



Experience sharing in developing public policies that support SMEs in digital economy in Southeast Asia

**Based on Economic Outlook for
Southeast Asia, China and India 2018**

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Growth in the region is holding up well

Real GDP growth of ASEAN, China and India Annual percentage change

	2016	2017	2018 YTD	As of
ASEAN-5 countries				
Indonesia	5.0	5.1	5.2	1H '18
Malaysia	4.2	5.9	4.9	1H '18
Philippines	6.9	6.7	6.3	1H '18
Thailand	3.3	3.9	4.8	1H '18
Viet Nam	6.2	6.8	7.0	1Q-3Q '18
Brunei Darussalam and Singapore				
Brunei Darussalam	-2.5	1.3	2.5	1Q '18
Singapore	2.4	3.6	3.8	1Q-3Q '18
CLM countries				
Cambodia	6.9	7.0		
Lao PDR	7.0	6.9		
Myanmar	5.9	6.8		
China and India				
China	6.7	6.9	6.7	1Q-3Q '18
India	7.1	6.7	8.2	1Q '18
Average of ASEAN-10	4.8	5.3		
Average of Emerging Asia	6.4	6.5		

Note: Data are as of 23 October 2018. ASEAN and Emerging Asia are weighted average of the individual economies. Data of India and Myanmar follow fiscal years. Data of Myanmar in 2017 is a preliminary estimate.

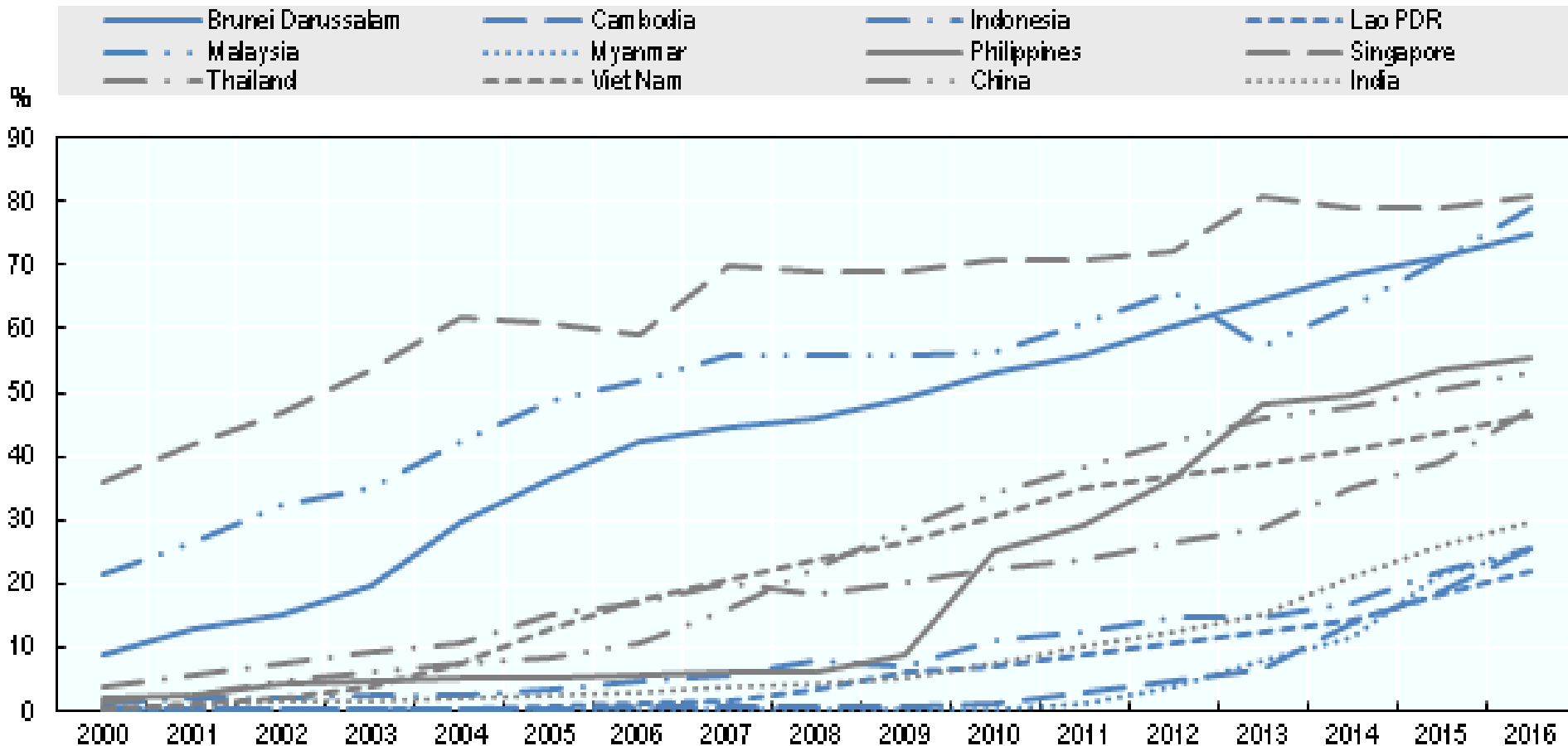
Source: OECD Development Centre based on CEIC and national sources.



