



REPORT APPENDIX

Riding the Wave of the E-commerce Trend: Emerging and Expanding Business Options for MSMEs

**Bangkok, Thailand
4 – 5 June 2018**

APEC Small and Medium Enterprises Working Group

February 2019

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APPENDIX 1

Conference Agenda

CONFERENCE AGENDA

APEC Riding the Wave of the E-commerce Trend: Emerging and Expanding Business Options for MSMEs

June 4 - 5, 2018

Anantara Riverside Bangkok Resort

Monday, June 4 th 2018		
Time	Description	Speakers
8:00 - 8:40	Registration	N/A
8:40 – 9:00	Networking Network with leading policymakers and entrepreneurs from across the APEC economies	N/A
9:00 - 9:15	Welcome Speech	Mr Suwanchai Lohawatanakul; Director General, Office of Small and Medium Enterprises Promotion, Thailand
9:15 - 9:45	Keynote Speech The significance of e-commerce for the MSME sector in the APEC economies	Dr Pichet Durongkaveroj; Minister for Digital Economy & Society, Thailand
9:45 – 9:50	Group Photo Session	N/A

	Group photo opportunity for VIPs with Dr Pichet Durongkaveroj and Mr Suwanchai Lohawatanakul	
9:50 – 10:50	<p>APEC E-commerce Landscape</p> <p>The development of the digital economy ecosystem in APEC and its implications</p> <p>Q&A session with speaker</p>	Dr Peter Lovelock; Director and Co-founder, Technology Research Project Corporate (TRPC)
10:50 - 11:00	Coffee Break	
11:00 - 12:00	<p>Success Stories</p> <p>Inspiring stories from e-commerce business owners</p> <p>Q&A session with speakers</p>	<p>Mr Rawit Hanutsaha; CEO, Srichand United Dispensary</p> <p>Mr Pawoot Pongwitayapanu; CEO & Founder, TARAD.com</p>
12.00 - 13.15	Lunch	
13:15 - 14:45	<p>Panel Discussion I</p> <p>The nuts and bolts of selling products online</p> <p>Q&A session with panelists</p>	<p>Mr Rawit Hanutsaha; CEO, Srichand United Dispensary</p> <p>Ms Amornrat Lertputtikul; Co-founder, BrushToo</p>

		<p>Ms Audrey Ferriol; Co-Curator, Things That Matter</p> <p>Moderator: Mr Chalermopol Tuchinda; Director, Software Park Thailand, NSTDA</p>
14:45 - 15:00	Coffee Break	
15.00 - 16:30	<p>Panel Discussion II</p> <p>The open secrets about online payment and logistics</p> <p>Q&A session with panelists</p>	<p>Ms Phensiri Sathianvongnusr; Thailand CEO, aCommerce</p> <p>Mr Sittisak Wongsomnuk; CEO and Co-founder, Giztix and President, Thailand E-Logistic Association</p> <p>Moderator: Dr Adrian Vanzyl, M.D.; Head of Google Marketing Solutions, Google Thailand</p>
Tuesday, June 5th 2018		
Time	Description	Speakers
8:00 – 8:40	Registration	N/A
8:40 – 9:00	Networking	N/A

	Network with leading policymakers and entrepreneurs from across the APEC economies	
9:00 - 10:30	<p>Panel Discussion III</p> <p>Enabling policy environments for MSMEs</p> <p>Q&A session with panelists</p>	<p>Dr Chamnan Ngammaneeudom; Lecturer and Assistant Project Director, ASEAN SME Service Center</p> <p>Mr Mario Masaya; Senior Manager, ASEAN and SME, US-ASEAN Business Council</p> <p>Dr Deborah Elms; Founder and Executive Director, Asian Trade Center</p> <p>Moderator: Mr Charles Blocker; Founder and CEO of IC Partners</p>
10:30 - 10:45	Coffee Break	
10:45 - 12:00	Participant Break-out Discussions	Moderated by Kenan Institute Asia
12:00 - 12:15	<p>Closing Remarks</p> <p>Closing remarks and next steps</p>	Mr Wittawat Lamsam; Director of International Cooperation Department, Office of Small and Medium Enterprises Promotion, Thailand
12.15 - 13.15	Lunch	

13:15 - 14:00	Travel to location of site visit	
14:00 - 16.30	E-commerce in Action A visit to a leading e-commerce company Location: JD Central	JD representatives
16:30 - 17.30	Return to the hotel	



APPENDIX 2

Participant List

Participant List - APEC Delegations

S/N	Economy	Title	Name	Position	Organization	Email	Gender
1	Chile	Mr	Julio Pertuze	Advisor to the Minister	Ministry of Economy of Chile	jpertuze@economia.cl	Male
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S/N	Economy	Title	Name	Position	Organization	Email	Gender
7	Mexico	Ms	Gloria Rocio Vazquez Perez	Deputy Director	National Institute For The Entrepreneurs/ Mexican Ministry Of Economy	gloria.vazquez@in-adem.gob.mx	Female
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S/N	Economy	Title	Name	Position	Organization	Email	Gender
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Participant List - International participants

S/N	Economy	Title	Name	Position	Organization	Email	Gender
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S/N	Economy	Title	Name	Position	Organization	Email	Gender
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Participant List - Other participants

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6	Thailand	Ms	Apinya Jornsano	Computer Technical Officer	The Office of national Digital Economy and Society Commission	apinya.t@onde.go.th	Female
7	Thailand	Ms	Arunluk Pipawakorn	Sales Manager	ID Number	interperfect.25@gmail.com	Female

S/N	Economy	Title	Name	Position	Organization	Email	Gender
8	Thailand	Mr	Bunternng Ongvi-lawan	Executive Committee	Enterprise Asia	Bunternng_original@yahoo.com	Male
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S/N	Economy	Title	Name	Position	Organization	Email	Gender
16	Thailand	Ms	Juangjan Hongpaisan	Owner	Yong Huad Auto parts	Juangjan78@gmail.com	Female
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18	Thailand	Mr	Khunphat Phuwitkamolkron	Manager	Resin Design	Porntawa@gmail.com	Male
19	Thailand	Mr	Kritbodee Ruengrujira	Chief Executive Officer	G-motif Production Co,Ltd	kritbodee@gmotif.com	Male
20	Thailand	Mr	Likhit Suwannakorn	Partner	Nuas Food	suwanoss19@gmail.com	Male
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S/N	Economy	Title	Name	Position	Organization	Email	Gender
24	Thailand	Ms	Nadda Jeayoday	Educator, Professional Level	Office of the Higher Education Commission (OHEC)	ubiohecc17@gmail.com	Female
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S/N	Economy	Title	Name	Position	Organization	Email	Gender
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S/N	Economy	Title	Name	Position	Organization	Email	Gender
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S/N	Economy	Title	Name	Position	Organization	Email	Gender
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50	Thailand	Mr	Pracha Trakarnsilp	Managing Director	PCTS Co, Ltd	pracha@pcts2004.com	Male
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57	Thailand	Mr	Smith Mahapiyasin	Director	Landthip Co, Ltd	Mit468888@gmail.com	Male

S/N	Economy	Title	Name	Position	Organization	Email	Gender
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61	Thailand	Mr	Soontaraporn Mano	Educator, Practitioner Level	Office of the Higher Education Commission (OHEC)	ubiohecc17@gmail.com	Male
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S/N	Economy	Title	Name	Position	Organization	Email	Gender
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S/N	Economy	Title	Name	Position	Organization	Email	Gender
75	Thailand	Mr	Thanabavorn Ratanasopon	Assistant GM	USS Supply		Male
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S/N	Economy	Title	Name	Position	Organization	Email	Gender
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90	Thailand	Ms	Wiwadjanee Soodket	Online Complain Center Manager	ETDA	Wiwadjanee@etda.or.th	Female

S/N	Economy	Title	Name	Position	Organization	Email	Gender
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Participant List- Kenan and OSMEP

S/N	Economy	Title	Name	Position	Organization	Email	Gender
1	Australia	Mr	Alexander Duke	Senior Manager	Kenan Institute Asia	alexanderd@kenan-asia.org	Male
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S/N	Economy	Title	Name	Position	Organization	Email	Gender
20	Thailand	Ms	Nattawadee Kulkeereeerattana	Assistant Consultant	Kenan Institute Asia	nattawadeek@kenan-asia.org	Female
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23	Thailand	Ms	Suvipha Chaladkid	Consultant	Kenan Institute Asia	suviphac@kenan-asia.org	Female
24	Thailand	Ms	Haritsadee Jantharasek-hajorn	Senior Consultant	Kenan Institute Asia	haritsadeej@kenan-asia.org	Female
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APPENDIX 3

Speaker List

Speakers List

S/N	Economy	Title	Name	Position	Organization	Email	Gender
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4	Singapore	Dr	Peter Lovelock	Director	Technology Research Project Corporate (TRPC)	peter@trpc.biz	Male
5	Thailand	Mr	Rawit Hanutsaha	CEO	Srichand United Dispensary Co, Ltd	rawit@srichand.co.th	Male
6	Thailand	Ms	Phensiri Sathianvongnusr	CEO	Acommerce	phensiri@acommerce.asia	Female
7	Thailand	Dr	Chamnan Ngammaneeudom	Lecturer, Assistant Project Director	ASEAN SME Service Center	bobchamnan@gmail.com	Male
8	Thailand	Mr	Chalernpol Tuchinda	Director	NSTDA	chalernpol@nstda.or.th	Male

S/N	Economy	Title	Name	Position	Organization	Email	Gender
9	Thailand	Mr	Charles Blocker	Founder and CEO	IC Partners	cblocker@invision-capital.com	Male
10	Thailand	Dr	Pichet Durongkaveroj	Minister	Ministry of Digital Economy and Society	ruj.s@mdes.go.th	Male
11	Thailand	Mr	Sittisak Wongsomnuk	CEO and Co-Founder	Giztix and President of Thailand E-Logistic Association	sittisak@giztix.com	Male
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13	Thailand	Mr	Pawoot Pongwitayapanu	Founder	Tarad.com	wilaiporn@tarad.com	Male
14	Thailand	Ms	Amornrat Lertputtikul	Co-Founder	BrushToo	Amora.lertputtikul@gmail.com	Female



APPENDIX 4

Speaker Bio

Dr Adrian Vanzyl

Economy Head for GMS Thailand

Google Asia Pacific



Dr Adrian Vanzyl joined Google Asia Pacific in 2017 as Economy Head for GMS Thailand. Prior to Google he spent six years in Bangkok as CEO and cofounder of Ardent Capital, a Venture Capital firm which built or invested in 17 companies across 7 economies (including aCommerce, SnapCart, Salestock and Orami). He is a veteran CEO and early stage investor in the Internet space, having started his career just prior to the first Dot-Com cycle, and working across three continents including 12 years in Silicon Valley/San Francisco. Companies he co-founded or was a board member/member of the exec management team of have listed on multiple exchanges, including Nasdaq, ASX (Australia) and NZX (New Zealand). His key current area of expertise is online marketing, and operational ecommerce (B2C and B2B, including scaling, regional expansion, and fund raising).

Amornrat Lertputtikul

Co-founder

BrushToo



Amornrat Lertputtikul went to MBA Duke University and while she was learning all she could at the top training ground for top consulting firm in the States, she has stubbornly passion for being an entrepreneur. Two years on the line, her passion has blossomed and founded BrushToo. Her success is not defined merely by the bottom line but also constantly exceeding customer expectation. She thinks that by being truthful to customers the brand will have a more sustainable growth. Given face pace and fierce competition of beauty industry and digital ecosystem, she learns to illiterate a business strategy and executes as quickly as consumer behavior changes. BrushToo reaches customers virtually to observe change, find insight, seek inspiration and, therefore deliver products based on customer demands. Now, BrushToo is available both online 24/7 and at stores nationwide.

Thai cosmetics industry. When makeup is dominated by foreign and counter brands in department stores, the brands keep price artificially high while reaping huge profits from consumers who have no other options. REBEL is what we do! BrushToo was born under the promise to deliver great products at an accessible price. We simply rejected to pay a high price for same quality of products. Create your own beauty **RITUAL**. We, female, live and breathe with beauty. The makeup time that we spend in front of mirror every morning is for her very own-self. We call it sacred beauty ritual!! Our mission is to enable every female to enjoy her beauty ritual and become her very own makeup artist. We, first, launched BrushToo (applicator) and then ShadeToo (cosmetics).... Together, have fun and explore! We **DELIVER**. Our fan is our hero. You inspire us every day. BrushToo has been successful because of you all. Your voice means a lot to us. We promise that what you want is what we deliver. It started from a talk between TWO female founders THROUGH passion TO you. #Thankyoubrushtoo

Audrey Ferriol

Co-Curator

Things That Matter



Audrey Ferriol is the Co-Curator of Things That Matter and as well as the Digital Store and Stories Associate of its flagship brand, Rags2Riches, Inc. (R2R).

R2R is a fashion and design house empowering community artisans. R2R partners with local artisans across Philippines to create eco-ethical fashion and home accessories out of upcycled, overstock cloth and indigenous fabrics. R2R has been recognized by international media such as TIME Magazine, Forbes, The Guardian, and Vogue. It has also won several awards from Rolex Awards for Enterprise, Eileen Fisher Women in Business Awardee, and World Economic Forum. Things That Matter, an initiative by R2R, is an online marketplace that creates positive impact and inspires an intentional lifestyle. But it is more than just a one-stop shop for all beautiful and meaningful products. It is also a community of advocates who are creating a better world, one intentional decision at a time.

Chalermpol Tuchinda (Charles)

Director

Software Park Thailand



Chalermpol has experienced in management for over 28 years in private and government sectors. He is the Director of Software Park Thailand fostering innovation creation for new businesses and tech startups; human capability development for software/information professional; the use of Digital technology in SMEs. He previously worked as the Director Technopreneur Development and Services at the National Science and Technology Development Agency (NSTDA). He also worked at Thomson Reuters in numeral roles ranging from Technical Manager for Indochina and Myanmar, Development Operations manager, Technical Directors, and the Head of Transaction Platforms group Asia. He took a major role in establishing and expanding Reuters Software (Thailand) Ltd operations in Thailand from 18 people to more than 1,500 people during 2001-2008. He was an Executive Director at Bisnews (Public) Company limited while later the company was M&A by Reuters Inc. He also formed and exited a number of IT businesses startups since 1989.

Chalermpol obtain MBA degree in Decision Support System; BS in MIS from Southern New Hampshire University; A.S. in Digital Electronic Engineering. He is active in several leading associations and Forum such as Chairperson of IT Committee at Thailand Management Association; Committee member of Digital Economy Committee at Thailand International Chamber of Commerce (Thailand ICC); and a committee of the Thai Business Incubation and Science Park Association (ThaiBISPA), for example.

Dr Chamnan Ngammaneeudom

Lecturer, Assistant Project Director

ASEAN SME Service Center



Dr Chamnan Ngammaneeudom has been involved with micro, small, and medium enterprises (MSMEs) in Thailand and ASEAN Member States (AMSs) for many years, especially in promoting equitable development and inclusive growth among MSMEs through favorable government policy and MSMEs promotion mechanism. He is currently a chair of global business program, Graduated School of Commerce, Burapha University. His work experiences included advisory positions to National Reform Council and Standing Committee on Commerce and Intellectual Property in Royal Parliament of Thailand, as well as various policy-level MSME studies including strategy to promote SMEs in accordance to firms' size, macro-level promotion of high-growth SMEs, strategic promotion of SMEs networking and public dialogue strategy, improving regulation for national MSME statistical reporting system, the study on the Establishment of ASEAN SME Advisory Board in Thailand, etc. He also actively involves in creating and promoting ASEAN MSMEs' access to service information with the creation of integrated online ASEAN SME service center (www.ASEANSME.org); the One-Stop Web Portal to link service providers and experts to support MSMEs' business needs in AMSs. The ASEANSME.org is a part of ASEAN Coordinating Committee on Micro, Small and Medium Enterprises (ACCMSME)'s initiative and a collective responsibility of 10 ASEAN SME agencies from all AMSs.

Charles Blocker

CEO

IC Partners Limited



A leader with broad based knowledge of on-line start-ups, real estate development and project finance in Asia, Mr Blocker brings more than two decades of experience in capital raising, corporate finance and commercial real estate to IC Partners Limited. Established in January 2011, and based in Bangkok, Thailand, IC Partners serves as a financial advisor and investor for a number of on-line startups as well serves as an investment and asset manager for a number of hospitality related investment joint venture investments and family offices in Southeast Asia. IC Partners works with various capital partners, venture capital funds, family offices and numerous international hotel operators and advises investors on development planning, capital raising, deal structuring and contractual matters in the hospitality and residential segments.

He is also an Executive Director of AJT Holdings Pte. Ltd which owns the Wellity and DrMap brands and is a wellness management platform for hospitality, senior living and standalone medical/wellness clinics in ASEAN. His previous engagements include appointment as Chief Development Officer in 2007 for InVision Hospitality Co, Ltd and Senior Vice President and Director of Corporate Finance for Gannon International Ltd and Managing Director of Gannon Realty (Thailand) from 1999-2007 overseeing the company's real estate and industrial development projects in both Thailand and Viet Nam. Mr Blocker earned an MBA at the Kenan-Flagler Business School, University of North Carolina-Chapel Hill, with honors. He currently serves as a Trustee of The Kenan Institute Asia. Mr Blocker served as a Governor and Vice President of the American Chamber of Commerce in Thailand from 2004 to 2007 and is currently Chairman of AMCHAM's Travel & Tourism Committee.

Dr Deborah Elms

Founder and Executive Director

Asian Trade Centre (ATC)



Dr Deborah Elms is Founder and Executive Director of the Asian Trade Centre (ATC) in Singapore. The Asian Trade Centre works with governments and companies to design better trade policies for the region. Dr Elms sits on the international Technical Advisory Committee of the Global Trade Professionals Alliance and is Chair of the Working Group on Trade Policy and Law. She is also a senior fellow in the Singapore Ministry of Trade and Industry's Trade Academy. Previously, she was head of the Temasek Foundation Centre for Trade & Negotiations (TFCTN) and senior fellow of international political economy at the S. Rajaratnam School of International Studies at Nanyang Technological University, Singapore.

Her project includes interests the Trans-Pacific Partnership (TPP), Regional Comprehensive Economic Partnership (RCEP), ASEAN Economic Community (AEC) negotiations and global value chains. She has provided consulting on a range of trade issues to governments including the United Arab Emirates, Sri Lanka, Cambodia, Chinese Taipei, and Singapore.

Dr Elms received a PhD in political science from the University of Washington, a MA in international relations from the University of Southern California, and bachelor's degrees from Boston University. Dr Elms publishes the Talking Trade Blog.

Mario Masaya

Senior Manager

ASEAN Multilateral, SME Initiative, and ICT Sector

US-ASEAN Business Council



Mario Masaya joined the US-ASEAN Business Council in 2014 and currently leads the Council's SMEs initiative program and the Council's ASEAN Committee, in addition to supporting the ICT and Indonesia portfolios. He leads the Council's engagement with the ASEAN Economic Ministers, ASEAN Telecommunication Ministers, the ASEAN Secretariat, and support the engagement in Indonesia.

Prior to joining the Council, Mario worked for the ASEAN Secretariat, as a lecturer at the Parahyangan University, and in a local political consultancy company. He earned his master degree from S. Rajaratnam School of International Studies (RSIS) in Singapore and bachelor degree from Parahyangan University in Bandung. Mario spent one year in Beijing learning Mandarin and Chinese culture at Beijing Language and Culture University.

Pawoot Pongvitayapanu

CEO and Founder

TARAD.com



Mr Pawoot Pongvitayapanu (Pom), an online entrepreneur, E-Commerce and Online media business leader, He graduated from 2 master degree in Internet & E-Commerce at ABAC University and Executive MBA from SASIN Business School with Kellogg School of Management USA. He has accumulated his professional experience since 1998 and delivers consulting and lecturing services to public, private, government organizations and institutions all over the economy and oversea.

Prior to holding CEO and Founder at TARAD.com Co, Ltd which includes ThaiSecondhand.com and TARAD.com the Biggest E-Commerce Service in Thailand. TARAD.com join with Rakuten Group No.1 E-Commerce Site in Japan by Year 2009 and buy back from Rakuten in March 2016. He founded estructure group in year 2013. In this group company consist of many businesses that he founded with more than 350 people in the group.

- Pay Solutions: Omni Payments Services (Online - Offline) Gateway and Pay Social <http://pay.sn>) social media payment
- Winter Agency: Full Digital agency service, creative, media, production and social media management
- THOTH ZOCIAL: Social Media Big Data Analytic service, monitoring, research.

He also invested in new tech startup more than 10 companies such as Builk.com, Shippop.com, MagicBox Asia, Creden.co, Tixget.com, ZortOut.com, SiamOutlet.com, Thaiware.com, Skootar.com, CloudCommerce.co He is also President of Thai E-Commerce Association, Consultant for Thai Webmaster Association. And also founded Thai E-Payment Association and Thai E-Logistic Club (Association). 3 Pillars of E-Commerce for Thailand. Including committee of Thai Fintech Association. He is columnist in Bangkok Biz Newspaper Top Business newspaper in Thailand, including Radio

Host FM96.5 Think Radio Top Business Radio in Thailand.

Many people call him as "Thailand Internet Icon & Pioneer"

Dr Peter Lovelock

Director and Co-founder

Technology Research Project Corporate (TRPC)



Peter Lovelock is Director and Co-founder of TRPC Pte Ltd, an IT and telecommunication-based think-tank with offices in Singapore, Hong Kong and China. He brings more than 25 years of experience in telecoms, technology and media to these undertakings, including regulatory assessments, implementation and execution projects, and due diligence and market entry strategic guidance projects throughout Asia. In recent years, Peter has provided advice to Microsoft, AWS, and Google, on cloud computing, eBay, Visa and PayPal on digital commerce and payments, to ASEAN on its ICT Masterplan, APEC on its Internet Economy plan and principles, and the US Government on its regional digital economy strategies, worked with companies such as BTPN Bank in Indonesia and Axiata regionally to establish new digital businesses; provided regulatory and broadband advice to the governments of India, Malaysia, Singapore, Japan, Mongolia, and Kazakhstan; worked on regional restructuring projects, as well as authoring reports on global data networks and bandwidth developments, spectrum allocation, broadband wireless access technologies and market growth, social media and multimedia strategies, mobile payments, authentication and e-Identity, and convergence policies in Japan, Singapore, China and Australia, among others.

Phensiri Sathianvongnusr

CEO

aCommerce Thailand



Phensiri is Chief Executive Officer of aCommerce Thailand. Prior to her CEO role, Phensiri held leadership roles of Chief Operating Officer and Co-Chief Executive Officer for two years. Before joining aCommerce, Phensiri worked as Vice President of Operations at Zalora (Thailand), part of Rocket Internet GMBH, one of the world's leading internet incubators. Earlier in her career, Phensiri worked in marketing for Mitsui Sumitomo Insurance Group (MSIG) and Kozo Development & Design, a Japanese company specializing in property and project development.

A graduate of Ritsumeikan University in Japan with a degree in Business and a Masters in Management from Chulalongkorn University, Phensiri was integral in helping start Zalora in 2011 and built it to a 200 plus person business in less than a year.

aCommerce is a regional ecommerce enabler and e-distributor, delivering localized retail, distribution, and marketing solutions for over 260 brand clients such as Samsung, Unilever, Nestlé, L'Oreal, Philips and Mars. Founded in May 2013, aCommerce has over 1,400 staff and offices and fulfillment centers in Singapore, Indonesia, Thailand, Malaysia, and Philippines. The company provides end-to-end ecommerce technologies and solutions including performance marketing, channel management, webstore design and operations, content production, order fulfillment and warehousing, delivery and logistics and localized customer care. For more information, please visit www.acommerce.asia.

Pichet Durongkaveroj

Minister of Digital Economy and Society

Thailand



Dr Durongkaveroj received his Bachelor's degree in Electrical Engineering, University of New South Wales, Sydney; MEng.Sc. in Applied Solar Energy, Trinity University, Texas; Ph.D. in Public Policy and Management, Wharton School, University of Pennsylvania.

Dr Pichet Durongkaveroj has assumed his position as Minister of Digital Economy and Society since December 2016. Prior to that he held the Minister of Science and Technology portfolio for over two years during which many progressive changes have been widely implemented. An outstanding career in the field of public policy, he has contributed to his economy the design, formulation, and implementation of major national policies including science & technology, innovation, ICT, e-commerce, and education. His contributions have also been extended to international collaboration notably to ASEAN, APEC, UNCTAD, OECD, WHO, ITU etc., as well as establishing effective scientific diplomacy to bilateral, multilateral relations, and inter-agency collaborations.

Prior to his appointments to both ministerial portfolios, he founded and headed many important organizations including Secretary General of the National Science Technology and Innovation Policy Office, Executive Director of the Knowledge Network Institute of Thailand, Director of Electronic Commerce Resource Center, Chairman of the e-ASEAN working group, Director of the National Information Technology Committee Secretariat Office.

His policy track records have sustained long-term impacts to national and international development. A policy architect who understands the roles of integration and partnerships domestically and internationally, Dr Durongkaveroj has been instrumental in establishing many policy platforms such as university-industry linkages, ASEAN integration, community water management, and most recently championing tech startup campaign. He is currently concentrating on digital development and digital for development covering broadband infrastructure, national digital park development, digital community covering e-commerce, e-health, e-government, and human resource capacity development.

Rawit Hanutsaha

CEO

Srichand United Dispensary



Nowadays, at the age of 38, Rawit is a CEO of Srichand United Dispensary Co., Ltd, and Managing Director of H2O Co, Ltd and Sasi Lab Co, Ltd. Moreover, he also takes a position of Industry Advisory Board of Stamford International University. Through his management Srichand United Dispensary Co, Ltd won many Thai SME awards such as, SME Thailand Innovation Award, Marie Claire Best Beauty 2015, Cleo Beauty Hall of Fame, Watson WHE award 2016, 2017 and 2018 and etc. Rawit graduated from Chulalongkorn university with the bachelor degree of electrical engineering. After that, he decided to further his study abroad by going for an MBA at Vanderbilt university in the United State of America. Then, he came back to Thailand and worked in the financial industry for years. He fell in love with the financial sector and worked with some of the world's leading bank companies such as, HSBC and Citibank.

However, the day that he has to take over his family business came. When Rawit stepped in, there was not a single computer in his company. He realized, it's time to bring about change to Srichand company. Now, Srichand has changed dramatically over the years. Not only does Rawit managed to modernize his company with computers, but also let his employees using SAP as a system of operation. He's rebranding Srichand entirely, from an old-fashioned brand, Srichand is now sophisticated like never before. As a result of this, Srichand distribution channels expands rapidly both domestically and internationally, and the sales has skyrocketed. Rawit has a big goal of taking his company to another level. He's determined to prepare Srichand for an initial public offering by 2020. Over a decade of managing Srichand, Rawit faces countless of obstacles and difficulties, and gains a lot of valuable experiences. He sees that, there is no better way to share those business creativities, experiences and marketing than to write a book. Because of this, Rawit became an author for the very first time when his 'Marketing Everything!' book was published. Then, his second book called, 'Mission to the Moon' (คิดจะไปดวงจันทร์ อย่าหยุดที่ปากซอย) was followed. Both of his books were ranked as a best seller in the business book category in 2014. Later on, he decided to release his third and fourth book, namely 'The Monkey's Playbook: Advantages of Using Your Tail' (มาร์เก็ตติ้งลิงกลับหัว) and 'A Thinker's Guide to Conquering the Ocean' (อย่าปล่อยให้ใครฉกฉวยของกู). Rawit devoted his time and his heart the most when publishing his fourth book with WeLearn publishing. Moreover, Rawit is a guest speaker about SME branding, business inspiration for many public and private organizations. He's also sharing his fun thought, business experiences and connecting with more than 200,000 people of his fans through a Facebook page (www.facebook.com/marketingeverything). His page is just honorably rewarded Blog of the year from Thailand Best Blog award 2017.

Sittisak Wongsomnuk

CEO & Co-founder

Giztix and President of Thailand E-Logistic Association



My vision is to revolutionizes logistics business, turning all of traditional logistics businesses into E-Logistics businesses. As I have been in Logistics business with my parents since I was a kid, therefore I have suffered and have true pains in this industry. Today, I have started up 3 IT businesses for logistics and continue to help the world more.

GIZTIX Co, Ltd — 2015-Present

- Position: CEO & Co-founder

- Experience: Started up an e-market place for logistic services, to help shippers (who wants goods shipped) to get the best and reliable prices from transporters (who operate logistics services) to get more sales without fixed costs.

