

# DIGITAL TRADE IN THE EURASIAN CENTURY

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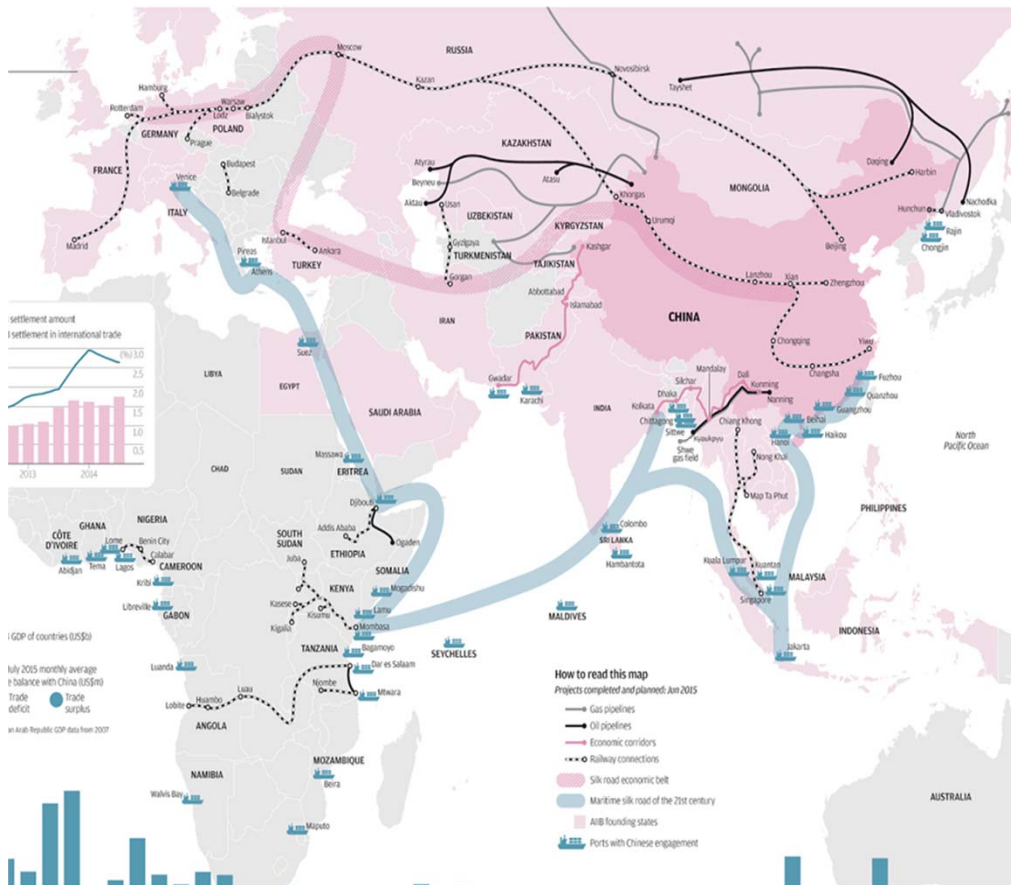


# OVERVIEW

- What is happening in the Eurasian region?
- Digital trade: An overview
- Eurasian digital trade: Opportunities & challenges
- Digital trade agreements & models for Eurasia
- Examples of successful digital cooperation in the region
- Impact of digitalisation on the society
- Recommendations: How to enhance digital cooperation in the Eurasian region



# WHAT IS HAPPENING IN EURASIA?



**THE FUTURE IS ASIAN AND THIS CENTURY BELONGS TO EURASIA:**

A rising digital and economic superpower in the form of China on its eastside.

A rich and developed European Union on its westside.

And the assertive Russia, to the north.

*Probably the most significant region right now in terms of business and politics: Can be a region for great collaboration or significant competition.*



# WHAT IS HAPPENING IN EURASIA?

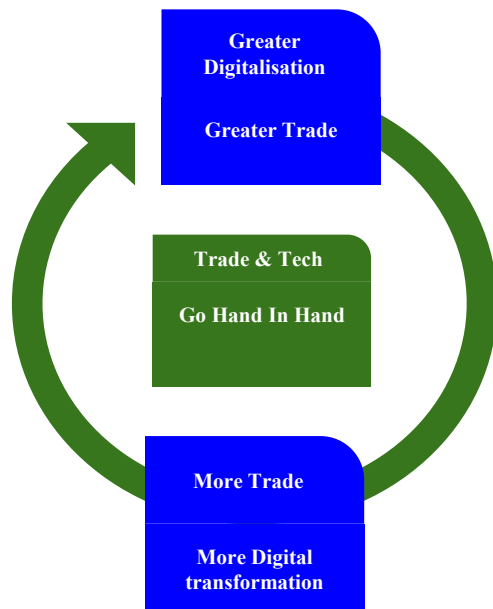
## Mega projects, trade corridors and initiatives