Message 1: ICT and Internet use have grown rapidly

Internet users in Emerging Asian countries, 2000-16

Percent of population

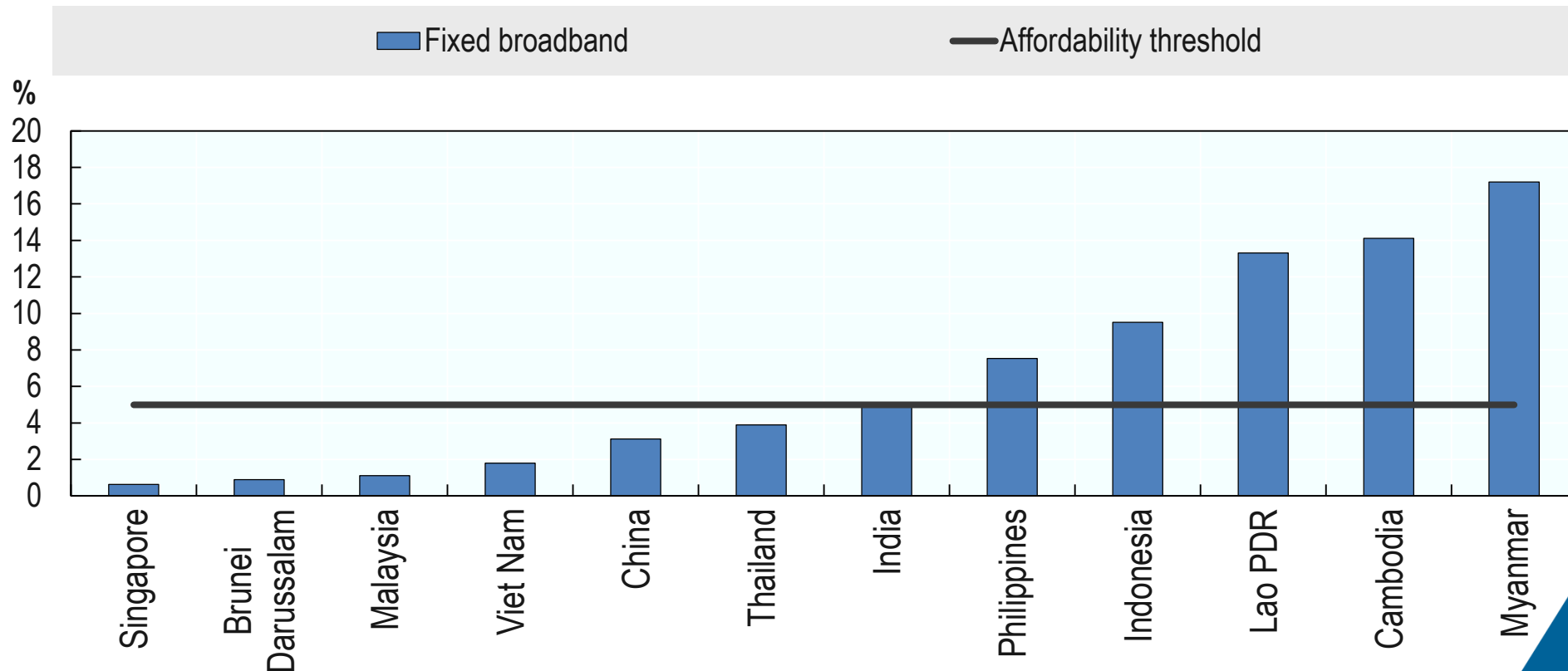


Note: Data on Internet use in Myanmar is not available for the year 2000.
Source: World Bank (2017), *World Development Indicators*, World Bank, Washington, D.C.