- Startup Business Pitching Awards:

- 1.) Winner - Startup Thailand ICT Award (2015)
- 2.) Winner - Dtac Accelerate Batch 3 (2015)
- 3.) Winner - Echelon Thailand (2015)
- 4.) Winner - Techsauce Thailand (2016)
- 5.) Top 10 - Echelon Asia Summit (2016)

- Funding:

- > Seed stage: USD250k KK Fund, 500 Tuktuks Startups, Dtac Accelerate
- > Series A.: USD1.65m from SCG Adventures, Wavemaker, 500Tuktuks



APPENDIX 5

Presentations

Presentation 1: Digital Thailand: The Significance of e-commerce for the MSME Sector in APEC

By: Dr Pichet Durongkaveroj

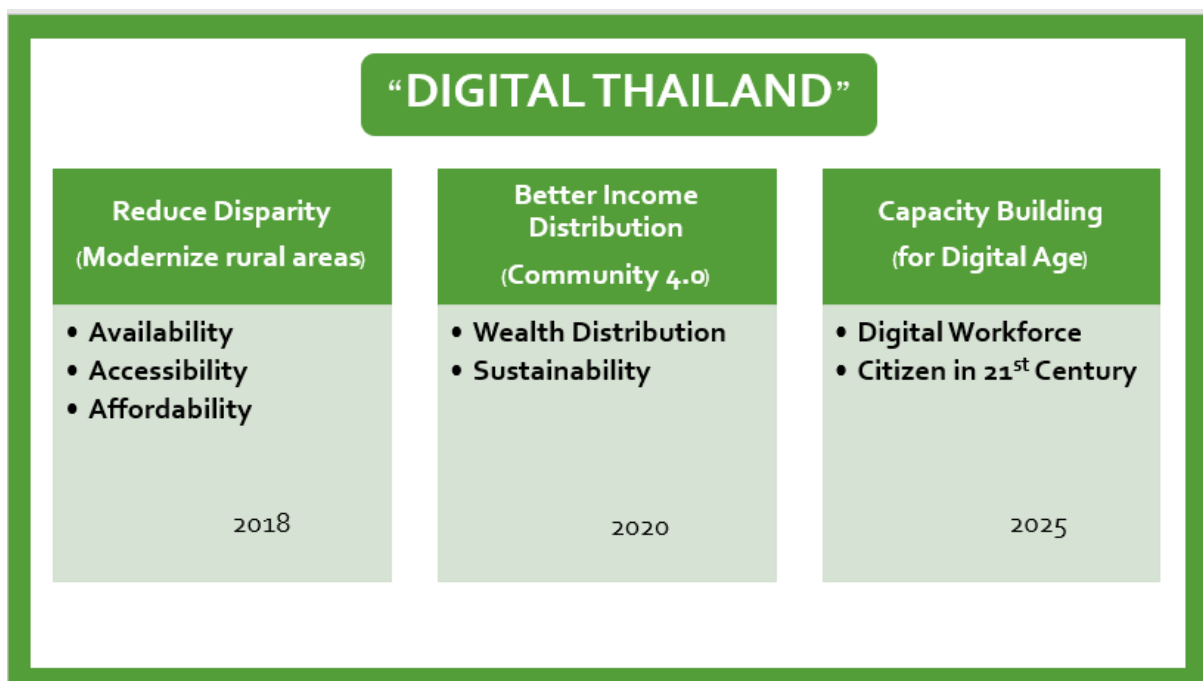


Riding the Wave of the E-Commerce Trend:
Emerging and Expanding Business Option for MSMEs

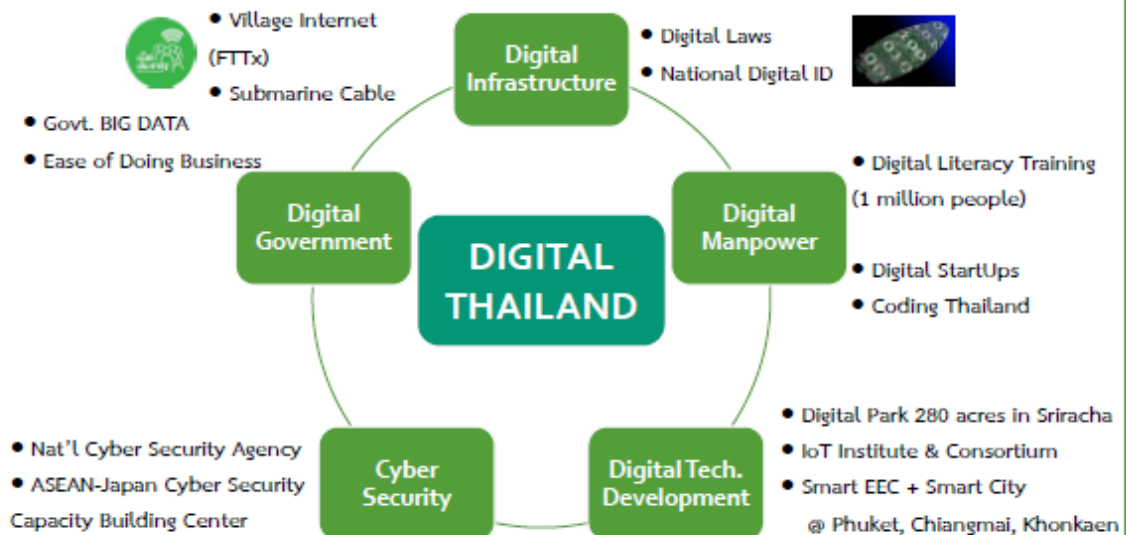
DIGITAL THAILAND

The Significance of e-commerce for the MSME Sector in APEC

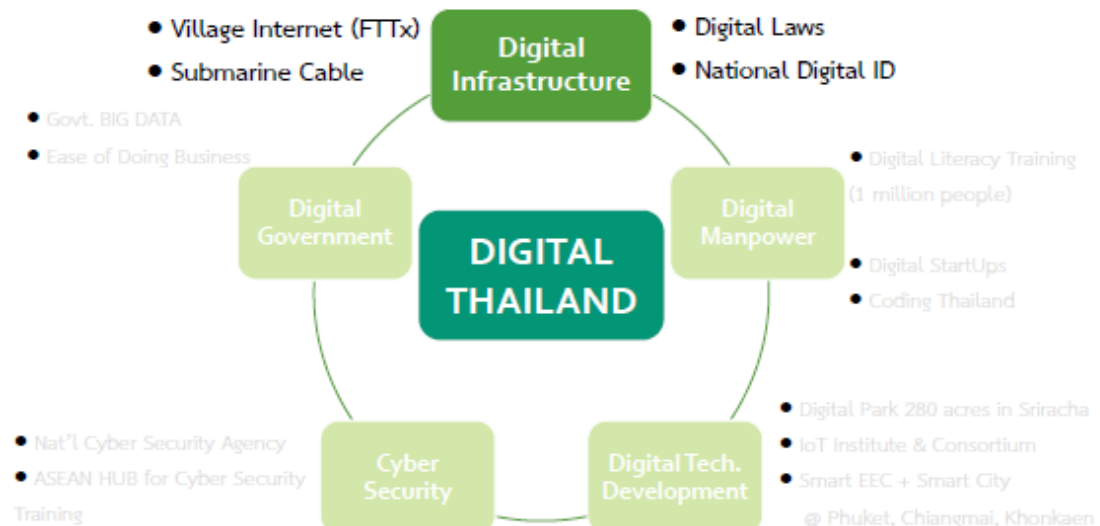
Pichet Durongkaveroj
Ministry of Digital Economy and Society



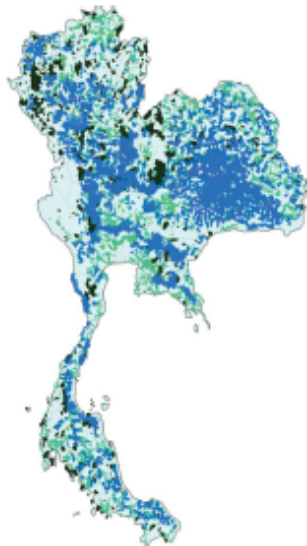
“DIGITAL AGENDA 2018”



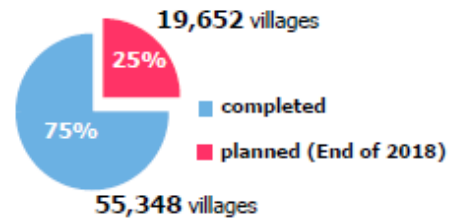
“DIGITAL AGENDA 2018”



Digital Infrastructure: Village Internet



Cover all 75,000 villages in 2018



1 Free WiFi hotspot in every village at 30 / 10 Mbps

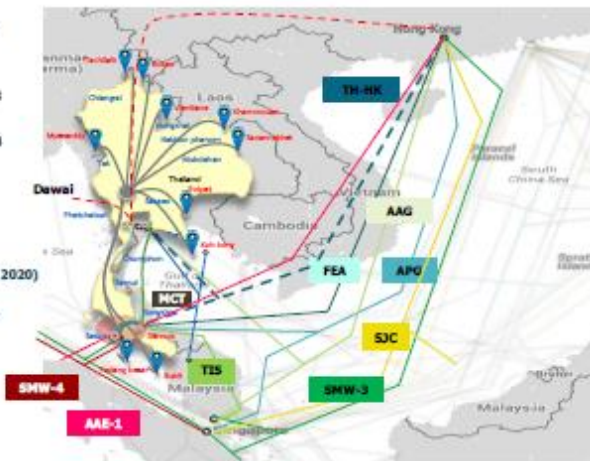
Digital Infrastructure: Submarine Cable Upgrading

NGDC's Existing Submarines

- 1 FEA
- 2 SeaMeWe-3
- 3 TIS
- 4 SeaMeWe-4
- 5 AAG
- 6 SJC
- 7 APG
- 8 AAE-1
- 9 TH-HK (by 2020)

Private Sector's Submarine

- 1 MCT



Country	System (S)	Station (S)
Cambodia	2	1
Laos	0	0
Myanmar	3	2
Vietnam	5	2
Thailand	9*	4
Malaysia	12	6
Singapore	14	5
Brunei	3	2
Philippines	8	7
Indonesia	5	5



Upgrade capacity to borders

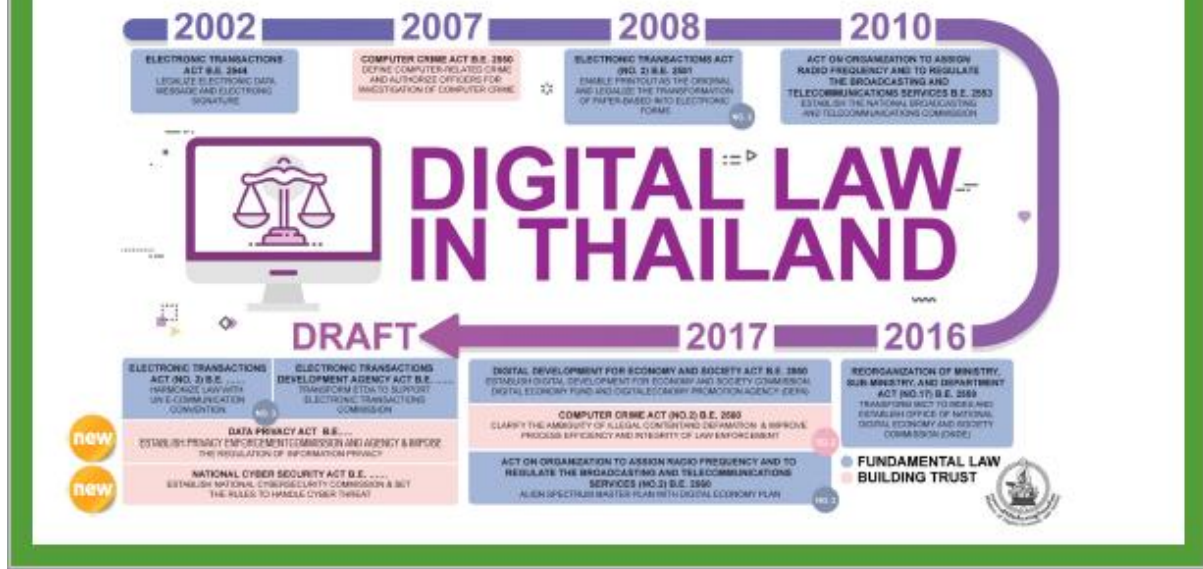


Upgrade existing submarine cables



Build a new submarine cable

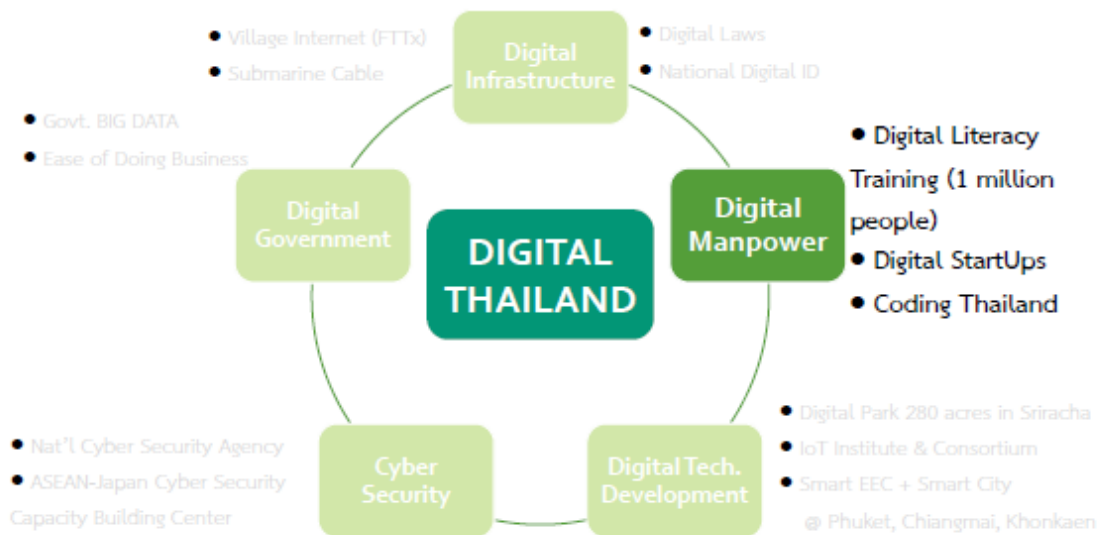
Digital Infrastructure: Digital Laws



Digital Infrastructure: National Digital ID



“DIGITAL AGENDA 2018”



Digital Manpower:

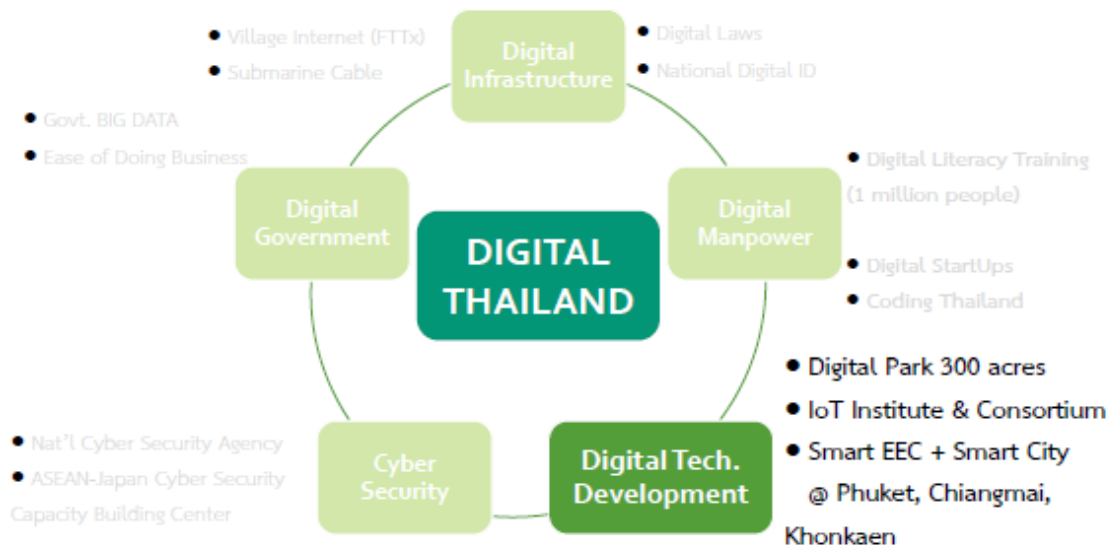
- Digital Literacy Training (1 million people)
- Digital StartUps
- Coding Thailand

STARTUP THAILAND

DIGITAL STARTUP



“DIGITAL AGENDA 2018”



I. DIGITAL PARK THAILAND LOCATION



II. IOT INSTITUTE PROJECT OVERVIEW



60% devoted to testbed and laboratory for IoT, AI, and Robotic with outdoor field testing for autonomous car and drone



IoT Institute

- Landmarks:**
1. Testing Building: 67,34 sqm
 2. Innovation Exhibition: 2,433 sqm
 3. Rainwater Area: 3,433 sqm
 4. Common & Corridor: 1,623 sqm

Smart City

12 Phuket City Development Master Plans

Smart Transit



Smart Energy



Smart Tourism



Smart City



Smart EEC



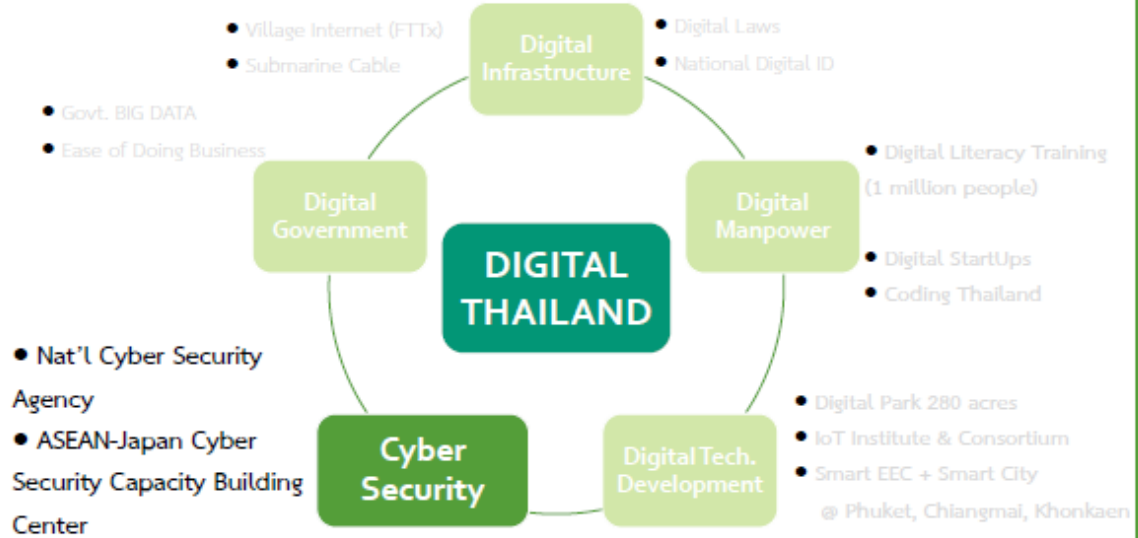
Boosting
Economy

Improving
Quality of life

Driving
Sustainability

Ensuring collaborative
Development

“DIGITAL AGENDA 2018”



Cyber Security:

- National Cyber Security Committee
- National Cyber Security Agency
- 6 Critical Information Infrastructures
 - Financial
 - Telecommunications
 - Transportations and Logistics
 - Energy and Public Utility
 - Public Health
 - National and Government Security
- ASEAN-Japan Cyber Security Capacity Building Center



“DIGITAL AGENDA 2018”

DIGITAL THAILAND

- Digital Infrastructure**
 - Village Internet (FTTx)
 - Submarine Cable
- Digital Laws**
 - National Digital ID
- Digital Manpower**
 - Digital Literacy Training (1 million people)
 - Digital StartUps
 - Coding Thailand
- Digital Tech. Development**
 - Digital Park 280 acres
 - IoT Institute & Consortium
 - Smart EEC + Smart City @ Phuket, Chiangmai, Khonkaen
- Cyber Security**
 - Nat'l Cyber Security Agency
 - ASEAN-Japan Cyber Security Capacity Building Center
- Digital Government**
 - Govt. BIG DATA
 - Ease of Doing Business







Digital Government:

- BIG DATA
- Ease of Doing Business

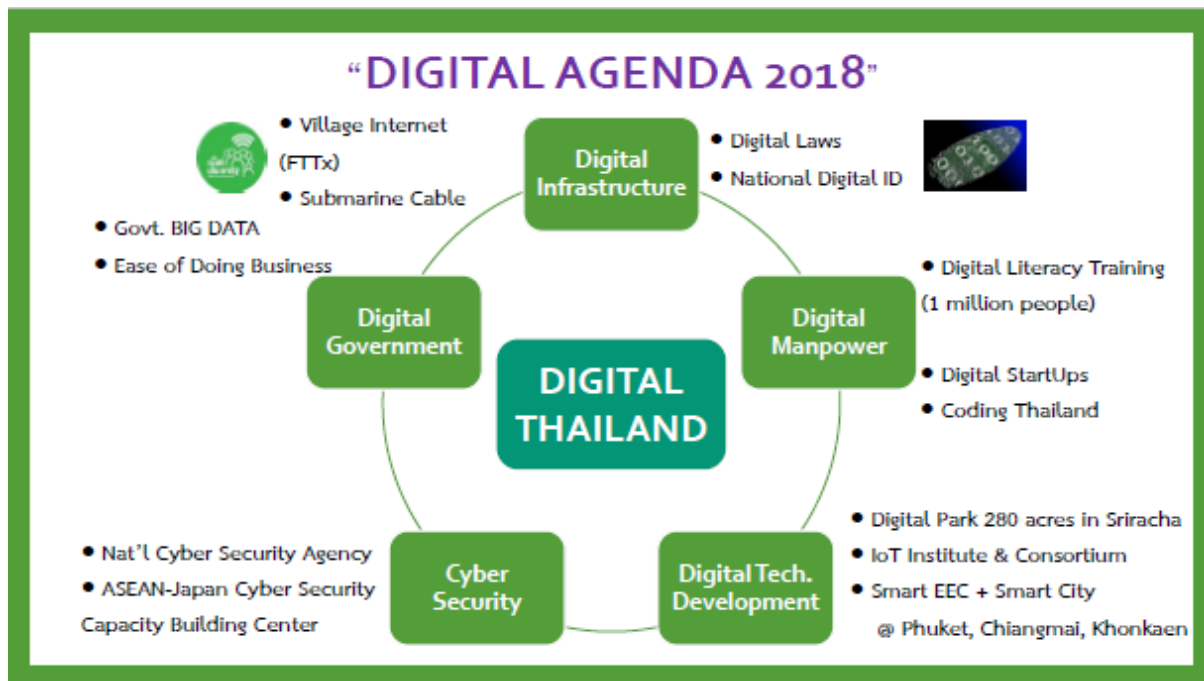
Ease of Doing Business Ranking

ECONOMY	2017	2018
New Zealand	1	1
Singapore	2	2
Denmark	3	3
South Korea	5	4 ↑
Hong Kong	4	5
Taiwan	11	15
Malaysia	23	24
Thailand	46	26 ↓
Japan	34	34
Vietnam	82	68 ↓
Indonesia	91	72 ↓
China	78	78
India	130	100 ↓
Philippines	99	113

Source: World Bank

ECONOMY	2017	2018
New Zealand	1	1
Singapore	2	2
Denmark	3	3
South Korea	5	4 
Hong Kong	4	5
Taiwan	11	15
Malaysia	23	24
 Thailand	46	26 
Japan	34	34
Vietnam	82	68 
Indonesia	91	72 
China	78	78
India	130	100 
Philippines	99	113

Source: World Bank



INCREASING e-TRANSACTION VOLUME AND VALUE

e-Commerce
Promotion

e-Trade
Facilitation

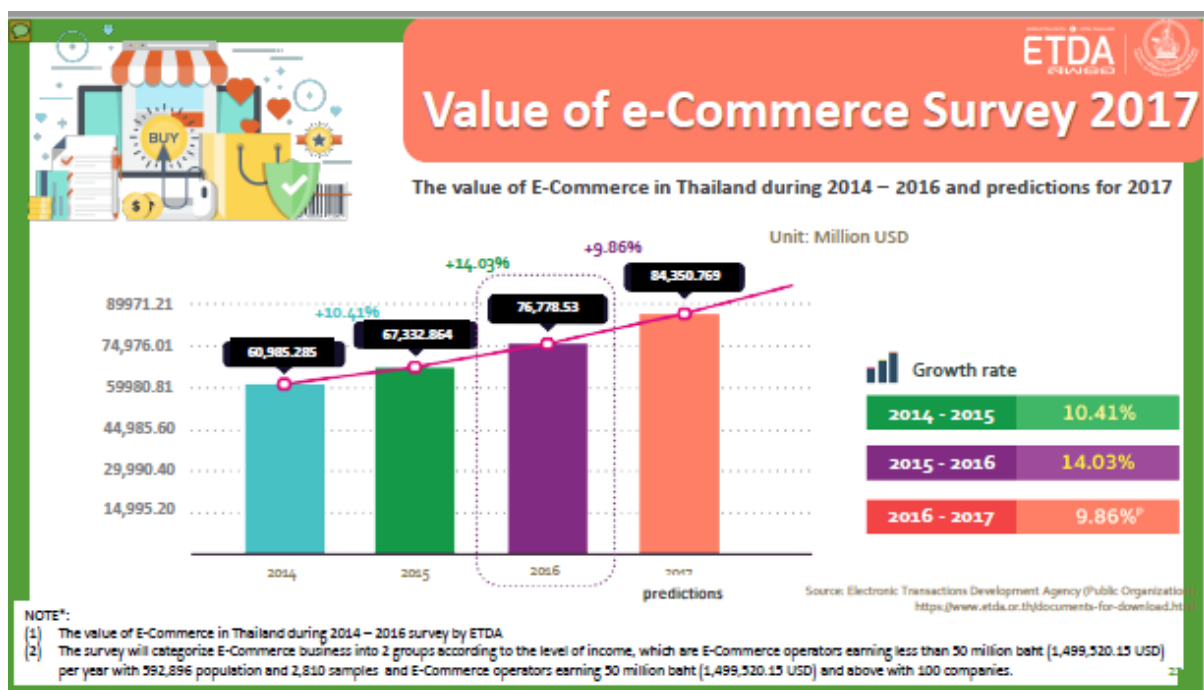
Soft Infrastructure
Development

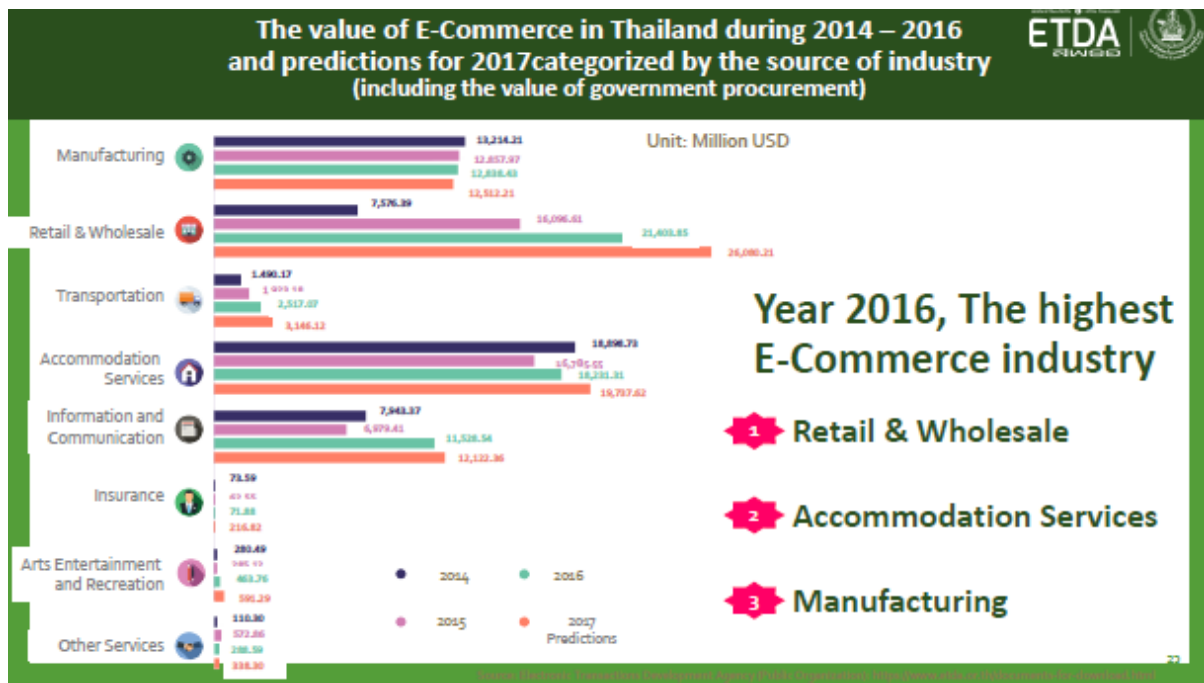
ETDA AIMS TO DEVELOP A SOFT INFRASTRUCTURE by adding confidence and facilitating online or e-Transactions that are fundamental to the digital economy

Setting standards, monitoring cybersecurity and establishing laws for handling e-Transactions.

