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TAIPEI 2016
A NEW INTERNET ERA

29 JULY 2016
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14:00
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>> RAJNESH SINGH: I would ask my colleague Noelle to just tell us a little about -- she is the one who -- (audio cutting out). then we'll introduce other speakers. We are still having problems with our remote speaker, but we'll kick off (Inaudible).

My name is Raj Singh. This is my colleague, Noelle de Guzman (Inaudible).

>> NOELLE DE GUZMAN: (Inaudible) That's micro, small, and medium enterprises. We've noticed, especially in emerging (Inaudible) economies in Asia Pacific that there is a lag in this (Inaudible) important for several factors. One of them is that the Internet has a lot of potential. MSMEs make up up to 90% of businesses in Asia-Pacific. So pretty much everyone calls them the backbone of -- (Inaudible). (Feedback) -- of that economy. So that's the gist of the (Inaudible). What are the barriers? What are the tools available, or what are the barriers to adoption? What is being done in different parts? (Inaudible). To come up with ways with the objective of how (Inaudible) by these sectors. Many of them also in areas that need (Inaudible). As we can relate it to also bridging several aspects of the digital divide.

(Inaudible)

>> RAJNESH SINGH: (Inaudible) the MSME sector plays in the economy. There are various statistics (Inaudible) to my mind, MSMEs form an important part of the local economy, particularly when it comes to employment as well, so there's one, the goods and services and all those sorts of things (Inaudible). I think as a proportion of the revenue, you would think that their contribution to the economy. (Inaudible).

Two-person or one-person operations, they are all MSMEs. It's the cottage industries. It's service providers. It's trades people. The list goes on and on. They have a very important role in the economy. What is more important, however, I think, is that the Internet and ICTs -- I have got to stop walking. The camera is going nuts. What was I going to say? Internet and ICTs I think have this opportunity to transform the MSME sector. There are some countries in some regions MSMEs have taken that up, and it's made a big difference to their business, as well as the services they are able to provide. However, for a large part of this region in particular, I don't think our MSMEs are able to capitalize on the opportunities the digital economy would provide them with. So it's not just about the things they are able to do and sell; it's also about internal efficiencies, how can they run their businesses better, be they microbusinesses or relatively large businesses. It doesn't matter. The fact is the tools we have available as part of the digital economy can really make a difference.

I am very pleased to have with me today three very distinguished speakers. We have Rachel from Intel? We have Ellen Strickland from InternetNZ. And we have (Inaudible) from Vietnet-ICT. I knew there was Vietnet-ICT in there. In addition, we have David from India, a remote speaker. I don't quite know whether he will be able to join us. We are still having technical difficulties. Do we have David? So let me -- David is an old friend, I have known him for a very long time, and he's had many roles in the south Asian landscape basically. He was the chief marketing officer for a very large Internet service provider in India, and after that he went off to run a microlending organization, which I believe was the largest in India, perhaps. So he's got some great background on what the microfunding issues are, what sort of the business issues are when it comes to MSMEs. So I hope he is going to be able to join us because I think his contribution will be quite interesting.

Then, of course, we have Noelle, my colleague from ISOC, and she is from the Philippines, so I will get her to talk about her experiences there, in particular Philippines and maybe in India, which is also big on MSMEs.

So with that, I think we still have technical difficulties with David, so I will let them try to work on that. Shall we start off with the presentations?

So, Rachel, could I ask you to kick off? Thanks.

(Inaudible). We are going to have all the difficulties that are

possible technically and logistically.

>> Good afternoon, ladies and gentlemen. I am Rachel from Intel Taiwan, a regional director Anjan Ghosh's behalf to share our vision to foster micro-MSME to participate and succeed in the digital world.

As a technology and business leader, Intel works to address make social issues that we face today around the world and in our backyards, from advancing global education and promoting broad economic development to working hand in hand with our neighbors in the communities. We are committed to applying technology and the talents of our employees to improve lives and inspire the next generation of innovators.

There is a proven relationship between innovation and long-term economic development. Innovation stimulates economies, provides increased competitiveness to foster innovation and derive economic growth. Everyone needs to be empowered by education, employment, and entrepreneurship skills. According to the research, every one U.S. dollar invested in education and skills has a huge effect on economic growth and international competitiveness. In today's presentation, I would like to share what other resources, tools, and strategies we bring to enable micro-MSMEs and empower them to succeed in the digital world.

First, knowledge and tools. Intel Learn is a technology education program that is designed in collaboration with governments and NGOs with a target audience around age 8 to 25 years old with little or no computer skills in underserved communities from developing countries. The learning objectives are to develop their 21st century learning skills, technology literacy, critical thinking, collaboration, and teamwork in digital world. Up-to-date, over 5 million people from 40 countries across the world have attended a training, and this program already helped them to be socially and economically self-sufficient.

