



SSWA

Subregional Office for
South and South-West Asia

MSL




Setting the Context

Towards Greater Regulatory Cooperation in APAC for Boosting E-Commerce Trade

by

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Layout

- APAC: The Largest and Fastest Growing Global E-Commerce Market
 - E-Commerce in the APAC Region – Some Trends and Developments
 - Key Growth Drivers of E-Commerce in APAC
 - Some Policy Challenges and the Need for Greater Cross-border Policy Discussions, Sharing of Best Practices and Partnerships
 - What does the 1st APAC E-commerce Policy Summit Aim to Achieve?
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Why Should we Focus on APAC Region?

- Comprise of more than 50 countries covering a wide geographical area, with diverse societies, cultures, religions, and economies (developed/developing/least developed countries).
- In 2023, it accounted for
 - 52% of the world's population
 - Around 30% of the world's land area
 - 35.4% of the world's GDP in 2023, compared to 27.7% by North America and 24.4% by Europe. Japan, 4th largest global economy, after the USA, China and Germany and India was the 5th largest in 2023.
- APAC continues to experience higher than global growth rate - grew at an annual growth rate of 4.6%, as compared to the global growth of 3% in 2023; and is predicted to grow at the rate of 4.2% in 2024, as compared to the global growth of 2.9%.

India grew at a rate of 6.7% in 2023. It is projected to grow at higher rate of 6.5% in 2024 - more than double global growth rate.

Bangladesh – grew at 6% in 2023 and is predicted to continue to grow at same rate in 2024.

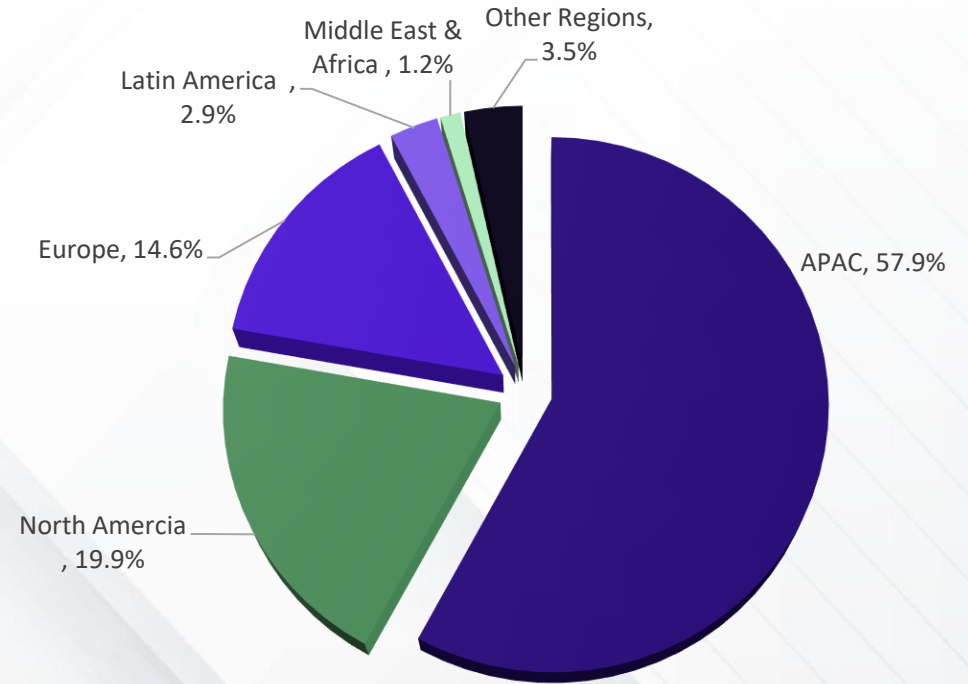
Philippines – grew at 5.3% in 2023 and is projected grow at 5.9% in 2024.

Indonesia grew at 5% in 2023 and is predicted to continue to grow at same rate in 2024.