STANDARDS | SECURITY & PRIVACY | LAWS

Electronic Transactions Development Agency (Public Organization) or ETDA is a government agency under Ministry of Digital Economy and Society.





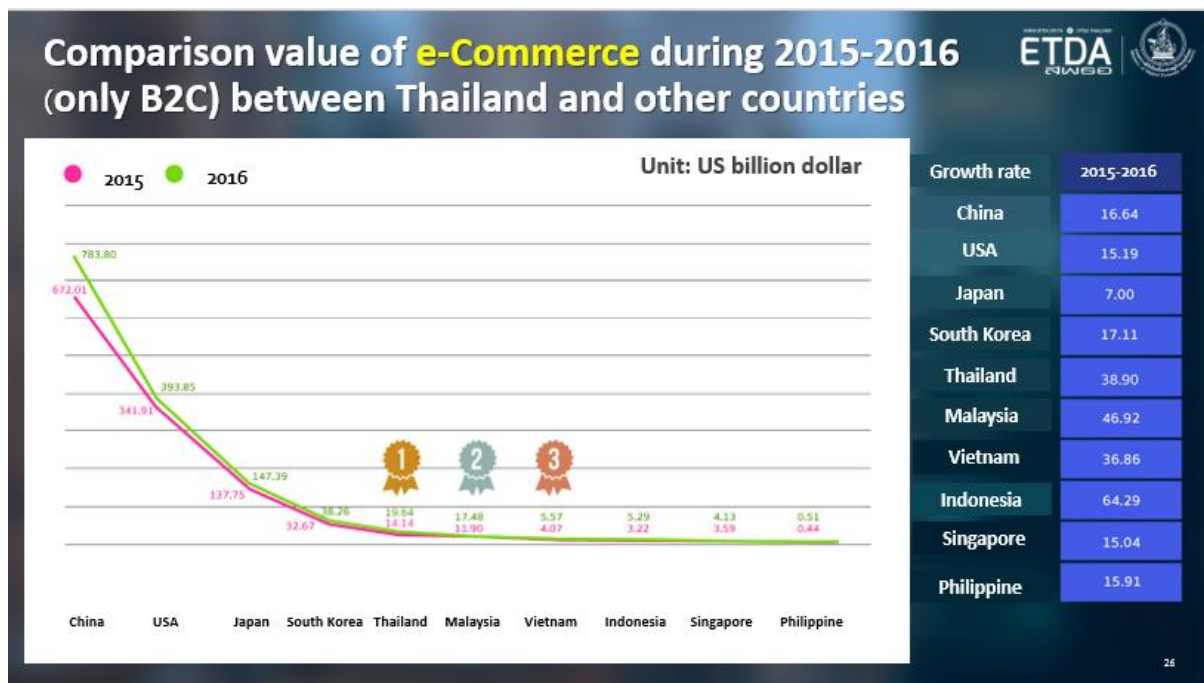
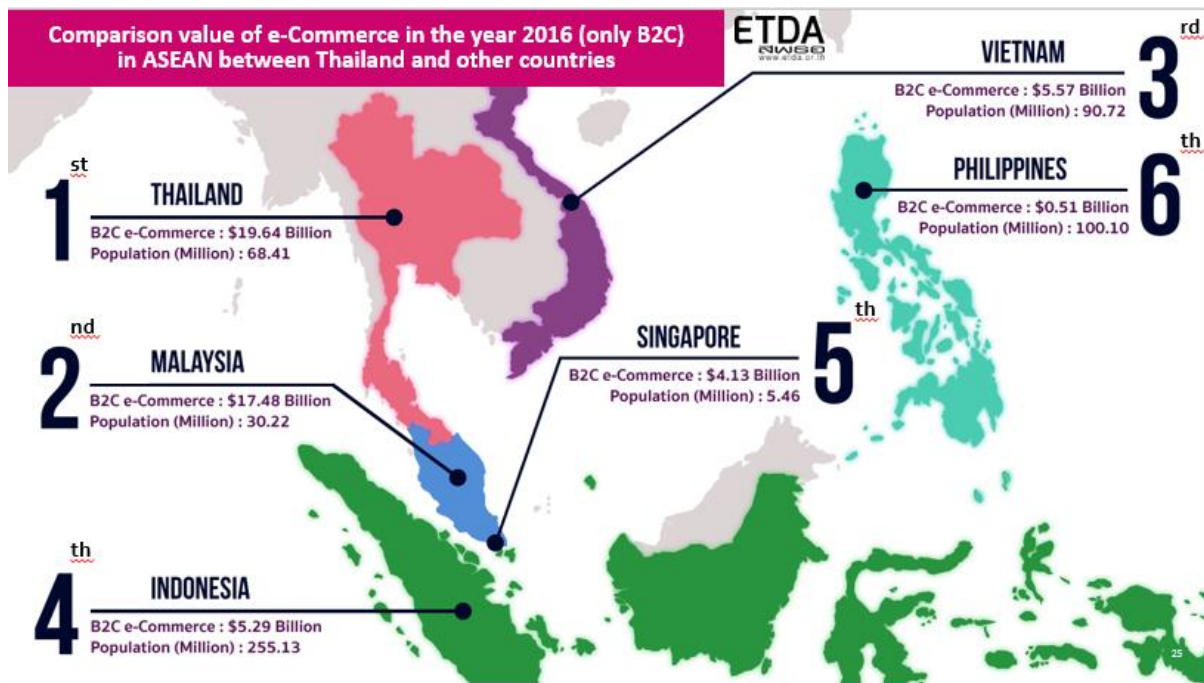
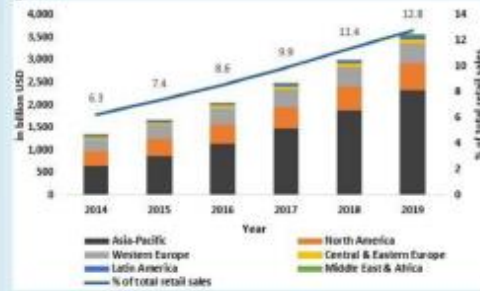


Figure 2. Global retail e-commerce sales poised to grow



Note: Retail e-commerce includes products or services ordered using the internet via any device, regardless of payment or fulfillment method. Excludes travel and event tickets.
Source: eMarketer (2015)

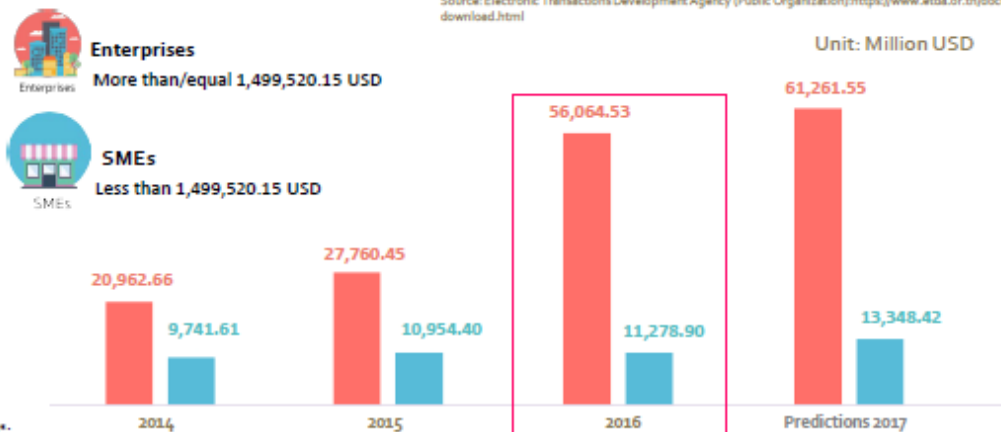
APEC Policy Support Unit POLICY BRIEF No. 20
February 2018

27

The value of E-Commerce in Thailand during 2014 – 2016 and predictions for 2017 categorized by size of E-Commerce business (excluding the value of government procurement)

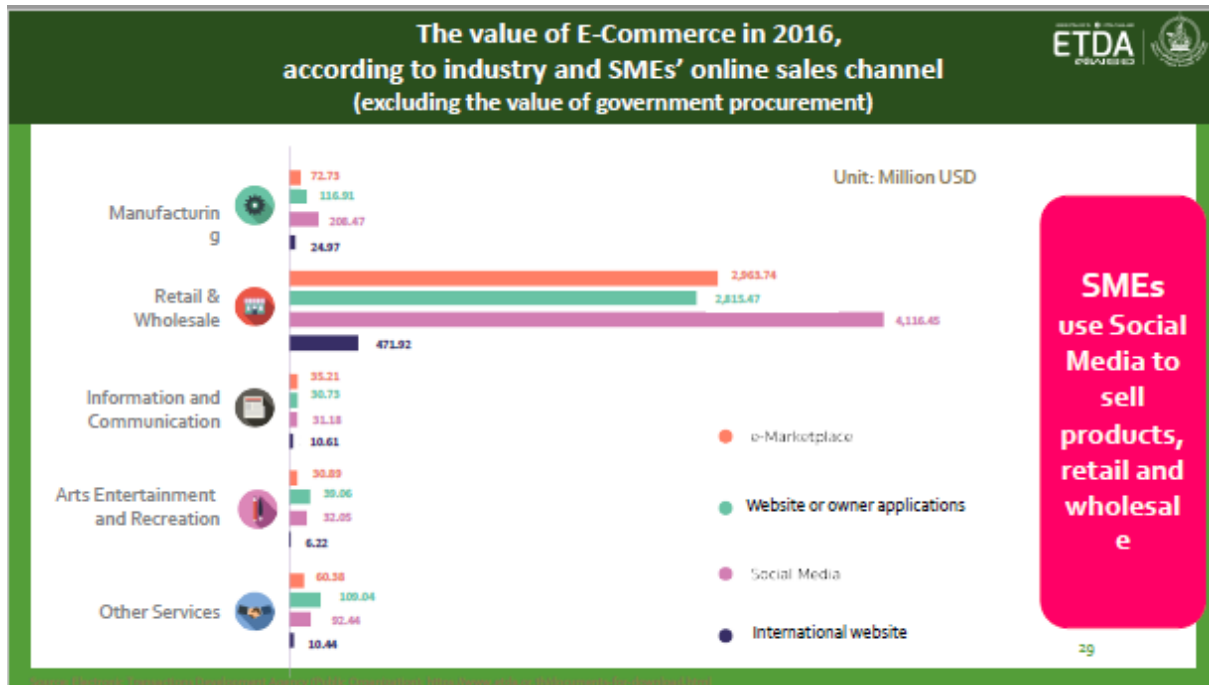


Source: Electronic Transactions Development Agency (Public Organization) <https://www.etda.or.th/documents-for-download.html>



NOTE*:

- (1) The value of E-Commerce in Thailand during 2014 – 2016 survey by ETDA
- (2) The survey will categorize E-Commerce business into 2 groups according to the level of income, which are E-Commerce operators earning less than 30 million Baht (1,499,520.15 USD) per year with 592,896 population and 2,810 samples; and E-Commerce operators earning 30 million Baht (1,499,520.15 USD) and above with 100 companies.





สสว. ETDA
SMEs GO ONLINE
 by สสว. & ETDA
www.SMEsGoOnline.in.th
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- SMEs register 21,600 sellers
- Product or Service onboarding > 35,000 SKU

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Presentation 2: APEC E-commerce Landscape
By: Dr Peter Lovelock



APEC E-commerce Landscape

The development of the digital economy ecosystem in APEC and its implications

Dr Peter Lovelock
*Director and Co-founder | Technology Research Project Corporate Pte Ltd (TRPC) | Singapore
Director | TRP | University of Hong Kong
Associate Professor | Singapore Management University*



Overview

1. Growing the digital economy and digital trade
2. Making of a digital economy
3. Challenges to e-commerce growth
4. Data sovereignty, data protection and digital trade
5. FTAs, RTAs and digital trade
6. What's at stake?

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1. Growing the digital economy and digital trade

What we talk about when we talk about e-commerce

- Digital platforms **change the economics of doing business** across borders, bringing down the cost of international interactions and transactions
- They **create markets and user communities with global scale**, providing businesses with a huge base of potential customers and effective ways to reach them
- Small businesses become “micro-multinationals” *and* by using digital platforms such as eBay, Amazon, Facebook or Alibaba to connect with customers and suppliers in other economies ...
- ... *and* the ability of small businesses to reach new markets, this **supports economic growth everywhere**

But more than this, individuals participate in globalization directly, using digital platforms to learn, find work, showcase their talent, and build personal networks.

“More than 1.3 billion people have international connections on social media, and more than 450 million take part in cross-border e-commerce. Data flows now account for a larger share of GDP growth than global trade in goods.”

E-Commerce and the digital economy



The digital economy refers to both the digital access of goods and services and the use of digital technology to help businesses.

- The role of e-commerce in facilitating foreign investment, lowering barriers to entry and reducing operating costs for businesses is highlighted in the AEC Blueprint 2025
- E-commerce growth is key to driving inclusive economic growth by increasing accessibility for merchants to consumers and vice versa (eg: MSMEs, rural consumers)
- e-ASEAN Framework Agreement highlights the role of e-commerce in facilitating cross border trade and electronic transactions
- Transacting online, usually introduced through retail e-commerce, unlocks the value of the digital economy for consumers (eg: healthcare, e-learning, financial products, G2P payments)



Sources: Cap Digital, IAU IDP

Digital economy fueled by cross-border data flows

Regions	NA United States and Canada	EU Europe	AS Asia	LA Latin America	ME Middle East	AF Africa	OC Oceania
Bandwidth Gigabits per second (Gbps)	<50	50-100	100-500	500-1,000	1,000-5,000	5,000-20,000	>20,000

2005
100% = 4.7 Terabits per second (Tbps)



2014
100% = 211.3 Tbps



45x larger

Cross-border USED bandwidth
has grown 45 times
from 2005 to 2014
and is predicted to grow
another 9 times larger by 2021

Sources: McKinsey Global Institute, 2016

Cross-border data flows underpin e-commerce



We're seeing disruption on a global scale ...



... these companies didn't exist 20 years ago



- Largest international **voice traffic** provider owns no network
 - Huge contributor to telco settlement fees in most economies
- Fastest growing **television** network lays no cables
 - Huge driver of 'triple-' and 'quad-play' subs services for local service providers
- Most watched **video-sharing** portal created no video content
 - Significant driver of mobile video consumption ... in particular in emerging economies
- Most popular **media** provider creates no content
 - Huge driver of mobile subs and social connectivity
- Most valuable retailer has no inventory
 - Created a platform that consumers almost never have to leave
 - E-commerce and telco investor
- World's largest **taxi company** owns no vehicles
- Most valuable **photo company** sells no cameras
- Largest **accommodation** provider owns no real estate

Equally we're seeing *local players* being enabled ...



... by providing innovative services and expand and access other markets



- VOD streaming service joint venture between Singtel, Sony Pictures, and Warner Entertainment



- Singapore developed live video streaming app with over 150 million subscribers and over 45 million monthly active users as of July 2017



- Vietnamese company, specializing in digital content and online entertainment, social networking, and e-commerce



- E-commerce platform with sites in HK, ID, MY, PH, SG, TH, VN, TW



- Ride-hailing service originating from Malaysia which has expanded to KH, ID, MM, PH, SG, TH, VN



- Indonesia-based photo-sharing app PicMix has an international user base of 27 million



- Manila-based FlySpaces aims to help SMEs with shared accommodation for office spaces



We've seen cross-sectoral enablement in Indonesia, innovative education services in Vietnam, and cross-border enablement across the region



Go-Jek began by providing low-cost on-demand motorcycle taxi rides in Indonesia to address gaps in public transport.

The platform now provides a multitude of other services that "share" under-used access to idle resources, including Go-Food, Go-Massage, Go-Glam, and most recently payment services through Go-Pay.



GiapSchool created to fulfil demand from students and young professionals in Vietnam for high quality local language MOOCs available on multiple platforms.

Founder, Dr Giap initially translated scientific and technical books from English to Vietnamese. GiapSchool has now signed up 100+ lecturers to provide online lectures in variety of subjects.



iflix is a subscription video on demand service that distributes Western and Asian dramas. Iflix has more than 6.5 million subscribers.

Iflix has partnerships with over 150 studios and content distributors globally.

It is currently available in 25 economies across Asia, Middle East, and Africa.

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Potentially transformational impact

MARKETPLACES & PLATFORMS TRANSFORMING COMMERCE & GROWTH

Consumer Access

- Full Stack of Services
- Market Intelligence
- Consumer Protection
- Education and Training



Businesses Reach

- Digital Marketing
- Expanded Market Reach
- Network Multiplier Effects
- Enhanced Credibility

ASEAN's POTENTIAL ECONOMIC IMPACT

250 MILLION
newly included individuals

GDP Growth:
\$2.6Tr (2016) → \$3.5Tr (2020: BAU) → \$6.1Tr (2020) → \$7.8Tr (2025)

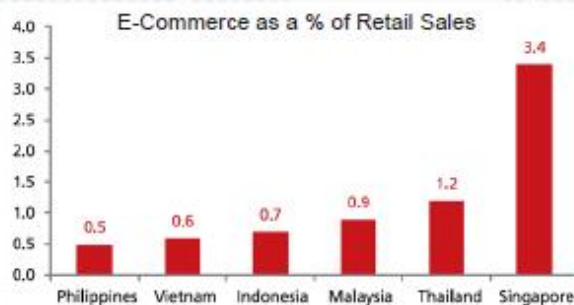
\$11 BILLION
annual reduction in govt leakage

95 MILLION
new jobs

E-Commerce Growth:
\$15.5B (2016) → \$90B (2025: BAU) → \$381B (2025: Pot)

1.5x HIGHER
Total factor productivity

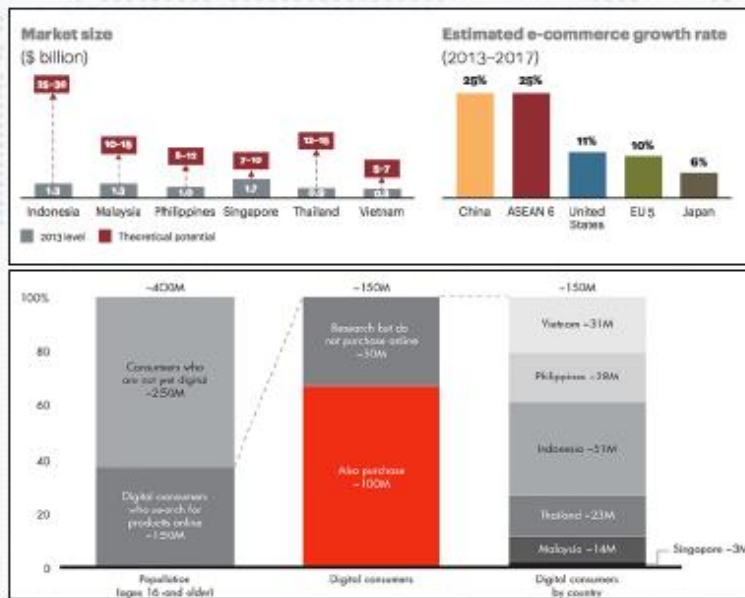
\$200 billion ASEAN e-commerce market



Sources: Google and Temasek, Euromonitor, EcommerceIQ

- By 2025 e-commerce represents USD200 billion in ASEAN
- 600+ million people
- 480+ million Internet users
- Thailand and Indonesia 2015-2025 CAGR predicted above 40%

ASEAN market potential is huge

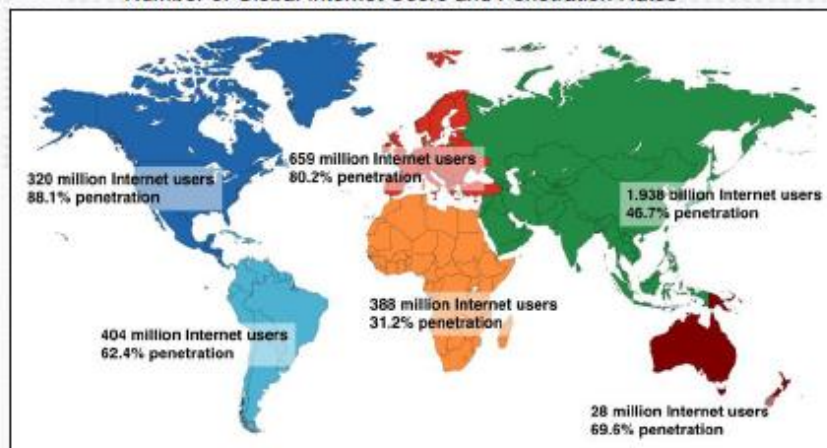


- 250m consumers who are not digital
- 50m digital consumers have not purchased online
- Indonesia is the largest population of online purchasers at 51m

Sources: AT Kearney, Lazada

Asia Pacific leads the world with 1.9 billion Internet users

Number of Global Internet Users and Penetration Rates



... and is one of the fastest growing Internet regions globally

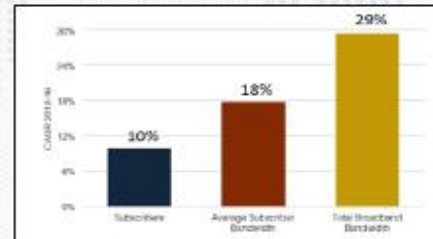
Growth in Number of Global Internet Users



Asia Pacific is growing faster than the more developed European or North American markets with a CAGR of 11.52% 2009-2015

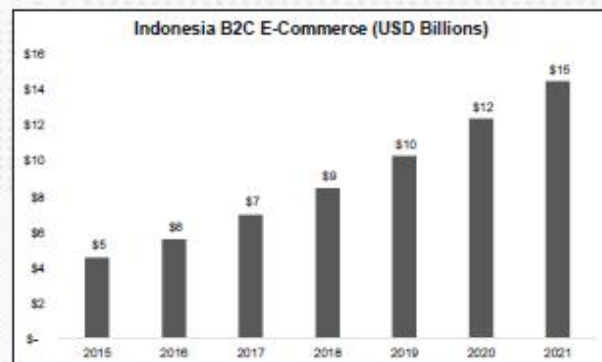
Bandwidth is growing at an even faster rate than the number of subscribers at 29% CAGR

Subscriber and Bandwidth Growth



Key indicators: Indonesia

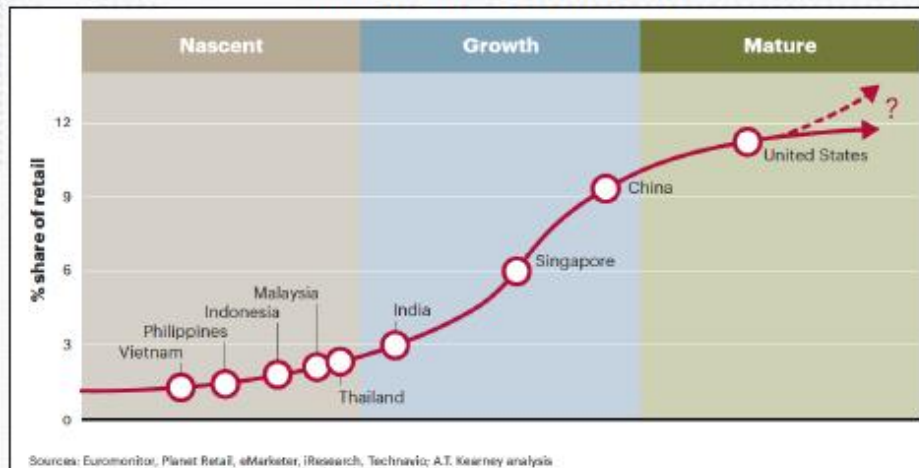
- 260m population
- 180m Internet users
- 55m smartphone users in 2015
- 19.5% of Internet users on e-commerce by 2020
- 39% CAGR in e-commerce revenue projected 2015-2021



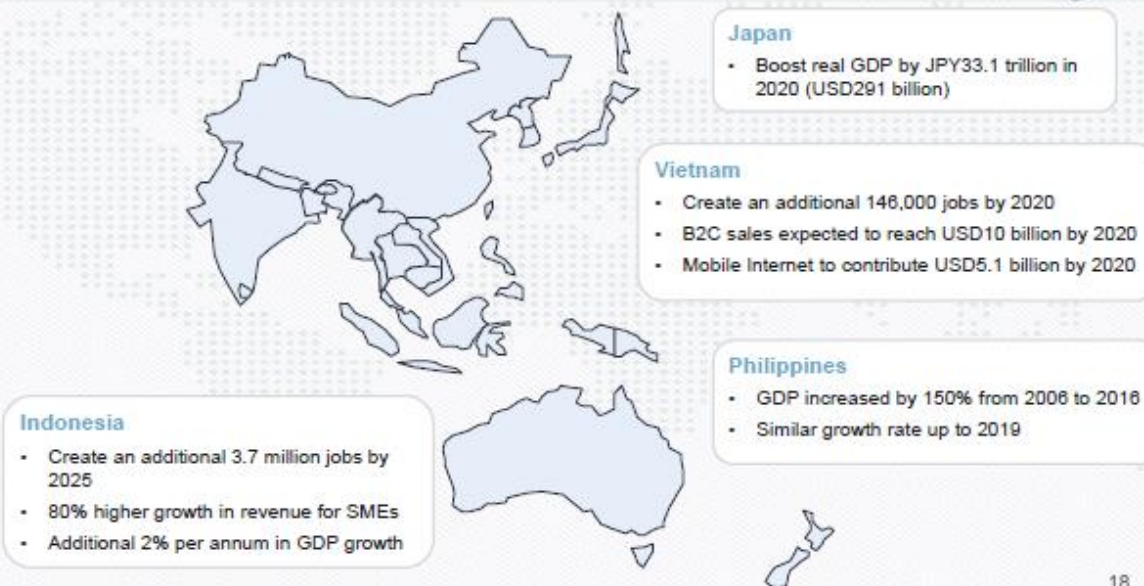
Source: Statista

All ASEAN economies can grow

E-Commerce % or retail sales



Leading to real world growth + priming for the future



2. Making a Digital Economy

Requirements for a digital economy

Digital Economy and Society

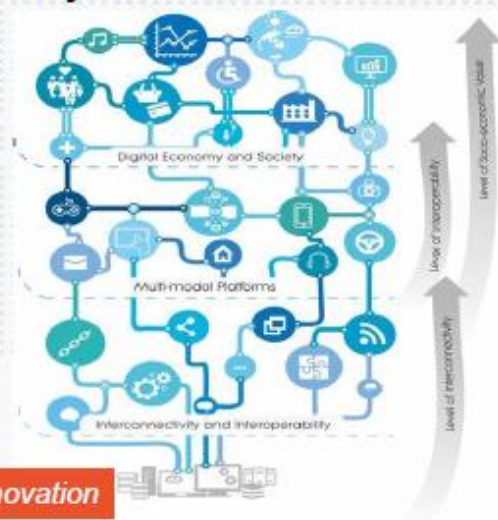
- Digitization of public service delivery, social interactions and commercial transactions
- Creation of inclusive and integrated society

Multi-modal Platforms

- More 'things' coming online
- Services, content and processes → platform agnostic

Interconnectivity and Interoperability

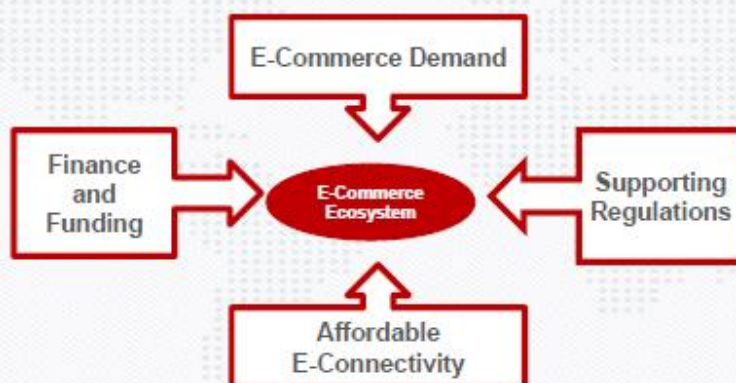
- Proprietary networks becoming IP-based
- Platforms talk to each other and are able to work with one another



Interconnectivity enables economies of scale;

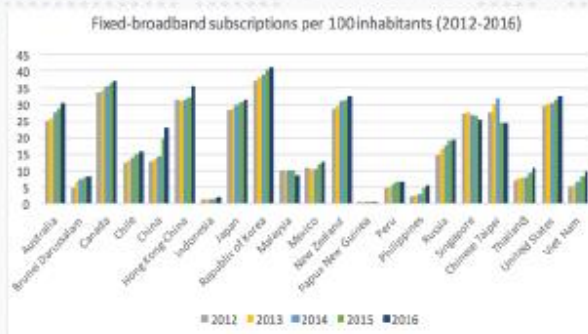
Interoperability enables economies of scope... innovation

Ecosystem begins with connectivity and creates demand



- Growth in connectivity will help boost demand
- Coherent regulations support e-commerce growth
- Start ups and entrepreneurs need access to funding and financing

The foundations of a digital economy lie in a reliable national broadband telecommunications network



Source: ITU, Country ICT Data, ITU (2017) World Telecommunication Statistics

- Pro-competition policy and regulatory reforms transformed **PNG digital communications** landscape:
 - Narrowband feature mobile penetration rose from 28% in 2010 to 49% in 2016
 - Broadband mobile penetration rate increased from zero to nearly 10%

2005

- Telecoms market opened to competition

2007

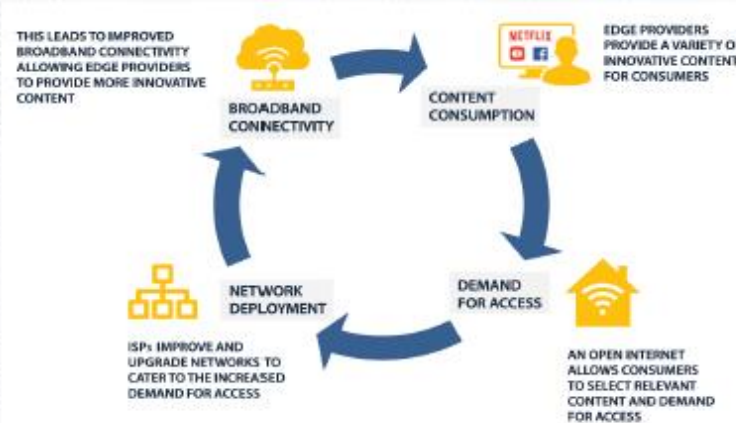
- Ministry of Information and Communication Services (PANGTEL) created

2010

- National Information and Communications Technology Authority (NICTA) formed to regulate the sector

Increase in content consumption ...

