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**Clean Draft – APEC Internet Economy Roadmap, 15
May 2017, 2000hrs**

Purpose: Information
Submitted by: APEC Secretariat



**4th Ad Hoc Steering Group on the Internet
Economy Meeting
Ha Noi, Viet Nam
14-15 May 2017**

**APEC INTERNET AND DIGITAL ECONOMY ROADMAP
(DRAFT)**

(AHSGIE4: 15 May 2017, 2000hrs)

APEC INTERNET AND DIGITAL ECONOMY ROADMAP

BRIEF INTRODUCTION / BACKGROUND

In 2014, the APEC Leaders formally recognized the role of the Internet Economy in promoting innovative development and empowering economic participation. They endorsed the *APEC Initiative of Cooperation to Promote Internet Economy* and instructed Ministers and officials to discuss the Internet Economy further, promote member Economies' cooperation on developing the Internet Economy, and facilitate technological and policy exchanges to bridge the digital divide. In 2015, APEC Leaders and Ministers welcomed the establishment of an Ad Hoc Steering Group to guide the discussion on issues arising from the Internet Economy.

Observing established guidelines focusing on practical economic cooperation, respecting the diversity of APEC members, the objectives of the Ad Hoc Steering Group are to:

- Discuss issues related to the Internet and Digital Economy and propose cooperative activities on Internet and Digital Economy-related projects and initiatives between APEC fora and sub-fora; and
- In collaboration with relevant APEC fora and subfora, organize the development of a cross-APEC work program for endorsement by Senior Officials and consideration by Minister and Leaders, for coordinating cross-cutting APEC initiatives that promote economic growth through the Internet and Digital Economy; encourage cooperation across APEC fora and subfora, and build an open and cooperative environment.¹

In 2016, the SOM endorsed the proposal for the AHSGIE Chair to circulate a consultation paper on drafting a Roadmap on APEC Internet Economy.

15 May Drafting Note: APEC Secretariat to review consistency with quoted texts, otherwise the reference should be "Internet and Digital Economy"

The APEC Roadmap on Internet and Digital Economy builds on previous initiatives and is intended to highlight the key areas and actions to facilitate technological and policy exchanges among member economies and to promote innovative, inclusive and sustainable growth, as well as to address the potential for a growing digital divide to otherwise emerge in the APEC region.

¹ The Terms of Reference (TOR) of the Ad Hoc Steering Group on the Internet Economy and Illustrative Scope of Cooperation (2015/SOM3/AHSGIE/002 and 2015/SOM3/AHSGIE/003).

15 May Drafting Note: To discuss China's proposal: [CN: provide a comprehensive and coherent framework by 202X]

Given the evolving nature of the Internet and Digital Economy, these areas should not be seen as capturing the full nature of the Internet and Digital Economy. This Roadmap is an important contribution to further promote the development and growth of the Internet and Digital Economy in APEC.

[RUS: Acknowledging and respecting the principles of security and trust in the Internet and Digital Economy, APEC Economies will focus their work on the following Roadmap priority areas.]

14 May DRAFTING NOTE: will delete reference to "secure" if this paragraph is accepted)

1. Development of [US/ROK: ~~secure~~] [RUS: resilient, reliable and secure] digital infrastructure
2. Promotion of Interoperability
3. Achievement of universal broadband access
4. Adoption of holistic government policy frameworks for the Internet and Digital Economies
5. Promote greater alignment of regulatory approaches affecting the Internet and Digital Economy
6. Promoting innovation and adoption of enabling technologies
7. Promotion of trust and security in the use of ICTs
8. CN: [Assurance of] cross-border data flows [VN: for digital trade and business activities]
9. Establishment of baseline Internet and Digital Economy measurements
10. Enhancing inclusiveness of Internet and Digital Economy
11. Facilitation of E-commerce and Digital Trade

THE ROADMAP

In previous iterations of network industries, we have seen the benefits that accrue through network interconnectivity and open participation, while recognizing the investment required for network buildout.

As we move into an Internet Economy and a Digital Society, where all sectors of economic and social development are increasingly empowered by the underlying digital infrastructure, there needs to be recognition of the broad-based economic growth that is made possible, including, for example, in the financial sector, in the health and education sectors, in the agri- and aqua-culture sectors, and so on. Equally important is recognition of the social development made possible, including through policies and programs of inclusion and universal service access.

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It is because of its very pervasiveness that *holistically* understanding the impact and *coordinating* the benefits deriving from the Internet and Digital Economies has become so important.

1. Development of ~~[US/ROK: secure]~~ [RUS: resilient, reliable and secure] digital infrastructure

The use of the Internet and of Internet Protocol (IP) standards for communications systems and other relevant international standards for technological products and services throughout the economy create the structural foundations for the Internet and Digital Economy. IP-enabled networks form the foundation of the emerging Internet and Digital Economy; not just for Internet-based companies, but inclusive of *all* sectors of the economy that make use of the Internet or IP-enabled networks², taking into account views from the industry stakeholders, including ICT-infrastructure operators. [US/JPN: All member economies are encouraged to promote an enabling environment for the development of quality digital infrastructure so as to develop internet and digital economy.]

