



**Asia-Pacific
Economic Cooperation**

Advancing Free Trade
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APEC Workshop on Opportunities and Challenges for Retail SMEs in the Internet and Digital Economy

APEC Small and Medium Enterprises Working Group

November 2021



**Asia-Pacific
Economic Cooperation**

APEC Workshop on Opportunities and Challenges for Retail SMEs in the Internet and Digital Economy

Summary Report

5-6 August 2021

APEC Small and Medium Enterprises Working Group

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APEC Workshop on Opportunities and Challenges for Retail SMEs in the Internet and Digital Economy

5-6 August 2021

(a hybrid event)

Summary Report

I. INTRODUCTION

On 5 and 6 August 2021, the APEC Workshop on Opportunities and Challenges for Retail SMEs in the Internet and Digital Economy, initiated by Viet Nam and co-sponsored by Chile; Hong Kong, China; Japan; Mexico; the Philippines; Chinese Taipei; and Singapore was held in a hybrid mode. Speakers and participants came from international organizations, research institutes, APEC member economies' retail sector, SME-related ministries, government agencies, companies, and business associations.

The Workshop aimed at the following objective:

- to discuss the current state-of-play of retail SMEs, opportunities and challenges from the Internet and digital economy and suggest recommendations on how to assist retail SMEs to reap benefits from the Internet and digital economy.

II. BACKGROUND

Distribution services are a dynamic high value-added downstream activity, occupying a strategic position along the pathway to market, connecting goods and services to final consumers. In APEC economies, especially in developing ones, retail is the largest industry in terms of both the share of output and employment (APEC Policy Support Unit, May 2017). Since small and medium enterprises (SMEs) account for over 97 percent of all business and employ over half of the workforce in many APEC economies, it is also commonly accepted that SMEs play an important role in the rapidly growing retailing sector. They are also the largest source of domestic employment across all economic sectors. The SME sector also provides opportunities for women and youth to participate in the

economic development. In addition, SMEs contribute significantly to economic growth, with their share of GDP ranging from 20 percent to 50 percent in most APEC economies¹.

The Fourth Industrial Revolution has brought about unprecedented opportunities as well as challenges. Therefore, the retail sector is undergoing a major transformation, driven by the rapid expansion of the Internet and digital economy. For SMEs, this means they need to adapt to new and fierce competitive pressure, transform or build new business models and develop new skills.

In this context, Viet Nam proposed to hold a 2-day APEC Workshop on Opportunities and Challenges for Retail SMEs in the Internet and Digital Economy in Viet Nam in 2020 to (i) discuss the current state-of-play of retail SMEs, opportunities and challenges from the Internet and digital economy, (ii) present successful case studies of retail SMEs in some APEC economies and (iii) suggest recommendations on how to assist retail SMEs to reap benefits from the Internet and digital economy.

This particular project focused on some challenges that retail SMEs face in the Internet and Digital Economy, such as (i) selecting the right online business model in accordance with their resources and capabilities and (ii) utilizing digital technology applications to manage the business, orders and stocks.

III. OPENING REMARKS

In the opening remarks, Mrs Mai Thi Thuy (Chairwoman, Hanoi Women's Association of Small and Medium Enterprises, Viet Nam) stressed that in the context of the negative impacts on the world economy by the Covid-19 pandemic, there is an increasing need to apply technology and digitize the economy to take advantage of the benefits of Industry 4.0 and develop e-commerce. The Covid-19 pandemic has also increased e-commerce and accelerated digital transformation, especially in SMEs. In particular, as reported by the United Nations Conference on Trade and Development (UNCTAD), in the situation of economic closure due to the pandemic, businesses and consumers are turning to purchase more goods and services online, raising the share of e-commerce in the global retail sector from 14% in 2019 to about 17% in 2020 and this trend will continue going up in the near future. The speaker reiterated that according to the

¹ <https://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Small-and-Medium-Enterprises>

Department of E-Commerce and Digital Economy in 2020 Viet Nam's e-commerce had an impressive growth of 18%, a market size of 11.8 billion USD, accounting for about 5.5% of the total revenue of the economy's retail sector. Viet Nam was also the only Southeast Asian economy that experienced a double-digit e-commerce growth last year.