Message 2: ICT infrastructure development and accessibility vary across the region...

Fixed broadband Internet prices in Emerging Asia, 2015
Percentage of gross national income per capita



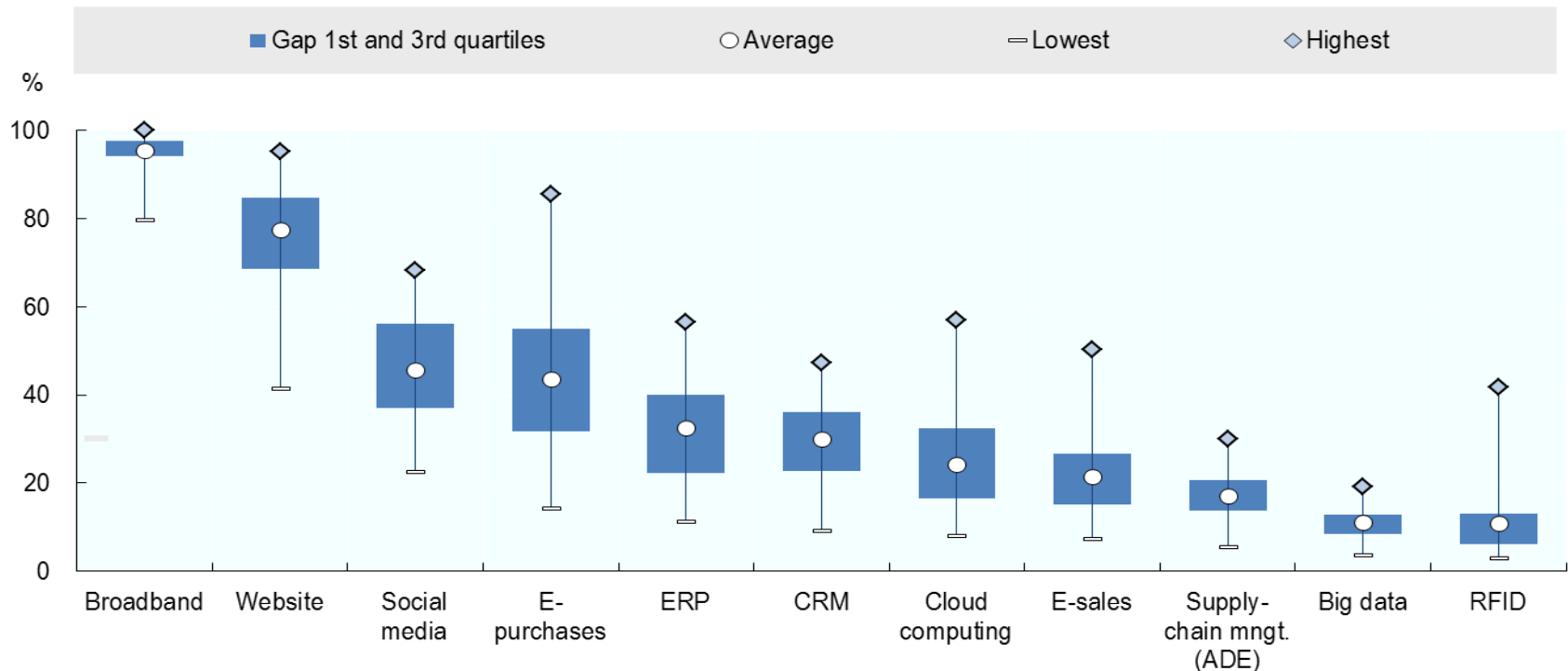


Message 2: As does the use of ICT tools among firms

Firms need to make more effective use of ICT tools...

