

**CLMVT FORUM 2024**  
CLMVT'S CATALYST  
FOR DIGITAL GROWTH



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## CLMVT'S CATALYST FOR DIGITAL GROWTH







## Background

Trade Policy and Strategy Office (TPSO) under the Ministry of Commerce of Thailand has organized the CLMVT Forum since 2016 to serve as a platform for the exchange of knowledge and information in the domain of economics and trade. It also acts as an avenue for the continued development and expansion of business ventures, as well as fostering networking opportunities amongst various sectors within the CLMVT countries (comprising Cambodia, Lao PDR, Myanmar, Vietnam, and Thailand).

Digital technology has played a significant role in driving the economy, particularly in terms of trade and services, as well as in transforming organizations to become more digitally oriented.

The CLMVT countries, as part of global trade, must collaborate to discuss strategies for advancing their digital economies to ensure equity and drive economic growth through innovation. This involves enhancing the competitiveness and transforming future industries and services to create high value added, ultimately leading to economic growth and sustainable development.

## Objectives



To present the findings from a literature review, in-depth interviews, and field data collection in the model country, namely Singapore.



To gather additional data through academic seminars to build networks and develop policy recommendations for thriving national development through a digital economy.



To establish networks among government, private sector, academia, and civil society stakeholders involved in digital economy.

## Targets



Public Sector



Private Sector



Academic Sector



Relevant Stakeholders

## Research Methodologies



Literature Review



Case studies from the success countries



Data collection from related stakeholders

## Policy Recommendations



Policy recommendations for the government in developing the digital economy of the CLMVT countries



Guidelines for the CLMVT private sector in adapting and enhancing competitiveness in the digital economy



# Key Global Digital Economy Agreements



## Digital Economy Partnership Agreement: DEPA

The DEPA agreement between Singapore, New Zealand, and Chile is a comprehensive agreement with broad coverage, addressing various aspects of the digital economy and digital trade across 16 modules. These include topics such as business and trade facilitation, the treatment of digital goods, and related rights.



## Singapore-Australia Digital Economy Agreement: SADEA

The Singapore-Australia Digital Economy Agreement (SADEA) is Singapore's second digital economy agreement, developed from the Digital Trade Agreement (DTA) between Singapore and Australia under the Free Trade Agreement (FTA).



## Korea-Singapore Digital Partnership Agreement: KSDPA

The KSDPA reflects the commitment of Singapore and South Korea to integrate the digital ecosystems of both countries in order to unlock new growth opportunities for businesses. The KSDPA enables both nations to collaborate in creating a seamless digital trade environment and facilitates greater cooperation in the digital economy between businesses from both sides.



## Singapore-United Kingdom Digital Economy Agreement: UKSDEA

The UKSDEA provisions address key aspects of the digital economy, such as data and other emerging fields on various innovations, such as Artificial Intelligence (AI), Fintech and Regtech, digital identities, and legal technology.



## ASEAN Digital Economy Framework Agreement : DEFA

The DEFA framework aims to accelerate ASEAN's transformation into a leading digital economy that promotes greater digitalization and paves the way for regional digital integration, inclusive growth, and development. It also emphasizes the importance of utilizing digital technology in business operations and driving the modern economy, as well as the need to improve regulations to support the digital economy.





# Summary from Literature Review and In-depth Interview

## Literature Review



CLMVT plays a significant role in the global supply chain and is affected by volatility in the economies of key trading partners.



Big data in CLMVT has the potential to create substantial value; however, it simultaneously presents challenges related to transparency, security, privacy, and legal enforcement.



SMEs, as drivers of the digital economy in CLMVT, still lack continuous support in both technical support and funding.

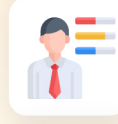
## In-depth Interview



CLMVT still has gaps in the development of data integration and operational process.



Legal changes targeting emerging technologies become challenges for CLMVT to adapt to regulatory frameworks.



Human resources are generally sufficient; however, there is a lack of highly skilled individuals, particularly in the digital sector.



The digital economy sector in CLMVT primarily relies on major foreign technology providers.



Trust and cybersecurity among the CLMVT group still require improvement.

## Key Findings

CLMVT has a large labor supply in the region; however, it still lacks digital talents, along with strategies to attract such individuals to the countries.

The CLMVT region must expedite the transition from analog data to digital formats (Digitization) and adopt technology to transform business models through digitalization.

All sectors in CLMVT are aware of the laws and regulations related to digital matters; however, they still face challenges in effectively enforcing these laws and in understanding the legal issues in detail.

Government agencies have plans to develop the digital economy, but they must first enhance their digital capabilities, particularly through digital integration among agencies.







# A Case Study from Model Country

## Singapore's Digital Economy

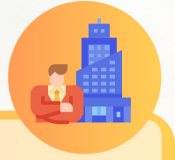
In 2022, the digital economy in Singapore generated a nominal value added (VA) of 106 billion Dollar Singapore, representing 17.3% of the country's nominal GDP, an increase from 13% in 2017. Since 2017, the sector has experienced a compound annual growth rate (CAGR) of approximately 12.9% per year. The Information and Communication (I&C) sector contributed about one-third of this digital economy value, while the remaining two-thirds came from the impact of digitalization across other sectors of the economy.

### Public Sector



The government prioritizes policy planning and the promotion of various digital developments within the country, with the Smart Nation 1.0 policy framework serving as the main plan. This framework focuses on three key areas: digital government, digital economy, and digital society. It also includes the enforcement of laws essential for the advancement of the digital society and economy.