Virtuous Cycle



Source: Connectivity, Innovation and Growth

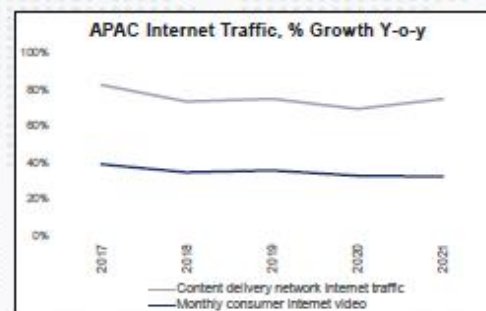
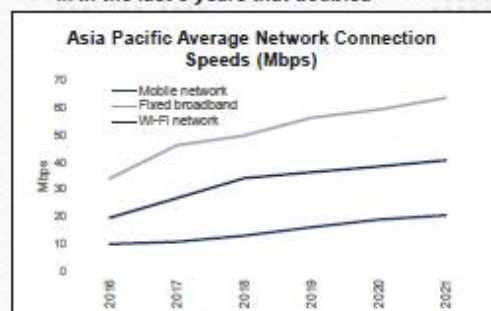
Investment into Infrastructure:

- Consumption of digital services results in greater traffic, resulting in needing more infrastructure investment and thus developing greater Internet connectivity

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... has led to significantly increased infra investment ...

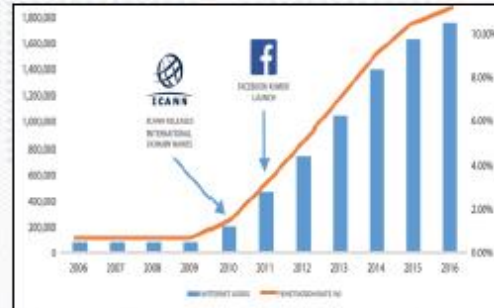
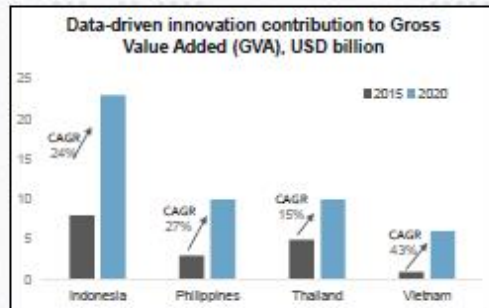
- Policies promoting a virtuous cycle of growth increased broadband providers' investment by **USD212 billion** between 2011 and 2013
- More than any three-year period this century...
... *In the last 3 years that doubled*
- By 2014, OTT providers had invested **more than USD7.7 billion globally** in data centre networks, submarine cables, and domestic data transport and delivery services
- Cisco forecasts that **71% of all Internet traffic** will cross Content Distribution Networks (CDNs) by 2021, up from 52% in 2016



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... leading to broad based economic growth ...

- Boosting the use of digital technologies, including social media and e-commerce, could **increase Indonesia's annual economic growth by 2%**, generate up to **80% higher growth in revenue for SMEs** and also make them **1.5 times more likely to increase employment**.
- Entertainment, social media, news and online games are the initial drivers of adoption
- Locally relevant content helps as seen in Cambodia's **rapid growth in penetration rate** after Facebook in Khmer was launched



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... as well as social development and opportunities

One study found that a 10% increase in Rich Interaction Applications (RIA) usage added an average USD5.6 trillion in global GDP, far exceeding the economic benefits of basic telecom services, including:



- E-commerce:** enables SME access to global markets
- E-health:** extending healthcare services to the un- and under-served; reducing waiting times in congested urban areas; establishing the basis for transforming to home care from institutional care
- E-education:** enabling people, including those from marginalised groups, to access quality education; enabling the prospect of affordable life-long training and skills upgrading; enabling transformation of education to personalized, accelerated, learning
- E-government:** increasing citizenship engagement; increasing government reach; increasing delivery of services (e.g. e-voting, e-filing); increasing flexibility and nimbleness of government
- E-wallets and E-finance:** boosting financial inclusion by bringing formal financial services to areas unserved or underserved by physical banks



We've seen this innovation in e-health in Vietnam, e-commerce in Thailand, and e-government in Singapore



In Vietnam, PATH set up a web-based application that allows local medical staff to use smart phones to manage immunisation records and vaccine deliveries.

Within a year, it reduced waiting times from 1 week to 30 minutes, people vaccinated on schedule increased 14%, and newborns were registered 8.5 days after birth on average, rather than 5 weeks.



Communications platform Line has become a key channel for e-commerce companies to communicate with their Thai consumers.

Its Line@ platform allows SMEs to use a familiar interface to reach a wider audience by pushing content to subscribed users, for no fixed monthly usage fees.



Singapore government's online application system for integrated services, LicenceOne, reduced the average licence processing time from 21 to 12.5 days, and new business registration from 5 days to just 2 hours.

This resulted in estimated savings of SGD11.4 million in just its first year.

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National Digital Plans are often the starting point for govt and stakeholder conversations on how to promote the digital economy

Economy	Ministry/Agency	National Plans	Economy	Ministry/Agency	National Plans
Australia	Ministry of Communications	National Broadband Network (NBN)	Mexico	The President	2013 Telecoms Reform enacted
	Dept. of Industry, Innovation & Science	The Digital Economy: Opening Up the Conversation		Federal Telecommunications Institute	Special Programme for Science, Technology and Innovation (PECITI) (2014-18)
Brunel	Ministry of Communications	National Broadband Policy (NBP)	New Zealand	Ministry of Economic Development	Government ICT Strategy and Action Plan to 2017
Canada	Ministry of Energy	Digital Government Strategy	Papua New Guinea	National Information & Communications Technology Authority of Papua New Guinea (NICTA)	National Broadband Policy
	Canadian Radio-television and Telecommunications Commission (CRTC)	CRTC Three Year Plan 2017-2020	Peru	Organization for the Supervision and Private Investment in Telecommunications (OSIPTEL)	N.A.
Chile	Ministry of Transport and Telecommunications	Imagine Chile Digital Agenda 2013-2020	Philippines	Department of Information and Communications Technology (DICT)	National Broadband Plan (NBP)
China	Ministry of Industry and Information Technology (MIIT)	13th Five Year Plan	Russia	Ministry of Telecom and Mass Communications of the Russian Federation (MTMC)	State programme: Information Society, 2011-2020
Hong Kong, China	Innovation and Technology Bureau	Digital 21 Strategy-Hong Kong Smart City Blueprint	Singapore	Infocomm Media Development Authority (IMDA)	Infocomm Media 2025
Indonesia	Ministry of Communication and Informatics	2014 National Broadband plan	Chinese Taipei	National Communications Commission (NCC)	Digital Nation and Innovation Economic Development Plan (2017-2025)
	Ministry of National Development Planning	Medium Term Development Plan 2015-2019 (RPJMN 2015-2019)		National Development Council	Four Year National Development Plan
Japan	Cabinet Office	5th Science and Technology Basic Plan	Thailand	Ministry of Digital Economy and Society (MDES)	Five-Year Digital Government Development Plan (2017-2021)
Rep. of Korea	Ministry of Science, ICT and Future Planning (MSIP)	Mid-to Long-Term Master Plan in Preparation for the Intelligent Information Society		The National Broadcasting and Telecommunications Commission (NRTC)	Telecommunications Master Plan
Malaysia	Ministry of Communications and Multimedia (MCM)	HSBB-1; HSBB-2; Nationwide Fiberisation Plan (NFP)	USA	Department of Commerce	Digital Economy Agenda 2016
	Economic Planning Unit (EPU)	Eleventh Malaysia Plan 2016-2020	Vietnam	Ministry of Information and Telecommunications (MIC)	Information and Communication Technology Development Project

National Digital Plans need to achieve interoperability and coordination

across the digital economy to break down siloed development

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Malaysia: State plays active role in shaping development with a number of cross-cutting initiatives

Six (6) thrust areas with a supportive governance framework are the key aspects of the National eCommerce Strategic Roadmap



Source: MITI

- 11th Five Year Plan (2016-2020) aims to **raise contribution of ICTs** from 13% to 18.2% of GDP
- National E-commerce Strategic Roadmap aims to **double e-commerce growth** from 10.8% to 20.8% between 2015-2020
- **SME Masterplan** aims to raise share of GDP contributed by SMEs, their employee numbers, and their volume of exports
- Public-Sector ICT Strategic Plan (2016-2020) aims to **transform public service delivery** by 2020
- **MDEC drives digital push**
- MCMC initiatives to address lack of accessible and affordable fixed **broadband**

Limitations to note:

- Challenge attracting foreign and domestic investment
- Lack of coherent digital agenda and well-established coordination
- Slow implementation due to multiple stakeholders

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Thailand: Govt. adopts assertive top-down approach with comprehensive master plan



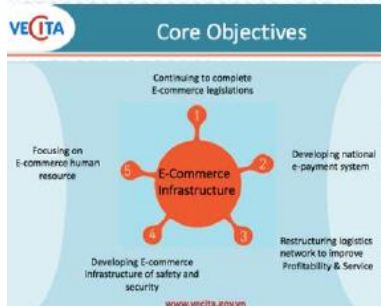
- **Digital Thailand 4.0**, includes aggressive timelines and comprehensive coverage/scope:
 - Digital infrastructure
 - Digital innovation ecosystem
 - Digital technology for an equitable society
 - E-government services
 - Human capital
 - Holistic frameworks for a Digital Thailand
- MDES to draft **20 year Digital Economy Master Plan** to replace IT 2020 ICT master plan
- **New agencies and committees established**, including MDES

Limitations to note:

- Implementation issues:
 - Political uncertainty
 - Lack of clear path
 - Managing vested interests
- Personal data protection, taxation, and cybersecurity issues not resolved in framework

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Vietnam: Transition from centrally-controlled to state-directed mixed economy; no comprehensive strategy



Source: Vietnam E-commerce and Digital Economy Agency

- Digital policies driven by **multiple ministries**
- Govt aims to make Vietnam an international software hub; promote entrepreneurship; and **smart city** development
- Govt aims to have at least 40% of households/individuals covered by **fixed broadband** by 2020
- E-commerce Development Plan (2016-2020) seeks to **boost the sector and digital payments**
- **National Technology Development Programme** promotes digital technology adoption across industries
- **Opening up of Vietnam**, through foreign ownership, social media access; reduced tariffs

Limitations to note:

- Strict Internet regulatory approach may limit innovation
- Limited scope and clarity of digital economy building efforts by govt
- Inefficiencies in implementation

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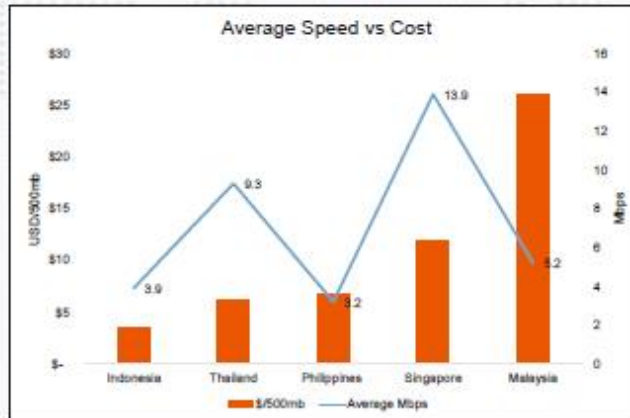
Approaches differ due to level of economic maturity, legacy institutions, power distributions, state involvement etc.

	Malaysia	Thailand	Vietnam
Government vs Private Sector Leadership	Govt leadership paramount	Govt leadership paramount	State as "controller" of economy, balanced with vibrant private sector creates opportunities
Top Down vs Bottom Up	All three economies illustrate top down approach		
	Comprehensive national digital plan as blueprint	Comprehensive national digital plan as blueprint	Limited scope with tech plan
Innovation vs Regulation	All three govts place importance on both		
	Shortage of requisite skills and low levels of productivity	Supply-side dominated approach but lack of clear direction and coordination	Strong attraction to foreign investment but low levels of productivity

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3. Challenges to E-Commerce Growth

Challenges to Growth: Infrastructure



Indonesia

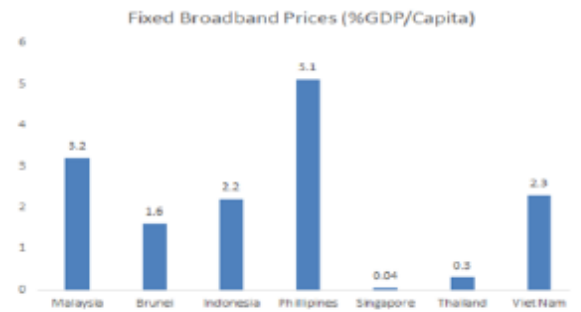
- Indonesia has cheaper Internet, but slow speeds
- Fixed broadband deployment only reaches 15% of the region
- 4G only covers 26% of population
- Expansion to outlying islands proves to be expensive and difficult

Access remains a challenge for many emerging economies

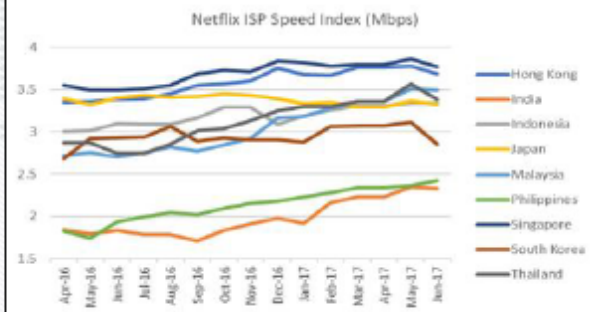


Broadband contexts		Malaysia	Thailand	Vietnam
GDP per capita		\$9.5k	\$5.9k	\$2.2k
Broadband penetration	Fixed (%)	10%	8.5%	6.5%
	Mobile (%)	58%	80%	31%
Cost	Fixed broadband prices (% GDP / capita)	3.2%	0.3%	2.3%
Speeds	Netflix ISP Speed Index (Avg. Mbps, July 2017)	3.5	3.4	NA

Sources: World Bank; World Economic Forum Global IT Report; Connectivity, Innovation and Growth; Netflix



Sources: Connectivity, Innovation and Growth; Netflix



Good practice for investment: evolving, flexible, sometimes piecemeal

Infrastructure

In March 2017, the Philippines introduced the National Broadband Plan partly to spur investments into unserved and underserved areas in the economy. Priority is given to areas with high density but low coverage.

The Plan specifically calls for the greater use of public-private partnership arrangements so as to fund infrastructure such as fibre optic submarine cables, landing stations, cell sites, and shared infrastructure such as base stations.



Infrastructure

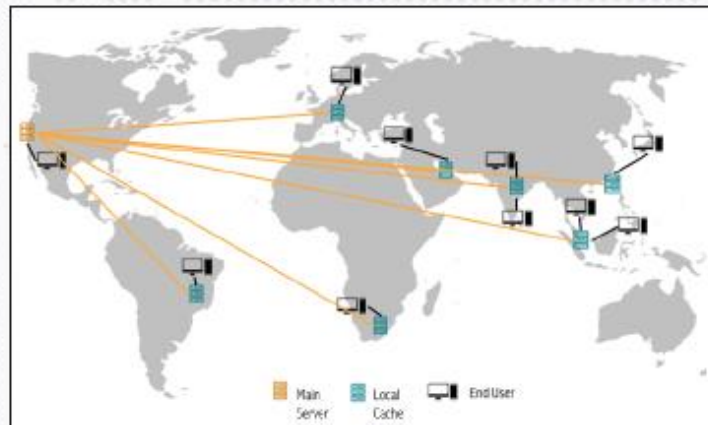
OTT services have emerged as another source of funding for international and long-distance networks and content distribution networks (CDNs).

Facebook and Google have begun investing heavily in submarine optical fibre cables to guarantee fast and secure data traffic delivery. This includes the Pacific Light Cable Network with a designed capacity of 120Tbps, connecting the USA and Hong Kong directly from 2018.

Importance of good network management with growing data demand

Local caching and Content Delivery Networks (CDNs) bring content closer to the end user

- **Reduces latency:** 56% of Asian traffic originated overseas
- **Decreases costs and strain on ISPs backbone:** commonly accessed data cached locally to remove transit costs
- **Improves user experience:** content loads faster with less buffering



Network management and net neutrality principles create a robust and reliable digital infrastructure

Red Flags for Network Management

- Management techniques affecting **transit between networks**
- Tools involving **termination or blocking**
- **Unilateral** decision-making
- Tools are only applied to traffic **based on source/destination** or service provider

Net Neutrality in Chile

In 2010, Chile became the first economy in the world to enact legislation safeguarding the principles of net neutrality and establishing transparency obligations for ISPs.

It has allowed entry of new operators into the market, thereby increasing competition and lowering costs.

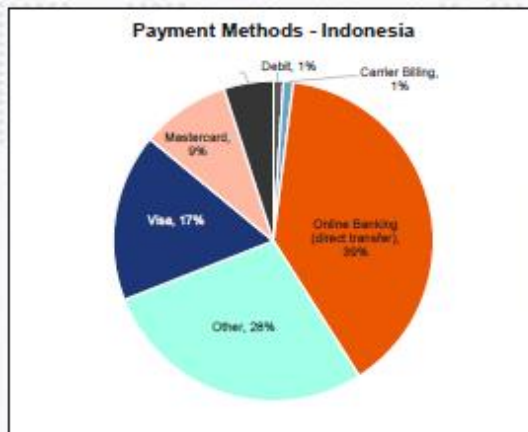
Between 2009 and 2012, mobile connections increased from 600,000 to 5 million, fixed connections increased from 1.7 to 2.2 million, and user costs decreased up to 50%.

Singapore Guidelines and SGIX

In 2011, new guidelines allowed ISPs to sell speed-based plans as long as good service levels for average users are upheld.

In 2009, the Singapore Internet Exchange (SGIX) was established to strengthen Singapore's "infocomm hub" position, lower interconnectivity costs for local and international ISPs, improve network resiliency, and enhance consumers' online experience. It currently has 3 points-of-presence and 92 peering members.

Challenges to Growth: Payments



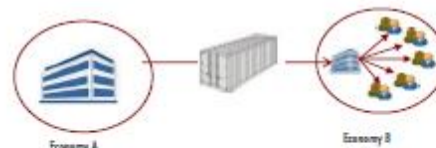
Source: SP Ecommerce

- Cash on Delivery dominates payments, especially in Indonesia
- Of online payments, bank transfer is most common
- Lack of trusted e-payments providers drive COD and transfer payments

Challenges to Growth: Logistics

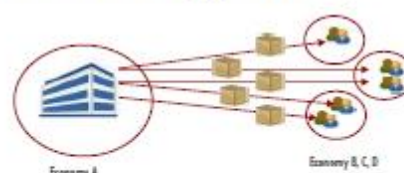
- Each ASEAN market requires individual contracts for logistics companies with inconsistencies across the region
- No truly economical to deliver goods on underdeveloped ecosystem
- Delivering packages uniquely challenging for economies, including Indonesia's 15,000+ islands

Traditional Engagement Model Deplete Profits



Ship 1,000 units in 1 container to a partner or reseller, who moves the goods domestically to the end-customer.

B2C Cross-Border Engagement Model



Ship 1,000 boxes to 1,000 end-customers incurring more time and costs for independently packing, labeling, and shipping.

Challenges to Growth: Customs

Total customs/duty value of \$100 dress



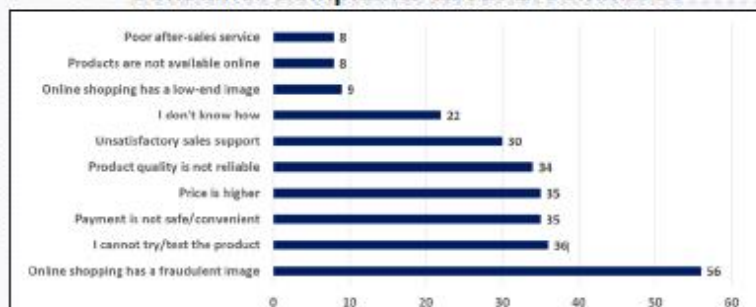
Source: World Bank Logistics Performance Index, UNCTAD

- Confusing customs and duties hinder growth for SMEs
- Customs vary widely across the region, with Indonesia having a high tax
- Single window systems help reduce processing times – in Japan the single window cut times in half
- Indonesia requires 8 documents to import

Challenges to Growth: Trust

- Fraud is the biggest inhibitor of e-commerce
- In 2015, fraudulent activity in Indonesia reached almost 35%
- Consumer protection needs to be built out to protect online buyers

Consumer Complaints about E-Commerce



Sources: McKinsey, Forrester

Competition concepts shifting in complex digital environments

Govts must address challenges of protecting and empowering consumers in a complex and rapidly developing online environment

Online environment competition and consumer protection issues:

- Growing trend for 'free' services in exchange for consumer data
- Market share extends across verticals
- 'Uneven playing field' argument between traditional providers and digital service providers
- Dominance (not a problem in itself) to the detriment of consumers or unfair conduct

Issues to consider to promote competition:

On barriers of entry ...

- Do they prevent competition?
- Are they natural or induced?

On dominance ...

- Not a problem of itself

But it will become an issue if ...

- The providers abuse their position to the disadvantage of consumers

Need to rethink approach to regulation to enable innovation, promote competition and ensure consumer protection in changing environments

Regulators moving from risk management to enablement

Regulators should:

- Clearly **determine** if digital service requires regulation
 - The grounds and sector to justify the regulation
 - If current regulations deter new entrants or stifle innovation and competition
 - Relevancy of the regulation and its goals
- **Monitor** service providers' compliance by regular reporting
- Allow **collaboration** between telecom, broadcast regulators, cybersecurity agencies and police
- Have **no unnecessary restrictions** that may hinder innovation

Bahrain TRA

Bahrain's Telecommunications Regulatory Authority (TRA), in recognising that OTT service providers compete against traditional telco companies, recommended to continue to allow for competition of OTT service providers, as instituting a ban will limit innovation and hinder competition. Businesses will evolve to adapt to consumer preferences, and will be challenged by new businesses that introduce innovation and hence competitive pressures in the market.

Technology-neutral and flexible guidelines must be implemented to enable application regardless of changes in market and business models

Regulatory guidelines should be:

- **Technology-neutral:** accommodate new technologies
- **Flexible:** allow innovation and conducive environment for development
- Formed with **understanding** of services and markets
- Formed with **objective assessments** of social and economic impacts

Korea Communications Commission

The KCC will deregulate to allow local and international players to compete, and support businesses engaged in new technologies and new business models.

The KCC will push for the adoption of a "negative regulation" framework for Internet businesses, which explicitly blacklists certain items. This approach reduces regulatory risk and gives businesses more freedom to innovate.

Currently, items which are not white-listed in the "positive regulation" system are automatically banned.

EU REFIT

The EU approach explicitly recognises the unregulated and international nature of the Internet, and removes red tape and lowers costs without compromising policy objectives.

This is achieved through the Regulatory Fitness and Performance Programme (REFIT).

Policies are reviewed on a continuous basis to ensure that the regulations are fit for fast-changing industries.

Regulatory approach: nimble, agile, responsive rule-making

Regulatory sandboxes encourage experimentation, create dialogue between companies and regulators, and provide guidance on complying with requirements

PolicyPal

PolicyPal, Singapore-based insurance-tech start-up, was the first graduate from the MAS sandbox.

PolicyPal has now commenced operations as a registered direct insurance broker. It provides consumers with an alternative platform that utilises AI to simplify and digitise insurance.

money match

MoneyMatch is currently experimenting in the BNM sandbox.

MoneyMatch is developing its own platform to provide cross-border remittances and money changing services by matching individual buyers and sellers of currencies.

This caters towards the SME market in Malaysia.

Japan is looking to label three cities as regulatory sandboxes, applying the concept beyond fintech to technologies, such as automated vehicles and drones.

Allows safety issues to be worked out at the local level before innovations are adopted nationally.

.... *But*: Lack of alignment limits expansion and scale

Especially in data sensitive sectors such as FSI and healthcare

Fintech Sandboxes

	Australia Securities & Investment Commission	Hong Kong Monetary Authority	Bank Indonesia	Bank Negara Malaysia	Monetary Authority of Singapore	Bank of Thailand
Eligibility	Exemption limited to no more than 100 retail clients and less than AUD5m customer exposure	Only HKMA authorised institutions launching initiatives in HK Non-authorised institutions need partner	Fintech registration with BI	Financial institutions and fintechs (even without Malaysian presence) are eligible	Regulated financial institutions and unregulated firms are eligible	Pre-existing regulated entities go first (Q1 2017) Suitable fintechs afterward (Q2 2017)
Participants	4 current entities 1 player exited	28 products involving 9 banks tested 14 pilot trials completed and exited	N/A	6 current entities	3 current entities 1 player exited	4 current approved fintechs 8 players exited

Permitted Use of Cloud in FSI

AU	HK	IN	ID	MY	NZ	PH	SG	KR
Yes	Yes	Data localization requirements	Data localization requirements	Yes	Yes	Restricted	Yes	Restricted

4. Data sovereignty, data protection and digital trade

Cross-border data flow restrictions take several forms

Data sovereignty is the reach of a jurisdiction's laws,

and the relationship of those laws to the data which is subject to those laws.