- The Digital Silk Road
- EU Digital Innovation and Scale-up Initiative (DISC)
- Trans-Eurasian Information Super Highway (TASIM)
- EU Deep & Comprehensive Free Trade Agreement: Ukraine, Georgia and Moldova
- EU's Eastern Partnership
- EU strategy: Connecting Europe and Asia
- EU Central Asia strategy
- EU-China Connectivity Platform
- Transport Corridor Europe - Caucasus - Asia
- INDIA: Connect Central Asia
- JAPAN: Central Asia plus Japan Dialogue
- RUSSIA: Greater Eurasia Partnership
- UNITED STATES: C5+1
- TURKEY: Middle Corridor
- SOUTH KOREA: Eurasia Initiative
- Eurasian Land Bridge
- China - Kazakhstan Crude oil pipeline
- China - Mongolia - Russia Economic Corridor
- China - Central Asia - West Asia Economic Corridor
- Central Asia - China gas pipeline
- Baku - Tbilisi - Kars (BTK) Railway
- The Meridian Highway
- International North - South transport corridor
- Lapis Lazuli Corridor
- Turkmenistan - Afghanistan - Pakistan - India gas pipeline
- Ashgabat Initiative



# DIGITAL TRADE: OVERVIEW

Digital trade is the fastest growing form of trade and e-commerce sales hit \$29 trillion in 2017.



- By 2022, over 60% of global GDP will be digitised.
- Around 70% of new value created in the economy over the next decade will be based on digitally enabled platforms.
- Free flow of data forecasted to contribute \$11 trillion to global economy by 2025.
- Some 900 million people have international connections on social media.
- Around 360 million take part in cross-border e-commerce.
- There are 4.38 billion internet users in the world, and 366 million new users joined in 2018-19.