According to the speaker, in 2020 and the first seven months of 2021, lockdown measures caused consumers to limit their visits to malls, supermarkets, stores, etc., and switch to online shopping. The transformation of retail trends in the digital age and the recent change in consumer shopping behaviours have been exposing retail SMEs to numerous challenges such as: i) the selection of a suitable online business model to the resources and capabilities of SMEs; and ii) the use of digital technology and applications to manage business operations, orders, inventory, etc. In addition, SMEs in this sector mostly lack professionalism and connectivity and suffer from weak management and little capital. Without any preparation in advance, SMEs may be acquired or "ousted" out of their own traditional retail market share.

In order to prepare for retail SMEs to take opportunities and cope with challenges from the Internet and digital economy, Mrs Thuy emphasized that Government authorities needed to continue evaluating and improving institutions and developing enabling policies. They should ensure access to financial means and reduce the digital divide, which would support SMEs in improving innovation and competitiveness. Therefore, the Workshop is the contribution of the Government of Viet Nam in APEC collective efforts to increase the participation of SMEs in the Internet and digital economy as instructed by the APEC Economic Leaders in 2016.

IV. KEY ISSUES

1. Online Business Models and Digital Skill for MSMEs in Doing Business

There were three speakers in Session 1 including Mr Ryan Rahardjo, Head of Public Affairs Southeast Asia, Google Asia-Pacific; Dr Rajan Sudesh Ratna, Deputy Head and Senior Economic Affairs Officer, United Nations ESCAP, South and South West Asia Office; Mr. Benjamin Poirrier, Founder and CEO of Prodima Viet Nam Digital Marketing Agency.

- Dr Rajan Sudesh Ratna started his presentation by introducing E-commerce and WTO's works on e-commerce. He shared that e-commerce has helped businesses establish a wider market presence by providing cheaper and more efficient distribution channels for their products or services. E-commerce can occur 24 hours a day and seven days a week. He also mentioned some issues that need to be considered when doing e-commerce, such as financial and information security, consumer privacy, too much online information for customers, trust with customers, and unpredictable technical issues. Considering the current situation, Covid-19 has accelerated the shift towards a more digital world and triggered changes in online shopping behaviors that are likely to have a lasting effect. After that, the speaker shared some figures of retail e-commerce sales worldwide. At the end of the presentation, Dr Ratna introduced the Online e-learning course on e-commerce and digital marketing of UN ESCAP with more detail on registration and how to successfully participate in the course.
- The presentation of Mr Ryan Rahardjo in this session focused on Empowering ASEAN SMEs. Firstly, he introduced that a large gap in digital skills is a threat to the growth of the digital economy, making human capital development for SMEs a critical need. ASEAN SMEs represent over 50% of GDP, 80% of the workforce, and 99% of all enterprises but only 16% of all SMEs truly utilize digital tools; of these, 95% export their products. He shared that new users are coming online at a blistering pace, adding 40 million new Internet users this year alone. Under Covid-19, many efforts have been made to support SMEs, help people get the right digital skills for economic recovery, and make it inclusive. The speaker introduced Google's direct support for small businesses, including both Products and Tools. Google delivers on-demand and online training through Digital 4.0. Due to Covid, they pivoted from offline workshops to online through YouTube. At the end of the presentation, Mr Rahardjo provided some recommendations for government to support SMEs to grow, such as regulatory environment, digital skill, access and affordability, trade facilitation and service liberalization, transparent and trust,
- Mr Benjamin Poirrier talked about two main issues: MSMEs Digital Challenges and Key Success Factors. For the challenges, he mentioned the digital business model for retailers, the way for retailers to be found online by consumers, how to engage digital shoppers in APEC economies, and

how to grow digital skills within the Asia-Pacific region and e-commerce platforms. About the key success factors, the speaker shared his experience in improving online users, focusing on website & mobile app (if any) as they are the best owned digital assets for the MSMEs. Businesses need to adapt digital strategy to the business phase by keeping the marketing campaign flexible depending on the market trends & current business status. To segment the target audience, Mr Poirrier recommended that SMEs categorize the customers into groups as small as possible to deliver the most suitable digital campaign. Besides, SMEs need to use all available tools to clearly identify the customers' expectations & maximize the return-on-investment, build a solid customer relationship management system to collect, store, and exploit data about customers.

