PRESS STATEMENT:
EU-ASEAN BUSINESS COUNCIL LAUNCHES SECOND POSITION PAPER ON THE DIGITAL ECONOMY IN ASEAN: CALLS FOR COMPREHENSIVE REGIONAL APPROACH TO ENSURE MAXIMUM BENEFITS OF DIGITAL ECONOMY ARE ACHIEVED

* **The EU-ASEAN Business Council today launched a new publication: ‘Growing a Stronger Digital Future in Southeast Asia’.**
* **The paper focuses on the policies needed to bring the full benefits of the Fourth Industrial Revolution to Southeast Asia, as a follow-up to the first paper ‘Ensuring Success for the Digital Economy in ASEAN’ which was published in 2018.**
* **The EU-ABC recommends ASEAN Member States allow for freest possible flow of data, faster development of digital infrastructure and opening to increased foreign investment, common standards and approaches to e-Commerce, and enhancements in education to equip the people of Southeast Asia to meet the increasing demands of the digital age.**
* **The EU-ABC continues to encourage ASEAN Member States to adopt proposals advocated by ASEAN and international business groups to facilitate faster and simplified customs clearances for low value shipments which would help MSMEs and boost e-commerce in ASEAN.**
* **The EU-ABC also calls for greater collaboration between the ASEAN Member States and the private sector.**

28 June 2019 – Following on this year’s theme for ASEAN “Advancing Partnership for Sustainability” and the strong focus from Thailand on Industry 4.0 under its Chairmanship of ASEAN, the EU-ASEAN Business Council (EU-ABC) today launched its second paper by its Digital Economy Advocacy Group entitled, ‘Growing a Stronger Digital Future in Southeast Asia’. The paper focuses on the creation and growth of a strong digital economy in ASEAN to boost economic growth and development in the region, and is being published on the occasion of the EU-ABC’s Annual General Meeting and Gala Dinner. The Gala Dinner is being attended by Minister S. Iswaran, Singapore’s Minister-in-charge of Trade Relations.

Commenting on the EU-ABC’s recommendations set out in the paper, Mr Donald Kanak, Chairman of the EU-ABC, said:

“European businesses appreciate the opportunity to contribute to healthy development of the Digital Economy in ASEAN. Creating the right policy environment for healthy development of the Digital Economy is critical for ASEAN’s international competitiveness and long term growth.  Digital eco-systems require public and private collaboration, investment in infrastructure and education and constant focus on both accessibility and security.”

Executive Director of the EU-ASEAN Business Council, Chris Humphrey, added:

“Just as consumers are hungry for cheaper and faster delivery of goods and services, companies are faced with lagging infrastructure, institutions, and human capital development to meet the demands. While the foundations are being laid to support the digital economy, both the public and private sectors must co-operate to build a consistent and highly efficient system that empowers consumers, businesses, and governments by allowing for the freest possible flow of cross-border data, ensuring that the right infrastructure is in place to support the digital economy, and adopting best practices to ensure the smoother and faster flow of e-Commerce.”

The paper notes that “there are several areas where further regional development and collaboration is needed if ASEAN is to get the greatest possible benefit out of the digital economy. Creating an eco-system to encourage businesses to develop digital platforms to enable them to reach new markets and consumers, exchange and interpret effectively data, make and receive payments in a speedy and low-cost manner, while meeting the increasing demands and expectations of end-consumers, is of vital importance.”

**END.**

Notes to editors:

1. **EU-ASEAN Trade and Investment Relationship**

The commercial, trade and investment relationship between the European Union and ASEAN is strong and growing. The EU is the largest economy in the world and is ASEAN’s largest source of foreign direct investment. The EU is also ASEAN’s second largest trading partner, after China.

1. **About the EU-ASEAN Business Council**

The EU-ASEAN Business Council (EU-ABC) is the recognised voice for European business within the ASEAN region. It is recognised both by the European Commission and the ASEAN Secretariat, recently being accredited as an Entity associated with ASEAN under Annex 2 of the ASEAN Charter. Independent of both bodies, the Council has been established to help promote the interests of European businesses operating within ASEAN and to advocate for changes in policies and regulations which would help promote trade and investment between Europe and the ASEAN region.

As such, the Council works on a sectorial and cross-industry basis to help improve the investment and trading conditions for European Businesses in the ASEAN region by sharing information and ideas with policy and decision makers and amongst its members and regional players within the ASEAN region.

The EU-ABC’s membership consists of large European Multi-National Corporations and the nine European Chambers of Commerce from around Southeast Asia, representing a diverse range of European industries cutting across almost every commercial sphere from car manufacturing through to financial services and including FMCG and high-end electronics and communications. Our members share a common aim to enhance trade, commerce and investment between Europe and ASEAN.

1. **Executive Summary of the Digital Economy Paper:**

**This paper makes recommendations in several policy areas: Digital Infrastructure, Data Governance, E-Commerce and the Movement of Goods and Services, Digital Payments, Payment and Settlement Systems, Digital Taxation, and Human Capital Development. The recommendations are aimed at creating and growing a strong digital economy in the ASEAN region.**

ASEAN is a region of huge potential and opportunity. The rates of development are extraordinary. The political leadership of the region are right to point out the very high GDP growth rates. The young, increasingly tech-savvy population, the high rates of urbanisation, the diversity of Southeast Asia, and the increasing numbers of middle-class people with more disposable income, all point to a bright future for the region.

There is no doubt that the digital economy has the power to add significantly to economic growth and development in Southeast Asia.

ASEAN’s own research has stated that “disruptive technologies (particularly mobile internet, big data, cloud technology, the Internet of Things, the automation of knowledge work and the social, mobile, analytics and the cloud) could unleash some US$220 billion to US$625 billion in annual economic impact in ASEAN by 2030”[[1]](#footnote-1). Yet, this fast-paced potential growth poses both an opportunity and a challenge for governments in Southeast Asia.

There are several areas where further regional development and collaboration is needed if ASEAN is to get the greatest possible benefit out of the digital economy. Creating an eco-system to encourage businesses to develop digital platforms to enable them to reach new markets and consumers, exchange and interpret effectively data, make and receive payments in a speedy and low-cost manner, while meeting the increasing demands and expectations of end consumers, is of vital importance.

In addition to ensuring that the right physical infrastructure is in place, governments will need to ensure that the right policies and regulatory regimes are developed to encourage the exchange of data, the movement of goods and services that are sold via digital platforms and innovation in new digital products and services.

Finally, it is essential that the right skill sets are developed in ASEAN to support the further development of the Digital Economy: this will involve governments in the region adapting existing education programmes to improve and encourage the teaching of ICT related skills.

**Member companies from the EU-ASEAN Business Council stand ready to collaborate and partner on the recommendations outlined in this paper**.

To download the position paper, please go to <https://www.eu-asean.eu/publications>.

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1. Master Plan on ASEAN Connectivity 2025, p.48. [↑](#footnote-ref-1)