

As a part of its continuing drive to promote the use of information and communication technologies for enhancing productivity and improving the quality of life, the APO organized a symposium on Global Sourcing through Electronic Commerce in Seoul, Republic of Korea, 12-15 March 2002. The meeting was inaugurated by the Chairman and CEO of the Korean Productivity Center, Mr. Hee-Beom Lee. He is also the APO Director for the Republic of Korea.

The symposium discussed the various ways in which business corporations in APO member countries could improve their productivity and competitiveness through e-commerce. It also identified a number of issues and pitfalls that may hinder its effectiveness.

Global sourcing of parts and materials through e-commerce is a new strategic option for many companies in Asia and the Pacific. The meeting noted that Asian-based global sourcing dot.com enterprises fulfill two important functions, namely, 1) serving as e-gateways or focal points through which enterprises could conduct e-business with the global market; and 2) providing an e-platform or third-party e-market through which buyers and sellers could interact. At present, the number of Asian-based companies providing such services is quite small.

Among the benefits e-commerce brings to a business are the possibility

of obtaining foreign currencies, reducing the cost of doing business, and faster processing of transactions, to name only a few. As confidence in e-commerce increases, its usage is expected to expand rapidly. Some APO member countries, however, may not be able to reap the full benefits of e-commerce immediately because of constraints like slow and insufficient infrastructure development, inadequate legal and security provisions, low level of Internet penetration among the general population, restrictive financial regulations, and limited access to or use of credit cards.

To harness the benefits of global sourcing through e-commerce fully, symposium participants suggested the following measures to be undertaken by the government:

- 1) Give development of IT high-priority status;
- 2) Enact appropriate laws, rules, and regulations to ensure the security of e-transactions;
- 3) Develop standards for conducting e-commerce; and
- 4) Prepare all stakeholders for an early, competitive start in embarking on e-commerce. 