2. How Can Women in Retail Face Opportunities and Challenges Presented in the Internet and Digital Economy

There were three speakers in the session: Ms Jamaica Gayle, Deputy Director of the Global Innovation Forum, the United States; Associate Professor Dr Sitanon Jesdapipat, Director of the Research Center for Economic Reform (RCER), Thailand; Dr Rajan Sudesh Ratna, Deputy Head and Senior Economic Affairs Officer, United Nations ESCAP, South and South West Asia Office.

- Ms Jamaica Gayle began her presentation by giving a short introduction about The Global Innovation Forum, which helps to connect start-ups, corporate, development, university and government stakeholders. About the gender digital divide, she shared that 48% of women use the Internet, compared to 58% of men globally. The use of digital tools and technologies within the e-commerce ecosystem can allow women entrepreneurs to find and reach new customers, communicate with partners, employees, and others in their value chain, and access digital public and private sector tools, resources, and training. The speakers also talked about opportunities, challenges, the impact when women involve in digital trade. At the end of the presentation, she provided some recommendations to enable women SMEs to benefit from the digital economy, such as investing in digital capacity building initiatives and programs aimed at increasing women's digital literacy and skills; enhancing access to and improve the affordability of digital technologies and infrastructure; supporting

women's peer and professional networks within communities and promote digital trade.

- Professor Dr Sitanon Jesdapipat's presentation focused on Thai Women in Electronic Trade. In the first part of the presentation, he showed how the Covid-19 pandemic damaged the global economy. He mentioned two important elements for the post-Covid-19 economic recovery: business landscape and market regulation. The speaker also showed the case of the United States on how they supported innovation and digital trade, including expanding women's participation in the economy. After that, he shared a successful story of a 30-year-old Thai woman, who applied various selling techniques to promote her online business that could offer every item a person needed. It was interesting to see how she could even use donations to the marginal groups as a promotion tool. The speaker pointed out that while most people believed capital and IT skills were mandatory to engage in e-commerce, passion and personal interest in making supplementary income were even more critical. In other words, despite of insufficient IT skills and capital, women could still capitalize on their interests and passion to start their own online business. Freedom, supplementary income and pride were key factors in starting a real business, which could later be expanded. Professor Dr Jesdapipat concluded his presentation by advising women online retailers to pay attention to such aspects as stable jobs, inspiration and love, regulation regimes, education, and modest margin.
- Dr Rajan Sudesh Ratna started his presentation by talking about trade and gender issues and some Sustainable Development Goals (SDG) figures. In a recent study² UNESCAP identified seven key policy priorities for achieving SDGs and promoting women entrepreneurship as a tool for empowerment was one among these priorities. Fewer women had Internet access than men. Therefore, if women entrepreneurs were to be equipped for becoming digitally savvy, it was necessary to provide them with a combination of support services, including virtual and in-person training, hand-holding, B2B and B2C events, networking, product and service promotion. Dr Ratna then described the UNESCAP online course on e-commerce and digital marketing. The training platform helped to build the capacity of women entrepreneurs by explaining how to connect to the e-market place, how to display products/ services to generate enquiries from

² Achieving the SDGs in South Asia, 2018

potential customers, how to make a helpline available (through online portal, email, telephone, Whatsapp group, etc.). At the end of the presentation the speaker introduced some experienced women entrepreneurs, who became famous and inspiring for their success in e-commerce and digital marketing.

