

ASEAN Digital Community 2045

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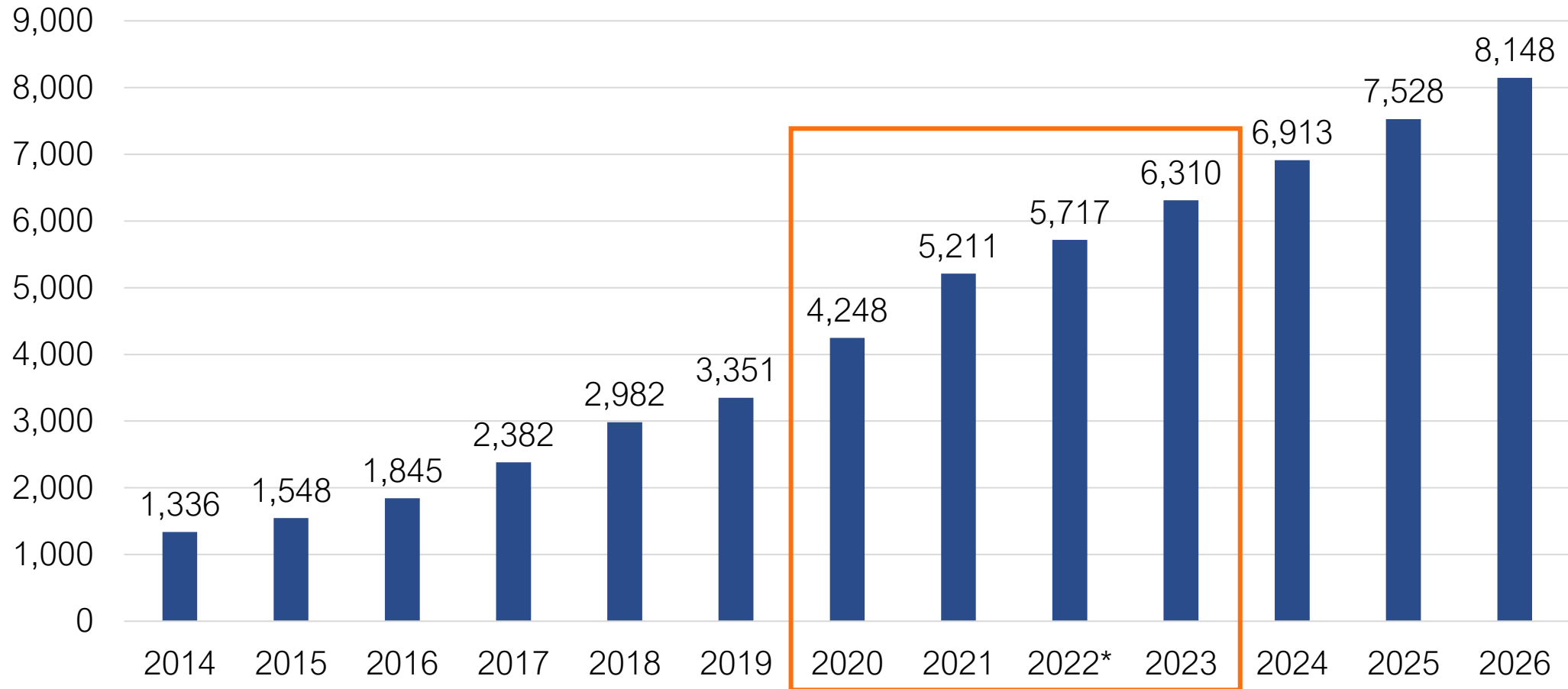
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14 June 2023, Liaoning University, China



