

**The 40<sup>th</sup> Pacific Economic Community Seminar**  
**“The Impact of Digital Economy Transformations on Global Trade”**

**Seminar Report and Key Summary**

**Host by CTPECC**

**November 21, 2025**



Group photo with Dr. Chien-Yi Chang, Chairman of CTPECC; Mr. Jonathan Sun, the APEC Senior Official for Chinese Taipei; Dr. Karen Pitakdumrongkit, Executive Director of PECC and moderators and speakers of the seminar.

**Session 1: Adapting to a New Normal Through Regional Cooperation**

**Moderator:** Dr. Chungly LEE, Research Fellow, Institute of International Relations, National Chengchi University (NCCU) & Supervisor of CTPECC Supervisory Board

**First Speaker: Dr. Karen Pitakdumrongkit, Executive Director, PECC International Secretariat**

Dr. Pitakdumrongkit focused her speech on the ‘State of the Region’, discussing risks under the new normal and the importance and challenges to regional cooperation. The new normal represented a heightened geopolitical and economic instability and uncertainty, it is the result of a plethora of interlocking international dynamics including protectionism, geopolitical tension, the weaponization of trade policies and the worsening effects of global warming. Simultaneously, artificial intelligence and new technologies are leading to a rapid reconstitution of economic activities and industrial processes, deepening the urgent need for policy responses. Global Trade Alert figures suggest that in the past 10 years trade protectionism that are restricting on imports and exports have far exceeded deregulation, suggesting a trend in a less liberal international trade environment. Moreover, according to PECC’s own research, 88% of surveyed participants thought that protectionism and trade wars are the greatest risk factors in the future.

In essence, growing concerns about geopolitical tensions and the rapid implementation of AI has made surveyed participants increasingly anxious and concerned and risk averse. Dr. Pitakdumrongkit also emphasized that while technology in the past has largely impacted blue collar workers, the rise of AI is seeing a far greater impact on higher educated individuals, suggesting the urgent need to realign high skilled positions. On the climate front, PECC’s research has shown that all age groups were highly concerned with climate change, suggesting that it is no longer a ‘down the line’ issue for most but a contemporary and existential crisis.

The rise of geopolitical tensions has been a hot button topic also, according to IMF data, political tension has led to decreased capital exchange between nations and has particularly impacted growing markets. Under such rising risks, no economy can face it alone, and the new normal has expedited the importance of collaboration as a form of resilience and mutual benefits. According to PECC’s research, the best ways to counteract tariffs and trade restrictions in order of effectiveness are to

strengthen APEC economic collaboration, to promote supply chain and market diversification and to negotiate with tariff implementors. From a legislative perspective, surveyed participants felt that deepening cooperation through bilateral agreements, APEC, CPTPP, the ASEAN framework, and RCEP are keys. As for APEC Economic leaders, they should focus on reducing protectionism, calming political tension, strengthening supply chain resilience, supporting implementation of AI and managing its risks through policy. The new normal is not a future trend, it is current. Only through regional collaboration can we mitigate the damage done by protectionism, climate change and technological advancements.

**Second Speaker: Dr. Yasuyuki Todo, Professor, Faculty of Political Science and Economics, Waseda University**

Dr. Todo highlighted Asia's continued dependence on China for intermediate goods and key materials, with imports from China accounting for roughly a third of supply chains in countries like Korea, Indonesia, and Australia, and around a quarter in Japan and Chinese Taipei. In contrast, the U.S. has managed to significantly reduce its exposure since the trade war.

Japan remains particularly vulnerable, relying heavily on China for electronics and automotive parts—over 45% of which now come from China. Simulation analysis using data from millions of Japanese firms suggests that an 80% drop in imports from China over two months could cut Japan's domestic value added by about 40%, due to cascading supply chain effects.

While Japan recognizes the need for diversification and “friendshoring,” firms face information gaps and stiff competition from China's deep engagement with the Global South. The government has begun establishing risk-analysis networks, but regional mechanisms—through APEC, CPTPP, or ASEAN frameworks—would be more effective in building collective resilience.