3. Case Studies of Successful Retail MSMEs in APEC Member Economies Who Has Been Applying Digital Technology

There were four speakers in this Session: Mr Olle Yen-Chen Chen, President, Hop Lion Feather Works Corporation, Chinese Taipei and Ms Emily Chih, Associate Creative Director of EcomPlus, Chinese Taipei; Ms Do Lan Huong, CEO, Kiyomi Papers Viet Nam Co. Ltd.; and Mr Rami Amer G. Hourani, JD, President of PhilExport-Cebu, the Philippines.

- Mr Olle Yen-Chen and Ms Emily Chih shared the first presentation of the session. At first, the speakers briefed about Hop Lion Feather Works Corp, which was established in 1908 in Chinese Taipei and offered three main products: down and feather bulk materials, beddings and apparel. The company came to e-commerce markets to build up a sustainable and valuable brand, reduce the distance between manufacturers and consumers, and break out the small-margin struggle for manufacturers. Next, the speakers presented Hop Lion's e-commerce strategy, which was operated on Amazon under the Antar Home brand. Understanding that Amazon's search algorithm was key, Hop Lion made sure to: i) integrate keyword in the listings, ii) improve their listing images to have higher conversion rate, iii) enter the market with a lower price, and iv) improve the in-site branding in the storefront page. Such factors would give consumers the best shopping experience. After illustrating the success of Antar Home with some improved sales data, the speakers came to a conclusion that to be successful on Amazon in the long run a company must develop an in-site brand for high-priced products, and adjust it through storefront page and data verification.
- Ms Lan Huong from Kiyomi Papers, Viet Nam, began her presentation by introducing the company and products. She made a special note about the retail activities that the global economy was changing radically in the 4.0 economic era and enterprises were deploying online business in different

fields around the world. Viet Nam was also moving toward online shopping and many businesses rapidly responded to this trend. Kiyomi's leadership identified online retailing as a strategic direction, and it was expected to account for a large proportion of the company's business model structure. Ms Lan Huong guided the audience through Kiyomi's digital marketing strategy, from product listings, description, to preparation of product images and videos, and development of marketing campaign. In order to develop both the online and the traditional sales channels, and to optimize costs and use of human resources, Kiyomi cooperated with B2B e-commerce sites (such as Wabi2b.com) for faster and better connection with agents. It worked especially well during the breakout of the Covid-19 pandemic as less face-to-face meetings reduced the risk for both company employees and agents. Besides, Kiyomi developed a website and a Facebook page. They worked as sales channels to sell the products online, and as marketing channels to promote the company's image and brand. At the end of the presentation, the speaker talked about the company's achievement in recent years and the opportunities and challenges in doing business online.

- Mr Rami Hourani from PhilExport-Cebu started by describing the current business situation in the Philippines, which was characterized by Covid-19 related lockdowns, frequent regulatory changes and stressful social climate. As a consequence, sales was considerably reduced, business became very tight and much more difficult in 2021 than before. After that the speaker presented two success stories in applying the digital technology to retail business "in a Time of Covid". The first one, Art N' Nature Mfg. Corp., was a medium-sized mature business with over 40 years of experience in exporting handicrafts and simple furniture pieces. Badly hit by the Covid-19 pandemic, the company upgraded and digitalized the accounting and cost management systems to cut costs, transferred to online portals (Alibaba) for sale and asked employees to use electronic means of communication, in parallel with other non-digital measures. The second case, Balik Batik, was a start-up micro-enterprise that offered ready-to-wear made-to-order clothes. Despite that it had one single employee and no physical location beyond sporadic pop-ups, the business generated considerable daily sales and incredible profit. To adapt to the changes triggered by the Covid-19 pandemic, Balik Batik applied the digital technology to systematize order taking and customer responding, created coordinated social media posts across popular online platforms (Twitter,