Hendry Yadi from Indonesia is a social entrepreneur and also the project leader in the local innovation and learning center. He got a scholarship from MIT and a global entrepreneurship camp after he attended our Intel Learn program. This is just one of the cases from 70,000 remote islands, people who are empowered by the program and are getting the opportunity to a broader world.

In India, people like Mhazabi, Sunita, Shasta, and Amit are all benefiting from the program. They can sell their products in the virtual world, find a job, or teach more kids from the rural areas.

Maseo Panias also is one other case in Philippines under the DigiBayanihan program that we partner with other organizations. Being a poor mother of three kids, she took the Intel Learn training, and now had her income increased and she is able to send her children to school.

After obtaining the knowledge and receiving the training, we know that most micro-SMS need tools and weapons to conquer in the digital world for their business and money. So we created a Web builder credit with other business partners so they are able to come to only one provider

to solve their business problems, and they are able for those people, micro-SMEs, they are able to increase engagement with customers and from social media and make more money.

Thirdly, a platform for them to show their link to the world, to promote entrepreneurship, Intel, the premium intergovernmental forum dedicated to promote free trade, investment, and economic growth in Asia-Pacific region. After four years of collaboration, we are excited and pleased to see those people, young startups, grow their business from one or two people that they finally go globally. These are the numbers that are exciting us, that employment growth rate is 94% higher, and they increase their year-to-year revenue to \$120,000 U.S. And also they collect more than \$60 million U.S. from NNCs, BCs, venture capitals, and angels. This is also a real-life story, a young couple with three kids, they sold their house to chase their dreams. But now their ideas got adopted by 20,000 users and 6,000 local experts from over 98 countries. And recently they just received seeding fund from venture partners. Now they are able to get their house back and hire more people to expand their business to next level.

Okay. I actually prepared a video that shows the power of entrepreneurship, but since I am running out of time, I wonder if you are interested to see this video. If yes, please raise your hand. Okay. It's okay?

>> RAJNESH SINGH: (Inaudible). I think we need to give them time as well, and if there's time at the end, we will be happy. How long is the video? We will try to do that after the speakers have spoken.

One thing that came across from the presentation was, of course, Internet and ICTs -- and I think we all know this -- it gives the opportunity for little businesses, wherever they may be, to compete globally. That, I think, is one of the main points that we probably can make out of what Rachel shared. Thank you.

>> ELLEN STRICKLAND: Thank you. I am Ellen Strickland, Community Program Director for Internet New Zealand, and our vision is a better world through a better Internet. One of the things we look for is supporting businesses of all sizes to have better business through better Internet. So we have a lot of work that we do that touches on this topic of the session today around empowering small and medium businesses to make the most of the Internet. So I wanted to share just some thoughts from our experiences about -- you know, from a variety of things we do of the main sort of barriers and some things that you can do to help overcome those.

You know, in our work, we are involved in bringing together the national IGF of New Zealand, which is called NetHui, and that includes a lot of people from the business community talking about use and challenges. We also work with partners, organizations. We have a grants program and work we do ourselves as Internet New Zealand and also our two subsidiaries, which we run dot and nz, the CCTLD.

To sort of organize what we think are really important, I think

first of all, it's really important that access, actual connectivity is really important to businesses. Having reliable, good connectivity is an issue for businesses, and that's particularly true for the rural sector in New Zealand. It includes farmers and small rural communities that don't have very good Internet access, and that actually having good affordable infrastructure is important. So the ways that we address this is we do a lot of work around good enabling legislation for a competitive environment that helps allow better access for people; strong infrastructure that telcos can work with; and to help create affordable connectivity options for people. It's true in New Zealand and in many places, you know, mobile Internet has helped, but actually getting good speeds at affordable prices is something that's a real issue. So I think it's important to remember that that is really a cornerstone. You are not going to be able to take advantage of the Internet if it isn't good Internet and it isn't affordable.

You know, for example, the satellite connectivity that's required in many rural places in New Zealand, you are looking at thousands of dollars a month, you know, to have that set up, and it just isn't affordable at all. And many places there isn't mobile Internet even.

Another way that we sort of support this access is through our community grants program that is sort of supporting community projects that are about getting online; creating wi-fi sort of around the local school, in the local town, and wi-fi at business centers, sort of having remote working hubs with good access that people can come to so that there are ways to both trying to get that great access to everyone where their business is, but also working with the community to help support people that can't get that yet. So I think that's important.

