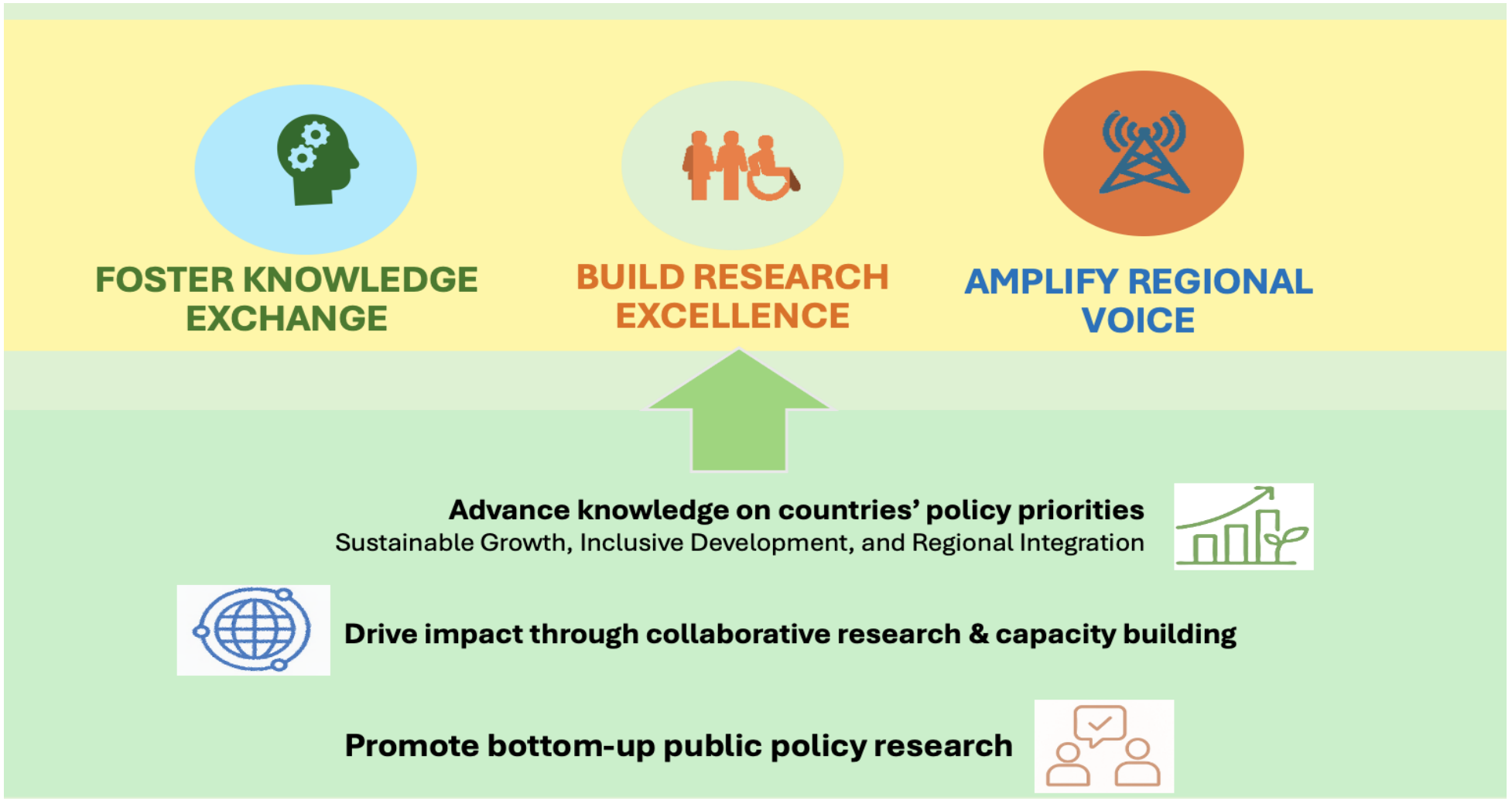
Asia Think Tank Network

Advancing Digital Trade and Cross-border E-commerce in Asia and the Pacific

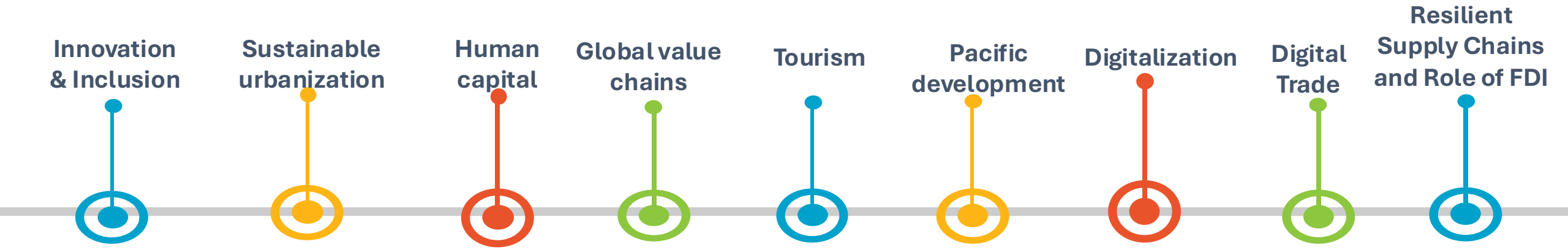
JONG WOO KANG
Director, Regional Cooperation and Integration Division
Economic Research and Development Impact Department
Asian Development Bank

