

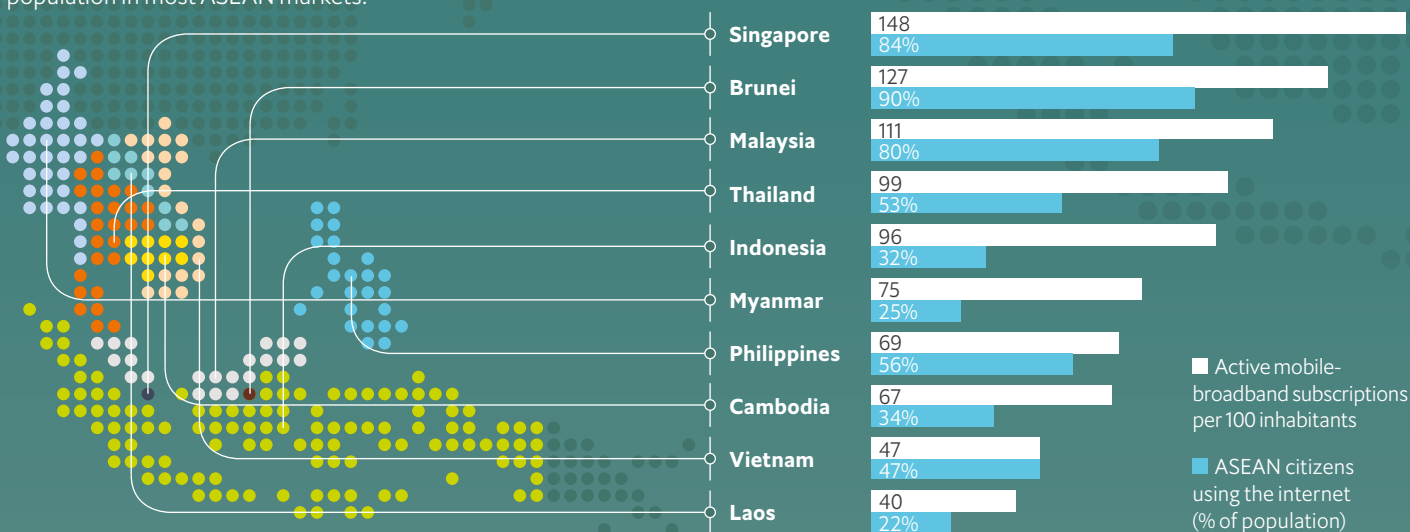
DIGITAL PLATFORMS AND SERVICES

Leveraging the growth opportunities in ASEAN

Countries in ASEAN are increasingly implementing digital economy strategies to reap the full benefits of the internet economy, which is largely dependent on people being able to use digital platforms and services, such as e-commerce and cross-border data flows.

EXPANSION OPPORTUNITY WITH ACCESS TO 660m CONSUMERS

Online access is steadily increasing in the region with mobile-broadband subscriptions and internet usage now reaching more than half of the population in most ASEAN markets.



Sources: International Telecommunication Union 2017. <https://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx>
World Bank 2017. <https://data.worldbank.org/indicator/IT.NET.USER.ZS>

REGULATORY BARRIERS ARE RESTRICTING TRADE

More needs to be done to stimulate the ease of doing business in the region. Data localisation regulations decrease economies of scale for global companies, and potentially limit the opportunities for local enterprises to take advantage of them.



	Ease of doing business	Cross-border data flows
Singapore	2	Open
Malaysia	15	Open
Thailand	27	Open
Brunei	55	Closed
Vietnam	69	Closed
Indonesia	73	Closed
Philippines	124	Open
Cambodia	138	Open
Laos	154	Open
Myanmar	171	Open

Sources: World Bank 2017. <http://www.doingbusiness.org/en/rankings>
The ASEAN Post 2018. <https://theaseanpost.com/article/data-localisation-southeast-asia>
Bank Negara Malaysia <http://www.bnm.gov.my/index.php?ch=57&pg=543&ac=692&bb=file>

GROWTH STRATEGIES

Companies across the region are employing a range of strategies in order to capture the growth opportunity.

US\$1trn

The boost to ASEAN trade and GDP that could be achieved by 2025 by harnessing the digital economy.⁶

660m people

The size of the ASEAN opportunity for companies looking to expand into the third largest market in the world, which has rising income levels.⁷

BETTER MARKET ACCESS



ASEAN companies benefit from easier access to regional and global consumers and business support including financing, insurance and digital marketing via initiatives such as Malaysia's Digital Free-Trade Zone (DFTZ), which includes an electronic world trade platform. Order fulfilment is also aided by platforms such as Lazada, which provides businesses with e-commerce and logistics support.¹

SEAMLESS PAYMENTS



Business transactions in the region have become more seamless thanks to mobile wallets such as GrabPay, which operates in six major ASEAN countries. The mobile wallet allows consumers to pay for transport and delivery services, peer-to-peer transactions, online purchases and QR code payments to offline merchants via an integrated and secure platform.²

GROWING THE CUSTOMER BASE



Businesses can leverage established digital platforms to reach untapped ASEAN markets and grow their customer base. Expedia, for example, supports Thailand's "Go Local" campaign by promoting the country's secondary tourist destinations on its online travel service platform.³

BUILDING PARTNERSHIPS



Fintech firms have access to a digital marketplace and sandbox platform—API Exchange, launched by The ASEAN Financial Innovation network—that allows them to connect with one another, collaborate with industry players in a regulatory sandbox, and provide application programming interfaces that support digital transformation and financial inclusion across the region.⁴

BREAKING DOWN TRADE BARRIERS



Companies can expedite cross-border customs documentation and cargo clearance within ASEAN member states thanks to the ASEAN Single Window—an integrated digital platform that provides secure IT architecture and a legal framework that enables trade, transport and commercial data to be exchanged online.⁵

Sources:

¹ http://www.miti.gov.my/miti/resources/Media%20Release/Fact_Sheet_DFTZ_at_Malaysia_Digital_Economy_2018_SME_Fact_Sheet.pdf

² <http://fintechnews.sg/25677/mobilepayments/grabpay-by-kbank/>

³ <https://www.bangkokpost.com/business/tourism-and-transport/1542534/tat-joins-forces-with-expedia>

⁴ <http://www.mas.gov.sg/News-and-Publications/Media-Releases/2018/Worlds-First-Cross-Border-Open-Architecture-Platform-to-Improve-Financial-Inclusion.aspx>

⁵ <https://www.businesstimes.com.sg/asean-business/asean-single-window-a-digital-platform-to-simplify-customs-clearance>

⁶ <https://www.bloomberg.com/news/articles/2018-09-03/bain-sees-1-trillion-boost-to-asean-gdp-from-digital-economy>

⁷ <https://www.imf.org/external/pubs/ft/fandd/2018/09/pdf/asean-digital-economy-infographic-feng.pdf>

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