So, once you have access, the next thing is about digital skills. And we really find, particularly in the small sort of businesses, people who have established trades, for example, someone who has been a plumber for 30 years, you know, that the business processes are mostly manual and that they may not have those digital skills. They didn't get them in their education process, they've been busy running a small business, which is an incredibly taxing thing for anyone who has ever tried. You know, it's a 24-hour-a-day commitment. And taking time, having the resources to upscale is quite difficult. So one of the things we do is try to support digital skills programs that really cover the broad Spectrum from very basic, you have people who really don't know how to even email, and then having a stair-step. So we have a partner organization who we fund, 2020 Communications Trust, and they run a range of digital skills programs, a lot of them through the local libraries in the community that are module based, they are flexible in terms of timing, on weekends, on evenings, and try to offer as well as I think they are moving to some online courses, and helping people be aware of other options for skills training as well.

So when you have access and skills, there's still -- you know, basic skills, there's still a lot to be done around understanding of

the real use and the services you can get through the Internet. And that's true for all of us. The services, the benefits of the Internet are changing and growing all the time with new software as a service options for small businesses that can really help being a really big part of this sort of entrepreneurs of tech innovation industry.

So ways that we try to help with that is things like our national IGF, so having sessions where people share about how they use the Internet, both public facing, so Web site, email, but also, as Raj mentioned, their own internal systems, accounting. Point of sale now can be online and integrated with your Web site. Things like that. So having discussions, creating spaces for people to share best practice and meet people who, you know, maybe have a start-up and are trying out some new stuff and to figure out what works.

As dot NZ, we've also done a campaign that's about directly getting small and medium enterprises online. It's called getyourselfonline.nz. The campaign is very much about dot nz. It's about very much the brand, and we've done the research that in New Zealand it is a really strong brand, in terms of Web site usage and email, that it sort of can confer a lot of benefits to small businesses to have their own domain name with dot NZ rather than Facebook or some other free platform. But I think a lot of what we've seen through that campaign too -- and it has case studies that you can look at, stories of all kinds of businesses, so small tourism businesses, you know, plumbers being -- you know, there's a couple on there, hair dressers that have found all kinds of benefits from being online in general as well as specifically from having a dot NZ. So having share those stories is an important way of people seeing in action what it means to use the Internet for these small businesses.

And so I think, you know, I think these are the three sort of pillars. I would just sort of close by mentioning one thing that comes up a lot in IGF is about security issues and risks. This is something that really concerns small businesses. They don't, you know, have an IT department. You know, they are worried about, you know, privacy of their accounts, their customers' privacy, the cost or problem they would have when they rely on the Internet and if they got hacked or had problems, this is enough to put people off. It's a major issue. Understanding best practice around security, knowing that they can access expertise and help if they have issues, and being ready to deal with it and sort of prepared that that is a risk about being online and how to minimize it and how to manage it is probably just the standout issues that I would table that's important. It's fear. There's so much to learn moving to being an online business, and something like that is such a big, scary risk that it's really something that I think, you know, needs to be proactively addressed with people. Even if they don't know to be afraid of it, it could be something that could be a real problem if they aren't aware, so it's something that needs to be addressed.

Yeah, so that's our experience. Thanks.

>> RAJNESH SINGH: So two things again that resonated with me. One is digital skills, and I think sometimes we take for granted that everyone knows how to use a computer, get online, do all that sort of thing. It's not true. I will give you one example. Close to where I live, there's this little shop that sells peanuts, and I love peanuts, and I had to try to find out what time does the store close so I can go buy it before I came on the strip. I don't know what time it closed, I don't have a phone book at home, I didn't know how to find his address, I Google the name. Yes, it comes up on Google saying it's there, so there's no further information. So I had to go drive down 20 minutes to go get it, and he was closed by the time I got there.

What's really nice -- let me be more generic -- search for a company in a rich search engine, and it comes up with the name of the company or the business, the rough location of where it is or the location of where it is, and something saying opening hours or closing hours, which I really like. I find that so usable. Just little things like that. So I Google back home and say to the guys (Inaudible). So thanks for that. (Inaudible) and privacy issues. In some countries, we have privacy issues coming in, and there is a pretty hefty penalty if customer data is leaked. I think that's an issue that's going to slowly boil to the top.

With that, my friend from Vietnam, Le Mai.

>> LE MAI HUONG: I feel more confident when I stand, so I think I will stand. Thank you.

Good afternoon. I come from (Inaudible) in Vietnam, and our organization is working in ICT structure to support (Inaudible) to support the NGO, to support the social enterprises in Vietnam, how to use ICT for work and their businesses.