12th Asian Think Tank Network (ATTN) Forum
Singapore | 6-8 October 2026

ATTN Connects Knowledge, Builds Capacity, and Advances Regional Collaboration



ATTN in Action:
Advancing Regional Dialogue Through the Years



2013–2015

Beijing Asia–Pacific Finance and Development Center

Seoul
Korea Development Institute

Kuala Lumpur
Malaysian Institute of Economic Research

2016–2017

New Delhi
National Institute of Public Finance and Policy

Indian Council for Research on International Economic Relations

Colombo
Institute of Policy Studies

2018

Canberra
Australia National University

2019

Yangon
Centre for Economic and Social Development

2021

Virtual

2023

Suva
The University of the South Pacific

2024

Jakarta
Center for Strategic and International Studies

2025

Tokyo
Asian Development Bank Institute

2026

Singapore
Institute of South Asian Studies (ISAS-NUS)

Economic and Social Commission for Asia and the Pacific (ESCAP)

Asian Development Bank (ADB) and ADB Institute (ADBI)

ADB

ATTN Forum from Dialogue to Publication: Turning ATTN Research into Regional Knowledge



Conference Proceedings



Policy Briefs and Reports

Synthesizes ATTN insights with additional research for ADB DMC relevance



Policy Documents for T20

Key recommendations for global policy dialogue



Journal issues

Extending the Reach of Selected ATTN Research

12 Years of ATTN: Connecting People, Knowledge, and Ideas Across the Region

12

Forums held across **11** countries

21

Institutions on average per forum

24

Member think tanks spanning 5 Asian subregions

10

Key **topics or themes**

~510

Total **participants** across all forums

14

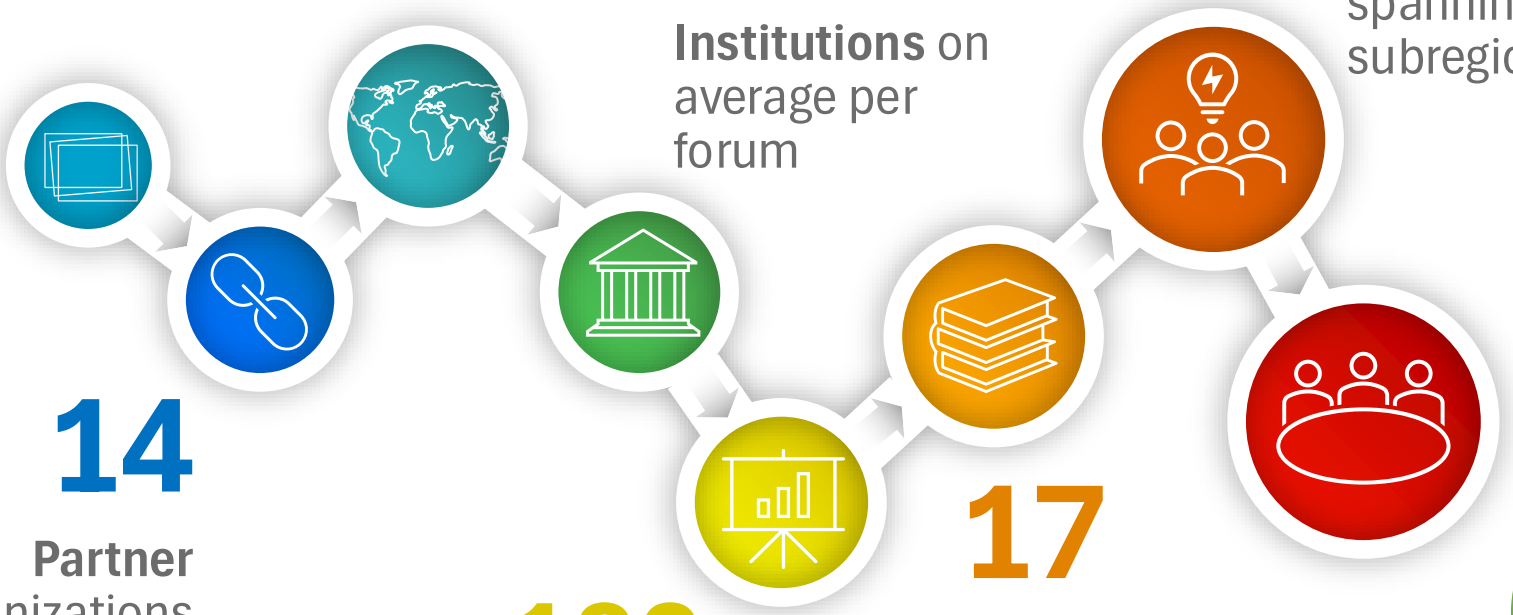
Partner organizations

182

Papers presented

17

Publications released



Digital by design

Be Part of ATTN: Connect, Contribute, and Collaborate

- ❑ Become a mentor
- ❑ Share your research — submit a paper
- ❑ Express interest to host a forum or joint webinar

Visit the ATTN website
for more information and announcements

Explore the network Share your knowledge Shape regional dialogue

Advancing Digital Trade and Cross-Border E-Commerce in Asia and the Pacific



NO. 399
JULY 2026

ADB BRIEFS

KEY POINTS

- Cross-border e-commerce is rapidly transforming trade, driving growth and productivity, and expanding market access across Asia and the Pacific.
- Its benefits remain uneven across economies, sectors, and firms due to varying digital readiness and facilitation initiatives.
- Micro, small, and medium-sized enterprises have strong potential but remain underrepresented in cross-border e-commerce.
- Regulatory fragmentation, higher compliance costs, and lower trust hinder expansion of cross-border e-commerce.
- To enable inclusive cross-border e-commerce, governments should build adaptive and interoperable regulatory frameworks, strengthen digital trade agreements and trade facilitation, develop digital skills, and bridge digital divides.