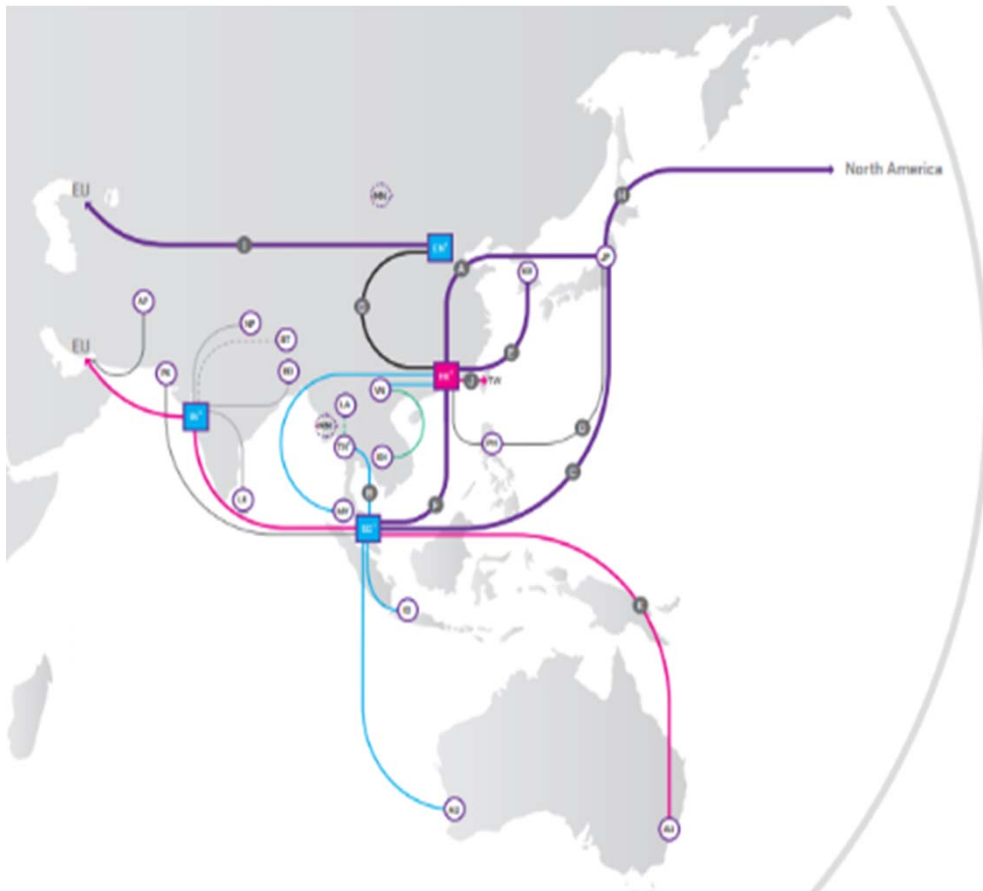
# EURASIAN DIGITAL TRADE OPPORTUNITIES & CHALLENGES

People across Eurasia face significant poverty, inequality and lack of access to opportunities.

The digital transformation of the region and trade can turn existing inequality into a catastrophe or give the nations of Eurasia a great opportunity to change their destiny.



# EURASIAN DIGITAL TRADE: OPPORTUNITIES

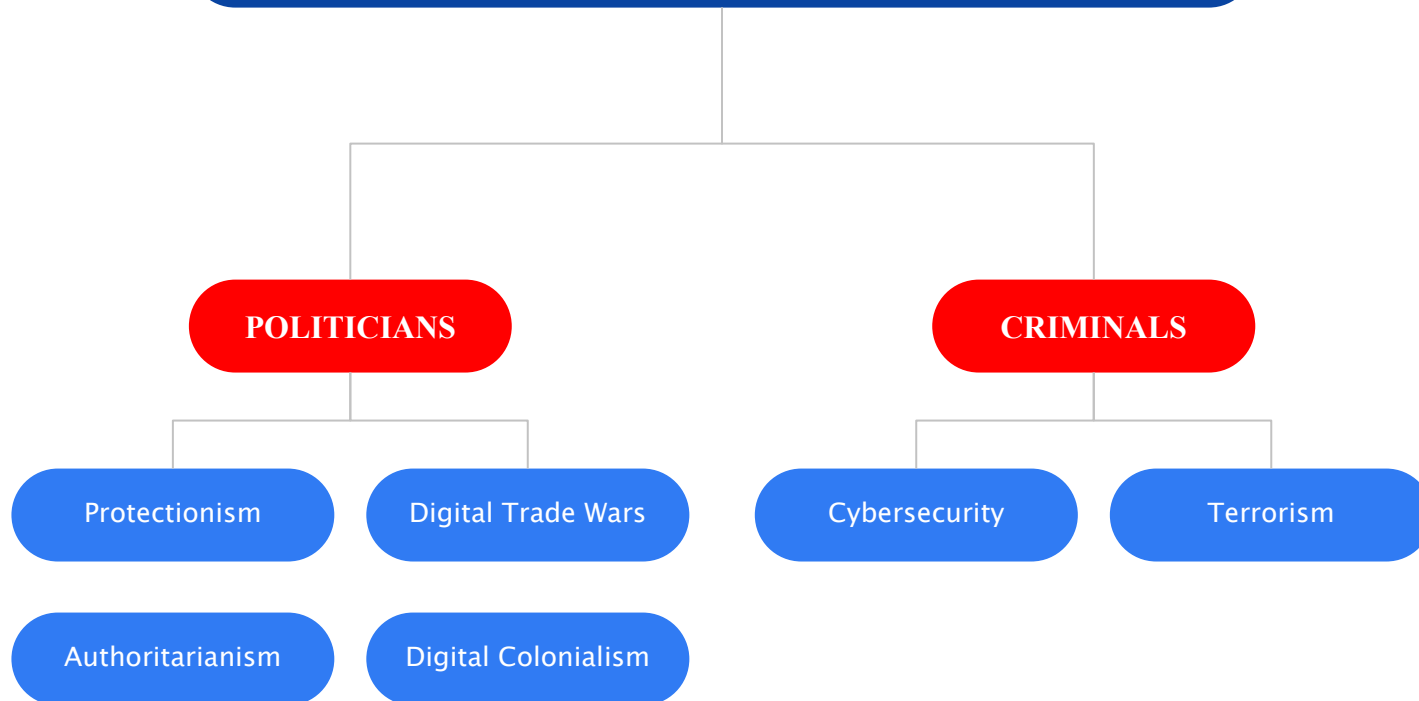


## Strategic location and point of economic convergence

- European Single Market
- Digital Silk Road
- Access to huge markets (EU, China & More)
- Part of regional and global economic alliances
- Young and educated population
- Cheap setup, labour and operation costs
- Access to finance from MDBs and private sector
- Access to expert global knowhow



# EURASIAN DIGITAL TRADE: CHALLENGES





# DIGITAL TRADE AGREEMENTS & MODELS FOR EURASIA

While we wait for WTO to reach consensus on digital trade rules, regional RTAs offer good examples of provisions on digital trade for Eurasia.



