IT Development Strategy of Ministry of Commerce

1. Present Situation of IT in MOC

2. IT Development Strategy of MOC

3. Possible Areas of Cooperation

4. Proposed IT-related Projects

Ministry of Commerce
Royal Government of Cambodia
December 5, 2000

1. Present Situation of IT in MOC

1-1 Computer Network Development of MOC

1-2 Software Development of MOC

1-3 Human Resources Development of MOC
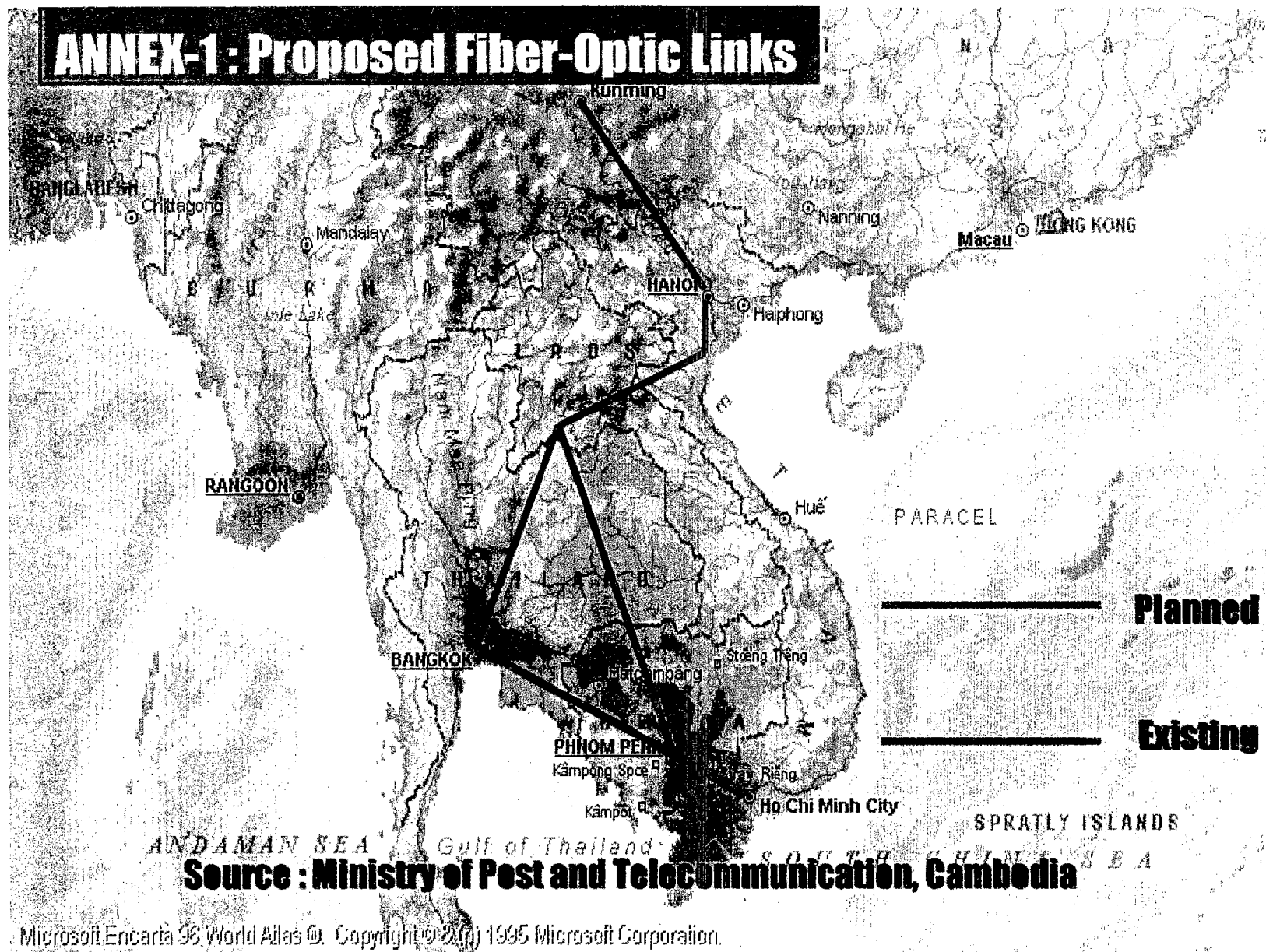
1-4 Cooperation with ASEAN

1-5 IT in Private Sector

1-1 Computer Network Development

- JICA provided MOC with 9 computers for creating a local area network (LAN).
- JICA provided MOC with network connection equipment for LAN.
- CICC (Center for International Cooperation of Computer) is leasing 20 computers for training of MOC staff.
- EU is planning to create a computer network among 3 ASEAN-related Ministries including MOC.