Instagram and Facebook), worked out of office hours at whatever time their customers went active online, and engaged and re-broadcasted other brands/creators who interacted with their works. In this way, the business was able to take full advantage of online opportunities. From the two successful cases, the speaker draws a few valuable leaning points: i) There were opportunities in every situation, even the bad ones. The pandemic drove people indoors so they went online to get out. The customers you did not expect to come back would come back; ii) E-commerce was becoming more and more viable as people became more comfortable with online shopping; iii) You had to “embrace” the technology for it to work; and iv) You could use times of crisis to disabuse yourself of old notions

4. Discussions

- *Security of financial information and privacy of consumers’ data* were mentioned as the top concerns in the digital economy. The risk of being hacked and misused exists in every kind of digital transaction. If entrepreneurs and MSMEs do not have sufficient knowledge and skills to develop an e-commerce website by themselves and have to procure the service from outside, they should not just care about the price to pay. It is important to develop the enterprise’s public image by ensuring security for anybody who deals with the website or by building a firewall. Once transaction data are breached, stolen or copied, the impression of the company may be affected badly.
- On search engines like Google, insecurity over financial information related to credit cards, bank details may reversely affect people’s decision to make a digital transaction. Many economies opt for SMS verification over Personal Identification Number (PIN) or the likes, but the account may still be hacked from e-commerce transactions. Google helps resolve the issue by offering users the ability to control data by building products that are secured by default. Concerning retailers and SMEs, they basically highlight several tools: i) two-step verification to get access to the account with security; and ii) use of a strong and unique password (such as characters consisting of numbers, uppercase and lowercase letters, etc.) to protect the information. They are simple and very helpful for retailers with less digital know-how.

- Many questions were raised on *options for MSMEs to start an online business*. If an enterprise expects to sell a large number of products online, it can consider purchasing a domain name and developing its own website. However, if small retailers and micro-enterprises want less ambitious sales volumes, they can choose to start small by going through a landing page or an e-commerce website. Taking advantage of Facebook or Google tools is more affordable as most of them are (almost) free. At the first stage, they may need to have advertisement, so using the above tools can help save money. In short, it is advisable to invest small capital and earn a little at the beginning, and invest more when the business grows and product quality is demonstrated.
- It was informed that when people searched for a product or service on the Internet, the information could be captured by the artificial intelligence (AI) technology and then the search engine like Google would recommend with ads. It was also acknowledged that the forecast and recommendations provided by Google did not only serve as the digital tool for business growth, they also reinforced the ability for data control as mentioned.
- When reviewing *initiatives and programs for women* in the Internet and digital economy, a speaker referred to trade agreements with commitments for gender equality and technology as best practices on making digitalization more affordable for MSMEs in the US. It was also suggested to look at international organizations for similar agreements and provisions.
- Another discussion was run on inspiration, love and financial accessibility for women entrepreneurs in the digital business. The very first step is to have passion and love for those people and turn that into real business rather than waiting for capital as e-commerce may build up with tiny amount of start-up money. Without this first step, there would be no second and third step. A lot of women dream of starting a business but never take the first step.
- Another speaker said that in 2019 a United Nations agency organized physical rooms to train women entrepreneurs on e-commerce. The last training took place in February 2020 in Bhutan before the Covid-19 outbreak. After that, online classrooms were made available for women due to travel ban. There are pros and cons with every type of training. With in-person training, participants, trainers and organizers could get closer and more connected during the training. Direct communication is often

smoother and the trainer can easily capture facial expressions and feelings to know whether someone can keep up or not. However, it is impossible and unaffordable to train a large group of participants in a course.

