



PRESS RELEASE
20 May 2015

Opportunities from the Internet Economy for Inclusive Growth

The Internet economy is increasingly important in providing jobs and opportunities across the Asia-Pacific region according to a symposium held on Monday with policy experts, entrepreneurs and government officials as part of the APEC meetings held in the Philippines. E-commerce, for example, was worth US\$1.2 trillion in 2013, growing at a rate of around 20 percent every year. “Connectivity, through the Internet economy, will help bring SMEs to market, improve education and health services delivery, link small farmers to large markets, and change the way we design, create, and consume products and services, among others. No business sector or segment of society will be untouched by the power and potential of connectivity,” said Ambassador Laura Del Rosario, APEC SOM Chair 2015.

The meeting in Boracay was notable for the richness of diversity and experience gathered to discuss the impact of the Internet on economic and social development. Mr. Light Lin, the Founder of FlyingV.cc, a regional crowdfunding platform, for example, pointing out that “the Internet is just a tool and the turnkey is really in the disintermediation,” bringing entrepreneurs in direct contact with potential funders.

The majority of global Internet users already reside in the region and this is only going to grow demonstrating the importance of the Internet economy to the Asia-Pacific. “Increasingly more affordable access to the Internet and the growing usage of mobile devices offer individuals with innovative ideas the opportunity to jump into the borderless e-commerce scene for both goods and services as do traditional businesses that stand to grow further by diversifying their business platforms to include the Internet and digital spaces”, said Ms. Nur Sulyna Abdullah, Chief Officer of Corporate Strategy, Malaysian Communications and Multimedia Commission.

However, capacity remains a key roadblock; the need to build the infrastructure for the Internet before the economic and social benefits of connectivity can be fully realized – and that requires investment. Moreover, as economies mobilize to deal with the policy framework for managing this phenomenon the lack of common legal and economic frameworks to support the free flow of information is slowing the diffusion of Internet technologies, innovation and opportunity across the region. This imposes costs on businesses, and especially on small and medium enterprises looking to expand their opportunities and break into overseas markets.

“We operate in six ASEAN economies and each has different regulations for third-party taxi booking applications like GrabTaxi. This means we have to do business one way in one market and another way in others, which disrupts scalability and the social impact we are trying to make,” said Ms. Nina Teng, VP of Public Affairs for GrabTaxi. She called upon regional economies to collaborate with each other and companies on developing new regulations for the internet economy. “Our team continues to work closely with governments across the region. Together, we

share the ultimate goals of ensuring safety for consumers and significantly improving the lives of taxi drivers. Our app has enabled GrabTaxi drivers to increase their incomes by up to 300 percent."

The Symposium held in Boracay was co-organized by the Pacific Economic Cooperation Council (PECC) and the Philippine government, which is chairing APEC this year. The half-day event brought together representatives from fast-growing Internet-based businesses as well as representatives of the many agencies needed to implement the APEC Initiative of Cooperation to Promote the Internet Economy.

"We have discussed today a variety of ways in which we can harness cross-sectoral opportunities empowering businesses, society and economic growth," said Dr. Peter Lovelock, Director of the Technology Research Project Corporate (TRPC). Flexible policy design along with timely execution are critical for maximizing e-commerce, cross-border data flows, big data, and transactions management, while cross-sectoral approaches are necessary for minimizing unintended negative consequences. "Consumer protection becomes crucial where responsibility and accountability are spread and shared across different stakeholders, even where improvements have been made in infrastructure and connectivity," he added.

"The rapid pace at which business models are changing makes engagement between the business innovators, regulators and policy makers critical. things are moving so quickly and policies need to catch up, but rushing to regulate might strangle the very innovations needed to promote more inclusive growth, said Mr. Eduardo Pedrosa, Secretary General of the Pacific Economic Cooperation Council. "APEC provides a valuable platform for sharing experiences on how different economies are addressing these issues," he added.

For media enquiries:

Jessica Yom, Director of Public Affairs, PECC International Secretariat, Singapore
E. jessica.yom@pecc.org
T. +65 6737 9822/3

About the Pacific Economic Cooperation Council

The Pacific Economic Cooperation Council (PECC) is a non-profit international organization committed to the promotion of cooperation and dialogue in the Asia Pacific. Founded in 1980, PECC is a tripartite network of 26 member committees comprising individuals and institutions dedicated to this shared mission. Of the 26 member committees, 23 represent the economies of Australia, Brunei Darussalam, Canada, Chile, China, Colombia, Ecuador, Hong Kong (China), Indonesia, Japan, Korea, Malaysia, Mexico, Mongolia, New Zealand, the Pacific Islands Forum, Peru, the Philippines, Singapore, Chinese Taipei, Thailand, the United States of America, and Vietnam. The PECC also has one associate member, France (Pacific Territories), and two institutional members, the Pacific Trade and Development Conference and the Pacific Basin Economic Council. As the only non-governmental official observer of APEC (Asia-Pacific Economic Cooperation), PECC provides independent business and research input for the regional policy-making process. www.pecc.org

Charles Jose, APEC 2015 Spokesperson, Philippines