



**Asia-Pacific
Economic Cooperation**

2021/CTI/TPD3/003

Examining Economic Impact of Data Flows and Restrictions

Submitted by: Access Partnership



**APEC Digital Trade Policy Dialogue
14 October 2021**

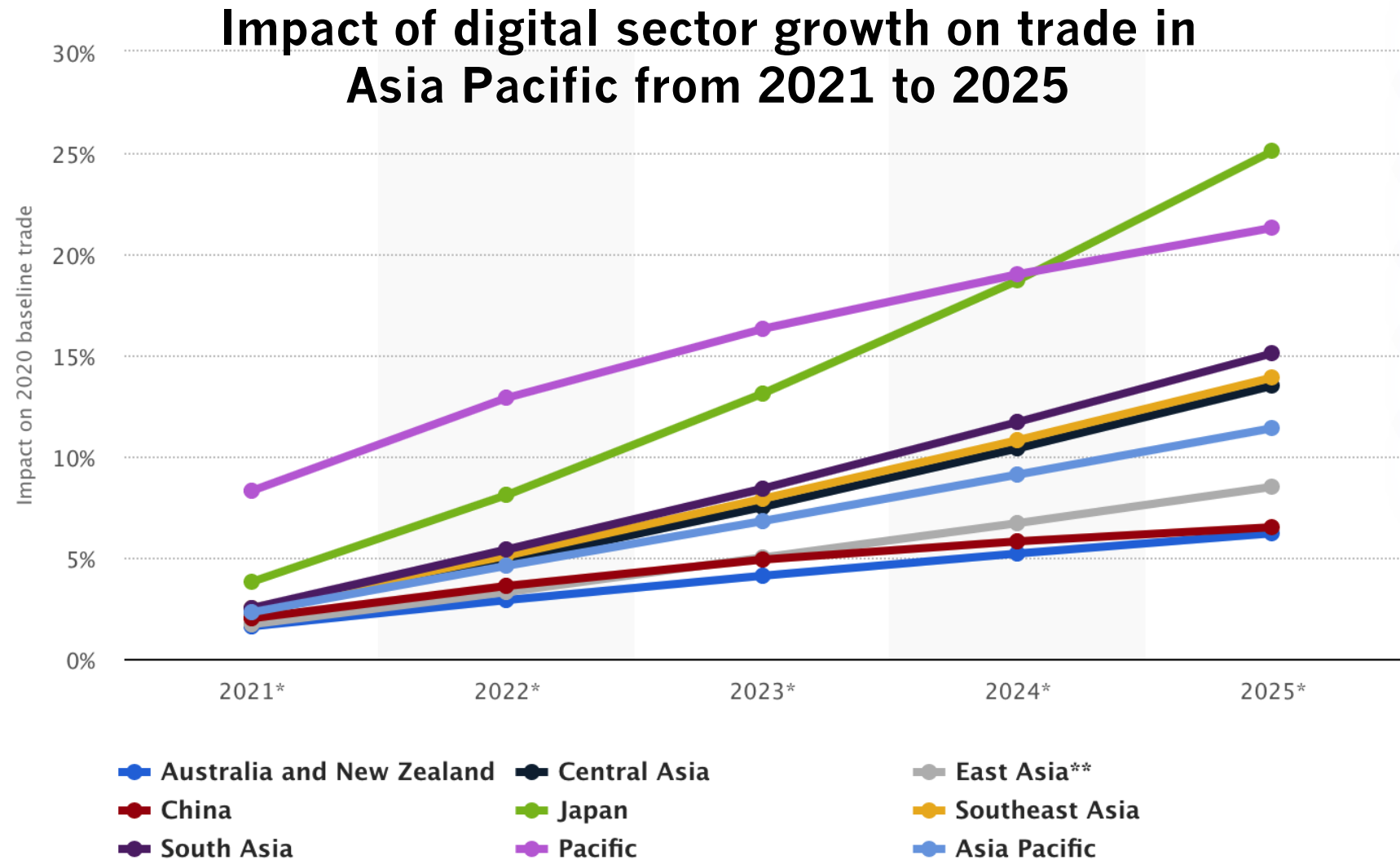
Examining Economic Impact of Data Flows and Restrictions