- By contrast, online training makes it feasible to train 30-40 women, or even up to 100 per course. At the same time, around 300 women are allowed to join the online classroom and get help in the chatbox, video, etc. However, there are a few big challenges. Firstly, some technical problems may happen during the training and participants cannot log in to the online class. Secondly, the digital divide and internet-connected problems can make women, especially those in remote areas, unable to join the training. Consequently, only about 50-60% of women registered can join the online training. Thirdly, lack of observation and body language may affect communication. In an online training session, the problem for the trainer is (s)he can often see just a couple of faces on the screen while most participants set the video blank. The downside for the participant is personal touch is missing and confidence may be slightly affected.
- The participants raised many questions about ***market and product differentiation in the digital economy***. About differentiating the products for the domestic and the global market, a speaker from a specialized brand for Amazon shared that in the US market 10 -15% of products were designed for most consumers, but in Japan the proportion was reduced to 8% and different brands were used for different group of consumers.
- The participants were curious about whether the business own e-commerce website could be expected to perform better than Amazon and what strategy should be used on Amazon. The answer was that at the early stage was different as Amazon offered a convenient gateway but with many limitations. It was difficult for companies to provide after-sale services in Amazon.
- Concerning the product lines to carry on traditional and digital channels, a speaker noticed that in her company the key and closest products to consumers, such as multi-purpose compressed tissue, were chosen to be sold online.
- ***In response to the question about the investment and operation costs***, a speaker estimated that the initial investment was about 2,000 US dollars to set up and launch a business own e-commerce application and the return

on this investment was around 5-6%. The idea was not to make money but to build a momentum.

- In comparison to Amazon and similar e-commerce platforms, the biggest difficulty when selling on Amazon was the price-related issue. There were many expenses incurred in relation to the e-commerce platform that may drive the product prices very high.
- Relating to budget allocation for the digital channel, another speaker shared that the right strategy for her business model was that a bigger budget would go to those products with larger online sales projections. The products were sold directly through the e-commerce platforms instead of the physical agents' channel. The company had difficulties in human resources and skills at the beginning, but by now, the situation has been much improved in e-commerce platforms, including Amazon. In 2019 the digital channel accounted for 40% of total sales, increasing to 60% in 2020. Due to the impact of the Covid-19 pandemic, e-commerce became the main sales channel, contributing 70% of the total sales since January 2021. The company's annual profit margin at an average growth rate was estimated at around 9-20%.
- Regarding the key strategies to move *from traditional to digital channels*, a speaker highlighted that they depended on classification. One of the most successful strategies presented earlier in the Workshop was selling through Amazon. This platform would make it easier and more feasible to get started.
- Another speaker added that for products that were distributed mainly through the traditional channels, when entering the domestic (Vietnamese) and international markets the key strategies should aim at achieving the company's ideal sales targets. Accordingly, the top three strategies must be combined, including: (i) developing the product strategy to build the product's image and communicate all its strengths to consumers; (ii) developing the human resource strategy to attract talents working in the field of e-commerce; and (iii) developing strategies and policies for customer support, marketing, shipping and other policies to compete with previous competitors.
- Another question was related to protection against counterfeit products while going for online sales in Amazon. A speaker responded that the retailer should clearly describe the product specifications (for example,

FDA approval, IDTECH standards, etc.), and/ or upload videos to Amazon so that consumers could check and better recognize the company's products. Another advice was to consult more with lawyers on intellectual property rights related to the products.

- The Covid-19 pandemic represented both opportunities and challenges. Concerning the problems of employees and arising costs during the Covid-19 pandemic, an opinion was that it was possible to create more opportunities and compete if SMEs could reduce the overhead costs. It may be strategic in the short term to cut costs to expand the organization, and the company can hire more employees later in the long term. Besides, the technical mindset should be applied to all functions of the business, not only for increasing sales but also for taking opportunities and overcoming challenges of the Covid-19 pandemic.

V. RECOMMENDATIONS

At the final session, participants shared views and recommendations on what APEC member economies should do in policies and actions to support retail MSMEs in the Internet and digital economy.

- Related to capacity building for retail MSMEs on e-commerce, a speaker suggested: (i) training retail MSMEs on long term strategies as many of them only focused on short-term performance, which was not sustainable; (ii) connecting retail MSMEs to the right digital experts for advice to get started and to look for digital partners who were ready for sharing experience; and (iii) documenting and sharing relevant cases studies and best practices by APEC in this field. These interventions should focus on new retail businesses within the first six months since establishment because most of them fail in the first year.
- In a wider scope, a participant from Viet Nam added that investment in digital education and internet access for more people, which had been implementing by the government, should be continued, expanded and improved in quality. In Viet Nam, internet accessibility in rural areas is about 70%. 4G internet recently came and the economy is preparing for 5G internet. Therefore, it is important to support MSMEs to speed up digital transformation and the government and institutions need to cooperate with

experts for shared knowledge, information and case studies on digitalization.

