**Intervention by Mr. Khoun Virak**

**DDG for International Trade, Ministry of Commerce**

“E-commerce Development and Ecosystem in Cambodia”

08th June 2022, Mongolia @2:30pm (PP time)

**Excellencies, ladies and gentlemen!**

On behalf of Ministry of Commerce of Cambodia, I am honour to be invited to attend this session to share Cambodian experience on e-commerce development and ecosystem.

We are living in digital era where digital technologies provide a great potential for accelerating sustainable and inclusive development. One of the remarkable aspects is digital adoption in business in a form of e-commerce, which has become one of the fast growing sectors in digital economy and potentially a new source of growth for developing countries and LDCs. Technology diffusion from developed countries has brought rapid digital adoption in developing counties including LDCs so that they are able to leverage digital technologies in their development agenda.

Cambodia, in particular, has witnessed the rapid growth of e-commerce in the last 5 years, especially during the covid-19 pandemic. Since the starting journey of e-commerce development in 2017 with UNCTAD support in eTrade Readiness Assessment, Cambodia has made remarkable progresses, making Cambodia the top-performer country with an implementation rate of 92 per cent in the UNCTAD Second eT Readiness Implementation Review. This growth rate is the utmost efforts by the Royal Government of Cambodia together with the supports from development partners to develop digital framework and strategy in response to the fast technology evolution and the way that business is currently conducted.

However, the growth of e-commerce sector has brought opportunities as well as challenges, which require further work of the Royal Government of Cambodia to develop a conductive ecosystem with strong policy and institutional support and participation from relevant stakeholders including private sectors and development partners.

**Excellencies, ladies and gentlemen!**

I would like to brief about key milestones of e-commerce development and effort of the Royal Government of Cambodia in building a conductive e-commerce ecosystem in Cambodia, particularly Ministry of Commerce, which makes Cambodia the top-performer country in the UNCTAD Second eT Readiness Implementation Review. I can say the journey of e-commerce development in Cambodia started with the eTrade Readiness Assessment (eTrade) conducted by UNCTAD in 2017 as an initiative of the 14th Ministerial Conference of UNCTAD. Back in 2017 when e-commerce policy and legal frameworks in Cambodia were nascent, the eTReady provided a review of Cambodia’s e-commerce ecosystem along with 7 policy areas – policy and strategy, ICT Infrastructure and services, Trade logistics and facilitation, payment solution, legal and regulatory framework, skills development, and access to finance.

In addition to providing a diagnosis, the eT Ready charted a future roadmap for further growth of the e-commerce ecosystem. One of the important recommendations is to develop an E-Commerce Strategy for Cambodia, led by the Ministry of Commerce with strong participation from the private sector. Since then, policy and legal frameworks as well as various initiatives in line with the UNCTAD eTReady recommendations have been developed to support the e-commerce ecosystem in Cambodia. The E-Commerce Strategy has become a living map for all stakeholders as it contains addressing challenges, opportunities and proposed policy actions in each of the issues outlined in the strategy to boost development of the whole e-commerce ecosystem. We are now in the process of conducting implementation review and expect to have a final report in September 2023.

In terms of policy development, the Royal Government of Cambodia has identified the need for “Preparation for Digital Economy and the Forth Industrial Revolution” in the 3rd side and 2nd rectangle of the Rectangular Strategy Phase 4, which is the high-level national policy setting out government’s top priority agenda. In addition to the E-commerce Strategy, the growing importance of e-commerce in the South-East Asian nation has prompted the Government to develop a Digital Economy and Society Policy Framework 2021-2035, which sets out a long-term vision to build a vibrant digital economy and society.

With regards to legal frameworks, the Royal Government of Cambodia has been developing and amending a number of laws and regulations that are aimed at governing e-commerce activities, promoting the development of e-commerce ecosystem, and addressing potential risks related to data protection, cyber security, cybercrime, consumer protection, competition, just to name a few. Those important legislations include Law on E-commerce promulgated in November 2019, Law on Consumer Protection promulgated in October 2019, and Law on Competition promulgated in October 2021. It is noteworthy, data is an integral aspect of e-commerce, especially in data-driven economy. Hence, Cambodia has also been working on development of data policy and legal frameworks, such as drafting cybercrime law and data protection law.

In addition to the work at national level, the Royal Government of Cambodia through the Ministry of Commerce has been actively engaging in e-commerce negotiations and discussions both and regional and multilateral levels. At regional level, Cambodia is a Party of a number of regional and bilateral agreements, such as ASEAN Agreement on E-commerce, Regional Comprehensive Economic Partnership (RCEP), and Bilateral Free Trade Agreements, particularly Cambodia-China Free Trade Agreement (CCFTA), Cambodia-Korea Free Trade Agreement (CKFTA) and Cambodia-UAE Comprehensive Economic Partnership (Cambodia-UAE CEPA) in which e-commerce is mainstreamed in particular chapters. Regarding the ASEAN Agreement on E-commerce, Cambodia as the ASEAN Chair for 2022 furthers promote regional e-commerce. Under Cambodia’s 2022 ASEAN chairmanship, one of the Priority Economic Deliverables (PEDs) is ASEAN E-Commerce Trustmark Framework, which aims at promoting the growth of e-commerce, especially cross-border e-commerce in ASEAN. At the multilateral level, Cambodia has been closely following up on the progress of WTO E-commerce Joint Statement Initiative (JSI) although Cambodia has not yet been a member.

Last but not least, there are currently a few e-commerce supporting projects and initiatives in Cambodia, one of which is the Go4eCam project under the direct supervision of the Ministry of commerce, setting out activities to support the establishment of e-commerce associations, providing capacity building to SMEs and creating a national e-commerce platform called CambodiaTrade.com for SMEs to sell Cambodia-Made-Products cross-borders.

A lot has been done and more efforts are needed. The future success for Cambodia in e-commerce will require additional commitments by our Government counterparts with active participation from private sectors and prompt supports from development partners.

I wish now to conclude my remarks and I wish you a fruitful discussion and event.

Thank you.

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