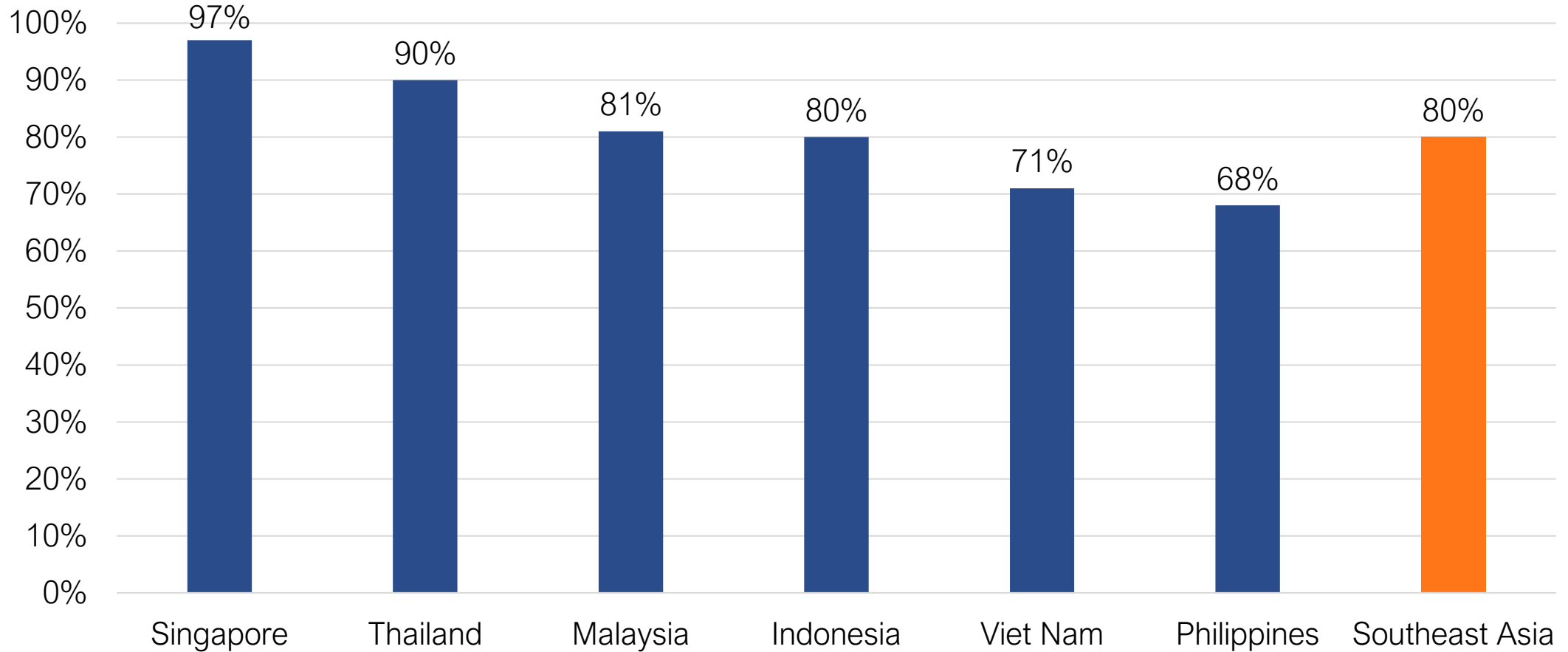
Global Digital Trade

USD billion



Source: Statista 2022 (accessed 26 May 2023), * = estimated

% of Internet Users Purchase Online



Source: Google, Temasek, and Bain & Company 2021

Key Challenges in ASEAN's Digital Trade

- **Privacy:** private individual information and data are exposed to services providers. Data protection regulation in ASEAN is still uneven.
- **Cyber Security:** rapid digitalization comes along with increased threats against data, systems, and people. Not all countries in ASEAN have imposed any specific regulations related to cyber security and its risks.
- **Competition:** market concentration reduces competition and can be hurdles to MSMEs to be in a fair level playing field, with big tech players tend to use integration as their strategy to dominate markets and capture more revenues.
- **Digital Divide:** countries, firms, and individuals are greatly varied in their digital transformation readiness depending on education, skills, and infrastructure.