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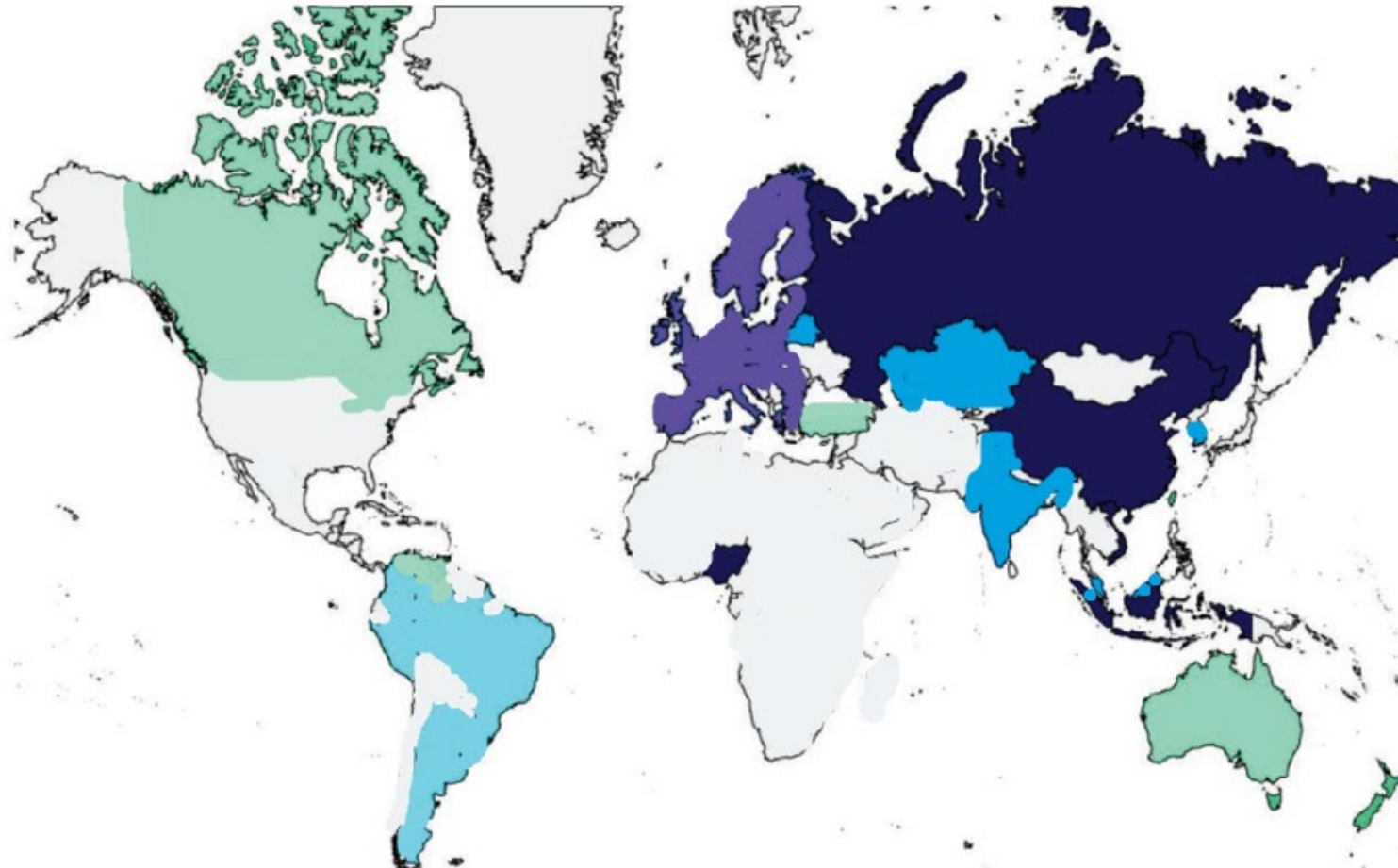
Grace Gown, Head of Global Government
Advisory, Access Partnership



Digital is booming and Covid-19 has accelerated this



But this growth has resulted in a regulation paradox



LEGEND	STRENGTH OF MEASURES
	Strong: Explicit requirements that data must be stored on servers within the economy.
	De Facto: Laws that create such large barriers to the transfer of data across borders that they effectively act as data localization requirements
	Partial: Wide range of measures, including regulations applying only to certain domain names and regulations requiring the consent of an individual before data about them is transferred internationally.
	Mild: Restrictions on international data transfers under certain conditions.
	Sector-specific: Tailored to specific sectors, including healthcare, telecom, finance, and domestic security.
	None: No known data localization laws.