→ **See ANNEX 1**

ANNEX-1 : Proposed Fiber-Optic Links

Kunming

N

BANGLADESH
Chittagong

Nanning

Macau HONG KONG

Mandalay

HANOI

Haiphong

Tonle Lake

LAOS

RANGOON

Huế

PARACEL

——————— **Planned**

BANGKOK

Stoeng Trêng

Battambang

——————— **Existing**

PHNOM PENH
Kâmpóng Spoe

Kâmpot

Ho Chi Minh City

SPRATLY ISLANDS

ANDAMAN SEA   *Gulf of Thailand*   *SOUTH CHINA SEA*

Source : Ministry of Post and Telecommunication, Cambodia

Microsoft Encarta 96 World Atlas ©. Copyright © 2(p) 1995 Microsoft Corporation.

1-2. Software Development

JICA expert created the web site of MOC as the first step of e-commerce promotion.

(August 1999)

http://www.moc.gov.kh

MOC technically transferred the contents of its web site to the web site of the Embassy of Cambodia in the United States.

(February 2000)

http://www.embassy.org

1-3. Human Resources Development

- **MOC is positively training its computer-skilled staff. Approximately 10 officials per month are being trained in MOC.**

- **Japan and Singapore jointly trained 3 staff of MOC in charge of e-commerce under the JSPP-21 scheme. (November 2000)**

- **German NGO and Singapore Chamber of Commerce and Industry invited a staff of MOC to the seminar on IT. (December 1999)**

1-4. Cooperation with ASEAN

- E-ASEAN Framework Agreement has been agreed and declared in the last ASEAN Economic Ministers Meeting in October 2000 and ASEAN Prime Ministers Meeting in November 2000.

- MOC plays a central role in the promotion of e-commerce in e-ASEAN Framework Agreement.

1-5. IT in Private Sector

MOC conducted a survey on IT promotion in the garment industry, which is the largest industrial sector in Cambodia.

The result shows that the private sector in Cambodia is not yet IT-ready.

→ **See ANNEX-2**

ANNEX-2 : Rate of Connection to Internet of Garment Industry (N= 116)

