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APEC Internet and Digital Economy Roadmap

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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.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. 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

¹The 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).

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

1. Development of digital infrastructure²
2. Promotion of Interoperability
3. Achievement of universal broadband access
4. Development of holistic government policy frameworks for the Internet and Digital Economy
5. Promoting coherence and cooperation of regulatory approaches affecting the Internet and Digital Economy
6. Promoting innovation and adoption of enabling technologies and services
7. Enhancing trust and security in the use of ICTs
8. Facilitating the free flow of information and data for the development of the Internet and Digital Economy, while respecting applicable domestic laws and regulations
9. Improvement of baseline Internet and Digital Economy measurements
10. Enhancing inclusiveness of Internet and Digital Economy
11. Facilitation of E-commerce and Advancing Cooperation on Digital Trade

THE ROADMAP

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

APEC economies are increasingly influenced by the expanding Internet and Digital Economy, where all sectors of economic and social development are empowered by the underlying digital infrastructure. We recognize the broad-based economic growth that is made possible by this shift in all industry sectors and for businesses of all sizes including micro, small, and medium enterprises (MSMEs). Equally important is

² 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.

recognition of the social development made possible, including through policies and programs of inclusion and universal service access.

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

1. Development of digital infrastructure³

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 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 networks, taking into account views from the industry, including ICT-infrastructure operators. All member economies are encouraged to promote an enabling and competitive environment with pro-investment policies for the development of digital infrastructure so as to support the Internet and Digital economy.

2. Promotion of Interoperability

We acknowledge the key importance of interoperability in the Internet and Digital Economy, where all sectors of economic and social development are increasingly enabled by 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. This will facilitate a transaction being made from any device to any other device, from anywhere in the world adopting solutions which are developed globally and underscore the need to support further development of locally relevant content and services on a non-discriminatory basis.

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 APEC Ministers Responsible for the Telecommunications and Information Industry 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 development of the Internet and Digital economy, and this means ubiquitous, affordable and 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.

³ 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.

Broadband access should be able to integrate economy and society through services to foster social and economic growth. Given that mobile is the primary access to the Internet, technical resources including spectrum and numbering must be planned, allocated and used in an optimum and the most efficient manner possible, through regional and global harmonization processes.

4. Development of holistic government policy frameworks for the Internet and Digital Economy

Given the cross-cutting nature of the Internet and Digital Economy, government policy frameworks should be developed holistically including 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 pursue policies that promote the growth of the Internet and Digital Economy including, by coordinating with and involving public and private stakeholders so that all sectors have the opportunity to contribute to policy development.

5. Promoting coherence and cooperation 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. To accelerate the growth of the Internet and Digital Economy, member economies should promote mutual understanding and strengthen cooperation in approaches to regulation including international and technical standards, while respecting each economy's choice of policies which are consistent with domestic situations and international legal obligations.

6. Promoting innovation and adoption of enabling technologies and services

The development of the digital infrastructure including the Fourth Industrial Revolution opens new opportunities and brings new challenges for regulators and businesses, transforming traditional approaches to regulatory and business cooperation in APEC. Due to the changing circumstances, public and private sectors should share best practices on the business transformation, paying particular attention to trade and services in the Internet and Digital Economy.

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

7. Enhancing 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 individual users and providers are exposed to has increased, APEC economies recognize the need for an accessible, open, interoperable, reliable and secure environment for the use of ICTs as an essential foundation for economic growth and prosperity. To meet these objectives, public and private sectors, and other stakeholders, including academia, should work together to enhance trust and security in the use of ICTs, while taking advantage of the benefits of modern digital systems.

8. Facilitating the free flow of information and data for the development of the Internet and Digital Economy, while respecting applicable domestic laws and regulations

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 and data has impacted how businesses operate and provide cost-effective services globally. Creating interoperable systems may contribute to innovation and entrepreneurial growth.

Recognising that improving consumer confidence to advance the growth of the Internet and Digital Economy requires cooperation to enable the free flow of information and data while respecting applicable domestic laws and regulations, APEC economies will collaborate to promote a regulatory approach that provides appropriate legitimate consumer protection to enable the flow of information and data.

9. Improvement of baseline Internet and Digital Economy measurements

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

10. Enhancing inclusiveness of Internet and Digital Economy

Considering the potential of ICTs to achieve the Sustainable Development Goals (SDG), the Internet and Digital Economy can and should contribute to better inclusiveness, including through capacity building in the APEC region to ensure that no one is left behind both in terms of social and geographic perspectives. In this regard, APEC economies should promote policy measures and technical means to bridge the digital divides between and within economies, regions and groups, in addition to promoting universal broadband access. APEC economies should take steps to bridge the digital gender divide, and ensure that digital strategies incorporate a gender perspective that addresses women's needs, circumstances, capabilities and preferences. 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 ICTs to enhance productivity, nurture innovation, improve competitiveness, and to address challenges to access new markets. We also recognize the high importance of the use and promotion of multilingualism in the Internet and Digital Economy. APEC Member Economies are encouraged to provide better inclusion of disadvantaged groups to leverage the 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 Advancing Cooperation on Digital Trade

APEC recognises the different approaches toward e-commerce and digital trade amongst member economies.

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

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

Digital trade is among the fastest growing segments of global trade and has 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. With regard to digital trade, economies are encouraged to continue exchanging views, by undertaking capacity building, hosting public-private dialogues, developing case studies, and identifying practices to expand and promote digital trade in the region,

and to ensure all member economies' participation in digital trade, taking into consideration specific economic circumstances.

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

IMPLEMENTATION

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