## Key provisions

- Prohibition of data localisation
- Cross-border transfer of information by electronic means and prohibition of data localisation for financial services
- Liability of intermediary service providers
- Non-disclosure of software source code and related algorithms
- Open government data



## Key provisions

- Personal information protection
- Measures against unsolicited commercial electronic communications
- Cybersecurity
- Cross-border transfer of information



## Key provisions

- Non-discrimination against digital products
- Electronic authentication and electronic signatures
- Paperless trading
- Domestic electronic transactions framework
- Online consumer protection



## Key provisions

- Elimination of customs duties on digital products and/or electronic transmissions
- Cooperation





## EXAMPLES OF SUCCESSFUL DIGITAL COOPERATION IN EURASIA





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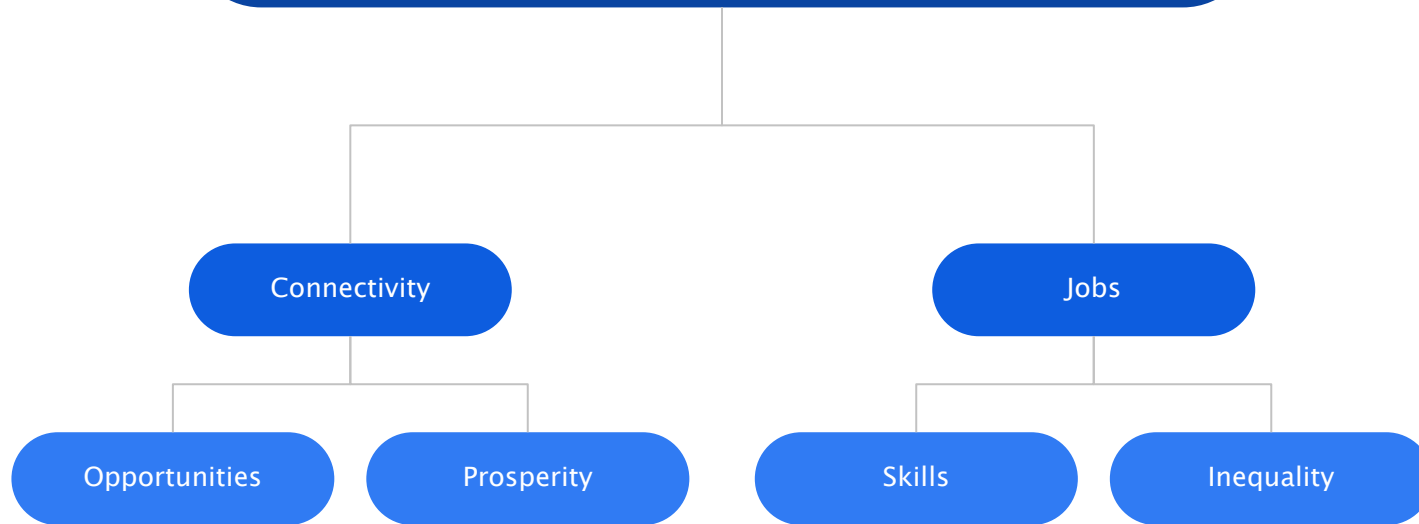


**EU - Eastern Partnership Countries: EaP Connect**



**EU - Eastern Partnership Countries: EU4Digital**

# DIGITALISATION & IMPACT ON SOCIETY



# WHAT NEXT? RECOMMENDATIONS

## INVEST

Eurasian countries and their partners need to invest in:

1. Digital infrastructure
1. Digital transformation
1. Digital skills

## FORMULATE

Eurasia needs to formulate robust policies to:

1. Increase digital connectivity
1. Support digital sector
1. Enter Free Trade Agreements

## UNITE

Countries need strong digital associations to:

1. Bring the industry together
1. Build trade and business networks
1. Keep businesses informed on developments

## FUND

Eurasia and its partners must create funds to:

1. Finance digital trade and exchange
1. Fund great ideas and startups
1. Provide guarantees and other financial securities to companies