31%

19%

50%

| Yes | No | Unknown |
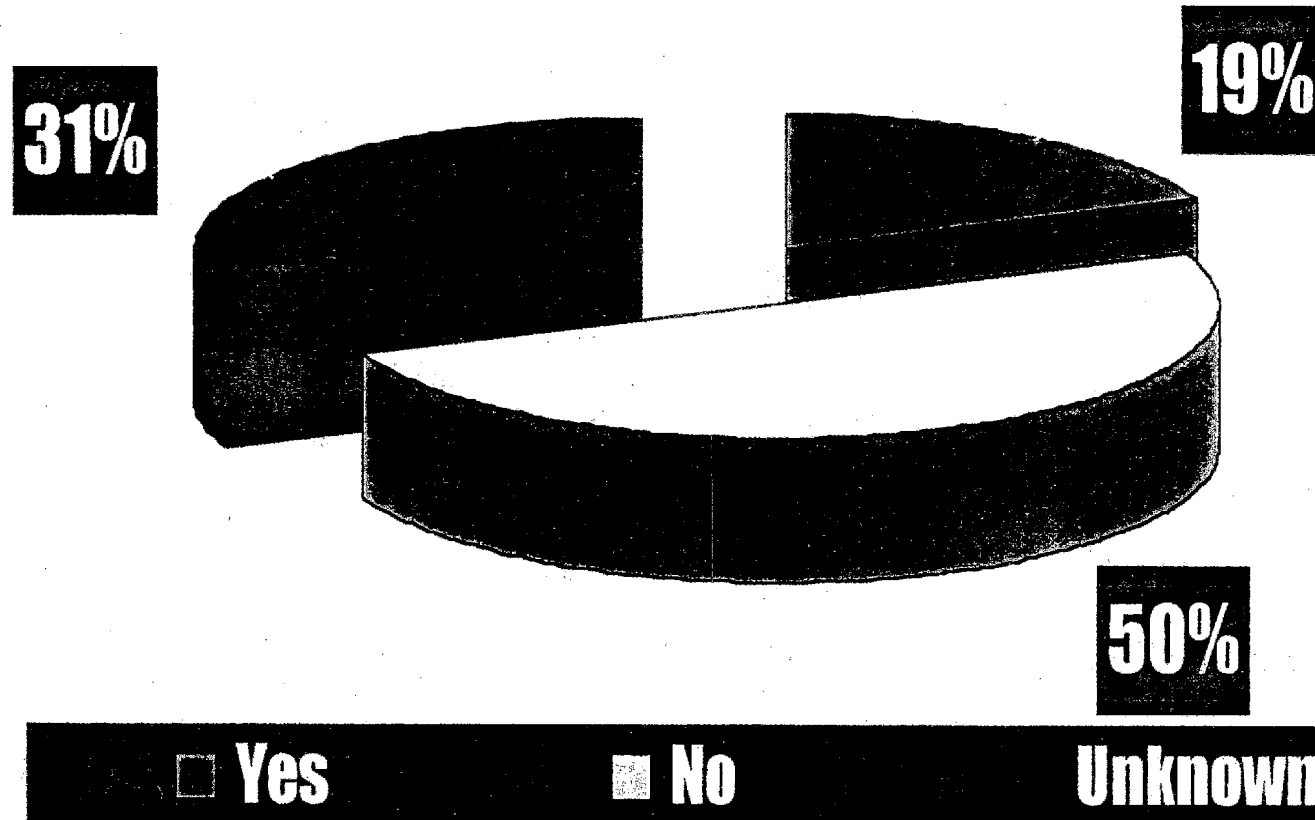
Source : Survey Conducted by Ministry of Commerce, 1999

2. IT Development Strategy of MOC

2-1. Mitigate Digital Divide

2-2. Promote E-Commerce

2-3. Catch up with ASEAN and Global IT Standard

2-4. Support Private Sector

2-1 Mitigate Digital Divide

- 2-1-a. Mitigate digital divide between Cambodia and other ASEAN member countries

- 2-1-b. Mitigate digital divide between large-scale enterprises and SMEs

2-2 Promote e-Commerce

- 2-2-a. Market Size of e-Commerce
- 2-2-b. Advantage of e-Commerce
- 2-2-c. Stages of e-Commerce
- 2-2-d. Elements of e-Commerce

2-2-a. Market Size of e-Commerce

- **148 million people in 190 countries are connected to internet.**

- **Out of 40 million web sites in the world, 27 million sites are commercial-related.**