APAC: The Largest and Fastest Growing E-Commerce Market

- The e-commerce sector in APAC was valued at USD 2.9 trillion in 2022 and is projected to reach USD 6.146 trillion by 2030, growing at a CAGR of 19.2%.
- In 2022, the e-commerce sector in the region grew at a rate of 11% as compared to 6.5% growth in the global e-commerce sector.
- The APAC region accounted for around 58% share in the global retail e-commerce market in 2022.

Share of APAC Region in Global Retail E-Commerce Market, 2022 (in percentages)



Source: Calculated from Statista, available at <https://www.statista.com/statistics/311357/sales-of-e-commerce-worldwide-by-region/> (last accessed on February 2, 2024).

Key Growth Drivers of E-Commerce in APAC Region

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graph TD; A[Key Growth Drivers of E-Commerce in APAC Region] --> B[Increase in Middle Income Consumers]; A --> C[Increase in Adoption by MSMEs]; A --> D[Increase in Internet Penetration]; A --> E[Rise in Mobile Subscribers]; A --> F[Increase in Usage of Different Devices]; A --> G[Rise in Digital Wallets and Payments]; A --> H[Technological Development];
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Increase in
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Devices

Rise in Digital
Wallets and
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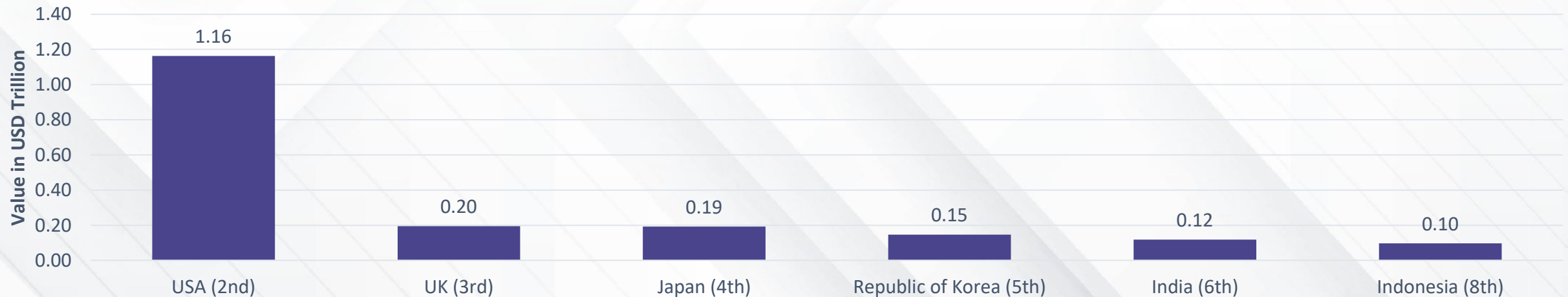
Technological
Development

The coronavirus (COVID-19) pandemic has fast-tracked the growth of e-commerce in APAC. For example, in India, there was an increase of 101 million new online consumers between 2020 and 2022. The number of online registered MSMEs has increased almost three times - from 5.1 million in 2021 to 15 million in 2023.

E-Commerce in the APAC Region – Trends and Developments

- Among APAC countries, Japan, the Republic of Korea, India and Indonesia are among the top 10 e-commerce markets in the world. In 2023, these five APAC countries contributed 62.4% share in global e-commerce revenue.