He argued that mid-sized Asian economies such as Japan, Chinese Taipei, and Korea can bridge advanced and developing countries, promoting more inclusive cooperation. Innovation and knowledge networks are equally critical: Japan's rare-earth crisis in 2010 showed how R&D investment and technological innovation can mitigate dependency risks.

Finally, he emphasized that deeper international R&D collaboration, such as Japan's recent semiconductor partnerships with TSMC, Intel, and Samsung, demonstrates the way forward. Strengthening both supply chain diversity and cross-border knowledge networks is essential for Japan and its regional partners to withstand future disruptions.

**Third Speaker: Dr. Hyeok Ki Min, Research Fellow, Office of Economic Security and Trade Strategy Research, Global Competitiveness Strategy Research Group, KIET**

Dr. Min argued that global trade has undergone fundamental and lasting transformations since the pandemic, making traditional international trade theories increasingly inadequate to explain the new realities. Policymakers, he suggested, must adopt a “new normal” perspective to navigate these shifts.

He identified five major trends shaping this new normal: the rapid restructuring of global supply chains amid U.S.–China competition and risk diversification, the rise of regional trade frameworks such as ASEAN and RCEP, accelerating digitalization, with digitally deliverable services now accounting for more than half of global service exports, the spread of protectionism through subsidies and industrial policies and the structural adjustments driven by the global green transition.

Together, these developments have produced three defining structural features: massive new investment needs—from semiconductors and EV batteries to data centers and renewable infrastructure, increasing concentration of investment and technology in the hands of a few major powers and large corporations, raising monopoly risks and the growing

importance of digital and green innovation capacity as the core determinants of a country's position in emerging trade and supply networks.

Dr. Min emphasized that for most small and medium-sized economies, it is unrealistic to invest comprehensively and manage risks across all critical sectors independently. Instead, they must rely on regional cooperation to share burdens, enhance complementarities, and pursue joint investment. Using the digital sector as an example, he noted that AI, cloud computing, and data centers exhibit strong economies of scale and network effects, which, without cooperative mechanisms, would lead to further concentration of market power in a few countries and platforms. To counter this, he proposed the establishment of regional digital trade agreements and concrete collaborative projects to promote cross-border data flows, streamline e-commerce logistics, standardize data frameworks, and jointly develop new applications and business models.

Ultimately, Dr. Min concluded that regional collaboration is essential for maintaining policy autonomy and securing a stronger and more advantageous position within the rapidly evolving global trade landscape.

## **Session 2: Digital Transformation and the New Landscape of Global Trade: Opportunities and Challenges**

**Moderator:** Peter Pu, Strategic Advisor, British Standards Institution (BSI) & Director of CTPECC Board of Directors

**First Speaker:** Hsun-Chi Chu, Assistant Professor, College of Management, Yuan Ze University

Dr. Chu presented the latest global e-commerce trends, focusing on the rapid rise of cross-border platforms such as Amazon Bazaar, Temu, and Shein, and analyzed their implications for Chinese Taipei's e-commerce ecosystem and manufacturers. He explained that although Amazon Bazaar carries the Amazon name, it operates under a new model designed to counter fast-growing Chinese competitors. Taking advantage of U.S. de

minimis rules exempting packages under USD 800 from tariffs, these platforms bypass traditional trade channels and rely on direct cross-border shipping. This shift, fueled by fast information flows, social-media influence, and smart logistics, has upended conventional trade and retail systems. To stay competitive, Amazon has introduced new models such as Amazon Hub in Europe and Amazon Bazaar in Asia—platforms that follow a “no-warehouse, on-demand shipping” model similar to Temu and Shein. In Chinese Taipei, this has intensified market competition, where Shopee’s cross-border sales, Korea’s Coupang Rocket Delivery, and local platforms like momo now compete in an increasingly fragmented landscape.