- Another speaker made a comprehensive recommendation for working on three levels, namely: (i) at the global level: APEC member economies should be encouraged and supported to resume service trade negotiations under WTO; (ii) at the APEC (regional) level: APEC should try to develop a protocol to provide MSMEs with a better, easier and more affordable access to e-commerce, which would include negotiation and agreement on some favorable terms such as a 10-year interim waiver from major networks and platforms like Facebook and Lazada; and (iii) at the domestic level: administrations of APEC member economies should be encouraged and lobbied to elaborate the above-mentioned two levels in the domestic context to facilitate more convenient access of MSMEs.
- APEC economies are in different development situations. Following best practices shared by speakers, a participant recommended developing suitable models for each economy, which may include the following:
 - Market research: Market research can be done to identify strengths and weaknesses that need to be focused on;
 - Getting ready for the digital economy: MSMEs in the retail industry should digitize business solutions and optimize resources to increase business efficiency, such as e-payment, integrated point of sale, e-commerce. Each economy may choose to focus on a few aspects; for example, Viet Nam should facilitate more e-payment and at the same time improve financial transaction security;
 - Digital economy development: MSMEs should be supported to penetrate new consumer markets while reducing operating costs through integrated platforms and mobile solutions;
 - Skills development roadmap: As the retail industry expands and evolves, digital skills will become more important and job placements will require wider and better skill sets to keep pace with digitalization. Therefore, APEC should offer both basic and advanced training courses for MSMEs to get involved in the business;
 - Gender focus: Administrations of APEC member economies should provide more support for women entrepreneurs because they are

more vulnerable during the Covid-19 pandemic.

- Financing and investment policies were recommended to be improved. As MSMEs are facing financial issues, every economy should make relevant policies for financing digitalization and train MSMEs on how to utilize those policies. On top of that, government policies and more budget allocation were recommended for investment in digital infrastructure and internet access, particularly in remote areas where many MSMEs operated.
- It was specifically recommended to build the capacity of retail MSMEs in Indonesia on sustainable strategies and packaging. The reason was there were many micro-enterprises and clusters of MSMEs with good products but they could not expand further because of packaging. Moreover, the government should also allocate more budget for infrastructure, internet access, branding and digital platform development.
- Finally, access to digital information and MSME marketplace were desirable for every retail business. A participant expressed that the utilization of the website for MSMEs available on the APEC portal was good and highly recommended.

VI. CONCLUSION

In her closing remarks, Ms Pham Quynh Mai (Viet Nam' Senior Official to APEC) observed that currently, the digital economy contributes from 4.5 percent to 15.5 percent of global GDP, depending on the definition of "digital economy". The digital economy is expected to account for about 70 percent of new value created over the next decade. In the view of the Senior Official, there are huge opportunities and benefits for retail MSMEs, such as smaller capital needs, larger cost savings, better and more diverse product choice and delivery at lower prices, better access for both consumers and new market entrants. Many inspiring stories have been shared about MSME successes in applying digital technology in retail, particularly in Chinese Taipei, Thailand, the Philippines, Viet Nam and other APEC member economies.

However, Ms Pham stressed that MSMEs, especially those owned and/ or run by women, also face acute challenges to digital transformation, particularly the digital divide, including the gap in access and use of the Internet and the gap in digital skills and use of digital tools. To address such challenges, MSMEs

should focus on some key factors, for example, adaption to business phase, audience segmentation, understanding the market demand, and customer relations management system. They are imperative now, as the Covid – 19 pandemic has accelerated the shift to digital business and triggered changes in shopping behaviours that may have long-term impact.