Cross-border data flow restrictions
from least to most restrictive

Prior consent required before global transfers are allowed

Data can be transferred outside national borders, but a copy must be maintained domestically

Data cannot be transferred outside national borders (data itself must be resident in-economy)

Data center is required to be located within national borders

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Govt data localization requirements almost inevitably undermine the stated objectives they are put in place to achieve



Data privacy

- Assumption that privacy is enhanced by defining where the data is
- Rather than focusing on defining the access to and the processing of data



Law enforcement access

- Assumption that law enforcement officials are ensured rapid access to locally-held data
- Rather than clarifying what data LEAs must have access to – no matter where it is located



National security / cybersecurity

- Assumption that data security is enhanced if data resides locally
- Rather than defining what enhances data security



Economic protectionism

- Protection of domestic businesses from foreign competition
- Levelling the playing field

Data localization policies throughout the region

India

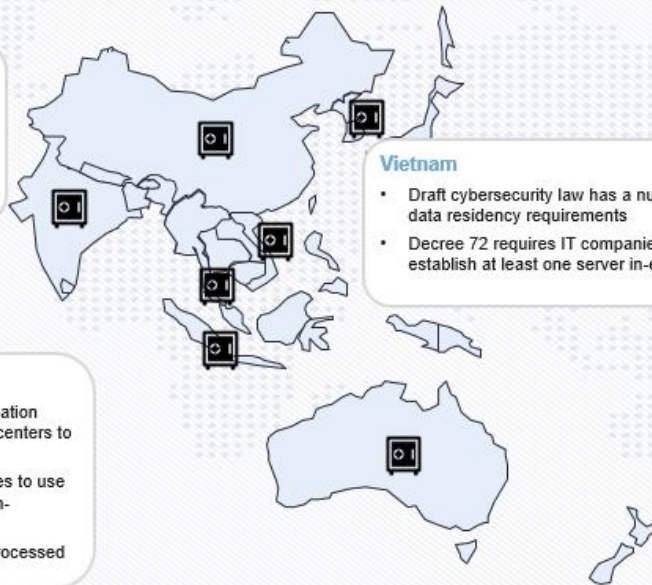
- RBI requires all payment systems data to be stored in-economy
- National Data Sharing and Accessibility Policy requires govt data to be stored in local data centers

Indonesia

- GR82 requires data centers that have information about public services and disaster recovery centers to be located in-economy
- OJK requires banks and insurance companies to use data centers and disaster recovery centers in-economy
- BI requires all domestic transactions to be processed through the national payment gateway

Vietnam

- Draft cybersecurity law has a number of data residency requirements
- Decree 72 requires IT companies to establish at least one server in-economy



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Data localization/residency requirements reduce, limit and harm



Reduce GDP growth

- Reduce India's GDP by 0.1-0.8%
- Reduce Indonesia's GDP by 0.5-0.7%
- Reduce Vietnam's GDP by 1.7%



Reduce investment

- Reduce investment into India by 1.4%
- Reduce investment into Indonesia by 2.3%
- Reduce investment into Vietnam by 3.1%

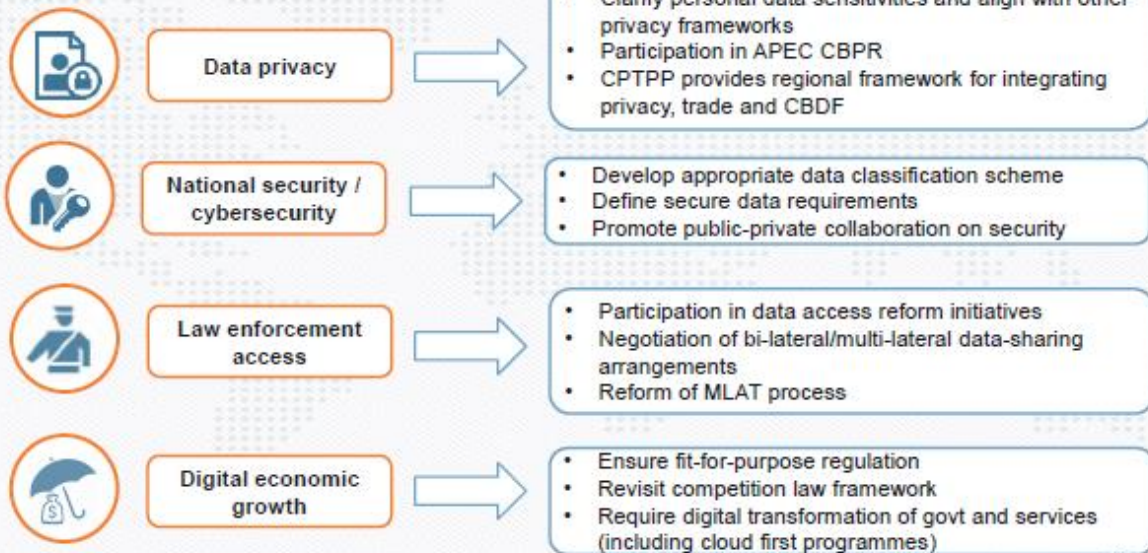


Increase cost of doing business

- Limits ability of business to access tools necessary to lower IT costs, innovate, and scale rapidly
- Cost for computing needs increased 30-60%

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Addressing data access and use considerations



Security

Singapore

The "Singapore G-Cloud" comprises of three technology-based "assurance zones": (1) public cloud, (2) computing resources shared with non-government entities, and (3) a pool of government-only physically dedicated computing resources (for the highest level of security).

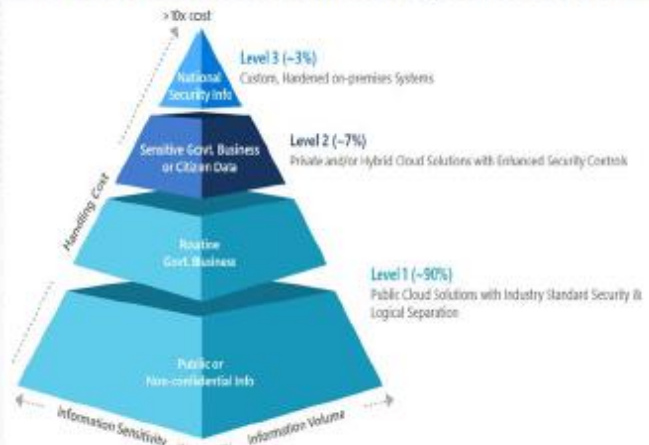
Singapore's approach is instructive for APEC economies because it assumes cyberattacks will be launched and keeps its most highly classified data off the Internet.

Frameworks that address cybersecurity, govern the collection and use of data, and define responsibilities for data protection and privacy are necessary for the full value of data to be harnessed by the digital economy

Data Classification

- Overprotecting the massive volume of non-sensitive or less-sensitive data (in the lower bracket of the pyramid) can be a **staggering cost**
- Conservative calculations suggest at least a **10 times cost difference** between systems required for very sensitive information, and the commercial systems suitable for the less sensitive information that a government holds
- A key benefit of a robust data classification is thus the ability to better **align costs with security and ensure data controls**

The relationship between data sensitivity, data volumes and cost of security controls for data



Privacy

Japan

Japan's Personal Information Protection Act (PIPA) permits the transfer of personal information to third parties outside Japan, with adherence to any one of the following requirements:

- destination economies must have been deemed as possessing acceptable data protections;
- third party also take similar levels of protection that Japan upholds; or
- consent has been given.

Australia

The Australian Privacy Principles (APPs) set standards for handling, holding, use, access, disclosure, and correction of personal information.

Australia requires Australian entities disclosing personal information to offshore entities to "take such steps as are reasonable in the circumstances to ensure" that the offshore entity complies with the APPs.

The Australian entity is held accountable for non-compliance of the offshore entity.

APEC CBPR

APEC's Cross-border Privacy Enforcement Arrangement (CPEA) has created a framework for regional cooperation in the enforcement of Privacy Laws.

The APEC Cross-Border Privacy Rules (CBPR) allow for data flow accountability.

APEC economies currently part of CBPR include Canada, Japan, Mexico, United States and South Korea, with the Philippines and Singapore recently announcing participation. Australia plans to join soon.

5. FTAs, RTAs and Moving Forward

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

Comprehensive set of rules addressing digital trade and promotion of e-commerce



Requirements that support a single, global Internet, ensuring the free flow of data which is critical to e-commerce

- Article 14.11 states "Each Party shall allow the cross-border transfer of information by electronic means, including personal information, when this activity is for the conduct of the business of a covered person."
- Article 14.13 states "No Party shall require a covered person to use or locate computing facilities in that Party's territory as a condition for conducting business in that territory."

CPTPP missed crucial opportunity and created uncertainty through discretionary exceptions

What is the e-commerce space without payments?

Financial sector carve-out

- Article 14.1 carves out financial institutions and cross-border financial service suppliers from the definition of e-commerce coverage

Govt data localization requirements almost inevitably undermine the stated objectives they are put in place to achieve

Exceptions

- Parties are not prevented from adopting or maintaining measures inconsistent with agreement to achieve a legitimate public policy objective

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Viet Nam Draft Cybersecurity Law

Data residency requirements

Number of provisions in the draft law will severely impact the current development of Viet Nam's digital economy, and will halt its growth prematurely. These provisions include:

- Article 27.2.b – Requiring **Internet portals to be located in Vietnam**
- Article 28.4.b, Article 42.1.c, and Article 42.2.c – Requiring **storing personal data of service users in Vietnam**, as well as other (unspecified) data collected or produced in Vietnam
- Article 43.3 – Requiring **storing the data in-economy** when collecting or creating personal information and critical data

These provisions are supported by the CPTPP exemption clauses which permit member economies to restrict market access on the basis of national security and public interest

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Importance of the free flow of data needs to be considered in current FTA negotiations.....

RCEP

- 10 ASEAN Member States and six FTA partners are currently in the 22nd round of trade negotiations
- **RCEP will cover issues that are critical to the digital economy** such as custom duties on electronic products, privacy, cross-border data flows, and source code disclosure

ASEAN E-Commerce Agreement

- ASEAN Member States are currently in negotiations to finalise e-commerce agreement by end of 2018
- Agreement expected to streamline trade rules governing e-commerce and **facilitate cross-border e-commerce transactions**

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... current language therein

"Member States recognise the importance of allowing information to flow across borders provided that such information shall be used for [legitimate] business purposes, subject to existing domestic laws and regulations *and legitimate public policy objectives.*"

Member States agree to facilitate cross-border e-commerce by working towards eliminating or minimizing barriers to the flow of information across borders, including personal information, subject to appropriate safeguards, to ensure security and confidentiality of information, *and when legitimate public policy objectives / national interest so dictates.*

Article 7.4 shall not apply to financial service and financial service supplier as defined in GATS

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6. What's at stake?

Here's what we stand to lose ...

Slows down GDP growth



Global value chains take a hit



Innovation takes a back step



Creates trade barriers



Limited access to digital commerce networks



Raises cost of doing business for SMEs



To Recap

Both non-traditional and traditional sectors stand to benefit from the *digitization* of the economy, and *enablement* of cross-border data flows.

The potential *losses will amount to trillions* if the free flow of data is stymied by restrictive data policies.

Therefore, policy makers need to actively consider the five themes:

1. **Data Access**
Making domestic entities liable for compliance and accountability practices
2. **Policy Making**
Creating a holistic and coordinated overarching digitization plan for the nation
3. **Regulatory Enablement**
Shift of perspective of regulatory role from risk managers to economic enablers
4. **Industry**
Governments can select the sectors to influence and accelerate digital transition
5. **Sustainable Development**
Training and capacity development needed for general population, policymakers and regulators

65

To Focus



Prepare **best practice digital economy guidance** for competition authorities, procurement agencies, CNIL assessments ...



Develop the **building block principles** for areas of strategic regulatory alignment across APEC: regulatory sandboxes, payment gateways ...



Develop a set of **digital economy indicators**



Conduct a survey and study on the almost complete lack of awareness and preparation for **GDPR and CBPR**

Questions?

Contact:

email: peter@trpc.biz

phone: +65 6920 8561

website: trpc.biz

About TRPC:

TRPC is a boutique consulting and research firm with over 25 years experience in the telecommunications and ICT industries in the Asia-Pacific. We offer specialised advisory, research, and training services, with a focus on regulatory and strategic business issues, and possess an extensive network of industry experts and professionals throughout the region.

Presentation 3: Success Stories: Srichand
By: Mr Rawit Hanutsaha









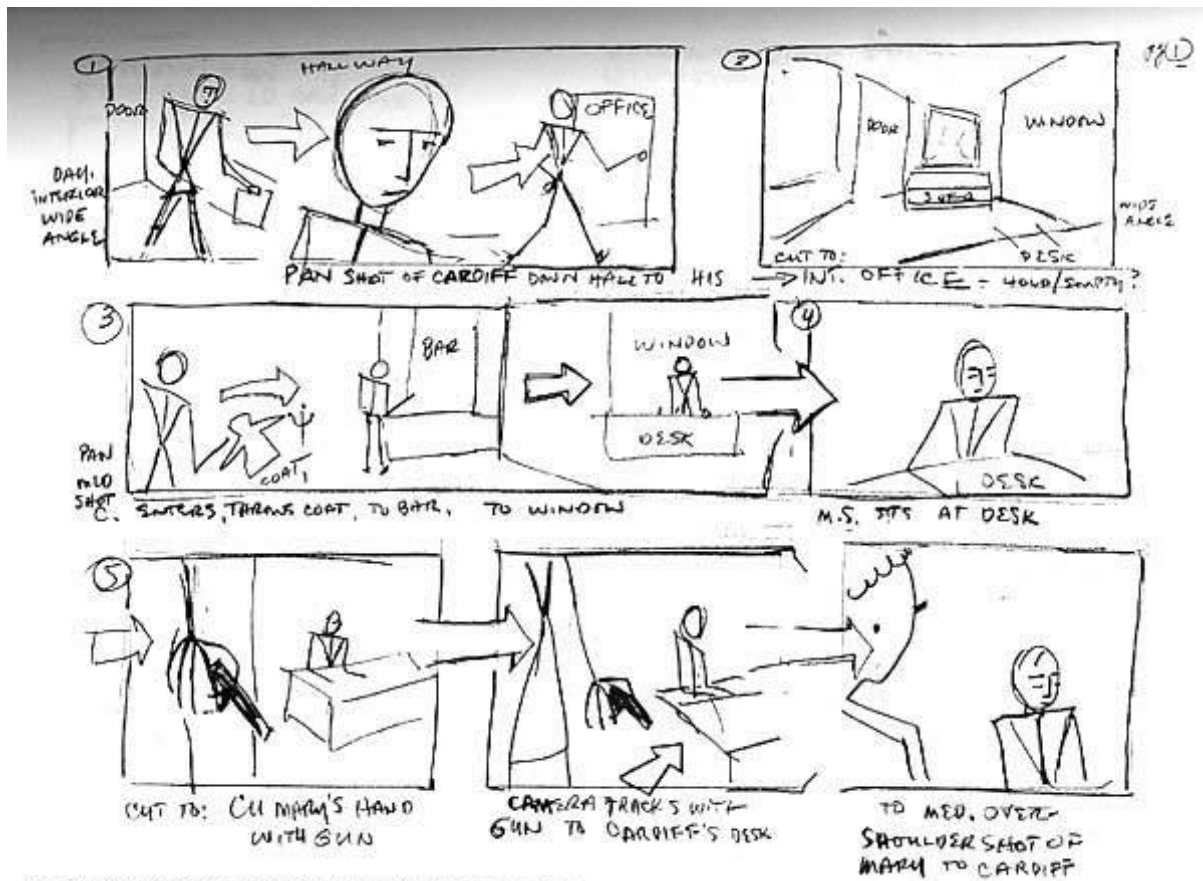
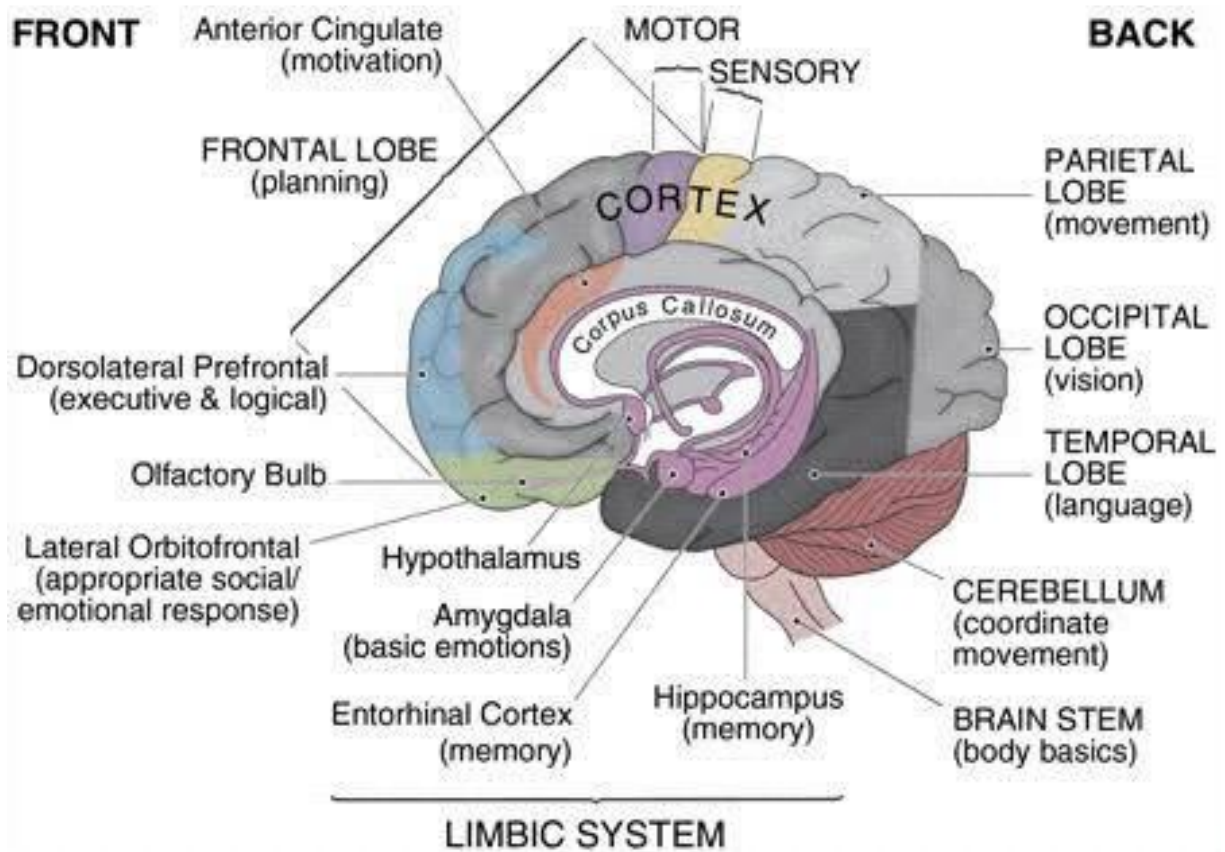


Figure 3-5 Venus Mountain stick figure interpretation. Reprinted with permission.

Time for a **BIG** change





consequences

สมองส่วนหน้า

การเปลี่ยนแปลง
ทีละน้อย
(Kaizen เป็น
ตัวอย่างหนึ่ง)

สมองลิง

ส่วนที่ต่อต้านการ
เปลี่ยนแปลง
ค่อยๆ อ่อนกำลัง
ลง

จากหนังสือ : Read to Lead

Change

is the road the always under construction



Do we really
have to **change**?

Can we **change**?

Will we **change**?



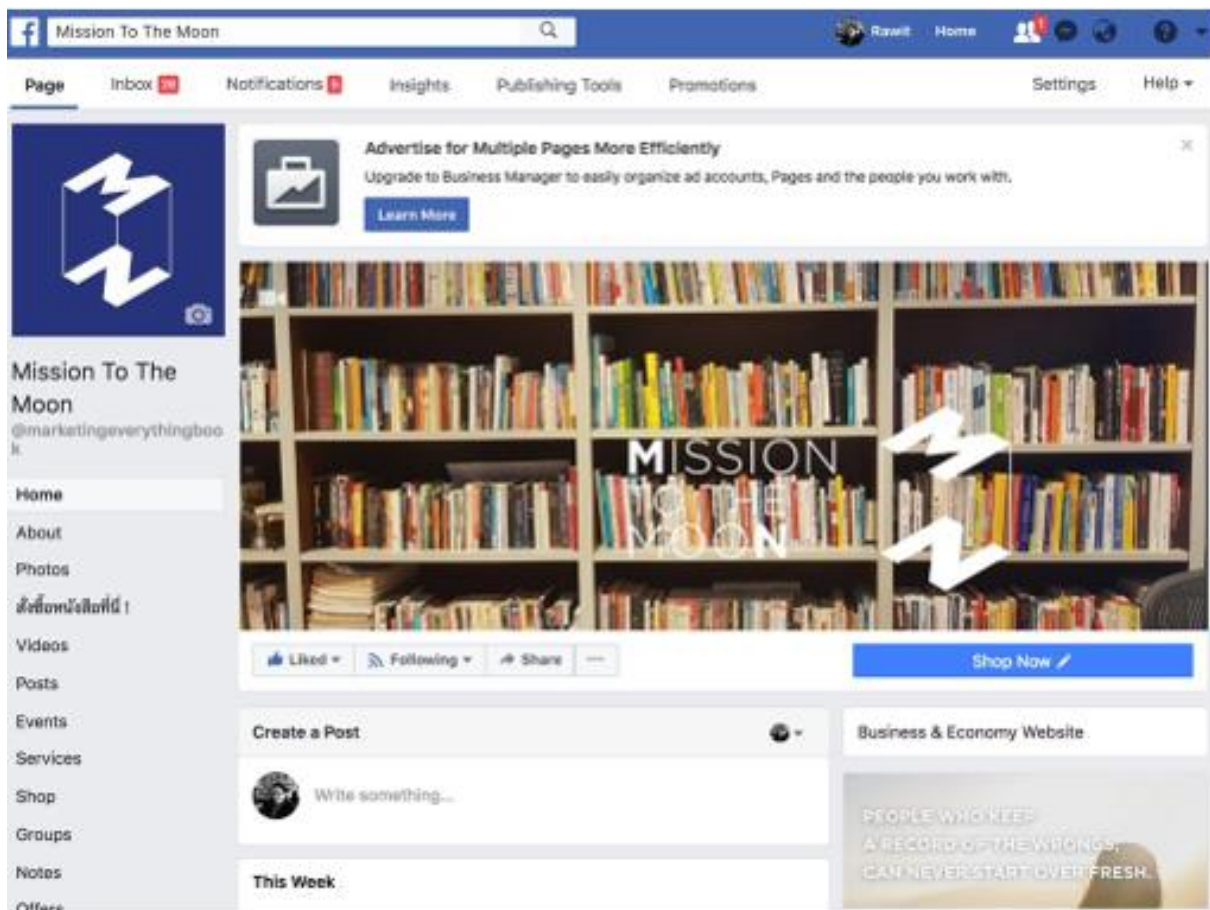
Kotter's 8 Steps



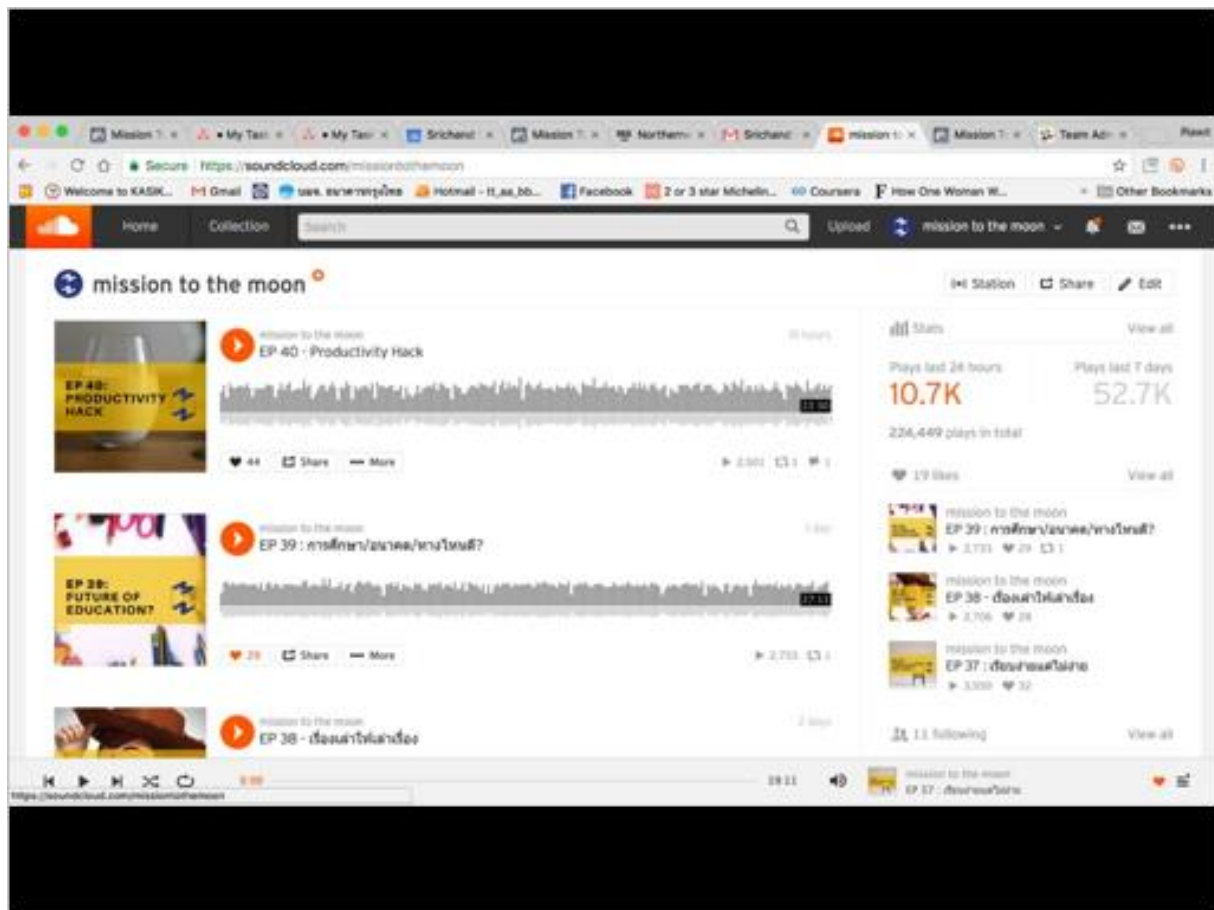
STEP 3

Develop our Change Vision










<p>Don't Want/ Do Get</p> <p>— +</p>	<p>Do Want/ Do Get</p> <p>+ +</p>
<p>Don't Want/ Don't Get</p> <p>— —</p>	<p>Do Want/ Don't Get</p> <p>+ —</p>

when I thought someone did something stupid, I said so

and I expected them to tell me when I did something stupid.

Each of us would be better for it.

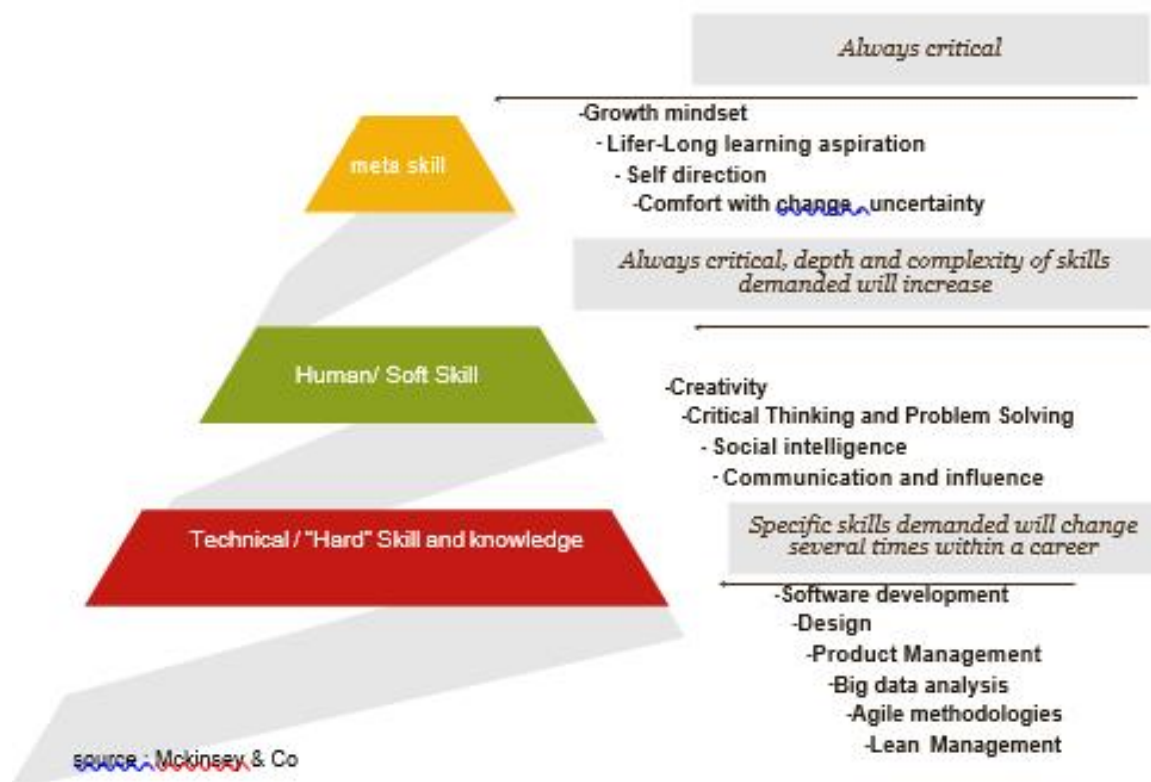
Ray Dalio



Value: deep-seated believe

Abilities : way of thinking and behaving

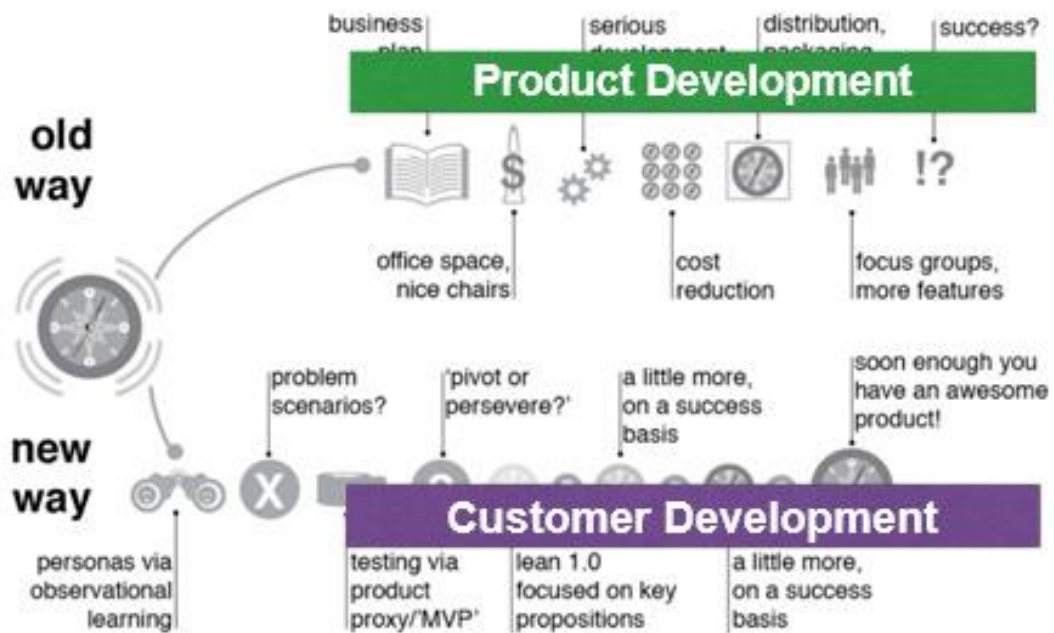
Skills: learned tools





WHO ARE THEY?