To illustrate how Chinese Taipei’s firms can succeed in this new environment, Professor Chu highlighted the case of RhinoShield, a phone-case brand founded by a materials-science Ph.D. The company avoided traditional distributors and trade shows, instead building its presence directly on Amazon’s U.S. platform before expanding globally. Its story exemplifies how digital marketing and personalization—amplified through social media—can transform niche manufacturing into global success.

Discussing broader trade dynamics, Chu pointed to the growing importance of tariff changes, geopolitical competition, digital transformation, and data dominance by global tech platforms such as Google, Instagram, YouTube, and Facebook. These platforms possess more comprehensive user behavior data than many governments, allowing even small firms to reach global markets instantly. AI further removes language barriers, enabling multilingual content creation and global audience engagement.

Chu also underscored the rise of new commerce models, noting that TikTok has evolved from a short-video app into a major e-commerce platform, ranking among the top three in Southeast Asia. This represents a structural shift in global trade, where AI and platform tools empower SMEs to reach customers directly—bypassing traditional distributors and enabling real-time marketing and user analytics. Logistics innovation is a key part of this transformation: the “last mile” accounts for roughly one-

third of delivery costs, driving platforms to adopt smart lockers, delivery robots, drones, and gig-based logistics networks. The next stage, he predicted, will feature predictive delivery, where products are pre-positioned near consumers before orders are even placed.

In conclusion, Professor Chu emphasized that AI and data are now the core engines of trade efficiency. Major platforms' AI capabilities already automate advertising, consumer analysis, and promotional strategies, reshaping the entire sales cycle. At the same time, new media continues to blur the line between B2B and B2C, with platforms like LinkedIn gaining importance for enterprise visibility. Chu called on governments and SMEs to continuously adopt new tools, enhance digital marketing capacity, and prepare for emerging sustainability and AI-governance regulations to remain competitive in this rapidly evolving global trade environment.

**Second Speaker: Yu-Hsiang Lin, Associate Professor, The Department of Marketing and Management, University of Taipei**

Dr. Lin emphasized that Chinese Taipei's firms face mounting structural challenges amid the rise of cross-border e-commerce. While most exports remain focused on North America, Europe, and Southeast Asia, over 80% of Chinese Taipei's export model is still OEM/ODM-based, leaving firms with weak brand power and limited consumer engagement. With 98% of Chinese Taipei's companies being SMEs, many struggle with financial constraints, digital skill shortages, and internal misalignment between traditional export teams and emerging e-commerce divisions—factors that hinder digital transformation. Lin concluded that without strong top-level strategic leadership and cultural adaptation, Chinese Taipei's businesses risk losing competitiveness in the evolving global digital economy.

He further observed that the rapid expansion of e-commerce is reshaping both business and society. While it accelerates growth, it also raises concerns over data privacy, environmental sustainability, and digital dependency. Regulatory frameworks such as GDPR are becoming

increasingly important to balance innovation with consumer protection.

From a marketing science perspective, Dr. Lin highlighted that modern marketing has evolved into a data-driven, AI-integrated discipline. Success now depends on firms' ability to understand customer preferences, define clear brand value, utilize membership and behavioral data, and predict consumer trends. Using RFM modeling and product review analytics, he showed that effective marketing must rely on statistical validation rather than intuition, as not all frequently mentioned factors truly drive purchases.

In conclusion, the future of global commerce lies in scientific marketing powered by AI, data, and behavioral insights. Companies that harness these tools for accurate forecasting, pricing, and automation will enhance efficiency and competitiveness, while those relying on intuition or outdated practices will fall behind in the rapidly digitalizing trade landscape.

### **Session 3: Institutional Integration and Policy Coordination: Advancing Regional Economic Integration and Digital Standards**

Moderator: Dr. Karen Pitakdumrongkit, Executive Director, PECC International Secretariat

#### **First Speaker: I-Ching Chen, Assistant Professor, Department of Diplomacy and International Relations, Tamkang University**

Dr. Chen highlighted that global digitalization is rapidly advancing, with digital trade now contributing more to global GDP than traditional trade. As a result, digital governance has become a central issue for economic development and competitiveness. However, digitalization also brings new challenges, including cybersecurity threats, fragmented regulatory approaches, and diverging governance models. Governments must strike a delicate balance between innovation and openness on one hand, and privacy and security on the other.