Advancing Digital Trade and Cross-Border E-Commerce in Asia and the Pacific

Sanchita Basu Das
Senior Economist
Economic Research and Development Impact Department (ERDI)
Asian Development Bank (ADB)

Angel Love Roque
Operations Analyst
ERDI, ADB

Rachita Gulati
Research Economist
ADB Institute

James Correia
Consultant, ADB

INTRODUCTION

Digitalization is reshaping trade and commerce across Asia and the Pacific. Digitally delivered services now account for more than half of all services trade (UNESCAP, 2024a).[1] Foreign direct investment (FDI) in the digital economy has tripled since 2020 (ADB, 2026).[2] In the Association of Southeast Asian Nations (ASEAN) alone, the digital economy is projected to triple by 2030, with every 1% increase in digital growth associated with a 0.8% rise in gross domestic product (GDP) per capita (UNESCAP, 2024a). At the core of this transformation is the expansion of cross-border e-commerce, where goods and services are exchanged across jurisdictions through digital platforms that integrate ordering, payments, and logistics (OECD, 2025).

Notes: In this publication, "$" refers to United States dollars. ADB recognizes "China" as the People's Republic of China, "Korea" as the Republic of Korea, and "Kyrgyzstan" as the Kyrgyz Republic.

[1] This brief benefited from the presentation and discussion materials from the Asian Think Tank Network Forum 2025, with the theme *Enabling Accessibility and Inclusion Through Digital Trade and E-Commerce*. The authors thank all participants of the forum held at the Asian Development Bank Institute (ADBI), in Tokyo, Japan, on 28–30 October 2025. The authors also sincerely thank Jong Woo Kang, Director, ADB; Rupa Chanda, Director, United Nations Economic and Social Commission for Asia and the Pacific; and Bambang Brodjonegoro, Dean, ADBI, for their guidance and inputs during discussions at the Asian Think Tank Network Forum and during the preparation of this policy brief. Editorial support from Eric Van Zant, Consultant, ADB, is also acknowledged.

[2] World Trade Organization (WTO) (2024). Trade in Services Database. https://data.wto.org (accessed on 27 March 2026).

ISBN 978-92-9277-891-0 (print)
ISBN 978-92-9277-892-7 (PDF)
ISSN 2071-7202 (print)
ISSN 2218-2675 (PDF)
Publication Stock No. BRF260330-2
DOI: http://dx.doi.org/10.22617/BRF260330-2