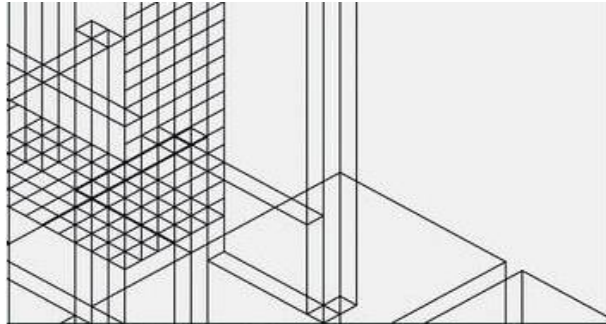
ASEAN Frameworks on Digital

1. ASEAN Framework on Personal Data Protection (2016)
2. ASEAN Digital Data Governance Framework (2017)
3. ASEAN Digital Integration Framework (2019)
4. Work Plan on the Implementation of ASEAN Agreement on e-commerce (2019)
5. ASEAN Comprehensive Recovery Framework (2020)
6. ASEAN Digital Masterplan 2025 (2021)
7. ASEAN Data Management Framework (2021)
8. The Bandar Seri Begawan Roadmap (2021)
9. Boracay Digital Declaration (2023)

Forward: ASEAN Digital Community 2045

ASEAN needs to address challenges on data privacy, cyber security, competition, and digital divide through 4 pillars:

- **Value Added:** Optimizing the use of digital technology to increase value added and to support the development in all sectors
- **Governance:** Managing and regulating the digital economy by protecting private data, implementing law enforcement on cyber security, and promoting interoperability of digital system
- **Digital Connectivity:** Integrating inventory, production, delivery, retail platforms, and digital payments; supporting governments and businesses in all aspects of their production and services
- **Digital Inclusivity:** Bridging all players, enhancing the involvement of MSMEs in the economy, and reducing regional and sectoral disparities to ensure no one left behind.