I want to share with you about how the Internet can boost enterprise development in Vietnam. Actually, it's SME because micro-business means too small, kind of family businesses, not like with license or things like that. And you can see first of all, I just want to bring you something else about Internet use in Vietnam. We have about -- Oh -- 50 million users in Vietnam are active users. There is social media, and there is mobile. So mobile use is a very hot in Vietnam. Most of my friends (Inaudible) or things like that.

I am going to introduce to you some characteristics of SMEs in Vietnam. First on the customer, provide services for the customer. There is a customer focus.

Second is competitiveness. 93% of enterprises in Vietnam are SMEs. Provide 51% labor resources. They have for the labor business in Vietnam more than half. And they provide 40% of GDP in Vietnam as well, so they are super strong. They are so important for Vietnam. As someone said before, they are very important for the economics of the country.

I like these things for young people. Purchase products is not

very high in Vietnam. That's because (Inaudible) will talk later. These are some figures about activities of the younger generation in Vietnam.

Vietnamese has more numbers than the population. Hundreds of millions of mobile numbers, but only (Inaudible)

Opportunities for SMEs in Vietnam. I will show you two successful cases of how to use Internet, how to use online trading for people. The first is a channel that they sell brand products, and (Inaudible). (Inaudible) then they prepare things for you (Inaudible). Pick anything, put it in the box, deliver to your house, and (Inaudible) and just a month ago, they bought investor \$4 million, new start-up. They open for about a year, just a year, and this online selling for that.

And the second is an application. Unlike online banking, you can transfer buying things like this. Even if you don't have a bank account, you can withdraw money and transfer money and buy things by this one. And this made about \$28 million for investment last year. And this is, I think, two of the more successful cases of online trading in Vietnam right now.

Not only the SMEs, but also the social enterprises, like benefits from online trading. This one is products from -- actually, it's disabled kids. They use their finger or things to paint in any material, and the producer colors this and prints it in new material, bag, notebook, the writing book for people, and some like clothes, and (Inaudible) online trading because it costs less and helps impact small people, and this is a popular social enterprise.

We see a lot of challenges for online trading. First of all, it's about law, SME in Vietnam. We have an (Inaudible) if you don't have a license to do -- to sell or buy things buy online trading, you will be (Inaudible). Problems Vietnam because you can be hacked and you can have your personal information lost, and (Inaudible) because your information online and was hacked. (Inaudible) this is why people in Vietnam (Inaudible) using online trading. Age, sex, location problems because I think more women in Vietnam (Inaudible)

One thing is the payment system is not very good because we don't have -- because in this one it's the (Inaudible) because cybersecurity is not very good, so the payment systems (Inaudible). Very important is the (Inaudible)

When people discovered that she was (Inaudible) and all the women in Vietnam says we have to (Inaudible) her otherwise we won't buy things because she is (Inaudible) some very famous (Inaudible). So some branding has to (Inaudible) for this.

The second case is a brand of milk. The milk for the kids. And this woman said wow, this milk is not like -- because we didn't see any product (Inaudible) can buy this product even if they have product (Inaudible) and things like that, but the product suddenly died for one or two months after that campaign.

And that's all of my presentation today. I just want to show you the last thing is the opportunities and challenges. But Vietnam also still is a very promising market for the SME and online trading enterprise, online trading for the future because it is raising very fast in recent years.

Thank you very much for listening.

>> RAJNESH SINGH: Thank you, and I think that really -- thanks for highlighting some of the challenges which I think we touched on before, but you've laid them out quite nicely.

So with that, is David ready to go? David, can you hear us? David, thank you. We had lots of issues getting you online, but it looks like we've got you now. So I am not sure whether you followed the conversation so far or not. We've had three speakers offer their perspectives on the topic. I thought I would bring you in now if you are able to. It's over to you, David, thanks. Maybe if you can introduce yourself too, perhaps, because I haven't given you much of an introduction, and since you are not in the room, people can't see you. We don't have you on the video, unfortunately.

>> DAVID: I am David Appasamy from (Inaudible) India. My passion is to ensure that everybody gets to use the Internet for what it is.

Part of my experience is (Inaudible) so those are really microbusinesses, (Inaudible). Individuals, maybe employing one or two people.

>> RAJNESH SINGH: David, we've lost your audio.

>> DAVID: (Inaudible).

Share with you some ideas of the challenges. First background. India, as you know, has 1.2 billion people. That's a lot of people. And (Inaudible). One of the things we have to realize is that rural electrification is at best (Inaudible). To further complicate matters, we have (Inaudible).

>> RAJNESH SINGH: We have lost David, so I think we'll have to move on. Sorry about that. It's a pity he can't contribute.