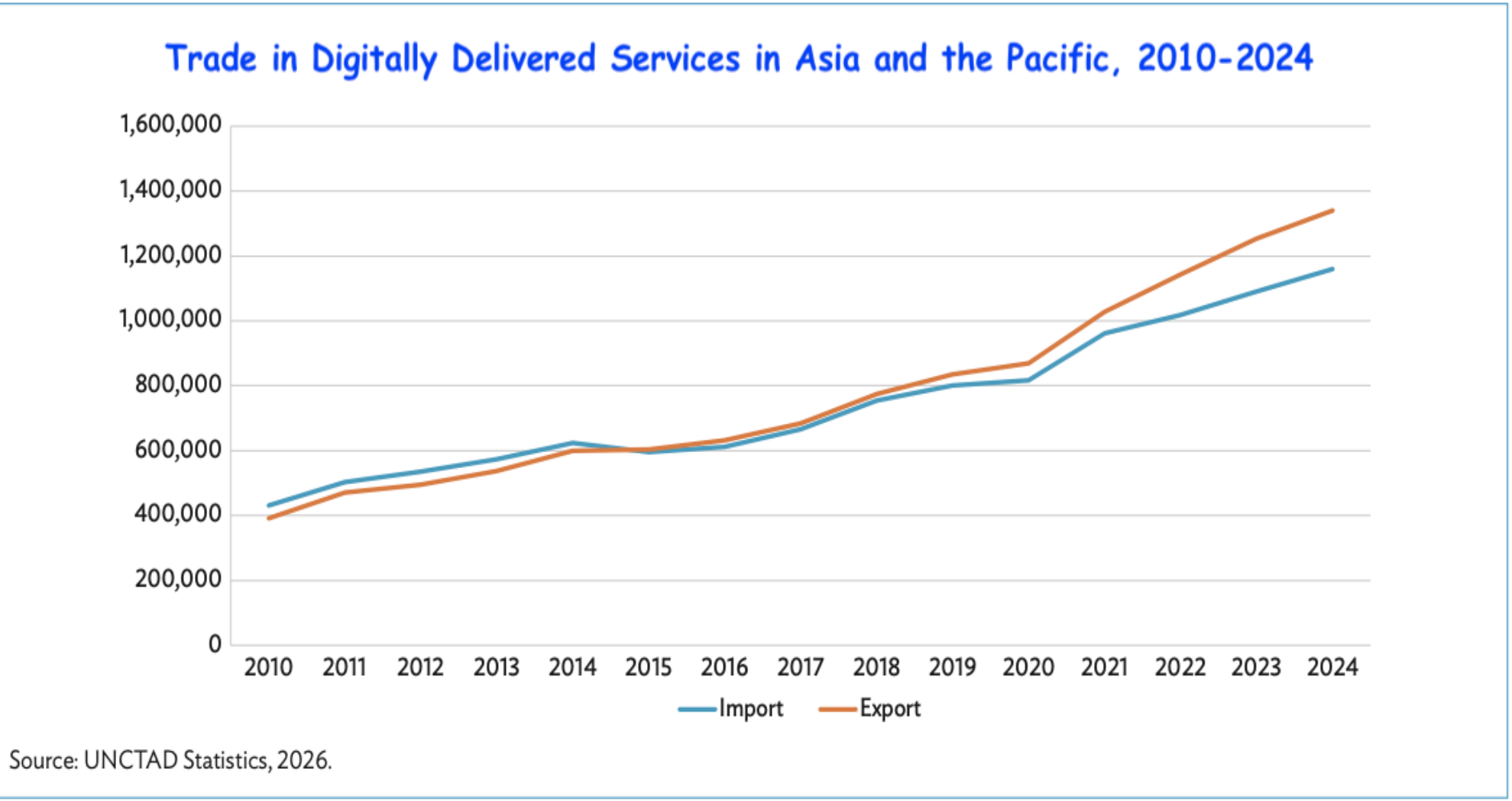
ADB

Part 1.
Assess Growth and Inclusiveness Performance

How is the digital economy shaping growth in Asia and the Pacific region?



Digital Trade is Accelerating across Asia and the Pacific



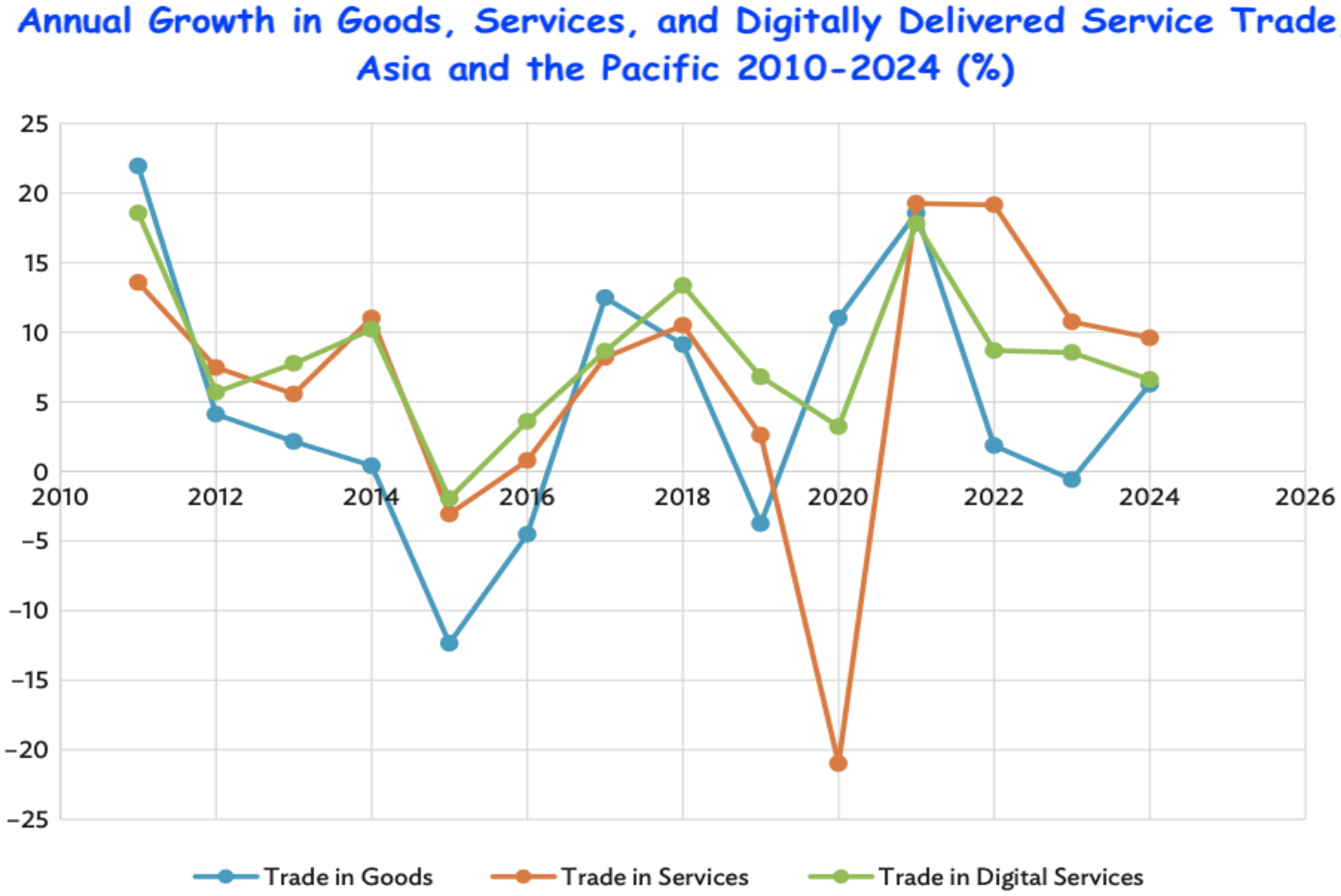
Source: UNCTAD Statistics, 2026.

