



Greater Mekong Subregion Digital Economy Cooperation Initiative*

BUILDING DIGITALLY-CONNECTED GREATER MEKONG SUBREGION
ECONOMIC CORRIDORS

*Proposed by the People's Republic of China

I. Background

We, members of the Greater Mekong Subregion (GMS), appreciate that the *GMS Economic Cooperation Program Strategic Framework 2030 (GMS 2030)* emphasizes the new possibilities opened by digitalization. Digitalization is central to the efforts of the GMS to build a robust, regionally integrated economy in 2030, one that is better able to withstand a competitive external environment, fully equipped to seize new opportunities, and capable of addressing the medium- to long-term challenges of economic and social risks brought by the coronavirus disease (COVID-19) pandemic. The GMS 2030 encourages members to promote inclusive digitalization and the use of advanced technologies in all GMS Program activities and projects.

We realize that the digital economy has become one of the most important drivers to promote innovation, competitiveness, and economic growth for GMS members and the subregion. Digital economy in the GMS has great potential and broad prospects. It has an increasingly prominent role in recovery and sustainable development in the post-COVID-19 era.

We recognize that GMS members have different levels of development in their digital economy, especially regarding digital economy infrastructure. There are also large gaps in digital knowledge and skills capacity, access to digital equipment, and coverage of digital technology use.

We emphasize the need to cooperate in the digital economy under GMS Program by accelerating digital connectivity in the subregion, enhancing digital competitiveness to maximize the benefits of the Fourth Industrial Revolution, and promoting digitalization for sustainable and inclusive national and subregional economic growth.

II. Objectives

The objectives of the Digital Economy Cooperation Initiative are to:

1. Promote trade facilitation. We will encourage the promotion of cross-border e-commerce development, the streamlining of trade procedures, trade cost reduction, and wider engagement with enterprises and consumers. We will aim to release the

potential of trade digitization and fuel the transformation of traditional trade and high quality development.

2. Expedite digital connectivity. We will bridge the digital divide and improve the level of digital connectivity in the subregion by accelerating the construction of digital infrastructure, optimizing telecommunication access, and increasing broadband penetration rate.

3. Encourage digital technology innovation. We will encourage governments, enterprises, investment institutions, and research institutions to share experiences and best practices in promoting innovation and improving the transfer of innovation. Furthermore, collaboration with international organizations will be intensified to promote standard compatibility and mutual recognition in the digital field.

4. Accelerate digital finance development. We will encourage international and regional financial institutions to support major digital infrastructure investments via capital and financial public products, with the view to closing the digital divide in the subregion.

5. Improve digital inclusiveness. We will strengthen capacity building and technological assistance to cultivate digital talents and increase the participation of small and medium-sized enterprises (SMEs) and women to unleash the potential of digital technologies in eradicating

poverty and improving the well-being of people in the subregion.

6. Advance digital governance. Under the principle of equal emphasis on development and security, we will strengthen dialogue and coordination on crucial issues based on mutual interests and explore ways to enhance cooperation for information sharing on laws, regulations, standards, and policy measures, to foster an open, fair, and nondiscriminatory digital environment for businesses.

III. Areas of Cooperation

Under the Digital Economy Cooperation Initiative, areas of cooperation will include:

1. Advancing cooperation in digital sectors. We will promote the development of digital industrialization and industry digitization through innovation toward new digital models and new formats. Cooperation will be enhanced—including but not limited to “single window,” paperless clearances, e-invoices, e-payments, e-authentication, e-signatures, online payments, and consumer protection.

2. Enhancing cooperation on digital infrastructure. To address the deficit of digital infrastructure in the subregion, we will work together to formulate a list of priority projects and mobilize the resources of member governments, multilateral development institutions, and the private sector to support digital infrastructure projects on, for instance, 5G, optical fiber broadband, backbone transmission network, and data centers to advance subregional connectivity.

3. Promoting digital innovation. We will promote the development of digital software to maximize the use of existing digital hardware infrastructure. We will strengthen exchanges and cooperation in the fields of 5G, cloud computing, digital identity, big data, the Internet of Things, the Industrial Internet of Things, blockchain, and artificial intelligence, among others, to tap the potential of emerging technologies and cultivate new business models.

4. Advancing regional digital financial cooperation. International financial institutions are encouraged to coordinate with regional finance-related institutions to launch more strategic policies and innovative financing models that are conducive to the development of the digital economy.

5. Deepening cooperation on digital inclusion projects. Capacity building will be carried out vigorously to expand opportunities for SMEs and women to develop skills and improve participation in the digital economy. Technical assistance will be provided actively, and members are encouraged to share experiences and practices, to advance digital technology to help reduce poverty and inequality.

6. Strengthening cooperation on digital governance system and capabilities. Members are encouraged to strengthen communication and discussion on digital policies and international rules through policy dialogues, to jointly promote the healthy development of the digital economy along GMS economic corridors.

We emphasize the need to cooperate in the digital economy under the GMS Program by accelerating digital connectivity in the subregion, enhancing the digital competitiveness to maximize the benefits of the Fourth Industrial Revolution, and promoting digitalization for sustainable and inclusive national and subregional economic growth.

We will work together to formulate a list of priority projects and mobilize the resources of member governments, multilateral development institutions, and the private sector to support digital infrastructure projects.



IV. Next Steps

With its objectives and areas of cooperation in mind, the Digital Economy Cooperation Initiative will:

1. Carry out a research program on “Promoting the GMS Digital Economy Development,” which will investigate and analyze the current situation, opportunities, and challenges of digital economy development in the subregion and put forward suggestions and measures to accelerate the development of digital economy. Given the gap in digital infrastructure, the program will formulate a list of key projects that will be included in the GMS Regional Investment Framework, to encourage relevant governments to give priority and increase input, as well as to attract investments from multilateral and bilateral institutions and private capital.

We will strengthen exchanges and cooperation in the fields of 5G, cloud computing, digital identity, big data, the Internet of Things, the Industrial Internet of Things, blockchain, and artificial intelligence, among others, to tap the potential of emerging technologies and cultivate new business models.

2. Expand the cooperation areas of the “GMS Cross-border E-Commerce Cooperation Platform” and actively carry out GMS cross-border digital trade cooperation under the platform.

In addition to regular e-commerce cooperation, cooperation on the emerging digital economy issues shall be explored under the platform to meet the needs of members in developing the digital economy and better adapting to the trend of digital economy in the subregion.

3. Encourage related GMS working groups and task forces to start cooperation on the digital economy. Each working group or task force could develop programs according to its function, focusing on issues of common interest, such as technical assistance and capacity building, training courses, seminars, policy exchange, and experience sharing, to help policymakers improve digital governance.



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