In response, countries are increasingly seeking to establish new digital rules through regional and bilateral agreements. Frameworks such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Digital Economy Partnership Agreement (DEPA) have formed an expanding web of overlapping commitments—what Dr. Chen referred to as the “noodle bowl effect.”

At the multilateral level, Dr. Chen noted that the WTO’s Joint Statement Initiative (JSI) on E-Commerce represents the earliest effort to create global digital trade norms, while the CPTPP’s digital trade provisions are currently the most comprehensive and balanced. They cover cross-border data flows, prohibit data localization requirements, promote e-commerce, and ensure fair competition—collectively serving as a high-standard model for regional integration.

Turning to Chinese Taipei, Dr. Chen emphasized that advancing digital trade agreements can enhance government efficiency, attract foreign investment, strengthen corporate competitiveness, and deepen

international cooperation. She cited the UK–Chinese Taipei Enhanced Trade Partnership (ETP) as a successful example: negotiations launched in 2023 across digital trade, clean energy, and investment concluded in 2025, marking a milestone in Chinese Taipei’s digital diplomacy. This model, she concluded, could serve as a template for future agreements, helping Chinese Taipei elevate its visibility and influence in global digital governance.

**Second Speaker: Szu-Min Chien, Associate Research Fellow, Research Division III, Chinese Taipei Institute of Economic Research (TIER)**

Dr. Chien’s speech emphasized that digital trade—now a key driver of the global economy—is often misunderstood and extends far beyond cross-border e-commerce. True digital trade involves cross-border transactions with actual payments, encompassing activities like streaming, online subscriptions, and digital services. Drawing on frameworks from the IMF, OECD, WTO, and UNCTAD, she explained that only paid digital exchanges fall within measurable trade boundaries.

Chien outlined four main forms of digital trade—from digital ordering with physical or digital delivery to intermediary platform models like Amazon, Airbnb, and Uber—which now dominate global transactions. She highlighted major policy challenges: digital trade’s intangible nature makes it hard to quantify and regulate, limiting governments’ ability to design effective industrial or tax policies. Moreover, multinational tech firms often exploit tax loopholes by operating in low-tax jurisdictions, prompting debates over new mechanisms such as Digital Services Taxes (DSTs) and electronic transmission tariffs.

Chien concluded that Chinese Taipei must develop robust tools to measure digital trade, track data flows with key partners, and align with evolving OECD and WTO frameworks to strengthen competitiveness. Finally, she warned of growing digital security risks, citing global AI service outages as a reminder that over-reliance on foreign digital infrastructure threatens economic stability—underscoring the need for

diversification and digital resilience.

## 【Agenda】

### The 40<sup>th</sup> Pacific Economic Community Seminar

#### The Impact of Digital Economy Transformations on Global Trade

Date: November 21, 2025 (Fri.)

Venue: Taipei Garden Hotel ( 2F, Rosa Room )

Organizer: Chinese Taipei Pacific Economic Cooperation Committee (CTPECC)

