

ASOCIO AEC ECOMMERCE ALLIANCE MEETING

SEPT 7-8, 2016

BACKGROUND

- ASOCIO (Asian-Oceanian Computing Industry Organization) , established in 1984 is a grouping of IT industry associations from economies in the Asia and Oceania region
- Its objective is to promote, encourage and foster relationships and trade between its members, and to develop the computing industry in the region
- It currently represents the interests of 31 economies comprising 24 members from Australia, Bangladesh, Bhutan, Brunei, Cambodia, Chinese Taipei, Hong Kong, India, Indonesia, Japan, Laos, Macao, Malaysia, Mongolia, Myanmar, Nepal, New Zealand, Pakistan, Philippines, Singapore, Korea, Sri Lanka, Thailand, Vietnam and seven guest members from USA, UK, Canada, Spain, Russia, France, and Kenya
- Today, ASOCIO's members account for more than 10,000 ICT companies and represent approximately US\$350 billion of ICT revenue in the region.

OBJECTIVES OF THE ECOMMERCE ALLIANCE MEETING

- Gain a better understanding of the state of cross border eCommerce activities in Asia in terms of requirements, e-fulfilment challenges and other points of concerns related to tax laws and customs regulations
- The meeting was an important start to the discussion of the eCommerce in South East Asia which is largely seen as a potential market for the next gold market rush , recording less than 1 percent of global retail e-Commerce (A.T. Kearney, 2014)
- Over 25 representatives from marketplace players, retailers and associations in Taiwan, Thailand, Vietnam, Singapore and Malaysia attended the meeting
- The discussion of the meeting will be part of a paper which will be delivered at the ASOCIO ICT Summit in Yangon, Myanmar from Nov 13 to 17 , 2016

PANEL



**Mr David Wong, ASOCIO
AEC Digital Taskforce
Chairman**



**Mr Bunrak
Saraggananda,
ASOCIO Chairman**



**Mr. Ganesh Bangah,
PIKOM Deputy
Chairman**

PARTICIPANTS



- Tarad, Buzzebees and The Association of the Thai ICT industry from Thailand
- The Institute for Information Industry Innovative Digttech-Enabled Applications & Services Institute (III)“ and Momo.com from Taiwan
- NextTech Group of Technopreneurs / WeShop Global Group from Vietnam
- ShopBack and Clozette Pte Ltd from Singapore
- Lelong, Sitegiant, Logon, Web2ship, ipay88 and Gemfive from Malaysia.

TOPICS OF DISCUSSION

- MERCHANT ADOPTION
- E-FULFILMENT
- PAYMENT
- MARKETING AND PROMOTION
- IDENTIFYING SELLABLE PRODUCTS

MERCHANT ADOPTION

ISSUES	SOLUTIONS	ACTION PLAN	TIME-LINE	WHO
<ul style="list-style-type: none"> Some countries require the merchants to set up a local entity which can be in the form of a vendor, agent or distributor The products sold by the merchants would be the determining factor if a local entity needs to be set up In some countries like Taiwan, there are strict requirements on the labels. One of requirements is that the labels need to be in Chinese 	<ul style="list-style-type: none"> Set up a framework to enable merchants to do cross border e-commerce without the need to set up a local entity The framework should identify the marketplace or its designated vendor who will need to provide the service Gather Information and Regulations 	<ul style="list-style-type: none"> Identify the entities in each country Vietnam-Nexttech Thailand – Tarad Taiwan – Momo Malaysia – Lelong , Logon Singapore – Q010(TBC) Indonesia – Matahari(TBC) 	<p>In progress</p> <p>March 31,2017</p>	<p>eMarketplace</p> <p>Secretariat</p>
<ul style="list-style-type: none"> Onboarding platform - Identify gateways to get onboard 	<ul style="list-style-type: none"> Regional onboarding aggregator/platform need to be identified and integrated to all local marketplaces 	<ul style="list-style-type: none"> Asocio Alliance members to aggregate platform 	<p>March 31 2017</p>	<p>Sitegiant and Buzzebees</p>
<ul style="list-style-type: none"> Language challenge 	<ul style="list-style-type: none"> Use Google Translate 			

E-FULFILMENT

ISSUES	SOLUTIONS	ACTION PLAN	TIMELINE	WHO
<ul style="list-style-type: none"> Logistics costs & delivery costs and time frame 	<ul style="list-style-type: none"> To mitigate the costs, set up big volume of orders – to get the most attractive rates. Work on establishing a delivery rate of US\$2.50 in South East Asia for a 0.5kg and less package. Partner with a logistics platform to enable this Delivery time frame expected: 14 days 	<ul style="list-style-type: none"> MoU with marketplace and logistics players, which will address online tracking, local currencies, API matters as well as setting SLA for 14 days 	Nov 14	Boxme/web2ship

ISSUES	SOLUTIONS	ACTION PLAN	TIME-LINE	WHO
<ul style="list-style-type: none"> Dealing with customs challenges in respective countries. E.g Malaysia face problems shipping products to Thailand and Vietnam 	<ul style="list-style-type: none"> Identify and understand the tax laws and customs regulations in the countries Need government collaboration/ intervention to level the playing field 	<ul style="list-style-type: none"> Gather information, conduct FAQs and publish the findings G2G Establishment of Special “E-Commerce Zone with simplified tax” 	Nov 14	Secretary and WeShop
<ul style="list-style-type: none"> Managing Returns General consensus on this matter is that it is not worth returning goods The Return Rate in e-Commerce is significantly higher than traditional business 	<ul style="list-style-type: none"> Need government collaboration/ intervention to level the playing field 	<ul style="list-style-type: none"> G2G Establishment of Special “E-Commerce Zone with simplified tax” 		

PAYMENT

ISSUES	SOLUTIONS	ACTION PLAN	TIMELINE	WHO
<ul style="list-style-type: none"> • Generally there are no major issues on (b2b) payment • Most use paypal. Some South East Asia countries have begun to use digital wallets • In Taiwan, merchants use ali pay • Ipay88 partners with paypal to enable merchants to collect money 	<ul style="list-style-type: none"> • Consistent laws and regulations must be in place across the marketplaces to ensure a 'level playing field' 			

MARKETING AND PROMOTION

BEST SELLING PRODUCTS

COUNTRY	BEST SELLING PRODUCTS
MALAYSIA	Fashion products, beauty products, health products, food
SINGAPORE	Japanese packaged food, coffee beans from Australia; gadgets, beauty products, home décor products, baby diapers,
THAILAND	Fashion items, halal food, cosmetics, health, supplements,
TAIWAN	Bird's nest from Indonesia, Durian, Food, Cosmetics
VIETNAM	Fashion items, beauty products, gadgets