Their mindset
Their behaviors
Their environment



Assume Nothing

อย่าเฝ้าบริบทของเราไปวัดคนอื่น





HOW DO WE MAKE A TRIP TO PARIS BETTER?






“People don't want a quarter inch drill, they want a quarter inch hole.”
Theodore Levitt - 1962

“ลูกค้าไม่ต้องการขนาด
 ขนาด 1/4 นิ้ว แต่พวกเขา
 ต้องการรูขนาด 1/4 นิ้ว”

1/4 นิ้ว หลุมขนาดเล็ก



การซื้อสิ่งหนึ่ง แทนที่จะซื้อสิ่งที่ต้องการได้
 “กาแฟ” คืออะไรที่เรากำลังมองหา

สิ่งที่ได้คือเครื่องดื่ม ไปไหน

จุดประสงค์

เหตุผลทางด้านการเงิน

ใจดี







Teen 
Cosmetics



แต่งงานไปโรงเรียน?



แต่งงานทำไม? ใจจะโหม่ง? ใจจะโหม่ง?



sasi





janeeyeh

1,049 posts 9,186 followers 427 following

Barinda Jirapongphet ໐໑໓໐

on 015-5000000 on 014-0000000

Followed by 1000000000

นางสาว จิรประภา

นางสาว - ปีที่ 18 ปี 2543 อายุ 18 ปี

Miss Teen Thailand 2014

Grammy

นางสาว

2558: Love sick the series ปี 2 The school

นางสาว

Room alone 2

2559: Part time the series

Lovey Dovey 2560: Med in love

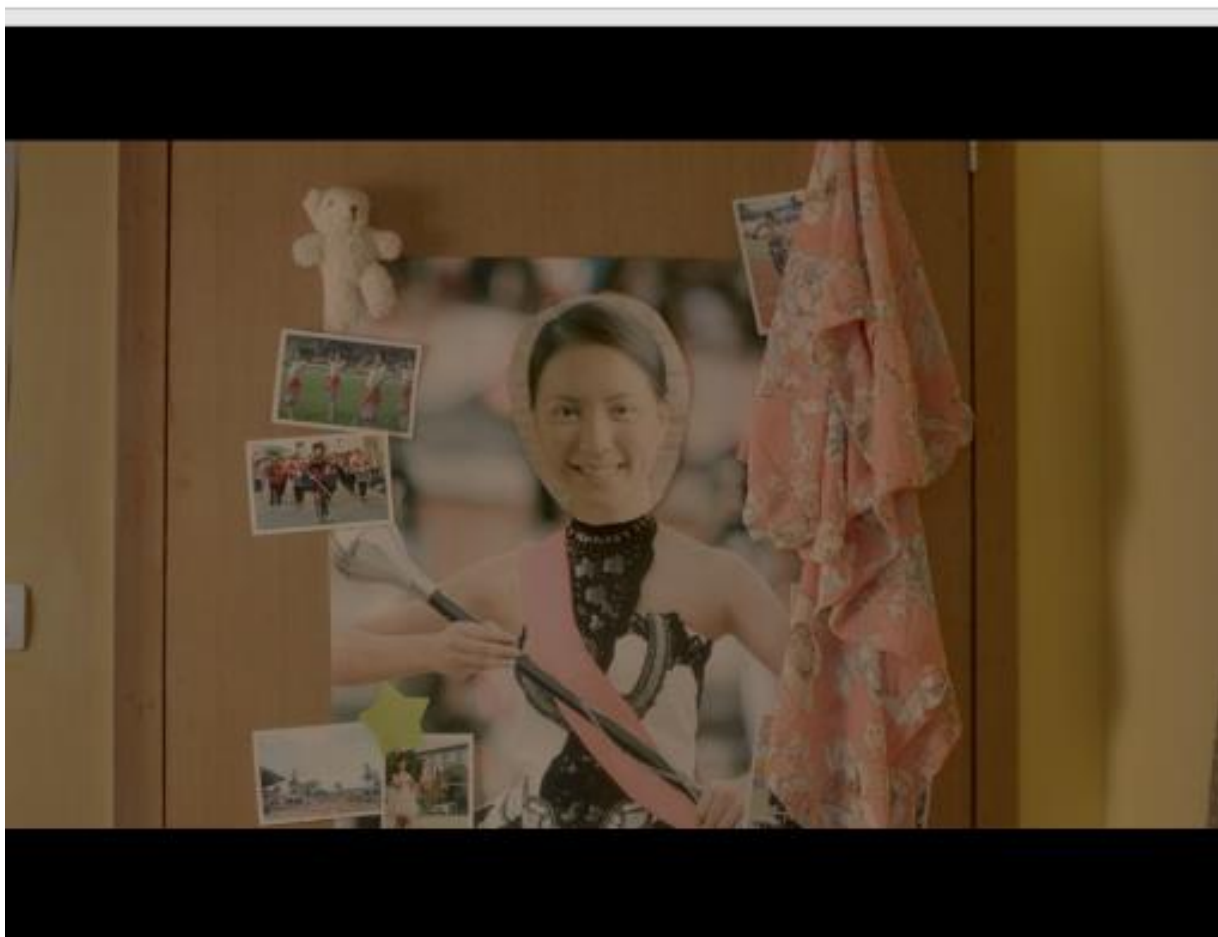
นางสาว

Love U story

My dear loser

The series





2%

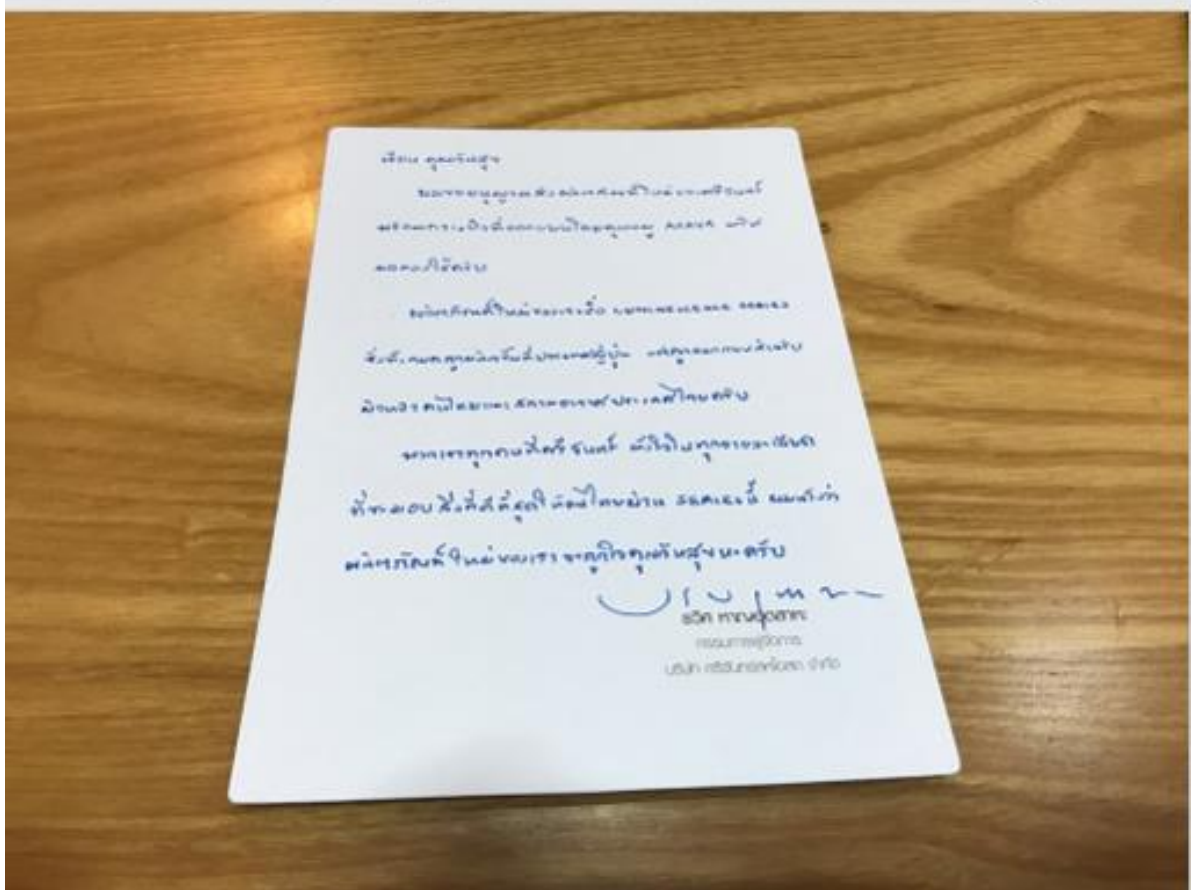
of Total marketing budget
spend on customer care

48%

of people who buy your product
already brought your product

80% of revenue comes from
20% of your existing customers.

Rethink
your customer
care strategy!




Disney x SRICHAND

Chrome File Edit View History Bookmarks People Window Help

Inbox (215) - rawit@enchana... x Sirichand United Dispensary x Mission to the Moon | Home x


www.missiontothemoon.co

Apps Gmail Welcome to KASIK... เสนอ: ธนาคารกรุงไทย Hotmail - it_xa_b... Gapsinden Unwell... Facebook Instagram Other Bookmarks




BUSINESS

บาร์โค้ด อาชีพที่สุราษฎร์ และ Emma Watson




BUSINESS

ฝึกงานมา Week




HOW TO DO

ทำงูนิตแห่งการบริหารเวลา



BUSINESS

ตั้งราคามาอย่างไร?



HOW TO DO

อดเปรี้ยวไว้กับหวาน

www.independentmission.org/WingmanSeries/70





5

Trailer Making of Srichand
R7B
1.13 Min

A COLLABORATION COLLECTION FROM INSPIRED ARTISTS

SRICHAND



asava

COLOR CREATION

K.Moo - Fashion Inspiration

- Thailand's famous fashion designer
- Owner of ASAVA brands
- Studied and worked for Fashion brands in NYC

K.Nick - Makeup Colors Inspiration

- World's famous makeup artist
- Makeup for Hollywood stars
- Makeup for famous Fashion Magazines (e.g. Elle, Cosmopolitan, Vogue, In Style, etc.)
- Studied and now working in NYC



K.Rule - Betta Inspiration

- Thailand's famous photographer
- His masterpiece was Betta Images in iPhone Wallpaper
- His photographs were published internationally (e.g. England, Italy, China, Korean, Russia, etc.)
- A Betta and fish lover

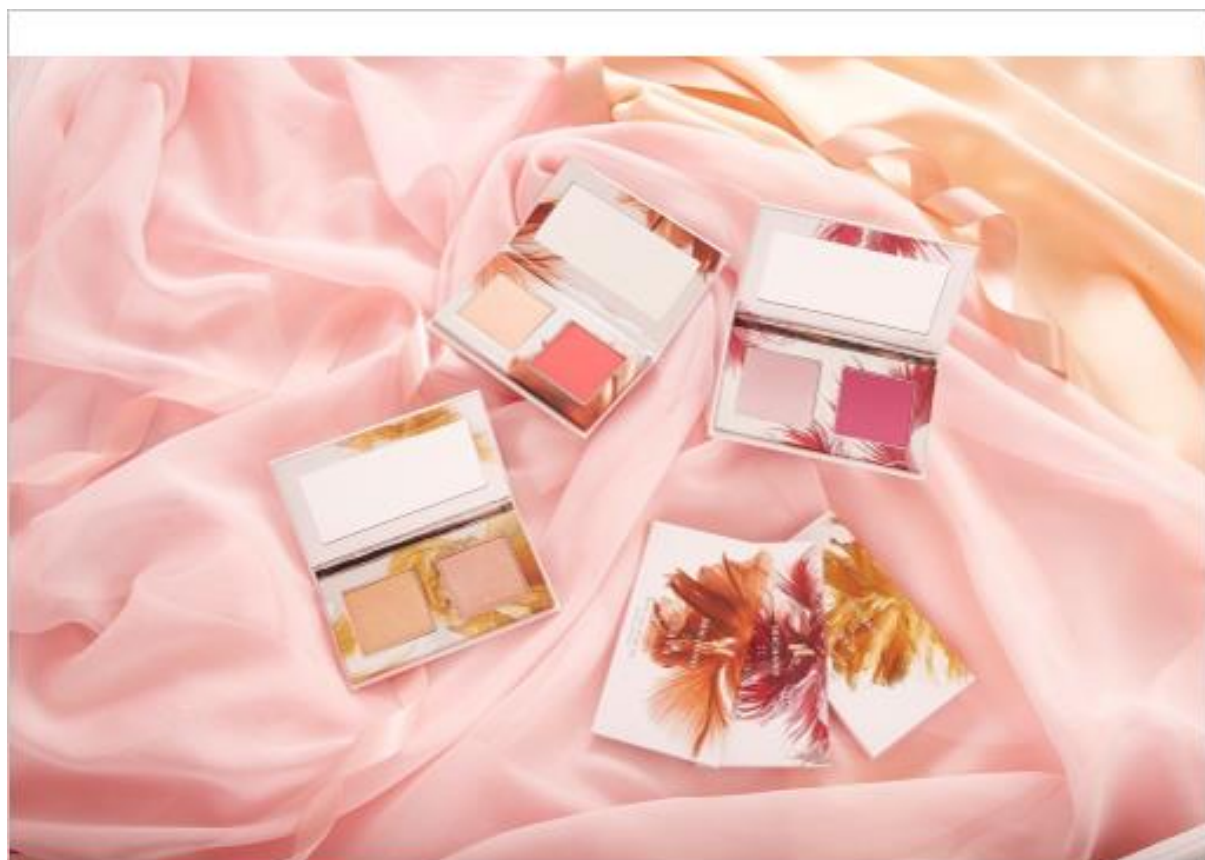
Packaging Design by BIUIG

- Thailand's famous Design Studio
- K.Winai - Owner and Founder
- Past success: Interior design for residential and hospitality, Chef Club in NYC, and Mahidol Inspiration Hall (Museum)

©2017 Srichand United Dispensary Co., Ltd. All Rights Reserved









SRICHAND
×
asava
COLOR CREATION



COMING SOON...NOVEMBER 2017

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March 1, 2018



April 11, 2018







Presentation 4: Panel Discussion III: Enabling policy environments for MSMEs & SMEs



APEC Riding the Wave of the E-commerce Trend:
Emerging and Expanding Business Options for MSMEs

Panel Discussion III *Enabling policy environments for MSMEs & SMEs*

June 4-5, 2018

Anantara Riverside Bangkok Resort



Moderator: Mr. Charles Blocker; Founder & CEO of IC Partners Limited

Panel Objectives and Format

Objective: Focus on the roles that governments can have in enhancing e-commerce accessibility and promoting the adoption of e-commerce among MSMEs in APEC economies

I. Setting the Stage and the Backdrop I Fostering Digital Trade for MSMEs in APEC

- Dr. Deborah Elms; Founder and Executive Director, Asian Trade Center

II. Why & How Indonesia (and other notable ASEAN members) have had early success

- Mr. Mario Masaya; Senior Manager; ASEAN and SME, US-ASEAN Business Council

III. Communication and Knowledge/Best Practice Sharing

- Dr. Chamnan Ngammaneeudom; Lecturer and Assistant Project Director, ASEAN SME Service Center

Panel Discussions and Q&A with Workshop Delegates

Key Takeaways, Learnings and Summary



Source: *Wikipedia*

Changing Behaviors:

- Consumers
- Businesses
 - MNCs
 - Regional
 - SMEs
 - MSMEs
- Governments

1. Trust
2. Confidence
3. Adoption
4. Being left behind

Fostering Digital Trade for MSMEs in APEC

Dr. Deborah Elms

APEC Riding the Wave of the E-commerce Trend: Emerging and Expanding
Business Options for MSMEs

Bangkok
June 5, 2018

elms@asiantradecentre.org

The Challenge

- Micro, small and medium enterprises (MSMEs) are a critical part of every APEC economy
 - Up to 97% of companies
 - More than half the workforce
- But—the share of exports for MSMEs remains very small
- Digital tools and e-commerce is a promising way to empower the smallest firms to become “micro-multinationals” and find new growth opportunities
 - Only if the policy framework is supportive
 - And MSMEs can take advantage of opportunities

The Role of Government

- Government needs to create enabling environment to allow smallest firms to thrive
- This means crafting rules with eye towards needs of MSMEs from beginning
- Hard infrastructure is important but do not neglect relatively simple, low cost soft infrastructure and rule changes that matter to companies
- Firms can, generally, do business themselves if environment is helpful
- Very important for government to talk to MSMEs and other businesses about their needs—on a regular basis

Four Things Especially Key

- *Information Flows*
 - MSMEs need to know opportunities, move information
- *Smooth flow of goods with minimum roadblocks*
 - Any blockages of goods—especially for low value shipments—devastating to MSMEs
 - Delay=cost
- *Ease in moving services*
 - Most MSMEs are service providers
- *Financing and payments*
 - SMEs need trade financing, since they do not have deep balance sheets
 - Payment systems need to work easily and inexpensively for e-commerce to work in the region

A Few AMTC Case Examples...

- Selling dresses from the Philippines
- Eyeglasses from Thailand
- Necklaces from Vietnam
- Lighting sensors from Singapore
- Each shows the promise and the challenges of navigating the existing business environment for small businesses
- Firms connected through our “Digital Champions” workshops
 - Visit AMTC at www.tradecoalition.org for the list of more than 1000 current members

Pia Gladys Perey

- Has built a global brand
- Difficulties particularly with customs
 - Returns are a major problem
 - Customers need to be able to return items if not satisfied but rules are not helpful
- Logistics costs are high
- Service is also key element of brand, particularly since much of demand is for wedding parties



Glazziq

- Selling eyewear in Bangkok—now online
- Very mobile friendly website
 - Tilt phone to move glasses on model's face
- Manufacturing, yes, but service is key to their success—customized product
- Includes after sales and service
- This is important value add
- Sales suddenly global



Connecting to MSMEs

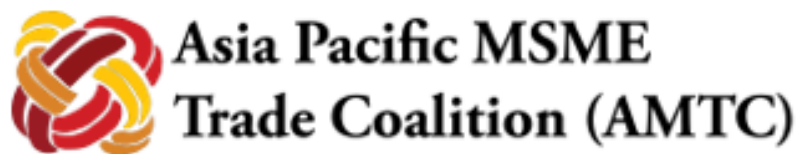
- Clearly, MSMEs are important
- But connecting to them is difficult—thousands of firms with limited time, attention and resources available
- Need to provide something of value for MSMEs
- AMTC is building ecosystem of services to help MSMEs do jobs better
 - Logistics, trade finance, collaborative bidding, risk assessment, trade knowledge, links to MNCs, etc
- Signing up MSMEs to the network regularly

MSME Capacity Building

- Given limited time and resources, capacity building for MSMEs needs to be carefully crafted and targeted
- Offered in multiple ways
 - In-person through short workshops
 - Online through webinars, short videos (3-5 minutes)
 - Short written resources in easy-to-understand language (preferably translated as well)
- Combining specific, concrete deliverables and tools MSMEs can use immediately with longer term knowledge

AMTC/ABTA Connection

- MSMEs can also become part of supply chains of larger multinationals
- Connecting them together can be difficult
- We have linked AMTC together with larger firms in the Asia Business Trade Association (ABTA) to allow small and large firms to work together
 - MNCs usually have tools or products for MSMEs already, but knowledge is lacking on both sides of where to find information and how to use them
- Often the issues faced by firms are identical



*The Asia Pacific MSME Trade Coalition (AMTC) represents
MSMEs (Micro, Small and Medium Enterprises)
from across the Asia Pacific region*

- Helping our members build their capacity to trade and export using best practice tools in a curated ecosystem;
- Training for business growth through understanding international trade rules and policies in the region;
- Building networks with like-minded companies; and
- Engaging in regional meetings and workshops with governments and larger multinational companies to improve the business and policy environment in Asia for the community.

AMTC
41A Ann Siang Road
Singapore
www.tradecoalition.org

The information, data and graphics provided by AMTC is for advocacy purposes. While we endeavor to provide the best quality information, we make no warranties with respect to the use of the information which is voluntary. The information provided in this document does not constitute investment or legal advice. It should not be used, relied upon, or treated as a substitute for specific professional investment or legal advice.



Setting the Stage and the Backdrop
Fostering Digital Trade for MSMEs in APEC
Discussion and Q&A



US-ASEAN Business Council

APEC RIDING THE WAVE OF THE E-COMMERCE TREND:
EMERGING AND EXPANDING BUSINESS OPTIONS FOR MSMEs
JUNE 4-5, 2018
ANANTARA RIVERSIDE BANGKOK RESORT

SME Program Introduction

Key Information

- First SME training established in response to a request by the ASEAN Economic Ministers (AEM)
- Submitted "Beyond AEC 2015: Policy Recommendations for ASEAN SME Competitiveness" at the 46th AEM Meeting in Nay Pyi Taw
- As of March 2018: Over 5,700 SMEs; 42 Trainings across all 10 ASEAN countries; Over 50 SME-related organizations
- Training topics on applications of digital tools, e-commerce tools, etc.

Top Contributors



Contributors



Latest SME Engagement



Surabaya SMEs Go Digital and International

Surabaya, March 7, 2018

Attendance: Over 220 SMEs

A full-day workshop, business-matching, and consultation session by US-ABC Members

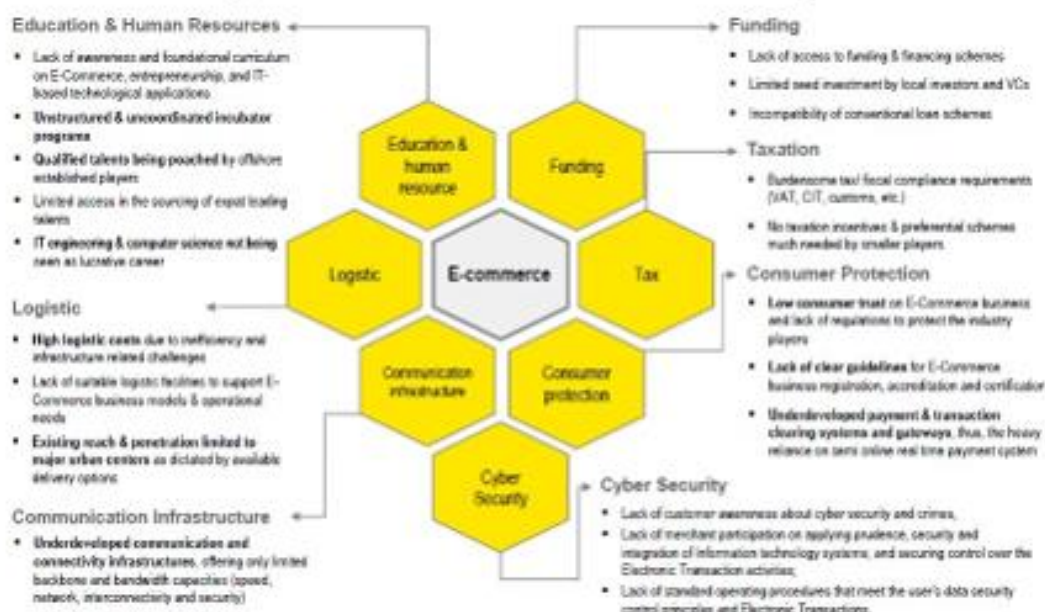
Topics:

- SMEs participation in the Global Value Chain
- Optimization of Digital Tools and Infrastructure for Increased Competitiveness
- Increasing SMEs' reach into Global Markets

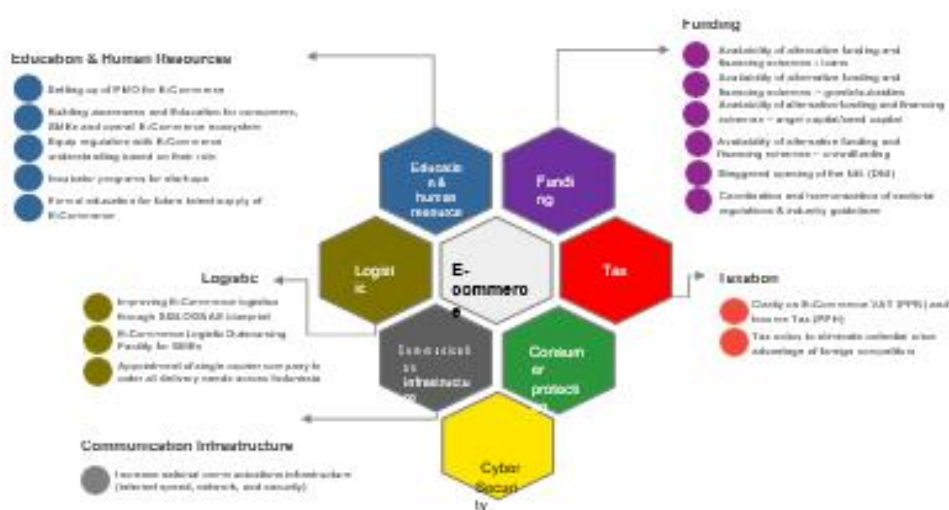


Indonesia E-Commerce Environment

Indonesia E-Commerce Roadmap: 7 key issues hindering Indonesia's E-Commerce industry



Indonesia E-Commerce Roadmap: Some implementation plan



US-ABC Recommendations

US-ABC reports on: "Beyond AEC 2015: Policy Recommendations for ASEAN SME Competitiveness" 2014 + "Enabling Cross-Border Trade in ASEAN" 2016

Access to Market and Integration into Global Supply Chain

- Encourage the Establishment of Online Platforms and Marketplaces – Bukalapak and Tokopedia as Indonesia "tech unicorns"; "safe harbor policy"
- Encourage thinking beyond "Indonesia"
- Educational training on international standards. Integrate SMEs into global supply chain

Regulatory simplification, standardization, and mutual recognition

- Simplification or complication?
- National Payment Gateway, OTT regulation (Digital Platform), mutual recognition, etc.

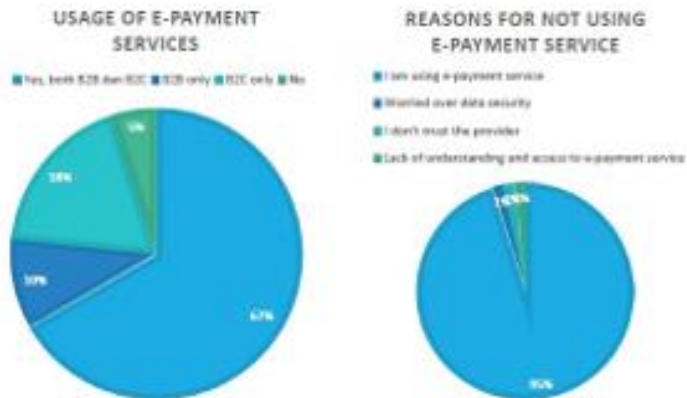
Access to Finance and Financial Technology

- Alternative source of funding – plenty of choices, a huge increase of fintech players, p-planting, angel investors, crowd-funding etc.
- National Payment Gateway, safe payment method
- Allow SMEs with revenue below a certain threshold to be exempt from certain regulations, such as small business exemption provisions from GST and VAT regimes

Access to ICT Tools

- ICT – related regulation: data localization, OTT regulation, data center regulation, encourage utilization of ICT tools
- A number of tech – related trainings. Facebook, Google, Microsoft, HP, and others US-ABC members ICT trainings

Surabaya SME Workshop – March 7, 2018 Post-Workshop Survey E-Commerce



THANK YOU



APPENDIX 5

Minutes of Meeting

Minutes of the Workshop

APEC Riding the Wave of the E-commerce Trend: Emerging and Expanding Business Options for MSMEs

June 4 - 5, 2018

Anantara Riverside Bangkok Resort

Day 1, June 4, 2018

Welcome Speech:

Mr Suwanchai Lohawatanakul (Director General, Office of Small and Medium Enterprises Promotion, Thailand)

On behalf of APEC, Thailand's Office of Small and Medium Enterprises Promotion (OSMEP), and Kenan Institute Asia, Mr Suwanchai Lohawatanakul (Director General, OSMEP) welcomed all the delegates, MSME owners and speakers to the "APEC Riding the Wave of the E-commerce Trend: Emerging and Expanding Business Options for MSMEs" workshop. He thanked Dr Pichet Durongkaveroj (Thailand's Minister for Digital Economy & Society) for providing the keynote address and Mr Piyabutr Cholvijarn (President of Kenan Institute Asia) for being a trusted and longstanding partner of OSMEP.