But how do we measure?



**Lack of
standard
nomenclature**



**Limited scope
of data**



**Nature of
cross-border
data flows**

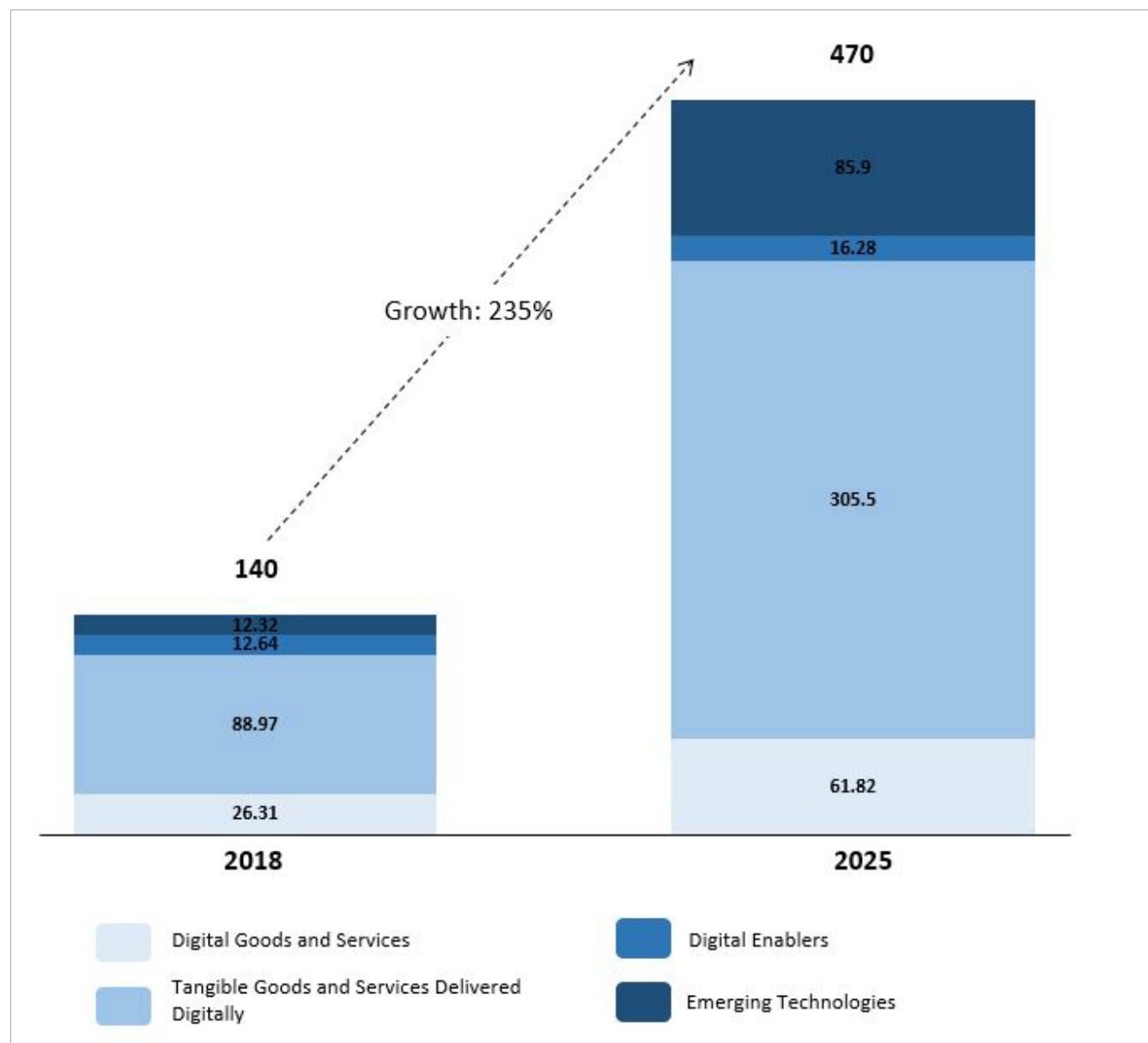
Firstly, what do we mean by digital trade?

