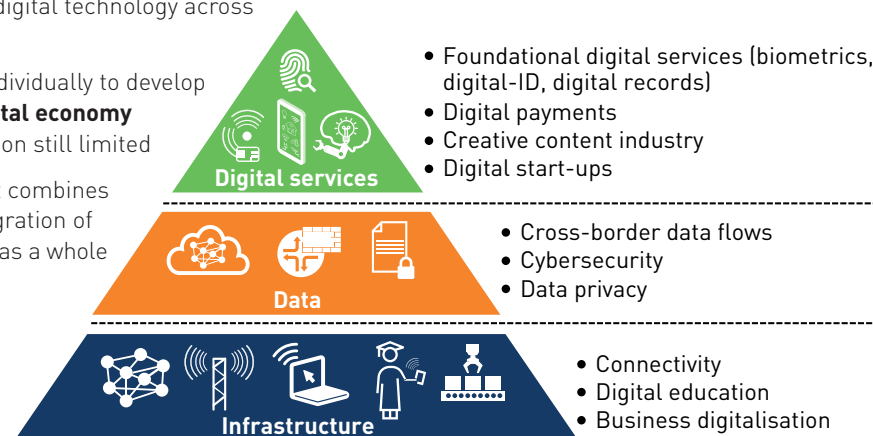


- ASEAN can play a world-leading role in the ongoing 'Fourth Industrial Revolution' (4th IR), building on the digital revolution which resulted in growing access to and use of the Internet and digital technology across consumers, businesses and governments
- Many steps already taken by member states individually to develop effective policies at the **three layers of the digital economy** towards the 4th IR, but cross-border coordination still limited
- Policy measures across these three layers that combines sharing best practices, and furthering the integration of their digital markets can greatly benefit ASEAN as a whole

Three layers of the digital economy



Incremental benefit to
ASEAN GDP in 2030



~USD165bn

Estimated growth in ASEAN
employment in 2030



2-4%

Ten digital policy building blocks for the 2020s

Infrastructure	Connectivity		1. Continue to support measures to improve coverage, capacity, speed and quality of service of Internet connectivity in ASEAN
	Digital education		2. Support digital education in schools and the workforce
	Business digitalisation		3. Promote MSME and industrial digitalisation through adoption of 4th IR solutions
Data	Cross-border data flows		4. Reduce or remove data localisation measures to facilitate cross-border data flows within ASEAN, and with key trading partners
	Cyber security		5. Harmonise cyber-security regulations across ASEAN and put in place the necessary structures for strategic and operational co-operation on law enforcement
	Data privacy		6. Update regional privacy framework to APEC CBPR or similar standards
Digital services	Foundational digital services		7. Develop enabling foundational services and simplify policies for digital financial services
	Digital payments		8. Facilitate interoperability of digital payments systems in internal markets and across ASEAN
	Creative content industry		9. Simplify regulations to increase competitiveness of regional creative content industry in a global context
	Digital start-up		10. Support digital start-up ecosystem in internal markets and across the ASEAN region

Country-level action points

Country cluster	Short-term (1-3 years)	Medium-term (4-6 years)
Cluster 1: Growing nascent economy 	<ul style="list-style-type: none"> • Ensure basic ICT services are available and affordable for all citizens and businesses • Improve access and quality of primary and secondary education 	<ul style="list-style-type: none"> • Develop framework on cyber security & data privacy aligned with international standards • Enhance financial inclusion by providing foundational digital services to all citizens
Cluster 2: Joining middle -income countries 	<ul style="list-style-type: none"> • Connect rural communities and strengthen education system with emphasis on STEM • Align cybersecurity and data privacy frameworks to international norms 	<ul style="list-style-type: none"> • Develop conducive business ecosystem for digital services to flourish • Support innovation and digital start-up ecosystem
Cluster 3: Breaking out of middle-income trap 	<ul style="list-style-type: none"> • Improve STEM outcomes and provide stronger incentives for private-sector led skills training • Encourage greater adoption of digital technologies amongst individuals and MSMEs 	<ul style="list-style-type: none"> • Strengthen innovation and digital entrepreneurship ecosystem • Ensure regulations, policies and sufficient incentives are in place for 4th IR investments
Cluster 4: Maintaining leadership position 	<ul style="list-style-type: none"> • Help MSMEs digitise and connect to ASEAN marketplace • Enable seamless use of digital services through digital-ID 	<ul style="list-style-type: none"> • Help enterprises adopt advanced 4th IR solutions to improve productivity • Grow creative content industry to become net exporters of content