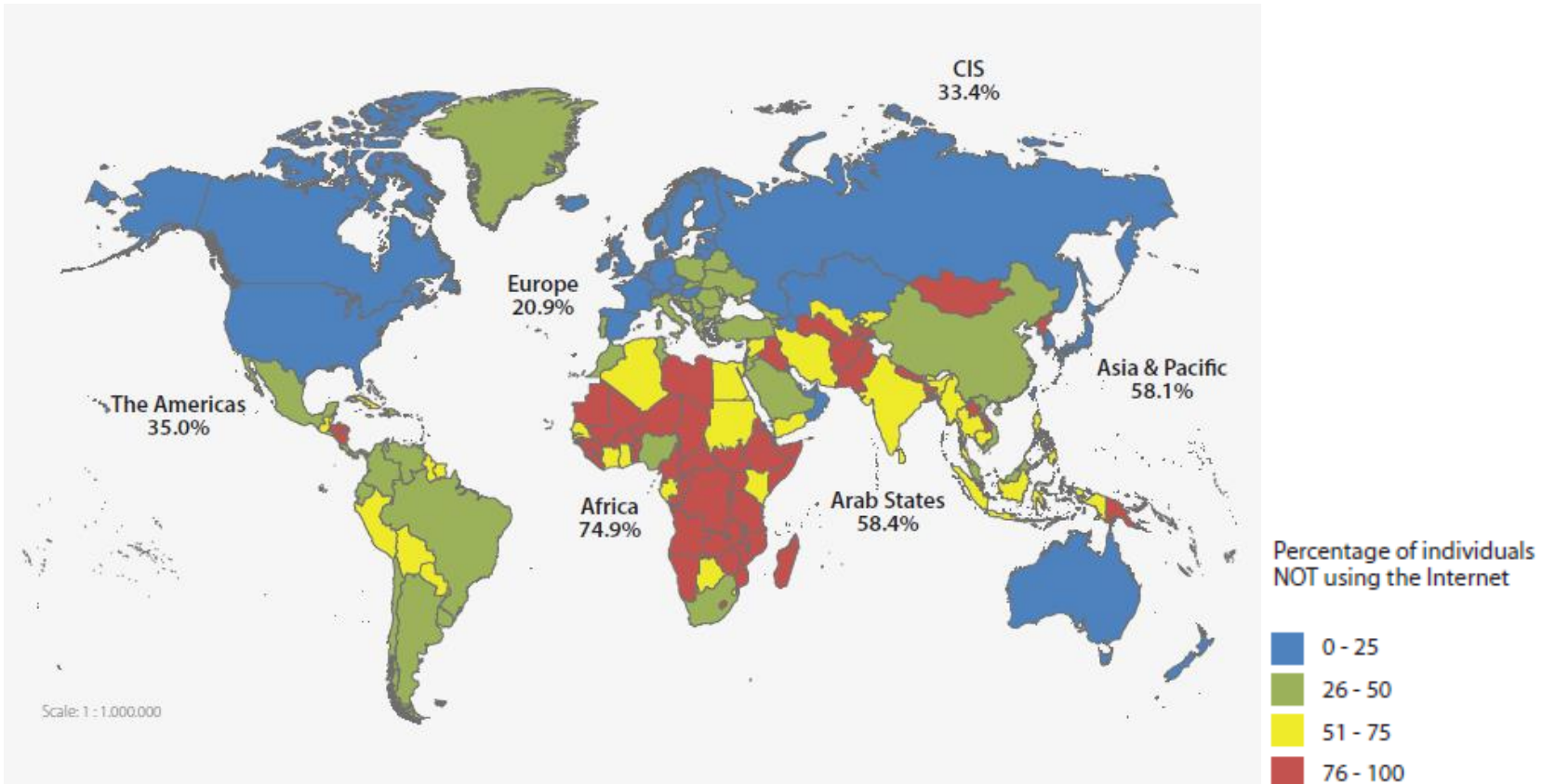
Global cost of cybercrime*
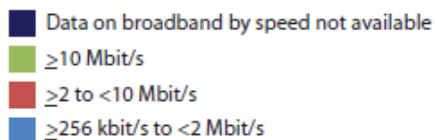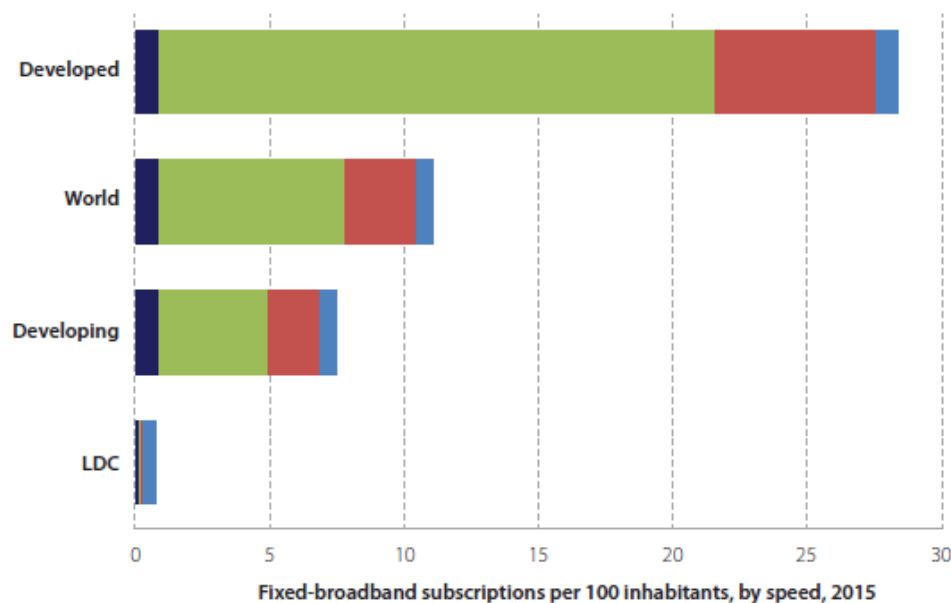
2015   **USD3 trillion**

