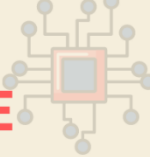


## Webinar - ASEAN's 2021 Digital Toolkit Series: Removing Roadblocks for Future Growth

Even before the COVID-19 outbreak, digital transformation has been an important megatrend globally, and a key priority for ASEAN. However, the acute disruption to businesses brought about by COVID-19 has rapidly accelerated this transformation, pushed companies over the technology tipping point and completely revolutionised the way business is conducted. Yet, despite the incredible growth of ASEAN's digital economy, there remain hard and soft connectivity gaps between and within countries in the region. This begs the question: How can ASEAN overcome the infrastructural challenges that impede the region from realising its full digital potential?


# ASEAN'S INFRASTRUCTURE DEMAND




ASEAN needs to fulfill its digital infrastructure demands in order to achieve its full digital potential.

### INTERNET PENETRATION

**66%** of the ASEAN population are Internet subscribers as of January 2020, compared to 7.8% in 2015.




### NETWORK INFRASTRUCTURE



The speed of downloading information from the Internet is **10x faster** in Singapore than in Cambodia.


### DIGITALISATION OF SME

75% perceive digital integration as an opportunity, but only **16%** are truly digitalized & **40%** do not have the necessary digital skills




### OVERALL DIGITAL READINESS

In 2019, Singapore's overall digital readiness score was the **highest in the world** at **20.26** (out of 25) while Myanmar received a score of **8.08**.



### REGULATORY FRAMEWORKS

**Wide dispersion** in regulatory and policy environment in ASEAN & **Lack of interoperability** of different payment platforms.



SOURCE: ISEAS, "DIGITALISATION IN ASEAN," ASEANFOCUS, DECEMBER 2020.  
[HTTPS://WWW.ISEAS.EDU.SG/WP-CONTENT/UPLOADS/2020/12/ASEANFOCUS-DECEMBER-2020.PDF](https://www.iseas.edu.sg/wp-content/uploads/2020/12/ASEANFOCUS-DECEMBER-2020.PDF)

To better understand the path forward, on 14 May 2021, the EU-ASEAN Business Council (EU-ABC) hosted a webinar titled: *ASEAN's 2021 Digital Toolkit Series: Removing Roadblocks for Future Growth*. The panel comprised of H.E. Satvinder Singh, Deputy Secretary General of the ASEAN Economic Community; H.E. Ambassador Igor Driesmans, EU Ambassador to ASEAN; Claudia Chan, Senior Director of Government Affairs in Southeast Asia at SAP; and John Hsu, Chief Information Officer of Asia Pacific at HSBC. The webinar was moderated by Chris Humphrey, Executive Director at the EU-ASEAN Business Council.

### Infrastructural Challenges in ASEAN

H.E. Satvinder Singh kicked off the discussion by stressing the importance of infrastructure in ASEAN's digital transformation and pointing out the infrastructural gap between and within ASEAN Member States, particularly in areas like network coverage, Internet access, and cybersecurity. Given that digital availability, access, appetite, and capabilities differ across the region, the challenge for ASEAN is to pursue digital infrastructure development across the region whilst aligning development to the different maturity levels of its member states in the digital space.

The panellists agreed that both hard infrastructure such as data storage and processing centres, and soft infrastructure such as standards and regulations, are vital to the operation of the digital economy. They particularly highlighted the need for ASEAN to develop soft infrastructure that encouraged cross-border data flows. H.E. Satvinder Singh explained that while many of the emerging

economies in ASEAN are innovating and growing their footprint in the cloud computing world, there remain regulatory barriers that impede cross-border data flows and compel data localisation which both incurs additional costs on businesses and consumers and compromises security. Nevertheless, he noted ASEAN's commitment to removing these barriers through the RCEP and the [ASEAN Agreement on Electronic Commerce](#). He added that trade tensions between the US and China and the different sets of rules imposed by different major economies - the US, China and the EU, present another challenge to ASEAN. This is because the three economies are the top three trading partners of each ASEAN Member State, hence, ASEAN is inevitably forced to navigate around different sets of rules.

### **Cross-Sectoral Collaboration**

The panellists reiterated the need for cross-sectoral collaboration - between businesses, financial institutions and governments, in order for ASEAN to materialise its [ASEAN Digital Masterplan 2025](#) objectives. John Hsu emphasised the importance of public-private collaboration in setting regulatory standards; in developing and leveraging digital capabilities to restore supply chain and trade connectivity; and in ensuring equitable access to digital trade by SMEs. He added that financing sources like the ASEAN ICT Fund, ASEAN Dialogue Partners, International Organisations, regional and global giants, and other public and private financial institutions, can help ASEAN achieve its digital transformation goals. John Hsu and Claudia Chan also brought up the need for cross-sectoral collaboration in educating, transforming, and uplifting digital skillsets in the region – which they cited as lacking and insufficient.

### **Convergence of Standards in the Digital Economy**

The panellists underscored the need to harmonise regulatory standards in the digital space both within the region and across regions and geographies globally. H.E. Satvinder Singh shared that ASEAN has consistently pursued a dual pronged strategy in achieving its digital transformation goals – digital development at the domestic level and coordination efforts at the regional level. Examples of such coordination strategies include the ASEAN Digital Masterplan 2025 and the [ASEAN Digital Integration Framework](#), which aim to strengthen infrastructure while ensuring inclusiveness of all ASEAN Member States, harmonise regulatory standards, promote intraregional investments and engage the various public and private stakeholders in the region. Claudia Chan added that ASEAN's [Framework on Digital Data Governance](#) is also a step in the right direction in terms of facilitating the harmonisation of data regulations among ASEAN Member States and enhancing data management. However, the panellists concurred that more needs to be done to harmonise standards between the EU and ASEAN. H.E. Ambassador Igor Driesmans pointed out that various strategies and policies in the ASEAN Digital Masterplan 2025 are similar to that of the EU, which provides opportunities for the alignment of regulatory norms and standards between the two regions. He stressed that collaborative mechanisms between the two regions must go beyond rhetoric and political commitment to include dedicated consultative dialogues and joint ministerial statements on connectivity between the regions. H.E. Satvinder Singh added that if there are barriers to multilateral and open data flows, there must minimally be some form of interoperability of regulatory standards so that businesses are not forced to deal with entirely different sets of rules.