

Distinguished guests,

Ladies and gentlemen,

Good morning,

OPENING REMARKS

1. I am pleased to welcome you this morning at this international workshop on “The Digital Economy: Potential Benefits, Challenges and Implications for Regulations”, organised in collaboration with the Vietnam Chamber of Commerce and Industry (VCCI). This event marks the launch of our “Regional Inclusive Growth Project” to be implemented in three countries: India, Philippines and Vietnam till the end of 2018.

2. But before I go into the theme of this workshop, as well as introduce our project, code-named “Diginomics-I”, let me **introduce you to CUTS and our journey over almost 35 years of existence.**

3. Few friends got together to start in 1983 as a voluntary group of like-minded individuals convening in a garage in my house in Jaipur, capital of Rajasthan state in North West India to defend the legitimate rights and interests of poor Indian consumers against unethical, unfair and unscrupulous business practices of the day. CUTS today is an international research and advocacy

group spanning several countries in Africa, Asia and Europe, working on a wide range of issues from consumer protection, competition policy and law, to trade, investment, climate change and human development.

4. Throughout these 34 years our credo has always been on “Promoting consumer sovereignty within and across borders”. Our organic growth came as a result of the realisation that the consumer needs to be economically, politically and socially empowered via diverse subjects such as international trade, competition law and policy, economic and business regulation, economic and political governance, etc.

Does this dynamic still hold true in the context of the Digital Economy?

5. Digitisation and the Internet have drastically transformed business and society in the past 15 years. The number of Internet users has risen from 0 (none) in 1995 to 3.6 billion in 2015, which means half of the world population is now connected to the Internet.

6. The “Digital Economy” has thus become the central theme of the public discourse around the world, while causing no less tension in the policy circles. Digital technology is part of our everyday life; people demand that it infuses more and more parts of their lives, and business success now depends on it. The tough question facing governments is to regulate or to

deregulate, and in the former case, where to strike the balance, so as not to stunt innovation.

7. At its core, the digital economy is about three things: Big data, advanced analytics, and the Internet of Things. And it is undeniably changing the nature of the job market, of corporate competition and corporate infrastructure. Fifteen years ago, when we spoke about big names in businesses, we count oil companies, car manufacturers, retail chains, airlines, consumer goods producers, etc. Nowadays, when we talk about corporate giants, it is Apple, Google, Amazon, Alibaba, Facebook, Uber, etc that come to our mind. These companies are part of a small yet influential cadre of companies that constitute the cutting-edge of digital advancement. In a sense they have spearheaded digitalisation.

8. The benefits accrued to consumers and the society at large are countless: traditional market frictions are minimized, knowledge and information is easily and instantly available at the finger tip. Not only we save money, but also time, and in many cases, time even matters more. And our comfort is greatly enhanced. There are also stories about how big data saves lives, or computer algorithms being mobilized to help in public health crises. Education goes online, becomes a personalized experience, and most importantly is free, or could be done with very low charges.

9. On the business side, a growing number of companies have used digital technologies to revamp their operations in order to manage complexity and improve efficiency. Retail companies in particular are at the frontier of operational makeovers. Database management systems, client-server platforms, and enterprise planning software constitute the first order of digital innovation in the retail sector. This has given way to computerized management tools for inventory and delivery technology. The height of this technology is real-time monitoring sensors, data-retrieval from sensors, and customer-employee feedback.

10. E-commerce typifies these advancements and puts them in the hands of customers and sellers alike. Amazon, for example, was conceived as a fully digital retailer. To date it is at the cutting edge of e-commerce. Amazon has pioneered predictive algorithmic technology, digitized logistics, and automated delivery robotics that suffuse the entire retail industry.

11. Of course, there are concerns. To name a few: cyber security, data and privacy breaches, behavioural discrimination and manipulation, lack of liability, job losses, etc. Some have even talked about the possibilities of computers and algorithms colluding without the knowledge of the companies and the CEOs, ripping off consumers. And obviously there would be protests and cries by traditional, conventional businesses who get displaced.

12. In a nutshell, in this digital economy, data is the new oil. Therefore, what data is being collected and analysed, to what use these digital assets are being put, who has ownership over data, how data is being protected, etc become issues of prime importance. The consumers need to be, and ought to be empowered to be in the driver's seat; whereas the role of new-age business is to cater to the demands and preferences of the digital consumers; while governments be an enabler, if the huge potentials of the digital economy are to be fully reaped.

All these bring us to the CUTS Diginomics-I project

13. Despite these obvious and potentially huge benefits, let us not forget, when we say that half of the world population is now connected to the Internet, we are also saying that the other half is still not part of this Global, Digital Economy because of lack of Internet access. In India, Vietnam and Philippines, the digitally excluded population amounts to 65.6%, 48.6% and 48% respectively. Progressive measures are required by the governments to capacitate consumers and making them adept in realising and utilising the benefits of digital tools and platforms, apart from enhancing affordability and accessibility. The governments should also facilitate the producers to innovate and provide services to consumers.

14. This project by CUTS International, to be implemented in these three countries till the end of 2018, is meant to highlight

the need to strengthen the digital economy while focusing on three key actors, Government, Producers and Consumers with deeper emphasis on Consumers. Towards this end, best practices from across sectors and geographies, to showcase the benefits to the consumers, associated with digital platforms, will be highlighted; whereas bottlenecks and barriers to the growth of the digital economy in each project country will be identified, through a rigorous and participative research process.

15. In order to capacitate consumers on optimally using the digital tools and platforms, to their benefit, the programme envisages to build Massive Open Online Courses (MOOC). The MOOC will be available on both, the website and the mobile (Android) platform. The entire programme is envisaged to strengthen the framework for the digital economy as well as improving digital literacy and empowerment of individuals, especially in fields of financial literacy, economic empowerment, education and health.

This workshop marks the launch of the project in Vietnam, following a similar event conducted in India in early August, and to be followed by one in The Philippines in October.

16. The two following sessions, one on the Potential Benefits and Challenges of the Digital Economy, and one on the New-Age Regulatory Framework, are also the central themes of our project as I have just outlined to you. We mean to pick your

brain, get your suggestions and recommendations about which case studies to study, which sectors to investigate, who to talk to, which issue to highlight, etc.

17. In this august meeting today, we have with us not only the project partners from India, Philippines and Vietnam, but also quite a number of stakeholders from other countries in the region: government agencies, intergovernmental organisations, businesses, consumers, and media from Thailand, Singapore, Malaysia, etc.

18. I believe this would mark the successful beginning of a highly interesting, at the same time challenging and rewarding, project for us. I trust you all would enjoy the ensuing discussions and deliberations and look forward to further cooperation in the future.

Thank you.