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ROBOTS AND AI

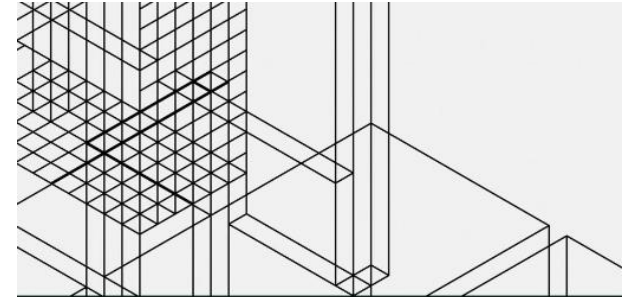
A NEW ECONOMIC ERA

Edited by
Lili Yan Ing and Gene M. Grossman



New Normal, New Technologies, New Financing

Edited by Lili Yan Ing and Dani Rodrik

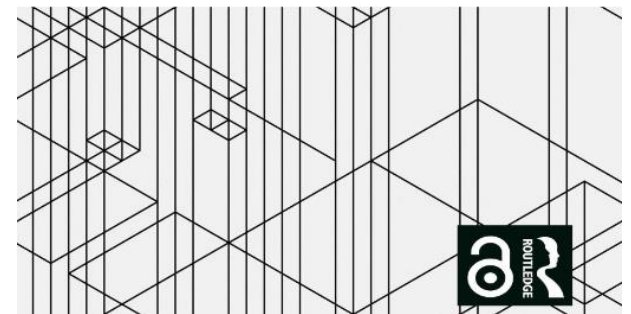


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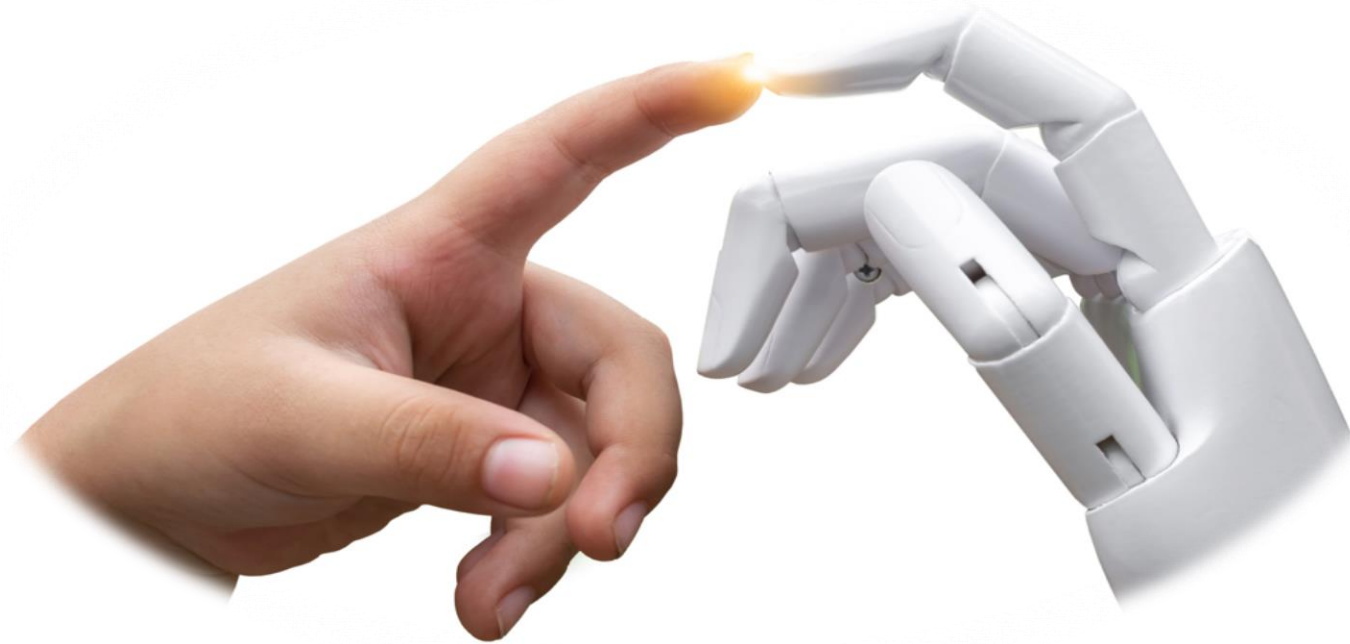
WORLD TRADE EVOLUTION

