

14/02/1998

Asean e-commerce framework proposed (HL)

Kamarul Yunus

MALAYSIA has proposed the setting up of an Asean Framework on Electronic Commerce to allow countries in the region to take advantage of the e-commerce explosion.

In making the suggestion, Prime Minister Datuk Seri Dr Mahathir Mohamad said the framework could provide a platform for a collective vision of the emerging digital marketplace and outline key issues related to the electronic age of commerce.

It could also provide the basis for discussions to facilitate the development of an Asean position to catalyse the growth of e-commerce.

Dr Mahathir said commercial transactions via the Internet already totalled US\$1.2 billion in 1996 with analysts predicting that the market would grow to US\$7.3 billion by the year 2000 and in excess of US\$186 billion by 2005.

Reiterating the Government's commitment to continued support for the development of e-commerce, Dr Mahathir said a regional initiative may be necessary to address the prevalent issues brought about by the digital economy and e-commerce.

These include finance-related matters such as customs and taxation, electronic payment systems, Internet banking and Internet stockbroking, which need to be reviewed within the context of each country's existing financial, regulatory and legal systems.

The Prime Minister said although the growth of e-commerce is essentially private sector-driven, its development has to be monitored and regulated to ensure that the right environment is created for it to flourish.

"The right approach to governance is therefore necessary to ensure that laws and policies are sensitive and responsive to technological developments," he said at the two-day Economist Roundtable on Electronic Communities in Asia in Kuala Lumpur yesterday.

The fundamental requirement for the successful take-off of e-commerce is trust and the guarantee that transactions can take place safely and securely, Dr Mahathir noted.

"This is especially true when intangible information goods and services become economic resources and products which are transmitted and transacted across borders.

"It is therefore imperative to develop a proper system of governance to manage this movement of information and knowledge-based resources," he added.

The Multimedia Super Corridor (MSC), Dr Mahathir said, has the right telecommunications infrastructure to support the growth of e-commerce.

With a high-bandwidth communications infrastructure to support the most demanding of e-commerce applications, the MSC is an ideal base for companies wanting to develop cutting-edge technologies and innovative business models to unleash the full potential of e-commerce.

He said while technology developers build tools to facilitate e-commerce, such as security software and payments systems, content developers can harness Malaysia's multiple cultures to develop localised content for the region and the world.

Apart from bringing exciting opportunities, he said e-commerce also presents many challenges, not only to a country like Malaysia, but also to all countries seeking to take the "right steps into the 21st century".

Dr Mahathir also said countries with established infrastructure to

support e-commerce in terms of human resource and service capacity, as well as market share and access will surely have an edge.

However, the opportunity to develop e-commerce also presents itself to other countries in the Asean region which are in a good position to leapfrog into the Information Age, he said.

(END)