Digital goods and services	Digital delivery of tangible goods and services	Digital enablers of trade	Emerging transformative digital technologies
<ul style="list-style-type: none">• Digital goods that are stored, delivered, and used in electronic format• Digital services that are delivered via the Internet (and typically accessed via platforms or email), or an electronic network	<ul style="list-style-type: none">• Delivery and purchase of a product can be online/via a digital platform (either fully or in part), but the good or service is consumed physically	<ul style="list-style-type: none">• Hard and soft infrastructure, (cables and wires, platforms and devices) to regulations that protect data and IT systems which support digital trade transactions• Facilitate trade ‘invisibly’ to provide greater efficiencies, security, transparency, and traceability (auditability) for transactions	<ul style="list-style-type: none">• Technologies that are transforming, or have the potential to transform aspects of trade practices

Examples of digital trade

Digital goods and services	Digital delivery of tangible goods and services	Digital enablers of trade	Emerging transformative digital technologies
<ul style="list-style-type: none"> • Data management and analysis • Email and electronic messaging • Apps and software • Social media • Video telephony services • Cloud-based productivity services, back-office services or white-label digital goods or services 	<ul style="list-style-type: none"> • Online travel booking services • Online banking • eBooks • Online standardised testing • Entertainment content • Photographs and other crafts or artwork have digital corollaries • Access to education (including (MOOCs)) • Access to healthcare • Ride hailing/hospitality online platforms • Online shopping and online marketplace networks 	<ul style="list-style-type: none"> • Telecommunications including wireless and 5G • Digital Identity • Cybersecurity • Privacy/Data Protection • Digital payment systems • Blockchain distributed ledger technologies (DLT) • Logistics and supply chain managed with electronic manifests and bills of lading, RFID • Customs controls and port security enhanced with RFID and goods tracking from source to distributor 	<ul style="list-style-type: none"> • Artificial Intelligence (AI) • Internet of Things (IoT, digitally enabled and connected devices) • Distributed ledger technologies (blockchain) • Additive manufacturing and 3D printing

Australia's Digital Trade Growth (2018 and 2025)



AUSTRALIA

2.4% volume increase



Gross output

1% growth



Productivity

0.5% reduction



Price

INDONESIA

7.8% volume decrease

3.2% reduction

1.6% increase

By 2025, we expect to see a range of economic impacts (cost savings, productivity, market access)



Digitally geared jobs

Increase to 5mn from an estimated 2.1mn in 2018



Digital identity

Provide benefits of AUD75.8bn to individuals and businesses



Cybersecurity

Contribute AUD2.9bn to economy



Digital finance

Cross-border payments provide SME exporters AUD21.9mn in savings



E-invoicing

Produce AUD18.3mn cost savings for merchandise exporters



Customs

Digitalisation provides AUD369mn savings for cargo shipping

Where to from here?