Diffusion of selected ICT tools and activities in enterprises, 2016

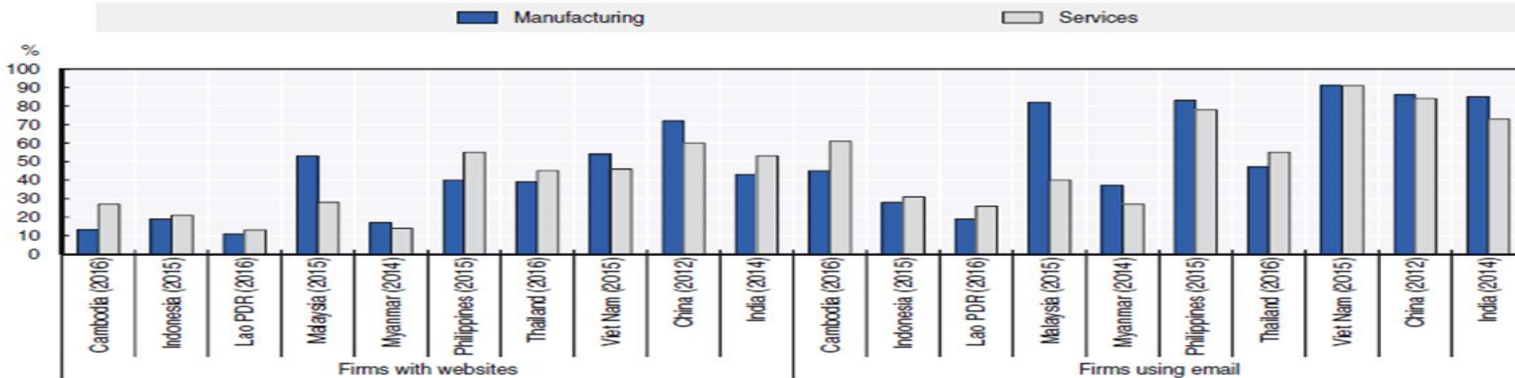
As a percentage of enterprises with ten or more employees