- Strong growth in digital trade
- Expanding digital ecosystems
- Growing contribution to productivity and services-led growth
- Rising regional and global competitiveness

Asia and the Pacific has emerged as a global engine of digital trade growth and innovation

- Asia and the Pacific accounts for about two-thirds of global e-commerce sales
- Digital exports have nearly quadrupled since 2005
- FDI in the digital economy has tripled since 2020
- Digitally delivered services now account for more than half of all services trade
- Mobile payments facilitate approximately 70% of digital transactions.
- ASEAN e-commerce grew by 16% in 2025
- Seven of the ten fastest-growing e-commerce economies are located Asia and the Pacific

Digital services are Driving the Next Phase of Trade Growth

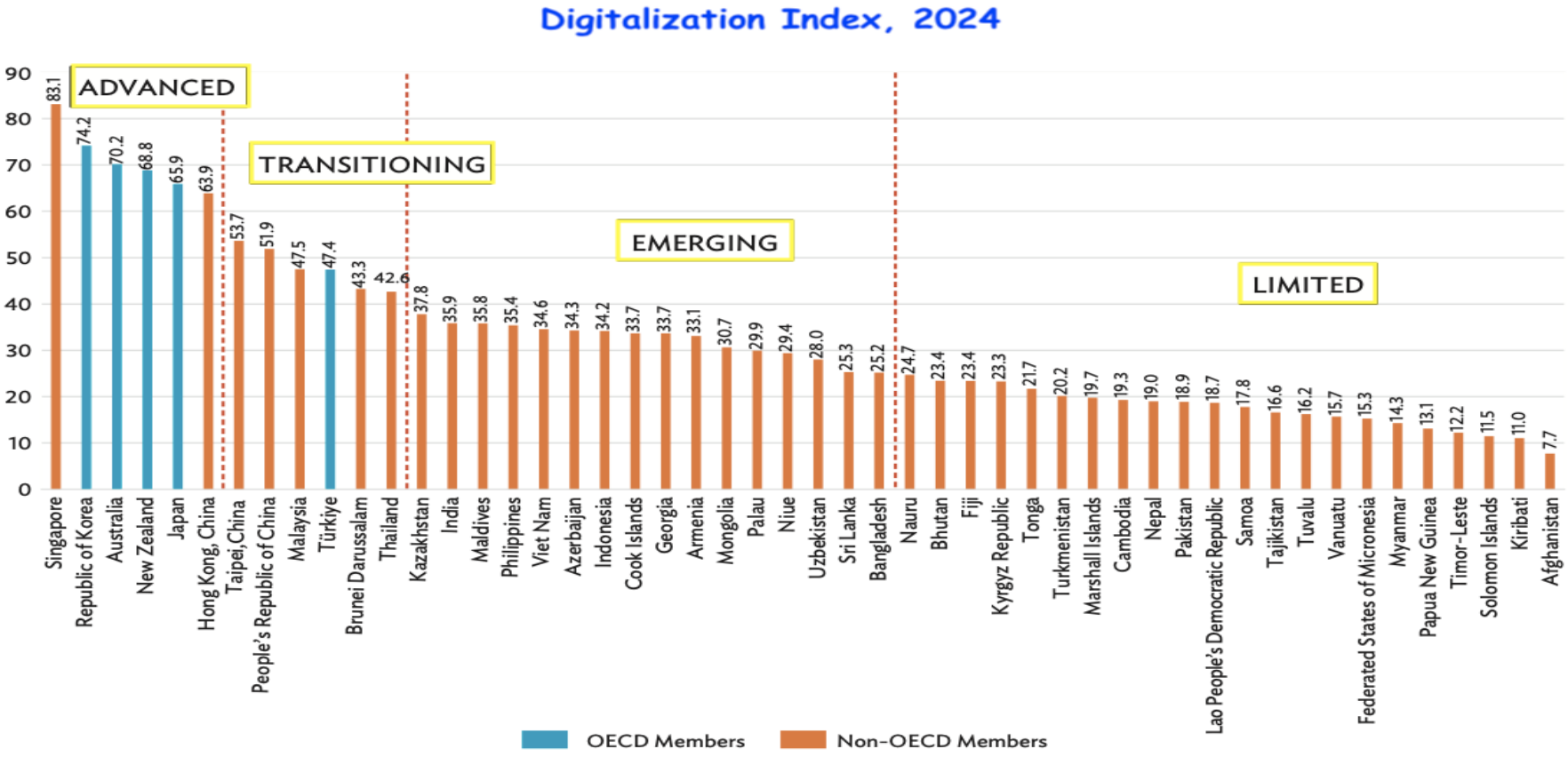


Source: UNCTAD Statistics, 2026.