2. Promotion of Interoperability

We acknowledge the key importance of interoperability as we move into an Internet and Digital Economy, where all sectors of economic and social development are increasingly enabled by the underlying digital infrastructure. Digital technologies have the potential to provide local individuals and businesses with access to greater economies of scale and scope, through an open interconnected Internet and choice and competition among Internet-based platforms and applications. We also recognize the high importance of the use and promotion of the multilingualism in the Internet and Digital Economy—and underscore the need to support further development of local content and services in a variety of languages and formats.

² CT: Digital infrastructure contains the structure, including infrastructures, platforms and services, which drives the growth of internet and digital economy. For example, the applications of big data on the online advertising by using cloud computing facilities for the E-Commerce companies.

CN: [All member economies are encouraged to promote an enabling environment for the development of quality digital infrastructure so as to develop internet and digital economy.]

[RUS: A collection of networks, end user equipment, information, and human resources which can be used to access valuable information, communicate with each other, work, learn, receive entertainment from it.]

3. Achievement of universal broadband access

In 2000, we set the goal to triple the number of people within the region with individual and community-based access by 2005. Furthermore, the TEL ministers set the ambitious goal of access to next generation high speed broadband by 2020 in 2010. Today, broadband access has become the fundamental building block for the digital economy development, and this means ubiquitous, universal, access. It also means that quality of access is as important as access itself. This means ensuring basic levels of speed, availability, quality and affordability. Broadband access should be able to integrate economy and society through services to foster social and economic growth.

4. Adoption of holistic government policy frameworks for the Internet and Digital Economies

Given the cross-cutting nature of the Internet and Digital Economy, government policy frameworks should be developed holistically including with agencies that are not traditionally seen as ‘tech’ agencies such as agriculture and fisheries, manufacturing, competition, manpower, and so on. In order to capture and maximize the benefits of the Internet and Digital Economy, APEC economies are encouraged to coordinate with and involve public and private stakeholders so that it cuts across all sectors to participate in policy development.

5. Promote greater alignment of regulatory approaches affecting the Internet and Digital Economy

A core problem facing both large enterprises and MSMEs is how to address legal and procedural uncertainties and to ensure compliance with an alphabet soup of general and sector-specific laws and regulations, as well as codes of practice and legal judgments that differ in their details across many jurisdictions. To accelerate the growth of the Internet and Digital Economy, member economies should promote greater alignment of regulatory approaches, including to international standards.

6. Promoting innovation and adoption of enabling technologies

[The development of the digital infrastructure and Industry 4.0 opens new opportunities and brings new challenges for regulators and business, transforming traditional approaches to regulatory and business cooperation in APEC. Due to the changing circumstances, public and private sectors should cooperate on the business transformation, paying particular attention to service industry and digital trade. New digital technologies, such as cloud computing, and data services can provide governments with the flexible and efficient solutions for empowering future development [\[RUS: mitigating risk and addressing global challenges\]](#)

7. Promotion of trust and security in the use of ICTs

Whilst connectivity is key to the success of digital services, privacy and security are also a central consideration for building trust and confidence in the Internet and Digital economy. As the number of digital services has grown and the level of risk individuals users and providers are exposed to increased, APEC economies recognize the need for accessible, open, interoperable, reliable and secure ICT environment as an essential foundation for economic growth and prosperity. To meet these objectives, public and private sectors need to take advantage of the benefits of modern digital systems while keeping data safe.

8. ^{CN:} [Assurance of] cross-border data flows ^{VN:} for digital trade and business activities]

In today's information-driven economy, it is essential to have frameworks for privacy and personal data protection, as they are crucial to strengthening confidence and trust in the digital economy while preserving the global nature of the Internet. The changes in technology and the flow of information has impacted how businesses operate and provide cost-effective services globally. Creating interoperable systems may contribute to innovation and entrepreneurial growth. ^{CN:} [Economies should promote both effective information privacy protection and the free flow of information, while respecting domestic laws and regulators, applicable international frameworks for information privacy protection in the Asia Pacific region, as stated in the APEC Privacy Framework.]

9. Establishment of baseline Internet and Digital Economy measurements

It is a challenge for APEC member economies to measure and monitor the development of Internet and digital economy simply due to the fast growth speed of the sector. APEC Member Economies-expeditiously need to come together ^{CN:} [with relevant stakeholders] to define a better evidence base upon which better public awareness can be built, and more fully informed decisions can be made. Different descriptions and interpretations of the terms may lead to the wrong understanding of future initiatives and programs which in turn may slow down the process of APEC work in this field. Taking into account ongoing work in other fora, APEC economies are encouraged to develop a descriptive glossary for the selected terms for the Internet and Digital Economy measurement. These actions could be taken so as to effectively prioritize and allocate resources at the economy level, and coordinate frameworks at the regional level.

