DIGITAL ECONOMY / ICT COMMITEE

Background about Digital Economy

The Digital Economy grows in two ways:

(i)   By the digitization of processes, services and products which have evolved from an analogue or off-line state, or have new digital equivalents

(ii)   By the entry of 'native' digital services, products or processes.

The concept of the Digital Economy shows how reliance on telecoms infrastructure and a well-structured, well-functioning services sector (including telecoms) are essential to making a digital economy work.

'Digitisation' or 'Digitalisation' refers to the transformation from older analogue or off-line standard business procedures and capabilities to a state relying on the use of data, platforms and tools which are typically connected (on line). This change needs to occur at four levels: personal, company, industry and economy-wide. The Thailand 4.0 vision and objectives (being a national interpretation of the 4 IR – or Fourth Industrial Revolution concept), requires digitalization. Broadly we talk of Being Digital.

Innovation must be given every support and opportunity to flourish and take hold. Technology is theoretical unless value-adding solutions can be developed and implemented.

Much is made of Thailand's central location in S E Asia. This is valuable for goods trade (assuming some of the friction can be lessened). But a digital hub status belongs to an economy with an innovative, well-structured telecoms sector, drive for digitalisation and innovation in all areas (public and private) and in particular digital government.

What is the Digital Economy? (definition developed by JFCCT/EABC in 2015 and refreshed 2019)

> **The 'digital economy' is all economic activity mediated by software and enabled by telecoms infrastructure.**
>
> This includes core telecoms services such as **voice**, **messaging, data,** and **video**.
>
> The goods and services within the digital economy (whether used via consumer, business, government, civil society or wholesale deployment and whether delivered Machine-to-Machine, Machine-to-Person or Person-to-Person) can be broadly grouped as:
>
> > **intrinsically digital** – streaming video, eBooks, computing services, Software-as-a-Service, social media, Internet of Things, Artificial Intelligence, Machine Learning, Virtual Reality services, games, various intelligent uses of Data to create value,
> >
> > **substitutes for established equipment and services** – virtual private communications networks, security services, virtualised PBXs, Platform-as-a-Service and services delivered on-line (e.g. accounting / other business processes, graphic design, software development, data analytics, knowledge-based outsourcing, eCommerce, banking and financial services, on-line payments, telemedicine; industry and home automation),
> >
> > **marketing, sale, logistics, etc. of physical goods** – (e.g. Amazon, eBay, Alibaba, Tarad.com, Lazada, Shoppee),
> >
> > **marketing and sale of services** which are not delivered on line (eg air services, taxi services, hotel bookings.
>
> Digital Economy is the means of enabling everyone's participation in and interaction with social and economic enterprise, and also includes the role played by governments in developing infrastructure and services

Seeking to make MSM the standard for all aspects of on-line governance

There is no single law, no one national or global body covering all types of engagement in on-line governance, rather there are many. See chart below (own creation)

Governance style varies by the subject matter area regulated.

We aim to see Multi-Stakeholder Model governance, on Rule of Law principles, for all types of governance in the on-line world.

For example when it comes to IPRs, stakeholders are rights holders, intermediaries, end users/buyers/customers and government (which itself may have more than one role). In Cybersecurity, private property may be designated as Critical Information Infrastructure, but there may not be any private sector representatives on the rule or policy making body. Domain names operate closer to MSM principles.

Sample Topic	TH/Other Regulatory cover – indicative
Privacy	GDPR (where relevant) PDPA from 31 May 2021; Topic specific – eg Financial records, Medical records
General internet use	Computer Crimes Act, other;
Data	Computer Crimes Act, PDPA, ASEAN instruments, GATS
Cybersecurity	Cybersecurity Act
Banking & Financial Services	Payment Systems Act, myriad of regulations
Telecomms	Frequency Act (NBTC Act); GATS Telecoms Chapter; other
eCommerce	eCommerce Act, see also EU Directive, VCPs (MoUs); Cross border also addressed in FTAs. Digital Taxes – proposed e Commerce tax (OECD co-ordination desired)
The Truth	Fake News Centre** also relevant: Defamation law
Electronic Meetings	Elegant solution in 18 April 2020 Decree BUT for technical baggage both in new Decree and old 2014 regulation (which is to be updated)
Authorisations	Electronic Transactions Act
IPRs	Computer Crimes Act (2017 Amends); Copyright Act with proposed amends
Domain Names	ICANN and related

Digital Economy works in Layers

The Digital Economy works in three layers. Descriptions of these may vary. We see it like this - the descriptions build up from bottom to top:

    3. Applications and Digital Services
    2. Operating and Support Systems, Digital Governance
    1. Infrastructure (soft and hard)

Applications and Digital Services:
Individual consumer end-user, business, government, group/organization
B2C, P2P, G2C, B2B, M2P, M2M etc.

Operating and support systems, Digital Governance:
Facilitative and supporting policies and regulation;
Platforms to support eCommerce, payments, information, services,
Data Privacy and Cross border; Cybersecurity, digital government; other enabling factors.

Infrastructure (soft and hard)
Networks, backbone, backhaul, last mile, spectrum.
Properly structured and regulated telecoms sector underpins the Digital Economy.

B. What's in each layer of the Digital Economy?

1. Infrastructure

Infrastructure (soft and hard)
Networks, backbone, backhaul, last mile, spectrum.
Properly structured and regulated telecoms sector underpins the Digital Economy.

- Telecoms soft and hard infrastructure
- Spectrum
- 5G
- Wholesale market
- International Gateways
- Foreign equity and market access
- MVNOs
- SME policy
- An independent regulator - NBTC

2. Operating and Support Systems; Digital Governance

> **Operating and support systems, Digital Governance:**
> Facilitative and supporting policies and regulation;
> Platforms to support eCommerce, payments, information, services,
> Data Privacy and Cross border; Cybersecurity, digital government; other enabling factors.

- Trusted Internet concept
- Data Governance, Data Management
- Smart Cities
- Data Privacy – Personal Data Protection Act / GDPR
- Cybersecurity
- Digital Broadcasting
- Domain names
- Treaties with Digital elements
- eCommerce
- eCommerce Tax
- ePayments
- Digital Government - whole-of-government /SSO approach
- Fake News
- Skills in the Digital Economy/ Digital Literacy
- Work Permit / Visa
- IPR – software piracy; responsibility of on-line intermediary service providers (ISPs)
- Procurement / Corruption

3. Applications and Digital Services

> **Applications and Digital Services:**
> Individual consumer end-user, business, government, group/organization
> B2C, P2P, G2C, B2B, M2P, M2M etc.

- Fintech and other new tech / IT Start Ups
- eCommerce / ePayments
- Digital dispute resolution
- Telemedicine / Remote diagnostics
- Digital Assets
- Various Digital Government apps and engagement
- COVID 19 tracing apps