Examining the Economic Impact of Data Flow Barriers: Thailand’s Experience

Submitted by: Thailand
APEC CTI Workshop
Examining the Economic Impact of Data Flow Barriers: Thailand’s Experience

13 October 2021 (EDT)

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Volume of data created, captured, copied and consumed worldwide from 2010-2025

To meet the envisaged Thailand 4.0 Strategy, Thailand realises that data sharing is a key component to achieve a data-driven economy.

Source: Statista 2021
**Key Economic Impacts of ASEAN economy**

**Data** is key to every ASEAN growing unicorns.

- 96% of firms are SMEs
- 82% cost reduction by using digital tools
- SMEs contribute to 62% of domestic labor force
- 42% of total exports are from SMEs

Digital integration in ASEAN will add **US $1 trillion** more to the GDP by 2025

SMEs export cost saved over **US $339 billion** in export: Thailand, China, India, and Korea using digital tools

Top benefits realised through the use of data worldwide in 2019

- Improved productivity: 64%
- Faster decision making: 56%
- Better financial performance: 51%
- New product creation: 46%
- Improved customer retention: 46%
- Improved customer experience: 44%
- Competitive advantage: 43%

Source: Statista, worldwide; 2019; 500 respondents; business intelligence and analytics professionals
Most common mechanisms for companies transferring personal data outside EU in 2020

Mechanisms used
Most common mechanisms for companies transferring personal data outside EU in 2020

- Policy-based additional safeguards: 45%
- Contract-based safeguards: 53%
- Technical-based safeguards: 50%
- Standard contractual clauses (SCC): 75%

Additional safeguards: 20% Binding corporate rules, 19% Adequacy, 19% Consent, 4% Privacy shield (under renegotiation)

Source: IAPP; EY; 2020; 473 respondents; privacy experts; Online survey
<table>
<thead>
<tr>
<th>Economy</th>
<th>Personal data protection regulation</th>
<th>Cross-border data transfer grounds</th>
<th>Regulator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>Comprehensive</td>
<td>Adequacy protection level of destination economy, consent, contracts, appropriate safeguards, vital interests.</td>
<td>Ministry of information, culture, and communication (MIC)</td>
</tr>
<tr>
<td>The Philippines</td>
<td>Comprehensive</td>
<td>Accountability is placed to a data controller to ensure contracts or other means that provide a comparable protection level.</td>
<td>National privacy commission (NPC)</td>
</tr>
<tr>
<td>Singapore</td>
<td>Comprehensive</td>
<td>Comparable protection level of destination economy, consent, contracts, binding corporate rules (BCRs)</td>
<td>Personal data protection commission (PDPC)</td>
</tr>
<tr>
<td>Thailand</td>
<td>Comprehensive</td>
<td>Adequacy protection level of destination economy, consent, contracts, legal obligation, important public task, vital interests.</td>
<td>Office of Personal Data Protection Committee</td>
</tr>
<tr>
<td>Indonesia</td>
<td>In process: drafting comprehensive data protection law</td>
<td>Most likely to adhere to the same standards as other AMS data protection law</td>
<td>Ministry of communication and informatics (MOCI)</td>
</tr>
</tbody>
</table>

**Common tools:** Contracts for cross-border data sharing
Thailand’s Data Sharing Strategy: Standardisation

Global and Regional Standards

- The OECD Guidelines on the Protection of Privacy and Transborder Flows of Personal Data
- GDPR – Standard Contractual Clauses and Adequacy Requirements
- ASEAN Cross-Border Data Flows (CBDF) Mechanism (Model Contractual Clauses/Certification) & APEC CBPR Certification scheme

Domestic regulations to resonate with global standards

- Thailand’s Personal Data Protection Act –PDPA (to be enforced on 1 June 2022)
- Sub-regulations and guidelines under PDPA to facilitate cross-border data transfer
- Learn from follow AMS-Singapore (Trusted Data Sharing Framework) and The Philippines (Guidelines on Data Sharing Agreements)
Thailand’s Data Sharing Strategy: Standardisation

Two approaches:

Make domestic regulations resonate with ASEAN standards

- Draft regulations on Cross-Border Data Transfer Mechanism
- Draft regulations on standard and certification & international cooperation
- Both drafts are undergoing public hearing between Q2-3 2021: expected completion Dec 2021
- The complete drafts are expected to resonate with the principles of ASEAN’s MCC to be a tool to share data
- PDPC also has power to prescribe further rules regarding cross-border data sharing (e.g. certification)

Capacity building

- To ensure that people and organizations can reap benefits of data sharing by using data transfer tools (MCCs and other mechanisms)
Thank you

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