



**Asia-Pacific  
Economic Cooperation**

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**2017/SOM3/AHSGIE/007**

Agenda Item: 4.1

## **Draft APEC Roadmap on Internet and Digital Economy – As of 26 Aug 2017**

Purpose: Consideration  
Submitted by: APEC Secretariat



**5<sup>th</sup> Ad Hoc Steering Group on the Internet  
Economy Meeting  
Ho Chi Minh City, Viet Nam  
25-26 August 2017**

## APEC INTERNET AND DIGITAL ECONOMY ROADMAP

### INTRODUCTION

In 2014, the APEC Leaders formally recognized the role of the Internet Economy in promoting innovative development and increasing 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 sub-fora, 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 sub-fora, and build an open and cooperative environment.<sup>1</sup>

In 2016, the SOM endorsed the proposal for the AHSGIE Chair to circulate a consultation paper on drafting a Roadmap on APEC Internet Economy. The Ministers also welcomed the development of the APEC Internet Economy Roadmap by the Ad Hoc Steering Group on the Internet Economy.

The APEC Roadmap on Internet and Digital Economy builds on previous initiatives and is a framework that provides guidance on 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 bridge digital divide in the APEC region.

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 a living document that will advise APEC working groups on potential areas of cooperation and an important contribution to further promote the development and growth of the Internet and Digital Economy in APEC. Acknowledging the variety of economic and social circumstances across APEC economies while recognizing the

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<sup>1</sup>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).

46 cross-cutting nature of the Internet and Digital Economy, APEC Economies will  
47 concentrate, but not limit, their work on the following key focus areas.

- 48
- 49 1. Development of digital infrastructure<sup>2</sup>
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- 51 2. Promotion of Interoperability
- 52
- 53 3. Achievement of universal broadband access
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- 55 4. ~~[THA/US/CT/RUS: Development Adoption]~~ of holistic government policy frameworks for  
56 ~~the Internet and Digital Economy~~ [THA/CT/US/RUS/ROK: **Development** ]  
57 [US/CHAIR/RUS/CT/MYS: **Development and Adoption**] of holistic government policy  
58 **frameworks for the Internet and Digital Economy**
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- 60 5. Promoting coherence and cooperation of regulatory approaches affecting the  
61 Internet and Digital Economy
- 62
- 63 6. Promoting innovation and adoption of enabling technologies and services
- 64
- 65 7. Enhancing trust and security in the use of ICTs
- 66
- 67 8. Facilitating the [CN: free] [JPN/US/AUS/MEX: free] flow of information and data for the  
68 development of the Internet and Digital Economy, while respecting [VN/RUS:  
69 applicable] domestic laws and regulations
- 70
- 71 9. Improvement of baseline Internet and Digital Economy measurements
- 72
- 73 10. Enhancing inclusiveness of Internet and Digital Economy
- 74
- 75 11. Facilitation of E-commerce and Advancing Cooperation on Digital Trade

## 76 **THE ROADMAP**

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79 APEC economies have seen the benefits that accrue through network  
80 interconnectivity and open participation, while recognizing the investment required  
81 for digital infrastructure buildout and the need for a conducive policy and regulatory  
82 environment to facilitate the sustainable and inclusive growth of the Internet and  
83 Digital Economy.

84  
85 APEC economies are increasingly influenced by the expanding Internet and Digital  
86 Economy, where all sectors of economic and social development are empowered by  
87 the underlying digital infrastructure. We recognize the broad-based economic growth

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<sup>2</sup> TEL Strategic Action Plan, 2016-2020 Vision makes reference to an ICT ecosystem characterized by an integrated, seamless, secure, trusted and innovative ICT infrastructure, services and applications. There is also reference to enhancing physical connectivity and promoting quality ICT infrastructure throughout the TEL Strategic Action Plan 2016-2020.

88 that is made possible by this shift in all industry sectors and for businesses of all sizes  
89 including micro, small, and medium enterprises (MSMEs). Equally important is  
90 recognition of the social development made possible, including through policies and  
91 programs of inclusion and universal service access.