(Inaudible) do you want to come in and focus on the Philippines and Indonesia?

>> NOELLE DE GUZMAN: I think I will focus more on the Philippines this time. So in the Philippines, we have several ministries addressing MSME development. One is the Department of Science and Technology, another one is the Department of Trade, and another one is the Department of Finance. So the Finance takes care, they have microlending. They have policies on microlending, enabling microfinance. The Department of Trade and Industry would have a dedicated -- actually, a dedicated office for MSME development and also several training programs. They have assistance programs. Has its own training programs, has its own assistance programs. It even helps MSMEs finance equipment acquisition.

But what we see, what we also see in several other developing countries in Southeast Asia, is that it's not being addressed

comprehensively, so there's a lot of duplication across many -- these ministries are not working together as we would see, I guess, in other aspects of business where we see the Internet coming in. So it's not being addressed comprehensively, so there's that disconnect. At the same time, there's also a disconnect between the government projects and what -- and the needs of micro-entrepreneurs. For instance, I was talking to the head of an agricultural cooperative last month, and he was keen to have -- to avail of all these programs that are in place, you know, Intel's digital literacy, but he doesn't know where to get it. He doesn't know -- the farmers who he is working with are half illiterate, so he doesn't know how to get to just that first step of getting them to understand and, at the same time, not just digital literacy, but also financial literacy. So there's that.

Another factor in these programs is that they are addressing registered businesses. The informal economy makes up at least -- it employs at least, I don't know, they say up to 60% of the workforce in the Philippines, so that's not being addressed. What these programs -- what these government programs are addressing are they are talking to the businesses that are registered. They are talking to the legitimate businesses. But what about the informal economy that makes up a lot of the urban poor, makes up a lot of the rural poor, and these people are your subsistence businesses.

So yeah, I think I would end there.

>> RAJNESH SINGH: Okay, thanks, Noelle.

I would like to make this interactive. Unfortunately we couldn't hear much from David due to the link. We wouldn't have too many people in the room, so we would be really happy if you would contribute to the discussion to move things in that direction. With us also is (Inaudible) from Nepal. Some people know him. He is a bit of an icon in the Internet world for all the things he's done and has won multiple awards for the things he's done. If you would like to know what has been done in the Himalayas, in Nepal, he has set up Internet connections, and it's -- if I understand correctly, there is an attempt to set up an eCommerce platform between these locations and villages and see how that could bring them into the digital economy.

So I just ask him to speak a little bit on some of his experiences. It's a little impromptu, so thank you.

>> Thank you, Rajnesh. Actually, when I started building this network in the rural areas, people in the rural areas, they even didn't have heard about the word "Internet." Okay? So this was very new for them. They had not seen computers.

So, during 2000, that time, the goal was to use the Internet just for communication because we didn't know anything about how the Internet could be used for other things. We just wanted to use the Internet for communicating in between the villages because there was no communication.

So we started learning how to use computers, then we started using

the computers for the Internet for different things. But in the meantime, we also tried to use the Internet for local -- what we call local eCommerce. There was not eCommerce (Inaudible) in the urban areas or developed countries. What we did is we built (Inaudible) for villages in local server and provided (Inaudible) the products they have in different villages to sell. Mostly, they were some handicrafts, things like that. The villages were able to tell other villages what they had to sell. It was not like eCommerce because there was no payment platform for that. I mean, that way you can just go to the Internet Web site and use your credit card and pay and get the products. So that way we had these people to use the Internet and let other people, other villages know about these products.

That was very welcome. You can imagine because -- the reason we started there is someone wanted to find a cow or ox, they had to travel several days around the villages just to find one. And that helped to save the time of the villages to find the products they wanted. And like I said, this payment system we don't have, we haven't been able to develop that, we aren't selling anything online.

Another thing is (Inaudible) many people in villages living and working outside some of the villages and give their families money. So once you get the Internet in the village in the rural areas, it is better or easier to start (Inaudible).

Another way that some people in the villages are using the Internet is rural cooperatives. So there is cooperatives (Inaudible) and in some places people have participated in online services in these cooperatives. So you have cooperatives, all kinds of cooperatives, they are using this Internet for some of their small businesses like that.

Thank you.

>> RAJNESH SINGH: Thank you for those examples.

I believe David is going to try to come back on again. While we are going to do that, should we play the video? We will play the video, then try to bring David in, and then comments from the audience, please, if you have questions or comments.