10. Enhancing inclusiveness of Internet and Digital Economy

The tenth UN Sustainable Development Goal states the need for reducing inequality within and among economies. The Internet and Digital Economy can and should contribute to better inclusiveness to ensure that no one is left behind, including both in terms of social and geographic perspective. In this regard, APEC economies should prioritize policy measures and technical means to bridge the digital divides between and within economies, regions and groups, in addition to promoting universal broadband access. Efforts should be intensified in development of awareness and digital literacy programmes, capacity building, and promotion of digital skills to build workforce capacity in the digital age. Policies should be promoted to support and globalize MSMEs and individual entrepreneurs to use of ICT technologies to enhance productivity, nurture innovation improve competitiveness, and access new markets. APEC Member Economies are encouraged to provide better inclusion of disadvantaged groups to leverage Internet and Digital Economy to improve their living standards and unleash their potential through effective use of ICTs, which will ultimately contribute in inclusive human resource development in the APEC region.

11. Facilitation of E-commerce and Digital Trade

E-commerce and digital trade are among the fastest growing segments of global trade and have the potential to provide an extraordinary stimulus to the growth and trade of the Asia Pacific region as goods and services are increasingly transacted digitally. APEC economies are encouraged to elaborate and promote ^{CN:} [\[measures and policies\]](#) aimed at effective development of digital trade and e-commerce through greater public-private dialogue. APEC economies can identify building blocks and create a favourable digital ecosystem to facilitate e-commerce and digital trade including in areas such as paperless trading (eg. e-certifications, e-payments, e-signatures); expediting low volume, low value products; online consumer protection.

This section is under discussion.

ROADMAP IMPLEMENTATION

- Specific APEC-wide activity to support the key focus/principles and specific actions
- Monitoring Elements ^{RUS:} [within the APEC fora, related to the Internet and Digital Economy development in APEC, which include but are not limited to Telecommunication and Information Working Group \(TELWG\), Electronic Commerce Steering Group \(ECSG\), Policy Partnership](#)
- [on Science, Technology and Innovation \(PPSTI\), Human Resources Development Working Group \(HRDWG\), Sub-Committee on Customs Procedures \(SCCP\), Small and Medium Enterprises Working Group \(SMEWG\), Policy Partnership on Women and the Economy \(PPWE\), Group on Services](#)

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(GOS), and Group of Friends on Disability Issues (GOFD), Committee of Trade and Investment (CTI), Economic Committee (EC) and APEC Senior Officials' Meeting Steering Committee on Economic and Technical Cooperation (SCE). [RUS1]

US Co-Convenor: **ROADMAP IMPLEMENTATION³**

Specific APEC-wide activity to support the key-focus/principles-priority areas and specific actions

- The key/priority areas provide APEC with a guideway towards future work, but also a reference point to review past initiatives that contribute to the growth of the internet and digital economy and to assist coordinating the broad range of activities related to the internet and digital economy.
- The Roadmap Annex includes a summary of past, current, and planned future activities in support of the 10 key/priority areas identified in the Roadmap. The Annex should be seen as a living document and updated on an annual basis.
- Relevant Committees, fora, and subfora are encouraged to consider the key/priority areas as they undertake activities to support the growth of the internet and digital economy.
- In addition, APEC should consider a mechanism to coordinate and advance initiatives related to the internet and digital economy, while keeping in mind APEC's goal of streamlining its organizational structure. The E-Commerce Steering Group (ECSG) could play this role. Given its current efforts to develop a Strategic Plan that will broaden its e-commerce initiatives, the ECSG is well placed to coordinate the implementation of the Roadmap.
- The internet and digital economy includes a wide range of work within APEC, with related activities in various APEC Committees, fora, and subfora. The APEC groups with relevant activities should include in their normal reporting process a section that identifies initiatives that relate to the internet and digital economy.
- Recognizing the evolving nature of the internet and digital economy, Initiatives are not limited to the focus/priority areas identified in the Roadmap.

Monitoring Elements

- Relevant Committees, fora, and subfora are encouraged to include in their meeting reports to Senior Officials a section that summarizes current activities that support the ~~10~~ key/ focus areas identified in the Roadmap.]

15 May DRAFTING NOTE

³ Any future activities or topics suggested in the Roadmap Implementation section are based on collective inputs from APEC economies and do not necessarily represent the future policy positions of individual APEC economies.

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ROK: To mention roadmap is living document at the preamble.

RUS/CN: To include review mechanism, specify time lines

CN: Role of AHSGIE not resolved. Proposal: List out scenario and present options on who will implement and review the Roadmap. (1) transitional extension of the AHSGIE; (2) ECSG and TEL as coordinating working groups; (3) Friends of the Chair

For this Roadmap, it will be useful to include the relevant g to help interpret and analyse where we are and identify gaps. To include timelines for review.

US: APEC is bottom-up; leave it to the WGs to do the work

Chair: Listing and presenting options and decide at next meeting; implementation

RUS: Agree that monitoring needs to develop at the next stage.

Co-Convenor (CN): Some SOMs at SOM1 mentioned the possibility of setting up a new mechanism, e.g. FoTC. (Read the SOM Report)