92

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

96

### 97 **1. Development of digital infrastructure<sup>3</sup>**

98

99 The use of the Internet and of Internet Protocol (IP) standards for communications  
100 systems and other relevant international standards for technological products and  
101 services throughout the economy create the structural foundations for the Internet  
102 and Digital Economy. IP-enabled networks form the foundation of the Internet and  
103 Digital Economy; not just for Internet-based companies, but inclusive of *all* sectors of  
104 the economy that make use of the Internet or IP-enabled networks, taking into  
105 account views from the industry, including ICT-infrastructure operators. All member  
106 economies are encouraged to promote an enabling and competitive environment with  
107 pro-investment policies for the development of digital infrastructure so as to support  
108 the Internet and Digital economy.

109

### 110 **2. Promotion of Interoperability**

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112 We acknowledge the key importance of interoperability in the Internet and Digital  
113 Economy, where all sectors of economic and social development are increasingly  
114 enabled by underlying digital infrastructure. Digital technologies have the potential to  
115 provide local individuals and businesses with access to greater economies of scale and  
116 scope, through an open interconnected Internet and choice and competition among  
117 Internet-based platforms and applications. This will facilitate a transaction being made  
118 from any device to any other device, from anywhere in the world adopting solutions  
119 which are developed globally and underscore the need to support further  
120 development of locally relevant content and services on a non-discriminatory basis.

121

### 122 **3. Achievement of universal broadband access**

123

124 In 2000, we set the goal to triple the number of people within the region with  
125 individual and community-based access by 2005. Furthermore, the APEC Ministers  
126 Responsible for the Telecommunications and Information Industry set the ambitious  
127 goal of access to next generation high speed broadband by 2020 in 2010. Today,  
128 broadband access has become the fundamental building block for the development  
129 of the Internet and Digital economy, and this means ubiquitous, affordable and

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<sup>3</sup> TEL Strategic Action Plan, 2016-2020 Vision makes reference to an ICT ecosystem characterized by an integrated, seamless, secure, trusted and innovative ICT infrastructure, services and applications. There is also reference to enhancing physical connectivity and promoting quality ICT infrastructure throughout the TEL Strategic Action Plan 2016-2020.

130 universal, access. It also means that quality of access is as important as access itself.  
131 This means ensuring basic levels of speed, availability, quality and affordability.  
132 Broadband access should be able to integrate economy and society through services  
133 to foster social and economic growth. Given that mobile is the primary access to the  
134 Internet, technical resources including spectrum and numbering must be planned,  
135 allocated and used in an optimum and the most efficient manner possible, through  
136 regional and global harmonization processes.

137  
138 **4. [THA/CT/US/RUS/ROK: Development Adoption] [US/CHAIR/RUS/CT/MYS: Development and**  
139 **Adoption] of holistic government policy frameworks for the Internet and Digital**  
140 **Economy**

141  
142 Given the cross-cutting nature of the Internet and Digital Economy, government policy  
143 frameworks should be developed holistically including agencies that are not  
144 traditionally seen as ‘tech’ agencies such as agriculture and fisheries, manufacturing,  
145 competition, manpower, and so on. In order to capture and maximize the benefits of  
146 the Internet and Digital Economy, APEC economies are encouraged to pursue policies  
147 that promote the growth of the Internet and Digital Economy including, by  
148 coordinating with and involve public and private stakeholders so that all sectors have  
149 the opportunity to contribute to policy development. [US: avoid [VN: avoid minimise]  
150 policies that result in barriers to digital trade, [CN: avoid policies that result in BEPS,  
151 technology monopoly, and other barriers to penetration, digital investment,  
152 infrastructure, technology transfer][AUS/US: such as unnecessary data localisation  
153 requirements] [CN/RUS/TH: avoid policies that result in barriers to trade,] [CN/RUS/MEX/VN/INA:  
154 such as unnecessary data localisation requirements] coordinate with and involve  
155 public and private stakeholders so that all sectors have the opportunity to contribute  
156 to policy development.