2020   **USD6 trillion (estimate)**

53% of the world's population is not using the Internet, 58% in the Asia Pacific*

Broadband speed is a catch-up game

Fixed-broadband subscriptions per 100 inhabitants, by speed, 2015

- Data on broadband by speed not available
- ≥10 Mbit/s
- ≥2 to <10 Mbit/s
- ≥256 kbit/s to <2 Mbit/s

In early 2016, three out of four fixed-broadband subscriptions had advertised speeds of 10 Mbit/s and above in the developed countries, compared with two out of four in the developing countries.

In the LDCs, overall fixed-broadband penetration remains very low and only 7% of fixed-broadband subscriptions are advertised at speeds above 10 Mbit/s.

Broadband infrastructure investment in APEC 2010 - 2015

15 economies = **USD251Billion***

*From various sources;
figures were reported*

Australia USD23b
Canada USD1b
Chile USD0.7
China USD182
Korea USD10b
Japan USD10
Malaysia USD3.4b

Mexico USD3b
New Zealand USD2b
Peru USD0.4b
Russia USD3.5b
Singapore USD0.7b
Chinese Taipei USD1.3b
United States USD10b

"Broadband connectivity is a critical component for online trade"

"There is a strong correlation between e-commerce and fixed broadband adoption"

"Enhancing the ICT infrastructure connectivity will very likely increase B2B trade and e-commerce in Asia-Pacific countries. Moreover, smaller businesses stand to gain from the opportunities provided by ecommerce with global reach."

UNESCAP, 2016

The deep web, it's dark

4% of www content

SURFACE WEB
The visible web e.g. www.apec.org can be found using search engines

96% of www content

DEEP WEB
Or the Invisible web has content that cannot be indexed by search engines

USD1billion worth of goods sold in the 2 years the Silk Road was in operation (2011-2013)*

The deep web is estimated to be **500x** the size of the Surface Web

Highlights
of the
Third Meeting
of the
Ad Hoc Steering Group on the Internet Economy (AHSGIE)

Highlights of the 3rd AHSGIE Meeting

1. What we have been doing since SOM III, 2016

- 54th Meeting of APEC TELWG
- Symposium on APEC 2017 Priorities
- Engagement with the APEC Secretariat on the Internet and Digital Economy
- NCAPEC 2017 Annual Executive Roundtable (Breakout on the Digital Economy)
- Committee on Trade and Investment (CTI) Meeting
- 3rd Meeting of the AHSGIE

2. Discussion on Draft Consultation Paper

➢ Members agreed to continue to work inter-sessionally on:
- the proposed 11 priority areas /key focus areas in the consultation paper; and

- the draft Roadmap, based on the template/ framework which was discussed.