One thing that struck me was, you know, it hasn't popped up yet -- or maybe it did sort of -- but I think maybe it was what Noelle was saying about what the departments of Ministry are doing. Incentives, what they do for particularly businesses that are registered. But just trying to see how -- in some countries, for example, there's been a tax write-off if you invest in IT technologies to help your business. So if you bring a small business in to upgrade IT equipment or build new IT services into your existing business, it's a complete write-off up to \$20,000 every financial year. Which is useful for small businesses because it can get them certain services or products in terms of IT upscaling which may be useful.

With that, can you play the video, and then we'll see if David can come back on. Thanks.

(Video without speaking.)

>> RAJNESH SINGH: Okay. Thanks for that. So, we are trying to get David into the session using Skype. David, shall we have a go?

>> David, can you hear us? Hi, David. David? I could hear him earlier. David?

>> RAJNESH SINGH: Okay. So we tried, but it's just not the day today for David to speak to us. So thanks anyway, David. I appreciate you staying up and trying to be connected to us. Oh, can you hear us now? We can hear something now.

>> Hi, David.

>> DAVID: Can you hear me?

>> Yes, I can hear you. Yes, they can hear you too. Yes.

>> DAVID: Yeah, so should we go ahead?

>> Yes, let's go ahead. Please do feel free to continue your talk.

>> DAVID: Okay. (Inaudible). So we have 1.3 billion people, of whom 67% live in rural areas. Many of these people are micro-entrepreneurs. So that's close to a large number of the 700 million people. (Inaudible). About 80%. So people can use devices (Inaudible). The number of official languages is 15, but there are close to 1500 dialects. (Inaudible). 100 rupees a month. It would have to be (Inaudible) complication if terms of language. (Inaudible). Many of the micro-entrepreneurs (Inaudible). Their spending and consumption is captured, but not their economic activity. So this is the complexity that was talked about.

So the challenges are literacy, languages, and the (Inaudible) has done wonderful work. Languages are using (Inaudible). The first language to have a (Inaudible) the language that I speak, so (Inaudible). That is an enormous task and the scale (Inaudible). So as of now, in most (Inaudible) connectivity is through the cell phone network, and that's how it works.

Other challenges, I mentioned (Inaudible). People have a bank account (Inaudible) grants not using cash. (Inaudible) each person is being given a bank account, each adult. So (Inaudible) and a very large number (Inaudible).

So we are established, but (Inaudible) so the access is through the smartphone. So the question is how can (Inaudible) using phone. That's a challenge in India.

The opportunity is that individual transactions today are (Inaudible) using apps. (Inaudible). If you look at what's happening in the world today (Inaudible). Apps to make transactions simpler. (Inaudible).

Platform which is app based in order to transact their businesses. This is a very real possibility. If you are fortunate to have a (Inaudible) the very first thing is how (Inaudible) eCommerce or how it will be possible. (Inaudible). So maybe this would be better online.

(Inaudible)

Some close to 30,000 people have come on to that platform as sellers. (Inaudible) understand English. So that means (Inaudible). One platform or the other and would be better accessed using the Web site.

So this is a picture of what the situation is in India. (Inaudible). The small enterprise is better because (Inaudible) access. They have English knowledge. They have (Inaudible). A really big challenge that India faces is how to bring people (Inaudible) into the sector using the Internet, and that's what I want to share today.

>> RAJNESH SINGH: Thank you, David. And thank you for staying with us through all the issues we had. You made some great comments as well.

So we have about 15 minutes left for the session, and I have motivation to end on time because I have a plane to catch, but if you guys want to continue after ward into your coffee break, I will let the room decide, but I will, unfortunately, need to go.

So with 15 minutes left, I'd like to call on our audience and other participants in the room to please join the conversation. Does anyone have any comments to make or introductions to make, ask any questions of the speakers?

Yes, please.

>> I was just wondering. A lot of examples for (Inaudible) -- kind of like specific to (Inaudible) or initiatives that you are doing for women, or why is it that a lot of the examples I saw were women entrepreneurs? Why is it, basically?

>> RAJNESH SINGH: So usually the question is why aren't the women doing anything, so this is quite the opposite here. Yeah.

So I'll ask our panelists, does anyone have any thoughts on that? Why is it that more women seem to be highlighted in all these initiatives? And you are all ladies.

>> ELLEN STRICKLAND: I can't say that there's a definitive answer, but I think there's been a lot of energy put in to addressing structural inequalities biased against women and trying to bring them in.

>> RAJNESH SINGH: Something is working at least somewhere if we are seeing these women. At ISOC we have a program where we try to have an empowerment program for women.

Yes, sir.