- **34 million people go online each day.**

- **E-commerce sales will exceed USD 359 billion in year 2000.**

Source : Market Research Report on Electric Commerce, 1999

➡ **See ANNEX-3**

ANNEX-3 : Estimated e-Commerce Revenue of ASEAN countries
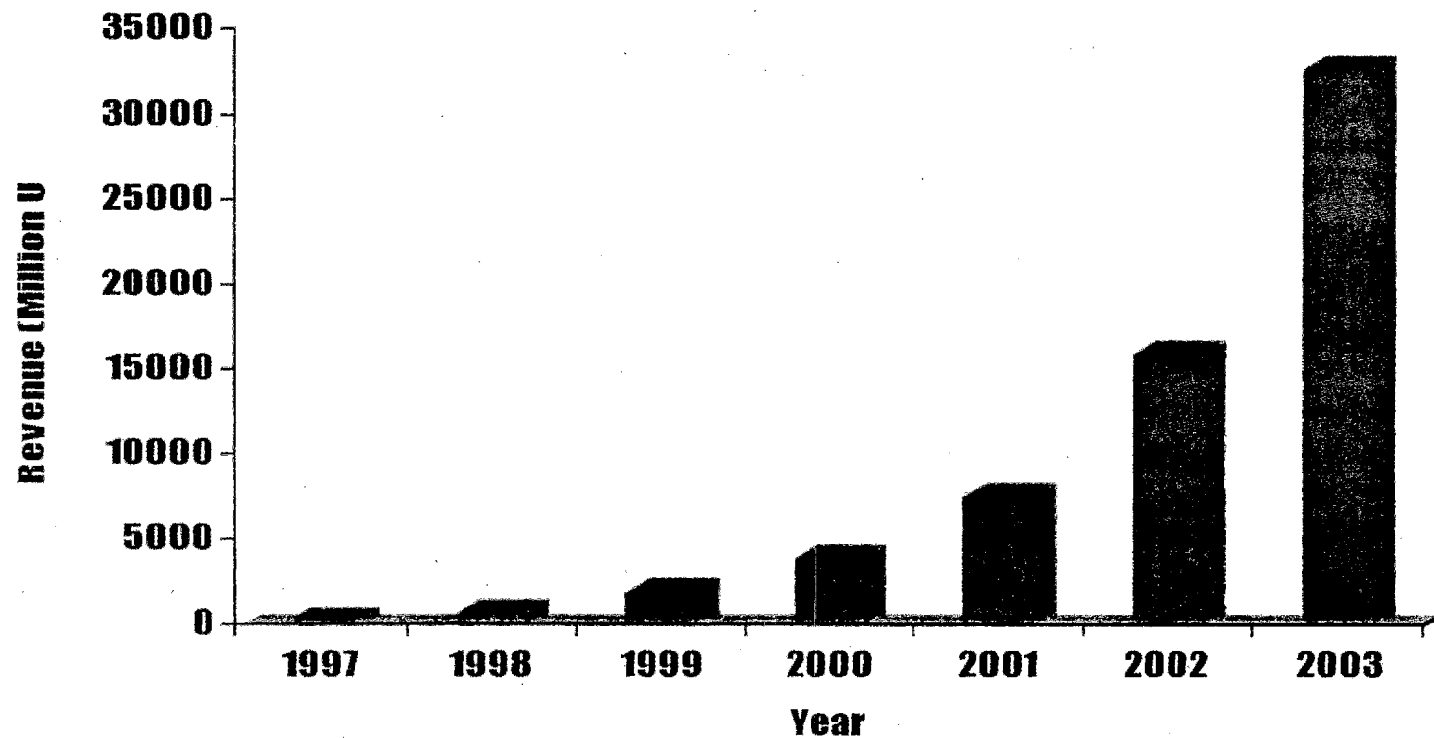
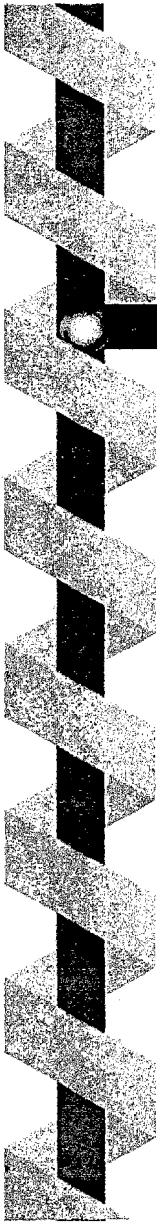Source : Feasibility Study Report of the ASEAN Information Infrastructure (AII), 1999

2-2-b. Advantage of e-Commerce

- Access to World-wide Market
- Cost Saving
- Responsiveness and Efficiency
- Enhancement of Country and Corporate Image
- Development of Information Technology
- Less Investment (e-Commerce is more advantageous for developing countries.)