157  
158 **5. Promoting coherence and cooperation of regulatory approaches affecting the**  
159 **Internet and Digital Economy**

160  
161 A core problem facing both large enterprises and MSMEs is how to address legal and  
162 procedural uncertainties and to ensure compliance with an alphabet soup of general  
163 and sector-specific laws and regulations, as well as codes of practice and legal  
164 judgments. To accelerate the growth of the Internet and Digital Economy, member  
165 economies should promote mutual understanding and strengthen cooperation in  
166 approaches to regulation including international and technical standards, while  
167 respecting each economy’s choice of policies which are consistent with domestic  
168 situations and international legal obligations.

169  
170 **6. Promoting innovation and adoption of enabling technologies and services**

171  
172 The development of the digital infrastructure including the Fourth Industrial  
173 Revolution opens new opportunities and brings new challenges for regulators and  
174 businesses, transforming traditional approaches to regulatory and business  
175 cooperation in APEC. Due to the changing circumstances, public and private sectors

176 should share best practices –on the business transformation, paying particular  
177 attention to trade and services in the Internet and Digital Economy.

178

179 Digital technologies, services and platforms can provide governments with the flexible  
180 and efficient solutions for empowering future development. Effective measures  
181 should be encouraged to facilitate research and development as well as investment in  
182 innovative digital technologies. Economies should take advantage of -enabling digital  
183 technologies and the internet to promote innovation in products, services, processes,  
184 organizations and business models. Economies also need to improve the business  
185 environment through implementing policy frameworks that promote innovation in  
186 the Internet and Digital Economy.

187

## 188 **7. Enhancing trust and security in the use of ICTs**

189

190 Whilst connectivity is key to the success of digital services, privacy and security are  
191 also a central consideration for building trust and confidence in the Internet and  
192 Digital economy. As the number of digital services has grown and the level of risk  
193 individual users and providers are exposed to has increased, APEC economies  
194 recognize the need for an accessible, open, interoperable, reliable and secure  
195 environment for the use of ICTs as an essential foundation for economic growth and  
196 prosperity. To meet these objectives, public and private sectors, and other  
197 stakeholders, including academia, should work together to enhance trust and security  
198 in the use of ICTs, while taking advantage of the benefits of modern digital systems.

199

## 200 **8. Facilitating the [CN: free] [JPN/US/AUS/MEX: free] flow of information and data for** 201 **the development of the Internet and Digital Economy, while respecting [VN/RUS:** 202 **applicable] domestic laws and regulations**

203

204 In today's information-driven economy, it is essential to have frameworks for privacy  
205 and personal data protection, as they are crucial to strengthening confidence and trust  
206 in the digital economy while preserving the global nature of the Internet. The changes  
207 in technology and the flow of information and data has impacted how businesses  
208 operate and provide cost-effective services globally. Creating interoperable systems  
209 may contribute to innovation and entrepreneurial growth.

210

211 Recognising that improving consumer confidence to advance the growth of the  
212 Internet and Digital Economy requires cooperation [PH/AUS: to enable in-order-for]  
213 [US/JPN/AUS/CHL/MEX: the free flow of information and data,] to flow [CN: freely,] while  
214 respecting [VN/RUS: applicable] domestic laws and regulations, APEC economies will  
215 collaborate to promote a regulatory approach that provides appropriate legitimate  
216 consumer protection to enable the flow of information and data.

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218

219 **9. Improvement of baseline Internet and Digital Economy measurements**  
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221 It is a challenge for APEC member economies to measure and monitor the  
222 development of the Internet and Digital economy simply due to its fast growth. APEC  
223 member economies expeditiously need to come together with public and private  
224 sectors and other stakeholders, including the academia to define a better evidence  
225 base upon which better public awareness can be built, and more fully informed  
226 decisions can be made. APEC economies are encouraged to develop common  
227 understandings and improved baseline measurements for the Internet and Digital  
228 Economy with reference to the ongoing work by the relevant international bodies and  
229 stakeholders to improve measurement of the Internet and Digital Economy. These  
230 actions could be taken so as to effectively plan, prioritize and allocate resources,  
231 including technical resources, at the economy level, and coordinate frameworks at the  
232 regional level as well as to measure the digital divide in the region.