>> Thanks, Rajnesh. I have a question for Noelle. I remember last year in Macau, there was a speaker from the Philippines (Inaudible) presenting on developing countries -- (Inaudible) networks across the country. (Inaudible). But I was reminded of that when you said in your presentation that it's important for SMEs to improve their digital literacy and their financial literacy. That struck me. And I remembered a presentation last year. I wonder if -- it seemed to me that her presentation was about the application of or the implementation of telecenters in small and rural areas in the Philippines. And it seemed to me that telecenters are ideal places for those people you

were talking about to go on and do classes to get digital literacy and financial literacy.

Do you have any comment on that?

>> NOELLE DE GUZMAN: So the program is called Tech 4 Ed, and it's being rolled out. It has been -- the development obviously has limited budget for it, but yes, what they are trying to do, they have a platform in place wherein they are trying to put all these services together, not just for entrepreneurship, but you know, public services like getting passports, filing your tax accounts, and I think if I am not mistaken, since that platform was launched, there's been maybe, I don't know, maybe 500 people joining every month or so, or more, so these are users from.

From what I know, what they are trying -- I am not sure what is happening on the telecenter side, but because the budget for that program I think is mainly on building the platform, and then there's also free wi-fi component of it. When it comes to actually building the telecenters, that has not been discussed very broadly, although the idea is there. But what I know is happening is that they are converting Internet cafes into online service centers. So there are Internet cafes that are being opened up. They are working with Internet cafe associations, so to speak, and Internet cafe owners to open up these Internet cafes to provide digital literacy services, to provide -- well, online services in general, and to also have the people who manage these cafes, to have them help people do their business online using these. But, of course, they are not free. So that's being done, that's being started with, at the moment, three Internet cafes. Well, let's see where it goes.

But there's a new -- there's now a new department of ICT that will bring -- that will hopefully bring together most of these initiatives under one roof; whereas, before, it's a bit disparate, but that is under formation at the moment. So let's see where it goes.

>> RAJNESH SINGH: Yes.

>> Thank you. I thought it was very encouraging to hear, like how women were actually being used well, I don't know if they were used specifically as examples, but it was really encouraging to see.

I might have mentioned in a recent session, I was just recently involved in a gender equality project, and there are two issues. One is domestic violence, which was raised at the other one, but the second was women's empowerment. It was actually encouraging women's empowerment, economic empowerment, and the reason being that in the Pacific -- and Australia has just put in about (Inaudible) million dollars over a certain number of years, so it's quite a significant amount of it is to encourage governments to be looking at enabling women to access funds.

One of the things that we found in the Cook Islands is that women can (Inaudible) through inheritance, so like a family traditional inheritance, but if they were married and they went to the bank to

try to get money, it was the husband who actually had to go and sign the papers. So even though the women actually owned the land, it was -- the bank would only accept the husband. So it was one of the things that we actually had to highlight to be looking at legislative changes in regards -- and also working in banks so that women could actually access funds. And there's a little drive as well. This is pretty consistent, I think, across the Pacific because Cook Islands and (Inaudible) who were involved in this project, sorts of objectives. So it's that sort of -- those are the issues, and you know, it would be really good to see one day that we have similar sort of program sort of operating within the Pacific as well. Thanks.

>> RAJNESH SINGH: Any other?

>> Very good presentations, everyone.

I just had a very general question. For eCommerce generally, are there any observations about whether it's better for these micro-entrepreneurs, these entrepreneurs, to work as a provider of, through eCommerce, products or services? I was just wondering generally which category is generally easier or what are the advantages or disadvantages of either category?

>> RAJNESH SINGH: That's an interesting question. Would nipi like to address that while I try and think as well? Well, let me have an attempt at it. I think it would probably depend on what the circumstances were, what is it they were selling and what the market needs were. So for example, in Australia, trade is -- trades people, plumbers, painters, electricians, and so on, they would obviously provide services. However, but I don't see that mean people around me going online to look for these people. We still call them or go to a shop.

For goods, I think for a long time there's been this thinking that, particularly if you look at a lot of rural areas where there's handicrafts made, so on and so forth, there's a (Inaudible). However, I am not convinced it's worked out the way people have envisioned it would work out. I've seen lots of Web sites. There's the big story of get out the middleman, you go to the creator rather than the middle person in the chain who take it to market.

I think there are probably some examples where that has worked, but I am not entirely convinced that it's a holistic thing where everything works fine and all these creators are making far much more money. There are reasons for it. One is how do you advertise the product or service you have? There is so much information on the Internet. Yes, you can use search engines, but if you look for something, if that engine indexed the page, it would show up on the page. Search optimization issues as well. It may be a great product at a great price, but it's probably 1,000 pages deep, and it will never get to the first five or so pages which people normally get to.

