APEC Committee on Trade and Investment, in consultation with the Digital Economy Steering Group

Enhancing the inclusion of digital economy development in the APEC region

Proposed by: China
Co-proponents: TBC

This paper proposes and seeks APEC members’ support for principles that promote the inclusion of digital economy in the APEC region.

Background

The role of inclusion in digital economy

As the arrival of the worldwide interconnection age, digital economy, a combining of digital technology and economic activities, is playing a pivotal role for modernization and transformation of the industry, promotion of inclusive economic growth, facilitation of decision-making process and stimulation of development. Ensuring digital economy to promote balanced, secure, sustainable and inclusive growth and make it more beneficial to mankind is the responsibility of all economies. However, economies around the world are at various stages of developing digital economy. Some are still struggling to build digital connectivity due to the low level of digital economy development. Digital divide could be seen in many areas such as investment, infrastructure, workforce capacity and participation of different groups including women, MSMEs.

Promoting the inclusion of digital economy is crucial to regional economic recovery and ongoing prosperity, and can help to create developing opportunities by expanding existing markets and providing new trade form. It will bridge the digital gender divide, build workforce capacity, and help MSMEs and individual entrepreneurs to use ICTs to enhance productivity, nurture innovation, and improve competitiveness in the digital age. Inclusive digital economy will also provide better inclusion for disadvantaged groups to leverage the Internet and Digital Economy to improve their living standards and unleash their potential through effective use of ICTs.

inclusion of digital economy in the APEC region

As agreed by APEC members, digital economy can and should contribute to better inclusion, including through capacity building in the APEC region to ensure that no one is left behind both in terms of social and geographic perspectives. It is crucial for the APEC economies to promote policy measures and technical means to bridge the digital divides between and within economies, regions and groups.

The importance of an inclusive digital economy was also recognised by APEC Ministers in November 2021 when they reiterated their call to “accelerate implementation of the APEC Internet and Digital Economy Roadmap, prioritising action in the areas of greatest impact on inclusive economic growth”. In 2022, APEC Ministers also call for economies to “pursue strong, balanced, secure,
sustainable and inclusive growth”. Further, APEC economies have committed in the Aotearoa Plan of Action to “achieving an enabling, inclusive, open, fair and non-discriminatory digital and innovation environment” and “stimulate practical application of digital technologies for inclusive and sustainable growth in such areas as trade, finance, public services and healthcare”.

To this end, China has developed a set of ‘Principles for the inclusion of digital economy in the APEC Region’ set out in Annex A. By supporting this initiative, we can further advance our efforts towards achieving substantial progress on key focus areas (KFAs) of the APEC Internet and Digital Economy Roadmap, specifically KFA #10 (Enhancing inclusion of Internet and Digital Economy) and #11 (Facilitation of E-commerce and Advancing Cooperation on Digital Trade).
Annex A

Principles for the inclusion of digital economy in the APEC Region

In the spirit of APEC’s Putrajaya Vision 2040 and Aotearoa Plan of Action, in particular, the objectives of fostering inclusive growth, strengthening digital infrastructure, accelerating digital transformation, narrowing the digital divide, and fostering quality growth that brings palpable benefits and greater health and wellbeing to all, including MSMEs, women and others with untapped economic potential;

Recognizing the importance of the inclusion of digital economy to ensure that all people and businesses have what they need to participate in, contribute to, and benefit from the digital economy;

Acknowledging that the level of digital development is different across the APEC region, thus the need to focus APEC cooperation on overcoming the digital divides, ensuring shared benefits of digital economy and addressing challenges;

Emphasizing the commonalities and complementarities of APEC economies in the digital economy, and stressing the need to explore ways to leverage digital opportunities, accelerate digital transformation and create new drivers for sustainable development;

Considering that a forward-looking and inclusive digital economy is conducive to creating more development opportunities;

APEC economies are encouraged to:

- Promote inclusive and sustainable economic growth, to help ensure that the benefits of the digital economy are more widely shared;
- Subject to domestic laws and regulations and taking into account capacity constraints, use digital means to promote trade facilitation, such as paperless customs clearance, use of electronic documents, mutual recognition of digital authentications, and use of electronic payment;
- Invest in digital infrastructure in enhancing connectivity and bridging the digital divide;
- Taking into account capacity constraints, include flexibilities in the bilateral or plurilateral digital trade rules to ensure the participation of economies of different development level;
- Promote participation of all groups in the digital economy, including MSMEs, women, rural populations and low socio-economic groups;
- Share experiences and best practices, including exchange of experts, with respect to digital economic inclusion; and
- Carry out digital economy capacity building initiatives aimed at effectively addressing the digital divides by closing the gaps in access to digital infrastructure and digital technologies, digital services and digital skill development.