Mr Lohawatanakul commented on how new disruptive technologies have changed the business landscape for all industries. Retail, in particular, has undergone substantial change due to technological advancement. Traditional brick-and-mortar stores have struggled to keep up with their tech-savvy competitors who leverage the power of e-commerce, which is faster, more convenient, cheaper and accessible to far more customers. In 2009, Walmart was the third largest publicly-traded company in the world while Amazon was only the 126th largest. In less than 10 years, Amazon rose to become the 4th largest publicly-traded company in the world with a market capitalization that is three times higher than Walmart. Similarly, Alibaba, a company virtually unheard of a decade ago, is now almost twice the size of Walmart.

Echoing the theme of the workshop, Mr Lohawatanakul stated the e-commerce is like a wave, and businesses must ride the wave or be swept away by it. He asserted that it is not too late for MSMEs to adopt e-commerce. Today, e-commerce still only represents around 10% of all global retail sales but is projected to grow substantially in the near future as more and more people around the world, particularly in underdeveloped and developing economies, get online.

For MSME owners to adjust to the e-commerce-fueled landscape, they need to have an open mind, specific skill sets, sufficient capital and, very importantly, the right personnel. In other words, it is more than just a paradigm shift but rather a shift of the culture, operations and human resources of a company. Although some businesses are able to and have taken that step, many others need assistance from government through smart and targeted policies; policies

that provide businesses with the proper tools and knowledge. Formulating such policies requires a genuine understanding of what MSMEs need in order to embrace e-commerce.

This workshop has been designed to provide a platform to bridge and connect policymakers and business owners together to achieve common goals. Throughout the two days, participants will have the opportunity to hear from entrepreneurs that have successfully embraced e-commerce and from leading policymakers on how to create enabling environments for MSMEs to adopt e-commerce.

Mr Lohawatanakul stated that he is delighted that the APEC SME Working Group has made e-commerce a priority this year. Through e-commerce, SMEs will be exposed to countless new markets and millions of new potential customers. They will be able to integrate themselves much more seamlessly to global value chains. The potential and opportunities within e-commerce is limitless for SMEs. Adopting e-commerce is certainly not easy but if the key players in the APEC economies come together, he believes that SMEs can achieve significant progress.

Keynote Speech: The significance of e-commerce for the MSME sector in the APEC economies

Dr Pichet Durongkaveroj (Minister for Digital Economy & Society, Thailand)

Dr Durongkaveroj commented on the importance of this workshop and thanked Mr Suwanchai Lohawatanakul (Director General of OSMEP) and Mr Piyabutr Cholvijarn (President of Kenan Institute Asia) as well as the participants and APEC delegates in attendance.

Dr Durongkaveroj stated that he was active in the APEC telecommunications working group twenty years ago. The challenges of today are very different than they were 20 years ago. Back then the main challenges were regulation, deregulation, and development. Now, the major challenges are disruption, entrepreneurship and digital technology. Governments are in the process of eliminating the legacy system of regulations in order to promote innovation.

Both large enterprises and SMEs face similar challenges brought about by digitalization and e-commerce. Because of the rapid pace of change, Dr Durongkaveroj noted that individuals, businesses and governments must find effective approaches to adapt to this ever changing world. This new era presents both challenges and opportunities. The question is how are societies going to adapt themselves to achieve the end result they desire? All APEC economies want successful SMEs, sustainability and competitiveness. This is the same destination APEC economies wanted in 20 years, but the journey of getting there will be different.

To exemplify how different this era is from the past, Dr Durongkaveroj recognized that everyone has an electronic device in their pocket that they use every day for a variety of activities, such as chatting, watching videos and reading news. In Thailand, the mobile subscription rate is 150%, meaning out of 67 million people, Thailand has about 100 million mobile subscriptions. Furthermore, the average citizen of ASEAN member states uses social media for about 4-5 hours each day.

Societies across the world are experiencing changes. Although some developing economies may be behind developed economies in terms of digitalization today, modern technology presents an opportunity for developing economies to leapfrog others and forge more competitive and inclusive societies. In this 4th Industrial revolution, everyone can enjoy digitization. However, Dr Durongkaveroj warned that if you are slow to adapt, technology will change again and you will remain behind the curve. Paraphrasing Bill Gates, Dr Durongkaveroj noted that the economy of speed is real. Moreover, modern technology promotes equality because anyone can access it regardless of social class.

Society is at a critical juncture, and governments need to build a good foundation that brings the most out of innovation and technology, while limiting the negative impact of disruption. In Thailand, the government has developed a plan to adapt the nation for the digital era, consisting of five pillars: digital infrastructure, manpower, government, technology development and cyber security.

In Thailand and around the world, the private sector has developed a robust e-commerce ecosystem, which includes platforms, e-payment systems, tracking and logistics, that works across borders and at community levels. Governments need to help SMEs adjust to digitalization as well as increase network access in communities and villages. For that reason, inclusiveness is one of the major components of the government's Thailand 4.0 program. Dr Durongkaveroj believes that digital infrastructure will increase inclusiveness in Thailand through penetration of fiber optics and broadband internet access in every village.

The separation between the haves and have-nots will be led by digitization. People in rural villages do not have the same technological luxuries as city dwellers do at this time. The digital divide is a problem; we must provide villages with technological access. But, connectivity is not enough; villages need more than communication to address wealth differences – this is where e-commerce and SMEs come into play. The combination of the two can help economies build strength from within, in urban and rural areas alike.

Dr Durongkaveroj used the Thai government's effort to modernize its postal system as an example of harnessing the power of digitalization to drive inclusivity and efficiency. The Thailand Post has a lot of manpower with approximately 24,000 employees; however, in the digital world, the postal system needs to be reformed. The Thailand Post has started constructing an e-commerce ecosystem that leverages the strengths of the traditional system and technology. The personnel of the Thailand Post know every household in every location, and electronic payment is no longer difficult. The Thailand Post, therefore, should be able to provide the backbone of a complete e-marketplace throughout Thailand by bridging existing knowledge with cutting-edge technology. This system should be managed with the 3Es in mind (efficiency, economy and effectiveness).

Last year, the Ministry of Digital Economy and Society and the Thailand Post piloted this system in 200 villages. Digitalization is rather simple; once villagers learn how to do it, they can sell anything online. This year, the Ministry aims to expand to 5,000 villages, with one central village supporting 20 nearby villages.

The Ministry also has the goal of supplying every village with one free Wi-Fi hotspot at 30/10 mbps. The Ministry aims to reach 75,000 villages in 2018 through this initiative. Technology will encourage people to find jobs in the villages. E-commerce brings modern trade to villages, and delivery can be carried quickly and efficiently. Furthermore, in the long-term, Dr Durongkaveroj believes that children growing up in villages will realize that they can stay home to find jobs rather than seeing cities as their only hope for a brighter future.

Dr Durongkaveroj said that people will need high-quality training on digital literacy for societies to foster a digital environment that works for everyone. With the development of new business models, large numbers of people will be laid off. These people will need to increase their skills or move to other sectors. It is critical to integrate digital learning into education; however, this is difficult because of the delay time of education systems.

Governments should encourage digital startups. Young entrepreneurs can utilize ingenuity rather than money alone to build successful businesses. Entrepreneurs now have access to funding through new financial mechanisms, such as angel and venture funding, rather than relying on traditional bank loans.

Dr Durongkaveroj said that technology development provides an opportunity for economies to develop indigenous technology. Thailand, for example, is an agriculture society, and so it would benefit immensely from precision and IOT-powered farming. All sectors can benefit from digitalization if one can identify the strategic position of an economy or sector. Governments should also strive to protect citizens from cyberattacks. No economy will be exempt from cyberattacks, but it is a matter of the degree to which economies will be affected.

The Thai government is working on getting 20 ministries to work on big data. Like the private sector, big data can help governments develop better services because of the depth of knowledge that can be gained about the needs of citizens. Still, it is a great challenge to get 20 ministries on the same page. Furthermore, regulations present a challenge because data protection is a concern. The Thai government did, however, successfully integrate data from five ministries to learn how to predict the quality of life of children from 0-3 years old. The Thai government uses AI to predict the outcomes of these children based on the socio-economic status of their parents. A lot of data is required to do this well, but today we are able to gather vast amounts of data from social media. This is what the private sector uses to know our preferences. Once a customer buys something, companies know what to offer him or her next.

Dr Durongkaveroj concluded by providing an overview of the state of e-commerce in Thailand. As of 2016, e-commerce was valued at \$76.78 billion, a figure that is increasing by 10% each year. This will disrupt traditional economic functions. For example, department stores are seriously pondering whether they'll exist in the future. Major corporations are struggling to understand the online behavior of customers. Because of competition though, e-commerce will become more efficient every day.

Whether you want it or not, e-commerce is here. APEC economies need good strategies to make the most out of it. How fast can societies react to this change? How does e-commerce fit into society? Government, private sector, universities and communities must work together.

All sectors must integrate technology into society in a sustainable way, because an economy needs a strong society, not only strong large businesses.

Dr Durongkaveroj concluded by underscoring the importance of events like this that bring multiple stakeholders together to exchange ideas that will help societies adapt to 21st century technology. He said that economies should strive for not only competitiveness, but also sustainable economic and societal growth. Thailand established the Ministry of Digital Economy and Society to ensure that e-commerce and digital technology support both the economy and society.

APEC E-commerce Landscape

Dr Peter Lovelock (Director and Founder, Technology Research Project Corporate)

Dr Peter Lovelock (Director and Founder of Technology Research Project Corporate) began his presentation by posing the question “What is e-commerce?” Dr Lovelock then explained that e-commerce is the vanguard of moving into industrialization and the new age. He went on to explain that e-commerce access is enabling participation in the market and the consumption of goods. After his explanation of what e-commerce means to him, Dr Lovelock gave a broad overview of his presentation. His main points for the talk included: growing the digital economy and digital trade, the making of a digital economy and the challenges to e-commerce growth.

In the 1990s, Dr Lovelock was living in China around the time that the Internet was rolling out. Every year for Christmas he would buy presents for his family members who lived all over the world. One year, he went back home to Australia and did not order gifts from Amazon. When he got back to China, he got an email from Amazon asking if he was okay. Amazon noticed he was buying gifts every year at the same time, and they emailed to ask if he was okay because he had not bought gifts that year. He thought that this was the nicest form of customer care, and that level of personal attention can no longer be reached due to policy shifts towards privacy rather than service. Dr Lovelock used this particular example to illustrate that e-commerce companies, like Amazon, have new sets of challenges revolving around technology and how to provide excellent customer care to consumers. Technology is vital to growing companies and economies, but e-commerce companies have the challenge of maintaining the personal touch even though they will never interact face-to-face with their consumers. Being able to keep the personal experience is crucial to the success of e-commerce businesses, and these businesses cannot lose that piece while they are bringing consumers into their technological framework.

The talk then moved in to further detail about what e-commerce is. Dr Lovelock emphasized that e-commerce refers to the digital platforms that change the economics of doing business across borders while bringing down the costs of interactions and transactions. E-commerce creates markets and user communities on the global scale, providing businesses with a massive base of potential customers and effective ways to reach them. The role of e-commerce has a

significant role in facilitating foreign investment, lowering barriers to entry and reducing operating costs for businesses.

The digital economy refers to both the digital access to goods and services and the use of digital technology to help business. Several requirements for a digital economy were outlined including interconnectivity, interoperability and multi-modal platforms. Dr Lovelock talked about how the digital economy is fueled by cross-border data flows. Cross-border bandwidth has grown by 45 times from 2005 to 2014 and is predicted to grow another nine times larger by 2021. Cross-border data flows increased market access, scalability, access to tools, reduced costs, increased security and cross-sectoral enablement.

There has been a lot of cross-sectoral enablement in Indonesia, innovative education services in Viet Nam and cross-border enablement across the region. Go Jek began by providing low-cost motorcycle taxi rides (like Uber) in Indonesia to address gaps in public transport. The platform now offers a multitude of other services that share under-used access to idle resources including Go-food, Go-glam and payment services through Go-Pay. Giap School was created to fulfill the demand from students and young professionals in Viet Nam for high-quality, local language massive open online courses (MOOCs) on multiple platforms. Glap now offers more than 100 online lectures on a variety of subjects. However, Dr Lovelock believes e-commerce is facing disruption on a global scale. He thinks we are seeing fragmentation in the development of e-commerce as the result of regulatory restrictions and cross-border data flows.

The potentially transformative impact of e-commerce is enormous. The ASEAN market potential is huge. ASEAN's potential economic impact due to the growing e-commerce sector could result in \$11 billion in the annual reduction in government leakage and 1.5 times higher total factor productivity. By 2025, it is predicted that e-commerce will become a \$200 billion market in ASEAN. All ASEAN economies can grow from e-commerce. E-commerce is not simply retail. For example, Japan can boost real GDP by JPY 33.1 trillion by 2020 and Viet Nam can add 146,000 jobs by expanding their respective e-commerce sectors. This will lead them to real-world growth and prime these economies for the future.

Dr Lovelock concluded his presentation with the challenges to e-commerce growth. The challenges he outlined to e-commerce growth included: access, consistency, affordability, payments, logistics, customs and trust.

Success Stories: Inspiring Stories from e-commerce business owners

Success Story 1: Mr Rawit Hanutsaha (CEO, Srichand United Dispensary)

Mr Hanutsaha stated that the most important part of his job is finding out what customers want. In recent years, he has changed the way that his company introduces products to the market. He used to apply a standard product development process that involved careful planning, development and packaging. Today, he uses what he terms the ‘customer development process,’ which emphasizes observational learning, problem solving, testing and, if necessary, pivoting.

When using a customer development process, Mr Hanutsaha explained that research is essential to discover what customers really want. This type of customer-focused research involves three parts: observation, immersion and interviewing. Through good research about customers’ behaviors and desires, companies can glean important information. For example, women walk much more in stores than men do, and so stores can be rearranged so that men have to walk farther to find the items they need, thereby, exposing them to more products along the route.

Customer interviews are a powerful tool to learn what customers want; however, Mr Hanutsaha warned that customers do not always tell you what they want directly. For example, when asking someone what they usually eat, someone on a diet may respond that she eats only clean food. Yet, when she walks by a Krispy Kreme, she gets a donut. People often store their genuine desires deep in their brain. The interviewer’s job is to find the “why” behind customer decisions so that companies can develop products that help customers.

Mr Hanutsaha used building a bridge as a metaphor to explain this concept. Bridges are not built because people want bridges, but rather because people want to get to the other side of the river. But this level of information is not enough; the interviewer needs to go even deeper and ask “why do you want to go to the other side?” The more a business asks “why,” the more likely it is to find unique solutions to the problems that customers have. Mr Hanutsaha believes that only about 10% of businesses do this well.

To provide a practical example of an innovative solution that can arise from deep customer insights, Mr Hanutsaha highlighted the story of Airbnb. When planning vacations, people were not looking to stay in other people’s homes. However, Airbnb learned that people didn’t necessarily have to stay in hotels, and so the company offered a unique solution to the problem of where to stay on vacation.

Mr Hanutsaha remarked that customer solutions are often unexpected. For example, Eurostar knew that it needed to improve the trip from London to Paris, and so it logically decided to increase the speed of its trains. This huge financial investment, costing Eurostar approximately six million pounds, failed. Eurostar later learned that people wanted luxury service on the train, not a faster trip.

Mr Hanutsaha warned that businesses need to be careful about what they offer customers. Trends, technology and attributes are important, but circumstances do not get enough attention. A milkshake company found that most people buy milkshakes in the morning. Instead of trying to simply sell more in the morning, the company decided to investigate why people made the

decision to buy milkshakes. Based on the fact that most people were consuming milkshakes for breakfast, the company thickened the texture of the milkshake to include chunks of fruit. The company's sales increased 100% henceforth. In another example, Reese's found that its candy created a lot of trash and could be difficult to open. Based on this knowledge, the company released Reese's Minis, which reduced trash and made eating easier. As a result, Reese's sales increased by \$235 million in a year.

Another company, Dove, wanted to change from a soap brand to a beauty brand. It found that only 2% of women surveyed described themselves as beautiful. Dove discovered women have low self-esteem due to societal notions of beauty. Using this knowledge, Dove launched the 'real beauty' campaign that has been very successful and still runs to this day.

Mr Hanutsaha concluded by stating that execution is essential to any marketing campaign. He referenced the famous Nike slogan of "Just Do It." When designing the campaign, Nike hired an agency that developed a range of flashy visual symbols for the logo. Companies often complicate ad campaigns by including too many features of their products. Ultimately, Nike decided to keep it simple and stick with the "Just Do It" logo, a decision that proved fruitful.

Success Story 2: Mr Pawoot Pongwitayapanu (CEO & Founder, Tarad.com)

Since 1999, Mr Pongwitayapanu has launched a total of 18 companies including several e-commerce startups. His most well-known company, Tarad, was one of the first e-commerce platforms in Thailand. Today, Tarad provides superior service to customers by combining the seven Es: e-commerce, e-marketplace, e-marketing, e-payment, e-logistics and warehouse, e-knowledge and e-trading.

Mr Pongwitayapanu also founded the Thai E-commerce Association that brought numerous competitors together to help the government craft good policies related to e-commerce. He later launched the Thailand E-Payment Association with the Bank of Thailand and the Thailand E-logistic Association. These three associations now work in unison to support the e-commerce ecosystem in Thailand.

The history of Tarad mirrors the ever-changing world of e-commerce. In 2009, Tarad merged with Rakuten, a Japanese company that is among the largest e-commerce platforms in the world. The partnership helped bring technological knowhow from Japan to Thailand and raised people's trust in buying products online. The partnership ushered in a new age for e-commerce in Thailand as now about 60% of people are willing to pay online. After six years, the e-commerce landscape in Thailand changed dramatically as bigger players like Alibaba entered the market. The new competitors made enormous investments in Southeast Asia and focused on gaining market share rather than making a profit. With the influx of new players, Rakuten could no longer compete, and so it shuttered its entire operation in Southeast Asia. At that time, Mr Pongwitayapanu bought back his shares in Tarad, becoming the primary owner again.

Aside from his e-commerce platform, Mr Pongwitayapanu started a social media marketing company called Zocial that compiles data from many sites to gain insights about customers. In 2014, Zocial merged with a competitor called Thoth to form Thoth Zocial, which later merged

with OBVOC to form the largest social media marketing tool in Thailand. Mr Pongwitayapanu believes that mergers and acquisitions (M&As) are a great way to quickly expand a business. M&As come in different forms, but usually involve partnering with a competitor or a complementary business in a different market.

Mr Pongwitayapanu also sees startup investment as a way to grow businesses quickly. For example, Mr Pongwitayapanu founded a logistics aggregating platform called Shippop. Armed with substantial investment, Shippop grew rapidly and expanded into other economies. The company is currently valued at \$10 million with only 16 employees.

Mr Pongwitayapanu discussed the differences between SMEs and startups. According to Mr Pongwitayapanu, SMEs tend to grow slowly, whereas startups are looking to expand rapidly. It is normal for startups to experience 100% growth per year. To grow at this pace, startups often need to outsource key aspects of their value chain, such as warehousing.

He closed by advocating for business owners to adopt a startup mentality because speed is critical in the modern economic landscape. All businesses around the world need to adjust to the age of rapid change. At a certain point, a company will be able to grow by itself. Mr Pongwitayapanu said that once his companies are growing fast, he takes a step back and becomes a supporter rather than the day-to-day manager.

Questions & Answers

Q: (for Mr Pawoot Pongwitayapanu) As an architecture major, why did you decide to create an e-commerce business? Why do you keep creating new businesses?

Mr Pawoot Pongwitayapanu: I am like an architect of companies. As an architect, you are in between the engineer and the artist. With artists, everything is about creativity, whereas with engineers, everything is about being realistic. With each new company, I try to do something different. But I need to make sure that what I want to do is possible. For that reason, I feel like an architect because I consider both the engineering and artistic perspective. I started my first e-commerce business as a hobby. I noticed in the late 1990s that there were a lot of second-hand stores, so I thought ‘why not put it online?’

Q: (for Mr Pawoot Pongwitayapanu) What advice do you have for long-time SMEs to adopt a start-up mindset and e-commerce?

Mr Pawoot Pongwitayapanu: One way to grow faster is to merge with a competitor. You can do this by partnering with a similar business that has different strengths or in a different market.

Q: (for Mr Rawit Hanutsaha) How do you conduct an effective customer interview knowing that some people only say good things in front of you and bad things behind your back?

Mr Rawit Hanutsaha: A good researcher knows how to dig up what you want to know. You can also use social media to gauge consumer opinion. People tend to be honest about products and services on social media. You have to take time to find the right data because a lot of data

is bad and leads you to make poor business decisions. You need a professional market research company to do this for you.

Q: (for Mr Rawit Hanutsaha) How can we improve our businesses by studying our competitors?

Mr Rawit Hanutsaha: You have to be careful because you may have different customer profiles.

Panel Discussion I: The nuts and bolts of selling products online

Moderator: Mr Chalempol Tuchinda (Software Park Thailand, NSTDA)

Mr Rawit Hanutsaha (CEO, Srichand United Dispensary)

Ms Amonrat Lerputtikul (Co-founder, BrushToo)

Ms Audrey Ferriol (Co-Curator, Things that Matter)

Moderator: We have three distinct businesses here as well as government. We want to learn about backgrounds and what each business is like. Can each of you tell us a little bit about your company?

RH: I'm in the cosmetic industry. We offer almost every line of cosmetic product. We usually sell through offline stores, like 7/11 and Watsons. We've been growing our online business. We've seen great growth in our own e-commerce business. We are in seven economies in Asia.

AL: We started as a make-up company and now we do all cosmetics. We are known for affordable but high quality makeup brushes. We are active on e-commerce platforms and sell off-line as well. We have a large presence in social media ads. I can represent the small business.

AF: I'm part of a social enterprise that sells products made by local artisans. I'll also give the perspective of the SME.

Moderator: When we talk about e-commerce and expanding options, I wonder if this is true. There aren't opportunities, we really have to adjust. To AF, how did you go about getting into e-commerce?

AF: We saw opportunity on social media and the overall trend, so we felt we had to go online. We launched Things That Matter last year, and that's fully online.

AL: I was in the United States three years ago, working at a strategic consulting firm. I noticed that people were buying vegetables online. When I went home, I knew I wanted to start an online business. The costs are much lower than brick-and-mortar stores. We really embraced digital technology.

RM: Websites are a must-have these days. I hired a new CPO a year ago who is very tech savvy. He said we need to build an engine to drive us into the future. To do this, we need a lot of data. We can mine data from social media, but we need to go deeper. We became highly

targeted online, but selling products at different prices which helped us find the optimal price. You could call this prototyping. I do this every time I launch a new product. We're testing different prices. This helps us gain a deep understanding of customers without asking them directly. Of course, it's very reachable and fast. Data collection is much faster online. The cosmetics value chain is inefficient. Like cosmetics, glasses cost about 15% of the retail price, the rest is logistics. We can personalize products for people. I think that's the future.

Moderator: Interesting point about personalization of the product. E-commerce will be helping customers and companies get that point. Previously we talked about mass manufacturing, now we're talking about mass personalization. How do you make mass personalization happen?

RW: Some of the high end brands have already personalized products. E-commerce is how you push a product to the market. We can do 50 shades of a foundation, but there isn't enough space in a department store to place them all, so we only use five in stores. As women know, if the foundation doesn't match your skin tone, it can look gray. E-commerce allows you to get any color. The other factor is production. It's up to logistics to get personalized products to each person. Mass personalization can be done, but we're not there yet. This is the future though. You will be able to print your own cosmetic. We will see a lot of change as we remove logistical barriers.

Moderator: We talk about extending e-commerce, where it starts and ends, how it interacts with customer – but what about the backend. The heart of this is how you can capture the customer at the time of their interest. What needs to be done on the backend to answer questions of customers? How do you get them to buy products? It's about the whole customer experience.

AL: This involves digital marketing. For digital marketing, customers are on different social media. You need to have a seamless experience across platforms. Customers are highly fragmented in terms of behavior. Customers may be shopping at night, so we have someone available at all hours. People are impatient at night. We also have to do omni-channel marketing. Some people find out about us online but then buy offline. We're 70% offline now.

AF: We're a niche platform that carries a lot of brands. We have to have a good product mix that makes people want to buy constantly. Digital marketing is really important to capture people on channels. You must cover each channel. For Things That Matter, one of our strengths is that we have really easy and fast services, such as same-day shipping. People want to buy and pay with one button. It's a very fragmented market. You have to have the manpower for customer service. Some people want to talk to the company a lot, so they need customer service at all times. Some people are slow to purchase and you must have patience with this customer. The magic for SMEs is that we can adapt to what the market demands. You have to be quick to adjust on e-commerce.

RW: I'd like to add that on the backend we have to rely on real humans. The bot that we use is not that smart. Customers are very impatient. I want all executives to practice answering questions. One wrong shipment can be very costly. You have to have great backend systems to ensure that this doesn't happen. You need as much information as possible for customers on the channels that they use. Product information, including FAQs, is important. You have to

think like the customers. You have to understand how demanding clients are. People think e-commerce is totally automated, but that's not true. Everything has a little glitch that must be fixed.

Moderator: You talked a lot about the customer. How do you design your customer experience journey?

AL: For product development and customer development, we do a lot of research and gather data to find out what people want. For SMEs, the purchase funnel is really long. Customers hop around between platforms. These are the pain points for SMEs. It's hard to make comparisons because of this fragmentation. Government could help SMEs in this area.

RW: I think you need to talk to customers all the time. Things move so fast that we're always learning. Six months ago, we thought Twitter was a great place to access young people. Last month, something happened to the brand content on Twitter, and big names are going against ads. Now on Facebook, we can no longer boost items from other pages. The point is these platforms are always changing, so you must always be adjusting and learning. A lot of young people in Thailand are now off Facebook because their parents are there. They are moving to Twitter, but their behavior is different there than on Facebook. Now YouTube is the second largest search engine in Thailand.

Moderator: You have to review our strategies often to adjust to changing platforms. What is the best platform today for growth?

AF: Our main driver is Instagram for digital marketing. In Philippines, people are not as active on Facebook. Email marketing performs much better than social media. These are the people that convert and are investing in your brand. Email marketing is our best channel. Instagram stories are our best social media technique. You have to be very quick to adapt new tools and technologies because that's where people are going to go.

Moderator: People used to say that Facebook helps you know your product and Google is where people buy.

AL: I think it's risky to over-invest in one platform because things change so fast. Every platform is struggling to keep customers on their platform. As an SME I wouldn't focus on one platform; we should use all of them. Cosmetics are very competitive so we have to find new ways to attract customers. We cannot rely on one single platform.

RW: The good news is that you can always test things on digital platforms. You can see what ad placement works best. You can test 1,000 times a day. You're always trying to figure out where customers are going to be. Your team should track your conversion rate. I must say though; it's getting more expensive.

Moderator: There are a lot of issues with manpower on the backend to get products to customers. When you sell in multiple economies, how do you handle different regulations, logistics, value chains, etc.? Should new SMEs be looking at this?

RW: If it's not part of your core competency, it's better outsourcing to professionals. You'll have to go through mistakes if you do it by yourself. It may seem expensive at first, but it's worth it in the long haul to outsource.

Moderator: We hear about GDPR and privacy. Does that impact what you do?

AL: In terms of information privacy, it doesn't affect us. It affects Facebook more because they can no longer collect as much data, which can affect your targeting.

Moderator: Do you see companies like Alibaba and other big players as beneficial? What does it mean for the future?

AF: I think it's good for smaller brands. They help people build trust in e-commerce and can influence governments in terms of e-commerce policy.

AL: In Thailand, e-commerce adoption is slow. People still don't like making e-payments. Big players can help accelerate e-commerce adoption. The bad part is that SMEs have to step up to compete with them. We have to step up our online experience to compete with the big players.

RW: I have worries about this because we build brand trust and focus on our customers. Customer loyalty is declining quickly, and people are more concerned with pricing, particularly for mass market products. I don't know the solution.