So I think the concept has been great, but I am not so sure the execution and the end result has really been there. And I see this

in South Asia in particular where I have been working with some programs which try and highlight these. And then time and time again, I see the same issue there.

The other problem is the payment system. It's not payments, I'll call it micropayments. All these goods are very cheap, if you will, looking at a couple of dollars U.S. at best. But when the transaction cost is a few dollars, you are selling something for \$5, this does not make economic sense. We really need to fix this micropayment thing. And particularly if you want people from overseas to buy things, then the banks come in and say we take another (Inaudible) we have to do a telegraphic transfer. And then it gets into the country, there's another \$5 or \$10 that the bank will take because that's their local agent fees they need to take off as well. So payments I think are a big barrier -- or micropayments, let me say -- are a big barrier to succeed at the global level. The local level I think there are ways around that, but globally I think that's a problem.

>> RAJNESH SINGH: Yes, Maureen, please.

>> The issue with exchanging banks, it's really difficult for Pacific businesses to select (Inaudible) Pacific banks aren't accepted by organizations like PayPal. A lot of people, like you would like to set up something with PayPal, anybody else can buy through PayPal except if you work for a Pacific bank. Because they are not accepted.

>> RAJNESH SINGH: As well I believe in other regions. Any other thoughts or comments?

>> There's a comment from one of our remote participants. I am not quite sure what this means, so if you might make another comment to clarify. But he says making India and MSMEs in defense/innovation skill development, smart Andhra Pradesh villages is true Asian commerce for SMEs and MSMEs.

If you would like to elaborate on that, then please feel free to do so. Thank you.

>> RAJNESH SINGH: So the next person speak, or is it text driven? So we will see if there's some response that comes back from Mr. Raju.

Any other questions or comments that anyone would like to share, some issues?

One question I have for all of you is where do you think MSMEs lie within the prioritization in terms of the government? Because there is something I said and others said before, there are ministries and departments that seem to be focused on MSMEs, but some will say they are really tied with registered businesses in her example. But (Inaudible) quite large. In the Pacific islands, for example, in the villages of South Asia, Southeast Asia, same thing. How do you address that? Yes?

>> Sorry, I didn't mean to interrupt you.

>> It's good you did. I am going to sign off because I need to get a plane, so before you start, thank you very much. I apologize, I need to leave now. I will hand over to Noelle. Thank you very much

for attending. So please, continue.

>> So my comment is in regards to the question of products and services and what you were saying. In the case of Afghanistan, two challenges identified here were the electronic payment system and also the legislature for electronic transactions. So in the absence of that, services industry could not (Inaudible) on eCommerce. I have seen in the past couple months that there are three or four online Web sites for cash-on-delivery services. It's products -- services. Yeah, it's product-based services, it delivers products to customers in the absence of electronic payment, in the absence of electronic transaction legislature. And it has kind of worked out because our postal service is a complete disaster, but still people are making efforts and in terms of making alternate methods, that has kinds of worked out in Dubai with a Web site that is pretty popular in Dubai, and people have kind of copied that, and it's booming and working out.

So the challenges that already identify and you have seen that in my country are the electronic payment system and also the electronic transaction legislature. Thank you.

>> NOELLE DE GUZMAN: Thank you.

>> I would like to share the cases in Taiwan. As you know, Taiwan is a country made up of over 70% of the population is from my row-SMEs, and actually, for the online payments, we, of course, people can use their credit card, but thanks to the very convenient convenience store chains around Taiwan, for example, like 7-Eleven, we have over 2,000 stores across the island. So people don't really need to pay using their credit card instead. Instead of that, they can just pay at the convenience store. So that is a really powerful channel for people to use online shopping.

And also thanks to the social media, many people they are using like, you know, Facebook, like line. It's very popular used in Taiwan that they make small businesses to sell maybe some products, handicraft, or something like that. So that's pretty friendly, I would say, to encourage people to start their business and make, you know, some living here.

>> (Inaudible). -- buy things online, you don't pay anything at all, and there is (Inaudible) and then you can pay it. However, (Inaudible). It costs more money for you to ship. If the buyer (Inaudible).

>> NOELLE DE GUZMAN: I think several other countries -- we are doing that in the Philippines as well because there really isn't a big credit card market. So, obviously, sellers would have to adapt to what the market can afford.

Are there any more questions or comments?

Okay. As we are also running late on this session, I would like to thank the panelists and also the participants for staying and for listening and for participating as well. Thank you very much for staying. I realize this is the last session, and you may want to,

you know, get some other business done after this if you are not staying for the closing, so thank you very much for persevering. Thank you.
(Applause)

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