2-2-c. Stages of e-Commerce

- **Advertisement**
- **Inquiry**
- **Quotation and Offer**
- **Order**
- **Accounting**
- **Payment**
- **Logistics and Distribution**
- **Support and Customer Relations**

2-2-d. Elements of e-Commerce

- Investment on Computer System
- Intranet (Local Area Network)
- E-Commerce Solution Software
- Electronic Payment System
- Certification and Authentication
- Encryption and Cryptography
- Computer-skilled Human Resources

2-3 Catch up with ASEAN and Global IT Standard

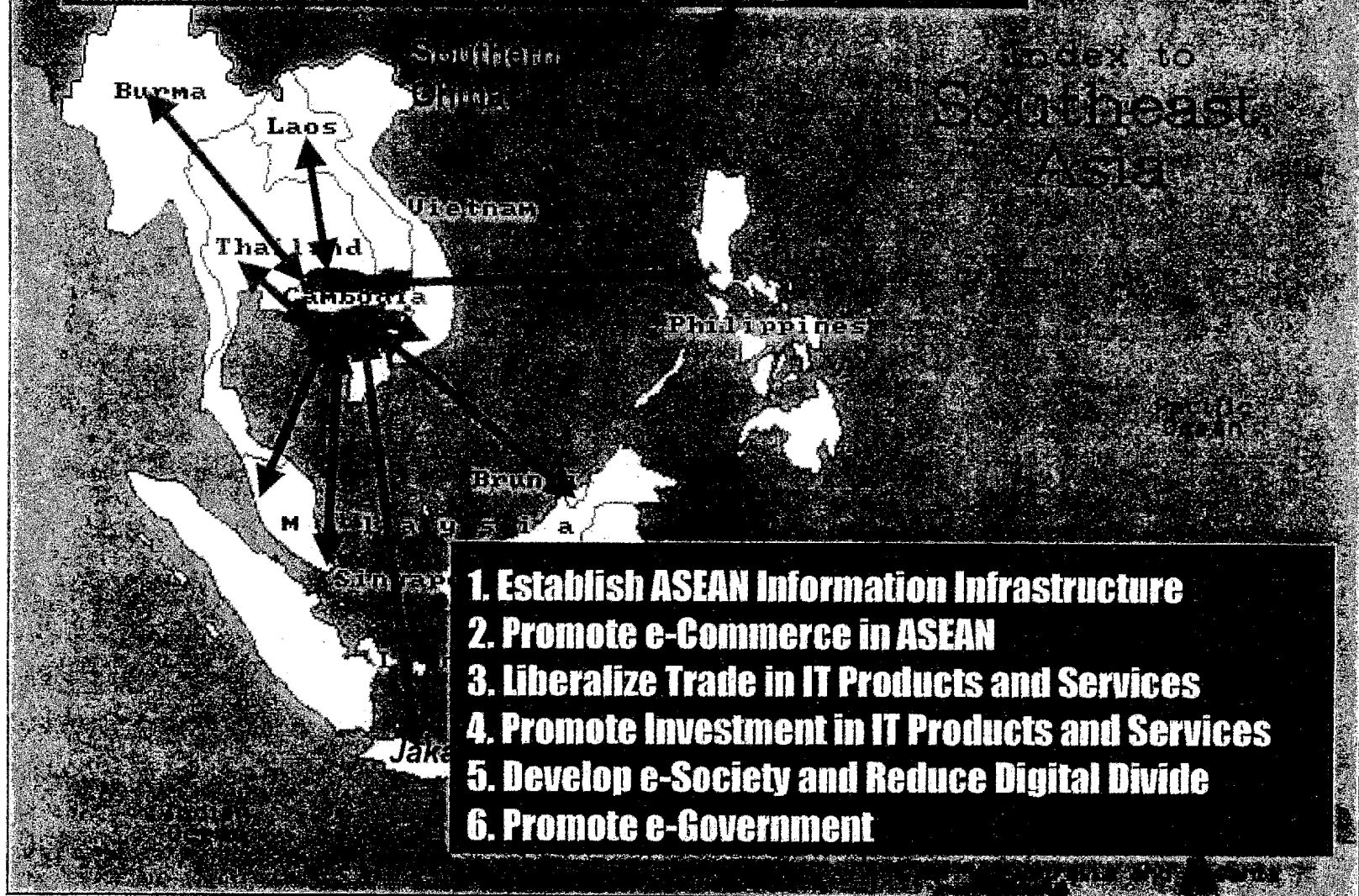- **Participate in e-ASEAN Framework Agreement**
- ➡ **See ANNEX-4**