233

234 **10. Enhancing inclusiveness of Internet and Digital Economy**  
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236 Considering the potential of ICTs to achieve the Sustainable Development Goals (SDG),  
237 the Internet and Digital Economy can and should contribute to better inclusiveness,  
238 including through capacity building in the APEC region to ensure that no one is left  
239 behind both in terms of social and geographic perspectives. In this regard, APEC  
240 economies should promote policy measures and technical means to bridge the digital  
241 divides between and within economies, regions and groups, in addition to promoting  
242 universal broadband access. APEC economies should take steps to bridge the digital  
243 gender divide, and ensure that digital strategies incorporate a gender perspective that  
244 addresses women's needs, circumstances, capabilities and preferences. Efforts should  
245 be intensified in development of awareness and digital literacy programmes, capacity  
246 building, and promotion of digital skills to build workforce capacity in the digital age.  
247 Policies should be promoted to support and globalize MSMEs and individual  
248 entrepreneurs to use ICTs to enhance productivity, nurture innovation, improve  
249 competitiveness, and to address challenges to access new markets. We also recognize  
250 the high importance of the use and promotion of multilingualism in the Internet and  
251 Digital Economy. APEC Member Economies are encouraged to provide better inclusion  
252 of disadvantaged groups to leverage the Internet and Digital Economy to improve  
253 their living standards and unleash their potential through effective use of ICTs, which  
254 will ultimately contribute in inclusive human resource development in the APEC  
255 region.

256

257 **11. Facilitation of E-commerce and Advancing Cooperation on Digital Trade**  
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259 APEC recognises the different approaches toward e-commerce and digital trade  
260 amongst member economies.

261

262 E-commerce has transformed many industry sectors and the way business is done  
263 resulting in its exponential growth.

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265 APEC economies are encouraged to elaborate and promote measures and policies  
266 aimed at effective development of e-commerce including through policy and  
267 regulatory environments that are predictable, transparent and consistent. Efforts  
268 should be intensified to facilitate the growth of e-commerce for higher efficiency,  
269 better connectivity and transformation of MSMEs. APEC will continue to facilitate e-  
270 commerce, including through the use of electronic means such as paperless customs  
271 clearance, electronic transaction documents, digital authentication, and electronic  
272 and online payments.

273

274 Digital trade is among the fastest growing segments of global trade and has the  
275 potential to provide an extraordinary stimulus to the growth and trade of the Asia  
276 Pacific region as goods and services are increasingly transacted digitally. With regard  
277 to digital trade, economies are encouraged to continue exchanging views, by  
278 undertaking capacity building, hosting public-private dialogues, developing case  
279 studies, and identifying practices to expand and promote digital trade in the region,  
280 and to ensure all member economies' participation in digital trade, taking into  
281 consideration specific economic circumstances.

282

283 APEC encourages economies' initiatives to explore new areas of potential economic  
284 growth in the area of digital trade and related issues, including identifying building  
285 blocks and creating a favourable digital ecosystem.

286

## 287 **IMPLEMENTATION**

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289 Senior Officials will have overall responsibility for monitoring and evaluating progress  
290 under the APEC Internet and Digital Economy Roadmap including implementation of  
291 the above Key Focus Areas by the relevant fora and sub-fora. Senior Officials will  
292 report periodically to Ministers on progress and seek further guidance given the  
293 evolving nature of the Internet and Digital Economy.

294

### 295 **Drafting Note on Implementation: 2 options below**

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297 [US/ROK/JPN/RUS/AUS/NZ: Implementation of the APEC Internet and Digital Economy  
298 Roadmap should begin to be undertaken upon endorsement by Senior Officials. [CN:  
299 by Senior Officials.]]

300

301 [MYS/CN: The APEC Internet and Digital Economy Roadmap is expected to be  
302 implemented from 2018, taking into account the complexity, priority and resource  
303 availability required for the Key Focus Areas.]

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