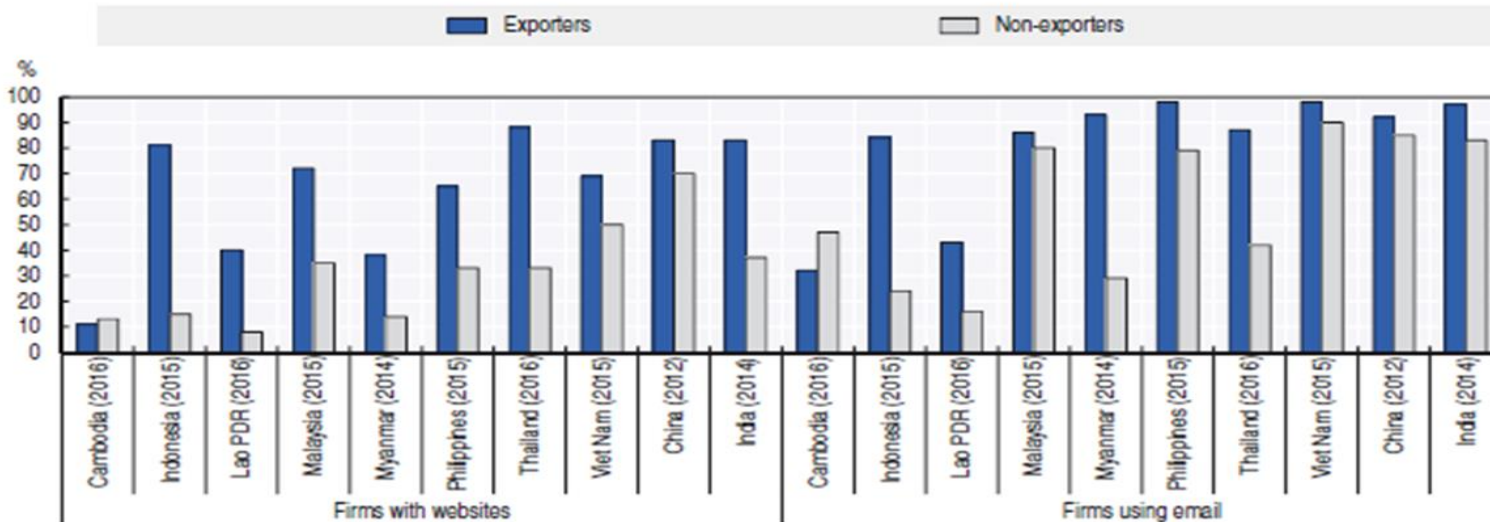


Message 3: Information technologies change how firms operate...

Shares of firms with websites or using email to communicate with clients or suppliers, by sector



Shares of firms with websites or using email to communicate with clients or suppliers, by exporting activity