- Strong growth in digital trade
- Expanding digital ecosystems
- Growing contribution to productivity and services-led growth
- Rising regional and global competitiveness

ADB

Digital trade opportunities are growing rapidly, but economies are starting from very *different levels* of digital readiness

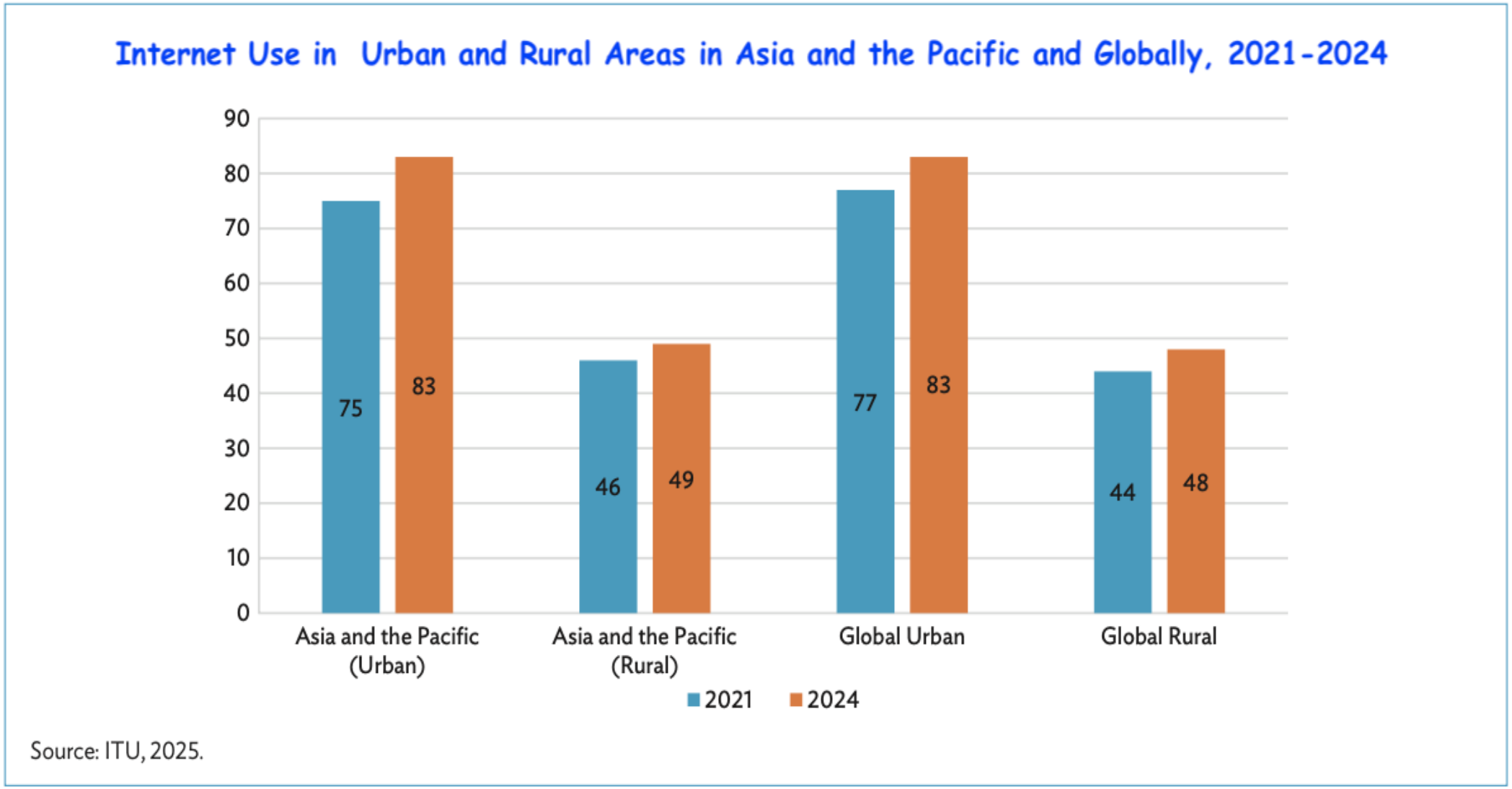


Notes: The index combines various indicators grouped into seven core pillars: digital economy, digital government, digital infrastructure, digital regulation, household digitalization, human capital and innovation, and production digitalization.
Effective 1 February 2021, ADB placed a temporary hold on sovereign project disbursements and new contracts in Myanmar.
Source: ADB, 2025e (58026-001: Digital Development Facility for Asia and the Pacific - Phase 2).

Digital Growth has *Outpaced* Digital Inclusion

- One-third of the region's population remains offline
- Nearly half of the rural populations remain unconnected
- Rural internet use remains at 48%, compared with 83% in urban areas
- Around 40% of the population lacks basic digital skills
- Least developed countries account for only 1% of the region's digital economy
- MSMEs represent 97% of enterprises, 69% of employment, and 41% of GDP, yet remain underrepresented in cross-border e-commerce

The Digital Divide *Persists* Despite Growing Connectivity



Source: ITU, 2025.

Part 2.
Understanding the Challenges

Why do the benefits of digital trade remain unevenly distributed across economies?