GROWTH, PRODUCTIVITY AND EMPLOYMENT

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Thank you

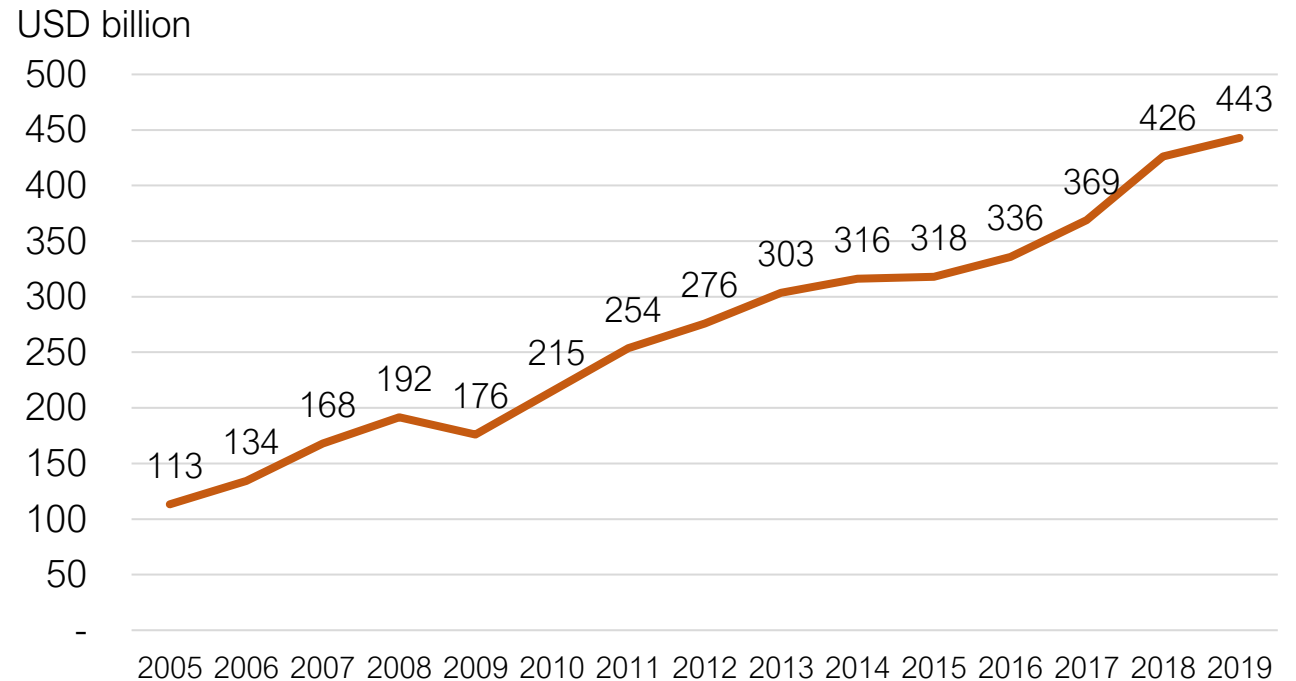


ASEAN Digital Readiness

- Digital Infrastructure and Governance

ASEAN Framework on Digital Data Governance, ASEAN Digital Master Plan 2025, ASEAN Framework on Personal Data Protection, ASEAN Data Management Framework.

- Digital in the Services Sector
ASEAN Trade in Services, 2005-2019



Source: UNCTADStat [accessed 20 February 2023]

ASEAN Digital Readiness

- **Digital Payments:** digital payments system includes the use of mobile wallets, virtual credit cards, wire transfers, and so on. ASEAN recorded as the world's most rapid mobile wallet market growth.
- **Digital Skills:** ASEAN has Go Digital ASEAN Initiative, launched in June 2020, aims to help small businesses and job seekers through skills training to enhance their digital skills. Through the initiative, 95% of MSMEs and 94% of job seekers are reported to have increased knowledge on ICT tools in 2021.