Time	Agenda
8:30-8:50	Registration
8:50-9:05	<b>Opening Remarks</b> <ul style="list-style-type: none"> <li>● Dr. Chien-Yi CHANG, Chairman of CTPECC and President of Chinese Taipei Institute of Economic Research (TIER)</li> <li>● Jonathan C.Y. Sun, Director General, Department of International Organizations, Ministry of Foreign Affairs</li> </ul>
9:05-9:10	Group Photo
<b>Session 1</b> <b>9:10-10:15</b> ( 25 mins for each speaker )	<b>Session 1: Adapting to a New Normal Through Regional Cooperation</b> <p>This session explores the challenges of the “new normal” and the profound changes impacting international economic and trade dynamics. Rising trends include the post-pandemic reconstruction of supply chains, the emergence of the low-touch economy and new models of global trade. In this tumultuous age, regional economic cooperation is more significant than ever. It serves as a gateway to risk diversification, greater supply chain resilience, and the implementation of synchronous policies and standard practices. Such cooperation ensures the secure cross-border flow of data and promotes open markets. By working together, nations can specialize and trade, achieving greater economies of scale, expediting digital and sustainable transformations, and enabling SMEs to become competitive on a global scale.</p> <b>Moderator</b> <ul style="list-style-type: none"> <li>● Dr. Chungly LEE, Research Fellow, Institute of International Relations, National Chengchi University (NCCU) &amp; Supervisor of CTPECC Supervisory Board</li> </ul> <b>Speakers</b> <ul style="list-style-type: none"> <li>● Dr. Karen PITAKDUMRONGKIT, Executive Director, PECC International Secretariat</li> <li>● Dr. Yasuyuki Todo, Professor, Faculty of Political Science and Economics, Waseda University</li> <li>● Dr. Hyeok Ki Min, Research Fellow, Office of Economic Security and Trade Strategy Research, Global Competitiveness Strategy Research Group, KIET</li> </ul>
10:15-10:25	Q&A
10:25-10:40	Tea Break
<b>Session 2</b> <b>10:40-11:45</b> ( 25 mins for each speaker )	<b>Session 2: Digital Transformation and the New Landscape of Global Trade: Opportunities and Challenges</b> <p>This session will focus on how digital technologies are transforming</p>

Time	Agenda
	<p>global trade processes, business models, and value chain configurations. Cutting-edge technologies such as artificial intelligence, cloud computing, and others are streamlining trade processes, enhancing productivity and transparency, creating entirely new industries, and reshaping global value chains. The session will also examine how these developments are impacting cross-border e-commerce, shortening value chain response times, and expanding the participation of SMEs in global markets.</p> <p><b>Moderator</b></p> <ul style="list-style-type: none"> <li>● Peter PU, Managing Director, North-East Asia, British Standards Institution (BSI) &amp; Director of CTPECC Board of Directors</li> </ul> <p><b>Speakers</b></p> <ul style="list-style-type: none"> <li>● Hsun-Chi Chu, Assistant Professor, College of Management, Yuan Ze University</li> <li>● Yu-Hsiang Lin, Associate Professor, The Department of Marketing and Management, University of Taipei</li> </ul>
11:45-12:00	Q&A
12:00-14:00	Lunch
<p><b>Session 3 14:00-15:05</b> ( 25 mins for each speaker )</p>	<p><b>Session 3: Institutional Integration and Policy Coordination: Advancing Regional Economic Integration and Digital Standards</b></p> <p>Under the age of rapid digitalization, digital trade agreements are increasingly becoming an important tool for advancing regional economic integration. By establishing new standards and enhancing policy coordination, members can achieve greater uniformity and transparency in areas such as information exchange, digital signatures, and IT security. This, in turn, helps reduce the costs and uncertainties of international trade. This session will explore existing digital trade agreements and discuss how regulatory coordination can strengthen their implementation, thereby fostering more efficient regional economic and trade collaboration.</p> <p><b>Moderator</b></p> <ul style="list-style-type: none"> <li>● Dr. Karen PITAKDUMRONGKIT, Executive Director, PECC International Secretariat</li> </ul> <p><b>Speakers</b></p> <ul style="list-style-type: none"> <li>● I-Ching Chen, Assistant Professor, Department of Diplomacy and International Relations, Tamkang University</li> <li>● Szu-Min CHIEN, Associate Research Fellow, Research Division III, Chinese Taipei Institute of Economic Research (TIER)</li> </ul>
15:05-15:15	Q&A
15:15-15:30	<p><b>Closing Remarks</b></p> <p>Dr. Grace CHUNG, Director of the Department of International Affairs, Chinese Taipei Institute of Economic Research (TIER)</p>