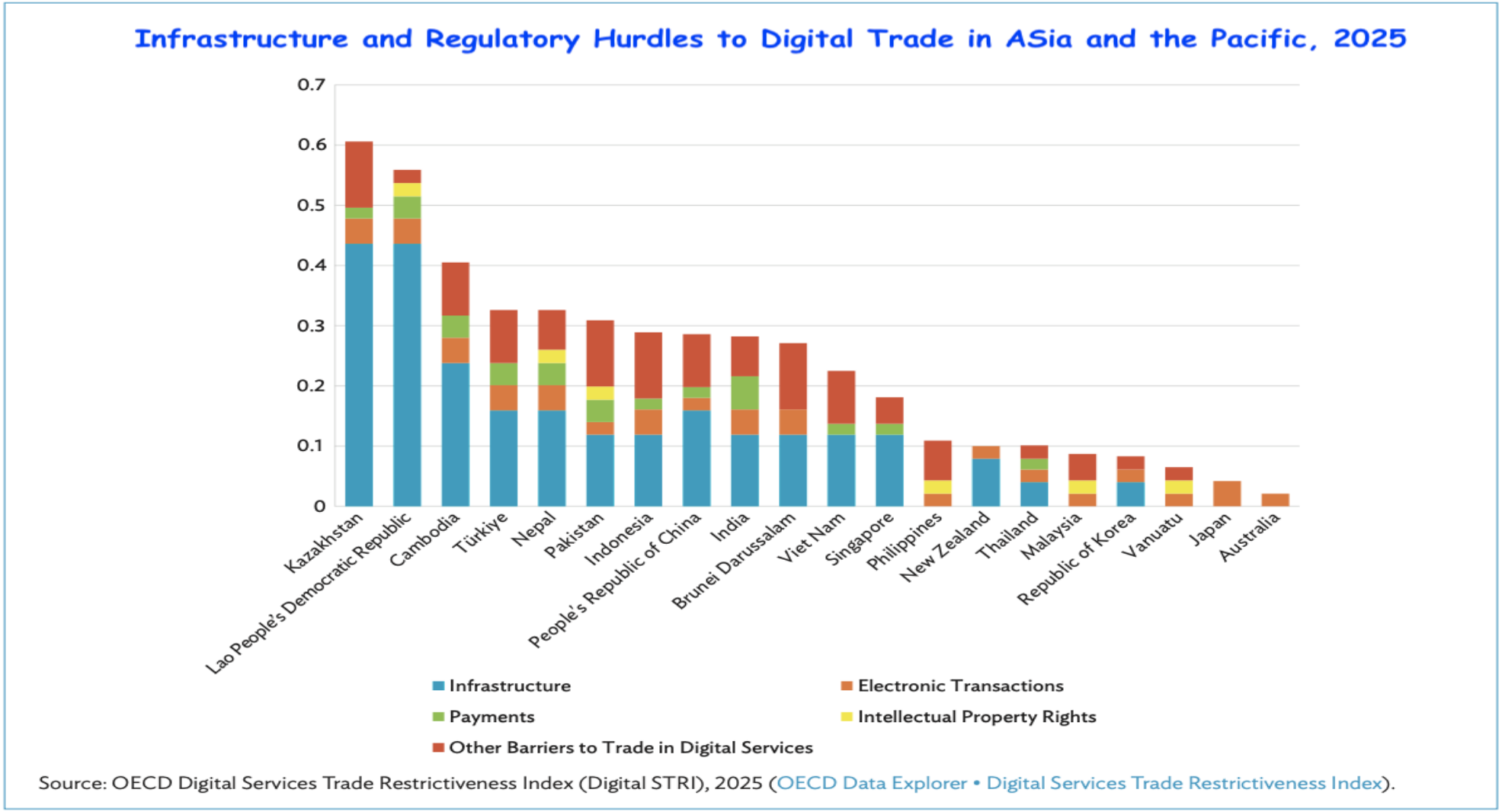
Rapid Growth Does Not Guarantee Inclusion: *What Is Preventing Broader Participation in Digital Trade?*

Challenges	Implications
Regulatory Fragmentation • Nearly half of firms report regulatory uncertainty; compliance costs average 18.7% of revenues • Differences in rules governing data flows, privacy, consumer protection, and e-commerce increase complexity for businesses	Higher compliance costs and uncertainty disproportionately affect MSMEs and smaller economies, limiting participation in cross-border digital trade
Limited Regional Integration and Interoperability Digital systems, payment platforms, standards, and regulatory approaches often remain fragmented across economies, creating barriers to seamless cross-border transactions	Higher transaction costs and reduced market access constrain the scale and inclusiveness of digital trade
Weak Trust and Consumer Risks Weak consumer protection frameworks, gaps in data governance, and low confidence in digital transactions continue to affect adoption in many economies	Lower trust discourages businesses and consumers from participating in digital markets and cross-border transactions

Rapid Growth Does Not Guarantee Inclusion: *What Is Preventing Broader Participation in Digital Trade?*

Challenge	Implications
Cybersecurity Threats and Digital Vulnerabilities Cyber incidents in Asia and the Pacific have increased by 134% over the past four years	Rising cyber risks undermine confidence, increase costs, and threaten the sustainability of digital trade growth
Digital Divide and Uneven Digital Readiness The region spans four levels of digital development. About one-third of the population remains offline, while least developed countries account for only 1% of the region's digital economy	Benefits become concentrated among digitally advanced economies, widening disparities across countries and communities
Skills and Capacity Gaps Around 40% of the population lacks basic digital skills, while many MSMEs lack the capabilities needed to adopt digital technologies and participate in e-commerce	Limited digital capabilities reduce participation, productivity gains, and the ability to benefit from digital trade opportunities
Infrastructure Gaps and Unequal Connectivity Internet use reached 83% in urban areas but only 49% in rural areas in 2024. Significant disparities remain in digital infrastructure quality and affordability	Unequal access to connectivity limits participation in digital trade, particularly among rural communities and developing economies

Digital trade growth is increasingly constrained not by demand, but by infrastructure bottlenecks and regulatory fragmentation



Source: OECD Digital Services Trade Restrictiveness Index (Digital STRI), 2025 (OECD Data Explorer • Digital Services Trade Restrictiveness Index).