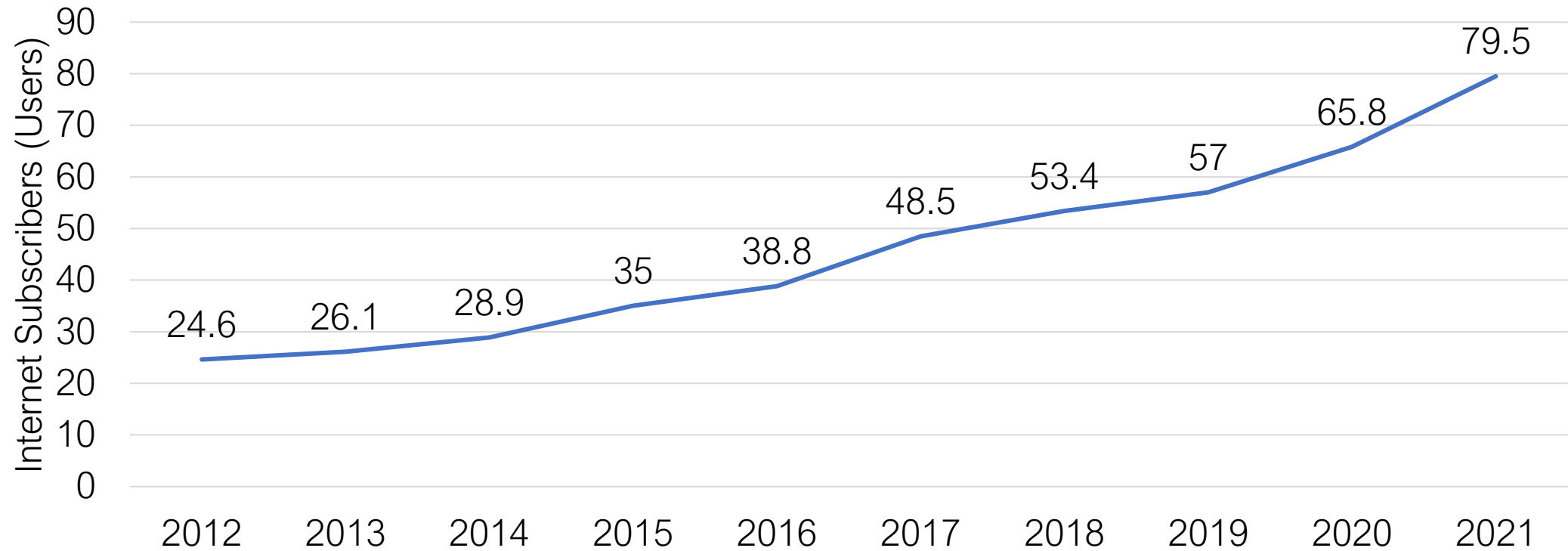
Digital Trade in ASEAN: Opportunities

DX reduces the costs of sharing information and leading to unprecedented changes in *what* and *how* we trade.

Digital Trade is a USD 10 trillion market by 2030 and ASEAN is expected to grow to USD 1 trillion by 2030 to the market.

- The pandemic accelerated DX including in trade. In 2020, around 24% of firms received orders online and over 40% of firms placed orders online.
- ASEAN has a huge opportunity in its digital trade market with the growing access to internet in the region along the time. COVID-19 pandemic also induced users to adopt online services and increase the number of digital consumers – 20 million new digital consumers were added in the first half of 2021.

Access to Internet Services in ASEAN, 2012-2021



Source: ASEAN Secretariat [accessed 2 March 2023]

Digital Readiness towards ASEAN Digital

- **Digital Connectivity:** ASEAN has shown its improvement in digital infrastructure which serves as a critical building block in the region. To fully realize ASEAN's potential, digital infrastructure needs to go beyond physical, institutional, and people-to-people connections.
- **Value Added:** Digital technology can revolutionize industries. Coming after the COVID-19 pandemic, ASEAN could enhance its focus on digital solutions on health and energy sectors by integrating the healthcare and energy sectors with digital technology to enhance the value added of the regional economy.

Digital Readiness towards ASEAN Digital

- **Governance:** ASEAN has increasingly shown seriousness in developing best practices on data governance. However, it is important for ASEAN to enhance the digital economy and data governance regulation to ensure cybersecurity and compliance with competition laws.
- **Digital Inclusivity:** ASEAN has Go Digital ASEAN Initiative, launched in June 2020, aims to help small businesses and job seekers through skills training to enhance their digital skills. Through the initiative, 95% of MSMEs and 94% of job seekers are reported to have increased knowledge on ICT tools in 2021.

References

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- Ing, Lili Yan, and Ivana Markus (2023). 'ASEAN Digital Community 2040', ERIA Policy Brief.
- Robots and AI: A New Economic Era (eds. Lili Yan Ing and Gene Grossman). New York: Routledge.

ASEAN Existing Digital Frameworks and Workplans

ASEAN Digital Master Plan 2025, ASEAN Digital Integration Framework, Work Plan on the Implementation of ASEAN Agreement on Electronic E-commerce, ASEAN Digital Data Governance Framework, ASEAN Comprehensive Recovery Framework, The Bandar Seri Begawan Roadmap, Boracay Digital Declaration