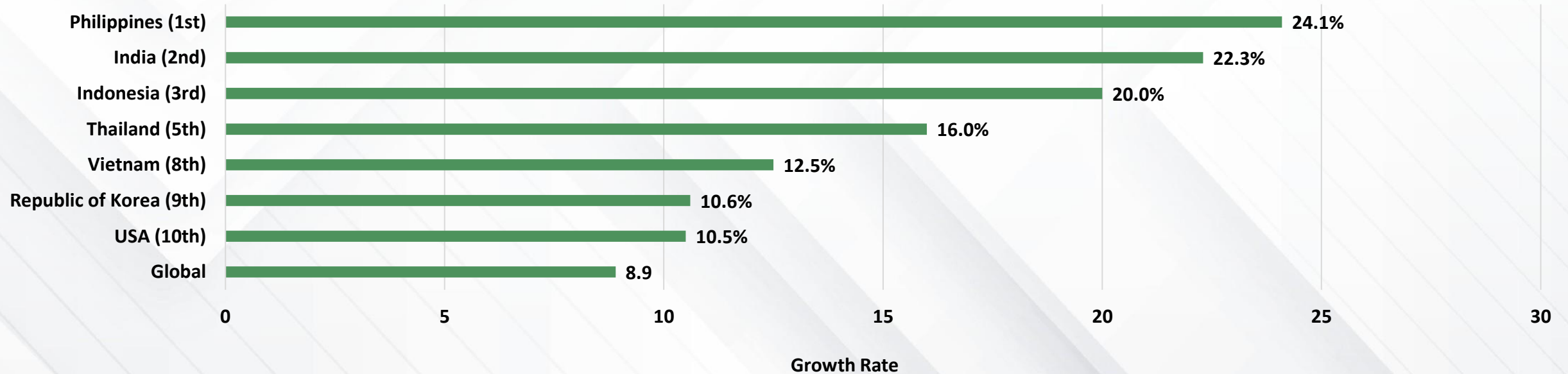
Ranking and Value of Selected APAC Countries in Top Ten Largest E-Commerce Markets in the World, 2023



Source: Compiled from Oberlo Statistics, available at <https://www.oberlo.com/statistics/e-commerce-sales-by-country> (last accessed on February 4, 2024).

E-Commerce in the APAC Region – Trends and Developments

Ranking and Growth Rates of Selected APAC Countries Among Top Ten Fastest Growing E-commerce Markets in the World, 2023



Source: Compiled from Oberlo Statistics, available at <https://www.oberlo.com/statistics/fastest-growing-ecommerce-markets> (last accessed on February 4, 2024) and <https://www.oberlo.com/statistics/global-ecommerce-sales-growth> (last accessed on February 4, 2024).

Cross-border Trade Related Policy Challenges

- The sudden growth of e-commerce, disrupted the traditional supply chains and created a need for a robust and predictable regulatory environment.
 - The APAC member countries are enacting various regulations, which can help or restrict the growth of e-commerce and its users (MSMEs/Women Entrepreneurs/Consumers). **E-commerce Policy in Evolving and Existing Studies have highlighted the Challenges:**
 - ADB, 2023 - No uniformity in the enactment of domestic regulations among selected APAC countries.
 - UNCTAD, 2016 - There are some significant gaps and exemptions in data protection laws of some of the APAC countries.
 - ADB, 2023 - There is a lack of regulatory cooperation, dialogue, initiatives and engagement at regional level. There is need for more consultations and collaborations among the countries in this region.
 - ADB, 2023 - There is a lack of coordination between different stakeholders such as government, domestic and international companies/firms and MSMEs in regional dialogues and consultations in the APAC countries.
- MSMEs and Consumers are the most impacted by policy uncertainty.
 - While many countries like Singapore and Japan are trying to bring synergies in policies across countries, there is a need for a more collaborative approach and greater consensus building.

1st APAC E-commerce Policy Summit

- This Summit aims to provide a platform for policymakers and key experts in the APAC region to engage in open-dialogue and to forge partnerships and collaborations. Through the sharing of best practices, it aims to address some of the policy challenges within the APAC region.
- The Summit will focus on specific themes that are under discussion in the APAC region.
 - E-commerce specific Acts and Regulations
 - Data Protection or Sharing Policies
 - Artificial Intelligence Policy
 - Policies/Incentives to Facilitate the Inclusion of MSMEs in E-commerce Platforms
 - Consumer Protection Regulations
 - Willingness of APAC countries to take commitment in international forums and their position on cross-border digital trade/e-commerce
 - Social Media related Policies/Restrictions
 - Policies/Regulations on Cross-border Payments

**We hope to make this
an annual engagement
across APAC countries**

We look forward to an interactive discussion!

THANK YOU!

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