

Asia-Ready Webinar Series

COVID-19 and Digitisation

The Asia-Ready Webinar Series is co-curated with various partners to allow youth to gain a better appreciation of the regional developments and a greater awareness of Singapore's interconnectivity with the regional markets.

Tue, 10 Nov 2020

4:00 PM - 5:00 PM

Online Event



About the Webinar

Speaker

Mr Ho Suu Wei – Southeast Asia Government Relations Director for PayPal

Synopsis

Even before the pandemic, ASEAN has embraced the fourth industrial revolution (4IR). Digitalisation has been envisioned as a means of deepening integration and connectivity between member states, with the region hoping to brand itself as a competitive “Single Market”. Member states have also stepped up partnerships to improve the region's overall digital infrastructure and upskill its workforce. With lockdowns and social distancing regulations in 2020, digitalisation has been further accelerated by introducing new ways of

working and living that rely on digital solutions. Across the globe, with many working remotely, e-commerce and fintech have experienced a boom.

Moving forward, what are the emerging business models arising from increased digitalisation? What skills are essential and relevant to be adaptable in a rapidly advancing digital economy?

This webinar was brought to you by the National Youth Council (NYC) and the Singapore Institute of International Affairs (SIIA).

What We've Learnt

Effects of COVID-19 on Digitalisation

Digitalisation trends: The work-from-home trend, which had arisen due to the COVID-19 lockdown, is here to stay. COVID-19 has triggered an accelerated shift from the physical world to the digital world. Although payment companies such as PayPal had already been slowly replacing cash as a medium of payment, with COVID-19, digital payments evolved from a “nice-to-have” to a necessary form of payment – it was recognised that cash was not the safest or most hygienic medium.

Gaming: As seen in the poll conducted during the webinar, most participants (mostly Singaporean youths) thought gaming was an exciting prospect for digitalisation. This trend has also been observed by PayPal, as payments for gaming purposes had picked up over the COVID-19 lockdown.

Adapting to Digitalisation

E-commerce: In another poll conducted during the webinar, participants were split evenly between shopping online and in brick-and-mortar stores. Previously, traditional businesses relied on location as a key differentiating factor. Now, there is a need to embrace e-commerce and digital strategies. This poses tremendous opportunities for businesses as there is no need to pay for a physical shop front. Additionally, if one is familiar with online marketing, the world is their oyster.

Opportunities in ASEAN: ASEAN is well-placed to take advantage of digitalisation trend due to its demographics, increasing consumption, strong trade relationships and increased infrastructure spending. Nevertheless, there is a need to improve legal and regulatory frameworks, which may impede the adoption of e-commerce and digital payments. For example, data localisation regimes make cross-border transactions and payments difficult. Even then, most regulators in the region are forward-looking and welcome digital technology, such as fintech.

Cybersecurity: Speed and safety is key. Consumers are naturally worried about cyber breaches and data privacy. However, this should not deter consumers from online purchases, as long as they are alert, stay safe and transact through trusted sites. Companies

are engaging in strategies such as risk consulting and data analytics to ensure the safety and speed of their transaction.

Future-ready youths: Youths should not be concerned about technology replacing jobs as technology can never replace humans. Technology can also generate new jobs – for example, in the field of entrepreneurship or coding. As we embrace digital technology, our understanding of opportunities will change. Besides tech upskilling, youths should build up their global and regional experience and take advantage of internships and various opportunities in ASEAN. Moreover, youths should be adaptable – the environment is constantly changing, and youths must be prepared to upskill and reskill again and again. Communication skills are also critical.

The impact of digitalisation and the Fourth Industrial Revolution on ASEAN integration

The digital gap: While a digital gap exists in the region, it is narrowing – ASEAN is ready to embrace the 4th Industrial Revolution. ASEAN populations are some of the most digitally engaged, spending more time online than their global counterparts. The access to smartphones has dramatically contributed to this. Nevertheless, ASEAN-wide collaboration is needed to reduce the gaps in infrastructure for bandwidth and speed. The private sector should work with governments and share their insights regarding data protection and security.

ASEAN Master Plan on Connectivity 2025 (MPAC): The MPAC will help integrate the region, implementing institutional, physical and people-to-people links. It will also help to develop the logistics sector and improve labour mobility. As part of MPAC, digital innovation and regulation pillars are key, especially for small-and-medium enterprises (SMEs) to digitalise, understand regulations and reach the rest of the region. The integration of ASEAN will facilitate e-commerce flows and ensure secure payments.

5G: 5G is a new technology standard for broadband networks, facilitating greater bandwidth, higher speeds and greater communication across a wider network of devices. This increases efficiency such as faster deployment of emergency services, automated delivery by drones and more seamless and faster online shopping.

Questions Answered

By Mr Ho Suu Wei

What sectors and industries should I join post-COVID-19? Is the technology industry still growing? Is it crazy to start an online business now?

The tech industry is definitely still growing. COVID-19 has created a new norm that is unlikely to go away even with a vaccine. People have adapted to new ways of living, such as working from home. The effects of COVID are long-lasting and far-reaching. In terms of industries and sectors – some are not doing well, while others are. The technology sector is

definitely doing well, as well as e-commerce and gaming. With regard to starting an online business, it is not crazy. Many have launched new businesses both online and brick-and-mortar stores. There is never a “right” climate or “right” timing, it will be tough, but you can try.

What is the general state of engineering in ASEAN? Is it a relevant skill?

One of the key benefits of graduating from engineering is having a good sense of numbers and being able to rationalise and analyse the situation with good logic and understanding – important skill sets in the digital economy. Engineers will continue to do well but there is a need to pick up skill beyond those learnt in school, such as coding, or even just keeping up to date with technological developments. In the ASEAN region, there is a need for good engineers. Infrastructure needs are growing and engineers can continue to find opportunities in ASEAN.

Given the boom in online businesses, does this entail a boom in the logistics business?

The logistics business industry is stable in the sense that the flow of goods is an important activity for all of us. Trade will not stop because of COVID-19. Singapore will continue to import and people will continue to buy things. The industry will have to adapt and make changes with COVID-19. For example, logistics involved in online services such as food delivery and online shopping has increased.

If I am not interested in the backend of technology, does this mean that I am irrelevant? How can I familiarise myself with careers in ASEAN?

Not everyone needs to learn how to code. In the digital economy, it is important to remain somewhat savvy towards technological changes. The ability to communicate and be adaptable are very important. Even if you do not know how to code, you should know the lingo and be able to understand and speak about the trends and future economy. Having curiosity about the region and interests towards the region is a good start – having awareness of new events and history or various ASEAN countries, their language and culture.

Will cryptocurrency be the future of money transactions?

Cryptocurrency is a work in progress. The biggest issue is that its value continues to be somewhat volatile. From an e-commerce perspective, merchants may not be keen to accept this, as the value of what they are receiving may fall any time. Central banks need to be involved to address this volatility – some are even developing their own digital currency.

Does culture affect the acceptance of digitalisation?

Culture does not really impact the acceptance of digitalisation, at least amongst ASEAN youths today. Youths are very open to technology and the availability of smartphones change mindsets. They are more comfortable going online than most people.