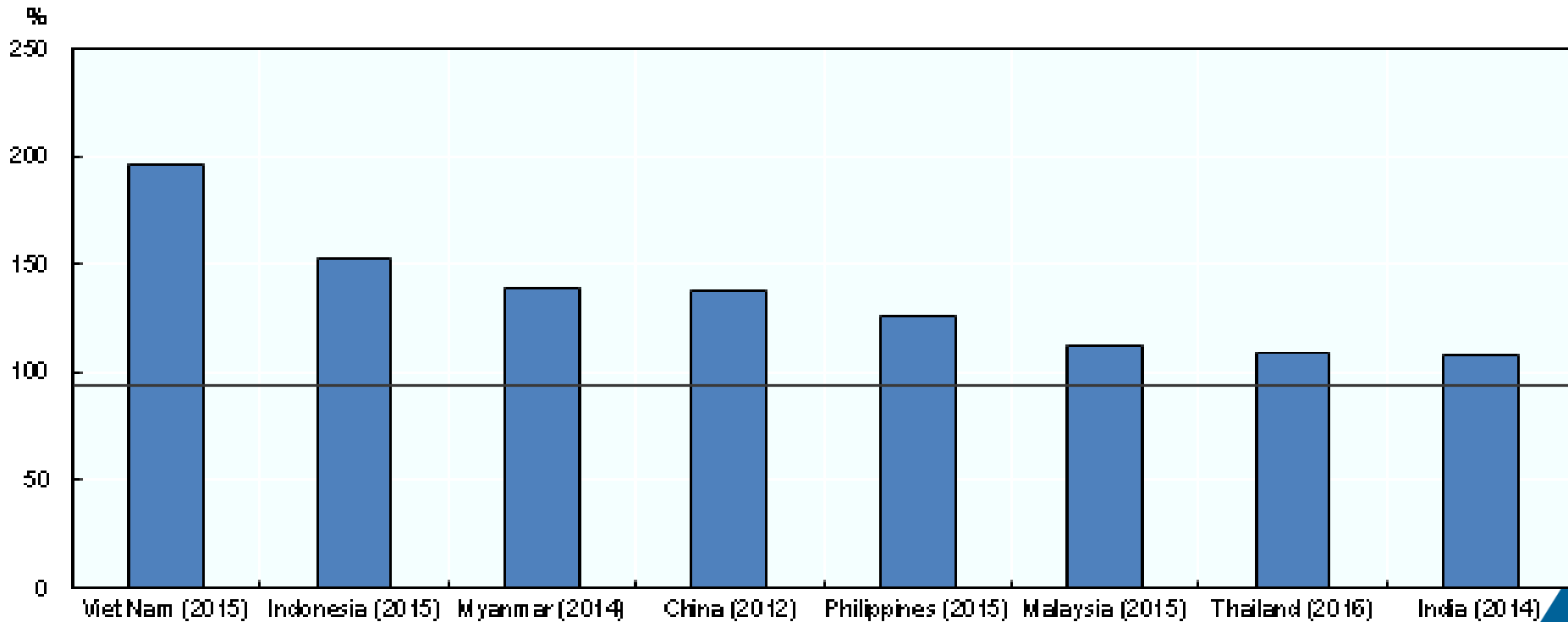


Source: World Bank (2017), Enterprise Surveys.



Message 3: And affect aggregate and firm productivity

Average TFP in manufacturing firms with ICT use as a percent of average TFP in firms without ICT use
Percent



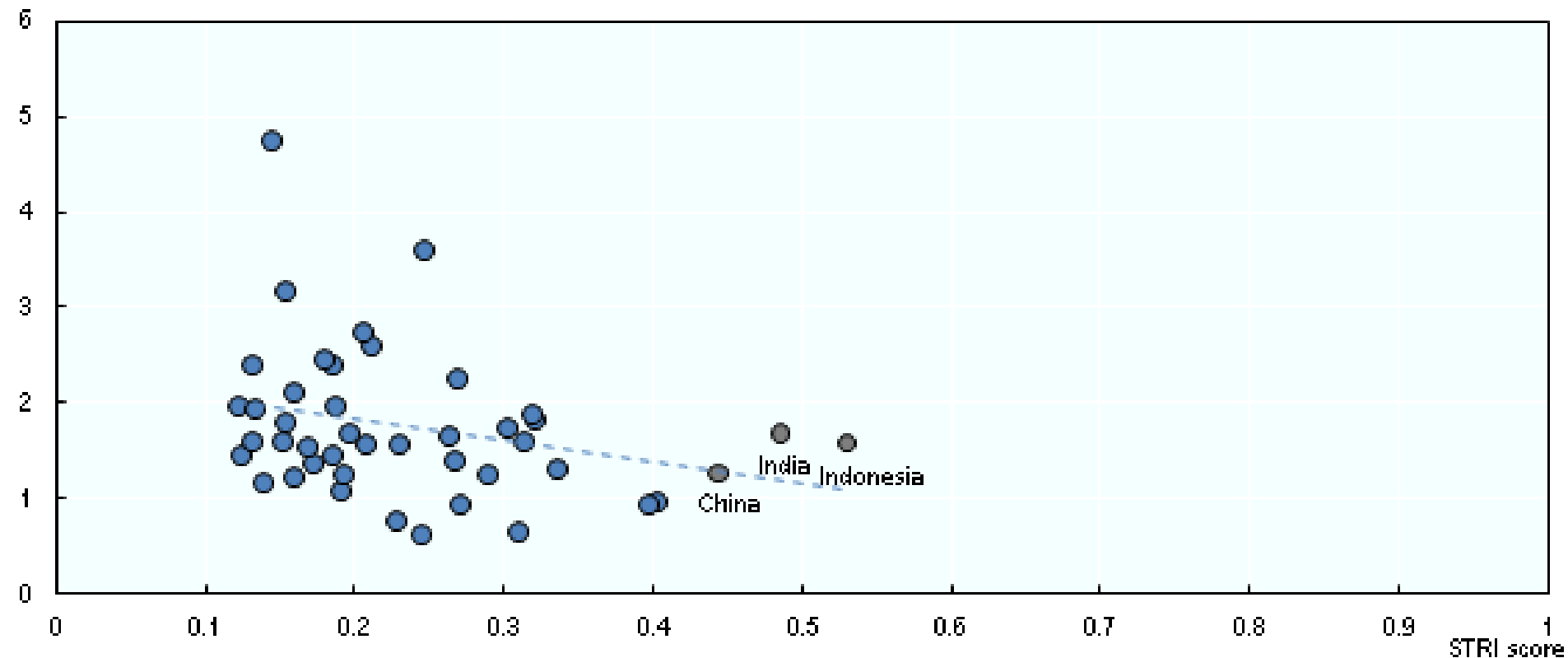
Note: Average TFP in firms with websites and/or using email is presented as a percentage of the average TFP of firms using neither technology, so 100% represents no difference in the average productivity of these two groups. Cambodia and Lao PDR were excluded from this analysis because they contained too few (fewer than 100) observations with sufficient data.