Moderator: The economies of scale of big players will bring the prices down considerably. Are there inexpensive technologies that can help SME sell online?

RW: Manually gathering data is not going to work. You need social media monitoring tools, which can be cheap or expensive. These tools are important to catch trends early. Using customized versions of monitoring tools will yield better results for you.

Moderator: I wonder if government can help SMEs gather data and customer insights. This can be a burden for small companies. Social listening is very expensive for small businesses.

Q&A

Audience Q: Do you have a collaboration group with other e-commerce companies to share ideas? Is it a trend here to have strong market differentiation tied to social causes?

AF: For peer-to-peer sharing, we created a platform to house products of social enterprises. When we celebrated our 10th anniversary last year, we shared our journey with stakeholders with our social entrepreneurs. We also build Things That Matter. Our brands have regular meet-ups. We have around 35 brands now. The trend of intentional living is growing in Philippines.

AL: Most of my peer-to-peer learning is not related to my niche (women's products). Many events are done through social media platforms. We have a language barrier in Thailand because it's important to speak English for many forums. I see more trends in the United States by far and even Europe about tying social causes with products. I would love to have more ways to share knowledge.

Moderator: Any final thoughts on what government can do to support SMEs?

RW: We need a lot from the government in terms of help. We want more education and tools to help us gather data. How do these big trends, like big data and AI, affect SMEs? How will the economy be able to maintain its competitive edge? The government should have more information than us.

AL: The wave of e-commerce would be higher if the government would help with online payment. People are still reluctant to make purchases online. Customers are still using pay slips. People don't feel secure. They don't feel secure paying online because of the news reports that people are getting hacked every day.

AF: The government can help by building better infrastructure. In Philippines our data is so expensive and SMEs struggle to access it.

Moderator: To wrap up, you need a great strategy that you can adjust to the regular changes in online habits. You need to understand your core competencies and capitalize on it. Also you have to understand your customers. Governments should do a better job helping people understand e-commerce markets and build trust in payment systems. Government can do a better job policing online fraud.

Audience Q: What do you think securing payment systems with block chain?

Moderator: Block chain may not solve fraud. But, block chain can be useful for securing transactions. Payment fraud may not be the transaction but someone hacking into your account. It may not help address big data issues though.

AL: In Thailand, we go to the bank and transfer money, get a receipt (proof of purchase) and then send it to the store before the store will ship the product. People are concerned that they won't get the product from the store. Cyber police can enforce charges against fraudulent online stores. Put fines and fees in place for fraud. Also, banks could reimburse fraudulent payments.

RW: The Thai Postal service handles 80% of all online purchases in Thailand. They want to use escrow system; in which they will not complete the financial transaction until the product is sent. Regarding currencies, I think currencies will become redundant. We don't need so many currencies. It's a big risk for businesses.

Moderator: I think government needs to adjust to currency changes. In the future, we will need to be prepared for online currencies.

Panel Discussion II: The Open Secrets about Online Payments and Logistics

Moderator - Dr Adrian Vanzyl (Head of Google Marketing Solutions, Google Thailand)

Dr Chaichana Mitrpant (Deputy Executive Director, Electronic Transactions Development Agency)

Ms Pensiri Sathianvongnusr (Thailand CEO, aCommerce)

Mr Sittisak Wongomuk (CEO and Co-founder, Giztix)

Moderator: A big focus of Google in ASEAN is getting SMEs into the \$37 billion market of opportunities. I think it would be great if the panelists could introduce themselves and give a bit of information about their backgrounds.

CM: I am the Deputy Executive Director of the Electronic Transactions Development Agency (ETDA). The ETDA, while 100% government funded, works to facilitate public-private partnerships as an autonomous agency.

PS: I am the Thailand CEO of aCommerce, which provides e-commerce consulting services across five economies and has 1,500 staff.

SW: I am the CEO and Co-Founder of Giztix, a company that provides real time prices and matching services to businesses looking into expanding into e-commerce.

Moderator: I spent 11 years in internet development in Southeast Asia and set up an e-commerce venture capital fund. What are the top two pain points in terms of payments?

SW: Businesses use a large amount of checks. This is an expensive method of transacting business, as messengers have to pick up the check, and it then has to be deposited. The second pain point is the process of disbursing funds as a business. If a business's accounting or procurement is done by hand, it will slow down growth. Paying 10 drivers by check or individual transfer may be ok, but scaling up to 1,000 drivers without changing would be very hard for a business.

PS: B2C infrastructure is a chief concern. The infrastructure used to support payments is very different. A lot of payment options exist through bank transfers and ATMs, but e-commerce is different because everything needs to happen in the check-out process. The conversion rate is adversely affected when a business doesn't properly balance between business needs and customer convenience. Being able to do Cash-On-Delivery is another fixture in Southeast Asia. About 70-95% of e-commerce transactions are conducted in this manner, with the unintended consequence of creating additional risk to the business. An example is a driver dropping off several orders of a brand-new iPhone, which to some would be a year's salary. The rest of the payments are conducted via credit card transactions.

CM: Developing an e-payment roadmap, like PromptPay, and building soft infrastructure to help facilitate the expansion of these services is key. One specific example is changing legislation to make electronic payments legally viewed the same as in-person payments. Some large banks have created a preliminary framework for companies to use to streamline deposits; however, it currently has a low adoption rate.

Moderator: With the explosion of Alibaba and Alipay, is the lack of a comprehensive solution a pain point of growth in Thailand, and is Alipay good?

CM: The government likes to see competition and sees the FinTech sector as threatening big banks and encouraging policy changes. However, no one solution is perfect and competition helps the customer in the end.

PS: Alipay, at least in Thailand, is concentrated mainly among Chinese tourists and the transition to a cashless society is one that needs to be thought about carefully. Another promising contender is Android pay, as it falls into the large ecosystem of android devices. One key to changing consumer behavior is making them aware of the convenience of new solutions.

SW: Many companies that do bank transfers avoid using card processing due to transaction fees. These bank transactions are less frequent but larger, and using credit cards would impede a business's ability to be competitive. Bank initiatives like PromptPay have tried to make this easier by simplifying the payment process for businesses and consumers. Other banks have stopped collecting fees for transfers. The end-game is a payment platform that can be used to meet consumer needs.

Moderator: Is there a way to bypass the banks?

SW: It is too early to know at this point, and digitalization of payments needs to happen first. Most people are still doing things offline or using Line to do everything. About 80% of people are not familiar with blockchain, and the digitalization process needs government support like PromptPay.

CM: There are a lot of thoughts but not a lot of action. There are a lot of things unknown in terms of regulation, and some digital payment methods introduce new risks like the volatility of its exchange rate (Bitcoin is an example of this). The central bank does have a sandbox platform to work with cryptocurrencies should they continue to grow in popularity.

Moderator to PS: How do logistics differ between Thailand, Singapore and Indonesia?

PS: Indonesia is very fragmented, and my company had to build up its capacity there. Singapore is very advanced and ahead of the curve. Expectations are much higher there, and companies can outsource their logistics 100%. Thailand is a mix, with local fragmented carriers and global companies like DHL.

Moderator: How can SMEs increase their efficiency through automation?

SW: SMEs don't necessarily need to change but should digitize. My startup focuses on the pain point of helping SMEs find the price of various logistics services faster. A key area to address for Gixtix is digitizing and figuring out how to connect SMEs with their potential logistics provider as quick as possible. Their next challenge is enabling communication through operations and transit.

CM: There are government initiatives to improve the situation in Thailand. The government is using a two-pronged approach, looking at changes in the digital and physical space. The digital aspect includes expanding high-speed internet to 40,000 villages by the end of 2018. The physical aspect focuses on creating effectiveness and efficiency in the fragmented Thai logistics

marketplace. The government also hopes to be able to understand more as platforms shift and change, with the ability to spot factors, identify patterns and leverage AI/big data capabilities to help spot shifts in trends.

Moderator: How can SMEs adapt to the rapidly changing landscape and expand from local to international markets?

PS: Understanding and leveraging the platforms that currently exist is very important. To go global, all SMEs need to understand Amazon and Alibaba, as they have a very comprehensive international presence. Also, SMEs need to look at their cost structures to expand out of Thailand.

CM: The government is facilitating matchmaking, such as working with OSMEP to strengthen or create 30,000 startups and 100 million baht of transactions in Thailand. It is also working to develop a curriculum that helps more SMEs get online and a network to help facilitate knowledge transfer.

Moderator to SW: Can you tell me about the degree of technology adoption in most SMEs?

SW: Most SMEs use software for accounting and Microsoft Excel to manage inventory. There is more free software coming to market to help with warehouse management. By using more advanced digital tools, businesses can gauge which products to sell.

Moderator: How do shortages of workforce talent, especially in STEM fields, affects your organizations?

PS: I focus on developing and coaching new employees as they grow in the company. I usually hire fresh graduates and put them through an extensive training course.

SW: Our hiring process examines what someone's talent is and what they consider his/her purpose in life to be. I focus on finding people that are a good cultural fit for the company, not just academic capacity. In fact, I ignore resumes or grades, and instead focus only on interviews and referrals from headhunters and friends.

CM: I make sure that new applicants understand what e-commerce is. First, I scout from the younger generation to add knowledge to the organization and then focus on building that understanding throughout the organization.

Audience Q: Are there local players in the electronic space in Thailand since most mentioned during the discussion were foreign?

PS: One is True E-Wallet, which received investment from Alibaba, but there is not an SME or startup that I am aware of. The big players have an advantage in this regard due to the big ecosystem they have developed. Google has the entire Android user base, and Line has a large audience as well. Startups operating in the payment space have to carve out a customer base. Regardless of size, however, most have the same challenge of working to change consumer behavior in a traditionally cash-based society.

Day 2, June 5, 2018

Panel Discussion III: Enabling Policy Environments for MSMEs

Moderator: Mr Charles Blocker (Founder and CEO, IC Partners)

Dr Chamnan Ngammaneeudom (Lecturer and Assistant Project Director, ASEAN SME Service Center)

Mr Mario Masaya (Senior Manager for ASEAN and SMEs, US-ASEAN Business Council)

Ms Deborah Elms (Executive Director, Asian Trade Center)

Moderator: I would like to get this panel started off by having each of our panelists describe to us what they are doing well. Each of them will set the stage and background of what is relevant, and also provide real action steps that the governments in ASEAN and APEC can take to help e-commerce companies. I believe the objective of this panel is to focus on the roles that governments can have in enhancing e-commerce accessibility as well as how they can promote the adoption of e-commerce among MSMEs in APEC economies. This panel is all about behavior. We are in a consumer economy, and we need to change behaviors. We have problems with trust, confidence, adoption and being left behind, and we can use government policies to promote these issues and promote commerce. With that said, I would like to invite Dr Deborah Elms to present.

DE: The goal of my presentation is to focus on how governments can foster digital trade for MSMEs in APEC economies and the challenges MSMEs have in e-commerce. The Asian Trade Center is a platform we created to help bring MSMEs from across Asia and connect them with national and international MSMEs. I will talk today about the challenges MSMEs have in e-commerce.

Micro, small and medium enterprises are a critical part of every APEC economy—they make up as much as 97% of companies and more than half of the workforce. However, the share of exports for MSMEs is very small. We can help these MSMEs grow through helping them export more goods. Digital tools and e-commerce is a promising way to empower the smallest firms to become micro-multinationals and find new growth opportunities.

So, what can governments do to help MSMEs and what is the policy framework for promoting e-commerce and helping MSMEs grow? Governments can begin with an MSME perspective in mind. The government needs to create an enabling environment to allow the smallest firms to thrive. This means crafting rules with an eye towards the needs of MSMEs from the beginning. Governments should focus on low-cost soft infrastructure policies while also improving hard infrastructure. Hard infrastructure is essential, but it is important for governments to not neglect relatively simple, low-cost soft infrastructure and rule changes that matter to companies.

Firms can, generally, do business themselves if the environment is helpful. Four things are essential for MSMEs to thrive: 1) Information flows – MSMEs need to know opportunities and be able to move information. Information and data need to flow between governments and businesses. The government cannot restrict information flows if they want MSMEs and the economy to be successful. 2) A smooth flow of goods with minimum roadblocks – any blockages of goods – especially for low-value shipments – are devastating to MSMEs. 3) Ease of moving services – most MSMEs are service providers. It is necessary to open online and mobile payments to allow MSMEs to thrive. 4) Financing and payments – MSMEs need trade financing since they do not have deep balance sheets. Payment systems need to work efficiently and inexpensively for e-commerce to work in the region.

I think that the biggest obstacle facing MSMEs in the region is the ASEAN tariff codes. ASEAN has harmonized tariff codes, and the rules are very vague. What happens is that customs officials charge higher tariffs on other products. Anything innovative or new is thrown into the other category, and then MSMEs have to pay higher duties and argue with customs officials about the classification of goods. I think there needs to be more clarity on tariffs in ASEAN if MSMEs are to thrive.

Moderator: Thank you, Dr Elms. The next panelist we will have present is Mr Mario Masaya, who will talk to us more about the US-ASEAN Business Council and how it is trying to help grow e-commerce in Indonesia.

MM: Thank you, Mr Blocker. My name is Mario Masaya and I represent the US-ASEAN Business Council, which is an American Association that tries to help the investment environment in ASEAN economies. We have hosted workshops with ASEAN and governments which aimed to assist MSMEs in the region. The US-ASEAN Business Council and governments work together to improve e-commerce environments in these economies, especially in Indonesia. Right now, there are several key issues hindering the e-commerce environment in Indonesia. The seven issues that are hindering Indonesia's E-commerce industry are: Education and Human Resources, Logistics, Communication Infrastructure, Funding, Taxation, Cyber Security and Consumer Protection.

The US-ABC has made several recommendations that we believe will help Indonesia's MSMEs and e-commerce environment. These recommendations are: increased access to market integration into the global supply chain, regulatory simplification, standardization and mutual recognition, access to finance and financial technology and access to ICT tools. ASEAN also has numerous resources for MSMEs including the ASEAN SME Academy, which offers courses on finance and many other topics.

Moderator: Are there certain types of businesses or sectors that the government of Indonesia is focused on helping to grow? What are some of the lessons learned thus far?

MM: There are no particular businesses or sectors that the government of Indonesia is trying to help, but rather the focus of the Indonesian government is on trying to make Indonesia better for business. The government still needs to work harder at going to smaller cities and more rural areas to help business owners. New players cannot survive and compete without some

government help. That is what the government of Indonesia must focus on creating competitive and thriving MSMEs.

Moderator: It has been very well publicized that the United States government has decided to withdraw from the Trans-Pacific Partnership. How has your job with the US-ASEAN Business Council become easier or harder in this changing landscape?

MM: Since the United States' withdrawal from the TPP, I have had to focus a lot of energy on talking with different governments to show them that the TPP agreement is good and beneficial. The job is now harder because the US-ASEAN Business Council has to advocate even harder to the United States government since it is no longer a part of the TPP. The private sector moves differently and even though the US has pulled out of the TPP, we aren't seeing US companies pull out of ASEAN.

DE: I agree with Mr Masaya that the TPP is inherently good, but governments need to have a policy framework that is friendlier to smaller players to not put MSMEs at a trade disadvantage. Larger private enterprises will do what they need to do because they can shift their supply chains more easily to take advantage of the TPP. This is harder for MSMEs and so the US-ABC has to lobby governments even harder now to enable favorable policy environments for MSMEs.

Moderator: Thank you both for that discussion. The last panelist we have is Dr Chamnan Ngammaneeudom, who is the Director of the ASEAN SME Service Center.

CN: Thank you. I will first discuss some of the important operations of the ASEAN SME Service Center. The ASEAN SME Service Center connects ASEAN SMEs with service providers and experts. The center runs on an operating system concept, and our current platform is to act as a knowledge center for all MSMEs. The center also provides an ASEAN SME directory which is provided for free to MSMEs. We also include a demand matching service where MSMEs can post products with potential buyers in the system. Our goals are to create a cloud platform for SME services and information so that parties can be directly connected. We envision that this will include a web-based service, consultation system and e-payments to the platform. I think it is very important to start pushing MSMEs to use electronic payments.

Audience Q: I represent small and micro organizations in Philippines. MSMEs tend to be overshadowed by larger businesses. The limited capacity of micros in exporting is a major problem, so how can governments support micro companies so they can compete and thrive in the marketplace?

DE: There is no doubt that micro companies present a new set of challenges. Getting these companies involved in trade is very hard. Governments need to make sure there are no other challenges or obstacles in business operations along the way. For micros, it may make sense to aggregate them and create a platform for them. Governments should get businesses on a platform and then let them bloom.

Participant Break-out Discussions

Group A

To start the breakout discussion, the group reflected on their experiences over the two-day workshop. Participants representing the public sector stated that the information gleaned from the workshop was useful and that they intend to share it with their stakeholders when they return home. Most of the MSME owners had little experience with e-commerce beforehand, but now view e-commerce as a critical tool to grow their businesses and enter new markets. One participant from the restaurant industry mentioned that she learned actionable information about mobile payment systems. She believes that mobile payment systems will make it easier for her company to expand into new markets.

In the next session, the participants broke into small groups and worked to crystallize their learning by analyzing key objectives and outcomes from the workshop. Some participants felt that the workshop helped governments craft policies related to e-commerce with the needs of MSMEs in mind as well as encouraged MSME owners to consider adopting e-commerce into their operations. In addition, participants indicated that the workshop helped all stakeholders learn about the effectiveness of e-commerce and the importance of adopting e-commerce as the digital trend accelerates in the future.

Next, the participants broke into three groups to identify best practices, challenges and recommendations related to e-commerce adoption. A group of policymakers identified promoting e-marketplace development and supporting supply chains as best practices. They felt that the challenges to e-commerce adoption are the lack of training for MSME owners, gaining trust from consumers and infrastructure. To overcome the challenges, they recommended building trust in e-commerce among both MSME owners and consumers, establishing laws to support e-commerce adoption and facilitating cooperation between the public and private sectors. The groups made up of MSME owners stated that best practices include using digital platforms to expand to new markets and hiring staff with strong IT backgrounds. These groups consider the mindset and lack of trust in e-commerce as the primary hindrances to widespread e-commerce adoption. Other challenges include logistics and weak government monitoring of e-commerce. Finally, the MSME owners recommended that governments and businesses build trust in e-commerce among consumers, encourage young people to support e-commerce and improve e-commerce-related infrastructure.

Group B

The last breakout session encouraged workshop attendees from different backgrounds to get together and discuss the future of e-commerce in APEC economies.

In a group discussion, the moderator asked the participants what they had learned about e-commerce systems from the workshop. Group members emphasized the importance of making systems that are multi-operational, promoting collaboration around the world, as the problems faced are similar across APEC economies. In addition, they felt that it is crucial to make systems that are convenient for customers.

Next, the moderator asked how participants will apply what they learned from this workshop into their businesses. Many members had a renewed focus on the importance of logistics, as some economies presently do not have companies that make logistics easy. Others focused on marketing strategies, such as omni-channel marketing.

Within small groups, participants were asked to rank their businesses on several aspects of e-commerce. First, the participants ranked the top three supporting environments needed for a strong e-commerce ecosystem. The groups ranked education, financial support and collaboration as the top three factors, but also mentioned the importance of logistics, free global internet, SME platforms, government backing of electronic tax payments and a banking system for domestic and foreign payments. When asked to rank the top three challenges facing e-commerce adoption, the groups said that IT risks, trust and education were the most urgent challenges.

Group C

The break out session began with introductions, where participants talked to a partner about what sector they were from and what they had learned from the previous sessions. Following introductions, participants shared what they had learned from the conference. The following are comments that were shared by the participants. One participant was curious as to what extent high-tech startups are represented in enterprises. He also wondered what kind of government policies can be tailored to MSMEs and to what extent government should create their own platforms to support MSMEs. Another participant commented that the key is not for governments to create a government platform, but instead for MSMEs to develop platforms that are more tailored to their specific needs. Companies face problems as they move into the digital space because there are gaps between online and offline. Other comments during the session included focusing on profitability versus the value of a company. Several participants agreed that profitability and the bottom-line are very important to MSMEs, and they are concerned about how much money an MSME can invest in technology and a platform. However, they agreed that they feel encouraged by the workshop and have a better understanding of the e-commerce landscape.

Most members echoed the sentiment that e-commerce and the digital space are both important for MSMEs. Going online is essential for MSMEs to compete and have a voice in the market. Government-friendly policies are also relevant in supporting MSMEs. E-commerce is an important issue to the government of Thailand. Governments should focus on e-commerce and try to encourage e-commerce by putting local products on the market and serve as an incubator for companies.

After the participants shared their thoughts about the workshop, they broke into four groups and brainstormed concerns, problems, solutions and suggestions. The first group suggested promoting support tools or platforms for MSMEs and government policy to provide frameworks to enable favorable policy environments for MSMEs. The second group emphasized that MSMEs are always overloaded when it comes to policies, programs and solutions, and so they need flexible plans from the government. The third group recommended governments do more to protect consumers from illegal products and counterfeits in order to help MSMEs. Consumer

protection laws, especially online consumer protection laws, are necessary to help MSMEs thrive. This group also recommended that government tariffs and tax payments be revised to help MSMEs. Group four emphasized the importance of online payment systems for e-commerce. Lower transaction and transfer fees would be useful for MSMEs.

Closing Remarks:

Mr Wittawat Lamsam (Director of International Cooperation Department, OSMEP)

Mr Lamsam thanked the participants for their enthusiastic participation, the speakers for their valuable insights and Kenan Institute Asia for helping put together such a well-run workshop. He also thanked APEC for funding a workshop on a pertinent issue and hopes to collaborate on similar APEC projects in the future. He hoped that all participants learned at least a couple of things to take home.

Looking back on day 1, Mr Lamsam summarized that Dr Peter Lovelock provided an overview of the e-commerce landscape in which he emphasized the swift growth of the digital economy and digital trade across APEC economies. The statistics behind the trend paint a clear picture that e-commerce is now fundamental to growing businesses, both small and large, and economies more broadly. In addition, entrepreneurs who have successfully navigated the rapidly changing digital environment highlighted the importance of omni-channel marketing strategies, using social media to compile customer insights and building customer trust in e-commerce payment systems. As exciting as e-commerce and digitalization are, Dr Pichet Durongkaveroj, Thailand's Minister of Digital Economy and Society, astutely pointed out that while this technology has tremendous power to elevate the competitiveness of APEC economies, we must take the necessary steps to harness modern technology so that it contributes to a more inclusive society that works for everyone, whether you live in a large metropolis or a rural community.

On day two, Mr Lamsam recalled that the region's leading public policy intellectuals discussed the enabling policy environments for entrepreneurs to adopt e-commerce. There were several intriguing suggestions that are relevant to many of the APEC economies. This workshop has emphasized the importance of the public and private sectors working together to achieve common goals. Mr Lamsam commented that it was encouraging to witness such vibrant and passionate exchanges during the breakout discussions between entrepreneurs and policymakers.

As MSMEs represent over 95% of businesses in APEC economies, they form the backbone of APEC's economic engine. Mr Lamsam emphasized that helping MSMEs enter the e-commerce sphere will raise the prosperity of all of our economies. Although MSMEs certainly face challenges in adopting e-commerce, Mr Lamsam strongly believes that the challenges can be overcome.

Site Visit: JD Central

To observe e-commerce in action, participants had the opportunity to visit JD Central. JD Central is the result of a partnership between global e-commerce giant JD.com and the Central Group, Thailand's leading retailer. This visit allowed participants to observe best practices and to provide both inspiration and practical knowledge for participants to apply to their respective areas.

The site visit began with an introduction of JD.com by Mr Robin Martens, Head of Strategy at JD Central. JD.com is the largest retailer in China, and it is moving into new markets—including Thailand. What makes JD unique is that it does not buy or sell any products. Instead, it provides a platform for third parties to buy and sell products, which JD then ships to customers. JD is the third largest internet company globally, after Amazon and Alphabet.

The discussion then shifted to the reasons behind JD's massive success. JD has always been trying to push for new standards in e-commerce in China, and it has always been trying to improve the standards of customer experience in China. For example, 140,000 units of Canadian Lobsters were sold in 24 hours on JD.com by connecting Chinese consumers to international sellers. In reference to JD's outstanding customer experience, the presenter said that 92% of orders are delivered by same-day or next-day delivery, and this is possible because of the technology that is driving JD.com's experience and performance. The company uses automated warehouses, drones, robots and an automated customer service center that can handle 10 million complaints a day. In an effort to put the consumer first, JD also offers competitive Smart Pricing to respond to the needs of the customer. JD is focused on the consumer experience. The presenter quoted Richard Liu (founder of JD.com) by saying that "JD.com can help big and small companies achieve success by operating ethically. It is our responsibility to achieve success while upholding the highest standard, behaving in a dignified way and working with partners who are thoughtful, compassionate and respectful."

One of the company's promises to the consumer is a 100% authenticity promise. JD has a strict, zero-tolerance policy towards counterfeit goods. JD sources products directly from world-leading global brands and works tirelessly to eliminate counterfeits with their six quality control measures. All of this is done to build trust with the consumer.

JD has several goals with its expansion into Thailand. They have a target goal of 100 billion THB worth of Thai products to be exported to China within five years. JD wants to focus on partnerships between their company and Thai SMEs, and they want to train 10,000 SMEs in e-commerce over the next three years. Some of its mechanisms to do this include: purchasing products directly from Thai SMEs, training Thai SMEs on how to sell on JD.com and supporting cross-border networks (e-commerce, e-logistics and e-finance). Other goals for JD.com include reaching 300 million consumers in Thailand and generating 100 billion THB in gross market value in the next five years.

After JD presented about their company and their goals for Thailand, Mr Chodok Bhicharnchitr, Chief Merchandising Officer at JD Central, introduced the combined JD and Central Group business plan. Retail is changing very fast. Central group knows that the current way of

doing things will not be sustainable in the future. The two companies must be creative and innovative in new markets. The companies want a complete platform for e-commerce in Thailand. They want to build trust with their customers including working directly with suppliers and offering the best products to consumers. It is for this reason that JD.com's logo is a dog. Dogs are loyal animals and friends. It is a symbol of what JD wants to do in Thailand as well—bring joy and happiness to customers and become loyal suppliers.

JD Central owns in-house and unique technologies to drive innovation towards a world-class e-commerce business. Their core business model includes five areas including direct sales, marketing, B2B, logistics and finance. Some technology advantages employed by JD include smart logistics solutions, AI technology, big data solutions and new logistics mechanisms. JD Central wants to deliver on key customer promises by offering the best assortment of goods, competitive prices, unrivaled services and trust to consumers. Customers in Thailand can find everything they want. JD Central does not believe in price cutting—this is not a sustainable business long-term. It aims to offer the best value for the customers. Reliable and fast delivery is also important, as well as ensuring that there are no fake goods.

After JD.com and Central Group concluded their presentations, several participants asked questions.

Q: If a Thai SMEs want to join JD's platform what do they do?

A: The SME has to register and file an application with JD, and they will be trained on how to use the system.

Q: How do you control the quality of the product in Thailand?

A: There are three parts of the process. Pre-filtering—rigorous application process for sellers in China, followed by factory visits and license verifications. There are pre-selling barriers that companies have to pass in order to sell products on JD.com. The business must be authenticated. Uploading the products—team at JD checks the quality of information and products to make sure that the products are authentic. Any company that sells fake products on JD's platform will be banned from using the platform.

Q: Are there any threats to JD in Thailand or the region? Are there any challenges in particular to Thailand or this region?

A: E-commerce penetration is the biggest challenge for our company. E-commerce in Thailand is very small, so it might be hard for JD to enter the market and change the behavior of the consumer. Getting the customer to change their behavior and shop online is a big challenge. This takes time. There are also cultural differences in Thailand which could be a challenge to JD. Local culture in Thailand is very strong, and JD has to localize to the economy. We need to approach marketing and PR in different ways. We need an understanding of the people in an area.

Q: How do you reach out to get micro enterprises onto your platform?

A: Micro enterprises are not our target audience—they will struggle to provide consistent services and products that JD is looking for. JD will work with them in other ways to transfer knowledge, but micro enterprises have other channels that are better suited for them. We are looking to mid- to large-sized enterprises that can produce high-quality products.



APPENDIX 6

Project team

Project Team

Kenan Institute Asia Project members

- | | | |
|-----------|---|--|
| 1. | Mr Alexander Duke
Senior Manager, Multilateral and Bilateral Practice | Client Manager |
| 2. | Mr Sarit Sanguanwongse
Manager - Regional Projects
Technical Team | Project Manager |
| 3. | Ms Sakolsri Satityathiwat
Consultant
Project Implementation Team | Project Lead |
| 4. | Mr Natchapol Praditpetchara
Assistant Consultant
Project Implementation Team | Report and Logistics
Assistant |
| 5. | Ms Pranadda Ratanatraimas
Assistant Consultant
Project Implementation Team | Logistics and Secretariat
Assistant |
| 6. | Mr Alex Coclanis
Assistant Consultant
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