### Private Sector



The private sector has swiftly adapted by restructuring organizations and policies to be ready for digital transformation. Additionally, the private sector collaborates with the government by participating in projects and continuously enhancing digital skills among personnel within organizations.

### People



The population has rapidly adapted to the digital society, both in daily life, where digital tools are increasingly utilized, and in education, with a growing number of students and learners showing interest in technology. This shift is part of the broader development of advanced technological skills among the younger generation in the country.

## Factors that contribute to Singapore's leadership in the digital economy within the ASEAN region



### Infrastructure

Singapore has developed digital infrastructure to support the population, with approximately 90% of its citizens having access to the internet.



### Data Protection

Singapore enforces data protection laws rigorously and has clearly designated agencies responsible for overseeing these regulations.



### Public - Private Partnership

The government and private sector in Singapore collaborate on various projects to develop human resources and enhance the overall digital capabilities of the country.

# Factors, Opportunities, and Challenges in Driving the Digital Economy



## Strengths

### Technological Adaptability

Adaptability of its younger population has played a crucial role in cultivating a culture of digital entrepreneurship and innovation, particularly in e-commerce and fintech sectors.

### Policy Agility and Resilience

The relatively smaller economic scale of CLMVT countries, allowing for more targeted and efficient approaches to digital governance. This facilitates quicker adaptation to global technological changes and challenges.



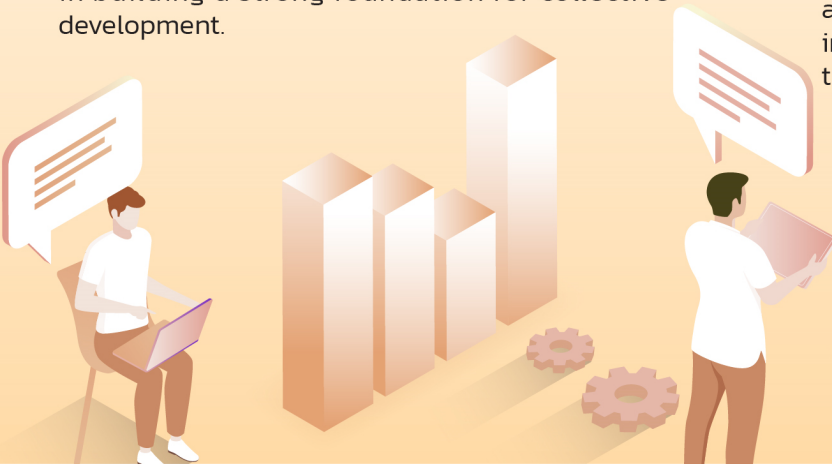
## Opportunities

### Investment

The CLMVT countries in Southeast Asia are becoming increasingly attractive to global investors due to their potential for technological advancement and a significant youthful population, which serve as key drivers of economic growth in the region.

### Cooperation

Cooperation among the CLMVT countries themselves and with other countries is considered a key factor in building a strong foundation for collective development.



## Weaknesses

### Legal Development Gap

Prolonged timelines for implementation and approval have resulted in a disconnect between legal advancement and social conditions driven by digital technology progress.

### Lack of cooperation among government agencies

Limited collaboration between agencies has resulted in fragmented efforts by individual units.

### Budget constraints

Sufficient funding is essential for building the necessary infrastructure to support digital economic growth



## Challenges

### The World Digital Trends Creating A Development Gap

The rapid changes within the global digital economy present a significant challenge for the CLMVT countries, as these nations are adapting and developing at a pace slower than the global trend.

### The Powerful Nations Influenced All

The rapid evolution of digital technologies has created a significant advantage for more technologically advanced nations. These countries often attract investment and capital flows that can further widen the digital divide.







# Policy Recommendations



## Policy recommendations for public sector in developing the digital economy of the CLMVT countries

### 1. Utilizing Collaboration

The government should promote cooperation and agreements at the regional level, as well as between the public and private sectors, to create an ecosystem conducive to the development and growth of the digital economy in the country.

### 2. Enhancing the Digital Capabilities of Public and Private Agencies

Related public agencies should promote various initiatives that serve as catalysts for developing advanced digital skills and capabilities among the private sector and the general public, in order to enhance the country's competitiveness.

### 3. Building a Cross-Cutting Digital Ecosystem

An appropriate ecosystem for development will be a key factor in driving the country towards enhancing its competitive in global market. Therefore, the government should play a crucial role in creating and preparing this ecosystem.

### 4. Ensuring Trust and Cybersecurity

Related public agencies must enact and enforce laws related to cybersecurity protection and safety to build public trust.

## Guidelines for the CLMVT private sector in adapting and enhancing competitiveness in the digital economy



### 1. Utilizing Collaboration

The private sector should play a role in fostering collaboration among private entities, as well as partnering with the government, in the development of the digital economy both domestically and internationally.

### 2. Enhancing the Digital Capabilities of Public and Private Agencies

The private sector should promote and advance the development of digital skills among organizational personnel, from basic to advanced levels, in order to enhance the capabilities of both individuals and organizations within the digital society.

### 3. Building a Cross-Cutting Digital Ecosystem

The private sector should actively drive and advocate for the creation of digital ecosystems and infrastructure to facilitate its own growth.

### 4. Ensuring Trust and Cybersecurity

The private sector should promote and establish policy frameworks related to cybersecurity and safety within and between organizations to build trust among personnel and stakeholders.