Part 3.
Strategic Responses and Policy Solutions

What policy actions and regional cooperation efforts could address these barriers?

From Barriers to Shared Prosperity: Strategic Responses for Inclusive Digital Trade

Challenges	Strategic Response	Enabling Pillars	Inclusive Development Outcome
Regulatory Fragmentation	Regulatory cooperation and harmonization	**Seamless cross-border transactions**	Lower compliance costs, improved market access, and greater participation
Limited Regional Integration and Interoperability	Regional cooperation and standards alignment	**Regional interoperability**	More connected and integrated digital markets
Weak Trust and Consumer Risks	Digital governance, and consumer protection	**Trusted digital ecosystem**	Greater trust, adoption and participation
Cybersecurity threats and digital vulnerabilities	Cybersecurity cooperation and digital resilience	**Trusted digital ecosystem**	Secure and resilient digital transactions
Digital divide	Inclusive digital development initiatives	**Inclusive participation**	More equitable access to digital opportunities and benefits
Skills and capacity gaps	Digital skills and capacity building	**Inclusive participation**	Broader participation of MSMEs, workers, and communities
Infrastructure gaps and unequal connectivity	Investment in affordable and resilient digital infrastructure	**Inclusive participation** and **Seamless cross-border transactions**	Reduced digital divides and expanded opportunities

ATTN–ESCAP Partnership: Advancing Research into Publication

Launching the Second APSDJ Special Theme Issue



Asia-Pacific Sustainable Development Journal

Vol. 34, No.2,, October 2026

Special theme: Enabling accessibility and inclusion through digital trade and e-commerce

Featuring articles drawn from papers presented at the Asian Think Tank Network Forum 2025, Tokyo, Japan

Advancing Digital Trade and Cross-border E-commerce in Asia and the Pacific
Jong Woo Kang, Sanchita Basu Das, and Rupa Chanda

Can Economies Leapfrog to Digital Success? Evidence from Global E-commerce Development Pathways
Homer Pagkalinawan

Digital Trade for Macroeconomic Development: Evidence from ASEAN's E-commerce Integration
John Paolo R. Rivera

The Role of Digital Platforms and Cross-border Trade in Cambodian Firm Performance
Dina Chhorn, Sivly Houy, and Kean Muny Nhim

Connected for Growth: Analyzing the Impact of E-commerce Adoption on Firm Performance and Labour Outcomes in the Philippines through Peer Effects
Ma. Kristina P. Ortiz and Mark Carmelo R. Manguera

Asia-Pacific Sustainable Development Journal

Vol. 34, No.2,, October 2026

Special theme: Enabling accessibility and inclusion through digital trade and e-commerce

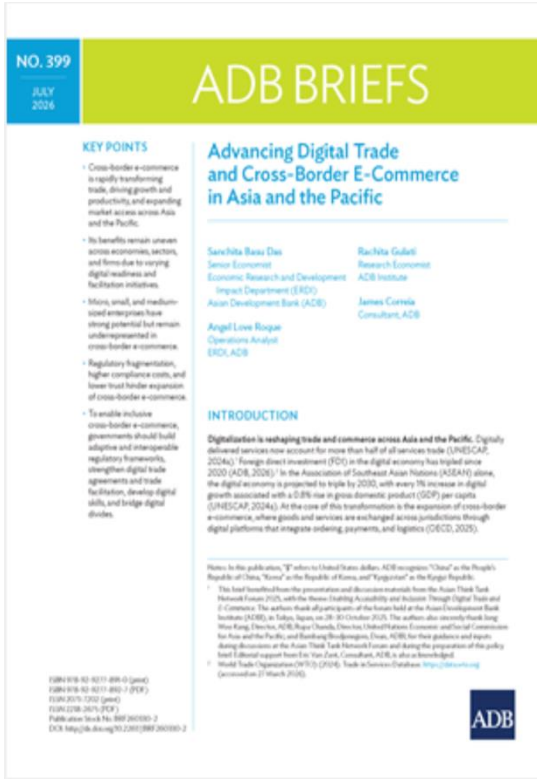
Featuring articles drawn from papers presented at the Asian Think Tank Network Forum 2025, Tokyo, Japan

Unlocking Economic Gains: How E-commerce Enhances Efficiency, Productivity, and Market Access in Indonesia (Evidence From The 2024 E-commerce Survey)
Sri H. Rachmad, Andri Yudhi Supriadi, Kennith G.C. Dillena, Devi Asiati, Roosganda Elizabeth, Haning Romdiati, and Okki Navarone Wibisono

An Analytical Framework to Establish Convergence in Cross-border Digital Trade Rules
Paul R. Baker and Loan Le

Trade Agreements and Digitally Delivered Services: The Varied Evidence from Emerging Asia
Avik Ghosh

Building Inclusive Economic Growth in Asia with Mode 1 Finance and Insurance Service Exports: Role of Digital Trade Provisions in Free Trade Agreements
Deeparghya Mukherjee





Visit the ATTN website
for more information and announcements

THANK YOU