The Senior Official highlighted that fortunately, the administration of APEC member economies can digitally transform the way to boost MSMEs' growth, too, through innovative tools like online courses and webinars, webpage and e-commerce portal, hand-holding, B2B (business-to-business) and B2C (business-to-consumer), networking, product and service promotion. There are many things we can do together in the APEC Internet and Digital Economy Roadmap (AIDER). By hosting this Workshop, Viet Nam wishes to join and strongly support APEC's common efforts on accelerating the digital economy in general, digital business transformation for retail MSMEs in particular.

VII. ANNEX 1: FINAL AGENDA OF THE WORKSHOP

05 August 2021 (Thursday)	
08:30–09:00	Registration and Test Run
09:00–09:10	<p><u>Opening Remarks</u></p> <p>- Mrs Mai Thi Thuy, Chairwoman, Ha Noi’s Women SME Association, Viet Nam.</p>
09:10–09.20	<p><u>Introduction - Workshop overview and goals</u></p> <p>1. Instructions for online Workshop</p> <p>2. A short introduction to the event: Workshop objective, expectation and agenda</p>
09:20–10:20	<p>Session 1: ONLINE BUSINESS MODELS AND DIGITAL SKILLS FOR MSMEs IN DOING BUSINESS</p> <p><i>Moderator:</i></p> <p>- Ms Tran Thi Lan Anh, Director General, Bureau for Employers Activities, Viet Nam Chamber of Commerce and Industry.</p> <p><i>Speakers:</i></p> <p>- Mr Ryan Rahardjo, Head of Public Affairs Southeast Asia, Google Asia-Pacific;</p> <p>- Dr Rajan Sudesh Ratna, Deputy Head and Senior Economic Affairs Officer, United Nations ESCAP, South and South West Asia Office;</p> <p>- Mr. Benjamin Poirrier, Founder and CEO of Prodima Viet Nam Digital Marketing Agency.</p>
10:20–10:30	Coffee Break
10:30–11:30	<p>Session 2: HOW CAN WOMEN IN RETAIL FACE THE OPPORTUNITIES AND CHALLENGES PRESENTED IN THE INTERNET AND DIGITAL ECONOMY</p> <p><i>Moderator:</i></p>

	<p>- Mr Nguyen Anh Duong, Director Department for General Economic Issues and Integration Studies, Central Institute for Economic Management.</p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> - Ms Jamaica Gayle, Deputy Director of the Global Innovation Forum, the United States; - Associate Professor Dr Sitanon Jездapipat, Director of the Research Center for Economic Reform (RCER), Thailand; - Dr Rajan Sudesh Ratna, Economic Affairs Officer, United Nations ESCAP, South and South West Asia Office.
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06 August 2021 (Friday)	
08:30–09:00	Registration and Test Run
09:00 – 10:20	<p>Session 3: CASE STUDIES OF SUCCESSFUL RETAIL MSMEs IN APEC MEMBER ECONOMIES WHO HAS BEEN APPLYING DIGITAL TECHNOLOGY</p> <p><i>Moderator:</i></p> <ul style="list-style-type: none"> - Mr. Wientor Rahmada, Director of Business and Marketing of SMESCO, Marketing Agency of Ministry Cooperatives and SMEs, Indonesia. <p><i>Speakers:</i></p> <ul style="list-style-type: none"> - Mr Olle Yen-Chen Chen, President, Hop Lion Feather Works Corporation, Chinese Taipei and Ms Emily Chih, Associate Creative Director of EcomPlus, Chinese Taipei; - Ms Do Lan Huong, CEO, Kiyomi Papers Viet Nam Co. Ltd. - Mr Rami Amer G. Hourani, JD, President of PhilExport-Cebu, Philippines.
10:20–10:30	Coffee Break
10:30 – 11:20	<p>Session 4: POLICY RECOMMENDATIONS</p> <p><i>Moderator:</i></p>

	- Ms Nguyen Huong Tra, National University, Viet Nam.
11:20 – 11:30	<u>Closing Remarks</u> - Ms Pham Quynh Mai, Viet Nam’s Senior Official to APEC