(I) TITLE
[ROADMAP FOR THE DEVELOPMENT OF THE INTERNET AND DIGITAL ECONOMY IN APEC]
[RUS/US/CN: APEC INTERNET AND DIGITAL ECONOMY ROADMAP]

(II) BRIEF INTRODUCTION / BACKGROUND
(a) Referencing mandate
[2014 Decision to set up AHSGIE; 2015 TOR; SOM mandate to draft Roadmap]
To consider: GRP?
             Mandate from other sectoral ministers' meeting?
             Ongoing work on digital trade?
(b) Purpose/Intention of the Roadmap
(c) Key Focus of the Roadmap (summary)
(d) Key Action Items to Advance the focus areas (summary)

(III) THE ROADMAP

Key focus / principles and specific actions in details

Preferred terminology:

PE/US/CT/JPN/SGP: "Key Focus Areas"

AUS/CHL/ECSG/VN /RUS/US/CN/HKC/CT/JPN/MYS/PH: "Priority Areas"

NZ: (Flexible)

Listing vs categorization – to be decided at next Meeting (drafting session)

(IV) ROADMAP IMPLEMENTATION

(a) Specific APEC-wide activity to support the [key focus areas/ import areas] and specific actions
Includes completed, ongoing and future work

(b) Monitoring Elements
Propose to add "internet and digital economy" as one of the reporting elements by all groups

Roadmap Development: 'Bottom up' Approach

Objective	**To develop an overview of where APEC is; what can and should be focused on in facilitating the development of an Internet Economy for all member economies and the regional economy as a whole, based on existing work programmes and identified gaps in work initiatives.**
Approach	• Survey the work ongoing in APEC sub-fora and working groups to identify initiatives relevant to the Internet and Digital Economy; • Identify duplication of Internet Economy-related initiatives; • Identify levels of awareness of initiatives and, where apparent, coordination between fora; • Engage with various Internet Economy stakeholders, both within APEC and APEC-related fora (e.g., ABAC), and external to APEC through various private public dialogues.
Inputs	• Presentations, suggestions and requests from member economies; • Requests and suggestions from SOM; • Summary programme audits from APEC sub-fora; • Inputs from private sectors and non-governmental organizations through PPDs; • Responses to consultations.
Timeline	End-2016 : Summary of initial capture of initiatives and issues H1 2017 : Draft Roadmap for circulation based upon inputs Q3 2017 : Finalized Roadmap
Outputs	• Key issues of the Internet Economy for focus by APEC; • Where duplicate initiatives/efforts and gaps exist; • Which sub-fora should have responsibility for which issues; • Where coordination is required (across silos) and which sectors should be coordinating; • Initial suggested priorities.

Timelines for Roadmap

1 March 2017	APEC Secretariat to circulate email to members
15 March 2017	Members to submit comments on the 11 key focus/ priority areas
16 March 2017	Drafting Group commences work (Convenor(s) to develop first draft)
6 April 2017	First Draft is circulated to AHSGIE Members
28 April 2017 2 weeks before SOM II, 2017	AHSGIE Members to submit comments
AHSGIE 4, SOM II, 2017 (7-18 May)	Drafting Session for Roadmap & Finalization of Roadmap - Consolidated draft to be circulated to members before AHSGIE 4
AHSGIE 5, SOM III, 2017 (15-30 Aug)	Drafting Session for Roadmap & Finalization of Roadmap (if necessary)
CSOM (5-6 Nov 2017)	Submission of Roadmap for Endorsement

Way Forward

➢ Establishment of drafting group for Roadmap

➢ Continued engagement with the private sector until Roadmap is finalized

➢ Encourage technical experts to attend AHSGIE meetings with Economy reps

➢ Engagement with SMEWG & TELWG via video conference

Other Matters

➢ The work post-AHSGIE

➢ The Chair raised the need to consider "barriers" in the context of the Internet Economy, for example:
- Access to broadband/Internet
- Speeds
- Price
- Roaming charges
- Censorship
- Identity
- Cybercrime and Cyber Threats
- Difficulty of enforcement
- Lack of technical resources (e.g. spectrum, numbers)

AD HOC STEERING GROUP ON THE INTERNET ECONOMY
September 2, 2015 | Cebu City, Philippines

APEC
Asia-Pacific
Economic Cooperation

Ad Hoc Steering Group on the
Internet Economy Meeting
Lima, 29 Febrary 2016

APEC PERU 2016

Ad Hoc Steering Group on the Internet Economic Meeting
Lima, 29 February 2016

For Decision of SOM:

➢ Note the AHSGIE Chair's Report, including:
- "barriers" in the context of the Internet Economy;

➢ Request endorsement for:

(a) the AHSGIE Timelines for the development of the Roadmap in 2017; and

(b) Proposed Template for Roadmap.

THANK YOU