- **Accession to Global Market through e-Commerce**
- ➡ **See ANNEX-5**

ANNEX-4 : e-ASEAN Framework Agreement

1. Establish ASEAN Information Infrastructure
2. Promote e-Commerce in ASEAN
3. Liberalize Trade in IT Products and Services
4. Promote Investment in IT Products and Services
5. Develop e-Society and Reduce Digital Divide
6. Promote e-Government

ANNEX-5 : Accession to Global Market through e-Commerce

JOINING WTO

JOINING ASEAN

ACCESS TO USA MARKET

ACCESS TO EU MARKET
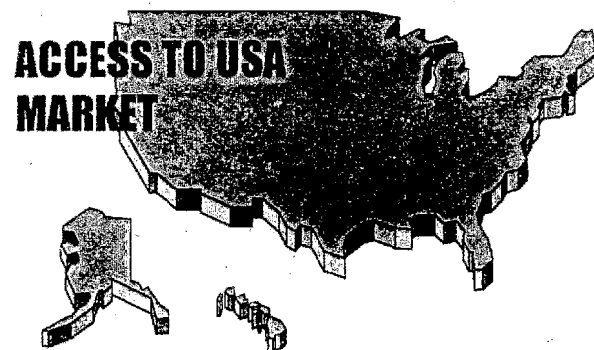
2-4. Support Private Sector

- **MOC will support the private sector to mitigate technical barriers in order to promote e-commerce in the private sector in Cambodia.**

3. Possible Areas of Cooperation

3-1. Improve MOC's IT Infrastructure

3-2. Support Promotion of e-Commerce

3-3. Promote IT-based Efficient e-Government in MOC

3-1. Improve MOC's IT infrastructure

- Enlarge MOC's LAN
- Enlarge Network with Other ASEAN Member Countries
- Enlarge Network with Other Ministries
- Enlarge Network with Private Sector

3-2 Support Promotion of e-Commerce

- Formulate e-Commerce Master Plan
- Develop e-Commerce Solution Software
- Develop e-Commerce-related Technology
- Train e-Commerce-related Human Resources
- Draft Legal Framework for e-Commerce Promotion

3-3.Promote IT-based Efficient e-Government in MOC

- Electronic Registration of Trademark
- Electronic Trade Documentation
- Management of Quota in GSP
- Company Registration
- Trade Inspection
- Trade statistics
- Standardization

4. Concrete Project Ideas

- 4-1. Development Study on e-Commerce Promotion
- 4-2. Third-Country Expert Dispatch for e-Commerce Promotion
- 4-3. Equipment Supply for e-Commerce Promotion
- 4-4. Technical Cooperation for Mitigating Technical Barriers in e-Commerce Promotion
- 4-5. Technical Cooperation for MOC's e-Government Activities
- 4-6. Inclusion of IT Promotion Function into Proposed "Japan Center Project"

4-1. Development Study on e-Commerce Promotion

- "The Study on promotion of e-commerce in Cambodia" has been requested in the last request survey.

- This study includes the formulation of the master plan for e-commerce promotion and the feasibility study for e-commerce model project for the garment industry.

- The TOR (Terms of Reference) for this study is presently being prepared.

4-2. Third-Country Expert Dispatch for e-Commerce Promotion

- The third-country expert dispatch in the field of e-commerce promotion has been requested in the last request survey.

- The candidate for the said third-country expert could be recruited from Singapore, which is relatively advanced in the field of e-commerce.

4-3. Equipment Supply for e-Commerce Promotion

- The equipment supply for e-commerce promotion has been requested in the last request survey.

- The said equipment includes 17 computers and related network equipment for e-commerce promotion.

4-4. Technical Cooperation for Mitigating Technical Barriers in e-Commerce Promotion

- The combination of technical training and short-term expert dispatch in the field of technical barriers such as security issues and electronic payment system would be additionally requested.

4-5. Technical Cooperation for MOC's e-Government Activities

- The combination of technical training and short-term expert dispatch in the field of the following e-government activities would be additionally requested.

4-6. Inclusion of IT Promotion Function into Proposed "Japan Center" Project

- The project formation mission on "Japan Center" has been dispatched in March 2000.

- MOC would request that the concept of "Japan Center" include the function of IT promotion.