**Digital trade
rules
enablement**



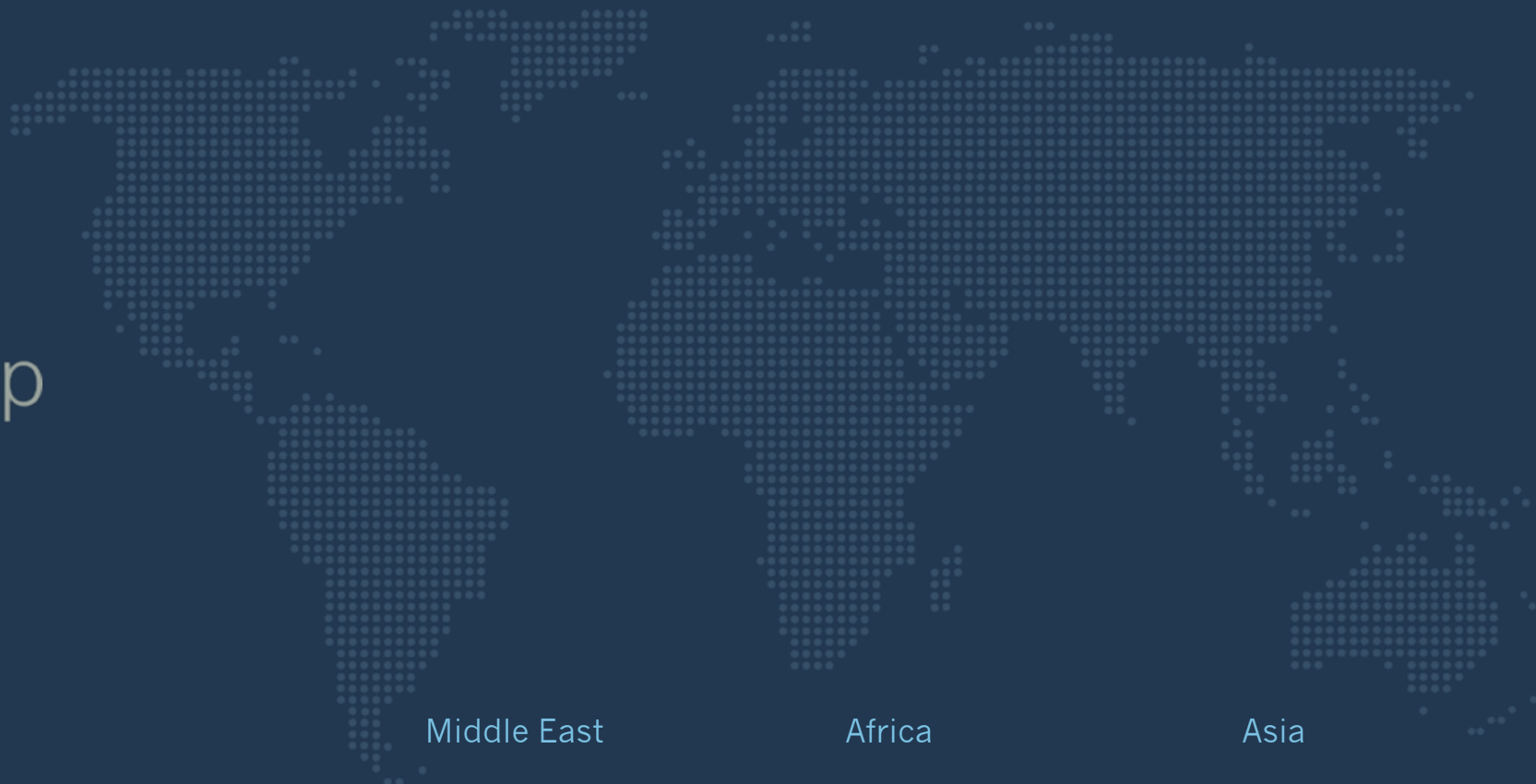
**Consensus on
key definitions
and concepts**



**Coverage and
quality of
statistics**



Access
Partnership



North America

Washington DC

Suite 512
1730 Rhode Island Ave N.W.
Washington DC 20036
USA

Tel: +1 202 503 1570
Fax: +1 202 223 2009

Europe

London

9th Floor, Southside
105 Victoria Street
London, SW1E 6QT
UK

Tel: +44 (0) 20 8600 0630
Fax: +44 (0) 20 8748 8572

Brussels

Square de Meeûs 37
4th Floor
B-1000 Brussels
Belgium

T: +32 (0)2 791 79 50
F: +32 (0)2 535 77 00

Middle East

Abu Dhabi

Al Wahda City Tower, 20th Floor
Hazaa Bin Zayed The First Street
PO Box 127432
Abu Dhabi, UAE

Tel: +971 2 815 7811
Fax: +971 2 815 7888

Africa

Dakar

Mermoz Extension, Lot 12, N 05
BP: 45680 Dakar –Fann,
Senegal

Tel: +221 33 827 52 54
Fax: +221 33 827 52 55

Asia

Singapore

63 Chulia Street #15-01
OCBC Centre East
Singapore 049514

Tel: +65 9145 6137