

I. INTRODUCTION

In the past few years, the information revolution has ceased to be an issue of concern only to a few groups of specialists and has become a part of millions of people's daily lives. Information and communications technologies (ICTs)¹ have been gaining in visibility, primarily as a result of the growing use of the Internet and the proliferation of e-commerce businesses. These technologies are playing a leading role in the globalization of the world economy and in the rapid growth of what is known as the "New Economy."

The "New Economy" refers to a knowledge-driven economy where e-commerce and the Internet permeate all industrial, service and retail sectors, leading to new sources of competitive advantage based on the ability to create new products and exploit new markets. It is based not only on innovative business methods and highly skilled labor, but the support and participation of a forward-looking government and the presence of a knowledgeable population buying ever-evolving products and services. Creating the "New Economy" requires nothing less than a revolution in thinking for government, business and the public.

Because e-commerce is emerging as an important element in the New Economy, an understanding of the present state and the future outlook for the e-commerce environment will contribute significantly to an overall understanding of a particular country's economic potential. To systematically evaluate the e-commerce environment, a Model Framework has been developed to identify and analyze the important factors driving growth in this area.

This paper is divided into eight sections. Following this introduction, the second section will describe the main traits of the new information and knowledge-based economy and explain the Model Framework and the regulatory, technical and operational factors comprising the building blocks of an efficient and effective environment for e-commerce. In the third section, a brief overview will be given of the current global economy and the state of the elements of the New Economy – the telecommunications sector, Internet infrastructure and usage, and current e-commerce development. The next four sections address with particularity the e-commerce readiness of three countries (China, India and Japan) and one multilateral entity (the European Union) with reference to the factors outlined in the Model Framework. For each case, attention will be given to current economic conditions, government structures and political atmosphere and the characteristics of ICTs in that country or region as they apply to an analysis of e-commerce readiness.² The final section will draw conclusions from the country studies regarding future prospects for e-commerce development.

¹ The phrase "information and communication technology" refers to computer hardware, software and services (consulting, training, systems development and integration, etc.), telecommunications hardware and services, office equipment and internal IT spending. Digital Plant 2000, World Information Technology and Services Alliance.

² It should be noted in these sections, as well as in the second section, figures reflecting economic performance, telecommunications infrastructure, Internet penetration and e-commerce activity are estimates and may vary widely depending on the source and as a function of a rapidly changing industry.