Source: OECD Development Centre's calculations, using World Bank (2017), *Enterprise Surveys*, World Bank, Washington, D.C.

Message 4: Trade and investment reforms may be needed to boost digitalisation

Policy restrictiveness in telecommunications and the proportion of telecommunications services embodied in gross exports, 2016

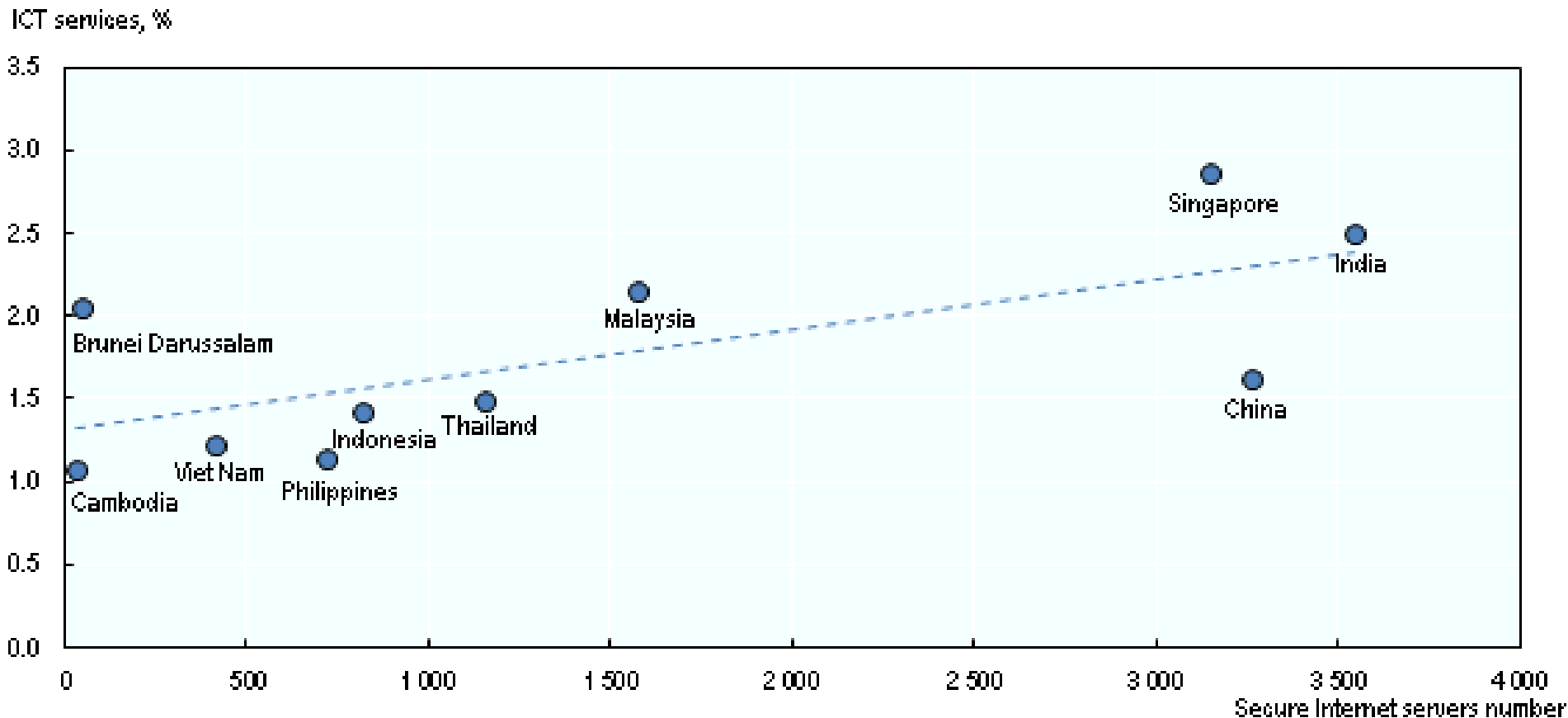
Embodied telecommunications services, %





Message 4: Trade and investment reforms may be needed to boost digitalisation

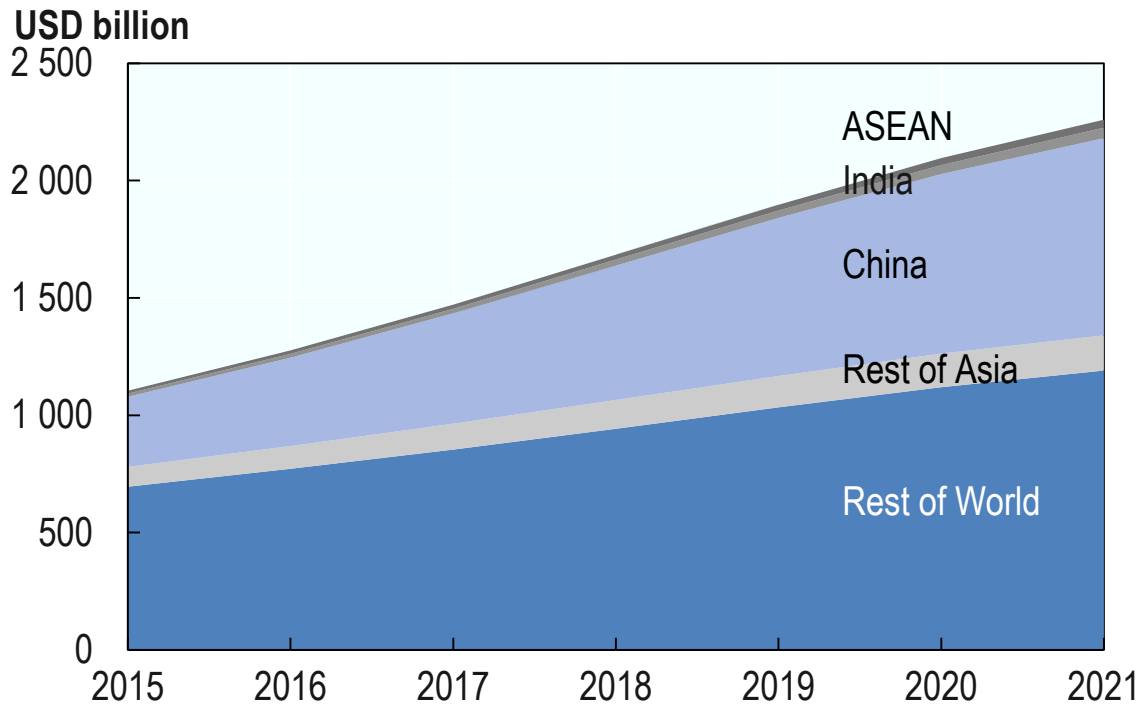
Number of secure Internet servers in Emerging Asia and the percentage of ICT services in the value-added component of gross manufacturing exports, 2011





Message 5: With digitalisation, e-commerce in Asia is seen to grow briskly...

E-commerce market revenue 2015-21



- In 2015, Emerging Asia accounted for an estimated USD 320 billion in e-commerce revenue (29% of the global total)
- By 2021, it is estimated that the region will account for USD 900 billion in e-commerce revenue (41% of the global total)

Source: OECD Development Centre's calculations based on data from Statista.



Message 5: But, forward-looking policies are needed to maximise its potential

Broad policy clusters:

- Human capital and skill development
- Connectivity, including ICT and transport infrastructure and logistics
- Payments and settlements system
- Digital security and consumer protection
- Regional and international co-operation



THANK YOU FOR
YOUR ATTENTION